



NOTICE OF ANNUAL STOCKHOLDERS' MEETING

TO: **ALL STOCKHOLDERS**

The annual meeting of the stockholders of **The Spa and Lodge at Tagaytay Highlands, Inc.** (The "Corporation") on **18 October 2021**, Monday at 11:00 A.M. In light of the COVID-19 global pandemic resulting in the government's imposition of regulations limiting mass gatherings, the meeting will be conducted virtually, in accordance with the SEC rules, 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 2020 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 **18 September 2021, Saturday** as the record date for the determination of the stockholders entitled to notice of, participation via remote communication, and voting in absentia at such meeting, and any adjournment thereof.

Stockholders may attend the meeting and/or cast their vote in absentia by registering online at www.tagaytayhighlands.com/asm-registration from **01 October 2021, Friday until 11 October 2021, Monday, 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 access and watch the livestream of the annual stockholders' meeting and/or 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 **18 October 2021, Monday**. Participants may send in questions or remarks via the livestream portal.

Stockholders may also send their duly accomplished proxies to the Office of the Corporate Secretary at 2704 East Tower, Philippine Stock Exchange Centre, Ortigas Center, Pasig City or via electronic copy by sending an e-mail to membership.th@tagaytayhighlands.com on or before **5:30 P.M. on 14 October 2021, Thursday**. 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 **15 October 2021, 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, **21 September 2021**.


ANNA FRANCESCA C. RESPICIO
Assistant Corporate Secretary

¹ [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 11 December 2020

Copies of the Minutes of the 2020 Annual Stockholders' Meeting held on 11 December 2020 will be made available during the 2021 Special Stockholders' Meeting. Stockholders will be asked to approve the Minutes of the 2020 Annual Stockholders' Meeting as recommended by the Board of Directors.

Agenda Item No. 5. Presentation of 2020 Operations and Results

A report on the highlights of the performance of the Corporation for the year ended 2020, together with a summary of the 2020 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 Stockholders Meeting held on 18 October 2021 up to the stockholders' meeting shall be presented for confirmation, approval, and ratification.

Agenda Item No. 7. Election of Directors for 2021 to 2022

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 18 October 2021 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 appointment of Reyes Tacandong & Co. as the Corporation's External Auditor for 2021. The Stockholders will also be requested to delegate to the Board the authority to approve the appropriate audit fee for 2021.

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 18 October 2021 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. Ma. Eleanor Mendoza
- 1.1.3. Jerry C. Tiu
- 1.1.4. Johnip Cua (Independent)
- 1.1.5. Ruben C. Tan (Independent)

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 2020 Annual Report with the 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 11 October 2021.

Yes No Abstain

5. Appointment 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 2021 (THURSDAY).

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 2021.

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

THE SPA AND LODGE AT TAGAYTAY HIGHLANDS, INC. 2021 ANNUAL STOCKHOLDERS' MEETING

Guidelines for Participating via Remote Communication and 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 2021 Annual Stockholders' Meeting (ASM) on **18 October 2021 at 11:00 A.M.** The end of business day on **18 September 2021 (“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 COVID-19 global pandemic resulting in the government's imposition of regulations limiting mass gatherings, the Board of Directors of the Club has approved and authorized stockholders to participate in the ASM via remote communication and to exercise their right to vote *in absentia* or by proxy.

REGISTRATION

The conduct of the meeting will be streamed live, and stockholders may attend the meeting and/or cast their votes *in absentia* by registering until **October 11, 2021, Monday, 5:30 P.M.**

To register, the stockholders must send an e-mail to 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. Membership 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. Membership 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 **01 October 2021** (Friday) until 9:00 in the morning of **18 October 2021** (Monday).

ASM LIVESTREAM

The ASM will be broadcasted live. Upon verification of registration credentials, the registered stockholder shall receive from the Club an email confirmation containing the link and password to the livestream, and instructions on how to access the livestream.

OPEN FORUM

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

A section for stockholder comments/questions or a "chatbox" will be provided in the livestreaming platform.

Questions/comments received but not entertained during the Open Forum due to time constraints will be addressed separately by the Club via email.

