

Re: The Spa and Lodge at Tagaytay Highlands, Inc.\_Definitive Information Statement\_16Sept2022

[Redacted]

Dear Sir/Ma'am,

This is to acknowledge receipt of your email.

Thank you very much.

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Sent: Wednesday, September 21, 2022 10:01 AM

[Redacted]

**Subject:** Re: The Spa and Lodge at Tagaytay Highlands, Inc.\_Definitive Information Statement\_16Sept2022

Dear Sir/Madam,

This refers to the Definitive Information Statement (DIS) and Management Report of **The Spa and Lodge at Tagaytay Highlands, Inc.**, which was sent via email on 20 September 2022. We found that the said DIS and MR are in order, thus the company is advised that said reports are okay for distribution to its stockholders.

Your feedback is important to help us improve the delivery of our service to the public. To this end, kindly accomplish the Client Satisfaction Survey through this link: [https://bit.ly/ld\\_external](https://bit.ly/ld_external)

Your response is highly appreciated. Thank you.

On Tue, Sep 20, 2022 at 1:29 PM Ma. Clara T. Kramer <[claire.kramer@tagaytayhighlands.com](mailto:claire.kramer@tagaytayhighlands.com)> wrote:

Gentlemen:

Please see attached to this email the revised Definitive Information Statement (SEC Form 20-IS) of The Spa and Lodge at Tagaytay Highlands, Inc. ("TSLTHI"). Kindly acknowledge receipt so we can ensure that the submission has been received.

Thank you.

**MARIA CLARA T. KRAMER**  
General Manager  
The Spa and Lodge at Tagaytay Highlands, Inc.

[Redacted]

Gentlemen:

Please see attached to this email the Definitive Information Statement (SEC Form 20-IS) of The Spa and Lodge at Tagaytay Highlands, Inc. ("TSLTHI"), including the following documents:

1. Signed Letter Reply to SEC Comments;
2. Notarized Certification re Definitive 20-IS.
3. Notarized Certification re No Government Employment.
4. Annex A-1 – Notarized Certification of Independent Director Mr. Ruben C. Tan;
5. Annex A-2 – Notarized Certification of Independent Director Mr. Johnip G. Cua;
6. Annex B – TSLTHI 2021 Annual Report (SEC 17-A);
7. Annex C – TSLTHI 2022 2<sup>nd</sup> Quarterly Report (SEC 17-Q); and
8. Annex D – Proof of Payment of SEC 20-IS filing fee.

Kindly acknowledge receipt so we can ensure that the submission has been received.

Thank you.

**MARIA CLARA T. KRAMER**

General Manager

The Spa and Lodge at Tagaytay Highlands, Inc.

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**Licensing Division**  
**Corporate Governance and Finance Department**  
**Securities and Exchange Commission**

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COVER SHEET

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S.E.C. Registration Number

T H E S P A A N D L O D G E A T T A G A Y T A Y  
H I G H L A N D S , I N C .

(Company's Full Name)

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

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

**Maria Clara T. Kramer**

Contact Person

0917 622 9939

Company Telephone Number

1 2 - 3 1

Month Day  
Fiscal Year

-

Month Day  
Annual Meeting

S E C 2 0 - I S  
( D E F I N I T I V E )

N/A

Secondary License Type, If Applicable

S E C

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC personnel concerned

File Number

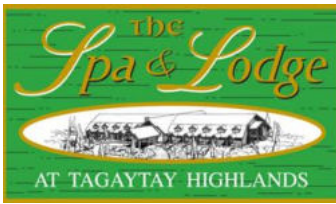
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Cashier

STAMPS

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## NOTICE OF ANNUAL STOCKHOLDERS' MEETING

### TO: ALL STOCKHOLDERS

Notice is hereby given that there will be an annual meeting of the stockholders of **The Spa and Lodge at Tagaytay Highlands, Inc.** (The "Corporation") on **15 October 2022**, Saturday at 11:30 A.M., at The Country Club Veranda, Tagaytay Highlands Complex, Brgy. Calabuso, Tagaytay City, to consider the following:

### AGENDA

1. Call to Order
2. Proof of Notice of Meeting
3. Certification of Quorum
4. Approval of the Minutes of the Previous Meeting of Members
5. Approval of 2021 Operations and Results
6. Ratification of all Acts of the Board of Directors and Officers
7. Election of Directors
8. Appointment of External Auditors
9. Other Matters
10. Adjournment

The Board of Directors has fixed the close of business on **14 September 2022, Wednesday** as the record date for the determination of the stockholders entitled to notice of, to attend, and to vote in absentia at such meeting, and any adjournment thereof.

Stockholders may attend the meeting in person, the registration for which will be on-site on the date of the annual meeting, and/or cast their vote in absentia by registering online at [www.tagaytayhighlands.com/annual-stockholders-meeting/](http://www.tagaytayhighlands.com/annual-stockholders-meeting/) from **28 September 2022, Wednesday until 08 October 2022, Saturday, at 5:30 P.M.** Upon verification of their registration credentials, an e-mail from the Corporation will be sent containing instructions on how the registered online participants may cast their votes on matters to be taken up during the meeting using the Corporation's e-voting platform to be set up for the purpose. The e-voting platform will be accessible until 9:00 A.M. of 15 October 2022, Saturday.

Stockholders may also send their duly accomplished proxies to the Office of the Corporate Secretary at 2704 East Tower, Tektite Towers, Ortigas Center, Pasig City or via electronic copy by sending an e-mail to [membership.th@tagaytayhighlands.com](mailto:membership.th@tagaytayhighlands.com) on or before **5:30 P.M. on 14 October 2022, Friday**. For corporate stockholders, the proxies should be accompanied by a Secretary's Certification on the appointment of the corporation's authorized signatory.

Validation of proxies is set on **14 October 2022, Friday, at 5:30 P.M.** The votes already cast using the e-voting platform by that time will also be tallied on said date. Only stockholders in good standing shall be entitled to vote.

City of Pasig, Metro Manila, 08 September 2022.

  
**ANN MARGARET K. LORENZO**  
Assistant Corporate Secretary

<sup>1</sup> See next page for the explanation for each agenda item.

## **RATIONALE FOR AGENDA ITEMS**

### **Agenda Item No. 4. Approval of the Minutes of the Previous Meeting of Stockholders held last 18 October 2021**

Copies of the Minutes of the 2021 Annual Stockholders' Meeting held last 18 October 2021 was made available to the stockholders shortly after the meeting last year at [www.tagaytayhighlands.com/annual-stockholders-meeting/](http://www.tagaytayhighlands.com/annual-stockholders-meeting/). Stockholders will be asked to approve the Minutes of the 2021 Annual Stockholders' Meeting, as recommended by the Board of Directors.

### **Agenda Item No. 5. Presentation of 2021 Operations and Results**

A report on the highlights of the performance of the Corporation for the year ended 2021, together with a summary of the 2021 Audited Financial Statements (AFS), will be presented to the Stockholders. The AFS has been reviewed by the Audit Committee and the Board of Directors, and have been audited by the external auditors who declared an unqualified opinion on the same. Stockholders will be given an opportunity to raise questions regarding the operations and report of the Corporation. The stockholders will be requested to approve the President's Report together with the AFS.

### **Agenda Item No. 6. Ratification of all Acts of the Board of Directors and Management from the date of the last Annual Stockholders' Meeting to the date of this meeting.**

All actions, proceedings, and contracts entered into, as well as resolutions made and adopted by the Board of Directors, the different committees, and of Management from the date of the last Stockholders Meeting held last 18 October 2021 up to the date of this stockholders' meeting (15 October 2022) shall be presented for confirmation, approval, and ratification.

### **Agenda Item No. 7. Election of Directors for 2022 to 2023**

The candidates named in this Information Statement have been nominated for election to the Corporation's Board of Directors. Their proven expertise and qualifications based on current regulatory standards and the Corporation's own norms, will help sustain the Corporation's solid performance that will result to its stockholders' benefit. The profiles of the Directors are further detailed in the Corporation's Information Statement. If elected, they shall serve as such for one (1) year from 15 October 2022 or until their successors shall have been duly elected and qualified.

