



# SECURITIES AND EXCHANGE COMMISSION

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## Company Information

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**Company Type:** Stock Corporation

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**CERTIFICATION**

I, **ANNA FRANCESCA C. RESPICIO**, Corporate Secretary, is a duly authorized representative of **TAGAYTAY MIDLANDS GOLF CLUB, INC.** ("Club"), with SEC registration number A1997-9196 and principal office at Brgy. Tranca Talisay, Batangas, Philippines, does hereby certify and state that:

- 1) That on behalf of the Club, I have caused this Annual Report for the period ended 31 December 2025 (SEC Form 17-A) to be prepared;
- 2) That I read and understood its contents which are true and correct based on company records; and
- 3) That the Club with comply with the requirements set forth in SEC Notice dated 24 June 2020 for a complete and official submission of reports and/or documents through electronic mail:

IN WITNESS WHEREOF, I have hereunto set my hand this 14 MAY 2026

  
**ANNA FRANCESCA C. RESPICIO**  
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 14 MAY 2026 in Pasig City, affiant exhibiting to me her  which expires on  as competent evidence of identity.

Doc. No. 54 ;  
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Book No. 1 ;  
Series of 2026.



  
**ALTHEA DOMINIQUE B. MALIWANAG**  
Notary Public for  
Pasig City, Municipality of Pateros  
Appointed by Sec. 111 (2025-2027)  
Commission Expires on December 31, 2027  
2704 East Tower, 16016 Towers, Exchange Road  
Ortigas Center, 1655 Pasig City  
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IBP No. 576298/12.29.25/Quezon  
Roll of Attorneys No. 86401  
MCLEC No. VIII-0039127/06.27.25

A 1 9 9 7 - 9 1 9 6  
S.E.C. Registration Number

T A G A Y T A Y M I D L A N D S  
G O L F C L U B , I N C .  
  
(Company's Full Name)

B R G Y . T R A N C A , T A L I S A Y ,  
B A T A N G A S  
(Business Address: No. Street City / Town / Province)

Ma. Perlita B. Menguito  
Contact Person  
Company Telephone Number

1 2 - 3 1  
Month Day  
Calendar Year

1 7 - A  
FORM TYPE

0 5 - 2 6  
Month Day  
Annual Meeting

N/A  
Secondary License Type, If Applicable

S E C  
Dept. Requiring this Doc.

N/A  
Amended Articles Number/Section

3 0 7 9  
Total No. of Stockholders

Total Amount of Borrowings  
Domestic Foreign

To be accomplished by SEC personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

**TAGAYTAY MIDLANDS GOLF CLUB, INC.**  
(A Nonprofit Corporation)  
Supplementary Schedules Required  
By the Securities and Exchange Commission  
As of and for the Calendar Year Ended December 31, 2025

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SECURITIES AND EXCHANGE COMMISSION

SEC F \_ 17-A

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

1. For the Twelve months ended **31 December 2025**
2. SEC Identification Number: **A1997-9196** 3. BIR Tax Identification Number: **005-008-526-000**
4. Exact name of issuer as specified in its charter **Tagaytay Midlands Golf Club, Inc**
5. Province, Country or other jurisdiction of incorporation or organization **Makati, Metro Manila, Philippines**
6.  (SEC Use Only) Industry Classification Code:
7. Address of principal office **Brgy. Tranca, Talisay, Batangas** **4220** Postal Code
8. Registrant's telephone number, including area code: **(046) 413-3808**

**NOT APPLICABLE**

9. Former name, former address, and former fiscal year, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

<u>Title of Each Class</u>	<u>Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding</u>
<b>Proprietary Shares</b>	<b>6,000</b>

11. Are any or all of Registrant's securities listed on a Stock Exchange?  
[ ] Yes [ X ] No
12. Check whether the issuer:
- (a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports);  
[ X ] Yes [ ] No
- (b) has been subject to such filing requirements for the past 90 days.  
[ X ] Yes [ ] No
13. Aggregate market value of voting stock held by non-affiliates: **₱ 4,557,500,000**

**APPLICABLE ONLY TO ISSUERS INVOLVED IN INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS  
DURING THE PRECEDING FIVE YEARS:**

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the SRC subsequent to the distribution of securities under a plan confirmed by a court or the SEC. **NOT APPLICABLE**

## **PART I - BUSINESS AND GENERAL INFORMATION**

### **Item 1. Business**

The Golf Club was incorporated on June 10, 1997. Its primary purpose is to promote social, recreational and athletic activities among its shareholders on a non-profit basis, the nucleus of which will be the construction, development, and maintenance of golf courses and other sports and recreational facilities. The Golf Club is situated in Tagaytay City which is about 60 kilometers south of Metro Manila.

