

THE PALMS COUNTRY CLUB, INC.

CERTIFICATION

I, **LINDEZA R. ROGERO-GAVINO**, the Corporate Secretary of **THE PALMS COUNTRY CLUB, INC.**, (the "Company") a Corporation duly registered under and by virtue of the laws of the Republic of the Philippines, with SEC Registration No. A2000005129 with principal office address at 1410 Laguna Heights Drive, Filinvest City, Alabang, Muntinlupa City, on oath state that:

1. I have caused this Definitive Information Statement to be prepared on behalf of **THE PALMS COUNTRY CLUB, INC.**;

2. I have read and understood its contents which are true and correct based on my own personal knowledge and/or authentic records;

3. The Company will comply with the requirements set forth in SEC Notice dated 12 May 2021 to effect a complete and official submission of reports and/or documents through electronic mail;

4. I am fully aware that submitted documents which require pre-evaluation and/or payment of processing fee shall be considered complete and officially received only upon payment of the filing fee; and

5. The e-mail account designated by the Company pursuant to SEC Memorandum Circular No. 28, S. 2020 shall be used by the Company in its online submissions to Corporate Governance and Finance Department.

SEP 10 2025

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of _____ in _____, Metro Manila.

LINDEZA R. ROGERO-GAVINO
Corporate Secretary

SEP 10 2025

SUBSCRIBED AND SWORN to before me this _____ in **MANDALUYONG CITY**, Metro Manila, affiant exhibiting to me her Passport ID No. P2326165C, as competent evidence of her identity, bearing her photograph and signature, issued by the Department of Foreign Affairs-Manila and valid until 09 November 2032.

Doc. No. 349 ;
Page No. 71 ;
Book No. 31 ;
Series of 2025.

JOVEN G. SEVILLANO
NOTARY PUBLIC FOR CITY OF MANDALUYONG
COMMISSION NO. 0285-25 VALID UNTIL DECEMBER 31, 2026
ROLL NO. 53970 (S73)
IBP LIFETIME NO. 011302; 12-28-12; RIZAL
PTR NO. 5708102; 1-2-25; MANDALUYONG
MCLE EXEMPTION NO. VIII-ACAD004023 14 APRIL 2028
UG 03 CITYLAND SHAW TOWER
SHAW BOULEVARD, MANDALUYONG CITY

COVER SHEET

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S.E.C. Registration Number

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(Company's Full Name)

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A	L	A	B	A	N	G	,		M	U	N	T	I	N	L	U	P	A		C	I	T	Y							

(Business Address; No. Street City / Town / Province)

c/o Atty. Lindeza R. Rogero-Gavino

Contact Person

7918-8188 / 8771-7171

Company Telephone Number

Definitive Information Statement

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Month

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Day

Fiscal Year

	D	I	S	
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FORM TYPE

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Month

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Day

Annual Meeting

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Secondary License Type; If Applicable

C	F	D
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Dept. Requiring this Doc.

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Amended Articles Number / Section

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Total No. of Stockholders

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Domestic

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Foreign

To be accomplished by SEC Personnel concerned

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File Number

LCU

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Document I.D.

Cashier

STAMPS

Remarks = Pls. use black ink for scanning purposes



NOTICE OF ANNUAL MEETING OF THE SHAREHOLDERS

TO ALL SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual meeting of the shareholders of THE PALMS COUNTRY CLUB, INC. will be held on **08 October 2025, Wednesday, at 2:00 PM** at The Palms Country Club, 1410 Laguna Heights Drive, Filinvest City, Alabang, Muntinlupa City, to consider the following matters:

1. Call to Order
2. Proof of Notice of Meeting
3. Certification of Quorum
4. Approval of the Minutes of the Annual Shareholders' Meeting held on 7 October 2024
5. Presentation of the Management Report and Ratification of the Audited Financial Statements for the year ended 31 December 2024
6. Ratification of the Acts, Resolutions and Proceedings of the Board of Directors, Executive Committee, and Management up to 08 October 2025
7. Approval of the Amendment of Article Third of the Articles of Incorporation to Change the Principal Address from "Metro Manila" to "1410 Laguna Heights Drive, Filinvest City, Alabang, Muntinlupa City"
8. Election of the Members of the Board of Directors, including the Independent Directors to serve for the year 2025-2026
9. Appointment of External Auditor
10. Other Matters
11. Adjournment

Shareholders who will not, are unable to, or do not expect to attend the meeting in person may, at their option, designate their authorized representatives by means of Proxy. The Proxy instrument must be duly notarized and must be submitted to the Office of the Corporate Secretary located at The Palms Country Club, 1410 Laguna Heights Drive, Filinvest City, Alabang, Muntinlupa City on or before 30 September 2025.

A proxy submitted by a corporation should be accompanied by a Corporate Secretary's certificate quoting the board resolution designating a corporate officer to execute the proxy. In addition to the above requirement for corporations, a proxy form given by a broker or custodian bank in respect of shares of stock carried by such broker or custodian bank for the account of the beneficial owner must be accompanied by a certification under oath stating that the broker or custodian bank has obtained the written consent of the account holder.

PLEASE NOTE THAT THE CLUB IS NOT SOLICITING PROXIES.

The Corporation's Information Statement, SEC Form 17A and other relevant documents will be sent to the shareholders will be made available in the company website at <https://www.thepalmsclub.com/>.

Please be guided accordingly.


LINDEZA R. ROGERO-GAVINO
Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

[] Preliminary Information Statement
[x] Definitive Information Statement
2. Name of Registrant as specified in its charter: **The Palms Country Club, Inc.**
3. Province, country or other jurisdiction of incorporation or organization:
Philippines
4. SEC Identification Number: **A20000-5129**
5. BIR Tax Identification Code: **206-361-205-000**
6. Address of principal office:
1410 Laguna Heights Drive, Filinvest Corporate City, Alabang, Muntinlupa City
7. Registrant's telephone number, including area code: **(02) 8771-7171**
8. Date, time and place of the meeting of security holders:

Date & Time: **October 8, 2025 at 2:00 P.M.**
Venue: **The Palms Country Club, 1410 Laguna Heights Drive,
Filinvest City, Alabang, Muntinlupa City**
9. Approximate date on which the Information Statement is first to be sent or given to security holders:
September 17, 2025
10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding
Class "A" including Founders' Shares	1,907
Class "B"	250
Class "C"	150
Class "D"	2,293

11. Are any or all of registrant's securities listed in a Stock Exchange? **NO**
If yes, disclose the name of such Stock Exchange and the class of securities listed therein: **NA**

PART I

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

1. Date, Time and Place Of Meeting

The annual shareholders' meeting of **THE PALMS COUNTRY CLUB, INC.** (the "**Club**") is scheduled on **October 8, 2025, at 2:00 P.M.** to be held at the Club premises. The presiding officer shall call and prescribe the stockholders' meeting at the principal office of the corporation or, if not practicable, in the city or municipality where the principal office of the corporation is located. The principal office of the corporation under its Articles of Incorporation is Metro Manila.

The complete mailing address of the Club is 1410 Laguna Heights Drive, Filinvest Corporate City, Alabang, Muntinlupa City.

The information statement shall be sent or given to shareholders no later than September 17, 2025.

2. Dissenter's Right of Appraisal

A shareholder of the Club has the right to dissent and demand payment of the fair value of his shares in the following instances: (a) in case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any shareholder or class of shares, or of authorizing preferences in any respect superior to those outstanding shares of any shares or any class, or of extending or shortening the term of corporate existence; (b) in case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Revised Corporation Code of the Philippines ("Revised Corporation Code"); (c) in case of investment of corporate funds in any other corporation or business or for any purpose other than the Club's primary purpose; and (d) in case of merger or consolidation.

The shareholder concerned must have voted against the proposed corporate action in order to avail himself of the appraisal right. As provided in the Revised Corporation Code, the procedure in the exercise of the appraisal right is as follows:

- a. The dissenting shareholder files a written demand within thirty (30) days after the date on which the vote was taken. Failure to file the demand within the thirty-day period constitutes a waiver of the right. Within ten (10) days from demand, the dissenting shareholder shall submit the stock certificate/s to the Club for notation that such shares are dissenting shares. From the time of the demand until either the abandonment of the corporate action in question or the purchase of the shares by the Club, all rights accruing to the shares shall be suspended, except the shareholder's right to receive payment of the fair value thereof.
- b. If the corporate action is implemented, the Club shall pay the shareholder the fair value of his shares upon surrender of the corresponding certificate/s of stock. Fair value is determined by the value of the shares of the Club on the day prior to the date on which vote

is taken on the corporate action, excluding any appreciation or depreciation in value in anticipation of the vote on the corporate action.

- c. If the fair value is not determined within sixty (60) days from the date of the vote, it will be determined by three (3) disinterested persons (one chosen by the Club, another chosen by the shareholder, and the third one chosen jointly by the Club and the shareholder). The findings of the appraisers will be final, and their award will be paid by the Club within thirty (30) days following such award, provided the Club has sufficient unrestricted retained earnings. Upon such payment, the shareholder shall forthwith transfer his shares to the Club. No payment shall be made to the dissenting shareholder unless the Club has unrestricted retained earnings.
- d. If the shareholder is not paid within thirty (30) days from such award, his voting rights shall be immediately restored.

There is no matter to be taken up at the annual meeting on October 8, 2025, which entitles a dissenting shareholder to the exercise of the appraisal right.

3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

No director or executive officer of the Club or nominee for election as such director or officer has any substantial interest, direct or indirect, in any matter to be acted upon at the annual shareholders' meeting, other than election to office. Likewise, none of the directors has informed the Club of his opposition to any matter to be taken up at the meeting.

B. CONTROL AND COMPENSATION INFORMATION

4. Voting Securities and Principal Holders Thereof

- (a) The total number of shares outstanding is 4,600 common shares. Shareholders are entitled to cumulative voting in the election of the Board of Directors, as provided by the Revised Corporation Code. Each common share of stock is entitled to one vote.
- (b) The record date for purposes of determining the stockholders entitled to vote is September 8, 2025.
- (c) Consistent with the provisions of the Revised Corporation Code, a shareholder may vote such number of shares for as many persons as there are directors to be elected. He may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit: *Provided*, That the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the Club multiplied by the whole number of directors to be elected. The shareholder must be a shareholder of record as of September 8, 2025 to be able to exercise cumulative voting rights.
- (d) Security Ownership of Certain Beneficial Owners and Management

Security Ownership of Record and Beneficial Owners of more than five percent (5%) as of July 31, 2025 is as follows:

<i>Title of Class of Securities</i>	<i>Name/ Address of Record/Beneficial Owner/Relationship with Issuer</i>	<i>Amount and Nature of Record/Beneficial Ownership</i>	<i>Citizenship</i>	<i>% of Ownership</i>
<i>Common</i>	<i>Filinvest Alabang, Inc. (“FAI”)¹</i> (Majority shareholder of the Club) Vector One Building, Northgate Cyberzone, Filinvest City, Alabang, Muntinlupa City	2,557 (R)	Filipino	55.59%

Except as stated above, the Board and Management of the Club have no knowledge of any person who, as of date of this Information Statement, is directly or indirectly the beneficial owner of more than 5% of the Club’s outstanding shares of common stock or who has voting power or investment power with respect to shares comprising more than 5% of the Club’s outstanding common stock.

Security ownership of directors and executive officers as of July 31, 2025 is as follows:

<i>Title of Class of Securities</i>	<i>Name</i>	<i>Citizenship</i>	<i>Amount and Nature of Beneficial Ownership</i>	<i>% of Ownership</i>
Common	Catherine A. Ilagan c/o 1410 Laguna Heights Drive, Filinvest Corporate City, Alabang, Muntinlupa City	<i>Filipino</i>	<i>1 (R)</i>	-
Common	Francis Nathaniel C. Gotianun c/o 1410 Laguna Heights Drive, Filinvest Corporate City, Alabang, Muntinlupa City	<i>Filipino</i>	<i>1(R)</i>	-
Common	Andrew Gerard D. Gotianun III c/o 1410 Laguna Heights Drive, Filinvest Corporate City, Alabang, Muntinlupa City	<i>Filipino</i>	<i>1(R)</i>	-
Common	Ven Christian S. Guce c/o 1410 Laguna Heights Drive, Filinvest Corporate City, Alabang, Muntinlupa City	<i>Filipino</i>	<i>1(R)</i>	-
Common	Joaquin P. Roa c/o 1410 Laguna Heights Drive, Filinvest Corporate City, Alabang, Muntinlupa City	<i>Filipino</i>	<i>1 (R)</i>	-
Common	Josephine L. Lagdameo	<i>Filipino</i>	<i>1 (R)</i>	-

¹ FAI is a domestic corporation majority-owned by Filinvest Development Corporation and Filinvest Land, Inc., both with principal office in Metro Manila. Ms. Catherine A. Ilagan, or in her absence, Mr. Francis Nathaniel C. Gotianun or Mr. Andrew Gerard D. Gotianun III or the Chairman of the meeting is appointed as the proxy of FAI, authorized to vote all shares of FAI in TPCCI at its 2025 annual shareholders’ meeting.

	c/o 1410 Laguna Heights Drive, Filinvest Corporate City, Alabang, Muntinlupa City			
Common	Marie Cynthia S. Segura c/o 1410 Laguna Heights Drive, Filinvest Corporate City, Alabang, Muntinlupa City	<i>Filipino</i>	<i>I(R)</i>	-
N/A	Ana Venus A. Mejia c/o 1410 Laguna Heights Drive, Filinvest Corporate City, Alabang, Muntinlupa City	<i>Filipino</i>	<i>N/A</i>	-
N/A	Hans Rudolf Neukom c/o 1410 Laguna Heights Drive, Filinvest Corporate City, Alabang, Muntinlupa City	<i>Swiss</i>	<i>N/A</i>	-
N/A	Estrella C. Elamparo c/o 1410 Laguna Heights Drive, Filinvest Corporate City, Alabang, Muntinlupa City	<i>Filipino</i>	<i>N/A</i>	-
N/A	Lindeza R. Rogero-Gavino c/o 1410 Laguna Heights Drive, Filinvest Corporate City, Alabang, Muntinlupa City	<i>Filipino</i>	<i>N/A</i>	-
N/A	Ronelyn D. Jaectin c/o 1410 Laguna Heights Drive, Filinvest Corporate City, Alabang, Muntinlupa City	<i>Filipino</i>	<i>N/A</i>	-

Total ownership of all directors and officers as a group is 0.17%.

No person holds more than 5% of the common stock under a voting trust or similar agreement.

There has been no change in control of the Club since the beginning of its last fiscal year.

5. Directors and Principal Officers

- (a) The Members of the Board shall serve for a term of one (1) year until their successors have been duly elected and qualified. The business experience of the directors and officers of the Club named below covers at least the past five (5) years.

1. CATHERINE A. ILAGAN – CHAIRMAN

Ms. Ilagan, 55, Filipino, is the President and Chief Executive Officer of FAI. She is also the Chairperson of Filinvest City Association, Inc. Prior to joining Filinvest, she worked with Arthaland Corporation as Senior Vice President. She obtained her Master's Degree in Business Administration from the Asian Institute of Management in 1993. Ms. Ilagan has been a director of the Club since 2014.

2. FRANCIS NATHANIEL C. GOTIANUN – PRESIDENT & CEO

Mr. Gotianun, 41, Filipino, is also the Senior Vice President of Filinvest Hospitality Corporation, a subsidiary of Filinvest Development Corporation (FDC), the primary role of which is to evaluate, plan, develop and optimize current and potential hospitality investments of the Filinvest Group. He is also a member of the Board of Directors of FLI and in other companies within the Filinvest Group. He concurrently serves as Chairman of Pro-excel Property Managers, Inc. and Pro-Office Work Services, Inc. Prior to joining Filinvest, he worked with Teletech as Head of Country Support Services. He obtained his Bachelor's Degree in Commerce from the University of Virginia in 2005 and his Master's Degree in Business Administration in IESE Business School – University of Navarra in 2010. Mr. Gotianun was first elected as a director of the Club in 2015.

3. ANDREW GERARD D. GOTIANUN III – DIRECTOR

Mr. Gotianun III, 48, Filipino, is the Vice President for Supply Chain Management of the Filinvest Group. Prior to that, he was the Senior Assistant Vice President for Purchasing of the Filinvest Group, and Special Assistant to the President starting May 2008 until January 2011. Mr. Gotianun III obtained his Bachelor's Degree in Business Administration from Concordia University at Irvine California, USA. He has been a director of the Club since 2017.

4. VEN CHRISTIAN S. GUCE – DIRECTOR

Mr. Guce, 48, Filipino, is the Chief Financial Officer and Treasurer of Filinvest Development Corporation (FDC). Prior to joining FDC, Mr. Guce was the CFO of Growsari which is the Philippines' leading B2B e-commerce company. He previously worked with Jollibee Foods Corporation where he led the group's corporate finance, corporate planning, financial planning & analysis, M&A and global treasury functions. Ven obtained his Bachelor of Arts degree in Economics, from the University of Asia and the Pacific, with specialization in Quantitative Economics. He also finished his Master of Science in Industrial Economics Degree as Salutatorian from the same university. He was elected as a director of the Club this year 2024.

5. JOAQUIN P. ROA – INDEPENDENT DIRECTOR

Mr. Roa, 70, Filipino, is a licensed real estate broker and has held management positions in various corporations in the Philippines and Vietnam. He served as Senior Vice President of Grepalife from 1999 to 2002, Vice President/General Manager of Vietnam Motors from 1992 to 1999, and Vice President - Marketing of Philippine Fuji Xerox from 1980 to 1992. He obtained his Bachelor of Science in Electrical Engineering degree from the University of the Philippines. He has been a member of the Club since 2001. He was first elected as independent director of the Club in 2018.

6. JOSEPHINE L. LAGDAMEO – INDEPENDENT DIRECTOR

Ms. Lagdameo, 59, Filipino, was among the pioneer team of The Palms Country Club, Inc. and was Membership Manager from 2000 to 2004. Previous to the club, she was with the Rustan Group of Companies as Corporate Sales Manager of Rustan

Commercial Corp. from 1988 to 1995, and Institutional Sales Manager of Royal Duty Free Shops from 1995 to 2000. She was Deputy Director for Sales of Discovery Primea Residences from 2008 to 2018. She is a member of the Assumption Alumnae Association and served on the Board of Trustees from 2009 to 2016. She obtained her Bachelor of Arts in Philippine Studies degree from the University of the Philippines. She has been a member of The Palms Country Club, Inc. since 2001.

7. MARIE CYNTHIA C. SEGURA – INDEPENDENT DIRECTOR

Ms. Segura, 54, Filipino, has thirty years of broad-based human resource experience in multinational companies in different countries, and development of own consulting firms servicing clients in the Asia-Pacific region. She is experienced in strategic human resource performance and talent management, mid management and executive leadership development, core skills development training, selection, and outplacement facilitation. Ms. Segura finished her M.B.A. degree in International Management-Human Resource with honors, from the University of Dallas in Irving, Texas, U.S.A. She is also a cum laude graduate of a B.A. degree major in International Business, minor in Spanish from the Cardinal Stritch College in Milwaukee, Wisconsin, U.S.A.

8. ANA VENUS A. MEJIA - TREASURER

Ms. Mejia, 59, Filipino, has been with the Filinvest Group of Companies (“Group”) for more than 27 years, joining in 1996 as Assistant Controller of FDC and has served the Group in various capacities. At present, she is the Executive Vice President, Treasurer, Chief Finance Officer and Compliance Officer of FLI. She was appointed as Treasurer of the Club in 2012. Prior to joining Filinvest, she worked with Shoemart and Sycip, Gorres, Velayo & Company. She is a Certified Public Accountant and a Magna Cum Laude from Pamantasan ng Lungsod ng Maynila. She obtained her Master’s Degree from Kellogg School of Management at Northwestern University and School of Business and Management, The Hongkong University of Science and Technology.

9. ESTRELLA C. ELAMPARO – COMPLIANCE OFFICER

Ms. Elamparo (“Star”), 54 Filipino, is also the Compliance Officer and Head of Legal of FDC. She is a lawyer specializing in litigation and disputes, public relations, crisis management and communications, and policy advocacy. She has been recognized as one of the Philippines' Top 100 Lawyers in 2021, 2022 and 2023, and was named Woman Lawyer of the Year by Asian Legal Business South-East Asia Law Awards in 2017. She holds a Bachelor of Laws degree from the University of the Philippines and a Master of Arts degree in Health Care Ethics and Law from the University of Manchester.

10. LINDEZA R. ROGERO-GAVINO – CORPORATE SECRETARY

Ms. Rogero-Gavino, 55, Filipino, was appointed as TPCCI Corporate Secretary and Corporate Information Officer on December 07, 2023. She served formerly as the Corporate Secretary & Compliance Officer of the Philippine Postal Corporation. She was previously the Director of the Cebu Extension Office of the Securities & Exchange Commission. She is currently the Corporate Governance Head of Filinvest Development Corporation. She obtained her Bachelor of Arts degree major in

Economics from the University of San Carlos in Cebu and her Bachelor of Laws degree from the University of the Philippines Diliman.

11. RONELYN D. JAECTIN – ASSISTANT CORPORATE SECRETARY

Ms. Jaectin, 32, is a Senior Legal Counsel at Filinvest Development Corporation. Prior to joining Filinvest, her career spans leadership roles within the LCS Group of Companies and at the Department of Finance. She holds a Bachelor of Arts degree in Political Science from Mindanao State University - Iligan Institute of Technology, and a Juris Doctor degree from the University of San Carlos.

12. HANS RUDOLF NEUKOM – GENERAL MANAGER

Mr. Neukom, 60, Swiss, was the Executive Chef of the American Club Shanghai in China. He has been working in the food industry for almost 20 years now since the start of his apprenticeship and spent most of his culinary years in Asia. He was appointed as the Executive Chef of the Club in 2002 and as General Manager in 2010.

A Certification that none of the above-named directors and officers works in the government is attached herein as **Annex “A”**.

Board Committees and Executive Officers

The Club, pursuant to its Revised Manual of Corporate Governance, has established four (4) Board committees namely, the Executive Committee, Corporate Governance Committee, Audit & Risk Management Oversight Committee and Compensation Committee. The members of these committees are as follows:

Executive Committee

Chairman: Francis Nathaniel C. Gotianun
Members: Catherine A. Ilagan
Andrew Gerard D. Gotianun III
Ven Christian S. Guce
Hans Rudolf Neukom

Corporate Governance Committee

Chairman: Joaquin P. Roa*
Members: Catherine A. Ilagan
Francis Nathaniel C. Gotianun
Josephine L. Lagdameo*
Marie Cynthia C. Segura*

Audit & Risk Management Oversight Committee

Chairman: Joaquin P. Roa*
Members: Catherine A. Ilagan
Josephine L. Lagdameo*

Compensation Committee

Chairman: Andrew Gerard D. Gotianun III
Members: Francis Nathaniel C. Gotianun

Catherine A. Ilagan
Joaquin P. Roa*

Membership Committee

Chairman: Josephine L. Lagdameo*

Members: Francis Nathaniel C. Gotianun
Andrew Gerard D. Gotianun III
Marie Cynthia C. Segura*
Jose Tomas C. Syquia

** Independent Director*

Executive officers of the Club are appointed or elected annually by the Board of Directors, typically at its first meeting following the annual meeting of shareholders, each to hold office until the corresponding meeting of the Board of Directors in the next year or until a successor shall have been duly appointed or elected, and qualified.

(a) (ii) Certain Relationships and Related Transactions

The Club has entered into various transactions with related parties. Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party in making financial and operating decisions or the parties are subject to common control or common significant influence (referred to as affiliates). Related parties may be individuals or corporate entities.

Transactions entered into by the Club with related parties have terms equivalent to the transactions entered into with third parties.

The significant related-party transactions of the Club are the following:

- a) The Club has trade receivables from its affiliates as members of the Club for which it bills monthly membership dues and use of facilities. These affiliates include entities affiliated with FAI, the developer.
- b) The Club maintains cash in bank account with East West Banking Corporation (“EWBC”), a bank affiliated with FAI. Cash in banks earn interest at the prevailing market rates.
- c) The Club has obtained and made various advances for maintenance, utilities, payroll, and other expenses from and to FAI, its developer. The outstanding balances are presented under “Due to related parties” in the statements of financial position.

The details of the account balances and transactions with related parties are provided in pages 20 to 21 of the Notes to Financial Statements which is included in the Annual Report attached hereto as **Annex “B”**.

There were no other transactions during the last two (2) years, or proposed transactions, to which the Club was or is to be a party, in which any director or executive officer of the Club, any nominee for election as such director or executive officer, any security holder or any member of the immediate family of any of the foregoing persons, had or is to have a direct or indirect material interest.

(a) (iii) Election of the Members of the Board

There will be an election of the members of the Board during the annual shareholders' meeting. The shareholders of the Club may nominate individuals to be members of the Board of Directors. The deadline for submission of nominees is August 13, 2025. All nominations for directors, including the independent directors, shall be addressed to the following:

THE NOMINATION COMMITTEE
c/o THE OFFICE OF THE CORPORATE SECRETARY
The Palms Country Club, Inc.
1410 Laguna Heights Drive
Filinvest City, Alabang, Muntinlupa City

and signed by the nominating shareholder/s together with the acceptance and conformity by the nominees. All nominations should include (i) the *curriculum vitae* of the nominee, (ii) a statement that the nominee has all the qualifications and none of the disqualifications, (iii) information on the relationship of the nominee to the shareholder submitting the nomination, and (iv) all relevant information about the nominee's qualifications.

The Corporate Governance Committee, acting as the Nomination Committee, created under the Club's Revised Manual on Corporate Governance endorses the nominees to the Board of Directors for election at the upcoming annual shareholders' meeting, in accordance with the qualifications and disqualifications set forth in the Manual as follows:

Qualifications

- (1) Holder of at least one (1) share of stock of the Club;
- (2) He shall be at least a college graduate or have sufficient experience in managing the business to substitute for such formal education;
- (3) He shall be at least twenty-one (21) years old;
- (4) He shall have proven to possess integrity and probity; and
- (5) He shall be assiduous.

Permanent Disqualifications

The following shall be permanently disqualified for election as director:

- (1) Any person convicted by final judgment or order by a competent judicial or administrative body of any crime that (i) involves the purchase or sale of securities, as defined in the Securities Regulation Code; (ii) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (iii) arises out of his fiduciary

relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them;

- (2) Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the Securities and Exchange Commission (“Commission”) or any court or administrative body of competent jurisdiction from: (i) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (ii) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company; (iii) engaging in or continuing any conduct or practice in any of the capacities mentioned in above, or willfully violating the laws that govern securities and banking activities.

The disqualification shall also apply if such person is currently the subject of an order of the Commission or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Revised Corporation Code, Securities Regulation Code or any other law administered by the Commission or *Bangko Sentral ng Pilipinas* (BSP), or under any rule or regulation issued by the Commission or BSP, or has otherwise been restrained to engage in any activity involving securities and banking; or such person is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization;

- (3) Any person convicted by final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts;
- (4) Any person who has been adjudged by final judgment or order of the Commission, court, or competent administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of any provision of the Revised Corporation Code, Securities Regulation Code or any other law administered by the Commission or BSP, or any of its rule, regulation or order;
- (5) Any person judicially declared as insolvent;
- (6) Any person found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct enumerated in subparagraphs (1) to (5) above;
- (7) Any person who has been convicted by final judgment of an offense punishable by imprisonment for more than six (6) years, or a violation of the Revised

Corporation Code committed within five (5) years prior to the date of his election or appointment; and

- (8) All other grounds for disqualification under the Articles of Incorporation and By-Laws of the Club.

Temporary Disqualifications

The following shall be grounds for the temporary disqualification of a director:

- (1) Refusal to fully disclose the extent of his business interest as required under the Securities Regulation Code and its Implementing Rules and Regulations. This disqualification shall be in effect as long as his refusal persists;
- (2) Absence or non-participation for whatever reason/s for more than fifty percent (50%) of all meetings, both regular and special, of the Board of Directors during his incumbency, or any twelve (12)-month period during said incumbency. This disqualification applies for purposes of the succeeding election;
- (3) Dismissal/termination from directorship in a listed corporation for cause. This disqualification shall be in effect until he has cleared himself of any involvement in the alleged irregularity;
- (4) Being under preventive suspension by the Club;
- (5) If the beneficial equity of an independent director in the corporation or its subsidiaries and affiliates exceeds two percent (2%) of its subscribed capital stock;
- (6) If the independent director becomes an officer or employee of the Club, he shall be automatically disqualified from being an independent director;
- (7) Conviction that has not yet become final referred to in the grounds for the disqualification of directors.

Nominated Directors for 2025-2026

The Corporate Governance Committee, acting as the Nomination Committee of the Board of Directors of the Club has determined that the incumbent directors, all of whom have been nominated for election at the annual stockholders' meeting, possess all the qualifications and none of the disqualifications for directorship set out in the Club's Revised Manual on Corporate Governance, duly adopted by the Board pursuant to SRC Rule 38.1 and SEC Memorandum Circular No. 16, Series of 2002.

Below is the final list of candidates prepared by the Corporate Governance Committee:

CATHERINE A. ILAGAN

FRANCIS NATHANIEL C. GOTIANUN

ANDREW GERARD D. GOTIANUN III

VEN CHRISTIAN S. GUCE

JOAQUIN ROA (Independent Director)

JOSEPHINE L. LAGDAMEO (Independent Director)

MARIE CYNTHIA C. SEGURA (Independent Director)

The following are the qualifications of the above-mentioned nominees:

1. CATHERINE A. ILAGAN – CHAIRMAN

Ms. Ilagan, 55, Filipino, is the President and Chief Executive Officer of FAI. She is also the Chairperson of Filinvest City Association, Inc. Prior to joining Filinvest, she worked with Arthaland Corporation as Senior Vice President. She obtained her Master's Degree in Business Administration from the Asian Institute of Management in 1993. Ms. Ilagan has been a director of the Club since 2014.

2. FRANCIS NATHANIEL C. GOTIANUN – PRESIDENT & CEO

Mr. Gotianun, 41, Filipino, is also the Senior Vice President of Filinvest Hospitality Corporation, a subsidiary of Filinvest Development Corporation (FDC), the primary role of which is to evaluate, plan, develop and optimize current and potential hospitality investments of the Filinvest Group. He is also a member of the Board of Directors of FLI and in other companies within the Filinvest Group. He concurrently serves as Chairman of Pro-excel Property Managers, Inc. and Pro-Office Work Services, Inc. Prior to joining Filinvest, he worked with Teletech as Head of Country Support Services. He obtained his Bachelor's Degree in Commerce from the University of Virginia in 2005 and his Master's Degree in Business Administration in IESE Business School – University of Navarra in 2010. Mr. Gotianun was first elected as a director of the Club in 2015.

3. ANDREW GERARD D. GOTIANUN III – DIRECTOR

Mr. Gotianun III, 48, Filipino, is the Vice President for Supply Chain Management of the Filinvest Group. Prior to that, he was the Senior Assistant Vice President for Purchasing of the Filinvest Group, and Special Assistant to the President starting May 2008 until January 2011. Mr. Gotianun III obtained his Bachelor's Degree in Business Administration from Concordia University at Irvine California, USA. He has been a director of the Club since 2017.

4. VEN CHRISTIAN S. GUCE – DIRECTOR

Mr. Guce, 48, Filipino, is the Chief Financial Officer and Treasurer of Filinvest Development Corporation (FDC). Prior to joining FDC, Mr. Guce was the CFO of Growsari which is the Philippines' leading B2B e-commerce company. He previously worked with Jollibee Foods Corporation where he led the group's corporate finance,

corporate planning, financial planning & analysis, M&A and global treasury functions. Ven obtained his Bachelor of Arts degree in Economics, from the University of Asia and the Pacific, with specialization in Quantitative Economics. He also finished his Master of Science in Industrial Economics Degree as Salutatorian from the same university. He was elected as a director of the Club this year 2024.

5. JOAQUIN P. ROA – INDEPENDENT DIRECTOR

Mr. Roa, 70, Filipino, is a licensed real estate broker and has held management positions in various corporations in the Philippines and Vietnam. He served as Senior Vice President of Grepalife from 1999 to 2002, Vice President/General Manager of Vietnam Motors from 1992 to 1999, and Vice President - Marketing of Philippine Fuji Xerox from 1980 to 1992. He obtained his Bachelor of Science in Electrical Engineering degree from the University of the Philippines. He has been a member of the Club since 2001. He was first elected as independent director of the Club in 2018.