### **Agenda Item No. 8. Appointment of External Auditors**

The Audit Committee has pre-screened and recommended, and the Board has endorsed for consideration of the stockholders, the reappointment of Reyes Tacandong & Co. as the Corporation's External Auditor for 2022. The Stockholders will also be requested to delegate to the Board the authority to approve the appropriate audit fee for 2022

## PROXY FORM

The undersigned stockholder of The Spa and Lodge at Tagaytay Highlands, Inc. (the "Corporation") hereby appoints \_\_\_\_\_ or in his absence, the Chairman of the meeting, as attorney and proxy, with power of substitution, to represent and vote all shares registered in his/her/its name as proxy of the undersigned stockholder, at the Annual Meeting of Stockholders of the Corporation on 15 October 2022 and at any of the adjournments thereof for the purpose of acting on the following matters:

1. Election of Directors.

\_\_\_\_ 1.1. Vote for all nominees listed below:

1.1.1. Hans T. Sy

1.1.2. Jerry C. Tiu

1.1.3. Ma. Eleanor Mendoza

1.1.4. Johnip G. Cua (Independent Director)

1.1.5. Ruben C. Tan (Independent Director)

\_\_\_\_ 1.2. Withhold authority for all nominees listed above

\_\_\_\_ 1.3 Withhold authority to vote for the nominees listed below:

_____	_____
_____	_____
_____	_____

2. Approval of minutes of previous Annual Stockholders' Meeting.

\_\_\_Yes\_\_\_No\_\_\_Abstain

3. Approval of the President's Report with the 2021 Audited Financial Statements.

\_\_\_Yes\_\_\_No\_\_\_Abstain

4. Ratification of all acts and resolutions of the Board of Directors and Management from date of last Stockholders' Meeting to 15 October 2022.

\_\_\_Yes\_\_\_No\_\_\_Abstain

5. Reappointment of Reyes Tacandong & Co. as external auditor.

\_\_\_Yes\_\_\_No\_\_\_Abstain

6. At their discretion, the proxies named above are authorized to vote upon such other matters as may be properly come before the meeting.

\_\_\_Yes\_\_\_No\_\_\_Abstain

\_\_\_\_\_  
Printed Name of Stockholder

\_\_\_\_\_  
Signature of Stockholder /  
Authorized Signatory

\_\_\_\_\_  
Date

This Proxy need not be notarized, and when properly executed, will be voted in the manner as directed herein by the stockholder(s). If no direction is made, this Proxy will be voted "for" the election of all nominees and for the approval of the matters stated above and for such other matters as may properly come before the meeting in the manner described in the Information Statement and/or as recommended by Management or the Board of Directors. A stockholder giving a proxy has the power to revoke it at any time before the right granted is exercised. A proxy is also considered revoked if the stockholder attends the meeting in person and expressed his intention to vote in person. This proxy form should be received by the Corporate Secretary on or before 14 October 2022 (Friday).

## SECRETARY'S CERTIFICATE

I, \_\_\_\_\_, Filipino, of legal age and with office address at \_\_\_\_\_, do hereby certify that:

1. I am the duly elected and qualified Corporate Secretary of \_\_\_\_\_ (the "Corporation"), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with office address at \_\_\_\_\_;
2. Based on the records, during the lawfully convened meeting of the Board of Directors of the Corporation held on \_\_\_\_\_, the following resolution was passed and approved:

"RESOLVED, that the Chairman of the Stockholders' Meeting of The Spa and Lodge at Tagaytay Highlands, Inc. ("Club") be authorized and appointed, as he is hereby authorized and appointed, as the Corporation's Proxy (the "Proxy") to attend all meetings of the stockholders of the Club whether the meeting is regular or special, or at any meeting postponed or adjourned therefrom, with full authority to vote the shares of stock of the Corporation held in the Club and to act upon all matters and resolution that may come before or presented during meetings, or any adjournments thereof, in the name, place and stead of the Corporation.

"RESOLVED, FINALLY, that the Club be furnished with a certified copy of this resolution and the Club may rely on the continuing validity of this resolution until receipt of written notice of its revocation."

3. The foregoing resolution has not been modified, amended or revoked in accordance with the records of the Corporation presently in my custody.

IN WITNESS WHEREOF, I have signed this instrument in on \_\_\_\_\_.

\_\_\_\_\_  
Printed Name and Signature of the  
Corporate Secretary

SUBSCRIBED AND SWORN TO BEFORE ME on \_\_\_\_\_ in \_\_\_\_\_.  
Affiant exhibited to me his Competent Evidence of Identity by way of \_\_\_\_\_ issued on \_\_\_\_\_ at \_\_\_\_\_.

Doc. No. \_\_\_\_;  
Page No. \_\_\_\_;  
Book No. \_\_\_\_;  
Series of 2022.

THIS SECRETARY'S CERTIFICATE SHOULD BE ATTACHED TO PROXY FORMS SUBMITTED BY CORPORATE STOCKHOLDERS.

# THE SPA AND LODGE AT TAGAYTAY HIGHLANDS, INC. 2022 ANNUAL STOCKHOLDERS' MEETING

## Guidelines for Voting *in Absentia*

The Board of Directors of The Spa and Lodge at Tagaytay Highlands, Inc. (the “**Club**”) has set the date of the Club's 2022 Annual Stockholders' Meeting (**ASM**) on October 15, 2022 at 11:30 A.M. The end of business day on **September 14, 2022** (“**Record Date**”) has also been set as the record date for the determination of stockholders entitled to notice of, to attend, and to vote at such meeting and any adjournment thereof.

In light of the pandemic, the Board of Directors of the Club has also approved and authorized stockholders to exercise their right to vote *in absentia* or by proxy.

### REGISTRATION

The conduct of the meeting will be face to face, and stockholders may attend the meeting in person and/or cast their votes *in absentia* by registering until October 08, 2022, Saturday, 5:30 P.M.

To register, the stockholders must send an e-mail to [membership.th@tagaytayhighlands.com](mailto:membership.th@tagaytayhighlands.com) and submit the following requirements and documents, subject to verification and validation:

1. Individual Stockholders
  - 1.1. Clear digital copy of the front and back portion of a valid government-issued identification card/s (ID/s), which include the passport, driver's license, SSS ID, senior citizen ID, among others, in order to validate the registration of the shareholder.
  - 1.2. Stock certificate number
  - 1.3. Active e-mail address/es
  - 1.4. Active contact number/s, with area and country codes
2. Multiple Stockholders or with joint accounts
  - 2.1. Clear digital copy of the front and back portion of a valid government-issued identification card/s (ID/s), which include the passport, driver's license, SSS ID, senior citizen ID, among others in order to validate the registration of the shareholders
  - 2.2. Stock certificate number/s
  - 2.3. Active e-mail addresses of the stockholders
  - 2.4. Active contact numbers, with area and country codes
  - 2.5. Digital copy of an authorization letter executed by all named holders, authorizing a holder to vote for and on behalf of the account
3. Corporate Stockholders
  - 3.1. Digital copy of the Secretary's Certificate (or equivalent for non-resident) attesting to the authority of the representative to participate and vote for and on behalf of the corporation



- 3.2. Clear digital copy of the front and back portion of a valid government-issued identification card/s (ID/s), which include the passport, driver's license, SSS ID, senior citizen ID, among others, to validate the registration of the authorized representative
- 3.3. Active e-mail address/es of the authorized representative
- 3.4. Active contact number of an authorized representative, with area and country codes

By providing the Club with the foregoing documents for the purpose of validating credentials and registration to participate and vote at the Club's annual stockholders' meeting, **the registering stockholder is deemed to have consented to the Club's processing of his personal data in accordance with the Data Privacy Act.**

For ease of validation, the registering stockholder shall note the following:

- a. The ID submitted must clearly show his/her photo, full name, signature, residential address, and other personal details.
- b. Any duplicate submission and/or inconsistent information/documents may result to a failed registration.

### **ONLINE VOTING**

1. After registration and upon verification of registration credentials, a link to the voting portal, with instructions, will be sent by the Club to the qualified stockholder's registered e-mail address.
2. Log-in to the voting portal by clicking the link.
3. Upon accessing the portal, the stockholder can vote on each agenda item. A brief description of each item for stockholders' approval is appended to the Notice of Meeting.
  - 2.1 A stockholder has the option to vote "Yes", "No", or "Abstain" on each agenda item for approval.
  - 2.2 For the election of directors, the stockholder has the option to vote for all nominees, withhold vote for any of the nominees, or vote for certain nominees only.

*Note: A stockholder may vote such number of his shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected (5 directors) 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 shall not exceed the number of shares owned by the stockholder.*
4. Once the stockholder has finalized his vote, he can proceed to submit his vote by clicking the "Submit" button. After the electronic ballot has been submitted, the registered stockholder may no longer make any changes.

Please be advised that the voting platform will be made available from 28 September 2022 (Wednesday) until 9:00 in the morning of 15 October 2022 (Saturday).

**OPEN FORUM**

During the meeting, after all items in the agenda have been discussed, the Club will have the Question and Answer Portion where representatives of the Club shall answer questions and comments received from stockholders, as time will allow.