The Golf Club entered into a Development Agreement (DA) with Belle Corporation (Belle) for the construction and development of a 36-hole golf course on April 17, 1997. The said DA was amended on December 15, 1999. The project cost in accordance with the amended DA will be no less than P2.65 billion. The terms of the amended DA call for as many subscriptions as there are shares, such that the shares to be issued to Belle as the development progress will be at a ratio of one club share for every pre-agreed amount of development cost, inclusive of the initial capital contribution. The excess of such development cost over the Golf Club's entire capital stock value shall constitute additional paid-in capital of the Golf Club. As of December 31, 2015, the Golf Club has a 27-hole championship golf course.

For the development of the Golf Club's golf course, Belle Corporation (Belle), as the developer thereof, has contracted the American golf architect, Richard Bigler, to design the Golf Club's all-weather golf course.

Although there are other clubs engaged in the same line of business as the Golf Club, such clubs do not have the facilities being offered by the Golf Club such as the country's first Funicular System, an all-weather and world-class championship golf course which features a two-hectare man-made lake and a golf clubhouse with an unobstructed view of the majestic Taal Volcano. One of the highlights of being a member at the Golf Club is the reciprocity arrangement with Tagaytay Highlands where Golf Club members are entitled to use the facilities of Tagaytay Highlands International Golf Club, Inc. and The Country Club at Tagaytay Highlands, Inc.

The Golf Club started commercial operations on April 16, 2000. The 5,200 sq. m. Golf Clubhouse, which opened to the members in November 1999, houses the 70-seater Golfer's Lounge which is exclusive for golfers only; The Veranda, a 170-seater restaurant and overlooking the majestic Taal Lake; a pro shop; and male & female locker rooms equipped with steam and massage rooms. The Golf Club collects membership dues as members' support from its members to meet the expenses for the general operations of the Club, and the maintenance and improvement of its premises and facilities. Membership dues amounted to P190,051,651 in 2025, P192,208,455 in 2024, and P187,904,33 in 2023.

The following are the major facilities of the Golf Club:

#### **a. Golf Course**

The Golf Club has two courses with a total of 27 holes. has contracted the American golf architect, Richard Bigler, to design the Golf Club's all-weather golf course. Given the Golf Club's gentler terrain, Bigler designed the golf course as a walking course, designed for normal golf from the front tees yet suitable for top-level international tournament play from the tournament tees.

#### b. Restaurants

The Golf Club operated dining facilities and tee houses which offer its members and their guests a wide array of international cuisine. In 2013 up to the present, the Golf Club entered into agreement with some restaurant owners to operate some of the restaurants. The Golf Club's restaurant is operated by a concessionaire and offers Filipino cuisine.

#### c. Banquets and Functions

The Golf Club also offers meeting and accommodation facilities that will suit the preferences of its members and guests. The Golf Club offers corporate meetings, weddings and other events.

#### d. Other Sources of Revenue

The Golf Club also collects transfer fee, assignment fee and commission income.

The Golf Club's sources of revenue which are generated from services provided to members and guests include green fees (44.08%), food, beverages and sundries (29.25%), and golf cart (23.93%).

There are no revenues generated from foreign sources for the past 3 years.

#### ***Bankruptcy, Receivership or Similar Proceedings***

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

#### ***Material Reclassification, Merger, Consolidation or Purchase or Sale of a Significant Amount of Assets (not ordinary)***

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

#### ***Competition***

There is no formal or organized secondary market for the purchase and sale of golf and country club shares in the Philippines. As such, holders of shares in the Golf Club who may wish to sell or dispose of their shares may not readily find a counterparty for the transaction at the desired asking price. At present, there is a growing number of golf and country clubs being established in various parts of the country. This may affect appreciation in the value of investment in the Golf Club.

Investments in leisure-oriented developments such as golf and country clubs are influenced by the 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 any anticipated appreciation in the prices of golf and country club shares.

#### ***Sources and availability of raw materials***

The Golf Club's principal suppliers include The Turf Company, Kart Plaza Manufacturing Corporation, and VMJ Global Trading Inc. There are no existing major supply contracts entered into by the Club.