6. JOSEPHINE L. LAGDAMEO – INDEPENDENT DIRECTOR

Ms. Lagdameo, 59, Filipino, was among the pioneer team of The Palms Country Club, Inc. and was Membership Manager from 2000 to 2004. Previous to the club, she was with the Rustan Group of Companies as Corporate Sales Manager of Rustan Commercial Corp. from 1988 to 1995, and Institutional Sales Manager of Royal Duty Free Shops from 1995 to 2000. She was Deputy Director for Sales of Discovery Primea Residences from 2008 to 2018. She is a member of the Assumption Alumnae Association and served on the Board of Trustees from 2009 to 2016. She obtained her Bachelor of Arts in Philippine Studies degree from the University of the Philippines. She has been a member of The Palms Country Club, Inc. since 2001.

7. MARIE CYNTHIA C. SEGURA – INDEPENDENT DIRECTOR

Ms. Segura, 54, Filipino, has thirty years of broad-based human resource experience in multinational companies in different countries, and development of own consulting firms servicing clients in the Asia-Pacific region. She is experienced in strategic human resource performance and talent management, mid management and executive leadership development, core skills development training, selection, and outplacement facilitation. Ms. Segura finished her M.B.A. degree in International Management-Human Resource with honors, from the University of Dallas in Irving, Texas, U.S.A. She is also a cum laude graduate of a B.A. degree major in International Business, minor in Spanish from the Cardinal Stritch College in Milwaukee, Wisconsin, U.S.A.

Independent Directors

A shareholder may nominate individuals to be independent directors, taking into account the following guidelines:

- A. “Independent director” means a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director in any

corporation that meets the requirements of Section 17.2 of the Securities Regulation Code and includes, among others, any person who:

- i. Is not, or has not been a senior officer or employee of the covered Corporation unless there has been a change in the controlling ownership of the corporation;
- ii. Is not, and has not been in the two (2) years immediately preceding the election, a director of the covered Corporation; a director, officer, employee of the covered Corporation's subsidiaries, associates, affiliates or related companies; or a director, officer, employee of the covered Corporation's substantial shareholders and its related companies;
- iii. Has not been appointed in the covered Corporation, its subsidiaries, associates, affiliates or related companies as Chairperson "Emeritus," "Ex-Officio" Directors/Officers or Members of any Advisory Board, or otherwise appointed in a capacity to assist the Board in the performance of its duties and responsibilities within two (2) years immediately preceding his election;
- iv. Is not an owner of more than two percent (2%) of the outstanding shares of the covered Corporation, its subsidiaries, associates, affiliates or related companies;
- v. Is not a relative of a director, officer, or substantial shareholder of the covered Corporation or any of its related companies or of any of its substantial shareholders. For this purpose, relatives include spouse, parent, child, brother, sister and the spouse of such child, brother or sister;
- vi. Is not acting as a nominee or representative of any director of the covered Corporation or any of its related companies; e.g. Is not a securities broker-dealer of listed companies and registered issuers of securities. "Securities broker- dealer" refers to any person holding any office of trust and responsibility in a broker-dealer firm, which includes, among others, a director, officer, principal shareholder, nominee of the firm to the Exchange, an associated person or salesman, and an authorized clerk of the broker or dealer;
- vii. Is not retained, either in his personal capacity or through a firm, as a professional adviser, auditor, consultant, agent or counsel of the covered Corporation, any of its related companies or substantial shareholder, or is otherwise independent of Management and free from any business or other relationship within the two (2) years immediately preceding the date of his election;
- viii. Does not engage or has not engaged, whether by himself or with other persons or through a firm of which he is a partner, director or substantial shareholder, in any transaction with the covered Corporation or any of its related companies or substantial shareholders, other than such transactions that are conducted at arm's length and could not materially interfere with or influence the exercise of his independent judgment within the two (2) years immediately preceding the date of his election;
- ix. Is not affiliated with any non-profit organization that receives significant funding from the covered Corporation or any of its related companies or substantial shareholders; and
- x. Is not employed as an executive officer of another Corporation where any of the covered Corporation's executives serve as directors.

- B. When used in relation to the Club subject to the requirements above:
- i. Related company means another company which is: (a) its holding company, (b) its subsidiary, or (c) a subsidiary of its holding company; and
 - ii. Substantial shareholder means any person who is directly or indirectly the beneficial owner of more than ten percent (10%) of any class of its equity security.
- C. An independent director shall have the following qualifications:
- i. He shall have at least one (1) share of stock of the Club;
 - ii. He shall be at least a college graduate or he shall have been engaged in or exposed to the business of the Club for at least five (5) years;
 - iii. He shall possess integrity/probity; and
 - iv. He shall be assiduous.
- D. An independent director shall be disqualified during his tenure under the following instances or causes:
- i. He becomes an officer or employee of the Club, or becomes any of the persons enumerated under letter (A) hereof;
 - ii. His beneficial security ownership exceeds 10% of the outstanding capital stock of the Club;
 - iii. He fails, without any justifiable cause, to attend at least 50% of the total number of board meetings during his incumbency unless such absences are due to grave illness or death of an immediate family;
 - iv. If he becomes disqualified under any of the grounds stated in the Club's Revised Manual on Corporate Governance.
- E. Pursuant to SEC Memorandum Circular No. 9, Series of 2011, as amended by SEC Memorandum Circular No. 04, Series of 2017, the following additional guidelines shall be observed in the qualification of individuals to serve as independent directors:
- i. There shall be no limit in the number of covered companies that a person may be elected as independent director, except in business conglomerates where an independent director can be elected to only five (5) companies of the conglomerate, i.e., parent company, subsidiary or affiliate;
 - ii. The independent director shall serve for a maximum cumulative term of nine (9) years, after which the independent director shall be perpetually barred from re-election as such in the same company, but may continue to qualify as non-independent director;
 - iii. In the instance that a company wants to retain an independent director who has served for nine (9) years, the Board should provide meritorious justification/s and seek shareholders' approval during the annual shareholders' meeting; and
 - iv. The reckoning of the cumulative nine-year term is from 2012.

The Corporate Governance Committee, acting as the Nomination Committee, receives nominations for independent directors as may be submitted by the shareholders. After the deadline for the submission thereof, the Corporate Governance Committee shall meet to consider the qualifications as well as grounds for disqualification, if any, of the nominees based on the criteria set forth in the Club's Revised Manual on Corporate Governance and Rule 38 of the Securities Regulation Code. All nominations shall be signed by the nominating shareholders together with the acceptance and conformity by the would-be nominees. The Corporate Governance Committee shall then prepare a Final List of Candidates enumerating the nominees who passed the screening. The name of the person or group of persons who recommends nominees as independent directors shall be disclosed along with his or their relationship with such nominees.

Only nominees whose names appear on the Final List of Candidates shall be eligible for election as independent directors. No other nomination shall be entertained after the Final List of Candidates shall have been prepared. No further nomination shall be entertained or allowed on the floor during the annual meeting.

The conduct of the election of independent directors shall be made in accordance with the standard election procedures of the Club and its By-Laws. It shall be the responsibility of the Chairman of the meeting to inform all shareholders in attendance of the mandatory requirement of electing independent directors. He shall ensure that independent directors are elected during the annual meeting. Specific slots for independent directors shall not be filled up by unqualified nominees. In case of failure of election for independent directors, the Chairman of the Meeting shall call a separate election during the same meeting to fill up the vacancy.

The Corporate Governance Committee, upon nomination by a member of the Club, Atty. Ramon S. Esguerra, and following the guidelines provided under the Club's Manual of Corporate Governance, named Mr. Joaquin P. Roa, Ms. Josephine L. Lagdameo and Ms. Marie Cynthia C. Segura, as nominees for this year's annual meeting as independent directors. Atty. Esguerra is not related to any of the nominees. The Corporate Governance Committee has determined that these nominees for independent directors possess all the qualifications and have none of the disqualifications for independent directors as set forth in the Manual of Corporate Governance.

Attached hereto as Annexes "C-1", "C-2" and "C-3" are the Certification of Qualification of Independent Directors duly executed by the above-named nominee independent directors.

(a) (iv) Other Significant Employees

The Club considers all its employees as significant to the growth of the Club.

(a) (v) Family Relationships

The Club is majority-owned by FAI. Mr. Francis Nathaniel C. Gotianun and Mr. Andrew Gerard D. Gotianun III, both Directors of the Club, are cousins.

Other than the foregoing, none of the remaining directors or executive officers is related, whether by consanguinity or affinity, with the others.

(a) (vi) Involvement in Certain Legal Proceedings

The Club is not aware of any legal proceedings where its directors or executive officers have been impleaded in their capacity as directors or executive officers of the Club.

The Club is not aware of the occurrence of any of the following events within the past five (5) years up to the date of this information statement: (a) any bankruptcy petition filed by or against any business in which any of its directors or officers was a general partner or officer either at the time of the bankruptcy or within two (2) years prior to that time; (b) any conviction by final judgment in a criminal proceeding, domestic or foreign, of, or any criminal proceeding, domestic or foreign, pending against, any of its directors or officers in his capacity as such director or officer; (c) any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any of its directors or officers in any type of business, securities, commodities or banking activities, and (d) any finding by a domestic or foreign court of competent jurisdiction (in a civil action), the Securities and Exchange Commission or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization that any of its directors or officers has violated a securities or commodities law, and the judgment has not been reversed, suspended or vacated, which occurred during the past five years.

To the knowledge and/or information of the Club, the nominees for election as directors of the Club are not presently or in the last five (5) years included in any material legal proceeding involving themselves and/or their property before any court of law or administrative body in the Philippines or elsewhere nor said persons have been convicted by final judgment of any offense punishable by laws of the Philippines or laws of any other nation.

6. Compensation of Directors and Executive Officers

(a)(i) Summary Compensation Table (in Pesos)

(a) Name and Principal Position	(b) Year	(c) Salary (P)	(d) Bonus (P)	(e) Other Annual Compensation	TOTAL
Catherine A. Ilagan Chairperson		n/a	n/a	n/a	n/a
Francis Nathaniel C. Gotianun President and CEO		n/a	n/a	n/a	n/a
Andrew Gerard D. Gotianun III Director		n/a	n/a	n/a	n/a
Ven Christian S. Guce Director		n/a	n/a	n/a	n/a
Joaquin P. Roa Independent Director		n/a	n/a	n/a	n/a
Josephine L. Lagdameo Independent Director		n/a	n/a	n/a	n/a
Marie Cynthia S. Segura Independent Director		n/a	n/a	n/a	n/a

All other officers and directors as a group unnamed	2025 Est.	7.8M			7.8M
	2024	7.7M	-		7.7M
	2023	7.4M			7.4M
	2022	7.2M			7.2M

(a)(ii) Compensation as Directors

The directors of the Club received no per diem, remuneration or compensation in their capacity as such for the years 2006 to 2025. There is no employment contract or contracts relative to the payment of executive compensation to the directors of the Club to date, whether directly or indirectly.

(a)(iii) No Action to be Taken on Bonus, Profit Sharing, Warrants, Etc.

There is no action to be taken at the annual meeting of the shareholders on October 8, 2025, with respect to any bonus, profit sharing or other compensation plan, contract or arrangement, and pension or retirement plan, in which any director, nominee for election as a director, or executive officer of the Club will participate. Neither is there any proposed grant or extension to any such person of any option, warrant or right to purchase any securities of the Club.

7. Independent Public Accountants

Starting calendar year 2005, the auditing firm of Sycip Gorres Velayo & Co. (SGV) is the appointed independent auditor of the Club. There have been no disagreements with SGV on any matter of accounting principle or practice, financial statement disclosure, or auditing scope or procedure. Representatives of SGV are expected to be present at the annual meeting and they will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

Sycip Gorres Velayo & Co. (SGV) is being recommended for re-appointment as external auditor for the year 2025.

The 2024 audit of the Club is in compliance with paragraph (3)(b)(ix) of SRC Rule 68, as amended, which provides that the external auditor should be rotated, or the handling partner changed, every five (5) years or earlier. Mr. Martin C. Guantes has been designated as its engagement partner starting CY 2024. Thus, Mr. Guantes is qualified to act as such until the year 2030. The representatives of SGV shall be present at the annual meeting where they will have the opportunity to make a statement if they desire to do so. They are expected to be available to respond to appropriate questions at the meeting.

Audit Fees

a) The following are the audit fees for the last two (2) fiscal years and estimate for 2025 for professional services rendered by SGV which amounts indicated are inclusive of out-of-pocket expenses plus 12% VAT:

1. December 31, 2025 (*estimated*) - 378,150

2. December 31, 2024 – Php 367,136
3. December 31, 2023 – Php 332,859

b) Tax fees

The Club has not engaged any external auditor for tax accounting, compliance, advice, planning and any other form of tax service for the last two (2) fiscal years.

c) All Other Fees

The Club has not engaged any external auditor for the last two (2) fiscal years for products and services other than the services reported under item (a).

8. Compensation Plans

There will be no actions to be taken during the annual meeting with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed.

C. ISSUANCE AND EXCHANGE OF SECURITIES

9. Authorization or Issuance of Securities

There will be no action to be taken during the meeting with respect to authorization or issuance of securities other than for exchange.

10. Modification or Exchange of Securities

No action will be taken at the meeting that will result in modification or exchange of securities.

11. Financial and Other Information

(a) Information Required

(1) Financial Statements

The Club's Annual Report with attached Statement of Management's Responsibility and Audited Financial Statements for the year ended December 31, 2024 is attached hereto as **Annex "B"** to form an integral part hereof.

The Interim/Unaudited Financial Statements of the Club for the first and second quarters of 2025 are attached hereto as **Annexes "D-1" and "D-2"**, respectively.

(2) Management Report

The Brief Discussion on the Nature and Business of the Club and the Management's Discussion and Analysis or Plan of Operations of the Club is attached hereto as **Annex "E"**.

D. OTHER MATTERS

12. Action With Respect To Reports

The Club's Audited Financial Statements for the year ended 2024 will be submitted to the shareholders for ratification.

13. No Action to be Taken on Mergers, Consolidations, Acquisitions and Similar Matters

No action will be taken at the annual shareholders' meeting with respect to any merger or consolidation involving the Club, the acquisition by the Club of any other entity, going business or of all of the assets thereof, the sale or other transfer of all or any substantial part of the assets of the Club, or the liquidation or dissolution of the Club.

14. No Action to be Taken on Acquisition or Disposition of Property

No action will be taken at the annual meeting with respect to any acquisition or disposition of property by the Club requiring approval of the shareholders.

15. No Action to be Taken on Restatement of Accounts

No action will be taken at the annual meeting with respect to any restatement of any asset, capital or surplus account of the Club.

16. Matters Not Required To Be Submitted

Only matters which require shareholders' approval will be taken up during the annual meeting. No action will be taken with respect to any matter which is not required to be submitted to a vote of security holders.

17. Amendment of Charter, By-laws or Other Documents

At the meeting of the Board of Directors on August 14, 2025, the Board of Directors representing at least a majority of all its members approved the amendment of Article Third of the Club's Articles of Incorporation to change its principal office address from "Metro Manila" to "1410 Laguna Heights Drive, Filinvest City, Alabang, Muntinlupa City".

The above-mentioned amendment was also approved by the Board in the preceding year and was presented at the shareholders' meeting held on October 7, 2024. However, the same was not submitted for approval due to insufficiency of the required quorum which should be the presence of at least 67% of the total outstanding shares of the Club.

The said amendments shall be submitted for shareholders' approval during their annual meeting on October 8, 2025.

18. Other Proposed Action

The following are the other matters to be taken up during the annual shareholders' meeting:

- a. Approval of the minutes of the annual meeting of shareholders held on October 7, 2024. The minutes of the annual meeting of the shareholders held on October 7, 2024 is attached hereto as **Annex “F”**;
- b. Presentation of the Management Report and Ratification of the Audited Financial Statements for the year ended 31 December 2024;
- c. General ratification of the acts, resolutions and proceedings of the Board of Directors, Board Committees and the Management up to October 8, 2025;
- d. Approval of the Amendment of Article Third of the Club’s Articles of Incorporation to Change its Principal Office Address From “Metro Manila” to “1410 Laguna Heights Drive, Filinvest City, Alabang, Muntinlupa City”;
- e. Election of the members of the Board of Directors to serve for 2025-2026; and
- f. Appointment of External Auditor.

The above items are part of the agenda of the annual meeting of the Club to be held on October 8, 2025.

The audited financial statements refer to financial operations, balance sheet and income statement of the Club for the year ended December 31, 2024.

The general ratification of the acts of the Board, Board Committees and Management refer to the approval by the shareholders of the resolutions passed and the matters acted upon, as the case may be, by the Board, Board Committees and Management relating to the operations of the Club. Following are the major resolutions approved and adopted by the Board and Executive Committee from the date of the last annual shareholders’ meeting to date:

- a. Approval of the Audited Financial Statements for the year ended December 31, 2024;
- b. Approval of the financial budget and major capital expenditure projects for the year 2025;
- c. Approval of the date of the annual shareholders’ meeting, agenda thereof, and record date;
- d. Approval to conduct the annual shareholders’ meeting in person and face to face;
- e. Appointment of the officers and Board committee members of the Club for the year 2025-2026; and
- f. Appointment of authorized representatives for various Club transactions.

19. Voting Procedures

The approval of the minutes of the annual shareholders’ meeting held on October 7, 2024, ratification of the Audited Financial Statements for the year ended December 31, 2024, ratification of corporate acts, and the appointment of external auditors for the year 2025 shall be decided by a majority vote of the shareholders present in person or by proxy and entitled to vote thereat, a quorum being present.

The approval of the amendment of Article Third of the Club’s Articles of Incorporation to Change its Principal Office Address From “Metro Manila” to “1410 Laguna Heights Drive, Filinvest City, Alabang, Muntinlupa City” shall be decided by 2/3 of the shareholders present in person or by proxy and entitled to vote thereat.

The voting procedures shall be as follows:

1. The Chairman of the meeting announces that the particular item is subject to motion for approval by the shareholders;
2. A shareholder moves for the approval of the item;
3. Another shareholder seconds the motion;
4. The Chairman of the meeting states that the motion is carried in case no objection on the floor is raised;
5. Should there be an objection, the approval or denial of the motion shall be decided by the plurality vote of shareholders present or by proxy and entitled to vote thereat, a quorum being present.

The election of directors need not be done by ballot. If the nominees for election prescreened by the Nomination Committee do not exceed the number of directors to be voted upon, all the nominees shall be declared duly elected directors. However, should the number of nominees exceed the number of board seats, the seven nominees garnering the highest number of votes shall be declared as duly elected, subject to the shareholders' right to cumulative voting and the guidelines on the election of the independent directors as set forth above. On a vote by ballot, each ballot shall be signed by the shareholder voting, or in his name by his proxy if there be such a proxy, and shall state the number of shares voted by him. In such case, the ballots cast shall be counted by the representatives of the external auditor of the Club assisted by the office of the Corporate Secretary.

The voting procedures outlined above assume the existence of a quorum at the meeting.

20. Market for Issuer's Common Equity and Related Shareholder Matters

There is no public trading market for selling the shares of stock of the Club. The shares may be issued to any person regardless of nationality, provided that at least sixty percent (60%) of the Club's outstanding capital stock shall be held by Filipino nationals.

Top 20 Shareholders as of July 31, 2025

NAME	% of shareholdings
FILINVEST ALABANG, INC.	55.59%
PRIME ENERGY RESOURCES DEVELOPMENT	0.26%
FILINVEST LAND, INC. CORP	0.24%
ADEC DESIGNS CORPORATION	0.17%
LORENA GODOY-HURTADO	0.07%
DINESH JADWANI VASUDEV	0.07%
QUALITY PACKAGING CORPORATION	0.07%
RAYOMAR MANAGEMENT, INC.	0.07%
TDK PHILIPPINES CORPORATION	0.07%
REMAX INTERNATIONAL, INC.	0.04%
PETRON CORPORATION	0.04%
ATLANTIC GULF AND PACIFIC COMPANY OF MANILA	0.04%
FG HOLDINGS, INC.	0.04%
FLUOR DANIEL, INC.- PHIL.	0.04%
KEY LOGISTICS, INC.	0.04%
MCSI TRADING CORPORATION	0.04%
NORVIC, INC.	0.04%

ORIENTAL SHIPMANAGEMENT COMPANY, INC.	0.04%
PRESTONSBURG DEVELOPMENT CORPORATION	0.04%
FIRST ASIA VENTURE CAPITAL, INC	0.04%

The Club has not declared any cash dividends in the past two years.

The Club has no recent sales of unregistered or exempt securities nor any recent issuance of securities constituting an exempt transaction.

21. Compliance with Leading Practices on Corporate Governance

The Club is in substantial compliance with its Revised Manual for Corporate Governance as demonstrated by the following: (a) the election of three (3) independent directors to the Board; (b) the appointment of members of the audit & risk management oversight, corporate governance and compensation committees; (c) the conduct of regular quarterly board meetings and special meetings, the faithful attendance of the directors at these meetings and their proper discharge of duties and responsibilities as such directors; (d) the submission to the SEC of reports and disclosures required under the Securities Regulation Code; (e) the Club's adherence to national and local laws pertaining to its operations; and (f) the observance of applicable accounting standards by the Club.

There is no known material deviation from the Club's Revised Manual on Corporate Governance.

UNDERTAKING: The Club will provide without charge a copy of its 2024 Annual Report on SEC Form 17-A to any interested shareholder upon receipt of a written request addressed to: Office of the Corporate Secretary, The Palms Country Club, Inc., 1410 Laguna Heights Drive, Filinvest City, Alabang, Muntinlupa City. The 2024 Annual Report shall also be made available on the company website at <https://www.thepalmsclub.com/>

PART II

INFORMATION REQUIRED IN A PROXY FORM

The Club is not soliciting proxies.

PART III

SIGNATURE PAGE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Muntinlupa on the 10th day of September 2025.

THE PALMS COUNTRY CLUB, INC.

By:



LINDEZA R. ROGERO-GAVINO

Corporate Secretary

THE PALMS COUNTRY CLUB, INC.

SECRETARY'S CERTIFICATE

I, **LINDEZA R. ROGERO-GAVINO**, of legal age, Filipino, and with office address at The Beaufort, 5th Avenue corner 23rd Street, Bonifacio Global City, Taguig City 1634, Metro Manila, after having been duly sworn in accordance with law, hereby certify that:

1. I am the Corporate Secretary of **THE PALMS COUNTRY CLUB, INC.** (the "**Corporation**"), a corporation duly organized and existing under the laws of the Republic of the Philippines, with principal office address at 1410 Laguna Heights Drive, Filinvest City, Alabang, Muntinlupa City.

2. Based on the records of the Corporation, none of its incumbent directors and executive officers named in the Corporation's Information Statement (SEC Form 20-IS) for the Annual Shareholders' Meeting to be held on 08 October 2025 is connected with and/or working in the government.

3. This Certification is being issued as an annex to the Information Statement (SEC Form 20-IS) of the Corporation in connection with its Annual Shareholders' Meeting for the year 2025.

IN WITNESS WHEREOF, I have hereunto set my hand this 02 SEP 2025 in Makati City, Metro Manila.


LINDEZA R. ROGERO-GAVINO
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 02 SEP 2025 in Makati City, Metro Manila, affiant exhibiting to me her Passport ID No. P2326165C, as competent evidence of her identity, bearing her photograph and signature, issued by the Department of Foreign Affairs-Manila and valid until 09 November 2032.

Doc. No. 262 ;
Page No. 54 ;
Book No. 01 ;
Series of 2025.




ATTY. KARISSIE RIENZI U. SANTOS
Notary Public
Until December 31, 2026
Roll of Attorneys No. 91455
IBP No. 505402/01-12-2025/Makati City Chapter
PTR No. 10471274/01-07-2025/Makati City
Notarial Commission No. M-353(New)(2025-2026), Makati City
MCLE Compliance No. VIII-0013818/09-30-2024/Pasig City
29th Floor, PBCOM Tower, 6795 Ayala Avenue
cor. V.A. Rufino St., Makati City

S.E.C. Registration Number

[illegible][illegible]

(02) 8771-7171

Company Telephone Number

Annual Meeting

Secondary License Type, if applicable

Amended Articles

Total Number of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned:

File Number

LCU

Document ID

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-A**

**ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES**

1. For the calendar year ended **December 31, 2024**

2. Commission identification Number **A200005129**

3. BIR Identification No. **206-361-205-000**

4. Exact name of issuer as specified in its charter: **The Palms Country Club, Inc.**

5. **Philippines**
Province, Country or other jurisdiction of
incorporation of organization

6. _____
Industry Classification Code
(SEC Use Only)

7. **1410 Laguna Heights Drive, Filinvest Corporate
City, Alabang, Muntinlupa City**
Address of issuers' principal office

8. **(02) 8771 - 7171**
Issuer's telephone number

9. _____
Former name, former address, and former fiscal year,
if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

<u>Title of Each Class</u>	<u>Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding</u>	
Common no par value shares	4,600	P---

11. Are any or all of these securities listed on a Stock Exchange?

Yes ☐ No ☒

If yes, state the name of such Stock Exchange and the class/es of securities therein:

12. Indicate whether the registrant

[a] has filed all reports required to be filed by Section 17 of the Revised Securities Act (RSA) and SRC Rule 17 thereunder of Sections 11 of the RSA and RSA Rule 11 (a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports.)

Yes ☒ No ☐

[b] has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

PART I – BUSINESS AND GENERAL INFORMATION

ITEM 1: BUSINESS DEVELOPMENT AND BUSINESS OF ISSUER

THE PALMS COUNTRY CLUB, INC. (the "Club") is a stock, not-for-profit corporation which was duly registered with the SEC on May 24, 2000 under SEC Registration No. A-2000-05129. Its primary purpose is to foster, conduct and promote social, business and athletic activities among its members, with the main objective of engaging in the development, construction, maintenance, management and operation of a recreational sports club that will provide members thereof the use and enjoyment of facilities for indoor and outdoor sports, recreational and physical fitness activities, restaurants, dining halls and similar facilities. No part of the income or assets of the Club shall belong to or inure to the benefit of any member, officer or any specific person.

As a not-for-profit corporation organized for the purposes stated above, the Club is subject to 25% Regular Corporate Income Tax. Revenue memorandum Circular No. 35-2012 clarified the taxability of Clubs organized and operated exclusively for pleasure, recreation and other non-profit purposes. Accordingly, organizations that were established for recreation and other non-profit purposes such as country clubs must pay income tax under National Internal Revenue Code (NIRC) and VAT. The Club's gross receipts including but not limited to membership fees, assessment dues, rental income and services fees are subject to income tax and VAT. The Association of Non-profit Clubs, Inc. (ANPC) submitted to BIR a position paper requesting the non-application of RMC 35-2012 on the grounds that membership dues collected from members are used to defray the expenses of the exclusive membership clubs and should not be subject to income tax and VAT. On September 17, 2014, ANPC filed a petition before the RTC declaring RMC 35-2012 as invalid, unjust, oppressive, confiscatory, and in violation of due process clause of the constitution. On August 15, 2019, the Supreme Court has ruled that membership fees, assessment fees and other fees collected by clubs which are organized and operated exclusively for pleasure, recreation and non-profit purposes are not subject to income and VAT.

The Club had an initial capital stock of eight (8) no par value share, consisting of seven (7) Founder's Shares and one (1) common share. As approved by the Securities and Exchange Commission (SEC) on November 20, 2000, the capital stock was increased to four thousand six hundred (4,600) common no par value shares divided into one thousand nine hundred seven (1,907) Class "A" shares (including the seven (7) Founder's Shares), two hundred fifty (250) Class "B" shares, one hundred fifty (150) Class "C" shares and two thousand two hundred ninety three (2,293) Class "D" shares (including the original one (1) common share).

The Club's principal place of business is at 1410 Laguna Heights Drive, Filinvest Corporate City, Alabang, Muntinlupa City.

The operations and business of the Club are subject to ordinances, rules and regulations issued or enacted by the local government of Muntinlupa City.

The Club is a private and exclusive propriety membership club. It is a comprehensive "resort-within-the-city" club that offers a complete range of services and facilities to members. It is part of the hospitality industry specifically operating as a family-oriented, deluxe country club located south of Manila. Membership is limited to those who have purchased membership shares and have been duly prescreened by the Board of Directors.

FACILITIES:

<p><u>A. Dining and Function facilities:</u></p> <p>Ballroom</p> <p>Continental Restaurant / Private Rooms</p> <p>Nishijin</p> <p>Café Asiana</p> <p>Member's Lounge</p> <p>Board Room and Function Rooms</p> <p>Strikes Sports Bar and Restaurant</p> <p>Bleacher's Juice Bar</p> <p>Pool Bar and Barbeque Area</p> <p>Palms Deli</p> <p><u>B. Health and Recreational Facilities:</u></p> <p>Spa – Sauna, Dip Pools, and Massage</p> <p>Gym and Aerobics Studio</p> <p>Locker Rooms</p> <p>Salon</p> <p>KTV Rooms</p> <p>Kid's Indoor Recreation Area</p> <p>Pilates Studio</p> <p><u>C. Sports Facilities:</u></p>	<ul style="list-style-type: none"> ▪ Third level ballroom ideal for weddings and events. This can be divided into four smaller rooms to accommodate small functions. ▪ Semi-formal dining restaurant offering an international cuisine with two private dining rooms. ▪ Restaurant offering Japanese cuisine with a sushi bar, teppanyaki tables and tatami rooms. ▪ Coffee shop on the garden level with terrace dining with a view of the swimming pool. ▪ Bar and Lounge area adjacent to the Continental restaurant. ▪ Board room and three private function rooms as suitable venues for meetings and audiovisual presentations. ▪ Bar & restaurant with bowling, billiards and KTV rooms. ▪ Bar adjacent the basketball court offering refreshments. ▪ Outdoor dining area for snacks and light meals with gazebo barbecue areas. ▪ Cakes and pastries counter at the lobby area. <ul style="list-style-type: none"> ▪ Spa services in eight treatment rooms, ladies' and men's dip pools. ▪ Free weights and cardio-theater gym with a second-level stretching and aerobics studio. ▪ Wet and dry changing areas. ▪ Hair and nail services for men and women. ▪ Two karaoke television rooms at the Strikes Sports bar and restaurant. ▪ Play and rest area with interactive computer center, playroom and romping area. ▪ One Squash Court converted to Pilates Studio <ul style="list-style-type: none"> ▪ Play pool area with jacuzzi jets ▪ 25-meter lap swimming pool
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Resort Pool	▪ Mountain water slide
Lap Pool	▪ Eight-lane championship bowling lanes
Slides & Water Feature	▪ Two covered and two outdoor courts
Eight-lane Bowling Alley	▪ International standard squash court
Four Tennis Courts	▪ Indoor badminton courts
One Squash Court	▪ Indoor basketball court convertible to three badminton and volleyball courts and pickleball courts
Two Badminton courts	▪ Billiard pool tables in the bowling area
Basketball Court / Multi-Purpose Hall	▪ Outdoor climbing wall
Billiards / Pool	▪ Retail shop and registration counter
Rock Climbing	▪ Library and work area
<u>D. Others:</u>	
Club Shop and Reception	
Library	

The Club has generated total revenue of ₱483.2 million for the year ended December 31, 2024. Food and beverage, Membership dues, Sports and recreation, Club Shop and other miscellaneous revenues contributed 59.8%, 25.5%, 7.6% and 7.2% respectively.

Alabang Country Club, Rockwell Club, and Manila Polo Club are generally the Club's main competitors. However, aside from these exclusive membership clubs, Palms also competes directly in the area of banquet business with nearby hotels/condotels such as Bellevue Manila, Vivere Suites, Acacia Hotel, Crimson Hotel, The Filinvest Tent, Palazzo Verde (formerly Fernbrook Gardens) and the Somerset Alabang. Those competing with the Club for restaurant business include the free-standing restaurants in the Alabang Town Center, Festival Mall, Westgate Center, River Park Festival Mall, Molito and Commerce Center in Filinvest City.

The banquet market boasts several formidable competitors, each with unique offerings. The Bellevue Manila stands out with its two accommodation towers. Vivere Suites boasts a competitive ballroom accommodating up to 150 guests. Acacia Hotel holds an advantage with two ballrooms accommodating between 200 to 300 guests each. Crimson Hotel distinguishes itself with its impressive ballroom, capable of accommodating up to 300 guests, making it a standout choice for events and banquets. Palazzo Verde continues to impact the wedding market by offering romantic ambiance and versatile venue settings, including a Basilica for ceremonies. The Filinvest tent stands out as a spacious venue, accommodating from 500 to 2,000 guests. Somerset Alabang offers two function rooms each accommodating up to 100 guests.