**For any concerns, please email us at [membership.th@tagaytayhighlands.com](mailto:membership.th@tagaytayhighlands.com)**

**For complete information on the annual meeting, please visit [www.tagaytayhighlands.com](http://www.tagaytayhighlands.com).**

**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  
 Definitive Information Statement
2. Name of Registrant as specified in its charter: **The Spa & Lodge at Tagaytay Highlands, Inc.** ("TSL" or the "Club")
3. **Tagaytay Highlands Complex, Brgy. Calabuso, Tagaytay City**  
Province, country or other jurisdiction of incorporation or organization
4. SEC Identification Number: **A1999-18323**
5. BIR Tax identification Code: **210-642-098-00**
6. Address of principal office: **Tagaytay Highlands Complex, Brgy. Calabuso, Tagaytay City**  
Postal Code: **4120**
7. Registrant's telephone number, including area code: **(046) 4830837**
8. Date, time and place of the meeting of security holders:  
Date: **15 October 2022**  
Time: **11:30 a.m.**  
Place: **The Country Club Veranda  
Tagaytay Highlands Complex, Brgy. Calabuso, Tagaytay City**
9. Approximate date on which the Information Statement is to be sent or given to security holders: **23 September 2022**
10. Securities registered pursuant to sections 8 and 12 of the Code or Section 4 and 8 of the RSA (information on number of membership certificates and amount of debt is applicable only to corporate registrants):
- | Title of Each Class   | Proprietary Membership certificates |
|---|-------------------------------------|
| No. of membership certificates outstanding as of 31 August 2022 | 434                                 |
11. Are any or all registrant's securities listed on a Stock Exchange?  
Yes  No

**WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE NOT REQUESTED TO SEND US A PROXY.**

## GENERAL INFORMATION

### ITEM 1. DATE, TIME AND PLACE OF MEETING OF SECURITY HOLDERS

DATE: **15 October 2022**

TIME: **11:30 a.m.**

PLACE: **The Country Club Veranda**

Mailing address: **Tagaytay Highlands Complex, Brgy. Calabuso, Tagaytay City**

Approximate date on which the Information Statement is to be sent or given to security holders: **23 September 2022**

### ITEM 2. DISSENTER'S RIGHT OF APPRAISAL

The matters to be voted upon in the Annual Members' Meeting on **15 October 2022** are not among the instances enumerated in Title X, Section 81 of the Revised Corporation Code whereby the right of appraisal, defined to be the right of any stockholder to dissent and demand payment of the fair value of his shares, under certain circumstances, may be exercised. The instances where the right of appraisal may be exercised are as follows:

1. In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those outstanding shares of any class, or of extending or shortening the term of corporate existence;
2. 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;
3. In case TSL decides to invest its funds in another corporation or for any purpose other than its primary purpose; and
4. In case of merger or consolidation.

### ITEM 3. INTEREST OF CERTAIN PERSONS IN OR OPPOSITION TO MATTERS TO BE ACTED UPON

- a. No person who has been a director or officer or a nominee for election as director of TSL or associate of such persons, has a substantial interest, direct or indirect, in the matter to be acted upon.
- b. No director of TSL has informed the Club in writing that he intends to oppose the action to be taken by TSL.

## **CONTROL AND COMPENSATION INFORMATION**

### **ITEM 4. VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

- a. TSL has **434** outstanding membership certificates as of 31 July 2022. Each membership certificate shall be entitled to one (1) vote with respect to the matter to be voted upon.
- b. The record date for determining members entitled to notice of and to vote in during the annual member's meeting is set on **14 September 2022**.
- c. Security Ownership of Certain Record and Beneficial Owners

#### **Security Ownership of Certain Record and Beneficial Owners**

The following table shows the record and beneficial owners owning more than 5% of the outstanding capital stock of TSL as of **31 July 2022**.

<b>TITLE OF CLASS</b>	<b>NAME AND ADDRESS OF RECORD/BENEFICIAL OWNER</b>	<b>AMOUNT AND NATURE OF RECORD/BENEFICIAL OWNERSHIP</b>	<b>CITIZENSHIP</b>	<b>PERCENT OF CLASS</b>
Proprietary membership certificate	Belle Corporation * 5th Floor Tower A, Two E-com Center, Palm Coast Avenue, Mall of Asia Complex CBP-1A, Pasay City 1300	<b>202 membership certificates</b>	<b>Filipino</b>	<b>46.54%</b>

\*Belle Corporation is a publicly-listed corporation. The following are the incumbent members of the Board of Directors of Belle Corporation are: Mr. Willy N. Ocier, Ms. Elizabeth Anne C. Uychaco, Mr. Jackson T. Ongsip Manuel A. Gana, Mr. Jaime J. Bautista, Mr. Jacinto C. Ng Jr., Mr. Jose T. Sio, Ms. Maria Gracia M. Pulido Tan, Mr. Amando M. Tetangco Jr., and Ms. Virginia A. Yap. All the members of the Board of Directors of Belle Corporation are Filipino citizens. Mr. Willy N. Ocier has been designated by Belle Corporation to vote on its behalf.

The top 20 stockholders of Belle Corporation as of 30 June 2022 are as follows:

	<b>Stockholders</b>	<b>Type / Class</b>	<b>Outstanding &amp; Issued Shares</b>
1	Belleshares Holdings, Inc.	Common	2,604,740,622
2	PCD Nominee Corporation (Filipino)	Common	2,516,733,856
3	PCD Nominee Corporation (Non-Filipino)	Common	1,991,987,001
4.	Sysmart Corporation	Common	1,629,355,469
5	Sybase Equity Investments Corporation	Common	531,320,577
6	Social Security System	Common	442,402,786
7	Ng, Jacinto L. Jr.	Common	135,860,666
8	Eastern Securities Development Corp.	Common	111,730,866
9	Premium Leisure Corporation ( Sinophil Corp)	Common	99,987,719
10	Ng, Jacinto L. Sr.	Common	88,835,833
11	Parallax Resources Inc.	Common	86,308,131
12	SLW Development Corporation	Common	66,082,333

13	F. Yap Securities, Inc.	Common	57,803,732
14	Eastern Sec. Development Corporation	Common	50,000,000
15	Willy N. Ocier	Common	32,092,709
16	Jacinto Jr. Ng and/or Anita C. Ng	Common	18,293,333
17	Lim Siew Kim	Common	6,200,000
18	James Go	Common	4,816,999
19	William T. Gabaldon	Common	4,000,000
20	Pacita K. Yap / Phillip K. Yap	Common	3,500,000

#### SECURITY OWNERSHIP OF MANAGEMENT

The following is a tabular presentation of the membership certificates beneficially owned by all directors and executive officers of TSL as of **31 July 2022**:

TITLE OF CLASS	NAME OF BENEFICIAL OWNER	CITIZENSHIP	AMOUNT AND NATURE OF OWNERSHIP	PERCENT OF CLASS
Proprietary Share	<b>Hans T. Sy</b> [REDACTED]	Filipino	1 membership certificate Beneficial	0.23%
Proprietary Share	<b>Jerry C. Tiu</b> [REDACTED]	Filipino	1 membership certificate Beneficial	0.23%
Proprietary Share	<b>Mary Eleanor A. Mendoza</b> [REDACTED]	Filipino	1 membership certificate Beneficial	0.23%
Proprietary Share	<b>Ruben C. Tan</b> [REDACTED]	Filipino	1 membership certificate Beneficial	0.23%
Proprietary Share	<b>Johnip G. Cua</b> [REDACTED]	Filipino	1 membership certificate Beneficial	0.23%
Proprietary Share	<b>Manuel A. Gana</b> [REDACTED]	Filipino	1 membership certificate Beneficial	0.23%
Aggregate Security Ownership of Directors and Officers			6 membership certificates	1.38%

#### VOTING TRUST HOLDERS OF 5% OR MORE

There is no party that holds any voting trust or any similar agreement for 5% or more of TSL voting securities.

#### CHANGES IN CONTROL

TSL is not aware of any arrangement that may result in a change in control of the Club.

## ITEM 5. DIRECTORS AND EXECUTIVE OFFICERS

### a. Directors, Executive Officers, Promoters and Control Persons

The following are the incumbent Directors of TSL who are nominated for re-election as members of the Board of Directors for 2022-2023:

NAME	NATIO-NALITY	POSITION	AGE	TERM OF OFFICE
Hans T. Sy	Filipino	Chairman	66	1992 to present
Jerry C. Tiu	Filipino	Director	65	2001 to present
Mary Eleanor A. Mendoza	Filipino	Director	58	2001 to present
Johnip G. Cua	Filipino	Independent Director	65	2021 to present
Ruben C. Tan	Filipino	Independent Director	66	2018 to Present

The following are the incumbent officers of TSL:

NAME	NATIO-NALITY	POSITION	AGE	TERM OF OFFICE
Jerry C. Tiu	Filipino	President	65	2001 to present
Anna Francesca C. Respicio	Filipino	Corporate Secretary	37	2021 to present
Manuel A. Gana	Filipino	Vice President / Treasurer	65	2000 to present
Maria Clara T. Kramer	Filipino	General Manager	61	2010 to present

Upon recommendation of the Club's Corporate Governance Committee composed of Johnip G. Cua (Chairman), Ruben C. Tan, and Hans T. Sy, as required by the Club's Manual of Corporate Governance, the following persons are nominated for election to the positions stated for the year 2022-2023, to hold office as such for one year or until their successors shall have been duly elected and qualified.