### **Transactions with and/or dependence on related parties**

The outstanding balances as at year-end are unsecured, noninterest-bearing, due and demandable and settlement occurs in cash. The Company has not made any provision for impairment losses relating to the amounts owed by the related parties. This assessment is undertaken each financial year by examining the financial position of the related parties and the market in which the related parties operate.

### **Government Regulations**

The Golf Club has complied with licensing and regulatory requirements necessary for its development and operations.

### **Compliance with Environmental Laws**

The Golf Club has complied with pertinent environmental laws and regulations and has received the Environmental Certificate Clearance issued by the Department of Energy and Natural Resources.

### **Employees**

The Golf Club is run by a team of regular employees as follows:

Regular Employees*	
GM & Department Heads	28
Supervisors	34
Rank and File	41
Total	<u>103</u>

All regular rank and file employees are subject to the Collective Bargaining Agreement which expires on June 30, 2029.

(\* based on head count as of December 31, 2025)

There has been no strike brought about by the Golf Club's employees in the past twenty (20) years.

### **Major Business Risks**

Major business risks of the Club primarily relate to environmental factors, in which the Club is vulnerable to natural hazards such as volcanic activity, weather disturbances, landslides and evolving environmental regulations, which may cause operational challenges and increase compliance costs; and which could also lead to operational risks arising from impact to member satisfaction and profitability. The Club is also exposed to credit risk and liquidity risk. Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligation. The Company limits its exposure to credit risk by depositing its cash in banks and cash equivalents with high reputable and pre-approved financial institutions. In addition, trade and other receivables are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant. Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company seeks to manage its liquidity profile to be able to finance its capital expenditures and service its maturing debts. The Company's objective is to maintain a balance between continuity of funding and flexibility through valuation of projected and actual cash flow information.

## Item 2. Properties

The Golf Club is located in Tranca, Talisay, Batangas. The Club has complete rights and substantial ownership over the property. In addition, certain transportation equipment of the Golf Club are mortgaged as a security for the Golf Club's loans payable. There are no limitations as to the ownership brought about by the terms and conditions of any encumbrances.

The principal properties include the 27-hole golf course incorporating a man-made lake, the Golf Clubhouse which houses two restaurants, a pro shop and Administrative Offices.

## Item 3. Legal Proceedings

As of the year ended December 31, 2025, there is no material pending legal proceedings which the Golf Club is a party to.

## Item 4. Submission of Matters to a Vote of Security Holders

During the third quarter of the 2025 calendar/fiscal year, the Golf Club held its annual stockholders' meeting (on September 13, 2025). In said annual meeting, the following items were voted upon by the stockholders: (1) Approval of Minutes of Previous Meeting of Stockholders, (2) Approval of 2024 Operations and Results, and the 2024 Audited Financial Statements, (3) Ratification of Corporate Acts, (4) Appointment of External Auditor, and (5) Election of Directors. In the election of directors, the following persons were elected as directors of the Club for the year 2025-2026:

1. Willy N. Ocier
2. Hans T. Sy
3. Jerry C. Tiu
4. Shirley C. Ong
5. Jacinto C. Ng, Jr.
6. Ruben C. Tan (Independent Director)
7. Sergio C. Yu (Independent Director)

All items were affirmatively voted upon (no negative votes and no abstentions) by 3,609 stockholders, representing 64.68% of all stockholders in good standing and entitled to vote. No other matters were submitted to security holders other than at the annual meeting.

## PART II - OPERATIONAL AND FINANCIAL INFORMATION

### Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

#### Proprietary Shares

The Golf Club has 6,000 authorized and subscribed proprietary shares, of which 57.60% is owned by Belle Corporation and the remaining shares are owned by other club members. There are 3,079 holders of the Golf Club's proprietary shares.

The top 20 shareholders are as follows:

NAME OF STOCKHOLDER	NO. OF SHARES	%
Belle Corporation	3,456	57.60%
Highlands Prime, Inc.	46	0.77%

Klaas Holdings Corp.	5	0.08%
Northwest Development Corporation	5	0.08%
Solid Manila Corp.	4	0.07%
Tiu, Jerry C.	3	0.05%
Lancor Realty & Development Corp.	3	0.05%
Ajinomoto Philippines Corp.	3	0.05%
Nikkoshi Philippines Corp.	3	0.05%
Others	2,472	41.20%
<b>Grand Total</b>	<b>6,000</b>	<b>100.00%</b>