For any concerns, please email us at membership.th@tagaytayhighlands.com

For complete information on the annual meeting, please visit 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 and 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: **18 October 2021**
Time: **11:00 a.m.**
Place: **Not applicable (via remote communication)**
9. Approximate date on which the Information Statement is to be sent or given to security holders: **27 September 2021**
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 Aug 2021 | 434 |
11. Are any or all registrant's securities listed on a Stock Exchange?
Yes No

GENERAL INFORMATION

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

DATE: **18 October 2021**

TIME: **11:00 a.m.**

PLACE: **Not applicable (via remote communication)**

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: **27 September 2021**

ITEM 2. DISSENTER'S RIGHT OF APPRAISAL

The matters to be voted upon in the Annual Members' Meeting on **18 October 2021** are not among the instances enumerated in Sections 42 and 81, Title X of the 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, 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 Corporation Code;
3. In case TSL decides to invest its funds in another corporation or business outside of 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 August 2021, 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 **18 September 2021**.
- 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 August 2021**.

TITLE OF CLASS	NAME AND ADDRESS OF RECORD/BENEFICIAL OWNER	AMOUNT AND NATURE OF RECORD/BENEFICIAL OWNERSHIP	CITIZENSHIP	PERCENT OF CLASS
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	201 membership certificates	Filipino	46.32%

* Belle Corporation is a publicly-listed corporation. Its Board of Directors is composed of Messrs. Willy N. Ocier, Emilio S. De Quiros, Jr., Elizabeth Anne C. Uychaco, Manuel A. Gana, Jose T. Sio, Virginia A. Yap, Ricardo L. Moldez, Jacinto C. Ng Jr., Gregorio U. Kilayko, Cesar E. A. Virata, and Amando M. Tetangco, Jr. Belle Corporation, having 46.31% shareholdings, is an associate of the Club.

All the members of the Board of Directors of Belle Corporation are Filipino citizens.

The top 20 stockholders of Belle Corporation as of 31 August 2021 are as follows:

	Stockholders	Type / Class	Outstanding & Issued Shares
1	Belleshare Holdings, Inc.	Common	2,604,740,622
2	PCD Nominee Corporation (Filipino)	Common	2,508,292,424
3	PCD Nominee Corporation (Non-Filipino)	Common	1,999,343,767
4.	Sysmart Corporation	Common	1,629,355,469
5	Sybase Equity Investment 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 (form. Sinophil Corp)	Common	99,987,719
10		Common	

	Ng, Jacinto L. Sr.		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 August 2021**:

TITLE OF CLASS	NAME OF BENEFICIAL OWNER	AMOUNT AND NATURE OF OWNERSHIP	PERCENT OF CLASS
Proprietary Share	Willy N. Ocier [REDACTED]	1 membership certificate Beneficial	0.23%
Proprietary Share	Hans T. Sy [REDACTED]	1 membership certificate Beneficial	0.23%
Proprietary Share	Jerry C. Tiu [REDACTED]	1 membership certificate Beneficial	0.23%
Proprietary Share	Ruben C. Tan [REDACTED]	1 membership certificate Beneficial	0.23%
Proprietary Share	Joseph T. Chua [REDACTED]	1 membership certificate Beneficial	0.23%
Proprietary Share	Mary Eleanor A. Mendoza [REDACTED]	1 membership certificate Beneficial	0.23%
Proprietary Share	Johnip G. Cua [REDACTED]	1 membership certificate Beneficial	0.23%
Aggregate Security Ownership of Directors and Officers		7 membership certificates	1.61%

Mr. Johnip G. Cua will replace Mr. Joseph T. Chua as independent director and Ms. Mary Eleanor A. Mendoza will replace Mr. Willy N. Ocier as regular director.

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 and Key Officers of TSL elected during the last meeting of the shareholders held on 11 December 2020:

NAME	NATIONALITY	POSITION	AGE	TERM OF OFFICE
Willy N. Ocier	Filipino	Chairman	64	1992 to present
Hans T. Sy	Filipino	Director	65	1992 to present
Jerry C. Tiu	Filipino	President	63	2001 to present
Joseph T. Chua	Filipino	Independent Director	64	1999 to present
Ruben C. Tan	Filipino	Independent Director	65	2018 to Present
A. Bayani K. Tan	Filipino	Corporate Secretary	65	1992 to present
Manuel A. Gana	Filipino	Vice President / Treasurer	63	2000 to present
Ma. Clara T. Kramer	Filipino	General Manager	59	2010 to present