The nominees for independent directors, Mr. Ruben C. Tan and Mr. Johnip G. Cua, were nominated by Mr. Willy N. Ocier and Jerry C. Tiu, respectively. Except as fellow stockholders of the Corporation, the nominees for independent director are not related to the persons nominating them.

Presented below are brief write-ups on the nominees' business experience for at least the past five (5) years:

#### **Hans T. Sy - Chairman**

Mr. Sy, Filipino, is currently the Chairman of TSL. He is also a Director of TMGCI and TCCATHI and the Chairman of THIGCI. He is the Chairman of the Executive Committee of SM Prime and has been a Director of the Company since 1994. He previously held the position of President of SM Prime until September 2016. He also held key positions in several companies engaged in banking, real estate development, mall operations, as well as leisure and entertainment. He is currently Adviser to the Board of SM Investments Corporation, Chairman of China Banking Corporation, and Chairman of National University. Mr. Sy holds a B.S. Mechanical Engineering degree from De La Salle University.

### **Jerry C. Tiu - President & Director**

Mr. Tiu, Filipino, is the President and Director of TSL since 2001. He is also an Independent Director of Philippine Global Communications, Inc. since 2009. He is the President and Director as well of TCCATHI, THIGCI, TMGCI, and Tagaytay Highlands Community Condominium Association, Inc., Tagaytay Midlands Community Homeowner's Association Inc and Greenlands Community Homeowner's Association Inc. Moreover, he is the Vice President and a Board of Trustee of The Highlands Prime Community Condominium Owner's Association, Inc. The HPI's Horizon Community Condominium Owner's Association, Inc. and The Hillside at Tagaytay Highlands Community Homeowner's Association, Inc from 2014 to present. He holds a Bachelor of Science degree in Commerce (Major in Marketing) from the University of British Columbia.

### **Mary Eleanor A. Mendoza - Director**

Ms. Mendoza, Filipino, is the Business Unit Head of the Real Estate group and the Project Development, Sales and Marketing group at Belle Corporation. She also serves as Senior Vice President for SM Prime Holdings, Inc. and Senior Vice President for Leisure at Highlands Prime, Inc. Prior to this, Ms. Mendoza served as Vice President of Business Development and of Leisure and Resorts at Eton Properties, Philippines, Inc. She was also a Vice President at Filinvest Land, Inc. Ms. Mendoza holds a Bachelor of Science degree in Business Administration and Management from the University of the Philippines, and a Masters' degree in Business Management from the Asian Institute of Management.

### **Ruben C. Tan - Independent Director**

Mr. Tan, Filipino, is currently an independent Director of TSL, TMGCI and TCCATHI. He is the President of Glendale Mining & Development Corporation since 1997, Citimex, Inc. since 1984, Cedarside Industries, Inc. since 1996 and Barrington Carpets, Inc. since 1989. He likewise holds directorships in Blue Ridge Mineral Corporation since 2012, Eagle Crest Mining & Development Corporation since 2012, RJT Ramipaen Holdings, Inc. since 2011, RCHAMPS Realty Corporation since 2009, MIGWINS Realty Corporation since 2009, MAGADEV Properties, Inc. since 2002 and JESSALEX, Inc. since 2000. He is also a Corporate Secretary of CWC-Prime Industries Corporation since 2012, Tile Trends, Inc. since 2000 and Prime Floorcoverings Incorporated since 1994. Mr. Tan holds a Bachelor of Science degree in Mechanical Engineering from the De La Salle University on 1978.

### **Johnip G. Cua - Independent Director**

Mr. Johnip G. Cua is an Independent Director of TSL. He is also an Independent Director of THIGCI. He is the Chairman and President of Taibrews Corporation since 2011. He is also the Chairman of the Board of Trustees of the P&Gers Fund, Inc. since 2009 and Xavier School, Inc. since 2012. He is a Director of Interbake Marketing, Inc. since 1991, Teambake Marketing, Inc. since 1994, Lartizan Corporation since 2007 and Zenori Corporation since 2018. He is an Independent Director of MacroAsia Corporation since 2006, MacroAsia Catering Services, Inc. since 2007, MacroAsia Airport Services Corporation since 2007, PhilPlans First, Inc. since 2009, Allied Botanical Corporation since 2012, MacroAsia Properties Development Corporation since 2013, PAL Holdings, Inc. since 2014, Philippine Airlines, Inc. since 2014, Century Pacific Food, Inc. since 2014, First Aviation Academy since 2017, LT Group, Inc. since 2018, Tanduay Distillers, Inc. since 2018 and Asia Brewery, Inc. since 2018. He is also a Trustee of Xavier School Educational & Trust Fund since 1996 and a Trustee and Treasurer of MGCC Foundation, Inc. since 2015. He is



also a former President and Director of Procter & Gamble Philippines, Inc. Mr. Cua obtained his Bachelor of Science degree in Chemical Engineering from the University of the Philippines (Diliman) on 1978.

## **Officers**

### **Manuel A. Gana - Vice-President and Treasurer**

Mr. Gana, Filipino is the Vice President and Treasurer of the Club as well as THIGCI, TMGCI and TCCATHI. Mr. Gana was the President and Chief Executive Officer of Belle Corporation (Belle) until April 2022. He was also formerly assigned as Vice President of Finance and Chief Financial Officer for MagiNet Corporation, which was then a subsidiary of Sinophil Corporation (now called Premium Leisure Corporation), a subsidiary of Belle. Previously, he was a Director of Investment Banking at Nesbitt Burns Securities Inc. in New York, USA. He also previously worked for Bank of Montreal and Merrill Lynch Capital Markets (both in New York, USA), and for Procter & Gamble Philippine Manufacturing Corporation. Mr. Gana holds a Master of Business Administration degree from the Wharton School of the University of Pennsylvania, and degrees in Accounting and Economics from De La Salle University. He is a Certified Public Accountant.

### **Anna Francesca C. Respicio - Corporate Secretary**

Atty. Respicio is the Corporate Secretary of the Club. She is likewise the Corporate Secretary of the following reporting and/or listed companies: First Abacus Financial Holdings Corporation, (2017 to date), I-Remit, Inc. (2013 to date), Jollville Holdings Corporation (2014 to date), Discovery World Corporation (2017 to date), and Sterling Bank Asia, Inc. (A Savings Bank) (2018 to date).

Atty. Respicio obtained her bachelor at arts degree (majored in philosophy) in 2007 and her Juris Doctor Degree in 2011 from the Ateneo de Manila University. She likewise passed the real estate brokers licensure examination in 2015. She was admitted to the Philippine Bar in April 2012 and is currently a Partner at Tan Venturanza Valdez.

### **Maria Clara T. Kramer - General Manager**

Ms. Kramer, Filipino is the General Manager of TSL. She is also the concurrent General Manager of TMGCI, THIGCI, TCCATHI, THCCAI, TMCHAI, GCHAI, THPCCOAI, THHCOAI and THTHCHAI. She serves as the Business Unit Head and Senior Vice-President of Tagaytay Highlands Estate (Belle Corporation). She was a consistent Dean's Lister in Assumption College (San Lorenzo Village, Makati City) where she earned her Bachelor's degree. She started her career in hotel industry back in December of 1983 when she joined the sales department of Manila Hotel as Sales Executive. In July 1990, she was hired by L'Fisher Hitel as Front Office Manager and later as PR & Promotions Manager until she got promoted in June 2001 and was tasked to manage the Sales and Marketing Department. As member of the management team, she actively took part in the formulation of major policies and procedures of the Hotel. Ms. Kramer is also involved in various civic and social activities as member and resource speaker focusing on family, marriage and parenting.

**b. Material Pending Legal Proceedings**

As of 31 August 2022, there is no material pending legal proceeding which TSL is a party to.

**c. Significant Employees**

TSL has no significant employee as of 31 August 2022.

**d. Family Relationships**

None of the directors or officers of TSL are related to each other up to the fourth civil degree of consanguinity or affinity.

**e. Involvement in Certain Legal Proceedings**

The Club is not aware of any of the following events wherein any of its directors, nominees for election as director, executive officers, underwriter or control person were involved during the past five (5) years:

- (a) Any bankruptcy petition filed by or against any business of which any of TSL's directors or officers was a general partner or executive 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.
- (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 the above persons in any type of business, securities, commodities or banking activities; and,
- (d) Any finding by a domestic or foreign court of competent jurisdiction (in civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self regulatory organization, that any of the above persons has violated a securities or commodities law, and the judgment has not been reversed, suspended, or vacated.