### **Market Value of Security**

Below are the high and low bid prices for the past three (3) years based on newspaper publications:

	HIGH	LOW
Quarter ended March 2023	1,500,000	1,500,000
Quarter ended June 2023	1,850,000	1,500,000
Quarter ended September 2023	1,850,000	1,850,000
Quarter ended December 2023	1,850,000	1,850,000
Quarter ended March 2024	3,000,000	3,000,000
Quarter ended June 2024	3,000,000	3,000,000
Quarter ended September 2024	3,000,000	3,000,000
Quarter ended December 2024	2,800,000	2,800,000
Quarter ended March 2025	2,800,000	2,800,000
Quarter ended June 2025	2,500,000	2,500,000
Quarter ended September 2025	2,500,000	2,500,000
Quarter ended December 2025	2,500,000	2,500,000

The Golf Club's securities are not traded in the Philippine Stock Exchange.

### **Dividends**

The Golf Club does not declare dividends. In accordance with the Golf Club'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 Golf Club at the time of the dissolution or liquidation of the Golf Club.

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

There was 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 three (3) years.

## **Item 6. Management's Discussion and Analysis (MD&A)**

### **Results of Operations**

#### **December 2025 compared to December 2024**

##### **REVENUES**

The Golf Club's revenues for the year ended December 31, 2025 increased by ₱9.16 million or 8.81% from ₱103.88 million for the year ended December 31, 2024 to ₱113.04 million for the same period in 2025.

This is mainly due to the following:

##### **Green Fees**

The Golf Club's green fees recorded an increase of ₱3.06 million or 6.53% from ₱46.77 million in 2024 to ₱49.83 million in 2025, this is mainly due to the increase in tariff rates effective May 1, 2023.

##### **Food, beverage and sundries**

Food, beverage, and sundry showed an increase of ₱1.51 million or 4.80% from ₱31.55 million in 2024 to ₱33.06 million in 2025.

##### **Golf cart and Locker rental**

The Golf Club's revenue from golf cart and locker rental showed an increase of ₱4.55 million or 20.21% from ₱22.50 million in 2024 to ₱27.05 million in 2025.

##### **Other Revenues**

Other events revenues increased by ₱0.04 million or 1.23% from ₱3.06 million in 2024 to ₱3.10 million in 2025, this was mainly due to the increase of wedding events in Midlands Madre De Dios Chapel from 115 events in 2024 to 124 events in 2025.

##### **COST AND EXPENSES**

The cost and expenses showed an increase of ₱27.69 million or 8.99% from ₱307.92 million for the year ended December 31, 2024 to ₱335.61 million for the year ended December 31, 2025, due to the following:

##### **Cost of Services**

The Golf Club's cost of services showed an increase of ₱18.69 million or 7.58% from ₱246.47 million in 2024 to ₱265.15 million in 2025.

##### **General and Administrative Expenses**

The Golf Club's administrative expenses showed an increase of ₱10.77 million or 27.65% from ₱38.95 million in 2024 to ₱49.71 million in 2025.

##### **Cost of Sales**

Meanwhile, the Golf Club's cost of sales for the year ended December 31, 2025 showed a decrease of ₱1.77 million or 7.85% from ₱22.51 million in 2024 to ₱20.74 million in 2025.

## **OTHER INCOME (CHARGES)**

### **Interest Income**

The Golf Club's interest income showed an increase of ₱2.95 million or 16.42% from ₱17.97 million in 2024 to ₱20.92 million in 2025, mainly due to higher interest earned from short-term investments in time deposits.

### **Interest Expense**

Interest expense remained ₱0.25 million in 2025 and 2024.

### **Other Income – net**

The Golf Club's other income showed an increase of ₱15.13 million or 39.85% from ₱37.96 million in 2024 to ₱53.09 million in 2025. This increase was mainly due to insurance claim from Taal eruption of ₱10.72 million, income from sponsorship of ₱3.79 million, and membership transfer fees of ₱1.34 million.

## **MEMBERS' SUPPORT**

Golf Club's membership dues showed decrease of ₱2.19 million or 1.14% from ₱192.21 million in 2024 to ₱190.02 million in 2024. This was mainly due to the higher discount of ₱1.41 million and decrease of income from unused consumables of ₱0.90 million.

## **PROVISION FOR (BENEFIT FROM) INCOME TAX**

Provision for deferred income tax decreased by ₱0.91 million or 198.25% from ₱0.46 million in 2024 to (₱0.45 million) in 2025.