Upon recommendation of the Club's Corporate Governance Committee composed of Joseph T. Chua (Chairman), Hans T. Sy and Ruben C. Tan, as required by the Club's Manual of Corporate Governance, the following persons are nominated for election to the positions stated for the year 2021-2022, 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

Director

Mr. Sy, Filipino, is currently a Director of TSL. He is also a Director of TMGCI and TCCATHI and the Chairman of THIGCI. Currently, he is the Chairman of the Board of China Banking Corporation and has served as such since May 5, 2011. He first served as member of China Banking Corporation's Board of Directors on May 21, 1986, and was elected Vice Chairman in 1989. Aside from China Banking Corporation, Mr. Sy also serves in the Boards

of other companies listed in the Philippine Stock Exchange (PSE): in SM Prime Holdings, Inc. as Director and Chairman of the Executive Committee and in SM Investments Corporation as Adviser to the Board. He also has positions in other companies under the SM Group. Mr. Sy is a Mechanical Engineering graduate of the De La Salle University.

Jerry C. Tiu

President

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, 57, 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 Corp. from 2012 to present, and Eagle Crest Mining & Development Corp. from 2012 to present. Mr. Tan holds a Bachelor of Science degree in Mechanical Engineering from the De La Salle University (Class of 1978).

Johnip G. Cua

Independent Director

Mr. Cua, 65, Filipino, is the former President of Procter & Gamble Philippines, Inc., currently the Chairman of the Board of the P&Gers Fund, Inc. and Xavier School, Inc., and the Chairman & President of Taibrews Corporation. He is an Independent Director of BDO Private Bank, PhilPlans First, Inc., Eton Properties Philippines, Inc., Asia Brewery, Inc., Tanduay Distillers, Inc., MacroAsia Corporation, MacroAsia Catering Services, Inc.,

MacroAsia Airport Services Corporation, LT Group, Inc. and Philippine Airlines, Inc. He is also a member of the Board of Directors of Interbake Marketing Corporation, Teambake Marketing Corporation, Bakerson Corporation, Lartizan Corporation, Alpha Alleanza Manufacturing, Inc., and Allied Botanical Corporation, and a member of the Board of Trustees of Xavier School Educational & Trust Fund.

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 is also the President and Chief Executive Officer of Belle Corporation (Belle). He joined Belle in 1997 as Vice President for Corporate Development and Special Projects, during which time he was also assigned as the Vice President-Finance and Chief Financial Officer for MagiNet Corporation, which was then as subsidiary of Premium Leisure Corporation, a subsidiary of Belle. He is also a Director of Woodland Development Corporation. Previously, he was the President of Sinophil, and Director of Investment Banking at Nesbitt Burns Securities Inc. in New York. He also previously worked from Bank of Montreal and Merrill Lynch Capital Markets (both in New York), and for Procter & Gamble Philippine Manufacturing Corporation. Mr. Gana holds a Master of Business Administration degree from the Wharton School, University of Pennsylvania, and degrees in Accounting and Economics from De La Salle University. He is a Certified Public Accountant.

A. Bayani K. Tan

Corporate Secretary

Mr. A. Bayani K. Tan, Filipino, is the Corporate Secretary of the Club (since December 1999). He is also a Director, Corporate Secretary or both of the following reporting and/or listed companies: Belle Corporation (since May 1994, Publicly Listed), Coal Asia Holdings, Inc. (since August 2017, Publicly-Listed), Discovery World Corporation (since March 2013 as Director, since July 2003 as Corporate Secretary, Publicly-Listed), First Abacus Financial Holdings Corp. (since May 1994, Publicly Listed), I-Remit, Inc. (since May 2007, Publicly-Listed), Pacific Online Systems Corporation (since May 2007, Publicly-Listed), Philequity Dividend Yield Fund, Inc. (since January 2013), Philequity Dollar Income Fund, Inc. (since March 1999), Philequity Fund, Inc. (since June 1997), Philequity Peso Bond Fund, Inc. (since June 2000), Philequity PSE Index Fund, Inc. (since February 1999), Premium Leisure Corporation (since December 1993, Publicly-Listed), TKC Metals Corporation (since February 2007, Publicly-Listed), THIGCI (since November 1993), TMGCI (since June 1997), TCCATHI (since August 1995) and Vantage Equities, Inc. (since January 1993, Publicly-Listed). Mr. Tan is also a Director and the Corporate Secretary of Sterling Bank of Asia Inc. (since December 2006). He is the Managing Partner of the law offices of Tan Venturanza Valdez (since it was established in 1988), Managing Director/President of Chamrock Development Corporation (since May 1988). Director of Destiny LendFund, Inc. (since December 2005), Pascual Laboratories, Inc. (since March 2014), and Pure Energy Holdings Corporation (since October 2016), President of Catarman Chamber Elementary Scholld Foundation, Inc. (since August 2012), managing Trustee of SCTan Foundation, Inc. (since 1986), Trustee of Rebisco Foundation, Inc. (since April 2013) and Trustee and