The hotel competitors excel in various aspects, particularly in their fully furnished and well stocked guestrooms, along with a range of hotel services such as room service, bar lounges featuring regular entertainers, and shuttle services to and from malls. These amenities contribute to their sustained patronage and success in acquiring corporate clients for consecutive-day seminars, as the additional services enhance the overall experience for guests and cater to their diverse needs.

The Club has extended its business reach by offering outside catering services, meeting the requirements of its loyal club members at their residences and various venues, including office buildings and special events locations. Partnering with the Filinvest Tent, a larger venue, enables

the Club to cater to gatherings of up to 4,000 individuals, enhancing its capacity and service offerings.

The Club's competitive advantage lies in its "value for money" pricing strategy, allowing it to capture a significant portion of the banquets market. Alabang Country club, Rockwell Club, and Manila Polo Club differentiate themselves through their comparatively lower pricing, which strengthens their position in the banquet business.

To effectively and efficiently compete with its rivals, the Club must uphold high standards in its food and beverage offerings, deliver first-class service and meticulously plan events and activities.

As of December 31, 2024, the Club employs 174 probationary and regular staff, an increase from 173 in the previous year, December 31, 2023. There is no collective bargaining agreement between management and employees, and the policy prohibits tipping or accepting gifts from members. Instead, a 10% service charge on food and beverage sales is collected and distributed among all regular and probationary, including agency-hired employees.

ITEM 2: PROPERTIES

The Club owns a 30,000-square meters parcel of land (the "Property") situated at 1410 Laguna Heights Drive, Filinvest Corporate City in Alabang, Muntinlupa City, and covered by Transfer Certificate of Title No. 209983 issued by the Registry of Deeds for Muntinlupa City. The country club building was constructed on the Property. The building is covered by Tax Declaration Number E-005-08273 duly issued by the City of Muntinlupa.

Both the Property and building are the subject of separate subscription agreements entered into between the Club and its developer, Filinvest Alabang, Inc. ("FAI").

Under the terms of the Subscription Agreement dated September 14, 2000, as amended on October 20, 2000, FAI:

- ceded, transferred, assigned and delivered to the Club the Property valued at ₱14,000 per square meter or a total of ₱420,000,000, in exchange for 867 Class "A" shares, 115 Class "B" shares and 68 Class "C" shares, or a total of 1,050 shares.
- developed the Property into a world class sports and country club with facilities and equipment necessary to operate the Club, in exchange for 1,033 Class "A" shares, 135 Class "B" shares and 82 Class "C" shares, or a total of 1,250 shares.

In 2004, the corresponding shares of stock were issued to FAI upon final acceptance of the Property by the Club. And pursuant to a Subscription Agreement entered into in December 2004, the advances of FAI for the development of the country club building in the amount of ₱687,693,521 were further exchanged for equity in the Club.

There is no mortgage, lien or encumbrance over the Property and the building.

There is no property being leased by the Club. Neither does the Club intend to lease any of its properties in the next 12 months.

The Club has no intention to acquire properties in the nature of capital assets in the next twelve (12) months, except for major repairs and maintenance of some facilities in order to continue to live up to the members' expectations through continuous improvements, facelifts and renovations.

ITEM 3: LEGAL PROCEEDINGS

At present, there are no legal proceedings involving the Club.

ITEM 4: SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted to a vote of security holders during the period covered by this report.

PART II – OPERATIONAL AND FINANCIAL INFORMATION**ITEM 5: MARKET FOR ISSUER'S COMMON EQUITY AND RELATED STOCKHOLDERS' MATTERS****Market Information**

There is no public trading market for selling the shares of stocks of the Club. FAI resells to interested third parties the Class "A", "B" and "C" shares of the Club it received in exchange for the Property and the development of the country club structures and facilities thereon.

The Club shall not issue shares of stock, which will reduce the stock ownership of Philippine citizens to less than 60% of the outstanding capital stock. No holder of any class of shares shall have any pre-emptive right to acquire, purchase or subscribe to any share of the club of any class.

Holders

Breakdown of the number of shares as of December 31, 2024:

Type of Shareholders	Class A	Class B	Class C	Class D	Total
Individual	1,609				1,609
Corporate	282	89	56		427
Developer (FAI-unsold)	9	161	94	2,293	2,557
Founders' Share	7				7
Total No. of Shares	1,907	250	150	2,293	4,600

Top 20 shareholders as of December 31, 2024:

Shareholders	No. of Shares	% to Total Outstanding Shares
Filinvest Alabang, Inc.	2,557	55.59%
Prime Energy Resources Development B.V	12	0.26%
Filinvest Land, Inc.	11	0.24%
Adec Designs Corporation	8	0.17%
Lorena Gudoy-Hurtado	3	0.07%
Dinesh Jadwani Vasudev	3	0.07%
Quality Packaging Corporation	3	0.07%
Rayomar Management, Inc.	3	0.07%

TDK Philippines corporation	3	0.07 %
Remax International, Inc.	2	0.04%
Petron Corporation	2	0.04%
Atlantic gulf and Pacific Company of Manila	2	0.04%
FG Holdings, Inc.	2	0.04%
Fluor Daniel, Inc. Phil.	2	0.04%
Key Logistics, Inc.	2	0.04%
MCSI Trading Corporation	2	0.04%
Norvic, Inc.	2	0.04%
Oriental Shipmanagement Company, Inc.	2	0.04%
Prestonburg Development corporation	2	0.04%
First Asia Venture Capital, Inc.	2	0.04%

Dividends

The Club being a not-for-profit organization will not declare any dividend.

ITEM 6: MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS

Discussion of the Results of Operations for 2024 vs. 2023 and 2022

For the year ended December 31, 2024, the Club recorded a total revenue of ₱483.2 million, marking a significant increase compared to ₱456.8 million in 2023 and ₱348.1 million in 2022. Membership dues collected amounted to ₱123.1 million, representing 25.5% of total revenues. The significant increase in membership revenue can be attributed to the rise in monthly membership dues from ₱4,000.00 to ₱4,500.00, effective April 1, 2024, reflecting a 15% increase. The increase in membership dues was necessary to upgrade to a more efficient Club management software and operating system, to address rising labor costs due to industry standardization, government-mandated wage increases and statutory contributions, to comply with the 20% senior citizen discount and the 12% value-added tax exemption, and additional expenditures on Club improvements to enhance the member experience. This adjustment resulted in a considerable boost to overall revenue figures for the year. Revenues from Sports & Recreation were ₱36.5 million in 2024, compared to ₱31.3 million in 2023 and ₱21 million in 2022. This segment contributed 7.6%, 6.9% and 6.0% to total club revenues in 2024, 2023, and 2022 respectively. Club Shop and other miscellaneous revenues amounted to ₱34.7 million in 2024, ₱29.7 million in 2023, and ₱24.6 million in 2022, contributing 7.2%, 6.5% and 7.1% of total revenues in 2024, 2023, and 2022 respectively. These encompasses various sources such as transfer fees, assignment and renomination fees, revenues from party package, equipment hires and merchandise sales. The total increase in revenue by ₱26.4 million in 2024 can be attributed also to increased patronage by members.

As of December 31, 2024, the total direct costs amounted to ₱333.3 million, representing 69% of the total revenues. This is compared to 70.3% or ₱321 million in 2023 and 69.9% or ₱243.2 million in 2022. Out of the total direct costs, the total cost of sales (food and beverage, sports & recreation, club shop and others) percentage was 38% of the total revenues in 2024. Significant direct costs include utilities, laundry and operating supplies which accounted for ₱48.9 million or 10.1% of total revenue in 2024 and payroll which accounted for ₱83.8 million or 17.3% of total revenue in 2024. Other direct costs (banquets and special events, communications, contracted services and marketing expenses) totaled ₱17 million or 3.5% of total revenue in 2024.

The total other operating expenses, excluding depreciation, stood at ₱108 million as of December 31, 2024, compared to ₱89.7 million as of December 31, 2023 and ₱71.8 million in 2022. Notably, excluded from these operating expense is the ₱4.8 million lease charge for chilled water supply in 2024. The rise in other operating expenses can be attributed to the Club's full operations and

the corresponding increase in revenues. Management remains committed to implementing measure aimed at controlling operating costs.

The total depreciation expenses for 2024 amounted to ₱28.5 million, from ₱30.0 million in 2022, resulting a decline of ₱1.5 million or 5.1%. This is due to the adjustments in building accumulated depreciation.

From December 31, 2023, to December 31, 2024, the membership count increased by 11, from 2,283 to 2,294 members. The recorded secondary shares sold consisted of 50 for Class A and 2 for Class C. Total membership dues collected for the year amounted to ₱123.1 million, reflecting the adjustment of dues increase from ₱4,000.00 to ₱4,500.00 effective April 2024, representing 15%. Additionally, management continued its discount scheme, allowing members to prepay twelve months' worth of membership dues in exchange for one-month F&B credits at any restaurant outlet within the Club.

In 2024, the total current assets amounted to ₱250.2 million, compared to ₱206.7 million as of December 31, 2023. Among these assets, cash comprised 74.2%, contract receivables 15.4%, due from related parties 1.7%, inventories 6.7%, advances to suppliers .4% and other current assets 1.5%. Contract receivables as of December 31, 2024 decreased by 18% due to recognition of impairment loss and adjustment to accounts receivable auction account from previous years. Total inventories decreased by 2% as at December 31, 2024, primarily attributed to better management and handling of purchases of food and beverages. To capitalize on substantial discounts and item availability, the Club rented an external cold storage and procured bulk meat supplies in preparation for the holiday season in December.

For the year ending December 31, 2024, the acquisition of property and equipment totaled ₱18.7 million. This expenditure primarily stemmed from the acquisition of company service vehicle, final payments for the 2-unit members' elevator, AHU chilled water-cooling system for Café Asiana, purchase of central kitchen's walk-in chiller and freezer, new kitchen equipment, various sports & gym equipment and building improvements. These new equipment and acquisitions and major repairs were undertaken to uphold and enhance the quality of facilities and services provided to the members.

As at December 2024, the Club's total current assets amounted to ₱250.2 million, while current liabilities stood at ₱130.9 million. The Club's current ratio reached to 1.91, compared to 1.84 as at December 31, 2023, indicating a healthy liquidity position. To bolster its cash position, penalty charges of 2% per month or 24% per annum were implemented against members with overdue accounts. Furthermore, access to the Club's facilities and amenities is suspended for members whose accounts are overdue for 60 days or more. The quick ratio, improved to 1.71, as compared to 1.60 as at December 31, 2023, reflects a favorable liquidity position, while the solvency ratio is robust at 6.72 from 7.4 in December 31, 2023.

As at December 31, 2024, the Club's total assets stood at of ₱1.03 billion. The Club's debt ratio is strong at .17, with total liabilities of ₱153.5 million over stockholders' equity of ₱877.4 million.

PERFORMANCE INDICATORS:

	December 31, 2024	December 31, 2023
Current Ratio	1.91	1.84
Current Assets	250.22	206.73
Current Liabilities	130.87	112.41
Quick Ratio	1.71	1.60
Cash + Accts Receivable	224.17	180.18
Current Liabilities	130.87	112.41
Solvency Ratio	6.72	7.40
Total Assets	1,030.88	996.33
Total Liabilities	153.46	134.67
Debt-Equity Ratio	0.17	0.16
Total Liabilities	153.46	134.67
Total Stockholders' Equity	877.42	861.67
Profit Margin Ratio	0.04	0.03
Net Income (Loss)	18.18	14.38
Total Revenue	483.24	456.83

Events that will trigger direct or contingent financial obligation

There are no known events that will trigger direct or contingent financial obligation that is material to the Club, including any default or acceleration of an obligation.

Trends or events that will impact on the company's liquidity position

There are no major demands, commitments or uncertainties which will likely result to any cash flow or liquidity problem in the next twelve (12) months.

Trends or events of uncertainties that will impact on net sales or revenues or income

There are no known major events and uncertainties that will impact sales or revenues of the Club in the next twelve (12) months.

Significant elements of income or loss that did not arise from continuing operations

There were no significant elements of income or loss that did not arise from continuing operations.

Material changes from January 1, 2024 to December 31, 2024 in one or more line items in the financial statements

There were no material changes in one or more line items in the financial statements from January 1, 2024 to December 31, 2024.

Seasonal aspects that had a material effect on the financial condition or results of operations

There were no seasonal aspect that had a material effect on the financial condition or results of operations for the year ended December 31, 2024.

Commitment for Capital Expenditure

In April 2016 the Club entered into an "Efficiency Performance Contract with Engie Services (Philippines) for the latter to operate and maintain installations that supply chilled water to the Club. This is a comprehensive rehabilitation of the air-conditioning system of the Club. The terms of the agreement require that the Club make monthly fixed payments of ₱246,000 exclusive of VAT from the date of agreement until the date of completion of testing and commissioning of the chilled water installations. The agreement further stipulates that Engie will initially shoulder the cost of the installations for the chilled water supply owned by the Club and Engie to bill the Club for its share of the cost of installations. Upon completion of testing and commissioning, the Club is required to make fixed monthly payments of ₱622,000 exclusive of VAT, for the next ten (10) years representing the fixed period charges of the Club for the use of the chilled water and after which, the ownership of the remaining installations will be vested to the Club. As of December 31, 2017, the Club has paid Engie P22.5 million representing Club's share in the cost of installations.

On February 28, 2017, Engie has completed the testing and commissioning of the installation. On March 18, 2017, full operation commenced and Engie started billing the Club the fixed charges. As of December 31, 2023, the club has paid a total of ₱57.8 million equivalent to ninety-three (93) fixed monthly installments.

ITEM 7: FINANCIAL STATEMENTS

The management of the Club is responsible for the preparation and fair presentation of the financial statements for the years ended December 31, 2024, and the years ended December 31, 2023, and December 31, 2022. The financial statements have been prepared in accordance with prescribed financial reporting framework indicated therein. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the financial statements of the Club.

Please refer to attached audited financial statements and the accompanying notes and schedules to support the financial statements as of December 31, 2024 referred to as **Annex A** hereof.

Related Party Transaction

The Club has entered into various transactions with related parties. Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party in making financial and operating decisions or the parties are subject to common control or common significant influence (referred to as affiliates). Related parties may be individual or corporate entities.

Transactions entered into by the Club with related parties are at arm's length and have terms equivalent to the transactions entered into with third parties.

Significant related party transactions follows:

- a) The club has trade receivables from its affiliates as members of the Club for which it bills monthly membership dues and use of facilities. These affiliates include entities affiliated with FAI, the developer.
- b) The Club maintains cash in bank account with EastWest Banking Corporation (EWBC), a bank affiliated with FAI. Cash in banks earn interest at the prevailing market rates.
- c) The Club has trade payables for FCC maintenance and utilities to FAI, its developer.

The Club has no subsidiaries.

Long-term debt

As of December 31, 2024, the Club has an outstanding lease liability of ₱11.1 million payable until March 2027 with fixed monthly payments of ₱622,000 exclusive of VAT to Engie Services (Philippines). The contract agreement is for operating and maintenance of installations that supplies chilled water supply to the Club.

ITEM 8: CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

There are no changes in and disagreements with accountants as to any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure.

External Audit Fees and Services

As approved by the Board of Directors, the Club engaged the services of auditing firm Sycip Gorres Velayo & Co., with SEC accreditation no. 0077-A, starting calendar year 2005 to December 2024.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Philippine Financial Reporting Standards. The auditor's responsibility is to express an opinion on the financial statements based on the audit conducted in accordance with Philippine Standards on Auditing. Those standards require that the auditor should comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. The auditor also evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

There have been no disagreements with SGV on any matter of accounting principle or practice, financial statement disclosure, or auditing scope or procedure. Representatives of SGV are expected to be present at the annual meeting and they will have the opportunity to make statement if they desire to do so and are expected to be available to respond to appropriate questions.

The 2024 audit of the Club is in compliance with paragraph (3)(b)(ix) of SRC Rule 68, as amended, which provides that the external auditor should be rotated, or the handling partner changed, every five (5) years or earlier. Moreover, the International Ethics Standards Board for Accountants (IESBA) Code of Ethics for Professional Accountants allows the rotation period of seven (7) years for public interest entities (PIE).

The Audited Financial Statement ended December 31, 2024 was signed by Mr. Martin C. Guantes, a partner in Sycip Gorres Velayo & Co. He holds a CPA certificate No. 88494, BOA/PRC Reg. No.

0001, April 16, 2024, valid until August 23, 2026, BIR Accreditation No. 08-001998-052-2023, October 23, 2023, valid until October 22, 2026.

Audit Fees

- a) Audit fees for the last two (2) fiscal years for professional services rendered by Sycip Gorres Velayo & Co. Amount indicated are inclusive of out-of-pocket expenses plus 12% Vat.

1. December 31, 2024	PHP 367,136.00
2. December 31, 2023	PHP 332,849.44

- b) Tax Fees

The Club has not engaged any external auditor for tax accounting, compliance, advice, planning and any other form of tax service for the last two (2) fiscal years.

- c) All other Fees

The Club has not engaged any external auditor for the last two (2) fiscal years for products and services other than the services reported under item (a).

PART III – CONTROL AND COMPENSATION INFORMATION

ITEM 9: DIRECTORS AND EXECUTIVE OFFICERS

1. CATHERINE A. ILAGAN – CHAIRMAN

Ms. Ilagan, 55, Filipino, is the President and Chief Executive Officer of FAI. She is also the Chairperson of Filinvest City Association, Inc. Prior to joining Filinvest, she worked with Arthaland Corporation as Senior Vice President. She obtained her Master's Degree in Business Administration from the Asian Institute of Management in 1993. Ms. Ilagan has been a director of the Club since 2014.

2. FRANCIS NATHANIEL C. GOTIANUN – PRESIDENT & CEO

Mr. Gotianun, 41, Filipino, is also the Senior Vice President of Filinvest Hospitality Corporation, a subsidiary of Filinvest Development Corporation (FDC), the primary role of which is to evaluate, plan, develop and optimize current and potential hospitality investments of the Filinvest Group. He is also a member of the Board of Directors of FLI and in other companies within the Filinvest Group. He concurrently serves as Chairman of Pro-excel Property Managers, Inc. and Pro-Office Work Services, Inc. Prior to joining Filinvest, he worked with Teletech as Head of Country Support Services. He obtained his Bachelor's Degree in Commerce from the University of Virginia in 2005 and his Master's Degree in Business Administration in IESE Business School – University of Navarra in 2010. Mr. Gotianun was first elected as a director of the Club in 2015.

3. ANDREW GERARD D. GOTIANUN III – DIRECTOR

Mr. Gotianun III, 48, Filipino, is the Vice President for Supply Chain Management of the Filinvest Group. Prior to that, he was the Senior Assistant Vice President for Purchasing of the Filinvest Group, and Special Assistant to the President starting May 2008 until January 2011. Mr. Gotianun III obtained his Bachelor's Degree in Business Administration from Concordia University at Irvine California, USA. He has been a director of the Club since 2017.

4. VEN CHRISTIAN S. GUCE – DIRECTOR

Mr. Guce, 48, Filipino, is the Chief Financial Officer and Treasurer of Filinvest Development Corporation (FDC). Prior to joining FDC, Mr. Guce was the CFO of Growsari which is the Philippines' leading B2B e-commerce company. He previously worked with Jollibee Foods Corporation where he led the group's corporate finance, corporate planning, financial planning & analysis, M&A and global treasury functions. Ven obtained his Bachelor of Arts degree in Economics, from the University of Asia and the Pacific, with specialization in Quantitative Economics. He also finished his Master of Science in Industrial Economics Degree as Salutatorian from the same university. He was elected as a director of the Club this year 2024.

5. JOAQUIN P. ROA – INDEPENDENT DIRECTOR

Mr. Roa, 70, Filipino, is a licensed real estate broker and has held management positions in various corporations in the Philippines and Vietnam. He served as Senior Vice President of Grepalife from 1999 to 2002, Vice President/General Manager of Vietnam Motors from 1992 to 1999, and Vice President - Marketing of Philippine Fuji Xerox from 1980 to 1992. He obtained his Bachelor of Science in Electrical Engineering degree from the University of the Philippines. He has been a member of the Club since 2001. He was first elected as independent director of the Club in 2018.

6. JOSEPHINE L. LAGDAMEO – INDEPENDENT DIRECTOR

Ms. Lagdameo, 59, Filipino, was among the pioneer team of The Palms Country Club, Inc. and was Membership Manager from 2000 to 2004. Previous to the club, she was with the Rustan Group of Companies as Corporate Sales Manager of Rustan Commercial Corp. from 1988 to 1995, and Institutional Sales Manager of Royal Duty Free Shops from 1995 to 2000. She was Deputy Director for Sales of Discovery Primea Residences from 2008 to 2018. She is a member of the Assumption Alumnae Association and served on the Board of Trustees from 2009 to 2016. She obtained her Bachelor of Arts in Philippine Studies degree from the University of the Philippines. She has been a member of The Palms Country Club, Inc. since 2001.

7. MARIE CYNTHIA C. SEGURA – INDEPENDENT DIRECTOR

Ms. Segura, 54, Filipino, has thirty years of broad-based human resource experience in multinational companies in different countries, and development of own consulting firms servicing clients in the Asia-Pacific region. She is experienced in strategic human resource performance and talent management, mid management and executive leadership development, core skills development training, selection, and outplacement facilitation. Ms. Segura finished her M.B.A. degree in International Management-Human Resource with honors, from the University of Dallas in Irving, Texas, U.S.A. She is also a cum laude graduate of a B.A. degree major in International Business, minor in Spanish from the Cardinal Stritch College in Milwaukee, Wisconsin, U.S.A.

8. ANA VENUS A. MEJIA - TREASURER

Ms. Mejia, 59, Filipino, has been with the Filinvest Group of Companies ("Group") for more than 27 years, joining in 1996 as Assistant Controller of FDC and has served the Group in various capacities. At present, she is the Executive Vice President, Treasurer, Chief Finance Officer and Compliance Officer of FLI. She was appointed as Treasurer of the Club in 2012. Prior to joining Filinvest, she worked with Shoemart and Sycip, Gorres, Velayo & Company. She is a Certified Public Accountant and a Magna Cum Laude from Pamantasan ng Lungsod ng Maynila. She obtained her Master's Degree from Kellogg School of Management at Northwestern University and School of Business and Management, The Hongkong University of Science and Technology.

9. ESTRELLA C. ELAMPARO – COMPLIANCE OFFICER

Ms. Elamparo ("Star"), 54 Filipino, is also the Compliance Officer and Head of Legal of FDC. She is a lawyer specializing in litigation and disputes, public relations, crisis management and communications, and policy advocacy. She has been recognized as one of the Philippines' Top 100 Lawyers in 2021, 2022 and 2023, and was named Woman Lawyer of the Year by Asian Legal Business South-East Asia Law Awards in 2017. She holds a Bachelor of Laws degree from the University of the Philippines and a Master of Arts degree in Health Care Ethics and Law from the University of Manchester.

10. LINDEZA R. ROGERO-GAVINO – CORPORATE SECRETARY

Ms. Rogero-Gavino, 55, Filipino, was appointed as TPCCI Corporate Secretary and Corporate Information Officer on December 07, 2023. She served formerly as the Corporate Secretary & Compliance Officer of the Philippine Postal Corporation. She was previously the Director of the Cebu Extension Office of the Securities & Exchange Commission. She is currently the Corporate Governance Head of Filinvest Development Corporation. She obtained her Bachelor of Arts degree major in Economics from the University of San Carlos in Cebu and her Bachelor of Laws degree from the University of the Philippines Diliman.

11. RONELYN D. JAECTIN – ASSISTANT CORPORATE SECRETARY

Ms. Jaectin, 31, is a Senior Legal Counsel at Filinvest Development Corporation. Prior to joining Filinvest, her career spans leadership roles within the LCS Group of Companies and at the Department of Finance. She holds a Bachelor of Arts degree in Political Science from Mindanao State University - Iligan Institute of Technology, and a Juris Doctor degree from the University of San Carlos.

11. HANS RUDOLF NEUKOM – GENERAL MANAGER

Mr. Neukom, 60, Swiss, was the Executive Chef of the American Club Shanghai in China. He has been working in the food industry for almost 20 years now since the start of his apprenticeship and spent most of his culinary years in Asia. He was appointed as the Executive Chef of the Club in 2002 and as General Manager in 2010.

12. MARLO L. PATACSIL – FINANCIAL CONTROLLER

Mr. Patacsil, 49, Filipino, is currently the Chief Financial Officer of the Club. Prior to joining The Palms, he was the Financial Controller of Tower Club, Inc. He was also a Project Consultant for Punongbayan & Araullo (P&A-Grant Thornton International, Ltd). While with P&A, he handled senior positions for Lafarge Philippines & IBM Global Services. He also spent his early working career with P&A Business Services Division as Senior Accountant. Mr. Patacsil had more than 25 years exposure to various Finance functions. He had worked abroad as Chief Accountant of seven (7) years for Middle East Air Conditioners Co. Ltd. (MEAC), a partnership Company of Zamil AC - Kingdom of Saudi Arabia & General Electric BVBA Belgium. Mr. Patacsil is a graduate of San Beda College with a degree of Bachelor of Science in Accountancy. He is a Certified Management Accountant (CMA) and Certified Tax Compliance Specialist (TCS).

Executive officers of the Club are appointed or elected annually by the Board of Directors, typically at its first meeting following the annual meeting of the stockholders, each to hold office until the corresponding meeting of the Board of Directors in the next year or until a successor shall have been elected or appointed, and duly qualified.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

There is no transaction during the last two (2) years, or any proposed transaction, to which the Club was or is to be a party, in which any director or officer of the Club, any nominee for election as a director, any security holder or any member of the immediate family of any of the persons mentioned in the foregoing, had or is to have a direct or indirect material interest.

The Club seeks legal advice from the law firm of Sycip Salazar Hernandez & Gatmaitan from time to time and pays the said firm professional fees charged by the latter for the services rendered.

OTHER SIGNIFICANT EMPLOYEES

The Club considers all its employees as significant to the growth of the Club.

FAMILY RELATIONSHIPS

The club is majority-owned by FAI. Mr. Francis Nathaniel C. Gotianun, President/CEO and Andrew Gerard D. Gotianun III, Director, are first cousins. None of the remaining directors or executive officers is related, whether by consanguinity or affinity, with the others.

INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS

The Club is not aware of the occurrence of any of the following events within the past five years up to the date of this annual report: (a) any bankruptcy petition filed by or against any business in which any of its directors or officers was a general partner or officer either at the time of the bankruptcy or within two years prior to that time; (b) any conviction by final judgment in a criminal proceeding, domestic or foreign, of, or any criminal proceeding, domestic or foreign, pending against, any of its directors or officers in his capacity as such director or officer; (c) any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any of its directors or officers in any type of business, securities, commodities or banking activities, and (d) any finding by a domestic or foreign court of competent jurisdiction (in a civil action), the Securities and Exchange Commission or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization that any of its directors or officers has violated a securities or commodities law, and the judgment has not been reversed, suspended or vacated, which occurred during the past five years.

No director has resigned or declined to stand for re-elections as member of the Board due to any disagreement with the Club on any matter relating to Club operations, policies or practices.

No person who is not an executive officer of the Club is expected to make significant contribution to the business.

ITEM 10: EXECUTIVE COMPENSATION**Summary of Compensation Table (in Pesos)**

(a) Name and Principal Position	(b) Year	(c) Salary (P)	(d) Bonus (P)	(e) Other Annual Compensation	TOTAL
Catherine A. Ilagan Chairman					n/a
Francis Nathaniel C. Gotianun President & CEO					n/a
Andrew Gerald D. Gotianun III Director					n/a
Ven Christian S. Guce Director					n/a
Marie Cynthia C. Segura Independent Director					n/a
Joaquin P. Roa Independent Director					n/a
Josephine L. Lagdameo Independent Director					n/a
All other officers and directors as a group unnamed	2025-Est.	6.3 million	-	2.4 million	8.7 million
	2024	5.6 million	-	2.7 million	8.3 million
	2023	5.4 million	-	2.0 million	7.4 million

The directors of the Club received no per diem, remuneration or compensation in their capacity as such for the years 2024, 2023 and 2022. There is no employment contract or contracts relative to payment of executive compensation to the directors of the Club to date, whether directly or indirectly.

There are no agreements between the Club and any of its directors and key officers providing for benefits upon termination of employment, except for such benefits to which they may be entitled under the Club's retirement plan.

ITEM 11: SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

As of December 31, 2024, FAI has a total of 2,557 common no par value shares of stock of the Club, of which 264 are available for sale to third parties. Breakdown of shares owned by FAI are as follows:

Share Category	No. of shares
Class "A" (Individual/Corporate A) Shares	9
Class "B" (Corporate B) Shares	161
Class "C" (Corporate C) Shares	94
<i>Sub-total (no. of shares to be sold)</i>	<u>264</u>
Class "D" Shares (including the initial one common share) (not for sale)	<u>2,293</u>
Total	<u>2,557</u>

Security Ownership of Certain Record and Beneficial Owners as of December 31, 2024

Title of Class of Securities	Name/ Address	Amount and Nature of Record / Beneficial Ownership	Citizenship	% of Ownership
Common	Filinvest Alabang, Inc. ¹ Vector 1 Building Northgate Cyberzone Filinvest City, Alabang Muntinlupa City	2,557	Filipino	55.59%

Except as stated above, the Board and management of the Club have no knowledge of any person who, as of date of this report, is directly or indirectly the beneficial owner of more than 5% of the Club's outstanding shares of common stock or who has voting power or investment power with respect to shares comprising more than 5% of its outstanding common stock.

Security Ownership of Management as of December 31, 2024

Title of Class of Securities	Name	Citizenship	Amount and Nature of Ownership	% of Ownership
Common	Catherine A. Ilagan c/o 1410 Laguna Heights Drive, Filinvest City, Alabang, Muntinlupa City	Filipino	1	-
Common	Francis Nathaniel C. Gotianun c/o 1410 Laguna Heights Drive, Filinvest City, Alabang, Muntinlupa City	Filipino	1	-
Common	Andrew Gerard D. Gotianun III c/o 1410 Laguna Heights Drive, Filinvest City, Alabang, Muntinlupa City	Filipino	1	-
Common	Ven Christian S. Guce c/o 1410 Laguna Heights Drive, Filinvest City, Alabang, Muntinlupa City	Filipino	1	-
Common	Marie Cynthia C. Segura c/o 1410 Laguna Heights Drive, Filinvest City, Alabang, Muntinlupa City	Filipino	1	-
Common	Joaquin P. Roa c/o 1410 Laguna Heights Drive, Filinvest City, Alabang, Muntinlupa City	Filipino	1	-
Common	Josephine Lagdameo c/o 1410 Laguna Heights Drive, Filinvest City, Alabang, Muntinlupa City	Filipino	1	-

¹ Filinvest Alabang, Inc. is a domestic corporation majority-owned by Filinvest Development Corporation and Filinvest Land, Inc.

PART IV – CORPORATE GOVERNANCE

Consistent with the Club's Revised Manual for Corporate Governance, directors and officers are designated to comprise the various committees of the Club. These include the executive, audit, nomination and compensation committees which were formed to aid in good corporate governance by providing support to the Board in the performance of specific functions.

The Club is in substantial compliance with its Revised Manual for Corporate Governance as demonstrated by the following: (a) the election of three (3) independent directors to the Board; (b) the appointment of directors and officers as members of the executive, audit, nomination and compensation committees of the Club; the conduct of regular quarterly board meetings and special meetings and the faithful attendance of the directors at these meetings and their proper discharge of duties and responsibilities as such directors; (c) the submission to the SEC of structured reports and disclosures required under the Securities Regulation Code; (d) the Club's adherence to national and local laws pertaining to its operations; and (e) the observance of applicable accounting standards by the Club.

In order to keep itself abreast with the leading practices on corporate governance, the Club encourages the members of top-level management and the Board to attend and participate at seminars on corporate governance initiated by accredited institutions. Last December 10, 2024, the directors and officers of the Club participated in a SEC-accredited Corporate Governance Training conducted by the Center for Global Best Practices.

The Club welcomes proposals, especially from institutions and entities such as the SEC, to improve corporate governance.

There is no known material deviation from the Club's Revised Manual on Corporate Governance.