## **NET INCOME**

The Club's operation in 2025 resulted to a net income of ₱41.66 million as compared to 2024 net income of ₱43.39 million.

## **Financial Condition and Changes in Financial Condition**

### **December 2025 compared to December 2024**

#### **ASSETS**

The Golf Club has total assets of ₱1,984.26 million as of December 31, 2025, which increased by ₱60.66 million or 3.15% compared to total assets of ₱1,923.59 million as of December 31, 2024. The Golf Club has current assets of ₱5.23 for each peso of current liabilities as of December 31, 2025, and ₱5.51 as of December 31, 2024.

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

The Golf Club cash and cash equivalents increased by ₱94.47 million or 19.20%, from ₱491.90 million in 2024 to ₱586.37 million in 2025.

#### **Trade and Other receivables**

Trade and other receivables decreased by ₱5.07 million or 7.02% from ₱72.22 million in 2024 to ₱67.15 million in 2025. The decrease was mainly due to the collection of receivables from related parties, and non-trade receivables.

### **Inventories**

Inventories decreased by ₱0.08 million or 25.20% from ₱0.30 million in 2024 to ₱0.22 million in 2025.

### **Other Current Assets**

Other Current Assets decreased by ₱9.71 million or 19.96% from ₱48.68 million in 2024 to ₱38.96 million in 2025. This was mainly due to the decrease in deferred input VAT on unpaid services of ₱8.92 million or 43.10%, and Input vat of ₱2.65 million or 18.56%.

### **Property and Equipment**

Property and equipment showed decrease by ₱17.14 million or 1.32% from ₱1,301.70 million in 2024 to ₱1,284.55 million in 2025.

### **Net Retirement Assets**

Net Retirement Asset showed a decrease of ₱2.40 million or 30.48% from ₱7.87 million in 2024 to ₱5.47 million in 2025.

### **Other Noncurrent Assets**

Other noncurrent assets increased by ₱0.60 million or 64.83 % from ₱0.93 million in 2024 to ₱1.53 million in 2025. This was mainly due to increase in advances of ₱0.40 million, and refundable deposits of ₱0.49 million.

### **LIABILITIES**

The Golf Club has total liabilities of ₱133.71 million in 2025, which increased by ₱19.48 million or 17.05% compared to ₱114.24 million in 2024. The Golf Club has total liabilities of ₱0.07 for each total member's equity in 2025 and ₱0.06 in 2024.

### **Trade and Other Payables**

The trade and other payable increased by ₱21.87 million or 19.98% from ₱109.43 in 2024 to ₱131.30 million in 2025. This was mainly due to the increase in payables from membership dues collected in advance of ₱8.77 million or 19.73%, accrued expenses of ₱5.39 million or 44.84%, related party of ₱4.22 million or 68.69%, and third parties of ₱3.92 million or 24.26%.

### **Current Portion of Mortgage Payables**

The current portion of mortgage payable decreased by ₱0.74 million or 41.67% from ₱1.78 million in 2024 to ₱1.04 million in 2025.

### **Deferred Tax Liability**

The Golf Club's deferred tax liability decreased by ₱0.61 million or 30.75% from ₱1.98 million in 2024 to ₱1.37 million in 2025.

### **Mortgage payable – net of current portion**

There was no Mortgage payable – net of current portion in 2025.

## **MEMBERS' EQUITY**

The Golf Club's members equity showed an increase of ₱41.19 million or 2.28% from ₱1,809.36 million in 2024 to ₱1,850.54 million in 2025.

## **Results of Operations**

### **December 2024 compared to December 2023**

#### **REVENUES**

The Golf Club's revenues for the year ended December 31, 2024 increased by ₱12.83 million or 14.09% from ₱91.06 million for the year ended December 31, 2023 to ₱103.88 million for the same period in 2024.

This is mainly due to the following:

#### **Green Fees**

The Golf Club's green fees recorded an increase of ₱5.55 million or 13.47% from ₱41.22 million in 2023 to ₱46.77 million in 2024, this is mainly due to the increase in tariff rates effective May 1, 2023.

#### **Food, beverage and sundries**

Food, beverage, and sundry showed an increase of ₱5.87 million or 22.84% from ₱25.68 million in 2023 to ₱31.55 million in 2024.

#### **Golf cart and Locker rental**

The Golf Club's revenue from golf cart and locker rental showed an increase of ₱0.53 million or 2.43% from ₱21.97 million in 2023 to ₱22.50 million in 2024.