Corporate Secretary of St. Scholastica's Hospital, Inc. (since February 2011).

Mr. Tan holds a Master of Laws degree from New York University (Class of 1988) and earned his Bachelor of Laws degree from the University of the Philippines (Class of 1980) where he was a member of the Order of the Purple Feather (U.P. College of Law Honor Society) and ranked ninth in his class. Mr. Tan passed the bar examination in 1981 where he placed sixth. He has a Bachelor of Arts major in Political Science degree from the San Beda College (Class of 1976) from where he graduated Class Valedictorian and was awarded the medal for Academic Excellence.

Ma. Clara T. Kramer

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 2021, 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 2021.

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

The Directors do not receive any compensation from the Club.

SUMMARY COMPENSATION TABLE

Annual Compensation				
(a)	(b)	(c)	(d)	(e)
Name and Principal Position	Year	Salary / Professional Service Fees	Bonus	Others
<i>NOT APPLICABLE</i>				

TSL has no other arrangements, including consulting contracts, pursuant to which any director 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

The Corporation's Audit Committee has recommended, and the Board of Directors has endorsed the recommendation for approval by the shareholders, that the auditing firm of Reyes Tacandong & Co. (RTC) be engaged and appointed as the Corporation's External Auditor beginning 2021. The stockholders will also be requested to delegate to the Board/Executive Committee the authority to approve the appropriate

audit fee for 2021.

Previously, SyCip Gorres Velayo & Co. (SGV) rendered the same services for the Corporation, with Mr. Bienvenido M. Rebullido II assigned as SGV's engagement partner for the Club.

The change in external auditors has been proposed to comply with the policy on rotation of external auditors as well as to align the Corporation with the other member-companies under the Belle Corporation Group which will also be audited by Reyes Tacandong & Co.

Over the past five (5) years, there was no event where SGV and the Club had any disagreement with regard to any matter relating to accounting principles or practices, disclosure of financial statements or auditing scope or procedure.

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 2020 Operations and Results
6. Ratification of all Acts of the Board of Directors and Officers
7. Election of Directors
8. Appointment of Reyes Tacandong & Co. as 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. Appointments of officers;
2. Approval of 2020 Audited Financial Statements;
3. Budget for Capital Expenditures/Renovation and other Projects;
4. Designation of Authorized Filers of Report to the Securities and Exchange Commission; and
5. Appointment of Authorized Representatives to transact with Bureau of Internal Revenue.

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.

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 13 September 2021.

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



JERRY C. TIU
President



**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.

Starting March 2020, annual membership dues was adjusted from ₱43,008.00 to ₱39,168.00 due to the VAT exemption.

TSL revenue contributions are generated from collection of Membership Dues (84.2487.71%), Room Sales (5.785.98%), Food & Beverages (4.154.29%), Service fee/Spa Commission (2.472.56%), and Other income (3.36%).

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 membership certificates in the Philippines. As such, holders of membership certificates of TSL who wish to sell or dispose of their membership certificates may not readily find a counter party for the transaction at the desired asking price. However, there is currently a growing number of lodge memberships are 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 certificates.