PART V – EXHIBITS

Reports on SEC Form 17-C

	Date Filed	Contents
1	June 5, 2024	Resignation of Atty. Millette A. Arnedo as the Corporation's Compliance Officer and appointment of new compliance officer at the next scheduled board meeting.
2	June 25, 2024	Results of BOD meeting held on June 25, 2023, the Board of Directors of The Palms Country Club, Inc. (the "Club") approved the holding of the Club's annual stockholders' meeting on October 7, 2024, 9:00 o'clock in the morning at The Palms Country Club, 1410 Laguna Heights Drive, Filinvest City, Alabang, Muntinlupa City. The Board approved to hold the 2024 annual stockholders' meeting in person/face to face.
3	June 26, 2024	Amendment to the Current Report submitted on June 25, 2024, re Results of BOD meeting held on June 25, 2024, the Board of Directors of The Palms Country Club, Inc. (the "Club") approved the following:

		<p>1. Appointment of Mr. Brian T. Lim as Compliance Officer to replace Atty. Millette A. Arnedo, whose resignation was disclosed to the Commission last June 5, 2024.</p> <p>2. Holding of the Club's annual stockholders' meeting on October 7, 2024, 9:00 o'clock in the morning at The Palms Country Club, 1410 Laguna Heights Drive, Filinvest City, Alabang, Muntinlupa City. The Board approved to hold the 2024 annual stockholders' meeting in person/face to face.</p> <p>The disclosure is being submitted to correct the date of the Board meeting from June 25, 2023 to June 25, 2024 in the previously submitted disclosure and include the appointment of Mr. Brian T. Lim as Compliance Officer, as one of the matters approved during the Board meeting held on June 25, 2024, which was inadvertently omitted.</p>
4	August 29, 2024	<p>Results of BOD meeting held on August 28, 2024, the Board of Directors of The Palms Country Club, Inc. (the "Club") approved the notice and agenda for the annual stockholders' meeting of the Club previously disclosed to be held on October 7, 2024, 9:00 o'clock in the morning at The Palms Country Club, 1410 Laguna Heights Drive, Filinvest City, Alabang, Muntinlupa City and noted the final list of nominees for election to the Board of Directors as indorsed from the Corporate Governance Committee acting as Nominations Committee</p>
5	October 8, 2024	<p>Results of Annual Stockholders Meeting held on 7 October 2024</p> <p>1. <u>Minutes of previous meeting</u></p> <p>"RESOLVED, That the minutes of the annual meeting of the shareholders of the Club held on 17 October 2023 is hereby approved."</p> <p>2. <u>Audited Financial Statements as of December 31, 2023</u></p> <p>"RESOLVED, That the Club's Audited Financial Statements as of and for the year ended 31 December 2023 be approved, confirmed and ratified."</p> <p>3. <u>Ratification of the acts, resolutions and proceedings of the Board of Directors, Board Committees and Management from the date of the last annual shareholders' meeting until 07 October 2024</u></p> <p>"RESOLVED, That all the acts, resolutions and proceedings of the Board of Directors, Board Committees and Management from the date of the last annual shareholders' meeting until 07 October 2024 are hereby approved, confirmed and ratified."</p> <p>4. <u>Election of the Directors (including Independent Directors)</u></p> <p>"RESOLVED, That the following persons are hereby declared as duly elected directors of the</p>

		<p>Club, to serve for a term of one (1) year or until their successors shall have been elected and qualified in accordance with the By-Laws of the Club:</p> <p>Directors:</p> <ul style="list-style-type: none"> • Ms. Catherine A. Ilagan • Mr. Francis Nathaniel C. Gotianun • Mr. Andrew Gerard D. Gotianun III • Mr. Ven Christian S. Guce • Mr. Joaquin P. Roa (<i>Independent Director</i>) • Ms. Josephine L. Lagdameo (<i>Independent Director</i>) • Ms. Marie Cynthia C. Segura (<i>Independent Director</i>) <p>5. <u>Appointment of External Auditor</u></p> <p>"RESOLVED, That the accounting firm of SyCip Gorres Velayo and Co. (SGV) be approved for reappointment as the Club's external auditor for the year 2025."</p>
6	October 8, 2024	<p>At the organizational meeting of the Palms Country Club, Inc. (the "Board") appointed the following officers of the Club to serve for the year 2024-2025 and until their successors shall have been elected and qualified:</p> <ul style="list-style-type: none"> • Chairman of the Board - Catherine A. Ilagan • President & CEO - Francis Nathaniel C. Gotianun • Treasurer - Ana Venus A. Mejia • Compliance Officer – Brian T. Lim • Corporate Secretary – Lindeza R. Rogero-Gavino • Asst. Corporate Secretary – Ronelyn D. Jaectin • General Manager - Hans Rudolf Neukom • Financial Controller – Marlo L. Patacsil <p>The Board also appointed Mr. Joaquin P. Roa as its Lead Independent Director.</p> <p>After its reorganization, the Board constituted the following committees with their respective Chairpersons and members:</p> <ul style="list-style-type: none"> • Executive Committee <ul style="list-style-type: none"> Chairman Francis Nathaniel C. Gotianun Members Catherine A. Ilagan Andrew Gerard D. Gotianun III Hans Rudolf Neukom • Audit & Risk Management Oversight Committee <ul style="list-style-type: none"> Chairman Joaquin P. Roa Members Catherine A. Ilagan Josephine L. Lagdameo • Corporate Governance Committee <ul style="list-style-type: none"> Chairman Joaquin P. Roa Members Catherine A. Ilagan Francis Nathaniel C. Gotianun Josephine L. Lagdameo Marie Cynthia C. Segura

		<ul style="list-style-type: none"> • Compensation Committee Chairman Andrew Gerard Gotianun III Members Francis Nathaniel C. Gotianun Catherine A. Ilagan Joaquin P. Roa • Membership Committee Chairman Josephine L. Lagdameo Members Francis Nathaniel C. Gotianun Andrew Gerard D. Gotianun III Marie Cynthia C. Segura Jose Tomas C. Syquia
7	November 19, 2024	Resignation of Mr. Brian T. Lim as the Corporation's Compliance Officer effective November 30, 2024. A new compliance officer will be appointed by the Board of Directors at the next scheduled board meeting.

SIGNATURES

Pursuant to the requirements of Section 17 of the Securities Regulation Code and Section 141 of the Corporation Code, this report is signed on behalf of The Palms Country Club, Inc. by the undersigned, thereunto duly authorized, in the City of Muntinlupa on April 08, 2025.

By:



FRANCIS NATHANIEL C. GOTIANUN
President and CEO



LINDEZA R. ROGERO GAVINO
Corporate Secretary



HANS RUDOLF NEUKOM
General Manager



MARLO L. PATACSI
Chief Financial Officer

22 APR 2025

SUBSCRIBED AND SWORN to before me this _____ day of _____, affiants exhibiting to me their respective identification as follows:

Names	Identification	Number	Valid Until
Francis Nathaniel C. Gotianun	Passport	P3161179B	09/11/2029
Lindeza R. Rogero-Gavino	Passport	P2326165C	11/9/2032
Hans Rudolf Neukom	Driver's License	X01-98-038113	5/07/2032
Marlo L. Patacsil	Driver's License	N02-08006487	11/08/2026

Doc. No. 408
Page No. 83
Book No. 358
Series of 2025.



NOTARY PUBLIC

Eleonor T. Hernandez
ELEONOR T. HERNANDEZ
NOTARY PUBLIC

UNTIL DECEMBER 31, 2025

APPT. NO. 24-018, ATTORNEYS ROLL NO. 38749
PTR NO. 4763633, JAN 02, 2025, MUNTINLUPA CITY
IBP LIFETIME MEMBER NO. 05258, TIN: 135478879
MCLE NO. VII-0006441, JUNE 28, 2021, PHILIPPINES
ENAC 27'L PASEO, JOLIBEE JUNCTION, ALABANG
1770 MUNTINLUPA CITY, PHILIPPINES



SECURITIES AND EXCHANGE COMMISSION

THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/message@sec.gov.ph



The following document has been received:

Receiving: ICTD ERMD

Receipt Date and Time: April 15, 2025 05:50:09 PM

Company Information

SEC Registration No.: A200005129

Company Name: THE PALMS COUNTRY CLUB, INC.

Industry Classification: O92410

Company Type: Stock Corporation

Document Information

Document ID: OST10415202583175905

Document Type: Financial Statement

Document Code: FS

Period Covered: December 31, 2024

Submission Type: Annual

Remarks: None

Acceptance of this document is subject to review of forms and contents

The Palms Country Club, Inc.
(A Not-for-Profit Corporation)

Financial Statements
December 31, 2024 and 2023
and Years Ended December 31, 2024, 2023
and 2022

and

Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

The Board of Directors
The Palms Country Club, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of The Palms Country Club, Inc. (the Club), which comprise the statements of financial position as at December 31, 2024 and 2023, and the statements of revenue and expenses, statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2024, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Club as at December 31, 2024 and 2023, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2024 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Club in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Club's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Club or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Club's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Club's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Club's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Club to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

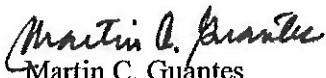
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.



Report on the Supplementary Information Required Under Revenue Regulations 15-2010

The supplementary information required under Revenue Regulations 15-2010 for purposes of filing with the Bureau of Internal Revenue is presented by the management of The Palms Country Club, Inc. in a separate schedule. Revenue Regulations 15-2010 requires the information to be presented in the notes to financial statements. Such information is not a required part of the basic financial statements. The information is also not required by the Revised Securities Regulation Code Rule 68. Our opinion on the basic financial statements is not affected by the presentation of the information in a separate schedule.

SYCIP GORRES VELAYO & CO.



Martin C. Guantes

Partner

CPA Certificate No. 88494

Tax Identification No. 152-884-272

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-052-2023, October 23, 2023, valid until October 22, 2026

PTR No. 10465311, January 2, 2025, Makati City

April 11, 2025



THE PALMS COUNTRY CLUB, INC.
(A Not-for-Profit Corporation)
STATEMENTS OF FINANCIAL POSITION

	December 31	
	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 4, 10 and 18)	₱185,692,136	₱133,131,600
Contract receivables (Notes 5, 10 and 18)	38,481,021	47,043,999
Inventories (Note 6)	16,826,629	17,157,436
Due from related parties (Notes 10 and 18)	4,348,803	3,936,420
Other current assets (Note 7)	4,867,380	5,465,166
Total Current Assets	250,215,969	206,734,621
Noncurrent Assets		
Property and equipment (Notes 8 and 19)	778,717,966	788,505,883
Other noncurrent assets	1,946,876	1,093,460
Total Noncurrent Assets	780,664,842	789,599,343
TOTAL ASSETS	₱1,030,880,811	₱996,333,964
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables (Notes 9 and 18)	₱90,304,923	₱72,292,859
Contract liabilities (Note 9)	36,673,086	36,988,543
Due to related parties (Notes 10 and 18)	76,864	518,644
Lease liabilities - current portion (Notes 18 and 19)	3,810,385	2,609,485
Total Current Liabilities	130,865,258	112,409,531
Noncurrent Liabilities		
Lease liabilities - net of current portion (Notes 18 and 19)	7,316,424	11,126,809
Retirement liabilities (Note 17)	15,280,179	11,132,508
Total Noncurrent Liabilities	22,596,603	22,259,317
Total Liabilities	153,461,861	134,668,848
Equity		
Capital stock (Note 11)	1,109,993,521	1,109,993,521
Deficit	(233,320,253)	(251,501,750)
Remeasurement gains on retirement plan - net of tax (Note 17)	745,682	3,173,345
Total Equity	877,418,950	861,665,116
TOTAL LIABILITIES AND EQUITY	₱1,030,880,811	₱996,333,964

See accompanying Notes to Financial Statements.



THE PALMS COUNTRY CLUB, INC.**(A Not-for-Profit Corporation)****STATEMENTS OF REVENUES AND EXPENSES**

	Years Ended December 31		
	2024	2023	2022
REVENUES			
Food and beverage	₱288,877,707	₱288,805,265	₱216,870,456
Membership dues	123,173,176	106,962,000	85,645,500
Sports and recreation	36,525,590	31,334,883	21,043,309
Club shop and other revenues (Note 12)	34,666,082	29,724,010	24,580,850
	483,242,555	456,826,158	348,140,115
DIRECT COSTS (Notes 6 and 13)	333,338,649	321,033,103	243,208,453
	149,903,906	135,793,055	104,931,662
OPERATING EXPENSES (Note 14)			
General and administrative	74,480,984	59,956,437	48,051,923
Depreciation (Note 8)	28,509,702	30,037,904	28,576,487
Housekeeping	16,894,064	15,589,983	13,385,346
Engineering	16,613,606	14,176,664	10,395,304
	136,498,356	119,760,988	100,409,060
EXCESS OF REVENUES OVER DIRECT COSTS AND EXPENSES	13,405,550	16,032,067	4,522,602
OTHER INCOME - Net (Note 15)	12,870,406	4,832,063	4,074,235
LEASE CHARGES (Note 19)	(4,854,715)	(5,676,933)	(6,240,153)
INCOME BEFORE INCOME TAX	21,421,241	15,187,197	2,356,684
PROVISION FOR INCOME TAX (Note 16)	3,239,744	802,378	591,733
NET INCOME	₱18,181,497	₱14,384,819	₱1,764,951

See accompanying Notes to Financial Statements.

THE PALMS COUNTRY CLUB, INC.**(A Not-for-Profit Corporation)****STATEMENTS OF COMPREHENSIVE INCOME**

	Years Ended December 31		
	2024	2023	2022
NET INCOME	₱18,181,497	₱14,384,819	₱1,764,951
OTHER COMPREHENSIVE INCOME			
(LOSS)			
<i>Item that will not be reclassified to profit or loss</i>			
<i>in subsequent periods</i>			
Remeasurement gains (losses) on			
retirement plan - net of tax (Note 17)	(2,427,663)	(1,064,254)	1,569,389
TOTAL COMPREHENSIVE INCOME	₱15,753,834	₱13,320,565	₱3,334,340

See accompanying Notes to Financial Statements.

THE PALMS COUNTRY CLUB, INC.
(A Not-for-Profit Corporation)
STATEMENTS OF CHANGES IN EQUITY

	Capital Stock (Note 11)	Deficit	Remeasurement Gains on Retirement Plan - net of tax (Note 17)	Total
For the Year Ended December 31, 2024				
Balances at January 1, 2024	₱1,109,993,521	(₱251,501,750)	₱3,173,345	₱861,665,116
Comprehensive income				
Net income	—	18,181,497	—	18,181,497
Other comprehensive loss	—	—	(2,427,663)	(2,427,663)
Total comprehensive income (loss)	—	18,181,497	(2,427,663)	15,753,834
Balances at December 31, 2024	₱1,109,993,521	(₱233,320,253)	₱745,682	₱877,418,950
For the Year Ended December 31, 2023				
Balances at January 1, 2023	₱1,109,993,521	(₱265,886,569)	₱4,237,599	₱848,344,551
Comprehensive income				
Net income	—	14,384,819	—	14,384,819
Other comprehensive loss	—	—	(1,064,254)	(1,064,254)
Total comprehensive income (loss)	—	14,384,819	(1,064,254)	13,320,565
Balances at December 31, 2023	₱1,109,993,521	(₱251,501,750)	₱3,173,345	₱861,665,116
For the Year Ended December 31, 2022				
Balances at January 1, 2022	₱1,109,993,521	(₱267,651,520)	₱2,668,210	₱845,010,211
Comprehensive income				
Net	—	1,764,951	—	1,764,951
Other comprehensive income	—	—	1,569,389	1,569,389
Total comprehensive income	—	1,764,951	1,569,389	3,334,340
Balances at December 31, 2022	₱1,109,993,521	(₱265,886,569)	₱4,237,599	₱848,344,551

See accompanying Notes to Financial Statements.



THE PALMS COUNTRY CLUB, INC.
(A Not-for-Profit Corporation)
STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	P21,421,241	P15,187,197	P2,356,684
Adjustments for:			
Depreciation and amortization (Notes 8, 13 and 14)	28,509,702	31,618,846	30,080,513
Lease charges (Note 19)	4,854,715	5,676,933	6,240,153
Retirement benefits cost, net of benefits paid (Note 17)	910,787	758,454	1,125,076
Proceeds from insurance claims (Notes 8 and 15)	—	(4,443,564)	—
Net book value of derecognized property and equipment (Notes 8 and 15)	—	5,781,370	—
Gain on disposal of property and equipment (Note 8)	—	—	(170,000)
Interest income (Notes 4, 10 and 15)	(3,328,750)	(1,622,664)	(376,893)
Operating income before changes in operating assets and liabilities	52,367,695	52,956,572	39,255,533
Changes in operating assets and liabilities			
Decrease (increase) in:			
Contract receivables	8,562,978	(4,451,479)	(9,826,003)
Inventories	330,807	(3,103,065)	(4,396,698)
Due from related parties	(412,383)	(1,318,528)	(1,999,167)
Other current assets	597,786	(1,369,567)	(1,338,906)
Other noncurrent assets	(853,416)	437,384	662,283
Increase (decrease) in:			
Accounts and other payables	18,012,064	7,945,432	20,136,911
Due to related parties	(441,780)	92,606	107,863
Contract liabilities	(315,457)	4,307,807	10,702,453
Cash generated from operations	77,848,294	55,497,162	53,304,269
Interest received	3,328,750	1,458,570	376,893
Income tax paid (applied creditable withholding tax) (Note 16)	(2,430,523)	(447,627)	(1,114,863)
Net cash provided by operating activities	78,746,521	56,508,105	52,566,299
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisitions of property and equipment (Note 8)	(18,721,785)	(37,683,971)	(6,346,493)
Proceeds from:			
Insurance claims (Notes 8 and 15)	—	4,443,564	—
Disposals of property and equipment (Note 8)	—	—	170,000
Decrease (increase) in short-term investment (Note 4)	—	33,867,175	(68,384)
Net cash provided by (used in) investing activities	(18,721,785)	626,768	(6,244,877)
CASH FLOWS FROM FINANCING ACTIVITY			
Payments of obligation under finance lease (Note 19)	(7,464,200)	(7,464,000)	(7,464,000)
NET INCREASE IN CASH AND CASH EQUIVALENTS	52,560,536	49,670,873	38,857,422
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	133,131,600	83,460,727	44,603,305
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	P185,692,136	P133,131,600	P83,460,727

See accompanying Notes to Financial Statements.



THE PALMS COUNTRY CLUB, INC.
(A Not-for-Profit Corporation)

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

The Palms Country Club, Inc. (the Club) was registered with the Philippine Securities and Exchange Commission (SEC) on May 24, 2000 and operated as a non-profit corporation. The Club's main purpose is the maintenance and operation of indoor and outdoor recreational facilities, restaurants and dining halls for the use and enjoyment of its members. No part of the income or asset of the Club shall belong or inure to the benefit of any member, officer or specific person.

The Club's registered address and principal place of business is at 1410 Laguna Heights Drive, Filinvest City, Alabang, Muntinlupa City.

The Club's accompanying financial statements as of December 31, 2024 and 2023 were approved and authorized for issuance by the Board of Directors (BOD) on April 11, 2025.

2. Summary of Material Accounting Policy Information

Basis of Preparation

The accompanying financial statements of the Club have been prepared using historical the cost basis. The financial statements are presented in Philippine Peso (₱), which is also the Club's functional currency. All amounts are rounded off to the nearest peso unless otherwise indicated.

Statement of Compliances

The accompanying financial statements of the Club have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2024. The Club has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have any impact on the financial statements of the Club.

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

The amendments clarify:

- That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.



- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*
The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

Standards Issued but Not Yet Effective

Pronouncements issued but not yet effective are listed below. The Club intends to adopt the following pronouncements when they become effective. Adoption of these pronouncements is not expected to have a significant impact on the Club's financial statements, unless otherwise indicated.

Effective beginning on or after January 1, 2025

- Amendments to PAS 21, *Lack of exchangeability*

Effective beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards—Volume 11
 - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
 - Amendments to PFRS 7, *Gain or Loss on Derecognition*
 - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
 - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
 - Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027

- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*
- PFRS 17, *Insurance Contracts*

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Material Accounting Policy Information

Current versus Noncurrent Classification

The Club presents assets and liabilities in its statement of financial position based on a current and noncurrent classification. An asset is current when it is:

- a. expected to be realized or intended to be sold or consumed in normal operating cycle;
- b. held primarily for the purpose of trading;
- c. expected to be realized within 12 months after the reporting period; or
- d. cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.



All other assets are classified as noncurrent.

A liability is current when:

- a. it is expected to be settled in normal operating cycle;
- b. it is held primarily for the purpose of trading;
- c. it is due to be settled within 12 months after the reporting period, or
- d. there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Club classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities, respectively.

Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash in bank earns interest at the prevailing bank deposit rate. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three (3) months or less from dates of placement and that are subject to an insignificant risk of change in value.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Club. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Club uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Fair Value Hierarchy of Financial Instruments Recognized at Fair Value

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable



For assets and liabilities that are recognized in the financial statements on a recurring basis, the Club determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as at amortized cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Club's business model for managing them. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. With the exception of trade receivables that do not contain a significant financing component or for which the Club has applied the practical expedient, the Club initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Club has applied the practical expedient are measured at its transaction price.

In order for a debt financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that passes the 'solely payments of principal and interest' on the principal amount outstanding (SPPI criterion). This assessment is referred to as the SPPI test and is performed at the instrument level.

The Club's business model for managing financial assets refer to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Club commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments) (FVOCI with recycling)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments) (FVOCI with no recycling)
- Financial assets at fair value through profit or loss (FVTPL)



Financial assets at amortized cost (debt instruments)

This category is the most relevant to the Club. The Club measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate (?) (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Club's financial assets at amortized cost include cash and cash equivalents, receivables and due from related parties.

The Club has no financial assets at FVOCI with or without recycling and at FVTPL categories.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Club's financial liabilities include accounts and other payables (excluding taxes payables), due to related parties and lease liabilities.

Subsequent measurement

After initial recognition, financial liabilities are measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through EIR amortization process. This accounting policy relates to the Club's accounts and other payables, due to related parties and lease liabilities.

Impairment of Financial Assets

The Club recognizes an allowance for expected credit losses (ECL) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Club expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For cash and cash equivalents, the Club applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. The Club also evaluates the credit rating of the bank and other financial institutions to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs. It is the Club's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on lifetime ECL.



For trade receivables, the Club applies a simplified approach in calculating ECLs. Therefore, the Club does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Club has established a provision matrix for its receivables that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other receivables and due from related parties, ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Club considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Club may also consider a financial asset to be in default when internal or external information indicates that the Club is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Club. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derecognition of Financial Assets and Financial Liabilities

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e., removed from the Club's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or,
- The Club has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement; or,
- The Club has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Club has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Club continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Club also recognized an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Club has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Club could be required to repay.

Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled, or has expired.



When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of comprehensive income.

Inventories

Inventories are valued at the lower of cost and net realizable value (NRV). NRV is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale. Cost includes purchase price, freight and handling costs and is determined using the first-in, first-out method.

Other Current Assets

Other current assets pertain to creditable withholding tax, advances to suppliers, and other current assets such as prepayments and deposits which are controlled by the Club as a result of past events and from which future economic benefits are expected to flow to the Club within one (1) year after the reporting period.

Property and Equipment

Property and equipment consist of land, land improvements, building, and sports, kitchen and other facilities and equipment, and right-of-use (ROU) asset. Except for land, the Club's property and equipment are stated at cost, less accumulated depreciation and amortization and any impairment in value. Land is stated at cost, less any impairment in value. The initial cost of property and equipment consists of its purchase price, including import duties, taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use, including borrowing cost.

Expenditures incurred after the assets have been put into operation, such as repairs and maintenance, are normally charged to operations in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

Depreciation is calculated on a straight-line basis over the estimated useful lives (EUL) of the assets, as follows:

	Years
Land improvements	10
Building	40
Sports, kitchen and other facilities and equipment	5-20

The useful lives and depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

When an item of property and equipment is derecognized, the cost of the related accumulated depreciation and accumulated impairment loss, if any, is removed from the account. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of revenues and expenses in the year the asset is derecognized.



Other Noncurrent Assets

Other noncurrent assets include operating equipment (i.e., linen and glassware) that are carried at cost, less any impairment. Operating equipment is expensed to the appropriate department expense account as it is consumed.

Impairment of Nonfinancial Assets

The Club assesses at each reporting date whether there is indication that its nonfinancial assets (i.e., property and equipment, other current assets and other noncurrent assets) may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Club makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is assessed as part of the CGU to which it belongs. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples and other available fair value indicators. An impairment loss is charged to operations in the year it arises.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, however, not to an amount higher than the carrying amount that would have been determined (net of any depreciation) had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is credited to current operations.

Leases

The Club assesses whether a contract is, or contains a lease, at the inception of a contract. This assessment involves the exercise of judgment about whether it depends on a specified asset, whether the Club obtains substantially all the economic benefits from the use of the asset and whether the Club has the right to direct the use of the asset.

The Club as lessee - operating lease

Except for short-term leases and leases of low-value assets, the Club recognizes a right-of-use (ROU) asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee.

ROU asset

The Club recognizes ROU asset at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU asset is measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liability. The cost of ROU asset includes the amount of lease liability recognized, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received, and any estimated costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Unless the Club is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized ROU asset is depreciated on a straight-line basis over the shorter of its estimated useful life and the remaining lease term.

ROU asset is subject to impairment. Refer to the accounting policies on impairment of nonfinancial assets section.



Lease liabilities

At the commencement date of the lease, the Club recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Club and payments of penalties for terminating a lease, if the lease term reflects the Club exercising the option to terminate.

In calculating the present value of lease payments, the Club uses the incremental borrowing rate at the commencement date if the interest rate implicit to the lease is not readily determinable. After the commencement date, the amount of lease liability is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liability is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

Short-term leases

The Club applies the short-term lease recognition exemption to its short-term leases of space (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease collections on short-term leases are recognized as income on a straight-line basis over the short-term lease term.

Retirement Benefit Costs

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Defined benefit obligations comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurement of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in the statement of revenues and expenses. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by an independent qualified actuary.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in the statement of revenues and expenses.



Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income (OCI) in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Equity

Capital stock with no par or stated value is measured at the amount of total contributions received.

Retained Earnings (Deficit)

Retained earnings (Deficit) represents net accumulated income (losses) of the Club.

Revenue Recognition

Revenue from contracts with customers

The Club primarily derives its revenues from membership dues, sale of food and beverage, sports and recreation and Club shop and other operating department revenues.

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Club expects to be entitled in exchange for those goods or services. The Club assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Club has generally concluded that it is acting as principal in all of its revenue arrangements.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3.

Membership dues

Revenue from membership dues is recognized over the time the related services are rendered and/or facilities and amenities are used. Transaction price is determined to be the approved monthly membership rate by the BOD. Each transaction is considered as a single performance obligation; therefore, it is not necessary to allocate the transaction price. The service is capable of being distinct from the other services and the transaction price for each service is separately identifiable. Revenue is recognized over the time the related services and/or facilities and amenities are used since the customer simultaneously receives and consumes services provided by the Club.

Membership dues are billed one month in advance and are recognized in the statement of revenues and expenses over the period when these are due.

Collections for accounts which are not yet due, and therefore, do not qualify for revenue recognition are recorded as "Contract liabilities" account in the current liabilities section of the statement of financial position.

Food and beverage

Revenue from sale of food and beverage is recognized at a point in time the goods are served or delivered. Transaction price is determined to be the invoice amount and each transaction is considered as a single performance obligation; therefore, it is not necessary to allocate the transaction price. The goods are capable of being distinct from the other goods and the transaction price for each good is separately identifiable. Revenue is recognized at a point in time when the related risks and rewards are transferred to the customer or actual possession is transferred.



Sports and recreation

Revenue from sports and recreation is recognized over the time the facilities and amenities are used. Transaction price is determined to be the invoice amount and each transaction is considered as a single performance obligation; therefore, it is not necessary to allocate the transaction price. The service is capable of being distinct from the other services and the transaction price for each service is separately identifiable. Revenue is recognized over the time the customer uses the facilities and amenities provided by the Club.

Club shop

Revenue from Club shop is recognized at a point in time the goods are served or delivered. Transaction price is determined to be the invoice amount and each transaction is considered as a single performance obligation; therefore, it is not necessary to allocate the transaction price. The goods are capable of being distinct from the other goods and the transaction price for each of the goods is separately identifiable. Revenue is recognized at a point in time when the related risks and rewards are transferred to the customer or actual possession is transferred.

Discount

Starting February 1, 2024, in compliance with Section 4(a)(7) of Republic Act (RA) 9994 or the Expanded Senior Citizens Act of 2020, the Club provides discounts to senior citizens and persons with disabilities (PWD) on the Club's sale of goods and services pertaining to the use of the Clubs' facilities and equipment. Section 4(a)(7) of RA 9994 does not apply to the payment of membership dues.

The Club also provided a certain discount to qualified members who have reached the minimum spending at the Club. These are recognized when availed by the qualified members.

The discount is presented as contra account to the related revenue account.

In 2024, the discounts provided by the Club amounted to ₱9.20 million and these were presented as deductions from the Club's food and beverage revenues.

Contract Balances

Contract receivables

A receivable represents the Club's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Club has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Club transfers goods or services to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Club performs under the contract.

The contract liabilities also include payments received by the Club from the members for which revenue recognition has not yet commenced.

Other Revenue and Income Recognition

Interest income

Interest income is recognized as it accrues, using the EIR method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.



Other income

Other income comprises mainly of other food and beverage, card stickers and membership cards and penalties for late payment. These are recognized when the related goods are sold, services are rendered or the right to receive payment is established.

Direct Costs and Operating Expenses

Direct costs and operating expenses are recognized in the statement of revenues and expenses when decreases in economic benefits during the accounting period in the form of outflows or depletion of assets or decrease of liabilities have arisen that can be measured reliably. Direct costs and operating expenses encompass losses as well as those expenses that arise in the course of ordinary activities of the Club. Direct costs are charged to the statement of revenues and expenses when the related revenue is recognized while operating expenses are recognized as incurred. Direct costs and operating expenses are generally measured at the amount paid or payable.

Income Taxes

Current tax

Current tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred tax

Deferred tax is provided, using the liability method, on all temporary differences, with certain exceptions, at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, with certain exceptions. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits from excess of minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT) and unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable income will be available against which the deductible temporary differences and carryforward benefits of MCIT and NOLCO can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized, or the liability is settled, based on tax rate (and tax laws) that have been enacted or substantively enacted at the reporting date. Income tax relating to items recognized directly in equity are recognized in equity and not in the statement of revenues and expenses.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.



Value-added Tax (VAT)

Expenses and assets are recognized, net of the amount of VAT, except:

- When the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable, to the taxation authority is included as part of assets or payables in the statement of financial position.

Provisions

A provision is recognized only when the Club has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense. Provisions are reviewed at each report date and adjusted to reflect the current best estimate.

Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed in the notes to financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but disclosed in the notes to financial statements when an inflow of economic benefits is probable.

Events after the Reporting Date

Any post year-end event up to the date of the auditor's report that provide additional information about the Club's position at the reporting date (adjusting event) is reflected in the financial statements. Any post year-end event that is not an adjusting event is disclosed, when material, in notes to the financial statements.

3. Material Accounting Judgments and Estimates

The preparation of the Club's financial statements in compliance with PFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Future events may occur which can cause the assumptions used in arriving at those estimates to change. The effects of any changes in judgments and estimates will be reflected in the financial statements as they become reasonably determinable. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.



Judgment

In the process of applying the Club's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effects on the amounts recognized in the financial statements:

Identification of contracts with customers under PFRS 15

The Club applies PFRS 15 guidance to a portfolio of contracts with similar characteristics as the Club reasonably expects that the effects on the financial statements of applying this guidance to the portfolio would not differ materially from applying this guidance to the individual contracts within that portfolio. Hence, the Club viewed each transaction receipt as one contract.

Identifying performance obligations

The Club identifies performance obligations by considering whether the promised goods or services in the contract are distinct goods or services. A good or service is distinct when the customer can benefit from the good or service on its own or together with other resources that are readily available to the customer and the Club's promise to transfer the good or service to the customer is separately identifiable from the other promises in the contract.

Determining whether the Club is acting as a principal or agent

The Club assesses its revenue arrangements against specific criteria in order to determine if it's acting as principal or agent. The following criteria indicate whether the Club is acting as a principal or an agent:

- The Club has the primary responsibility for providing services to the members;
- The Club has latitude in establishing price, either directly or indirectly, for example by providing additional services; and,
- The Club bears the member's credit risk for the amount receivable from the member.

The Club has concluded that generally, it is acting as a principal in its revenue arrangements.