#### **Other Revenues**

Other revenues increased by ₱0.88 million or 40.22% from ₱2.18 million in 2023 to ₱3.06 million in 2024, this was mainly due to the increase of wedding events in Midlands Chapel from 102 events in 2023 to 115 events in 2024.

#### **COST AND EXPENSES**

The cost and expenses showed an increase of ₱27.65 million or 9.86% from ₱280.27 million for the year ended December 31, 2023 to ₱307.92 million for the year ended December 31, 2024, as a result of higher volume of business activities.

#### **Cost of Sales**

The Golf Club's cost of sales for the year ended December 31, 2024 showed a decrease of ₱1.90 million or 7.77% from ₱24.40 million in 2023 to ₱22.51 million in 2024.

#### **Cost of Services**

The Golf Club's cost of services showed an increase of ₱27.08 million or 12.35% from ₱219.38 million in 2023 to ₱246.47 million in 2024.

## **General and Administrative Expenses**

The Golf Club's administrative expenses showed an increase of ₱2.46 million or 6.74% from ₱36.49 million in 2023 to ₱38.95 million in 2024.

## **OTHER INCOME (CHARGES) - NET**

### **Interest Income**

The Golf Club's interest income showed an increase of ₱4.59 million or 34.34% from ₱13.38 million in 2023 to ₱17.97 million in 2024, mainly due to interest earned from short-term investments in time deposits of ₱53.60 million.

### **Interest Expense**

Interest expense was recorded in 2024 amounting to ₱0.25 million, an increase of ₱0.15 million or 140.00% from ₱0.10 million in 2023, due to car loan monthly amortization which started in September 2023.

### **Other Income – net**

The Golf Club's other income showed an increase of ₱2.71 million or 7.69% from ₱35.25 million in 2023 to ₱37.96 million in 2024. This increase was mainly due to the income from club's sponsorship of ₱3.63 million or 484.94%, reversal of prior year accruals of ₱0.78 million and foreign exchange of ₱0.06 million, On the other hand, membership transfer fees decreased by ₱2.24 million or 12.24%.

## **MEMBERS' SUPPORT**

Golf Club's membership dues showed an increase of ₱4.30 million or 2.29% from ₱187.90 million in 2023 to ₱192.21 million in 2024. This was mainly due to the increase in the number of members and lower availment of discounts in advance payment of membership dues.

## **PROVISION FOR INCOME TAX**

Provision for deferred income tax decreased by ₱0.07 million or 13.55% from ₱0.53 million in 2023 to ₱0.46 million in 2024.

## **NET INCOME**

The Club's operation in 2024 resulted to a net income of ₱43.39 million as compared to 2023 net income of ₱46.68 million.

## **Financial Condition and Changes in Financial Condition**

### **December 2024 compared to December 2023**

#### **ASSETS**

The Golf Club has total assets of ₱1,923.59 million as of December 31, 2024, which decreased by ₱6.19 million or 0.32% compared to total assets of ₱1,929.78 million as of December 31, 2023. The Golf Club has current assets of ₱5.51 for each peso of current liabilities as of December 31, 2024, and ₱3.93 as of December 31, 2023.

### **Cash and Cash Equivalents**

The Golf Club cash and cash equivalents increased by ₱43.34 million or 9.66%, from ₱448.56 million in 2023 to ₱491.90 million in 2024.

### **Trade and Other Receivables**

Trade and other receivables decreased by ₱33.90 million or 31.95% from ₱106.12 million in 2023 to ₱72.22 million in 2024. The decrease was mainly due to the collection of receivables from related parties, members, and non-trade receivables.

### **Inventories**

Inventories increased by ₱0.11 million or 54.39% from ₱0.19 million in 2023 to ₱0.30 million in 2024. This increase was mainly due to food and beverage supplies.

### **Other Current Assets**

Other Current Assets decreased by ₱22.82 million or 31.40% from ₱70.96 million in 2023 to ₱48.68 million in 2024. This was mainly due to a decrease in deferred input VAT on unpaid services and capital of goods of ₱17.68 million or 46.07% and ₱0.16 million or 58.79%, prepaid expenses of ₱9.74 million or 85.35%. On the other hand, input vat and creditable withholding tax increased by ₱4.16 million or 41.13% and ₱1.99 million or 20.14%, respectively.