**f. Certain Relationships and Related Transactions**

TSL has not been involved in any transaction during the last two (2) years in which any of its directors, executive officers, nominees or security holders has direct or indirect material interest.

**g. Disagreement with Director**

None of the directors have resigned or declined to stand for re-election to the Board of Directors since the date of the last annual meeting of security holders because of a disagreement with TSL on any matter relating to TSL's operations, policies or practices.

## ITEM 6. COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

Except for the President who is receiving only professional service fees, the Directors and Executive Officers do not receive any compensation nor per diem from TSL.

### SUMMARY COMPENSATION TABLE

Annual Compensation				
(a)	(b)	(c)	(d)	(e)
Name and Principal Position	Year	Salary / Professional Service Fees	Bonus	Others
Jerry C. Tiu	2019	180,556		
	2020	180,556		
	2021	180,556		

TSL has no other arrangements, including options, performance shares, bonuses or consulting contracts, pursuant to which any director or executive officer of the Club was compensated, or is to be compensated, directly or indirectly, during the Clubs's last completed fiscal year, and the ensuing year.

## ITEM 7. INDEPENDENT PUBLIC ACCOUNTANTS

Reyes Tacandong & Co. ("RT&Co") will be recommended for reappointment as external auditor for 2022. Representatives of RT&Co are expected to be present at the 2022 Annual Stockholders' Meeting to respond to appropriate questions and will be given the opportunity to make a statement if they so desire.

Over the past five (5) years, there was no event where the previous external auditor or RT&Co. and the Company had any disagreement with regard to any matter relating to accounting principles or practices, disclosure of financial statements or auditing scope of procedure.

In compliance with SRC Rule 68, Part I 3(B)(ix) (Rotation of External Auditors) which requires the independent auditor or in the case of an auditing firm, the key audit partners, to comply with the provisions on long association of personnel (including partner rotation) with an audit client as prescribed in the Code of Ethics for Professional Accountants in the Philippines as adopted by the BOA and PRC, Ms. Belinda B. Fernando of RT & Co. has been designated by RT & Co. (the external audit firm) to be the signing partner for the examination of the financial statements of the Company. Ms. Fernando was first designated signing partner for the audit of the Club in 2021.

The Company paid RT&Co ₱74,693.00 for external audit services for 2021, and SGV ₱123,200.00 for 2020. For each of the last two (2) fiscal years, RT&Co. and SGV did not render services for tax accounting, planning, compliance, advice, or any other professional services for which it billed the Company the corresponding professional fees.

The Audit Committee composed of Mr. Ruben C. Tan, as Chairman, Mr. Johnip G. Cua, and Mr. Hans T. Sy as Members, recommended to the Board of Directors the reappointment of the external auditors. In the meeting of the stockholders, Management will also request that the determination of the audit fees of the external auditor for 2022 be delegated to the Board of Directors/Audit Committee.

## OTHER MATTERS

### **ITEM 15. ACTION WITH RESPECT TO REPORTS**

TSL will seek the approval by the members of the Minutes of the previous Members' Meeting during which the following were taken up:

1. Call to Order
2. Proof of Notice of Meeting
3. Certification of Quorum
4. Approval of the Minutes of the Previous Meeting of Members
5. Approval of 2021 Operations and Results
6. Ratification of all Acts of the Board of Directors and Officers
7. Election of Directors
8. Appointment of External Auditors
9. Other Matters
10. Adjournment

The items covered with respect to the ratification of the acts of the Board of Directors and officers for the past year up to the date of the meeting are those items entered into in the ordinary course of business, with those of significance having been covered by appropriate disclosures such as:

1. Appointment of officers;
2. Approval of 2021 Audited Financial Statements;
3. Economic Provisions of Collective Bargaining Agreement;
4. Appointment of Authorized Representatives for BIR Electronic Filing;
5. ASM Schedule;
6. Delinquency Sale; and
7. Proposed Payment Options.

Management reports will be submitted for approval by the members at the meeting. Approval of the reports will constitute approval and ratification of the acts of management for the past year.

### **ITEM 19. VOTING PROCEDURES**

Each member shall be entitled to one vote, in person or thru proxy for each share with voting right. All elections and all questions, except as otherwise provided by law, shall be decided by the plurality vote of the members present in person or by proxy, a quorum (majority of the issued and outstanding capital stock having powers) being present.

In the election of directors, the five (5) nominees with the greatest number of votes will be elected directors. If the number of nominees for election as directors does not exceed the number of directors to be elected, the Secretary of the Meeting shall be instructed to cast all votes represented at the Meeting equally in favor of all such nominees. However, if the number of nominees for election as directors exceeds the number of directors to be elected, voting shall be done by ballot, and counting of votes shall be done by two (2) election inspectors appointed by the Chairman of the Meeting.

For motion on other corporate matters that will be submitted for approval and for such other matters as may properly come before the Meeting, a vote of the majority of the shares present or represented by proxy at the meeting is necessary for their approval. Voting will be done by secret balloting and the votes for or against the matter submitted shall be tallied by the Secretary. TSL shall adopt the rules and procedures for balloting to insure the proper and orderly conduct of elections.

For the 2022 Annual Meeting, the Board of Directors has approved the suggestion of Management to allow members to vote in absentia/online (via the e-voting platform).

*Items 8, 9, 10, 11, 12, 13, 14, 16, 17, and 18 are not responded to in this report, the Club having no intention to take any action with respect to the information required therein.*

**SIGNATURES**

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 Pasig on 08 September 2022.

**THE SPA AND LODGE AT TAGAYTAY  
HIGHLANDS, INC.**  
Issuer

A large black rectangular redaction box covering the signature of Jerry C. Tiu.

**JERRY C. TIU**  
President

A small black rectangular redaction box covering text, likely a date or reference number.

**THE SPA AND LODGE AT TAGAYTAY HIGHLANDS, INC.  
BUSINESS AND GENERAL INFORMATION**

**THE BUSINESS**

TSL was incorporated in 2001 as an exclusive lodge membership operating on a non-profit basis. Membership at TSL is proprietary. This means that TSL Members have full equity membership certificate in the ownership of the assets of TSL, which include the land, the 25 one-bedroom suites, and the fixtures and equipment. Membership in TSL cannot be assigned nor be leased out; however, it may be transferred after the standard holding period requirement of two years from the date that TSL is declared fully operational.

Constructed using authentic North American cedar logs, TSL is designed to provide the feel and comfort of a traditional log cabin. Since it is located on one of the highest points of Tagaytay Highlands, it has a breathtaking view of Mount Makiling, Laguna Lake, and Taal Volcano and the Highlands Golf Course.

TSL is situated in Tagaytay City which is about 60 kilometers south of Metro Manila.

Members are enjoying the following upgraded benefits:

- 24 room nights per year of free accommodation, 12 of which are weekend or holiday nights and 12 weekday nights;
- Convertibility of unused weekday nights to weekend nights ( subject to room availability ) with only a minimal conversion fee;
- Privilege to use more room nights after the free 24 nights, subject to the corresponding room charge;
- "Junior Membership" eligibility;
- Accommodation of guest at the Lodge; and
- Special discounts on certain spa services and facilities.

The privileges and benefits of TSL Membership are subject to the procedures, rules and regulations set forth by Management for this purpose.

TSL revenue contributions are generated from collection of Membership Dues (81.12%), Room Sales (7.63%), Service fee/Spa Commission (3.65%), Food & Beverages (0.80%), and Other income (6.80%).

**BANKRUPTCY RECEIVERSHIP OR SIMILAR PROCEEDINGS**

TSL has not been involved in any bankruptcy, receivership or similar proceedings for the past (3) years.

**MATERIAL RECLASSIFICATION, MERGER, CONSOLIDATION OR PURCHASE OR SALE OF A SIGNIFICANT AMOUNT OF ASSETS (NOT ORDINARY)**

TSL has not engaged in any material reclassification, merger, consolidation or purchase or sale of significant amount of assets (not ordinary) for the past (3) years.

## COMPETITION

There is no formal or organized secondary market for the purchase and sale of TSL shares in the Philippines. As such, holders of shares of TSL who wish to sell or dispose of their shares may not readily find a counter party for the transaction at the desired asking price. However, there is currently a few growing number of lodge membership shares being established in various parts of the country. This may affect appreciation in the value of investment in TSL.

Investments in leisure-oriented developments such as TSL facilities are influenced by economic and political conditions in the country. Any adverse economic and political developments in the country may affect the demand for such leisure facilities, and this may result in anticipated appreciation in the prices of TSL membership shares.

Although there are other companies engaged in the same line of business, TSL competes in terms of services and facilities. TSL is highly competitive because of its timesharing lodge accommodation and the panoramic view of Taal Lake, Mt. Makiling, and Laguna de Bay. In 2013, TSL gave a concession to Asmara, Incorporated to operate the spa. Asmara offers several body treatment massages such as Aromatherapy, Swedish, Shiatsu or Combination massage, complimented with essential oils such as Lavender, Ylang-ylang, and Almond Oil.