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 TSL also 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 Eastworld Sales Philippines, Reem-Cool Airconditioning and Refrigeration, Delos Reyes Trading, Sanford Marketing Corporation, RGL33 Fruits and Vegetables, Ace Hardware, Star Appliance, and Silang Gasul. 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, being an affiliate of the Tagaytay Highlands Clubs, 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 30 June 2021)

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

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 30 June 2021, of which 201 or 46.32% is owned by Belle Corporation. The remaining membership certificates are owned by other members. There are 233 holders of the Club's membership certificates.

Top 20 members are as follows:

Name of member	No. of membership certificates	%
Belle Corporation	201	46.32
Fortune International Trading Corp.	2	0.46
Hortaleza, Rosalinda	2	0.46
JLV Holdings, Inc.	2	0.46
Lahoz, Bernardo	2	0.46
Lim, Jose Antonio Ong	2	0.46
Ocampo, Antonio V.	2	0.46
Tangco, Paciano L.	2	0.46
RDJ Development Corporation	2	0.46
8 Blue Moons Inc.	2	0.46
Others	215	49.54
Total	434	100.00%

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 2018	750,000	750,000
Quarter ended December 2018	550,000	550,000
Quarter ended March 2019	550,000	550,000
Quarter ended June 2019	600,000	550,000
Quarter ended September 2019	600,000	550,000
Quarter ended December 2019	600,000	600,000
Quarter ended March 2020	730,000	730,000
<i>(Forward)</i>		
	HIGH	LOW
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

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

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, food and beverage sales and income from lodge rooms.

Financial Highlights

(In Million Pesos)

	Jun 30	Jun 30	Dec 31	Dec 31	Dec 31
	2021	2020	2020	2019	2018
Balance Sheet					
Total Assets	34.52	41.90	32.17	42.47	46.85
Total Liabilities	11.96	14.18	8.88	10.69	9.19
Total Members Equity	22.56	27.72	23.29	31.78	37.66
Income Statement					
Total Revenues	5.40	5.56	10.89	21.87	26.30
Total Cost and Operating Expenses	3.81	4.84	11.11	18.38	18.41
Depreciation and Amortization	2.31	4.79	8.12	8.92	7.87
Net Income/(Loss)	(0.72)	(4.07)	(8.34)	(5.44)	0.76

RESULTS OF OPERATIONS

Six-month period ending June 30, 2021 compared to June 30, 2020

Revenue

For the six months ended June 30, 2021, TSL generated total revenue of ₱5.40 million, lower by ₱0.17 million or 2.97% as compared to total revenue of ₱5.56 million for the six month period ended June 30, 2020. Room revenue increased by ₱0.24 million or 95.90% from ₱0.26 million for the six months ended June 30, 2020 to ₱0.50 million in six months ended June 30, 2021. Spa revenue also increased by ₱0.03 million or 25.80% from ₱0.12 million to ₱0.15 million for the six months ended June 30, 2020 and 2021. Food, beverage and sundries sale, on the other hand, showed a decrease of ₱0.35 million or 92.15% from ₱0.38 million in 2020 period to ₱0.03 million in 2021 period. These can all be attributed to the limitation of the Club's activities due to community quarantine.

Cost of services and Operating expenses

During the six-month period ended June 30, 2021, cost of services and operating expenses amounting to ₱3.81 million showed a decrease of ₱1.03 million or 21.35% compared to ₱4.84 million in 2020. These was mainly due to decrease in salaries, wages and employee benefits by ₱0.92 million or 46.98%, communication, light and water by ₱0.35 million or 38.54%, and food, beverage and sundry costs by ₱0.16 million or 76.05%. On the other hand, repairs and maintenance increased by ₱0.14 million or 48.23%, insurance by ₱0.16 or 263.91% and miscellaneous expense by ₱0.15 million or 32.43%.

Net Loss

The Spa & Lodge posted a net loss amounting to ₱0.72 million for the six months period ended June 30, 2021 as compared to the net loss of ₱4.07 million for the six months ended June 30, 2020.

December 2020 compared to December 2019

Revenue and other income

TSL generated total revenue and other income of ₱10.89 million in 2020, lower by ₱11.05 million or 50.54% as compared to 2019 revenue of ₱21.87 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%.

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

Revenue

TSL generated a total revenue of ₱21.87 million in 2019, lower by ₱4.43 million or 16.83% compared to 2018 revenue of ₱26.30 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.