### **Property and Equipment**

Property and equipment showed an increase by ₱5.73 million or 0.44% from ₱1,295.97 million in 2023 to ₱1,301.70 million in 2024.

### **Net Retirement Assets**

Net Retirement Asset showed an increase of ₱1.50 million from ₱6.37 million in 2023 to ₱7.87 million in 2024, mainly due to contributions made to the retirement fund.

### **Other Noncurrent Assets**

Other noncurrent assets decreased by ₱0.68 million or 42.29 % from ₱1.61 million in 2023 to ₱0.93 million in 2024. This was mainly due to decrease in computer software, advances to contractors & suppliers, deferred input vat on capital expenditures of ₱0.28 million or 100%, ₱0.25 million or 24.34%, ₱0.16 million or 58.79% respectively. Decrease in computer software can be construed as disposal/retirement of computer software, making it not factual.

### **LIABILITIES**

The Golf Club has total liabilities of ₱114.24 million in 2024, which decreased by ₱49.37 million or 30.17% compared to ₱163.60 million in 2023. The Golf Club has total liabilities of ₱0.06 for each total member's equity in 2024 and ₱0.09 in 2023.

### **Trade and Other Payables**

The trade and other payable decreased by ₱47.97 million or 30.48% from ₱157.41 million in 2023 to ₱109.43 in 2024. This was mainly due to the decrease in payables from related party of ₱23.98 million or 79.61.

### **Current portion of mortgage payables**

The current portion of mortgage payable remained at ₱1.78 million in 2024 & 2023.

### **Deferred Tax Liability**

The Golf Club's deferred tax liability increased by ₱0.39 million or 24.48% from ₱1.59 million in 2023 to ₱1.98 million in 2024.

### **Mortgage payable – net of current portion**

Mortgage payable – net of current portion decreased by ₱1.78 million or 63.16% from ₱2.82 million in 2023 to ₱1.04 million in 2024.

### **MEMBERS' EQUITY**

The Golf Club's members equity showed an increase of ₱43.18 million or 2.44% from ₱1,766.18 million in 2023 to ₱1,809.36 million in 2024.

## **Results of Operations**

### **December 2023 compared to December 2022**

#### **REVENUES**

Revenues for the year ended December 31, 2023 increased by ₱18.55 million or 26.08% from ₱71.14 million for the year ended December 31, 2022 to ₱89.69 million for the same period in 2023. This is mainly due to the following:

#### ***Green Fees***

The Golf Club's green fees recorded an increase of ₱ 13.69 million or 49.73% from ₱27.53 million in 2022 to ₱41.22 million in 2023, as a result of higher patronage and increase in green fee rate.

#### ***Food, beverage and sundries***

Food, beverage and sundry increased by ₱2.53 million or 11.64% from ₱21.78 million in 2022 to ₱24.31 million in 2023.

#### ***Golf cart and Locker rental***

The Golf Club's revenue from golf cart and locker rental showed an increase of ₱2.21 million or 11.20% from ₱19.76 million in 2022 to ₱21.97 million in 2023.

### **Other Revenues**

Other revenue increased by ₱0.11 million or 5.38% from ₱2.07 million for the year 2022 to ₱2.18 million for the year 2023.

### **COST AND EXPENSES**

The cost and expenses showed an increase of ₱30.18 million or 12.07% from ₱250.09 million for the year ended December 31, 2022 to ₱280.27 million for the year ended December 31, 2023, as a result of higher volume of business activities.

### **Cost of Sales**

The Golf Club's cost of sales for the year ended December 31, 2023 showed an increase of ₱2.51 million or 11.46% from ₱21.90 million in 2022 to ₱24.40 million in 2023.

### **Cost of Services**

Cost of services increased by ₱24.99 million or 12.85%, from ₱194.39 million in 2022 to ₱219.38 million for the year ended December 31, 2023.

### **General and Administrative expenses**

The Golf Club recorded general and administrative expenses of ₱36.49 million in 2023, an increase of ₱2.69 million or 7.95% from ₱33.80 million for the year ended December 31, 2022.

### **OTHER INCOME (CHARGES) - NET**

#### **Interest Income**

The Golf Club's interest income showed an increase of ₱10.8 million or 418.90% from ₱2.58 million as of December 31, 2022 to ₱13.38 million for the year ended December 31, 2023, due to interest earned in savings and time deposit account.

#### **Interest Expense**

The Golf Club's interest expense increased by ₱0.10 million for the year ended December 31, 2023, due to car loan monthly amortization.