## SOURCES AND AVAILABILITY OF RAW MATERIALS

The TSL principal suppliers include Colombo Merchant Philippines, United A-One Electromech Corporation, and Eastworld Sales Philippines Incorporated. There are no existing major supply contracts entered into by the Company.

## TRANSACTIONS WITH AND/ OR DEPENDENCE ON RELATED PARTIES

In the ordinary course of business, TSL has transactions with affiliates mainly consisting of non-interest bearing advances for the acquisition/transfer of property and equipment, and reimbursement of certain expenses.

## COMPLIANCE WITH ENVIRONMENTAL LAWS

TSL has complied with pertinent environmental laws and regulations and wherein the Clubs has received the Environmental Certificate Clearance issued by the Department of Energy and Natural Resources.

## GOVERNMENT REGULATIONS

TSL has complied with licensing and regulatory requirements necessary for its development and operations.

## EMPLOYEES

The TSL is run by a team of regular and casual employees as follows:

**Regular Employees** (based on head count as of 31 August 2022)

Officer	3
Supervisor	1
Rank & File	<u>5</u>
<b>Total</b>	<b><u>9</u></b>

All regular rank and file employees are not subject to the Collective Bargaining Agreement.



## MAJOR BUSINESS RISKS

TSL has been sustaining its operational requirements through the collection of monthly dues from each member and the operation of Lodge rooms. It has no foreign currency exposures or obligations that will have a material impact on its short-term or long-term liquidity due to the depreciation of the peso. Despite the current economic condition, however, TSL membership has not been adversely affected. There are no foreseeable any negative effect on members' patronage in view of the present economic condition. During the early part of the COVID-19 pandemic, the Club was experiencing reduced consumer demand owing to lost income and/or restrictions on consumers' ability to move freely and limitation of the Club's activities such as wedding and corporate events. When the government announced a more relaxed community quarantine, the Club's revenues are picking up and are expected to return to its normal earning stream within the next one to two years.

## DIRECTORS AND EXECUTIVE OFFICERS

Please refer to discussion on *Directors and Executive Officers*.

## MARKET PRICE OF AND DIVIDENDS ON REGISTRANT'S COMMON EQUITY AND OTHER RELATED MEMBER MATTERS

### Market Information

TSL has 434 membership certificates as of 31 July 2022, of which 202 or 46.54% is owned by Belle Corporation. The remaining membership certificates are owned by other members. There are 232 holders of the Club's membership certificates.

### Top 20 members are as follows:

Name of member	No. of membership certificates	%
Belle Corporation	202	46.54
Fortune International Trading Corp.	2	0.46
JLV Holdings	2	0.46
Hortaleza, Rosalinda A.	2	0.46
Lahoz, Bernardo	2	0.46
Lim, Jose Antonio Ong	2	0.46
Ocampo, Antonio V.	2	0.46
Tangco, Ponciano L.	2	0.46
RDJ Development Corp.	2	0.46
Others	216	49.77
<b>Total</b>	<b>434</b>	<b>100.00%</b>

### **Market Value of Securities**

Below are the high and low bid prices for the past three (3) years based on GG & A Club Shares records:

Period	High	Low
Quarter ended September 2019	600,000	550,000
Quarter ended December 2019	600,000	600,000
Quarter ended March 2020	730,000	730,000
Quarter ended June 2020	730,000	650,000
Quarter ended September 2020	600,000	600,000
Quarter ended December 2020	600,000	600,000
Quarter ended March 2021	600,000	600,000
Quarter ended June 2021	650,000	550,000
Quarter ended September 2021	700,000	550,000
Quarter ended December 2021	700,000	650,000
Quarter ended March 2022	850,000	750,000
Quarter ended June 2022	900,000	850,000

TSL's securities are not traded in any of the stock exchanges.

### **Dividends**

TSL does not declare dividends to its shareholders. In accordance with the TSL's Articles of Incorporation and By-Laws, no profit shall inure to the exclusive benefit of any of its shareholders, hence, no dividends shall be declared in their favor. Shareholders shall be entitled only to a pro-rata share of the asset of the company at the time of the dissolution or liquidation of the company.

### **Recent Sales of Unregistered Securities or Exempt Securities**

All TSL's securities are registered under the Securities Regulation Code. There were no sale of reacquired securities, as well as new issues, securities issued in exchange for property, services, or other securities, and new securities resulting from the modification of outstanding securities for the past (3) years.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

TSL derived its revenues from the membership dues and income from lodge rooms.

### Financial Highlights

(In Million Pesos)

	<b>Jun 30</b>	<b>Jun 30</b>	<b>Dec 31</b>	<b>Dec 31</b>	<b>Dec 31</b>
	<b>2022</b>	<b>2021</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>Balance Sheet</b>					
Total Assets	34.52	34.52	30.15	32.17	42.47
Total Liabilities	11.96	11.96	7.71	8.88	10.69
Total Members Equity	22.56	22.56	22.44	23.29	31.78
<b>Income Statement</b>					
Total Revenues*	6.87	5.40	11.31	10.89	21.87
Total Cost and Operating Expenses	4.52	3.81	7.37	11.11	18.38
Depreciation and Amortization	2.33	2.31	4.86	8.12	8.92
Net Income/(Loss)	0.02	(0.72)	(0.92)	(8.34)	(5.44)

\*Total Revenues include membership dues.

## RESULTS OF OPERATIONS

Six-month period ending June 30, 2022 compared to June 30, 2021

### Revenues and other income

For the six months ended June 30, 2022, TSL generated total revenue of ₱2.28 million, higher by ₱1.45 million or 174.67% as compared to total revenue of ₱0.83 million for the six month period ended June 30, 2021. Room revenue increased by ₱0.49 million or 98.50% from ₱0.50 million for the six months ended June 30, 2021 to ₱0.99 million in six months ended June 30, 2022. Spa revenue also increased by ₱0.51 million or 344.28% from ₱0.15 million to ₱0.66 million for the six months ended June 30, 2021 and 2022. Sundries sale also showed an increase of ₱0.13 million or 434.16% from ₱0.03 million in 2021 period to ₱0.16 million in 2022 period. These are due to high patronage as a result of a more relaxed community restrictions related to Covid-19 allowing the Club to operate at a higher capacity.

### Cost of services and Operating expenses

During the six-month period ended June 30, 2022, cost of services and operating expenses amounting to ₱4.52 million showed an increase of ₱0.79 million or 21.17% compared to ₱3.73 million in 2021. These were mainly due to increase in communication, light and water by ₱0.61 million or 109.81%, sundry costs by ₱0.19 million or 76.05% and supplies expense by ₱0.40 million or 501.74%. This is relative to higher room occupancy for the period compared to previous year. Salaries, wages and employee benefits also increased by ₱0.26 million or 24.76%. On the other hand, there are recorded decrease in outside services by ₱0.14 million or 18.74%, repairs and maintenance by ₱0.44 million or 55.64%, insurance by ₱0.04 or 17.17%, taxes and licenses by ₱0.05 million or 67.01% and miscellaneous expense by ₱0.19 million or 35.98%.

### Members' Support

Membership dues remains at ₱4.59 million for the six months ended June 30, 2022 and June 30, 2021.

### **Net Income/Loss**

The Spa & Lodge posted a net income amounting to ₱0.02 million for the six months period ended June 30, 2022 as compared to the net loss of ₱0.63 million for the six months ended June 30, 2021.

### **December 2021 compared to December 2020**

#### **Revenues and other income**

TSL generated total revenue and other income of ₱2.13 million in 2021, higher by ₱0.50 million or 30.67% as compared to 2020 revenue of ₱1.63 million. Room revenue increased by ₱0.23 million or 37.09% from ₱0.63 million in 2020 to ₱0.86 million in 2021 due to higher number of room occupancy during the year. Spa revenue also increased by ₱0.14 million or 53.58% from ₱0.27 million in 2020 to ₱0.41 million in 2021. Other income also showed an increase of ₱0.48 million or 167.17% from ₱0.45 million to ₱0.77 million in 2020 and 2021 respectively. Food, beverage and sundry, on the other hand, showed a decrease of ₱0.36 million or 79.93% from ₱4.95 million in 2019 to ₱0.45 million in 2020.

#### **Cost of services and Operating expenses**

During the year, cost of services and operating expenses amounting to ₱12.22 million showed a decrease of ₱6.93 million or 36.21% compared to ₱19.15 million in 2020. These was mainly due to lower depreciation for the year amounting to ₱4.84 million in 2021 compared to ₱8.12 million in 2020, decrease in salaries, wages and employee benefits by ₱1.25 million or 34.87%, food, beverage and sundry cost by ₱1.06 million or 86.79%, outside services by ₱0.31 million or 24.95%, communication, light and water by ₱0.39 million or 26.58%, supplies by ₱0.15 million or 30.94%, and miscellaneous expense by ₱0.28 million or 25.83%.