Net Loss

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

December 31, 2018 compared to December 31, 2017

Revenue

During the year, cost of services of ₱26.3 million showed an increase of ₱4.86 million or 22.69% compared to ₱21.44 million in 2017. This was attributed to the increase in depreciation by ₱0.12 million or 1.61% from ₱7.74 million in 2017 to ₱7.87 million in 2018. Supplies also increased by ₱.15 million or 20.03% from ₱.73 million in 2017 to ₱.87 million in 2018.

Moreover, outside services increased by ₱.07 million or 1395.77%. On the other hand, salaries, wages and benefits decreased by ₱.05 million or 0.81%. Retirement benefit cost increased by ₱ 0.03 million or 11.24% due to provision during the period. Repairs and maintenance decreased by ₱0.47 million or 35.35%. Food, beverages and sundries increased by ₱0.07 million or 2.96% from ₱2.25 million to ₱2.32 million in 2017 and 2018, respectively. This was attributed to the increase in Food, beverages and sundries Revenue.

Cost of services and Operating expenses

Operating expenses increased by ₱1.40 million or 8.18% from ₱17.10 million in 2017 to ₱18.41 million in 2018, due to increase in miscellaneous expense from ₱0.10 million in 2017 to ₱0.63 million in 2018. Also, taxes and licenses increased by ₱0.02 million or 16.73% from ₱0.14 million in 2017 to ₱0.16 million in 2018. Fuel and oil increased by ₱0.10 million or 132.86% due to higher fuel and oil rates during the period. In addition, processing fees increased by ₱0.04 million or 33.95%. Meanwhile, insurance decreased by ₱0.10 million or 22.94% from ₱0.44 million in 2017 to ₱0.34 million in 2018. Supplies also showed a decreased of 13.0% or ₱0.02 million due to lower supply expense incurred during the period.

Net Income

The Company posted a net income amounting to ₱0.76 million which showed an improvement of ₱4.17 million for the twelve-month period ended December 31, 2018 as compared to net loss of ₱3.41 million in the twelve-month period ended December 31, 2017.

FINANCIAL CONDITION AND CHANGES IN FINANCIAL CONDITION

Six Months Ended June 30, 2021 compared to Year Ended December 31, 2020

Assets

The Spa & Lodge has total assets of ₱34.52 million as of June 30, 2021 compared to ₱32.16 million as of December 31, 2020. The Company has current asset of ₱1.04 for each peso of current liabilities as of June 30, 2021 compared to ₱1.05 as of December 31, 2020.

Cash and cash equivalents

Cash and cash equivalents decreased by ₱0.81 million or 23.75% from ₱3.40 million as of December 31, 2020 to ₱2.59 million as of June 30, 2021. This was due to net cash provided by

operating activities amounting to ₱0.43 million and net to cash used in addition of property and equipment of ₱1.24 million during the year.

Receivables

Receivables increased by ₱4.24 million or 150.93% from ₱2.81 million as of December 31, 2020 to ₱7.04 million as of June 30, 2021 due to low collection rate as a result of limited movement due to Covid-19 pandemic.

Inventories

Inventories is higher by ₱0.06 million or 20.79% from ₱0.30 million as of December 31, 2020 to ₱0.36 million as of June 30, 2021 due to purchase of guest supplies inventory for the quarter.

Other current assets

Other current assets decreased by ₱0.06 million or 2.25% from ₱2.52 million as of December 31, 2020 to ₱2.46 million as of June 30, 2021 as a result of lower prepayments for the quarter.

Noncurrent Assets

Property and equipment of ₱22.06 million as of June 30, 2021 showed a decrease of ₱1.08 million as compared to ₱23.14 million as of December 31, 2020 due to improvement in building, facilities and equipment of ₱1.17 million. This was offset by the depreciation expense during the period amounting to ₱2.25 million.

Liabilities

Total liabilities increased by ₱3.37 million or 39.23% from ₱8.59 million as of December 31, 2020 to ₱11.96 million as of June 30, 2021. These were mainly due to annual dues charged in advance to members.

Equity

Member's equity showed a decrease of ₱0.72 million or 3.11% from ₱23.29 million as of December 31, 2020 to ₱22.56 million as of June 30, 2021 due to the net loss recognized for the six months ended June 30, 2021.

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 due to collections from related parties.

