

DRAFT
FOR APPROVAL OF STOCKHOLDERS

MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING OF
THE SPA & LODGE AT TAGAYTAY HIGHLANDS, INC.

3 August 2019 at 11:00 a.m.
Held at the Spring Garden, Highlands China Palace
Tagaytay Highlands Complex, Brgy. Calabuso, Tagaytay City

Before the start of the meeting, the following members of the Board of Directors present were introduced:

WILLY N. OCIER
JERRY C. TIU
HANS T. SY
JOSEPH T. CHUA
RUBEN C. TAN

The presence of the General Manager, Ms. Clara T. Kramer, the Financial Controller, Mr. Frederick D. Deocariza, the Assistant Corporate Secretary, Ms. Anna Francesca C. Respicio, and other officers of the Club were also acknowledged. The representatives of the auditing firm of Sycip Gorres Velayo & Co. were likewise in attendance.

CALL TO ORDER

The Chairman, Mr. Willy N. Ocier, called the meeting to order and presided over the same. The Corporate Secretary, Mr. A. Bayani K. Tan, recorded the minutes of the proceedings.

CERTIFICATE OF NOTICE AND QUORUM

Upon the request of the Chairman, the Secretary certified that notices of the meeting were sent to all stockholders of record as of 15 July 2019 in accordance with the provisions of the By-Laws. Upon the instruction of the Chairman of the meeting, the certificate was appended to the original of the Minutes of this meeting.

The Secretary certified that out of 434 subscribed shares of the capital stock of the Club, there were present, in person or by proxy, holders of 219 membership certificates representing an attendance of 50.46% of the total subscribed capital stock. Accordingly, he certified that a quorum existed for the transaction of business at hand.

**APPROVAL OF THE MINUTES OF THE
LAST STOCKHOLDERS' MEETING**

Upon motion duly made and seconded, the reading of the minutes of the annual stockholders' meeting of 27 May 2018 was dispensed with as the same had been previously distributed to shareholders. The Chairman opened the floor for questions about the Minutes of the 2019 Annual Stockholders' Meeting but none were raised.

The Minutes of the said meeting was thereafter approved as circulated, with the shareholders voting as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Approval of Minutes of the Previous Meeting of Stockholders	219	0	0

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**MANAGEMENT REPORT ON 2018
OPERATIONS AND RESULTS**

Ms. Ma. Clara T. Kramer, the Club's General Manager, reported the activities of the Club for the fiscal year ended 31 December 2018. She briefly discussed the highlights of Club's Balance Sheets and the Statements of Revenue and Expenses as well as the Statement of Cash Flows, which formed part of the SEC Form 20-IS previously sent to all shareholders.

For the year ended December 31, 2018, the Club posted a net income of ₱0.76 Million which shows an increase of ₱2.65 Million compared to net loss of ₱3.41 Million.

Total revenue likewise increased by ₱4.86 Million, or from ₱21.43 Million in 2017 to ₱26.29 Million in 2018. Revenue sources are from membership dues of ₱8.39 Million, room sales of ₱7.80 Million, food and beverage of ₱5.41 Million and spa services ₱1.66 Million. Cost and operating expenses also increased by ₱2.72 Million, from ₱24.84 Million in 2017 to ₱25.42 Million in 2018.

The Club showed a healthy financial position as of December 31, 2018, with a current ratio of ₱2.65:₱1.00 compared to ₱2.01:₱1.00 as of December 31, 2017. The Company's cash and cash equivalents increased by ₱3.94 Million or 168.74%. Net working capital increased by ₱7.16 Million from ₱7.12 Million in 2017 to ₱14.28 Million in 2018.

Total liabilities amounted to ₱9.19 Million which were higher by ₱1.26 Million or 22.78% due to advance payment received from the members during the period. The Company's ratio of liabilities to equity continued to be conservative, at 0.23:1.00 as of December 31, 2018.

At the conclusion of said report, and no questions having been raised, the President's Report for the year ended 31 December 2018, together with the Audited Financial Statements for the Fiscal Year ended 31 December 2018, upon motion duly made and seconded, was approved as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Approval of 2018 Operations and Results and 2018 Audited Financial Statements	219	0	0

RATIFICATION OF CORPORATE ACTS

The Chairman announced that the next item on the agenda was the ratification of the acts of the Board of Directors, Officers, and Management of the Club. The Corporate acts ratified were listed in the Club's Information Statement distributed to the shareholders in advance. No questions or issues were raised about the corporate acts despite opportunity having been given by the Chairman.

Upon motion duly made and seconded, all acts of the Board of Directors, Officers, and Management of the Club from the date of the last annual stockholder's meeting up to the date of this present meeting, were, in all respects, confirmed, ratified, and approved, as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Ratification of Corporate Acts	219	0	0

ELECTION OF DIRECTORS

The Chairman proceeded to the next item on the agenda, the election of the members of the Board of Directors for the ensuing year. The following have been nominated for election:

Willy N. Ocier
Jerry C. Tiu
Hans T. Sy
Joseph T. Chua
Ruben C. Tan

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The Chairman noted that, in compliance with the provisions of the Securities and Regulations Code requiring the election of independent directors, Mr. Joseph T. Chua and Mr. Ruben C. Tan, who qualify as independent directors under said Code, were nominated and elected as members of the Board.

After the nominations were duly made and seconded from the floor, the following stockholders, receiving the votes indicated opposite their names, were elected as directors for the year 2019-2020, to serve as such until their successors shall have been duly elected and qualified:

NOMINEE	VOTES IN FAVOR
Willy N. Ocier	219
Jerry C. Tiu	219
Hans T. Sy	219
Joseph T. Chua	219
Ruben C. Tan	219

APPOINTMENT OF EXTERNAL AUDITOR

As recommended by Management, the stockholders voted for the appointment of the auditing firm Sycip Gorres Velayo & Co. as the Clubs external auditor. No questions or objections having been raised by the shareholders present despite opportunity having been given by the Chairman, the proposal to re-appoint Sycip Gorres Velayo & Co. as the Corporation's external auditor for Year 2019 was approved by the shareholders as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Appointment of Sycip Gorres Velayo & Co. as External Auditor for 2019	219	0	0

The stockholders likewise unanimously approved the following resolution:

“**RESOLVED**, as it is hereby resolved, that the auditing firm of Sycip Gorres Velayo & Co. is hereby appointed as the Corporation's External Auditor for the year 2019.”

ADJOURNMENT

There being no other business to transact, upon motion duly made and seconded, the meeting was adjourned.

ATTESTED BY:

WILLY N. OCIER
Chairman

A. BAYANI K. TAN
Corporate Secretary