### **Members' Support**

Membership dues remains at ₱9.18 million for the years ended December 31, 2021 and December 31, 2020.

### **Net Loss**

The Spa & Lodge posted a net loss of ₱0.92 million for the twelve-month period ended December 31 2021 as compared to the net loss of ₱8.34 million for the twelve-month period ended December 31, 2020.

### **December 2020 compared to December 2019**

#### **Revenues and other income**

TSL generated total revenue and other income of ₱1.71 million in 2020, lower by ₱11.33 million or 86.89% as compared to 2019 revenue of ₱13.04 million. Room revenue decreased by ₱4.15 million or 86.84% from ₱4.78 million in 2019 to ₱0.63 million in 2020. Food, beverage and sundry also showed a decrease of ₱4.50 million or 90.87% from ₱4.95 million in 2019 to ₱0.45 million in 2020. Spa revenue also decreased by ₱1.18 million or 81.40% from ₱1.45 million in 2019 to ₱0.27 million in 2020. Other income also showed a decrease of ₱1.56 million or 84.49% from ₱1.85 million to ₱0.29 million in 2019 and 2020 respectively. The decrease in operating revenue can all be attributed to the closure of the club facilities due to Taal eruption and community quarantine.

#### **Cost of services and Operating expenses**

During the year, cost of services and operating expenses amounting to ₱19.15 million showed a decrease of ₱7.27 million or 29.85% compared to ₱27.31 million in 2019. These was mainly due to decrease in salaries, wages and employee benefits by ₱2.29 million or 38.90%, communication,

light and water by ₱1.23 million or 48.03%, repairs and maintenance by ₱1.33 million or 67.36%, food, beverage and sundry cost by ₱1.23 million or 50.16%, and miscellaneous expense by ₱0.74 million or 36.32%.

### **Members' Support**

Membership dues increased by ₱0.35 million from ₱8.83 as of December 31, 2019 to ₱9.18 as of December 31, 2020.

### **Net Loss**

The Spa & Lodge posted a net loss of ₱8.34 million for the twelve-month period ended December 31 2020 as compared to the net loss of ₱5.44 million for the twelve-month period ended December 31, 2019.

## **December 2019 compared to December 2018**

### **Revenues and other income**

TSL generated a total revenue of ₱13.04 million in 2019, lower by ₱4.87 million or 27.19% compared to 2018 revenue of ₱17.91 million mainly due to decrease in room sales of ₱3.01 million or 38.66% from ₱7.80 million in 2018 to ₱4.78 million in 2019. This was attributed to decline in room occupancy caused by closure of some units during renovation. The food, beverages and sundries revenue also decreased by ₱0.46 million or 8.43% from ₱5.41 million in 2018 to ₱4.95 million in 2019. In addition, other income also showed a decrease of ₱1.18 million or 38.91% from ₱3.04 million in 2018 to ₱1.85 million in 2019 due to lower in other room charges and service charge revenue during the period.

### **Cost of services and Operating expenses**

During the year, cost of services of ₱23.53 million showed an increase of ₱1.94 million or 9.00% compared to ₱21.59 million in 2018. This was attributed to the increase in repairs and maintenance by ₱1.13 million or 131.98% from ₱0.85 million in 2018 to ₱1.98 million in 2019. Depreciation also increased by ₱1.05 million or 13.40% from ₱7.87 million in 2018 to ₱8.92 million in 2019. Moreover, supplies increased by ₱0.13 million or 15.07%. However, salaries, wages and benefits decreased by ₱0.37 million or 5.89% from ₱6.56 million in 2018 to ₱5.89 million in 2019. Utilities, light and water decreased by ₱0.13 million or 4.97%. Also, retirement benefit cost decreased by ₱0.07 million or 26.00%.

On the other hand, total operating expenses decreased by ₱0.06 million or 1.65% from ₱3.84 million in 2018 to ₱3.77 million in 2019, due to decrease in processing fees by ₱0.53 from ₱0.63 million in 2018 to ₱0.10 million in 2019. Also, fuel and oil decreased by ₱0.04 million or 22.29% from ₱0.18 million in 2018 to ₱0.14 million in 2019. Meanwhile, taxes and licenses increased by ₱0.15 million or 89.34% from ₱0.16 million in 2018 to ₱0.31 million in 2019. Outside services also showed an increase of ₱0.08 million or 5.16% from ₱1.52 million in 2018 to ₱1.60 million in 2019.

### **Members' Support**

Membership dues increased by ₱0.44 million from ₱8.39 as of December 31, 2018 to ₱8.83 as of December 31, 2020.

### **Net Loss**

TSL posted a net loss amounting to ₱5.44 million for the year period ended December 31, 2019 which is lower by ₱6.20 million as compared to net income of ₱0.76 million in the year ended December 31, 2018.

## **FINANCIAL CONDITION AND CHANGES IN FINANCIAL CONDITION**

*Six Months Ended June 30, 2022 compared to Year Ended December 31, 2021*

### **Assets**

The Spa & Lodge has total assets of ₱31.67 million as of June 30, 2022 compared to ₱30.03 million as of December 31, 2021. The Company has current asset of ₱1.33 for each peso of current liabilities as of June 30, 2022 compared to ₱1.34 as of December 31, 2021.

### **Cash and cash equivalents**

Cash and cash equivalents increased by ₱1.65 million or 38.15% from ₱4.33 million as of December 31, 2021 to ₱5.99 million as of June 30, 2022. This was due to net cash provided by operating activities amounting to ₱3.51 million and net to cash used in addition of property and equipment of ₱1.86 million during the year.

### **Receivables**

Receivables increased by ₱0.65 million or 23.10% from ₱2.83 million as of December 31, 2021 to ₱3.48 million as of June 30, 2022.

### **Inventories**

Inventories are lower by ₱0.08 million or 30.75% from ₱0.26 million as of December 31, 2021 to ₱0.18 million as of June 30, 2022.

### **Other current assets**

Other current assets decreased by ₱0.16 million or 5.85% from ₱2.75 million as of December 31, 2021 to ₱2.59 million as of June 30, 2022.

### **Noncurrent Assets**

Property and equipment of ₱19.29 million as of June 30, 2022 showed a decrease of ₱0.48 million as compared to ₱19.76 million as of December 31, 2021 due to improvement in building, facilities and equipment of ₱1.85 million. This was offset by the depreciation expense during the period amounting to ₱2.33 million.

### **Liabilities**

Total liabilities increased by ₱1.62 million or 21.36% from ₱7.58 million as of December 31, 2021 to ₱9.20 million as of June 30, 2022.

### **Members' Equity**

Member's equity showed an increase of ₱0.02 million or 0.07% from ₱22.44 million as of December 31, 2021 to ₱22.45 million as of June 30, 2022 due to the net income recognized for the six months ended June 30, 2022.

## **December 31, 2021 compared to December 31, 2020**

### **Assets**

The Spa & Lodge has total assets of ₱30.15 million as of December 31, 2021 compared to ₱33.84 million as of December 31, 2020. The Company has current asset of ₱1.34 for each peso of current liabilities as of December 31, 2021 compared to ₱1.04 as of December 31, 2020.

### **Cash and cash equivalents**

Cash and cash equivalents increased by ₱0.93 million or 27.42% from ₱3.40 million as of December 31, 2020 to ₱4.33 million as of December 31, 2021. This was due to net cash provided by operating activities amounting to ₱2.40 million and offset to cash used in addition of property and equipment of ₱1.47 million during the period.

**Receivables**

Receivables decreased by ₱1.31 million or 31.63% from ₱4.13 million as of December 31, 2020 to ₱2.82 million as of December 31, 2020.

**Inventories**

Inventories is lower by ₱0.04 million or 12.52% from ₱0.30 million as of December 31, 2020 to ₱0.26 million as of December 31, 2021.

**Other current assets**

Other current assets decreased by ₱0.01 million or 0.32% from ₱2.87 million as of December 31, 2020 to ₱2.86 million as of December 31, 2021.

**Noncurrent Assets**

Property and equipment of ₱19.76 million as of December 31, 2021 showed a decrease of ₱3.37 million as compared to ₱23.14 million as of December 31, 2020 due to improvement in building, facilities and equipment of ₱1.47 million. This was offset by the depreciation expense during the period amounting to ₱4.84 million.

**Liabilities**

Total liabilities decreased by ₱2.85 million or 26.96% from ₱10.56 million as of December 31, 2020 to ₱7.71 million as of December 31, 2021.

**Equity**

Member's equity showed a decrease of ₱0.85 million or 3.66% from ₱23.29 million as of December 31, 2020 to ₱22.44 million as of December 31, 2021 due to the net loss and re-measurement loss recognized for the period.