Finance lease classifications - the Club as lessee

The Club's classification of a lease depends on the substance of the transaction rather than the form of the contract. The following situations individually or in combination would normally lead to a lease being classified as a finance lease:

- the lease transfers ownership of the asset to the lessee by the end of the lease term;
- the lessee has the option to purchase the asset at a price which is expected to be sufficiently lower than the fair value at the date the option becomes exercisable such that, at the inception of the lease, it is reasonably certain that the option will be exercised (frequently called a 'bargain purchase' option);
- the lease term is for the major part of the economic life of the asset even if title is not transferred;
- at the inception of the lease the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset; and
- the leased assets are of a specialized nature such that only the lessee can use them without major modifications being made.

The Club has assessed its agreement with Engie Services for the installation, operation and maintenance of chilled water supply for the Club's air-conditioning system. The Club has concluded that it has acquired significantly all the risks and rewards of ownership of the equipment and accounted the agreement as a finance lease (see Note 19).



Evaluation of impairment on nonfinancial assets

The Club assesses asset impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Club considers the following factors, which could trigger an impairment review, as important:

- Significant underperformance relative to expected historical or projected future operating results;
- Significant changes in the manner of use of the acquired assets or the strategy for overall business; and,
- Significant negative industry or economic trends.

In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Club is required to make estimates and assumptions that can materially affect the financial statements.

As of December 31, 2024 and 2023, the Club assessed that there are no impairment indicators on its nonfinancial assets that would lead to recognition of impairment losses.

Recognition of deferred tax assets

The Club reviews the carrying amounts of deferred tax assets at each reporting date and reduces it to the extent that it is no longer probable that sufficient income will be available to allow all or part of the deferred tax assets to be utilized. However, there is no assurance that the Club will generate sufficient future taxable profit to allow all or part of its deferred income tax assets to be utilized.

As of December 31, 2024 and 2023, the Club recognized deferred tax assets, to the extent of recognized deferred tax liabilities, amounting to ₱3.81 million and ₱4.49 million, respectively.

Since management believes that it is likely that the carryforward benefit of recognizing deferred tax assets may not be utilized, the Club did not recognize deferred tax assets on the tax effect of the balance of temporary differences related to retirement liabilities, allowance for expected credit losses, contract liabilities, NOLCO and MCIT as disclosed in Note 16.

Use of Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Provision for expected credit losses of contract receivables

The Club uses a provision matrix to calculate ECLs for contract receivables. The provision rates are based on days past due. The provision matrix is initially based on the Club's historical observed default rates. The Club calibrates the matrix to adjust the historical credit loss experienced with forward-looking information. At every financial reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions (e.g., gross domestic product and inflation rate) and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Club's historical credit loss experience and forecast of economic conditions may also not be representative of member's actual default in the future. The Club also considers the preferential lien on the Club share owned by the member, including the timing of re-sale of the covered share and related costs, in determining the expected net recoveries.



As of December 31, 2024 and 2023, the allowance for expected credit losses amounted to ₱2.66 million (see Note 5).

Estimating useful lives of property and equipment

The Club estimates the useful lives of its property and equipment based on the period over which these assets are expected to be available for use. The EUL of property and equipment are reviewed at least annually and are updated if expectations differ from previous estimates due to physical wear and tear, and technical or commercial obsolescence on the use of these assets. It is possible that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. There were no changes on the EUL of the property and equipment in 2024 and 2023.

As of December 31, 2024 and 2023, the carrying value of property and equipment (except land) amounted to ₱358.72 million and ₱368.51 million, respectively (see Note 8).

4. Cash and Cash Equivalents

	2024	2023
Cash on hand	₱902,000	₱802,000
Cash in banks	88,155,448	81,804,728
Cash equivalents	96,634,688	50,524,872
	₱185,692,136	₱133,131,600

Cash in banks earn interest at the prevailing bank deposit rates.

Cash equivalents include short-term placement made during the year for period of three months based on the immediate cash requirements of the Club and earned annual interest ranging from 4.88% to 6.00% and 3.75% to 4.88% in 2024 and 2023, respectively.

Interest income earned from cash in bank and cash equivalents amounted to ₱3.33 million, ₱1.62 million and ₱0.38 million in 2024, 2023 and 2022, respectively (see Notes 10 and 15).

There is no cash restriction on the Club's cash balances as at December 31, 2024 and 2023.

5. Contract Receivables

	2024	2023
Receivables from:		
Members (Note 10)	₱31,809,070	₱39,103,711
Banquet sales	4,568,340	7,112,728
Credit cards	2,694,186	1,218,945
Others	2,072,885	2,272,075
	41,144,481	49,707,459
Less allowance for expected credit losses	2,663,460	2,663,460
	₱38,481,021	₱47,043,999

These receivables are collectible within a year. Receivables from members are collateralized by a preferential lien on the Club shares owned by the members.



“Others” consists of advances made to employees for sickness and maternal benefits and other miscellaneous receivables which are collectible within a year.

In 2024, the Club directly wrote off the balance of long-outstanding receivables from delinquent members amounting to ₱6.19 million which were assessed to be no longer recoverable (see Note 14).

No additional provision for expected credit losses were recognized in 2024 and 2023.

6. Inventories

	2024	2023
Food	₱12,077,591	₱12,906,836
Beverage	2,217,012	2,192,555
Operating supplies	2,103,097	1,710,397
Others	428,929	347,648
	₱16,826,629	₱17,157,436

“Others” represents items and other goods for sale in the Club shop and Palms Deli.

Inventories are carried at cost. There are no inventories whose NRV are below its cost as of December 31, 2024 and 2023.

Cost of inventories charged to cost of sales amounted to ₱170.58 million, ₱161.18 million and ₱119.07 million in 2024, 2023 and 2022, respectively (see Note 13).

7. Other Current Assets

	2024	2023
Creditable withholding tax	₱2,599,563	₱3,038,496
Advances to suppliers	1,044,778	1,615,404
Others	1,223,039	811,266
	₱4,867,380	₱5,465,166

Creditable withholding tax (CWT) pertains to the amount withheld by certain customers from their payments to the Club. This will be claimed as tax credit and will be used against future income tax payable. The Club applied CWTs against income tax payable amounting to ₱2.43 million and ₱0.45 million in 2024 and 2023, respectively.

“Others” consists of deposits to health maintenance organization, deposit to suppliers, and advances to employees which are expected to be realized within one year.



8. Property and Equipment

2024						
	Land	Land Improvements	Building	Sports, Kitchen and Other Facilities and Equipment	Right-of-Use Asset (Note 19)	Total
Cost						
Balances at beginning of year	P420,000,000	P16,881,429	P572,565,021	P309,358,613	P41,456,164	P1,360,261,227
Additions	–	–	427,265	18,294,520	–	18,721,785
Balances at end of year	420,000,000	16,881,429	572,992,286	327,653,133	41,456,164	1,378,983,012
Accumulated depreciation						
Balances at beginning of year	–	16,343,918	311,018,460	230,386,639	14,006,327	571,755,344
Depreciation and amortization (Note 14)	–	56,486	7,918,314	18,472,916	2,061,986	28,509,702
Balances at end of year	–	16,400,404	318,936,774	248,859,555	16,068,313	600,265,046
Net book value	P420,000,000	P481,025	P254,055,512	P78,793,578	P25,387,851	P778,717,966

2023						
	Land	Land Improvements	Building	Sports, Kitchen and Other Facilities and Equipment	Right-of-Use Asset (Note 19)	Total
Cost						
Balances at beginning of year	P420,000,000	P16,522,240	P585,435,021	P272,033,831	P41,456,164	P1,335,447,256
Additions	–	359,189	–	37,324,782	–	37,683,971
Derecognition	–	–	(12,870,000)	–	–	(12,870,000)
Balances at end of year	420,000,000	16,881,429	572,565,021	309,358,613	41,456,164	1,360,261,227
Accumulated depreciation						
Balances at beginning of year	–	16,313,987	303,882,897	215,083,903	11,944,341	547,225,128
Depreciation and amortization (Notes 13 and 14)	–	29,931	14,224,193	15,302,736	2,061,986	31,618,846
Derecognition	–	–	(7,088,630)	–	–	(7,088,630)
Balances at end of year	–	16,343,918	311,018,460	230,386,639	14,006,327	571,755,344
Net book value	P420,000,000	P537,511	P261,546,561	P78,971,974	P27,449,837	P788,505,883

The land is the property that was ceded, transferred, assigned and delivered by Filinvest Alabang, Inc. (FAI, the developer) under the subscription agreement dated October 20, 2000, with the Club in exchange for 867 Class A shares, 115 Class B and 68 Class C shares, or a total of 1,050 shares valued at P400,000 per share.

The land with an area of 30,000 square meters valued at P14,000 per square meter was also developed by FAI in exchange for 1,033 Class A shares, 135 Class B shares and 82 Class C shares, or a total of 1,250 shares valued at P400,000 per share or P500.00 million

The Club's property and equipment includes the leased equipment from Engie Services (Philippines) amounting to P25.39 million and P27.45 million as of December 31, 2024 and 2023, respectively. The agreement was entered into in 2016 (Note 19) which comprised of two (2) installations that will supply chilled water to the Club. Ownership of the installations will transfer to the Club upon the date of completion of testing and commissioning and upon termination or expiration of the agreement, which shall have a term of 10 years from the commencement date.

In 2022, the asset related to tennis court canopy was damaged due to Typhoon *Paeng*. In 2023, the Club received the proceeds from insurance claims amounting to P4.44 million and derecognized the related asset amounting P5.78 million (see Note 15).

In 2022, the Club recognized gain on disposal of property and equipment amounting to P0.17 million.



9. Accounts and Other Payables and Contract Liabilities

Accounts and Other Payables

This account consists of:

	2024	2023
Accounts payable	₱27,137,545	₱25,847,546
Accrued expenses:		
Payroll	22,885,453	20,839,958
Utilities	10,455,854	11,424,485
Outside services	5,290,809	3,109,645
Others	8,595,323	1,692,397
Deposits	8,695,134	3,212,528
Members' cash bond	7,244,805	6,166,300
	₱90,304,923	₱72,292,859

“Accounts payable” mainly consists of payables to suppliers for various purchases of food and beverages used in the normal operations of the Club, purchases of services and other assets. These are normally paid within one year.

“Others” under “Accrued expenses” include accruals for operating expenses such unapplied service charges and consigned merchandises. These are normally paid within one year.

“Deposits” mainly pertain to various deposits from suppliers and bank credits.

“Members’ cash bond” pertains to cash receipts from assignees for a specific period of time. This is renewable at the end of the assignment contract which is usually on an annual basis.

Contract liabilities

This account consists of:

	2024	2023
Membership dues received in advance	₱32,115,596	₱33,011,071
Banquet deposits	4,557,490	3,977,472
	₱36,673,086	₱36,988,543

Membership dues received in advance are recognized as income over the period when these are due.

Banquet deposits are recognized as revenue when the related services are rendered.

10. Related Party Transactions

The Club has entered into various transactions with related parties. Parties are related if one party has the ability, directly or indirectly, to control the other party in making financial and operating decisions or the parties are subject to common control or common significant influence (referred to as affiliates). Related parties may be individuals or corporate entities.



Significant related party transactions are as follows:

- a) The Club has receivables from its affiliates as members of the Club for which it bills monthly membership dues and use of facilities. These affiliates include entities affiliated with FAI, the developer.
- b) The Club maintains cash in banks and cash equivalents with a bank affiliated with FAI. Cash in banks and cash equivalents earn interest at the prevailing market rates (see Note 4).
- c) The Club has obtained and made various advances for maintenance, utilities, payroll, and other expenses from and to FAI, its developer. The outstanding balances are presented under "Due to related parties" in the statements of financial position.

The details of the account balances and transactions with related parties are as follows:

		2024		
	Amount/ Volume	Receivable (Payable)	Term	Condition
Affiliates				
a) Membership dues (Note 5)	₱630,000	₱62,179	Due every month; interest-bearing	Unsecured; no impairment
b) Cash in banks (Note 4)	15,963,226	73,106,342	Due and demandable; interest-bearing at prevailing market rate	Unsecured; no impairment
b) Cash equivalents (Note 4)	43,437,331	93,839,504	Within three months; interest-bearing at investment rate	Unsecured; no impairment
b) Interest income (Note 4)	3,164,656	–	Due and demandable	Unrestricted; no impairment
a) Due from related parties	412,383	4,661,369	Due and demandable; noninterest-bearing	Unsecured; no impairment
c) Utilities, payroll, maintenance expense and others	–	(76,864)	Due every month; interest-bearing	Unsecured; no impairment
		2023		
	Amount/ Volume	Receivable (Payable)	Term	Condition
Affiliates				
a) Membership dues (Note 5)	₱2,992,151	₱3,430,043	Due every month; interest bearing	Unsecured; unimpaired
b) Cash in banks (Note 4)	664,252	57,143,116	Due and demandable; interest bearing at prevailing market rate	Unsecured; unrestricted
b) Cash equivalents (Note 4)	1,398,709	50,402,173	Within three months; interest bearing at investment rate	Unsecured; unrestricted
b) Interest income (Note 4)	1,612,567	164,094	Due and demandable	unrestricted
c) Due from related parties	1,318,528	3,936,420	Due and demandable; noninterest-bearing	Unsecured
c) Utilities, payroll, maintenance expense and others	92,606	(518,644)	Due every month; interest-bearing	Unsecured; unimpaired

Compensation of key management personnel in the form of short-term employee benefits amounted to ₱8.35 million, ₱7.40 million and ₱7.00 million in 2024, 2023 and 2022, respectively, and post-employment benefits amounted to ₱0.56 million, ₱0.51 million and ₱0.43 million in 2024, 2023 and 2022, respectively.



Terms and conditions of transactions with related parties

The Club, in its regular conduct of business, has entered into transactions with related parties consisting of receivables and payables in relation to the operating needs of the parties. These are based on terms agreed by the parties.

Outstanding balances at year-end are unsecured, noninterest-bearing and settlement occurs in cash, unless otherwise indicated. There have been no guarantees provided or received for any related party receivables or payables. The Club does not provide any allowance relating to receivable from related parties in prior years. There are also no ECL recognized in current year for related party receivables since there are no history of default payments. This assessment is undertaken each financial year through examining the financial position of the related parties and the markets in which the related parties operate.

11. Capital Stock

As of December 31, 2024, 2023 and 2022, the Club's authorized and fully paid capital stock consists of five classes of common shares, with no par value, as follows:

	Shares	Amount
Class A shares	1,900	₱915,109,926
Class B shares	250	120,270,900
Class C shares	150	72,312,695
Class D shares	2,293	2,293,000
Founders' shares	7	7,000
	4,600	₱1,109,993,521

All classes of shares entitle the holders to one vote for each share in any and all regular and special meetings of shareholders.

Class A shares are available to natural persons and entitle the holder to membership in the Club and to the use and enjoyment of the Club's facilities. Class A shares are likewise available to juridical persons and entitle the holders to name one nominee for membership in the Club and to use and enjoy the facilities of the Club.

Class B shares are available only to juridical persons and entitle the holder to name two nominees for membership in the Club and to use and enjoy the facilities of the Club.

Class C shares are only available to juridical persons and entitle the holder to name three nominees for membership in the Club and to use and enjoy the facilities of the Club.

Holders of Class D shares are not entitled to the use and enjoyment of the Club's facilities. Correspondingly, Class D shares are to be excluded in the computation and assessment of membership fees, dues and other payments relative to the operation and maintenance of the Club. Upon liquidation of Class D shares, the holders will be reimbursed only to the extent of the original acquisition of the shares amounting to ₱2.30 million.

Founders' shares shall have the exclusive right to vote and be voted for in the election of directors for five years from and after the date of registration of the Articles of Incorporation. Thereafter, holders of Founders' shares shall have the same voting rights and privileges as holders of Class A shares.



The Club shall not issue shares of stock, which will reduce the stock ownership of Philippine citizens to less than 60% of the outstanding capital stock. No holder of any class of shares shall have any.

The shares held by FAI and its respective nominees for the founders' shares or held by the Club are non-obligatory or participating.

On May 24, 2000, the SEC approved the registration of the 4,600 no par value shares.

Below is the summary of outstanding number of shares and holders of security as of December 31, 2024, 2023 and 2022:

Year	Number of Shares Registered	Number of Holders of Securities as of Year End
December 31, 2024	4,600	4,336
December 31, 2023	4,600	4,333
December 31, 2022	4,600	4,304

Capital Management

As a non-profit corporation, the Club primarily relies on the issuance of club shares, fixed monthly membership dues from members and charges arising from usage of facilities such as the sports and dining facilities. These are the only sources of cash flows which the Club has to manage properly.

As of December 31, 2024 and 2023, the Club's primary source of capital is its total equity amounting to ₱877.42 million and ₱861.67 million, respectively.

12. Club Shop and Other Revenues

	2024	2023	2022
Transfer fees	₱10,111,000	₱7,894,786	₱8,313,000
Assignment fees	6,316,964	5,175,893	4,790,054
Deli merchandise	5,497,872	3,991,191	3,049,611
Corkage, room and equipment hire	3,273,497	2,881,844	2,020,329
Club events	2,956,165	3,233,927	3,018,917
Revenue from party packages	2,700,035	2,835,383	1,007,359
Consignment sales	1,399,588	1,401,019	703,359
Renomination fees	1,140,000	960,000	630,000
Merchandise sales	917,344	952,474	886,058
Visitors' pass	341,518	380,920	146,250
Others	12,099	16,573	15,913
	₱34,666,082	₱29,724,010	₱24,580,850

"Transfer fees" pertain to fees charged by the Club to process the transfer of shares to new members.

"Assignment fees" pertain to the fees by the Club to a member when it assigns its rights to another person or entity.



“Revenue from party packages” pertain to revenues generated by the Club from outside catering, food and beverage for outside events, discount on promotions and party packages of the Club.

“Consignment sales” pertain to revenues by the Club which are generated through a consignee.

“Renomination fees” pertain to fees charged by the Club to corporations for nominations of new members for corporate shares.

“Others” represent revenues from other operating departments of the Club.

13. Direct Costs

	2024	2023	2022
Food and beverage (Note 6)	₱162,636,661	₱155,195,343	₱115,944,893
Payroll (Note 17)	83,767,330	76,965,491	60,858,301
Utilities, laundry and supplies	48,869,504	48,252,410	39,046,176
Sports and recreation	13,089,188	10,599,265	8,700,523
Marketing and others	8,393,880	13,830,097	7,860,210
Club shop and others (Note 6)	7,942,398	5,981,094	3,129,871
Banquets and special events	7,919,856	7,833,390	5,114,880
Depreciation (Note 8)	–	1,580,942	1,504,026
Others	719,832	795,071	1,049,573
	₱333,338,649	₱321,033,103	₱243,208,453

“Others” consist of expenses incurred by the Club such as postage, freight, telecommunications and contract services.

14. Operating Expenses

	2024	2023	2022
General and administrative			
Payroll (Note 17)	₱22,061,026	₱21,543,735	₱17,800,066
Outside services	13,936,258	11,025,669	9,131,738
Taxes and licenses	7,616,063	6,722,805	5,440,215
Communications	7,573,382	2,829,681	1,326,396
Credit card service fees	7,324,789	7,039,899	5,423,196
Write-off of receivables (Note 5)	6,187,996	–	–
Utilities and supplies	1,185,534	2,379,102	2,167,540
Insurance	845,880	652,518	607,770
Others	7,750,056	7,763,028	6,155,002
	74,480,984	59,956,437	48,051,923
Depreciation (Note 8)	28,509,702	30,037,904	28,576,487

(Forward)



	2024	2023	2022
Housekeeping			
Payroll (Note 17)	₱10,808,094	₱10,264,276	₱8,442,140
Utilities, laundry and supplies	3,904,139	3,376,805	3,136,665
Outside services	1,658,258	1,586,067	1,503,527
Others	523,573	362,835	303,014
	16,894,064	15,589,983	13,385,346
Engineering			
Supplies	7,336,376	6,720,191	4,412,408
Outside services	5,945,552	4,354,939	3,471,502
Payroll (Note 17)	3,135,331	2,915,534	2,341,365
Others	196,347	186,000	170,029
	16,613,606	14,176,664	10,395,304
	₱136,498,356	₱119,760,988	₱100,409,060

“Others” under General and administrative, Housekeeping and Engineering expenses pertains to expenses incurred for travel and transportation, uniforms, trainings and seminars, representation and entertainment.

“Others” under General and administrative expenses include Covid-19 related expenses amounting nil, ₱0.53 million and ₱1.49 million for the years ended December 31, 2024, 2023 and 2022, respectively. These expenses pertain to antigen testing, medical equipment, meals of stay-in staff, vitamins, and supplies such as face masks, face shields and disinfectants.

15. Other Income

	2024	2023	2022
Penalties for late payments	₱6,423,219	₱1,437,805	₱1,670,756
Interest income (Notes 4 and 10)	3,328,750	1,622,664	376,893
Proceeds from insurance claims on property and equipment (Note 8)	—	4,443,564	—
Net book value of derecognized asset (Note 8)	—	(5,781,370)	—
Others	3,118,437	3,109,400	2,026,586
	₱12,870,406	₱4,832,063	₱4,074,235

“Others” include income from food and beverages outside the originally availed package by members or guests, car stickers and membership cards, among others.

16. Income Taxes

Provision for income tax consists of:

	2024	2023	2022
Current	₱2,430,523	₱447,627	₱1,114,863
Deferred	809,221	354,751	(523,130)
	₱3,239,744	₱802,378	₱591,733



The current provision for income tax in 2024, 2023 and 2022 represents the MCIT.

The Club did not recognize deferred tax assets on the following deductible temporary differences and MCIT because management believes that it is likely that the carry forward benefits of recognizing deferred tax assets will not be utilized:

	2024	2023	2022
NOLCO	₱111,861,842	₱105,436,010	₱19,258,952
Contract liabilities from advance membership dues	32,115,596	32,657,739	13,019,148
MCIT	3,993,013	2,287,003	3,228,386
Retirement liabilities	3,600,372	—	14,605,181
Allowance for expected credit losses	82,424	82,424	2,663,460

The Club has recognized deferred tax assets to the extent of the deferred tax liabilities as of December 31 as follows:

	2024	2023
Deferred tax liabilities on:		
Finance lease differential	₱3,565,211	₱3,428,386
Remeasurement gain on defined benefit obligation	248,561	1,057,782
	3,813,772	4,486,168
Deferred tax asset on:		
Retirement liabilities	(3,168,513)	(3,840,909)
Allowance for expected credit losses	(645,259)	(645,259)
	(3,813,772)	(4,486,168)
	₱—	₱—

The following are the movements in NOLCO for the years ended December 31:

	2024	2023	2022
Balance at beginning of year	₱105,436,010	₱19,258,952	₱34,061,450
Addition	13,126,791	86,177,058	—
Applied	—	—	(14,802,498)
Balance at end of year	₱118,562,801	₱105,436,010	₱19,258,952

The following are the movements in MCIT as of December 31:

	2024	2023	2022
Balance at beginning of year	₱2,287,003	₱3,228,386	₱2,113,523
Addition	2,430,523	447,627	1,114,863
Expired	(724,513)	(1,389,010)	—
Balance at end of year	₱3,993,013	₱2,287,003	₱3,228,386



On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(bbbb) of the Republic Act No. 11494, otherwise known as the Bayanihan to Recover as One Act ("Bayanihan 2 Act") which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss. NOLCO incurred before taxable year 2020 can be claimed as deduction from the regular taxable income for the next three (3) years immediately following the year of such loss.

The carryforward benefits of NOLCO which can be claimed as deductions from the regular taxable income, and MCIT which can be claimed as deduction from income tax due are as follows:

Year Incurred	NOLCO	MCIT	Expiry Date
2024	₱13,126,791	₱2,430,523	December 31, 2027
2023	86,177,058	447,627	December 31, 2026
2022	—	1,114,863	December 31, 2025
2021	12,577,993	—	December 31, 2026*
2020	6,700,959	—	December 31, 2025*
	₱118,582,801	₱3,993,013	

*For NOLCO, can be claimed as deduction from the regular taxable income for the next five (5) years immediately following the year of such loss.

The reconciliation of provision for income tax at the statutory tax rate to provision for income tax shown in the statements of revenues and expenses follow:

	2024	2023	2022
Provision for income tax at statutory tax rate	₱5,355,311	₱3,796,799	₱589,171
Adjustments for:			
Nondeductible expenses	23,033,137	1,445,343	—
Change in unrecognized deferred tax assets	5,752,265	21,215,975	57,525
Expired MCIT	724,513	1,389,010	—
Nondeductible interest expense	—	101,417	39,260
Interest income subjected to final tax	(832,188)	(405,666)	(94,223)
Nontaxable income	(30,793,294)	(26,740,500)	—
Provision for income tax	₱3,239,744	₱802,378	₱591,733

17. Retirement Benefits

The Club has a noncontributory, unfunded defined benefit pension plan covering substantially all of its regular employees. The benefits are based on years of service and compensation on the last year of employment.

The Club updates the actuarial valuation every year by hiring the services of a third party professionally qualified actuary. The latest actuarial valuation report for the retirement plan was carried out for the Club as of December 31, 2024.



The retirement benefit costs included in the "Payroll" account follow (see Notes 13 and 14):

	2024	2023	2022
Current service cost	₱1,162,607	₱940,216	₱997,318
Interest cost	644,715	591,987	465,993
	₱1,807,322	₱1,532,203	₱1,463,311

The roll-forward analysis of the present value of defined benefit obligation recognized in the statements of financial position follows:

	2024	2023	2022
Balance at beginning of year	₱11,132,508	₱8,955,049	₱9,922,492
Current service cost	1,162,607	940,216	997,318
Interest cost	644,715	591,987	465,993
Benefits paid	(896,535)	(773,749)	(338,235)
Actuarial loss (gain) due to:			
Change in assumptions	3,340,720	1,359,827	(2,495,419)
Experience adjustments	(103,836)	59,178	402,900
Balance at end of year	₱15,280,179	₱11,132,508	₱8,955,049

The assumptions used to determine pension benefits of the Club are as follows:

	2024	2023	2022
Discount rate	6.09%	6.12%	7.30%
Salary increase rate	6.00%	4.00%	4.00%

The sensitivity analyses below have been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of the end of the reporting period, assuming all other assumptions were held constant.

	Increase (Decrease)	2024	2023
Salary increase rate	+1.00%	₱2,065,950	₱1,443,698
	-1.00%	(1,776,322)	(1,242,445)
Discount rate	+1.00%	(1,695,403)	(1,164,456)
	-1.00%	2,003,532	1,370,863

Shown below is the maturity analysis of the benefit payments:

	2024	2023
Less than one year	₱309,886	₱1,195,895
One to less than five years	2,356,809	1,966,843
Five to less than 10 years	10,707,138	4,936,836
10 to less than 15 years	16,821,105	11,825,290
15 to less than 20 years	18,984,901	18,170,094
20 years and above	72,869,103	36,620,802
	₱122,048,942	₱74,715,760

The average duration of the expected benefit payments at the end of the reporting period is 16.86 years.



18. Financial Instruments

The carrying values of the Club's recognized financial assets and financial liabilities approximate their estimated fair values as of December 31, 2024 and 2023 because these are short-term in nature.

The Club's principal financial instruments are cash and cash equivalents, contract receivables, due from related parties, accounts and other payables, due to related parties and lease liabilities. The main purpose of these financial instruments is to finance the Club's operations.

The main objectives of the Club's financial risk management are as follows:

- To identify and monitor such risks on an ongoing basis;
- To minimize and mitigate such risks; and
- To provide a degree of certainty about costs.

The main risks arising from the Club's financial assets are credit risk and liquidity risk. The Club's risk management policies are summarized below:

Credit risk

The Club trades only with recognized members and creditworthy third parties. It is the Club's practice that all members and third parties who wish to trade on credit terms are subject to credit verification procedures. Receivable balances are monitored on an ongoing basis. Receivables from members are collateralized by a preferential lien on the Club shares owned by them.

The aging analyses of financial assets as of December 31 are as follows:

	2024						
	Neither past due nor Impaired	Past due but not impaired					Total
		1-30 days	30-60 days	61-90 days	>90 days	Impaired	
Cash and cash equivalents*	₱184,790,136	₱–	₱–	₱–	₱–	₱–	₱184,790,136
Contract receivables							
Members	28,431,466	714,144	–	–	–	2,663,460	31,809,070
Banquet sales	1,382,357	698,109	616,019	141,228	1,730,627	–	4,568,340
Credit cards	2,694,186	–	–	–	–	–	2,694,186
Others	2,072,885	–	–	–	–	–	2,072,885
Due from related parties	3,015,691	15,144	296,527	551,451	469,990	–	4,348,803
	₱222,386,721	₱1,427,397	₱912,546	₱692,679	₱2,200,617	₱2,663,460	₱230,283,420

*Excluding cash on hand.

	2023						
	Neither past due nor Impaired	Past due but not impaired					
		1-30 days	31-60 days	61-90 days	>90 days	Impaired	Total
Cash and cash equivalents*	₱132,329,600	₱—	₱—	₱—	₱—	₱—	₱132,329,600
Contract receivables							
Members	36,382,960	57,291	—	—	—	2,663,460	39,103,711
Banquet sales	2,924,317	883,855	803,704	1,190,757	1,310,095	—	7,112,728
Credit cards	1,218,945	—	—	—	—	—	1,218,945
Others	2,272,075	—	—	—	—	—	2,272,075
Due from related parties	3,023,585	35,482	388,977	149,475	338,901	—	3,936,420
	₱178,151,482	₱976,628	₱1,192,681	₱1,340,232	₱1,648,996	₱2,663,460	₱185,973,479

*Excluding cash on hand.



The Club's financial assets classified as "neither past due nor impaired" are high grade receivables that pertain to receivables from members, related parties and third parties which, based on experience, are highly collectible or collectible on demand and of which exposure to bad debt is not significant.

Liquidity risk

The Club monitors its cash flow position and overall liquidity position in assessing its exposure to liquidity risk. The Club maintains a level of cash deemed sufficient to finance operations and to mitigate the effects of fluctuation in cash flows.

The following table summarizes the maturity profile of the Club's financial assets held to manage liquidity as of December 31 based on contractual undiscounted payments:

	2024				Total
	On demand	Less than 3 months	3 to 12 months	Over 12 months	
Cash and cash equivalents	₱89,057,448	₱96,634,688	₱—	₱—	₱185,692,136
Contract receivables	37,230,596	968,255	282,170	—	38,481,021
Due from related parties	4,348,803	—	—	—	4,348,803
	₱130,636,847	₱97,602,943	₱282,170	₱—	₱228,521,960

	2023				Total
	On demand	Less than 3 months	3 to 12 months	Over 12 months	
Cash and cash equivalents	₱82,606,728	₱50,524,872	₱—	₱—	₱133,131,600
Contract receivables	45,928,141	739,888	375,970	—	47,043,999
Due from related parties	3,936,420	—	—	—	3,936,420
	₱132,471,289	₱51,264,760	₱375,970	₱—	₱184,112,019

The maturity profile of the Club's financial liabilities based on contractual undiscounted payments as of December 31 follows:

	2024				Total
	On demand	Less than 3 months	3 to 12 Months	Over 12 months	
Accounts and other payables					
Accounts payable	₱26,097,846	₱27,024	₱1,012,675	₱—	₱27,137,545
Accrued expenses	47,227,439	—	—	—	47,227,439
Deposits	7,875,872	—	819,262	—	8,695,134
Members' cash bond	—	—	7,244,805	—	7,244,805
Due to related parties	76,864	—	—	—	76,864
Lease liabilities	—	1,866,000	5,598,000	15,523,361	22,987,361
	₱81,278,021	₱1,893,024	₱14,674,742	₱15,523,361	₱113,369,148

	2023				Total
	On demand	Less than 3 months	3 to 12 months	Over 12 months	
Accounts and other payables					
Accounts payable	₱25,530,483	₱164,063	₱153,000	₱—	₱25,847,546
Accrued expenses	35,580,407	1,486,078	—	—	37,066,485
Deposits	2,960,117	—	252,411	—	3,212,528
Member cash bond	—	—	6,166,300	—	6,166,300
Due to related parties	518,644	—	—	—	518,644
Lease liabilities	—	1,866,000	5,598,000	16,794,000	24,258,000
	₱64,589,651	₱3,516,141	₱12,169,711	₱16,794,000	₱97,069,503



Changes in liability arising from financing activities (obligation under finance lease) as of December 31 are as follows:

	2024	2023
Balance at beginning of year	₱13,736,294	₱15,523,361
Interest (Note 19)	4,854,715	5,676,933
Payments	(7,464,200)	(7,464,000)
Balance at end of year	₱11,126,809	₱13,736,294

19. Lease Commitments

On April 21, 2016, the Club entered into an agreement with Engie Services (Philippines) (Engie, formerly known as Cofely Philippines) wherein Engie will operate and maintain installations that will supply chilled water to the Club for a period of 10 years. The terms of the agreement require the Club to make monthly fixed payments of ₱246,000, exclusive of VAT, from the date of the agreement until the date of completion of testing and commissioning of the chilled water installations.