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 due to decrease in food & beverage inventory caused by closure of The Great Room.

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 as a result of lower prepayments for the year.

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. These were mainly due to lower pension liability.

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 due to decline in members charges from related parties during the year.

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 due to increase in creditable withholding tax during the period.

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, mainly due to increase in payables to concessionaires during the period.

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.

December 2018 compared to December 2017

Assets

The Spa and Lodge has total assets of ₱46.85 million as of December 31, 2018 compared to ₱44.46 million as of December 31, 2017. The Company has current ratio of ₱2.65 for each peso of current liabilities as of December 31, 2018 compared to ₱2.01 as of December 31, 2017.

Cash and Cash equivalents

Cash and cash equivalents increased by ₱3.94 million or 168.74%, from ₱2.34 million in 2017 to ₱ 6.28 million as of December 31, 2018 due to net cash provided by operating activities of ₱5.43 million and net to cash used in addition of property and equipment of ₱1.49 million during the year.

Receivables

Receivables increased by ₱3.94 million or 38.26% from ₱10.30 million to ₱14.24 million as of December 31, 2017 and 2018, respectively due to collection in receivables from related parties amounting to ₱3.68 million during the year.

Other current assets

Other current assets posted an increase of ₱0.66 million or 52.35% from ₱1.26 million as of December 31, 2017 to ₱1.92 million as of December 31, 2018 due to increase in creditable withholding tax of ₱0.68 million during the period and increase in deposit to contractors of ₱0.02 million.

Noncurrent assets

Property and equipment of ₱23.90 million in December 31, 2018 was lower by ₱6.38 million or 21.08% compared to ₱30.29 million as of December 31, 2017, due to depreciation charges during the year.

Liabilities

Total liabilities increased by ₱1.26 million or 15.83% from ₱7.93 million as of December 31, 2017 compared to ₱9.19 million as of December 31, 2018, mainly due to increase in payables during the year of 2018.

Equity

The Company's shareholders' equity as of December 31, 2018 of ₱37.66 million was higher by ₱ 1.13 million or 3.10% compared to ₱36.53 million as of December 31, 2017 due to income incurred during the year of 2018.

Below are the comparative key performance indicators of TSL:

PERFORMANCE INDICATORS	FORMULA FOR CALCULATION	JUN 30, 2021 (UNAUDITED)	DEC 31, 2020 (AUDITED)	DEC 31, 2019 (AUDITED)
Current ratio	Current assets over current liabilities	1.39 : 1.00	1.87 : 1.00	1.87 : 1.00
Acid-test ratio	Current assets less inventories less other current assets over current liabilities	1.18 : 1.00	1.58 : 1.00	1.58 : 1.00
Solvency ratio	Net income over total liabilities	(28.67%)	(55%)	(55%)
Debt-to-equity ratio	Total debt over total members' equity	0.51 : 1.00	0.34 : 1.00	0.34 : 1.00
Asset-to-equity ratio	Total assets over total members' equity	1.51 : 1.00	1.34 : 1.00	1.34 : 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	(14.67%)	(16%)	(16%)
Return on assets	Net income over total assets	(9.70%)	(12.82%)	(12%)
Net profit margin	Net income over total revenue	(88.60%)	(62.64%)	(62%)
EBITDA * per share	Excess of Revenue Over Expenses before Interest, Tax, Depreciation and Amortization over weighted average number of shares	₱1,670	₱8,027	₱8,027

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

As of the second quarter ended June 30, 2021, 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, 2021, 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 insuring 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 Corporate Governance Manual (the "Manual") to the SEC. 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.

TSL has been monitoring compliance with SEC Memorandum Circular No.2, Series of 2002, as well as other relevant SEC circular and rules on good corporate governance. TSL also appointed members of various Board level committees. These committees consist of the Membership Committee, the Nomination committee (for selection and evaluation of qualifications of directors and officers), the Compensation Committee (tasked to consider an appropriate remuneration system), and the Audit Committee (tasked to review financial and accounting matters). A Compliance Officer was also appointed. Members of various committees are elected annually and to serve for a term of one (1) year.

As proof of compliance with leading practices and principles of Good Governance TSL has formally adopted a manual on Corporate Governance and regularly submits to SEC its Corporate Governance Self-Rating Form.

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 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