**December 31, 2020 compared to December 31, 2019****Assets**

The Spa & Lodge has total assets of ₱33.19 million as of December 31, 2020 compared to ₱42.48 million as of December 31, 2019. The Company has current asset of ₱1.05 for each peso of current liabilities as of December 31, 2020 compared to ₱1.87 as of December 31, 2019.

**Cash and cash equivalents**

Cash and cash equivalents decreased by ₱2.16 million or 38.88% from ₱5.56 million as of December 31, 2019 to ₱3.40 million as of December 31, 2020. This was due to net cash provided by operating activities amounting to ₱4.42 million and net to cash used in addition of property and equipment of ₱6.58 million during the period.

**Receivables**

Receivables decreased by ₱5.36 million or 56.45% from ₱9.49 million as of December 31, 2019 to ₱4.13 million as of December 31, 2020.

**Inventories**

Inventories is lower by ₱0.21 million or 41.49% from ₱0.52 million as of December 31, 2019 to ₱0.30 million as of December 31, 2020.

**Other current assets**

Other current assets decreased by ₱0.01 million or 0.01% from ₱2.23 million as of December 31, 2019 to ₱2.22 million as of December 31, 2020.

### **Noncurrent Assets**

Property and equipment of ₱23.14 million as of December 31, 2020 showed a decrease of ₱1.54 million as compared to ₱24.68 million as of December 31, 2019 due to improvement in building, facilities and equipment of ₱6.58 million. This was offset by the depreciation expense during the period amounting to ₱8.12 million.

### **Liabilities**

Total liabilities decreased by ₱0.78 million or 8.91% from ₱10.69 million as of December 31, 2019 to ₱9.74 million as of December 31, 2020.

### **Equity**

Member's equity showed a decrease of ₱8.50 million or 26.74% from ₱31.79 million as of December 31, 2019 to ₱23.28 million as of December 31, 2020 due to the net loss and re-measurement loss recognized for the period.

### **December 2019 compared to December 2018**

#### **Assets**

The Spa and Lodge has total assets of ₱42.48 million as of December 31, 2019 compared to ₱46.85 million as of December 31, 2018. The Company has current ratio of ₱1.87 for each peso of current liabilities as of December 31, 2019 compared to ₱2.65 as of December 31, 2018.

#### **Cash and Cash equivalents**

Cash and cash equivalents decreased by ₱0.71 million or 11.32%, from ₱6.28 million in 2018 to ₱5.56 million as of December 31, 2019 due to net cash provided by operating activities of ₱8.98 million and net to cash used in addition of property and equipment of ₱9.69 million during the year.

#### **Receivables**

Receivables decreased by ₱4.75 million or 33.35% from ₱14.24 million to ₱9.49 million as of December 31, 2018 and 2019, respectively.

#### **Other current assets**

Other current assets posted an increase of ₱0.31 million or 16.07% from ₱1.92 million as of December 31, 2018 to ₱2.23 million as of December 31, 2019.

#### **Noncurrent assets**

Property and equipment of ₱24.68 million in December 31, 2019 was higher by ₱0.77 million or 3.23% compared to ₱23.90 million as of December 31, 2018, due to building improvements and addition to equipment amounting to depreciation charges ₱9.69 million net of depreciation of ₱8.92 million.

#### **Liabilities**

Total liabilities increased by ₱1.50 million or 16.35% from ₱9.19 million as of December 31, 2018 compared to ₱10.69 million as of December 31, 2019.

#### **Equity**

The Company's shareholders' equity as of December 31, 2019 of ₱31.79 million was lower by ₱5.87 million or 15.59% compared to ₱37.66 million as of December 31, 2018 due to loss incurred during the year.



Below are the comparative key performance indicators of TSL:

PERFORMANCE INDICATORS	FORMULA FOR CALCULATION	JUN 30, 2022 (UNAUDITED)	DEC 31, 2021 (AUDITED)	DEC 31, 2020 (AUDITED)
Current ratio	Current assets over current liabilities	1.33 : 1.00	1.34 : 1.00	1.06 : 1.00
Acid-test ratio	Current assets less inventories less other current assets over current liabilities	1.03 : 1.00	0.94 : 1.00	0.73 : 1.00
Solvency ratio	Net income over total liabilities	(0.16%)	(71.65%)	(7.11%)
Liabilities-to-equity ratio	Total liabilities over total members' equity	0.41 : 1.00	0.34 : 1.00	0.39 : 1.00
Asset-to-equity ratio	Total assets over total members' equity	1.41 : 1.00	1.34 : 1.00	1.39 : 1.00
Interest rate coverage ratio	EBITDA over interest expense	n/a	n/a	n/a
Return on equity	Net income over total members' equity	0.07%	(24.26%)	(2.78%)
Return on assets	Net income over total assets	0.05%	(18.13%)	(2.00%)
Net profit margin	Net income over total revenue	0.33%	(61.64%)	(13.66%)
EBITDA * per share	Excess of Revenue Over Expenses before Interest, Tax, Depreciation and Amortization over weighted average number of shares	₱5,411	₱8,027	₱3,893

\* Excess of Expenses Over Revenue before Interest, Tax, Depreciation and Amortization (EBITDA)

As of the second quarter ended June 30, 2022, except for what has been stated above, there were no material events or uncertainties known to management that had a material impact on past performance, or that would have a material impact on future operations in respect of the following:

- i. Known trends, demands, commitments, events or uncertainties that would have a material impact on the Club;
- ii. Events that will trigger direct or contingent financial obligation that is material to the Club, including any default or acceleration of an obligation;
- iii. Material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Club with unconsolidated entities or other persons created during the reporting period;
- iv. Material commitments for capital expenditures that are reasonably expected to have a material impact on the Club's short term or long-term liquidity;

- v. Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/ revenues/ income from continuing operations;
- vi. Significant elements of income or loss that did not arise from the Club's continuing operations;
- vii. Seasonal aspects that had a material impact on the Club's results of operations; and
- viii. Material changes in the financial statements of the Club as of June 30, 2022, except as reported in the MD&A.

#### **DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING & FINANCIAL DISCLOSURE**

There have been no changes in and any disagreements with accountants on any accounting financial disclosures.

#### **MERGERS, CONSOLIDATIONS AND SIMILAR MATTERS**

There is no action to be taken with respect to any transaction involving the following:

- (1) the merger or consolidation of the registration into or with any other person or of any other person into or with the registrant;
- (2) the acquisition by the registrant or any of its security holders of securities of another person;
- (3) the acquisition by the registrant of any others going business or of the assets thereof;
- (4) the sale or other transfer of all or any substantial part of the assets of the registrant; or
- (5) the liquidation or dissolution of the registrant,

#### **ACQUISITIONS OR DISPOSITIONS OF PROPERTY**

There is no action to be taken with respect to the acquisition or disposition of any property.

#### **RESTATEMENT OF ACCOUNTS**

There is no action to be taken with respect to the restatement of any asset, capital, or surplus account of TSL.

## **DISCUSSION ON CORPORATE GOVERNANCE**

TSL remains focused on ensuring the adoption of systems and practices of good corporate governance in enhancing value for its shareholders.

In compliance with the initiative of the Securities and Exchange Commission ("SEC"), TSL submitted its Revised Corporate Governance Manual (the "Manual") to the SEC on 30 September 2020, in compliance with the Code of Corporate Governance for Public Companies and Registered Issuers (SEC MC No. 24, series of 2019). This manual institutionalizes the principles of good corporate governance in the entire Company. TSL believes that corporate governance, the framework of rules, systems and processes governing the performance of the Board of Directors and Management of their respective duties and responsibilities, and from which the organization's values and ethics emerge, is of utmost importance to the Club's shareholders and other stakeholders, which include, among others, clients, employees, suppliers, financiers, government and community in which it operates. The Club undertakes every effort possible to create awareness throughout the entire organization.

The Board establishes the major goals, policies and objectives of TSL, as well as the means to monitor and evaluate the performance of Management. The Board also ensures that adequate internal control mechanisms are implemented and properly complied in all levels.

TSL is not aware of any non-compliance with its Revised Manual on Corporate Governance, by any of its officers or employees.

**UNDERTAKING TO PROVIDE COPIES OF THE ANNUAL REPORT**

**UPON WRITTEN REQUEST OF ANY MEMBER OF RECORD ENTITLED TO NOTICE OF AND VOTE, THE COMPANY SHALL FURNISH SUCH MEMBER A COPY OF THE COMPANY'S ANNUAL REPORT (SEC FORM 17-A) WITHOUT CHARGE. ANY SUCH WRITTEN REQUEST SHALL BE ADDRESSED TO:**

THE CORPORATE SECRETARY  
THE SPA AND LODGE AT TAGAYTAY  
HIGHLANDS, INC..  
BRGY. CALABUSO, TAGAYTAY CITY  
PHILIPPINES