Upon completion of testing and commissioning, the Club is required to make fixed monthly payments of ₱622,000, exclusive of VAT, for 10 years, representing the fixed period charges of the Club for the use of the chilled water.

The agreement further stipulates that Engie will initially shoulder the cost of the installations for the chilled water supply owned by the Club and Engie will bill the Club for its share of the cost of the installations. Engie shall transfer the possession of the Club's share of the installations upon completion of testing and commissioning.

The installations were completed in February 2017.

Among other stipulations on the contract, the Club has determined that the arrangement is effectively a finance lease arrangement because eventual ownership will transfer to the Club.

Engie billed the Club effective March 18, 2017, which also served as the commencement date for the full operation of the installations. The total minimum lease payments over the term of the agreement, which is 10 years, amounted to ₱97.13 million. The present value of the minimum lease payments amounted to ₱41.46 million. In addition, the Club made downpayments amounting ₱22.49 million. The related finance cost on the agreement that is accreted over the 10-year term which is the difference between the ₱97.13 million and ₱41.46 million amounted to ₱55.67 million. The unamortized finance cost as of December 31, 2024 and 2023 amounted to ₱16.80 million and ₱24.26 million, respectively. Total interest expense recognized on this obligation under finance lease amounted to ₱4.85 million and ₱5.68 million in 2024 and 2023, respectively, and these were reported under "Lease charges" in the Club's statements of revenues and expenses.

The present value of the obligation under finance lease amounted to ₱11.13 million and ₱13.74 million as of December 31, 2024 and 2023, respectively (see Note 18).

The carrying value of the Club's finance lease asset (under sports, kitchen and other facilities and equipment) amounted to ₱25.39 million and ₱27.45 million as of December 31, 2024 and 2023, respectively (see Note 8).



The future minimum rental payments pertaining to the finance lease as of December 31 are as follows:

	2024	2023
Within one year	₱7,464,000	₱7,464,000
After one year but not more than five years	15,523,361	16,794,000
	<u>₱22,987,361</u>	<u>₱24,258,000</u>

20. Contingencies

The Club is involved in a certain administrative proceeding. The Club, in collaboration with outside legal counsel handling defense, as the case may be, does not believe that this proceeding will have a material adverse effect on its financial position and performance. It is possible, however, that future financial performance could be materially affected by changes in the estimates or in the effectiveness of strategies relating to this. No accruals were made in relation to this proceeding.



**STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR
FINANCIAL STATEMENTS**


The management of **THE PALMS COUNTRY CLUB, INC.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended **December 31, 2024 and 2023**, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines in necessary to enable the predation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The **Board of Directors** is responsible for overseeing the Company's financial reporting process.

The **Board of Directors** reviewed and approved the financial statements including the schedules attached therein, and submits the same to the stockholder or members.

SyCip, Gorres, Velayo & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.



CATHERINE A. ILAGAN
Chairman of the Board



HANS RUDOLF NEUKOM
General Manager



MARLO L. PATACSI
Chief Financial Officer

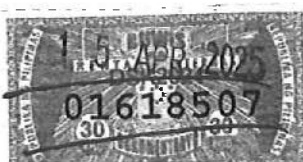
REPUBLIC OF THE PHILIPPINES) S.S
CITY OF MUNTINLUPA

15 APR 2025

SUBSCRIBED AND SWORN to before me this _____ day of _____, affiants exhibiting to me their respective identification as follows:

Names	Identification	Number	Valid Until
Catherine A. Ilagan	Passport	P5001601B	03/01/2030
Hans Rudolf Neukom	Driver's License	X01-98-038113	5/07/2032
Marlo L. Patacsil	Driver's License	N02-08006487	11/08/2026

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Series of 2025.



NOTARY PUBLIC


ELEONOR T. HERNANDEZ

NOTARY PUBLIC

UNTIL DECEMBER 31, 2025


APPT. NO. 24-018, ATTORNEYS ROLL NO. 38749
PTR NO. 4763633, JAN 02, 2025, MUNTINLUPA CITY
IBP LIFETIME MEMBER NO. 05258, TIN: 135478879
MCLE NO. VII-0005441, IINEF 28 2021, PHILIPPINES

STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR ANNUAL INCOME TAX RETURN


The management of **THE PALMS COUNTRY CLUB, INC.** is responsible for all information and representations contained in the Annual Income Tax Return for the year ended **December 31, 2024**. Management is likewise responsible for all information and representations contained in the Financial Statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns and any and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the year ended **December 31, 2024** and the accompanying Annual Income Tax Return are in accordance with the books and records of **THE PALMS COUNTRY CLUB, INC.** complete and correct in all material respects. Management likewise affirms that:

- (a) The Annual Income Tax Return has been prepared in accordance with the provision of the National Internal Revenue Code, as amended and pertinent tax regulations and other issuances of the Department of Finance and Bureau of Internal Revenue.
- (b) Any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the company's books and records in accordance with the requirement of Revenue Regulations No. 8-2007 and other relevant issuances.
- (c) **THE PALMS COUNTRY CLUB, INC.** has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.


CATHERINE A. ILAGAN
Chairman of the Board


HANS RUDOLF NEUKOM
General Manager


MARLO L. PATACSI
Chief Financial Officer
REPUBLIC OF THE PHILIPPINES) S.S
CITY OF MUNTINLUPA

SUBSCRIBED AND SWORN to before me this 15 day of APR 2025, affiants exhibiting to me their respective identification as follows:

Names	Identification	Number	Valid Until
Catherine A. Ilagan	Passport	P5001601B	03/01/2030
Hans Rudolf Neukom	Driver's License	X01-98-038113	5/07/2032
Marlo L. Patacsil	Driver's License	N02-08006487	11/08/2026


NOTARY PUBLIC ELEONOR T. HERNANDEZ
NOTARY PUBLIC
UNTIL DECEMBER 31, 2025

Doc. No. 279
Page No. 57
Book No. 258
Series of 2025.



APPT. NO. 24-018, ATTORNEYS ROLL NO. 38749
PTR NO. 4763633, JAN 02, 2025, MUNTINLUPA CITY
IBP LIFETIME MEMBER NO. 05258, TIN: 135478879
MCLE NO. VII-0006441, JUNE 28, 2021, PHILIPPINES
ENAC 27'L PASEO, JOLLIBEE JUNCTION, ALABANG

Marlo L. Patacsil

From: eafs@bir.gov.ph
Sent: April 15, 2025 5:31 PM
To: Milany D. Guevarra
Cc: Milany D. Guevarra
Subject: [EXT] Your BIR AFS eSubmission uploads were received

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CAUTION: This is an EXTERNAL email. Exercise caution. DO NOT open attachments or click links from unknown senders or unknown domains.

Hi THE PALMS COUNTRY CLUB INC,

Valid files

- EAFS206361205ITRTY122024.pdf
- EAFS206361205AFSTY122024.pdf
- EAFS206361205RPTTY122024.pdf
- EAFS206361205OTHTY122024.pdf

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- <None>

Transaction Code: **AFS-0-PRQ1RS2R0RWVVR4WMZNNSZPY066BECCLC**

Submission Date/Time: **Apr 15, 2025 05:30 PM**

Company TIN: **206-361-205**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree,

- The submitted forms, documents and attachments are complete, truthful and correct based on the pe records;

- The submission is without prejudice to the right of the BIR to require additional document, if any, for cc
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CERTIFICATION OF INDEPENDENT DIRECTOR

I, **JOAQUIN P. ROA**, Filipino, of legal age and with address at B9 L8 Copa de Oro Loop Verdana Homes, Molino Bacoar Cavite, after having been duly sworn in accordance with the law do hereby declare that:

1. I am a nominee as Independent Director of The Palms Country Club, Inc., for the year 2025-2026.
2. I was affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
Grepalife	Senior Vice President	1999-2002
Vietnam Motors	Vice President/General Manager	1992-1999
Philippine Fuji Xerox	Vice President - Marketing	1980-1992

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of The Palms Country Club, Inc., as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.

4. I am related to the following directors/officers/substantial shareholders of (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code:

Name of Director/Officer/ Substantial Shareholder	Company	Nature of Relationship
N/A		

5. I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be):

Offense Charged/ Investigated	Tribunal or Agency Involved	Status
N/A		

6. (For those in government service/affiliated with a government agency or GOCC) I have the required written permission or consent from the N/A to be an independent director in N/A, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.

7. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

8. I shall inform the Corporate Secretary of The Palms Country Club, Inc. of any changes in the above-mentioned information within five days from its occurrence.

Done, this 02 SEP 2025 at Makati City.


JOAQUIN P. ROA
Affiant

SUBSCRIBED AND SWORN to before me this 02 SEP 2025 at Makati City, affiant exhibiting to me as competent evidence of his identity, Passport ID No. P4609166B, bearing his photograph and signature, issued by Department of Foreign Affairs NCR-South, and valid until 28 January 2030.

Doc. No. 264 ;
Page No. 54 ;
Book No. 01 ;
Series of 2025.




ATTY. KARISSIE RIENZI U. SANTOS
Notary Public
Until December 31, 2026
Roll of Attorneys No. 91455
IBP No. 505402/01-12-2025/Makati City Chapter
PTR No. 10471274/01-07-2025/Makati City
Notarial Commission No. M-353(New)(2025-2026), Makati City
MCLE Compliance No. VIII-0013818/09-30-2024/Pasig City
29th Floor, FBCOM Tower, 6795 Ayala Avenue
cor. V.A. Rufino St., Makati City

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **JOSEPHINE L. LAGDAMEO**, Filipino, of legal age and residing at 27 Freixas St., BF Homes East Phase 6, Muntinlupa City, after having been duly sworn in accordance with the law do hereby declare that:

1. I am a nominee as Independent Director of The Palms Country Club, Inc., for the year 2025-2026.
2. I am/ was affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
Assumption Alumnae Association	Member	2000-Present
Assumption Alumnae Association	Board of Trustees	2009-2016

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of The Palms Country Club, Inc., as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.

4. I am related to the following directors/officers/substantial shareholders of (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code:

Name of Director/Officer/ Substantial Shareholder	Company	Nature of Relationship
N/A		

5. I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be):

Offense Charged/ Investigated	Tribunal or Agency Involved	Status
N/A		

6. (For those in government service/affiliated with a government agency or GOCC) I have the required written permission or consent from the N/A to be an independent director in N/A, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.

7. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

8. I shall inform the Corporate Secretary of The Palms Country Club, Inc. of any changes in the above-mentioned information within five (5) days from its occurrence.


Done, this 02 SEP 2025 at Makati City.


JOSEPHINE L. LAGDAMEO
Affiant

SUBSCRIBED AND SWORN to before me this 02 SEP 2025 at Makati City, affiant exhibiting to me as competent evidence of her identity, Passport ID No. P4371804B, bearing her photograph and signature, issued by Department of Foreign Affairs NCR South, and valid until 10 January 2030.

Doc. No. 265 ;
Page No. 54 ;
Book No. 01 ;
Series of 2025.




ATTY. KARISSÉ RENZI U. SANTOS
Notary Public
Until December 31, 2026
Roll of Attorneys No. 91485
IBP No. 505402/01-12-2025/Makati City Chapter
PTR No. 10471274/01-07-2025/Makati City
Notarial Commission No. M-353(New)(2025-2026), Makati City
MCLE Compliance No. VIII-0013818/09-30-2024/Pasig City
29th Floor, PBCOM Tower, 6795 Ayala Avenue
cor. V.A. Rufino St., Makati City

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **MARIE CYNTHIA C. SEGURA**, Filipino, of legal age and with address at 107 Guava Drive, Ayala Alabang Village, Muntinlupa, Metro Manila, after having been duly sworn in accordance with the law do hereby declare that:

1. I am a nominee as Independent Director of The Palms Country Club, Inc., for the year 2025-2026.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
Career Management Consulting & Business Solutions Inc.	Corporate Secretary and Director of Leadership & Culture	2002- Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of The Palms Country Club, Inc., as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.

4. I am related to the following directors/officers/substantial shareholders of (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code:

Name of Director/Officer/ Substantial Shareholder	Company	Nature of Relationship
N/A		

5. I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be):

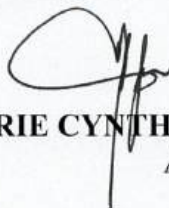
Offense Charged/ Investigated	Tribunal or Agency Involved	Status
N/A		

6. (For those in government service/affiliated with a government agency or GOCC) I have the required written permission or consent from the N/A to be an independent director in N/A , pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.

7. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

8. I shall inform the Corporate Secretary of The Palms Country Club, Inc. of any changes in the above-mentioned information within five days from its occurrence.

Done, this 02 SEP 2025 at Makati City.



MARIE CYNTHIA C. SEGURA
Affiant

SUBSCRIBED AND SWORN to before me this 02 SEP 2025 at Makati City, affiant exhibiting to me as competent evidence of her identity, Passport ID No. P86416368 bearing his photograph and signature, issued by Department of Foreign Affairs NCR-South, and valid until 04 January 2032.

Doc. No. 263 ;
Page No. 54 ;
Book No. 01 ;
Series of 2025.



ATTY. KARISSSE RIENZU U. SANTOS
Notary Public
Until December 31, 2026
Roll of Attorneys No. 91455
IBP No. 505402/01-12-2025/Makati City Chapter
PTR No. 10471274/01-07-2025/Makati City
Notarial Commission No. M-353(New)|2025-2026|, Makati City
MCLE Compliance No. VIII-0013818/09-30-2024/Pasig City
29th Floor, PBCOM Tower, 6795 Ayala Avenue
cor. V.A. Rufino St., Makati City

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q

**QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES
REGULATION CODE AND SRC RULE 17 (2)(b) THEREUNDER**

1. For the quarterly period ended **March 31, 2025**

2. Commission identification Number **A200005129**

3. BIR Identification No. **206-361-205-000**

4. Exact name of issuer as specified in its charter: **The Palms Country Club, Inc.**

5. Philippines
Province, Country or other jurisdiction of
incorporation of organization

6. _____
Industry Classification Code
(SEC Use Only)

7. 1410 Laguna Heights Drive, Filinvest Corporate
City, Alabang, Muntinlupa City
Address of issuers' principal office

8. (02) 8771-7171
Issuer's telephone number

9. _____
Former name, former address, and former fiscal year,
if changed since last report

10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
	<u>4,600</u> <u>P---</u>

11.

Yes [☐] No [☒]

If yes, state the name of such Stock Exchange and the class/es of securities therein:

12. Indicate whether the registrant

[a] has filed all reports required to be filed by Section 17 of the Revised Securities Act (RSA) and SRC Rule 17 thereunder of Sections 11 of the RSA and RSA Rule 11 (a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports.)

Yes [☒] No [☐]

[b] has been subject to such filing requirements for the past 90 days.

Yes [☒] No [☐]

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

Please refer to the attached Interim Statement of Financial Position, Statement of Revenue and Expense, Statement of Changes in Stockholder's Equity, Statement of Cash Flow and Notes to Financial Statements referred to as Annex A.

The attached Interim Financial Statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) and, we disclose the following information:

- a) The same accounting policies and methods of computation are followed in the interim financial statements as compared with the December 31, 2024 Audited financial statements.
- b) There have been no unusual items affecting assets, liabilities, equity or cash flow.
- c) There have been no changes in estimates of amounts reported in prior financial year.
- d) There have been no issuances, repurchases and repayments of debt and equity security.
- e) The Club, being a non-profit organization will not be declaring any dividend. Reference is made to the Articles of Incorporation and By-Laws as amended.
- f) There have been no material event subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.
- g) There has been no change in the composition of the issuer during the period.
- h) There have been no contingent liabilities or contingent assets provided ever since.
- i) There have been no material contingencies and other events or transactions that are material to an understanding of the current interim period.

Item 2. Management's Discussion and Analysis of Financial Condition.

Revenue generated for the first quarter ending March 31, 2025 was ₱121.5 million compared to ₱116.0 million of the same periods in 2024 and ₱105.6 million in 2023. Compared to year 2024, total revenue in food and beverage increased by 2.1%, membership dues increased by 13.9%, sports and recreation increased by 10.6%, while club shop and others decreased by 9.1%. Overall increase in revenues compared to year 2023 was 15%.

Total direct cost was ₱83.0 million in the first quarter compared to ₱80.3 million in the same period of year 2024 and ₱70.2 million in 2023. In terms of percentage, total direct cost by the end of the first quarter was 68.4% compared to last year's 69.2% and 66.5% in 2023. Food and Beverage cost contributed 33.9%, payroll cost at 17.3%, utilities and supplies at 8.7% and the rest at 4.5%. Compared to year 2024, total direct cost increased by ₱2.7 million mainly due to increased business, resulting to increase in operating expenses. Payroll cost increased by 6%.

Non-revenue departments such as administrative, depreciation, engineering and housekeeping showed an increase of 24.5% for the first quarter ending March 31, 2025. From ₱30.8 million in 2024, it posted an

increase of ₱7.6 million in 2025 mainly due to an increase in various operating costs such as migration to new club operating system, contract services, operating supplies, payroll, credit card fees and various engineering repairs compared to year 2024.

As of March 31, 2025, revenues over cost and expenses before other income and finance lease was an income of ₱27 thousand compared to ₱4.8 million of same period of the previous year. Finance lease cost decreased by 19.9% while other income increased by 124.8%.

Total net income at the end of the first quarter of 2025 was ₱1.5 million compared to net income of ₱4.7 million in same periods of 2024 and ₱7.4 million in 2023. Net income reported in first quarter 2025 was lower compared to same period last year due to higher F&B costs, payroll expenses, administrative, general and engineering expense.

In April 2024, the Club increased the monthly membership dues from ₱4,000.00 to ₱4,500.00. The increase was necessary to upgrade to a more efficient Club management software and operating system, to address rising labor costs due to industry standardization, government-mandated wage increases and statutory contributions, to comply with the 20% senior citizen discount and the 12% value-added tax exemption, and additional expenditures on Club improvements to enhance the member experience. This adjustment resulted in a considerable boost to overall membership revenue figures for the first quarter 2025, as compared to same period last year.

Total number of members as of March 31, 2025 was 2300 or an increase of 6 members from 2294 as of December 31, 2024. For the first three months of 2025, the Club has noted 8 Class A and 1 Class C secondary transfers.

Total asset as at March 31, 2025 was ₱1.010 billion compared to ₱1.030 billion as at December 31, 2024 or a decrease of ₱20.4 million. This is mainly due to the decrease in cash and due from related parties. Cash decreased by ₱37.5 million due to payments to suppliers and other accounts payables and contract liabilities. Meanwhile, contract receivable, inventories and advances to suppliers increased by ₱2.5 million, ₱.8 million and ₱1.8 million, respectively. Other current assets increased by 311.7% or ₱11.9 million due to the prepayments of property taxes, licenses, permits and association dues. Net book value of property and equipment increased by ₱.7 million mainly due to the additional improvements and various acquisitions of property and equipment amounting to ₱9.3 million and additional depreciation expense amounting to ₱8.6 million for the first three months of 2025.

Total current liabilities amounted to ₱109.8 million as at March 31, 2025 and ₱130.9 million as at December 31, 2024 or a decrease of ₱21.1 million or 16.1%. Accounts and other payables decreased to ₱72.0 million from last year's ₱90.3 million or a 20.2% decrease. This is due to payments made to suppliers and manning agencies. Contract liabilities decreased by 10.0% or ₱3.7 million. Included in the Contract liabilities are events deposits and advance membership dues of members. Advance monthly dues are applied as they mature. Due to related party increased by ₱.4 million from ₱.08 million in December 2024 to ₱.51 million by March 31, 2025.

Net Income reported as of March 31, 2025 was ₱1.5 million, while ₱4.7 million in 2024 and ₱7.4 million in same period in 2023.

With a capital stock of ₱1.1 billion, stockholders' equity as at March 31, 2025 increased to ₱878.9 million from ₱877.4 million as at December 31, 2024 and ₱861.7 million as at December 31, 2023.

PERFORMANCE INDICATORS:

	March 31, 2025	December 31, 2024
Current Ratio	2.09	1.91
Current Assets	228.90	250.22
Current Liabilities	109.75	130.87
Quick Ratio	1.72	1.71
Cash + Accts Receivable	189.26	224.17
Current Liabilities	109.75	130.87
Solvency Ratio	7.68	6.72
Total Assets	1,010.44	1,030.88
Total Liabilities	131.51	153.46
Debt-Equity Ratio	0.15	0.17
Total Liabilities	131.51	153.46
Total Stockholders' Equity	878.93	877.42
Profit Margin Ratio	0.01	0.04
Net Income (Loss)	1.51	18.18
Total Revenue	121.48	483.24

There are no events known to the Club that will trigger any material financial obligation including any default or acceleration of obligation.

There are no known trends, demands, commitments, events or uncertainties that will have a material impact on its liquidity.

In its 2024 annual report, the Club reported several improvements and various acquisitions of property and equipment. These expenditures primarily stemmed from the acquisition of company service vehicle, final payments for the 2-unit members' elevator, AHU chilled water-cooling system for Café Asiana, purchase of central kitchen's walk-in chiller and freezer, new kitchen equipment, various sports & gym equipment and building improvements. These new equipment and acquisitions and major repairs were undertaken to uphold and enhance the quality of facilities and services provided to the members. Funds for these were derived solely from operations.

There are no seasonal aspects that had material effects on the financial condition or results of operations of the Club.

Part II – OTHER INFORMATION

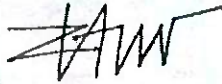
Except as disclosed in the Management's Discussion and Analysis of Financial Condition and Results of Operation, there are no unusual items affecting assets, liabilities, equity, net income or cash flows for the period. There are also no material events subsequent to the period under review up to the date of this report.

SIGNATURES

Pursuant to the requirements of the Revised Securities Act, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

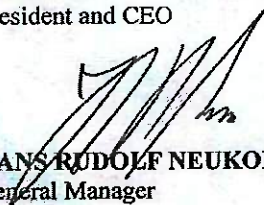
Issuer:

THE PALMS COUNTRY CLUB, INC.



Signature and Title:

FRANCIS NATHANIEL C. GOTIANUN
President and CEO



HANS RUDOLF NEUKOM
General Manager



MARLO L. PATACSI
Chief Financial Officer

THE PALMS COUNTRY CLUB
Statement of Financial Position

	March 31, 2025	December 31, 2024 (Audited)	December 31, 2023 (Audited)
ASSETS			
Current Assets			
Cash (Note 2)	148,226,176	185,692,136	133,131,600
Short-term Investment	-	-	-
Contract receivables (Note 3)	41,029,861	38,481,021	47,043,999
Due from related parties	3,445,593	4,348,803	3,936,420
Inventories (Note 4)	17,604,453	16,826,629	17,157,436
Advances to Suppliers (Note 5)	2,858,441	1,044,778	1,615,404
Other Current Assets (Note 5)	15,735,846	3,822,602	3,849,762
Total Current Assets	228,900,370	250,215,969	206,734,621
Noncurrent Assets			
Property and equipment - net (Note 6)	779,457,530	778,717,966	788,505,883
Deferred Input VAT (Note 7)	2,086,575	1,946,876	1,093,460
Total Noncurrent Assets	781,544,105	780,664,842	789,599,343
Total Assets	1,010,444,475	1,030,880,811	996,333,964
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Accounts and other payables (Note 8)	72,064,706	90,304,923	72,292,859
Contract liabilities (Note 9)	32,993,307	36,673,086	36,988,543
Due to related parties (Note 10)	506,372	76,864	518,644
Finance Lease - current portion	4,188,634	3,810,385	2,609,485
Total Current Liabilities	109,753,019	130,865,258	112,409,531
Noncurrent Liability			
Lease liability - net of current portion	6,116,264	7,316,424	11,126,809
Pension liability	15,643,959	15,280,179	11,132,508
Total Noncurrent Liabilities	21,760,223	22,596,603	22,259,317
Total Liabilities	131,513,242	153,461,861	134,668,848
Equity			
Capital Stock (Note 11)	1,109,993,521	1,109,993,521	1,109,993,521
Accumulated deficiency of revenues over cost & expenses	(233,320,253)	(251,501,750)	(265,886,569)
Net Income (Loss) for the period	1,512,285	18,181,497	14,384,819
Remeasurement gain on retirement plan -net of tax	745,682	745,682	3,173,345
Total Equity	878,931,234	877,418,950	861,665,116
Total Liabilities and Equity	1,010,444,475	1,030,880,811	996,333,964

THE PALMS COUNTRY CLUB
Statement of Revenue and Expense

	FIRST QUARTER		
	Jan. 1, 2025 to March 31, 2025	Jan. 1, 2024 to March 31, 2024	Jan. 1, 2023 to March 31, 2023
REVENUES			
Food & Beverage	73,360,997	71,825,680	67,303,148
Membership dues	31,382,624	27,556,748	26,344,000
Sports and recreation	8,879,173	8,026,256	6,231,084
Club Shop and Others	7,856,591	8,640,284	5,707,347
Total Revenues	121,479,386	116,048,968	105,585,579
LESS: DIRECT COSTS			
Cost of Sales			
Food & Beverage	41,158,737	38,204,070	35,074,438
Sports and recreation	3,019,764	2,808,368	2,222,612
Club Shop and others	1,821,857	1,924,862	871,510
Total Cost of Sales	46,000,358	42,937,300	38,168,560
Payroll	21,055,265	19,864,723	17,364,205
Utilities, laundry & supplies	10,545,563	11,568,287	11,022,753
Communications	117,226	140,727	175,882
Contract services	26,786	73,373	96,079
Banquets and special events	728,768	1,757,495	612,657
Depreciaton, Marketing and others	4,560,570	4,011,514	2,808,159
Total Direct Costs	83,034,535	80,353,419	70,248,294
GROSS INCOME	38,444,851	35,695,549	35,337,285
LESS: OPERATING EXPENSES			
General and administrative			
Utilities and supplies	321,412	258,714	169,611
Payroll	6,734,142	5,468,108	4,752,317
Outside services	3,250,150	3,457,752	2,814,797
Credit card commission	1,965,082	1,844,250	1,807,386
Insurance	232,841	276,672	207,279
Communications	1,671,000	439,435	301,731
Licenses and permits	3,405,840	1,922,526	1,680,983
Others	3,112,971	1,875,394	1,611,288
Total Gen and admin	20,693,440	15,542,853	13,345,393
Depreciation	8,596,645	8,211,280	7,371,328
Housekeeping			
Payroll	2,568,780	2,652,146	2,406,870
Outside services	444,072	405,269	404,324
Utilities, laundry and supplies	1,494,154	881,211	825,857
Others	110,662	74,807	67,240
Total Housekeeping	4,617,667	4,013,433	3,704,289
Engineering			
Payroll	654,638	762,583	574,784
Outside services	1,611,476	1,158,186	997,702
Supplies	2,187,692	1,136,549	1,650,224
Others	56,294	20,964	21,231
Total Engineering	4,510,100	3,078,282	3,243,942
Total Operating Expenses	38,417,852	30,845,848	27,664,952
DEFICIENCY OF REVENUES OVER COST AND			
EXPENSES BEFORE OTHER INCOME	26,999	4,849,702	7,672,333
& EXPENSES			
Finance Lease Cost	1,044,088	1,303,126	1,480,525
Other Income	2,529,374	1,124,971	1,178,152
TOTAL OTHER INCOME AND EXPENSES	1,485,286	(178,155)	(302,373)
NET INCOME (LOSS)	1,512,285	4,671,547	7,369,960

THE PALMS COUNTRY CLUB
Statements of Changes in Stockholders' Equity

			Three Months Ending Mar. 31, 2025	Three Months Ending Mar. 31, 2024	Three Months Ending Mar. 31, 2023
CAPITAL STOCK					
Class A shares			915,109,926	915,109,926	915,109,926
Authorized	1,900 shares				
Fully paid	1,900 shares				
Class B shares			120,270,900	120,270,900	120,270,900
Authorized	250 shares				
Fully paid	250 shares				
Class C shares			72,312,695	72,312,695	72,312,695
Authorized	150 shares				
Fully paid	150 shares				
Class D shares			2,293,000	2,293,000	2,293,000
Authorized	2,293 shares				
Fully paid	2,293 shares				
Founders' shares			7,000	7,000	7,000
Authorized	7 shares				
Fully paid	7 shares				
			1,109,993,521	1,109,993,521	1,109,993,521
Retained Earnings			(233,320,253)	(265,886,569)	(267,651,511)
Net Income (Loss) for the period			1,512,285	7,369,959	(3,595,012)
DEFICIT			(231,807,968)	(258,516,610)	(271,246,523)
Remeasurement gain on retirement benefit			745,682	4,237,599	2,668,210
STOCKHOLDER'S EQUITY - NET			878,931,234	855,714,511	841,415,208

THE PALMS COUNTRY CLUB
Statement of Cash Flows

	Three Months Ended Mar. 31, 2024	Three Months Ended Mar. 31, 2023	Three Months Ended Mar. 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Deficiency of revenues over costs and expenses	1,512,285	4,671,547	7,369,960
Adjustments for:			
Depreciation	8,596,645	8,211,280	7,371,328
Finance Lease Cost	1,044,088	1,303,126	1,480,525
Net change in Pension Liability	363,780	363,780	363,779
Gain on disposal of property, plant & Equipment	-	-	-
Interest Income	(23,554)	(23,554)	(23,554)
Operating Loss before working capital changes	11,493,244	14,526,179	16,562,035
Decrease (Increase) in:			
Contract Receivables	(2,548,840)	10,301,756	6,114,522
Due from related parties	903,210	3,243,043	1,808,054
Inventories	(777,824)	2,307,350	(336,061)
Other Current Assets	(13,726,908)	(17,097,493)	(8,319,196)
Deferred input VAT	(139,699)	109,346	109,346
Increase (Decrease) in:			
Accounts Payable and accrued expenses	(18,240,217)	(18,155,824)	(13,471,516)
Contract Liabilities	(3,679,779)	(6,062,100)	(4,085,490)
Due to a related party	429,508	95,450	(25,766)
Cash used in operations	(26,287,306)	(10,732,293)	(1,644,072)
Interest received	23,554	23,554	23,554
Net cash used in operating activities	(26,263,752)	(10,708,739)	(1,620,518)
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease (Increase) in:			
Increase in short-term investment	-	-	(136,973)
Property and equipment	(9,336,209)	(561,063)	(10,073,874)
Proceeds from disposal of property and equipment	-	-	-
Net cash provided by investing activities	(9,336,209)	(561,063)	(10,210,847)
CASH FLOWS FROM FINANCING ACTIVITIES			
Finance lease	(1,866,000)	(1,866,000)	(1,866,000)
Net cash provided by financing activities	(1,866,000)	(1,866,000)	(1,866,000)
NET INCREASE (DECREASE) IN CASH	(37,465,960)	(13,135,802)	(13,697,364)
CASH AT BEGINNING OF PERIOD	185,692,136	133,131,600	83,460,727
CASH AT END OF PERIOD	148,226,176	119,995,798	69,763,365

THE PALMS COUNTRY CLUB, INC.
NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost basis and are presented in Philippine Peso (₱) which is the Club's functional currency. All values are rounded to the nearest Peso, except when otherwise indicated.

Statement of Compliance

The accompanying financial statements of the Club have been prepared in compliance with Philippine Financial Reporting Standards (PFRS).

Accounting Policies

Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash in banks earn interest at the prevailing bank deposit rates.

Financial Assets and Liabilities

Financial assets and financial liabilities are recognized initially at fair value. Transaction costs are included in the initial measurement of all financial assets and liabilities, except for financial instruments measured at fair value through profit or loss (FVPL)

The club recognizes a financial asset or financial liability in the balance sheets when it becomes a party to the contractual provisions of the instrument

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at cost using the effective interest method. Gains and losses are recognized in the statements of revenue and expenses when loans and receivables are derecognized or impaired, as well as through the amortization process.

Loans and receivables are classified as current when these are expected to be realized within twelve months from the reporting date. Otherwise, these are classified as noncurrent assets.

This category includes the Club's cash and receivables.

Other Financial Liabilities

Other financial liabilities are non-derivative financial liabilities with fixed or determinable payments that are not quoted in an active market. These liabilities are carried at cost or amortized cost in the balance sheet. Amortization is determined using the effective interest method.

Included in this category are the Club's trade and other payables and due to a related party.

Impairment of Financial Assets

An assessment is made at each reporting date as to whether there is objective evidence that a financial asset or group of financial assets may be impaired. If such evidence exists, any impairment loss is recognized in the statement of revenues and expenses.

Inventories

Inventories are valued at the lower of cost or net realizable value (NRV). NRV is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale. Cost is determined using the first-in, first-out method.

Property and Equipment

Property and equipment consist of land and land improvements, buildings and facilities and equipment. Except for land, the Club's property and equipment are stated at cost less accumulated depreciation and amortization and impairment in value, if any. Land is stated at cost less any impairment in value.

The initial cost of property and equipment consists of its purchase price, including import duties, taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the assets have been put into operation, such as repairs and maintenance, are normally charged to operations in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment. When assets are sold or retired, their cost and accumulated depreciation and amortization are eliminated from the accounts and any gain or loss resulting from their disposal is included in the statement of revenues and expenses.

Depreciation and amortization are calculated on a straight-line basis over the estimated useful life of the related assets as follows:

Land improvements	10 years
Building	40 years
Sports, kitchen and other facilities and equipment	5 to 10 years

The Club estimates the useful lives of its property and equipment based on the period over which these assets are expected to be available for use. The useful lives and depreciation and amortization methods are reviewed periodically based on factors that include asset utilization, internal technical evaluation, technological changes, environmental and anticipated use of the assets tempered by related industry benchmark information. It is possible that future results of operations could be materially affected by the changes in the factors mentioned. A reduction in the estimated useful lives of property and equipment would increase depreciation and amortization expenses and decrease property and equipment.

Retirement Benefit Costs

Pension costs are actuarially computed using the projected unit credit valuation method. Under this method, the current service cost is the present value of retirement benefits payable in the future with respect to the services rendered in the current period. Actuarial valuations are conducted with sufficient regularity, with option to accelerate when significant changes to underlying assumptions occur.

Revenue Recognition

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Club and the amount of revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

Membership dues

Membership dues to support the operation and maintenance of the Club are billed one month in advance and are credited to operations in the period to which the dues apply.

Collections for accounts which are not yet due and therefore do not qualify for revenue recognition are recorded as "Membership dues paid in advance" in the liabilities section of the financial position.

Food & Beverage

Revenue from sale of food and beverages are recognized when served.

Sports & Recreation

Revenue from sports and recreation are recognized when services have been rendered.

Club Shop & others

Revenue is recognized when the risk and rewards of ownership of the goods have passed to the buyer.

Interest Income

Interest income is recognized as it accrues taking into account the effective yield on the asset.

Equity

Capital Stock is measured at stated price for all shares issued.

'Accumulated deficiency of revenues and membership dues over cost and expenses' represents accumulated losses and earning and any adjustment arising from application of new accounting standard, policies or corrections of errors applied retroactively by the Club.

Cost and Expenses

"Direct costs" and "operating expenses" are expenses that arise in the course of the ordinary operations of the Club. Direct costs and operating expenses are expensed as incurred.

Provisions

A provision is recognized only when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is not recognized in the financial statements but disclosed when an outflow of economic benefit is probable.

2. Cash and Cash Equivalents

Cash consists of:

	Mar. 31, 2025	Dec. 31, 2024
Current and savings accounts with banks	147,324,176	184,790,136
Revolving fund	902,000	902,000
	<u>148,226,176</u>	<u>185,692,136</u>

Cash in bank earns interest at the prevailing bank deposit rates.

There is so cash restriction on the Club's cash balances as at March 31, 2025 and December 31, 2024.

3. Receivables

This account consists of:

	Mar. 31, 2025	Dec. 31, 2024
Members	30,839,929	31,809,070
Banquet Sales	7,168,316	4,568,340
Credit Cards	731,571	2,694,186
Others, Auction	4,953,505	2,072,885
	<u>43,693,322</u>	<u>41,144,481</u>
Less: Allowance for doubtful accounts	2,663,460	2,663,460
	<u>41,029,862</u>	<u>38,481,021</u>

Receivables from members are collateralized by a preferential lien on the Club shares owned by them. These receivables are collectible within a year.

"Other receivables" consist of advances made to employee for sickness and maternal benefits, creditable withholding taxes for current year transactions with pending certificates and receivables from agency hired employees

4. Inventories

This account consists of:

At Cost:	Mar. 31, 2025	Dec. 31, 2024
Food	12,547,030	12,077,591
Beverage	2,393,937	2,217,012
Operating Supplies	2,341,952	2,103,097
Others	321,535	428,929
	<u>17,604,453</u>	<u>16,826,629</u>

5. Other Current Assets

This account consists of:

	Mar. 31, 2025	Dec. 31, 2024
Advances to suppliers	2,858,441	1,044,778
Creditable withholding taxes	3,054,471	2,599,563
Others	12,681,374	1,223,039
	<u>18,594,286</u>	<u>4,867,380</u>

6. Property and Equipment

	Mar. 31, 2025					
	Land	Land Improvements	Building	Sports, Kitchen and Other Facilities and Equipment	Right of use asset	Total
Cost						
Balances at beginning of year	420,000,000	16,881,429	572,992,286	327,653,133	41,456,164	1,378,983,012
Additions	-	-	1,018,748	8,317,461	-	9,336,209
Derecognition	-	-	-	-	-	-
Balances at end of year	420,000,000	16,881,429	574,011,034	335,970,594	41,456,164	1,388,319,221
Accumulated depreciation						
Balances at beginning of year	-	16,400,404	318,936,774	248,859,555	16,068,313	600,265,046
Depreciation (Notes 13 and 14)	-	-	3,592,078	5,004,567	-	8,596,645
Derecognition	-	-	-	-	-	-
Balances at end of year	-	16,400,404	322,528,852	253,864,122	16,068,313	608,861,691
Net book value as of December 31	420,000,000	481,025	251,482,182	82,106,472	25,387,851	779,457,530

	Dec. 31, 2024					
	Land	Land Improvements	Building	Sports, Kitchen and Other Facilities and Equipment	Right of use asset	Total
Cost						
Balances at beginning of year	420,000,000	16,881,429	572,565,021	309,358,613	41,456,164	1,360,261,227
Additions	-	-	427,265	18,294,520	-	18,721,785
Derecognition	-	-	-	-	-	-
Balances at end of year	420,000,000	16,881,429	572,992,286	327,653,133	41,456,164	1,378,983,012
Accumulated depreciation						
Balances at beginning of year	-	16,343,918	311,018,460	230,386,639	14,006,327	571,755,344
Depreciation (Notes 13 and 14)	-	56,486	7,918,314	18,472,916	2,061,986	28,509,702
Derecognition	-	-	-	-	-	-
Balances at end of year	-	16,400,404	318,936,774	248,859,555	16,068,313	600,265,046
Net book value as of December 31	420,000,000	481,025	254,055,512	78,793,578	25,387,851	778,717,966

The land forms part of Lot 392 of the Muntinlupa Estate in the name of the Republic of the Philippines and developed by Filinvest Alabang, Inc. (the developer referred to in Note 10) into what is now known as the Filinvest Corporate City (FCC). Lot 392 was the subject matter of Civil Case Nos. 99-075 and 99-320 for annulment of titles and contracts, considered to be nuisance suits. In its Resolution dated July 30, 2007, the Supreme Court affirmed the dismissal of Civil Case No. 99-075 by the trial court and Court of Appeals. On the other hand, the trial court has required the plaintiffs in Civil Case No. 99-320 to pay the docket fees correspond ding to the value of the property subject of this case. As of December 31, 2009, the plaintiffs have not done so. Accordingly, counsel of FAI filed in February 2009 a "Motion to Dismiss" praying that the case be dismissed with prejudice. The motion to dismiss was granted on November 19, 2009.

7. Accounts and Other Payables

This account consists of:

	Mar. 31, 2025	Dec. 31, 2024
Trade Payables	15,084,945	27,137,545
Accrued Expenses		
Payroll	17,283,998	22,885,453
Utilities and taxes	6,187,317	10,455,854
Outside services	5,622,080	5,290,809
Others	15,434,652	8,595,323
Deposits	4,981,743	8,695,134
Member's cash bond	7,469,805	7,244,805
	<u>72,064,540</u>	<u>90,304,923</u>

8. Contract Liabilities

This account consists of:

	Mar. 31, 2025	Dec. 31, 2024
Membership dues received in advances	28,046,839	32,697,030
Banquet Events Deposits	4,946,468	3,976,057
	<u>32,993,307</u>	<u>36,673,087</u>

9. Related Party Transactions

The Club has entered into various transactions with related parties. Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party in making financial and operating decisions or the parties are subject to common control or common significant influence (referred to as affiliates).

Transactions entered into by the Club with related parties are at arm's length and have terms equivalent to the transactions entered into with third parties.

Significant related party transactions follow:

- The Club has trade receivables from its affiliates as members of the Club for which it bills monthly membership dues and use of facilities. These affiliates include entities with FAI, the developer.
- The Club maintains cash in bank account with Eastwest Banking Corporation (EWB), a bank affiliated with FAI. Cash in bank earns interest at the prevailing market rates.
- The Club has trade payables for Filinvest City maintenance and utilities from FAI, its developer.

As at March 31, 2025 and December 31, 2024, the Club's due to related parties is amounting to P.51 million and P.08 million, respectively.

10. Capital Stocks

The club's Capital Stocks consist of five classes of common, no par value shares as follows:

	Mar. 31, 2025	Dec. 31, 2024
Class A Shares		
Authorized and paid - 1,900 shares	915,109,926	915,109,926
Class B shares		
Authorized and paid – 250 shares	120,270,900	120,270,900
Class C shares		
Authorized and paid – 150 shares	72,312,695	72,312,695
Class D shares		
Authorized and paid – 2,293 shares	2,293,000	2,293,000
Founder shares		
Authorized and paid – 7 shares	7,000	7,000
	1,109,993,521	1,109,993,521

All classes of shares entitle the holders to one vote for each share in any and all regular and special meetings of shareholders.

Class A shares are available to natural persons and entitle the holder to membership in the Club and to the use and enjoyment of the Club's facilities. Class A shares are likewise available to juridical persons and entitle the holders to name one nominee for membership in the Club to use and enjoy the facilities of the Club.

Class B shares are available only to juridical persons and entitle the holder to name two nominees for membership in the Club and enjoy the facilities of the Club.

Class C shares are available only to juridical persons and entitle the holder to name three nominees for membership in the Club and enjoy the facilities of the Club.

Holders of Class D shares are not entitled to the use and enjoyment of the Club's facilities. Correspondingly, Class D shares are to be excluded in the computation and assessment of membership fees, dues and other payments relative to the operation and maintenance of the Club.

Founder's shares shall have the exclusive right to vote and be voted for in the election of directors for five years from and after the date of the registration of the Articles of Incorporation. Thereafter, the holders of the Founder's shares shall have the same voting rights and privileges as holders of Class A shares.

The Club shall not issue shares of stock, which will reduce the stock ownership of Philippine citizens to less than 60% of the outstanding capital stock. No holder of any class of shares shall have any pre-emptive right to acquire, purchase or subscribe to any share of the club of any class.

The shares held by FAI and its respective nominees for the founder's shares or held by the Club are non-obligatory or participating.

Subscription Agreement with a Developer

Under the terms of the subscription agreement between FAI (Developer) and the Club, dated September 14, 2000, as amended on October 20, 2000, the Developer undertook the following:

- Ceded, transferred, assigned and delivered to the Club a parcel of land at Filinvest Corporate City with an area of 30,000 square meters valued at ₱14,000 per square meter or a total of ₱420.0 million in exchange for 867 Class "A" shares, 115 Class "B" shares and 68 Class "C" shares, or a total of 1,050 shares valued at ₱400,000 per share.
- Developed the above property into a world class sports and country club including facilities and equipment necessary to operate the Club in exchange for 1,033 Class "A" shares, 135 Class "B" shares and 82 Class "C" shares, or a total of 1,250 shares valued at ₱400,000 per share or ₱500.0 million. Property development cost amounting to ₱687.7 million was initially credited to advances from developer pending final turnover and acceptance of the developed property.

In 2004, the corresponding shares of stock were issued to the Developer upon final acceptance of the property by the Club. Accordingly, the amount of advances from developer of ₱687.7 million was credited as Capital Stock.

- Paid in cash the amount of ₱2.3 million in exchange for 2,292 Class "D" shares at ₱1,000 per share.
- The documentary stamp and other taxes arising from capital stock transactions under the subscription agreement are for the account of the Developer.

- end -

CERTIFICATION

I, MARLO LOMIBAO PATACSIL, Chief Financial Officer of THE PALMS COUNTRY CLUB, INC., with SEC registration Number A200005129 with principal office at 1410 Laguna Heights Drive, Filinvest Corporate City, Alabang, Muntinlupa City, on oath state:

1. That on behalf of The Palms Country Club, Inc. I have caused this SEC Form 17-Q1 to be prepared.
2. That I read and understood its contents which are true and correct of my own personal knowledge and/or based on true records.
3. That the company, The Palms Country Club, Inc. will comply with the requirements set forth in SEC Notice dated 05 March 2025 for a complete and official submission of reports and/or documents through eFAST, and
4. That I am fully aware that documents filed online which requires pre-evaluation and/or processing fee shall be considered complete and officially received only upon payment of a filing fee.

IN WITNESS WHEREOF, I have hereunto set my hand this 12 MAY 2025 day of May, 2025.

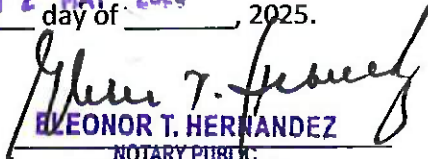

MARLO L. PATACSIL

Affiant

REPUBLIC OF THE PHILIPPINES) S.S.
CITY OF MUNTINLUPA

perpet No. P4231405B

SUBSCRIBED AND SWORN to before me this 12 MAY 2025 day of May, 2025.


LEONOR T. HERNANDEZ
NOTARY PUBLIC
UNTIL DECEMBER 31, 2025

Doc. No. 143
Page No. 30
Book No. 360
Series of 2025.



APPT. NO. 24-018, ATTORNEYS ROLL NO. 38749
PTR NO. 4763633, JAN 02, 2025, MUNTINLUPA CITY
IBP LIFETIME MEMBER NO. 05258, TIN: 135478879
MCLE NO. VII-0006441, JUNE 28, 2021, PHILIPPINES
ENAC 27'L PASEO, JOLLIBEE JUNCTION, ALABANG
1770 MUNTINLUPA CITY, PHILIPPINES



SECURITIES AND EXCHANGE COMMISSION

THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/imessagemo@sec.gov.ph

ANNEX "D-2"



The following document has been received:

Receiving: RICHMOND CARLOS AGTARAP

Receipt Date and Time: August 14, 2025 01:01:24 PM

Company Information

SEC Registration No.: A200005129

Company Name: THE PALMS COUNTRY CLUB, INC.

Industry Classification: O92410

Company Type: Stock Corporation

Document Information

Document ID: OST10814202583658030

Document Type: Quarterly Report

Document Code: SEC_Form_17-Q

Period Covered: June 30, 2025

Submission Type: Original Filing

Remarks: None

Acceptance of this document is subject to review of forms and contents

COVER SHEET

A 2 0 0 0 0 5 1 2 9

S.E.C. Registration Number

T H E P A L M S C O U N T R Y C L U B I N C

(Company's Full Name)

1 4 1 0 L A G U N A H E I G H T S D R I V E
F I L I N V E S T C I T Y A L A B A N G
M U N T I N L U P A C I T Y

(Business Address: No. Street, City/Town/Province)

MILANY D. GUEVARRA

Contact Person

(02) 8771-7171

Company Telephone Number

1 2

Month

3 1

Day

Fiscal Year

1 7 - Q 2

FORM TYPE

0 4

Month

Day

Annual Meeting

S8 - 1

Secondary License Type, if applicable

C S D

Dept. Requiring this Doc.
Number/Section

Amended Articles

1,985

Total Number of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned:

File Number

LCU

Document ID

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q

**QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES
REGULATION CODE AND SRC RULE 17 (2)(b) THEREUNDER**

1. For the quarterly period ended **June 30, 2025**

2. Commission identification Number **A200005129**

3. BIR Identification No. **206-361-205-000**

4. Exact name of issuer as specified in its charter: **The Palms Country Club, Inc.**

5. **Philippines**
Province, Country or other jurisdiction of incorporation
of organization

6. _____
Industry Classification Code
(SEC Use Only)

7. **1410 Laguna Heights Drive, Filinvest Corporate
City, Alabang, Muntinlupa City**
Address of issuers' principal office

8. **(02) 8771-7171**
Issuer's telephone number

9. _____
Former name, former address, and former fiscal year,
if changed since last report

10. Securities registered pursuant to Sections 4 and 8 of the RSA

<u>Title of Each Class</u>	<u>Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding</u>
	<u>4,600 P---</u>

11.

Yes ☐ No ☒

If yes, state the name of such Stock Exchange and the class/es of securities therein:

12. Indicate whether the registrant

[a] has filed all reports required to be filed by Section 17 of the Revised Securities Act (RSA) and SRC Rule 17 thereunder of Sections 11 of the RSA and RSA Rule 11 (a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports.)

Yes ☒ No ☐

[b] has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

Please refer to the attached Interim Statement of Financial Position, Statement of Revenue and Expense, Statement of Changes in Stockholder's Equity, Statement of Cash Flow and Notes to Financial Statements referred to as Annex A.

The attached Interim Financial Statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) and, we disclose the following information:

- a) The same accounting policies and methods of computation are followed in the interim financial statements as compared with the December 31, 2024 Audited financial statements.
- b) There have been no unusual items affecting assets, liabilities, equity or cash flow.
- c) There have been no changes in estimates of amounts reported in prior financial year.
- d) There have been no issuances, repurchases and repayments of debt and equity security.
- e) The Club, being a non-profit organization will not be declaring any dividend. Reference is made to the Articles of Incorporation and By-Laws as amended.
- f) There have been no material event subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.
- g) There has been no change in the composition of the issuer during the period.
- h) There have been no contingent liabilities or contingent assets provided ever since.
- i) There have been no material contingencies and other events or transactions that are material to an understanding of the current interim period.

Item 2. Management's Discussion and Analysis of Financial Condition.

Revenue generated for the second quarter ending June 30, 2025 was ₱117.8 million compared to ₱117.4 million of the same periods in 2024 and ₱103.9 million in 2023. Compared to 2024, Food and Beverage revenue decreased by 4.0%, while Membership Dues increased by 2.0%, Sports and Recreation by 8.9%, and Club Shop and Others by 27.3%. Overall revenue grew by 13.5% compared to 2023.

Total direct cost was ₱85.8 million in the second quarter compared to ₱80.0 million in the same period of year 2024 and ₱74.0 million in 2023. In terms of percentage, total direct cost by the end of the second quarter was 72.8% compared to last year's 68.1% and 71.2% in 2023. Food and Beverage cost contributed 32.6%, payroll cost at 17.7%, utilities and supplies at 11.5% and the rest at 6.5%. Compared to year 2024, total direct cost increased by ₱5.81 million mainly due to increased business, resulting to increase in operating expenses. Payroll cost increased by 6.67%.

Non-revenue departments such as administrative, depreciation, engineering and housekeeping showed an increase of 8.9% for the second quarter ending June 30, 2025. From ₱31.92 million in 2024, it posted an increase of ₱2.8 million in 2025 mainly due to an increase in various operating costs such as migration to

new club operating system, contract services, operating supplies, payroll, credit card fees and various engineering repairs compared to year 2024.

As of June 30, 2025, revenues over cost and expenses before other income and finance lease, decrease an income of ₱2.7M compared to ₱5.5 million of same period of the previous year. Finance lease cost decreased by 22.8% while other income increased by 98.2%.

Total net income at the end of the second quarter of 2025 was ₱.7 million compared to net income of ₱10.3 million in same periods of 2024 and ₱7.5 million in 2023. Net income reported in second quarter 2025 was lower compared to same period last year due to higher F&B costs, payroll expenses, administrative, general and engineering expense.

In April 2024, the Club increased the monthly membership dues from ₱4,000.00 to ₱4,500.00. The increase was necessary to upgrade to a more efficient Club management software and operating system, to address rising labor costs due to industry standardization, government-mandated wage increases and statutory contributions, to comply with the 20% senior citizen discount and the 12% value-added tax exemption, and additional expenditures on Club improvements to enhance the member experience. This adjustment resulted in a considerable boost to overall membership revenue figures for the second quarter 2025, as compared to same period last year.

Total number of members as of June 30, 2025 was 2300 or an increase of 6 members from 2294 as of December 31, 2024. For the second three months of 2025, the Club has noted 8 Class A and 1 Class C secondary transfers.

Total assets as of June 30, 2025 amounted to ₱ 993.5 million, compared to P1.030 billion as of December 31, 2024, representing a decrease of ₱ 37.4 million. This decline was primarily attributable to reductions in cash and due from related parties. Cash declined by ₱ 49.6 million, mainly due to payments to suppliers, settlement of accounts payables, and contract liabilities. In contrast, certain current assets showed increases: contract receivables rose by ₱5.6 million, advances to suppliers by ₱ 1.8 million, and inventories by ₱ 0.2 million. Other current assets also increased by ₱ 9.2 million, or approximately 241%, due to prepayments of property taxes, licenses, permits, and association dues. The net book value of property and equipment slightly decreased by ₱ 0.3 million, despite capital expenditures totaling ₱ 9.3 million. The decrease was mainly due to depreciation expense of ₱ 8.6 million recognized during the second quarter of 2025.

Total current liabilities amounted to ₱92 million as at June 30, 2025 and ₱130.9 million as at December 31, 2024 or a decrease of ₱38.9 million or 29.7%. Accounts and other payables decreased to ₱62.9 million from last year's ₱90.3 million or a 30.3% decrease. This is due to payments made to suppliers and manning agencies. Contract liabilities decreased by 28.0% or ₱10.2 million. Included in the Contract liabilities are events deposits and advance membership dues of members. Advance monthly dues are applied as they mature. Due to related party increased by ₱.4 million from ₱.08 million in December 2024 to ₱.55 million by June 30, 2025.

Net Income reported as of June 30, 2025 was ₱.7 million, while ₱4.7 million in 2024 and ₱7.4 million in same period in 2023.

With a capital stock of ₱1.1 billion, stockholders' equity as at June 30, 2025 increased to ₱878.1 million from ₱877.4 million as at December 31, 2024 and ₱861.7 million as at December 31, 2023.

PERFORMANCE INDICATORS:

	June 30, 2025	December 31, 2024
Current Ratio	2.33	1.91
Current Assets	214.74	250.22
Current Liabilities	92.03	130.87
Quick Ratio	1.96	1.71
Cash + Accts Receivable	180.15	224.17
Current Liabilities	92.03	130.87
Solvency Ratio	8.61	6.72
Total Assets	993.50	1,030.88
Total Liabilities	115.35	153.46
Debt-Equity Ratio	0.13	0.17
Total Liabilities	115.35	153.46
Total Stockholders' Equity	878.14	877.42
Profit Margin Ratio	0.01	0.04
Net Income (Loss)	0.73	18.18
Total Revenue	117.85	483.24

There are no events known to the Club that will trigger any material financial obligation including any default or acceleration of obligation.

There are no known trends, demands, commitments, events or uncertainties that will have a material impact on its liquidity.

In its 2024 annual report, the Club reported several improvements and various acquisitions of property and equipment. These expenditures primarily stemmed from the acquisition of company service vehicle, final payments for the 2-unit members' elevator, AHU chilled water-cooling system for Café Asiana, purchase of central kitchen's walk-in chiller and freezer, new kitchen equipment, various sports & gym equipment and building improvements. These new equipment and acquisitions and major repairs were undertaken to uphold and enhance the quality of facilities and services provided to the members. Funds for these were derived solely from operations.

There are no seasonal aspects that had material effects on the financial condition or results of operations of the Club.

Part II – OTHER INFORMATION

Except as disclosed in the Management's Discussion and Analysis of Financial Condition and Results of Operation, there are no unusual items affecting assets, liabilities, equity, net income or cash flows for the period. There are also no material events subsequent to the period under review up to the date of this report.

SIGNATURES

Pursuant to the requirements of the Revised Securities Act, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.


Issuer:

THE PALMS COUNTRY CLUB, INC.

Signature and Title:


FRANCIS NATHANIEL C. GOTIANUN
President and CEO


HANS RUDOLF NEUKOM
General Manager


MILANY D. GUEVARRA
Accounting Manager

THE PALMS COUNTRY CLUB
Statement of Financial Position

	June 30, 2025	December 31, 2024 (Audited)	December 31, 2023 (Audited)
ASSETS			
Current Assets			
Cash (Note 2)	136,066,505	185,692,136	133,131,600
Short-term Investment	-	-	-
Contract receivables (Note 3)	44,084,424	38,481,021	47,043,999
Due from related parties	1,711,123	4,348,803	3,936,420
Inventories (Note 4)	17,054,647	16,826,629	17,157,436
Advances to Suppliers (Note 5)	2,793,035	1,044,778	1,615,404
Other Current Assets (Note 5)	13,034,849	3,822,602	3,849,762
Total Current Assets	214,744,583	250,215,969	206,734,621
Noncurrent Assets			
Property and equipment - net (Note 6)	778,422,814	778,717,966	788,505,883
Deferred Input VAT (Note 7)	328,038	1,946,876	1,093,460
Total Noncurrent Assets	778,750,852	780,664,842	789,599,343
Total Assets	993,495,435	1,030,880,811	996,333,964
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Accounts and other payables (Note 8)	62,970,833	90,304,923	72,292,859
Contract liabilities (Note 9)	26,420,595	36,673,086	36,988,543
Due to related parties (Note 10)	550,774	76,864	518,644
Finance Lease - current portion	2,084,972	3,810,385	2,609,485
Total Current Liabilities	92,027,174	130,865,258	112,409,531
	38,838,084		
Noncurrent Liability			
Lease liability - net of current portion	7,316,424	7,316,424	11,126,809
Pension liability	16,007,739	15,280,179	11,132,508
Total Noncurrent Liabilities	23,324,163	22,596,603	22,259,317
Total Liabilities	115,351,337	153,461,861	134,668,848
Equity			
Capital Stock (Note 11)	1,109,993,521	1,109,993,521	1,109,993,521
Accumulated deficiency of revenues over cost & expenses	(233,320,253)	(251,501,750)	(265,886,569)
Net Income (Loss) for the period	725,148	18,181,497	14,384,819
Remeasurement gain on retirement plan -net of tax	745,682	745,682	3,173,345
Total Equity	878,144,098	877,418,950	861,665,116
Total Liabilities and Equity	993,495,435	1,030,880,811	996,333,964

	YEAR TO DATE		
	Jan. 1, 2025 to June 30, 2025	Jan. 1, 2024 to June 30, 2024	Jan. 1, 2023 to June 30, 2023
REVENUES			
Food & Beverage	140,742,659	142,011,046	129,030,259
Membership dues	63,067,124	58,606,748	53,012,000
Sports and recreation	19,724,461	17,988,260	14,520,400
Club Shop and Others	15,794,514	14,874,649	12,959,611
Total Revenues	239,328,758	233,480,703	209,522,271
LESS: DIRECT COSTS			
Cost of Sales			
Food & Beverage	79,626,092	76,478,722	68,759,526
Sports and recreation	6,296,351	6,343,973	5,079,343
Club Shop and others	3,841,148	3,510,054	1,824,849
Total Cost of Sales	89,763,591	86,332,750	75,663,718
Payroll	41,973,304	39,474,794	35,697,561
Utilities, laundry & supplies	24,056,591	23,428,821	22,917,581
Communications	243,794	264,283	332,658
Contract services	53,571	146,746	192,158
Banquets and special events	2,623,962	2,449,746	2,545,089
Depreciation, Marketing and others	10,123,105	8,247,526	6,866,495
Total Direct Costs	168,837,918	160,344,666	144,215,259
GROSS INCOME	70,490,840	73,136,037	65,307,012
LESS: OPERATING EXPENSES			
General and administrative			
Utilities and supplies	621,477	591,548	431,983
Payroll	13,172,593	10,860,729	9,701,064
Outside services	6,017,490	6,774,125	5,743,244
Credit card commission	3,864,599	3,593,444	3,437,458
Insurance	529,364	457,325	347,787
Communications	2,784,332	2,241,208	854,615
Licenses and permits	5,458,407	3,787,343	3,387,871
Others	6,290,569	3,240,397	3,417,802
Total Gen and admin	38,738,830	31,546,118	27,321,824
Depreciation	17,288,005	16,322,248	14,631,514
Housekeeping			
Payroll	5,381,824	5,335,380	4,952,367
Outside services	900,793	758,210	816,409
Utilities, laundry and supplies	2,979,170	1,822,059	1,612,610
Others	187,519	148,995	172,646
Total Housekeeping	9,449,305	8,064,644	7,554,033
Engineering			
Payroll	1,292,595	1,488,671	1,332,969
Outside services	3,290,338	2,604,932	2,150,410
Supplies	3,000,791	2,641,668	3,902,527
Others	108,574	97,551	87,224
Total Engineering	7,692,298	6,832,821	7,473,130
Total Operating Expenses	73,168,438	62,765,831	56,980,501
DEFICIENCY OF REVENUES OVER COST AND			
EXPENSES BEFORE OTHER INCOME	(2,677,599)	10,370,206	8,326,511
& EXPENSES			
Finance Lease Cost	2,006,587	2,550,377	2,922,784
Other Income	5,409,334	2,577,970	2,136,823
TOTAL OTHER INCOME AND EXPENSES	3,402,747	27,593	(785,961)
NET INCOME (LOSS)	725,148	10,397,799	7,540,550

THE PALMS COUNTRY CLUB
Statements of Changes in Stockholders' Equity

		Six Months Ending June 30, 2025	Six Months Ending June 30, 2024	Six Months Ending June 30, 2023
CAPITAL STOCK				
Class A shares		915,109,926	915,109,926	915,109,926
Authorized	1,900 shares			
Fully paid	1,900 shares			
Class B shares		120,270,900	120,270,900	120,270,900
Authorized	250 shares			
Fully paid	250 shares			
Class C shares		72,312,695	72,312,695	72,312,695
Authorized	150 shares			
Fully paid	150 shares			
Class D shares		2,293,000	2,293,000	2,293,000
Authorized	2,293 shares			
Fully paid	2,293 shares			
Founders' shares		7,000	7,000	7,000
Authorized	7 shares			
Fully paid	7 shares			
		1,109,993,521	1,109,993,521	1,109,993,521
Retained Earnings		(233,320,253)	(251,501,754)	(265,886,569)
Net Income (Loss) for the period		725,148	10,397,799	7,540,550
DEFICIT		(232,595,105)	(241,103,955)	(258,346,019)
Remeasurement gain on retirement benefit		745,682	3,173,345	4,237,599
STOCKHOLDER'S EQUITY - NET		878,144,098	872,062,912	855,885,101

THE PALMS COUNTRY CLUB
Statement of Cash Flows

	Six Months Ending June 30, 2025	Six Months Ending June 30, 2024	Six Months Ending June 30, 2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Deficiency of revenues over costs and expenses	725,148	10,397,799	7,540,550
Adjustments for:			
Depreciation	17,288,005	16,322,248	14,631,514
Finance Lease Cost	2,006,587	2,550,377	2,922,784
Net change in Pension Liability	727,560	727,560	727,559
Gain on disposal of property, plant & Equipment	-	-	-
Interest Income	(2,256,713)	(1,237,506)	(299,535)
Operating Loss before working capital changes	18,490,587	28,760,478	25,522,872
Decrease (Increase) in:			
Contract Receivables	(5,603,403)	9,706,718	4,924,669
Due from related parties	15,115,506	3,469,523	1,466,175
Inventories	(12,705,844)	3,729,280	2,031,265
Other Current Assets	(10,960,506)	(8,393,815)	(8,082,256)
Deferred input VAT	1,618,838	218,692	218,692
Increase (Decrease) in:			
Accounts Payable and accrued expenses	(27,334,090)	(22,831,959)	(15,347,407)
Contract Liabilities	(10,252,491)	(13,200,623)	(12,116,639)
Due to a related party	473,910	69,864	(396,038)
Cash used in operations	(31,157,493)	1,528,160	(1,778,666)
Interest received	2,256,713	1,237,506	299,535
Net cash used in operating activities	(28,900,780)	2,765,666	(1,479,131)
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease (Increase) in:			
Increase in short-term investment	-	-	(136,973)
Property and equipment	(16,992,853)	(9,531,378)	(18,352,965)
Proceeds from disposal of property and equipment	-	-	-
Net cash provided by investing activities	(16,992,853)	(9,531,378)	(18,489,938)
CASH FLOWS FROM FINANCING ACTIVITIES			
Finance lease	(3,732,000)	(3,732,000)	(3,732,000)
Net cash provided by financing activities	(3,732,000)	(3,732,000)	(3,732,000)
NET INCREASE (DECREASE) IN CASH	(49,625,633)	(10,497,712)	(23,701,069)
CASH AT BEGINNING OF PERIOD	185,692,138	133,131,600	83,460,727
CASH AT END OF PERIOD	136,066,505	122,633,888	59,759,658

THE PALMS COUNTRY CLUB, INC.
NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost basis and are presented in Philippine Peso (₱) which is the Club's functional currency. All values are rounded to the nearest Peso, except when otherwise indicated.

Statement of Compliance

The accompanying financial statements of the Club have been prepared in compliance with Philippine Financial Reporting Standards (PFRS).

Accounting Policies

Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash in banks earn interest at the prevailing bank deposit rates.

Financial Assets and Liabilities

Financial assets and financial liabilities are recognized initially at fair value. Transaction costs are included in the initial measurement of all financial assets and liabilities, except for financial instruments measured at fair value through profit or loss (FVPL)

The club recognizes a financial asset or financial liability in the balance sheets when it becomes a party to the contractual provisions of the instrument

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at cost using the effective interest method. Gains and losses are recognized in the statements of revenue and expenses when loans and receivables are derecognized or impaired, as well as through the amortization process.

Loans and receivables are classified as current when these are expected to be realized within twelve months from the reporting date. Otherwise, these are classified as noncurrent assets.

This category includes the Club's cash and receivables.

Other Financial Liabilities

Other financial liabilities are non-derivative financial liabilities with fixed or determinable payments that are not quoted in an active market. These liabilities are carried at cost or amortized cost in the balance sheet. Amortization is determined using the effective interest method.

Included in this category are the Club's trade and other payables and due to a related party.

Impairment of Financial Assets

An assessment is made at each reporting date as to whether there is objective evidence that a financial asset or group of financial assets may be impaired. If such evidence exists, any impairment loss is recognized in the statement of revenues and expenses.

Inventories

Inventories are valued at the lower of cost or net realizable value (NRV). NRV is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale. Cost is determined using the first-in, first-out method.

Property and Equipment

Property and equipment consist of land and land improvements, buildings and facilities and equipment. Except for land, the Club's property and equipment are stated at cost less accumulated depreciation and amortization and impairment in value, if any. Land is stated at cost less any impairment in value.

The initial cost of property and equipment consists of its purchase price, including import duties, taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the assets have been put into operation, such as repairs and maintenance, are normally charged to operations in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment. When assets are sold or retired, their cost and accumulated depreciation and amortization are eliminated from the accounts and any gain or loss resulting from their disposal is included in the statement of revenues and expenses.

Depreciation and amortization are calculated on a straight-line basis over the estimated useful life of the related assets as follows:

Land improvements	10 years
Building	40 years
Sports, kitchen and other facilities and equipment	5 to 10 years

The Club estimates the useful lives of its property and equipment based on the period over which these assets are expected to be available for use. The useful lives and depreciation and amortization methods are reviewed periodically based on factors that include asset utilization, internal technical evaluation, technological changes, environmental and anticipated use of the assets tempered by related industry benchmark information. It is possible that future results of operations could be materially affected by the changes in the factors mentioned. A reduction in the estimated useful lives of property and equipment would increase depreciation and amortization expenses and decrease property and equipment.

Retirement Benefit Costs

Pension costs are actuarially computed using the projected unit credit valuation method. Under this method, the current service cost is the present value of retirement benefits payable in the future with respect to the services rendered in the current period. Actuarial valuations are conducted with sufficient regularity, with option to accelerate when significant changes to underlying assumptions occur.

Revenue Recognition

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Club and the amount of revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

Membership dues

Membership dues to support the operation and maintenance of the Club are billed one month in advance and are credited to operations in the period to which the dues apply.

Collections for accounts which are not yet due and therefore do not qualify for revenue recognition are recorded as "Membership dues paid in advance" in the liabilities section of the financial position.

Food & Beverage

Revenue from sale of food and beverages are recognized when served.

Sports & Recreation

Revenue from sports and recreation are recognized when services have been rendered.

Club Shop & others

Revenue is recognized when the risk and rewards of ownership of the goods have passed to the buyer.

Interest Income

Interest income is recognized as it accrues taking into account the effective yield on the asset.

Equity

Capital Stock is measured at stated price for all shares issued.

'Accumulated deficiency of revenues and membership dues over cost and expenses' represents accumulated losses and earning and any adjustment arising from application of new accounting standard, policies or corrections of errors applied retroactively by the Club.

Cost and Expenses

"Direct costs" and "operating expenses" are expenses that arise in the course of the ordinary operations of the Club. Direct costs and operating expenses are expensed as incurred.

Provisions

A provision is recognized only when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is not recognized in the financial statements but disclosed when an outflow of economic benefit is probable.

2. Cash and Cash Equivalents

Cash consists of:

	30-Jun-25	Dec. 31, 2024
Current and savings accounts with banks	135,054,505	184,790,136
Revolving fund	1,012,000	902,000
	136,066,505	185,692,136

Cash in bank earns interest at the prevailing bank deposit rates.

There is no cash restriction on the Club's cash balances as at June 30, 2025 and December 31, 2024.

3. Receivables

This account consists of:

	30-Jun-25	Dec. 31, 2024
Members	34,804,841	31,809,070
Banquet Sales	8,211,771	4,568,340
Credit Cards	403,064	2,694,186
Others, Auction	3,328,209	2,072,885
	46,747,884	41,144,481
Less: Allowance for doubtful accounts	2,663,460	2,663,460
	44,084,424	38,481,021

Receivables from members are collateralized by a preferential lien on the Club shares owned by them. These receivables are collectible within a year.

"Other receivables" consist of advances made to employee for sickness and maternal benefits, creditable withholding taxes for current year transactions with pending certificates and receivables from agency hired employees

4. Inventories

This account consists of:

	30-Jun-25	Dec. 31, 2024
Food	12,712,848	12,077,591
Beverage	1,602,478	2,217,012
Operating Supplies	2,147,886	2,103,097
Others	591,434	428,929
	17,054,647	16,826,629

5. Other Current Assets

This account consists of:

	30-Jun-25	Dec. 31, 2024
Advances to Suppliers	2,793,035	1,044,778
Creditable Withholding Tax	3,470,475	2,599,563
Others	9,564,374	1,223,039
	15,827,884	4,867,380

6. Property and Equipment

	30-Jun-25					
	Land	Land Improvements	Building	Sports, Kitchen and Other Facilities and Equipment	Right of use asset	Total
Cost						
Balances at beginning of year	420,000,000	16,881,429	573,273,233	335,970,594	41,456,164	1,387,581,419
Additions	-	-	-	8,978,120	-	8,978,120
Derecognition	-	-	-	-	-	-
Balances at end of year	420,000,000	16,881,429	573,273,233	344,948,713	41,456,164	1,396,559,539
Accumulated depreciation						
Balances at beginning of year	-	16,400,404	322,528,852	254,447,796	16,068,313	609,445,365
Depreciation (Notes 13 and 14)	-	28,195	3,355,823	4,637,605	669,737	8,691,360
Derecognition	-	-	-	-	-	-
Balances at end of year	-	16,428,599	325,884,675	259,085,401	16,738,050	618,136,725
Net book value as of December 31	420,000,000	452,830	247,388,557	85,863,312	24,718,114	778,422,814

	Dec. 31, 2024					
	Land	Land Improvements	Building	Sports, Kitchen and Other Facilities and Equipment	Right of use asset	Total
Cost						
Balances at beginning of year	420,000,000	16,881,429	572,565,021	309,358,613	41,456,164	1,360,261,227
Additions	-	-	427,265	18,294,520	-	18,721,785
Derecognition	-	-	-	-	-	-
Balances at end of year	420,000,000	16,881,429	572,992,286	327,653,133	41,456,164	1,378,983,012
Accumulated depreciation						
Balances at beginning of year	-	16,343,918	311,018,460	230,386,639	14,006,327	571,755,344
Depreciation (Notes 13 and 14)	-	56,486	7,918,314	18,472,916	2,061,986	28,509,702
Derecognition	-	-	-	-	-	-
Balances at end of year	-	16,400,404	318,936,774	248,859,555	16,068,313	600,265,046
Net book value as of December 31	420,000,000	481,025	254,055,512	78,793,578	25,387,851	778,717,966

The land forms part of Lot 392 of the Muntinlupa Estate in the name of the Republic of the Philippines and developed by Filinvest Alabang, Inc. (the developer referred to in Note 10) into what is now known as the Filinvest Corporate City (FCC). Lot 392 was the subject matter of Civil Case Nos. 99-075 and 99-320 for annulment of titles and contracts, considered to be nuisance suits. In its Resolution dated July 30, 2007, the Supreme Court affirmed the dismissal of Civil Case No. 99-075 by the trial court and Court of Appeals. On the other hand, the trial court has required the plaintiffs in Civil Case No. 99-320 to pay the docket fees corresponding to the value of the property subject of this case. As of December 31, 2009, the plaintiffs have not done so. Accordingly, counsel of FAI filed in February 2009 a "Motion to Dismiss" praying that the case be dismissed with prejudice. The motion to dismiss was granted on November 19, 2009.

7. Accounts and Other Payables

This account consists of:

	30-Jun-25	Dec. 31, 2024
Trade Payables	14,277,803	27,137,545
Accrued Expenses		
Payroll	12,291,861	22,885,453
Utilities and taxes	6,158,973	10,455,854
Outside services	5,539,956	5,290,809
Others	12,125,199	8,595,323
Deposits	5,086,778	8,695,134
Member's cash bond	7,490,262	7,244,805
	62,970,833	90,304,923

8. Contract Liabilities

This account consists of:

	30-Jun-25	Dec. 31, 2024
Membership dues received in advances	21,548,574	32,697,030
Banquet Events Deposit	4,872,021	3,976,057
	26,420,595	36,673,087

9. Related Party Transactions

The Club has entered into various transactions with related parties. Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party in making financial and operating decisions or the parties are subject to common control or common significant influence (referred to as affiliates).

Transactions entered into by the Club with related parties are at arm's length and have terms equivalent to the transactions entered into with third parties.

Significant related party transactions follow:

- a) The Club has trade receivables from its affiliates as members of the Club for which it bills monthly membership dues and use of facilities. These affiliates include entities with FAI, the developer.
- b) The Club maintains cash in bank account with Eastwest Banking Corporation (EWB), a bank affiliated with FAI. Cash in bank earns interest at the prevailing market rates.

- c) The Club has trade payables for Filinvest City maintenance and utilities from FAI, its developer.

As at June 30, 2025 and December 31, 2024, the Club's due to related parties is amounting to ₱.55 million and ₱.08 million, respectively.

10. Capital Stocks

The club's Capital Stocks consist of five classes of common, no par value shares as follows:

	Mar. 31, 2025	Dec. 31, 2024
Class A Shares		
Authorized and paid - 1,900 shares	915,109,926	915,109,926
Class B shares		
Authorized and paid - 250 shares	120,270,900	120,270,900
Class C shares		
Authorized and paid - 150 shares	72,312,695	72,312,695
Class D shares		
Authorized and paid - 2,293 shares	2,293,000	2,293,000
Founder shares		
Authorized and paid - 7 shares	7,000	7,000
	1,109,993,521	1,109,993,521

All classes of shares entitle the holders to one vote for each share in any and all regular and special meetings of shareholders.

Class A shares are available to natural persons and entitle the holder to membership in the Club and to the use and enjoyment of the Club's facilities. Class A shares are likewise available to juridical persons and entitle the holders to name one nominee for membership in the Club to use and enjoy the facilities of the Club.

Class B shares are available only to juridical persons and entitle the holder to name two nominees for membership in the Club and enjoy the facilities of the Club.

Class C shares are available only to juridical persons and entitle the holder to name three nominees for membership in the Club and enjoy the facilities of the Club.

Holders of Class D shares are not entitled to the use and enjoyment of the Club's facilities. Correspondingly, Class D shares are to be excluded in the computation and assessment of membership fees, dues and other payments relative to the operation and maintenance of the Club.

Founder's shares shall have the exclusive right to vote and be voted for in the election of directors for five years from and after the date of the registration of the Articles of Incorporation. Thereafter, the holders of the Founder's shares shall have the same voting rights and privileges as holders of Class A shares.

The Club shall not issue shares of stock, which will reduce the stock ownership of Philippine citizens to less than 60% of the outstanding capital stock. No holder of any class of shares shall have any pre-emptive right to acquire, purchase or subscribe to any share of the club of any class.

The shares held by FAI and its respective nominees for the founder's shares or held by the Club are non-obligatory or participating.

Subscription Agreement with a Developer

Under the terms of the subscription agreement between FAI (Developer) and the Club, dated September 14, 2000, as amended on October 20, 2000, the Developer undertook the following:

- Ceded, transferred, assigned and delivered to the Club a parcel of land at Filinvest Corporate City with an area of 30,000 square meters valued at ₱14,000 per square meter or a total of ₱420.0 million in exchange for 867 Class "A" shares, 115 Class "B" shares and 68 Class "C" shares, or a total of 1,050 shares valued at ₱400,000 per share.
- Developed the above property into a world class sports and country club including facilities and equipment necessary to operate the Club in exchange for 1,033 Class "A" shares, 135 Class "B" shares and 82 Class "C" shares, or a total of 1,250 shares valued at ₱400,000 per share or ₱500.0 million. Property development cost amounting to ₱687.7 million was initially credited to advances from developer pending final turnover and acceptance of the developed property.

In 2004, the corresponding shares of stock were issued to the Developer upon final acceptance of the property by the Club. Accordingly, the amount of advances from developer of ₱687.7 million was credited as Capital Stock.

- Paid in cash the amount of ₱2.3 million in exchange for 2,292 Class "D" shares at ₱1,000 per share.
- The documentary stamp and other taxes arising from capital stock transactions under the subscription agreement are for the account of the Developer.

- end -

ITEM 6: MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS**Discussion of the Results of Operations for 2024 vs. 2023 and 2022**

For the year ended December 31, 2024, the Club recorded a total revenue of ₱483.2 million, marking a significant increase compared to ₱456.8 million in 2023 and ₱348.1 million in 2022. Membership dues collected amounted to ₱123.1 million, representing 25.5% of total revenues. The significant increase in membership revenue can be attributed to the rise in monthly membership dues from ₱4,000.00 to ₱4,500.00, effective April 1, 2024, reflecting a 15% increase. The increase in membership dues was necessary to upgrade to a more efficient Club management software and operating system, to address rising labor costs due to industry standardization, government-mandated wage increases and statutory contributions, to comply with the 20% senior citizen discount and the 12% value-added tax exemption, and additional expenditures on Club improvements to enhance the member experience. This adjustment resulted in a considerable boost to overall revenue figures for the year. Revenues from Sports & Recreation were ₱36.5 million in 2024, compared to ₱31.3 million in 2023 and ₱21 million in 2022. This segment contributed 7.6%, 6.9% and 6.0% to total club revenues in 2024, 2023, and 2022 respectively. Club Shop and other miscellaneous revenues amounted to ₱34.7 million in 2024, ₱29.7 million in 2023, and ₱24.6 million in 2022, contributing 7.2%, 6.5% and 7.1% of total revenues in 2024, 2023, and 2022 respectively. These encompasses various sources such as transfer fees, assignment and renomination fees, revenues from party package, equipment hires and merchandise sales. The total increase in revenue by ₱26.4 million in 2024 can be attributed also to increased patronage by members.

As of December 31, 2024, the total direct costs amounted to ₱333.3 million, representing 69% of the total revenues. This is compared to 70.3% or ₱321 million in 2023 and 69.9% or ₱243.2 million in 2022. Out of the total direct costs, the total cost of sales (food and beverage, sports & recreation, club shop and others) percentage was 38% of the total revenues in 2024. Significant direct costs include utilities, laundry and operating supplies which accounted for ₱48.9 million or 10.1% of total revenue in 2024 and payroll which accounted for ₱83.8 million or 17.3% of total revenue in 2024. Other direct costs (banquets and special events, communications, contracted services and marketing expenses) totaled ₱17 million or 3.5% of total revenue in 2024.

The total other operating expenses, excluding depreciation, stood at ₱108 million as of December 31, 2024, compared to ₱89.7 million as of December 31, 2023 and ₱71.8 million in 2022. Notably, excluded from these operating expense is the ₱4.8 million lease charge for chilled water supply in 2024. The rise in other operating expenses can be attributed to the Club's full operations and

the corresponding increase in revenues. Management remains committed to implementing measure aimed at controlling operating costs.

The total depreciation expenses for 2024 amounted to ₱28.5 million, from ₱30.0 million in 2022, resulting a decline of ₱1.5 million or 5.1%. This is due to the adjustments in building accumulated depreciation.

From December 31, 2023, to December 31, 2024, the membership count increased by 11, from 2,283 to 2,294 members. The recorded secondary shares sold consisted of 50 for Class A and 2 for Class C. Total membership dues collected for the year amounted to ₱123.1 million, reflecting the adjustment of dues increase from ₱4,000.00 to ₱4,500.00 effective April 2024, representing 15%. Additionally, management continued its discount scheme, allowing members to prepay twelve months' worth of membership dues in exchange for one-month F&B credits at any restaurant outlet within the Club.

In 2024, the total current assets amounted to ₱250.2 million, compared to ₱206.7 million as of December 31, 2023. Among these assets, cash comprised 74.2%, contract receivables 15.4%, due from related parties 1.7%, inventories 6.7%, advances to suppliers .4% and other current assets 1.5%. Contract receivables as of December 31, 2024 decreased by 18% due to recognition of impairment loss and adjustment to accounts receivable auction account from previous years. Total inventories decreased by 2% as at December 31, 2024, primarily attributed to better management and handling of purchases of food and beverages. To capitalize on substantial discounts and item availability, the Club rented an external cold storage and procured bulk meat supplies in preparation for the holiday season in December.

For the year ending December 31, 2024, the acquisition of property and equipment totaled ₱18.7 million. This expenditure primarily stemmed from the acquisition of company service vehicle, final payments for the 2-unit members' elevator, AHU chilled water-cooling system for Café Asiana, purchase of central kitchen's walk-in chiller and freezer, new kitchen equipment, various sports & gym equipment and building improvements. These new equipment and acquisitions and major repairs were undertaken to uphold and enhance the quality of facilities and services provided to the members.

As at December 2024, the Club's total current assets amounted to ₱250.2 million, while current liabilities stood at ₱130.9 million. The Club's current ratio reached to 1.91, compared to 1.84 as at December 31, 2023, indicating a healthy liquidity position. To bolster its cash position, penalty charges of 2% per month or 24% per annum were implemented against members with overdue accounts. Furthermore, access to the Club's facilities and amenities is suspended for members whose accounts are overdue for 60 days or more. The quick ratio, improved to 1.71, as compared to 1.60 as at December 31, 2023, reflects a favorable liquidity position, while the solvency ratio is robust at 6.72 from 7.4 in December 31, 2023.

As at December 31, 2024, the Club's total assets stood at of ₱1.03 billion. The Club's debt ratio is strong at .17, with total liabilities of ₱153.5 million over stockholders' equity of ₱877.4 million.

PERFORMANCE INDICATORS:

	December 31, 2024	December 31, 2023
Current Ratio	1.91	1.84
Current Assets	250.22	206.73
Current Liabilities	130.87	112.41
Quick Ratio	1.71	1.60
Cash + Accts Receivable	224.17	180.18
Current Liabilities	130.87	112.41
Solvency Ratio	6.72	7.40
Total Assets	1,030.88	996.33
Total Liabilities	153.46	134.67
Debt-Equity Ratio	0.17	0.16
Total Liabilities	153.46	134.67
Total Stockholders' Equity	877.42	861.67
Profit Margin Ratio	0.04	0.03
Net Income (Loss)	18.18	14.38
Total Revenue	483.24	456.83

Events that will trigger direct or contingent financial obligation

There are no known events that will trigger direct or contingent financial obligation that is material to the Club, including any default or acceleration of an obligation.

Trends or events that will impact on the company's liquidity position

There are no major demands, commitments or uncertainties which will likely result to any cash flow or liquidity problem in the next twelve (12) months.

Trends or events of uncertainties that will impact on net sales or revenues or income

There are no known major events and uncertainties that will impact sales or revenues of the Club in the next twelve (12) months.

Significant elements of income or loss that did not arise from continuing operations

There were no significant elements of income or loss that did not arise from continuing operations.

Material changes from January 1, 2024 to December 31, 2024 in one or more line items in the financial statements

There were no material changes in one or more line items in the financial statements from January 1, 2024 to December 31, 2024.

Seasonal aspects that had a material effect on the financial condition or results of operations

There were no seasonal aspect that had a material effect on the financial condition or results of operations for the year ended December 31, 2024.

Commitment for Capital Expenditure

In April 2016 the Club entered into an "Efficiency Performance Contract with Engie Services (Philippines) for the latter to operate and maintain installations that supply chilled water to the Club. This is a comprehensive rehabilitation of the air-conditioning system of the Club. The terms of the agreement require that the Club make monthly fixed payments of ₱246,000 exclusive of VAT from the date of agreement until the date of completion of testing and commissioning of the chilled water Installations. The agreement further stipulates that Engie will initially shoulder the cost of the Installations for the chilled water supply owned by the Club and Engie to bill the Club for its share of the cost of installations. Upon completion of testing and commissioning, the Club is required to make fixed monthly payments of ₱622,000 exclusive of VAT, for the next ten (10) years representing the fixed period charges of the Club for the use of the chilled water and after which, the ownership of the remaining installations will be vested to the Club. As of December 31, 2017, the Club has paid Engie ₱22.5 million representing Club's share in the cost of installations.

On February 28, 2017, Engie has completed the testing and commissioning of the installation. On March 18, 2017, full operation commenced and Engie started billing the Club the fixed charges. As of December 31, 2023, the club has paid a total of ₱57.8 million equivalent to ninety-three (93) fixed monthly installments.

Draft only and subject to approval of the shareholders.

THE PALMS COUNTRY CLUB, INC.

MINUTES OF THE ANNUAL SHAREHOLDERS' MEETING

Held on 07 October 2024

9:00 o'clock in the morning

Conducted in person at The Palms Country Club

ATTENDANCE:

	Number of Shares	Percentage of Total Outstanding Shares
Present by proxies	2559	55.63%
Present by in person	27	.59%
Total attendance	2586	56.22%

PRESENT:

Board of Directors

Name	Position
Ms. Catherine A. Ilagan	Chairperson of the Board
Mr. Francis Nathaniel C. Gotianun	President and Chief Executive Officer
Mr. Andrew Gerard D. Gotianun III	Director
Atty. Efren C. Gutierrez	Director
Ms. Josephine L. Lagdameo	Independent Director
Mr. Manolito F. Gonzales	Independent Director

Key Officers

Name	Position
Hans Rudolf Neukom	General Manager
Lindeza R. Rogero-Gavino	Corporate Secretary
Marlo L. Patacsil	Financial Controller

External Auditor

Name	Position
Martin C. Guantes	SGV & Co. Partner
Michael C. Sabado	SGV & Co. Partner

I. CALL TO ORDER

The President of The Palms Country Club, Inc. (the "Club"), **MR. FRANCIS NATHANIEL C. GOTIANUN**, acted as Chairman of the meeting and presided over the

same, while the Corporate Secretary, **ATTY. LINDEZA R. ROGERO-GAVINO**, recorded the minutes thereof.

II. PROOF OF NOTICE OF MEETING

The Corporate Secretary reported that the notice of the meeting, together with a copy of the Information Statement, and the Audited Financial Statements of the Club were sent to each shareholder of record as of 16 September 2024, by personal service, or by mail, in compliance with the By-Laws, the Revised Corporation Code, and the Securities Regulation Code.

III. CERTIFICATION OF QUORUM

Based on the registration, report on proxies received by the Office of the Corporate Secretary and actual attendance, the Corporate Secretary certified that out of the 4,600 total issued and outstanding shares of the Club as of record date or on 07 September 2024, 2586 shares representing 56.22% of the total issued and outstanding shares of the Club were present at the meeting.

There being a quorum, the Chairman declared the meeting duly convened and open for business.

IV. APPROVAL OF THE MINUTES OF THE ANNUAL MEETING OF THE SHAREHOLDERS HELD ON 17 OCTOBER 2023

The Corporate Secretary certified that a copy of the minutes of the annual meeting of the shareholders held on 17 October 2023 was included in the Notice of this year's Annual Shareholders' Meeting distributed to the shareholders of record and was also made available on the Club's website.

The minutes of the annual meeting of the shareholders was moved and seconded for approval of the shareholders.

Mr. Reno P. Velasco registered his objection to the motion to approve the 2023 minutes stating that the minutes did not reflect his objections and comments.

The Chairman noted that there is an objection to the approval of the item under consideration. It was moved and seconded that a vote be taken on the motion to approve the matter. A vote was taken in favor of the motion, and the resolution below was approved by majority of the shareholders based on the following tabulation of votes:

“RESOLVED, That the minutes of the annual meeting of the shareholders of the Club held on 17 October 2023 is hereby approved.”

	FOR	AGAINST	ABSTAIN
Number of Shares Voted	2,559	-	-

% of Shares of Shareholders Present	99%	-	-
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V. PRESENTATION OF MANAGEMENT REPORT

The General Manager of the Club, Mr. Hans Rudolf Neukom, presented his report on the Club's operations for the year ended 31 December 2023 based on the Club's Audited Financial Statements for the same period, copies of which were distributed to all shareholders of record as of 07 September 2023, together with the Information Statement. He also presented the Club's performance so far for the year 2023.

VI. RATIFICATION OF THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

After the presentation of the Management Report, the Chairman proceeded to the next item in the agenda which was the ratification of the 2023 Audited Financial Statements. He asked the Corporate Secretary if the shareholders were furnished with a copy of the 2023 Audited Financial Statements.

The Corporate Secretary responded that a copy of the 2023 Audited Financial Statements was attached to the Information Statement distributed to all shareholders of record as of 07 September 2024 and also made available on the Club's website. She reported that the resolution below was approved by majority of the shareholders based on the following tabulation of votes:

"RESOLVED, That the Club's Audited Financial Statements as of and for the year ended 31 December 2023 be approved, confirmed and ratified."

	FOR	AGAINST	ABSTAIN
Number of Shares Voted	2,559	-	-
% of Shares of Shareholders Present	99%	-	-

VII. RATIFICATION OF THE ACTS, RESOLUTIONS AND PROCEEDINGS OF THE BOARD OF DIRECTORS, BOARD COMMITTEES AND MANAGEMENT UP TO 07 OCTOBER 2024

The next item in the agenda was the ratification of all the acts, resolutions and proceedings of the Board of Directors, Board Committees and Management from the date of the last annual shareholders' meeting until 17 October 2023, a summary of which was included in the Information Statement sent to all the shareholders of record prior to the Annual Shareholders' Meeting.

The Corporate Secretary reported that the resolution below was approved by majority of the shareholders based on the following tabulation of votes:

"RESOLVED, That all the acts, resolutions and proceedings of the Board of Directors, Board Committees and Management from

the date of the last annual shareholders' meeting until 07 October 2024 are hereby approved, confirmed and ratified."

	FOR	AGAINST	ABSTAIN
Number of Shares Voted	2,559	-	-
% of Shares of Shareholders Present	99%	-	-

VIII. APPROVAL OF THE AMENDMENT OF ARTICLE THIRD OF THE ARTICLES OF INCORPORATION TO CHANGE THE PRINCIPAL ADDRESS FROM "METRO MANILA" TO "1410 LAGUNA HEIGHTS DRIVE, FILINVEST CITY, ALABANG, MUNTINLUPA CITY"

The next item in the agenda was the approval of the amendment of the Third Article of the Articles of Incorporation to change the principal address of the Club from "Metro Manila" to "1410 Laguna Heights Drive, Filinvest City, Alabang, Muntinlupa City".

The Corporate Secretary explained that the proposed amendment was presented at the shareholders' meeting held last year. However, the same was not submitted for approval due to insufficiency of the required quorum which should be the presence of at least 2/3 or 66.67% of the total outstanding shares of the Club. Therefore, it was being presented again for shareholders' approval this year.

The approval requires the vote of at least 2/3 or 66.67% of the outstanding shares of the Club. However, considering that less than 66.67% of the outstanding shares were present in the meeting, the shareholders were not able to proceed with the approval of this item in the agenda.

	FOR	AGAINST	ABSTAIN
Number of Shares Voted	2,559	-	-
% of Shares of Total Outstanding	56%	-	-

IX. ELECTION OF THE MEMBERS OF THE BOARD OF DIRECTORS, INCLUDING THE INDEPENDENT DIRECTORS TO SERVE FOR THE YEAR 2024-2025

The Chairman explained that the next item in the Agenda was the election of the seven (7) members of the Board of Directors, including three (3) independent directors, who shall hold office for a term of one (1) year, or until their successors shall have been duly elected and qualified.

As requested by the Chairman, the Corporate Secretary announced the names of the persons nominated for election as directors and/or independent directors of the Club and who were pre-screened by the Corporate Governance Committee, acting as Nominations Committee, in accordance with the Club's Revised Manual on Corporate Governance and By-Laws, viz:

1. Ms. Catherine A. Ilagan
2. Mr. Francis Nathaniel C. Gotianun
3. Mr. Andrew Gerard D. Gotianun III
4. Mr. Ven Christian S. Guce
5. Mr. Joaquin P. Roa
6. Ms. Josephine L. Lagdameo
7. Ms. Marie Cynthia C. Segura

The Corporate Governance Committee has also identified Mr. Joaquin P. Roa, Ms. Josephine L. Lagdameo, and Ms. Marie Cynthia C. Segura as nominees for the position of Independent Directors. All the nominees have given their consent to their respective nominations. Other than those named, no other nomination for election as Director was submitted to the Corporate Governance Committee during the nomination period.

The Corporate Secretary reported that the resolution below was approved by majority of the shareholders based on the following tabulation of votes:

“RESOLVED, That the following persons are hereby declared as duly elected directors of the Club, to serve for a term of one (1) year or until their successors shall have been elected and qualified in accordance with the By-Laws of the Club:

Directors:

1. Ms. Catherine A. Ilagan
2. Mr. Francis Nathaniel C. Gotianun
3. Mr. Andrew Gerard D. Gotianun III
4. Mr. Ven Christian S. Guce

Independent Directors:

1. Mr. Joaquin P. Roa
2. Ms. Josephine L. Lagdameo
3. Ms. Marie Cynthia C. Segura

	FOR	AGAINST	ABSTAIN	Percentage
Catherine A. Ilagan	2,559	-	-	99%
Francis Nathaniel C. Gotianun	2,559	-	-	99%
Andrew Gerard D. Gotianun III	2,559	-	-	99%
Ven Christian S. Guce	2,559	-	-	99%
Joaquin P. Roa	2,559	-	-	99%
Josephine L. Lagdameo	2,559	-	-	99%
Marie Cynthia C. Segura	2,559	-	-	99%

X. APPOINTMENT OF EXTERNAL AUDITOR

Upon the recommendation of the Club's Management, Audit and Risk Management Oversight Committee and confirmed by the Board of Directors, the

shareholders approved the reappointment of the accounting firm of SyCip Gorres Velayo and Co. ("SGV") as the Club's external auditor for the year 2025, as follows:

"RESOLVED, That the accounting firm of SyCip Gorres Velayo and Co. (SGV) be approved for reappointment as the Club's external auditor for the year 2025."

	FOR	AGAINST	ABSTAIN
Number of Shares Voted	2,559	-	-
% of Shares of Shareholders Present	99%	-	-

XI. OTHER MATTERS

The Chairman then proceeded to open the floor for the Question-and-Answer portion and asked the Corporate Secretary to read the instructions for the Question-and-Answer part to the assembly. After discussion and clarifications on the questions from the assembly, the Club and the Management, as well as the Board of Directors, were commended by several members of the Club for a job well done. A plaque of appreciation were given to outgoing director Atty. Efren C. Gutierrez and Independent Director Mr. Manolito F. Gonzales.

XII. ADJOURNMENT

There being no further business to transact, the Chairman declared the meeting adjourned. He conveyed his gratitude to the shareholders for attending the meeting and for their continued trust and confidence in the Club and the Management.

CERTIFIED CORRECT:


LINDEZA R. ROGERO-GAVINO
Corporate Secretary

ATTESTED BY:

FRANCIS NATHANIEL C. GOTIANUN
Chairman of the Meeting