#### **Other Income - net**

The Golf Club's other income recorded an increase of ₱11.34 million or 44.88% from ₱25.27 million for the year 2022 to ₱36.62 million for the year 2023, mainly due to increase in membership transfer fees.

### **MEMBERS' SUPPORT**

Membership dues decreased by ₱0.65 million or 0.35% from ₱188.56 million for the year 2022 to ₱187.90 million for the year ended December 2023.

### **PROVISION FOR INCOME TAX**

Provision for deferred income tax decreased by ₱0.16 million or 22.81% from ₱0.69 million for the year ended December 31, 2022 to ₱0.53 million in December 31, 2023.

## **NET INCOME**

The Club's operation in 2023 resulted to a net income of ₱46.68 million as compared to 2022 net income of ₱36.77 million.

## **Financial Condition and Changes in Financial Condition**

### **December 2023 compared to December 2022**

#### **ASSETS**

The Golf Club has total assets of ₱1.93 million as of December 31, 2023 as compared to ₱1.86 million as of December 31, 2022, an increase of ₱74.03 million or 3.99%. The Golf Club has a current ratio of ₱3.93 for each peso of current liabilities as of December 31, 2023 as compared to ₱4.18 as of December 31, 2022.

#### **Cash and Cash Equivalents**

Cash and cash equivalents increased by ₱102.53 million or 29.63% from ₱346.03 million as of December 31, 2022 to ₱448.56 million as of December 31, 2023 due to the net cash provided by operating activities of ₱148.04 million and **net cash used in investing activities of ₱44.66 million.**

#### **Trade and Other Receivables**

Receivables decreased by ₱41.31 million or 28.02% from ₱147.44 million as of December 31, 2022 to ₱106.12 million as of December 31, 2023, which was the result of a decrease in receivables from related parties by ₱39.14 million or 45.53% from ₱85.95 million in 2022 to ₱46.82 million in 2023, and receivables from members by ₱3.62 million or 6.57% from ₱55.01 million in 2022 to ₱51.40 million in 2023.

#### **Inventories**

Inventories increased by ₱0.004 million or 2.32% from ₱0.190 million as of December 31, 2022 to ₱0.194 million as of December 31, 2023 due to increase in supplies.

#### **Other Current Assets**

Other current assets increased by ₱9.83 million or 16.08% from ₱61.13 million in 2022 to ₱70.96 million in 2023. The increase is mainly due to increase in deferred input VAT amounting to ₱5.56 million or 16.36% and creditable withholding tax amounting to ₱2.14 million or 27.67%.

#### **Property and Equipment**

Property and equipment showed an increase of ₱14.60 million or 1.14% from ₱1.28 million as of December 31, 2022 to ₱1.30 million as of December 2023.

#### **Net Retirement Asset**

Net retirement asset showed an increase of ₱3.67 million or 135.93% as of December 31, 2023, mainly due to contributions made to the retirement fund.

### **Other Noncurrent Assets**

The noncurrent assets showed a decrease of P15.29 million or 90.49% from P16.90 million as of December 31, 2022 to P1.61 million as of December 31, 2023 due to the decrease in advances to contractors and suppliers by ₱13.85 million or 93.19% from ₱14.86 million in 2022 to ₱1.01 million in 2023.

### **LIABILITIES**

Total liabilities increased by ₱28.73 million or 21.30% from ₱134.88 million as of December 31, 2022 to ₱163.60 million as of December 31, 2023, mainly due to incurrence of mortgage payable" to define the cause of increase from mortgage payable amounting to ₱4.61 million and increase in trade and other payables by ₱24.66 million or 18.58%, which mainly pertains to increase in trade payables of ₱17.06 million or 37.94%.

### **Trade and Other Payables**

Trade and other payables increased by ₱24.64 million or 18.58% from ₱132.74 million as of December 31, 2022 to ₱157.41 million as of December 31, 2023, mainly due to increase in trade payables by ₱17.06 million or 37.94%, accrued expenses by ₱4.53 million or 100.77%, retention payable by ₱3.86 million or 188.91%, payable to concessionaires by ₱2.84 million or 131.73%, and refundable deposits by ₱0.69 million or 7.84%. On the other hand, there is a decrease in auctioned membership liability by ₱4.51 million or 30.20%, and membership dues collected in advance by ₱1.08 million or 2.16%.

### **MEMBERS' EQUITY**

Members' equity increased by ₱45.30 million or 2.63% from ₱1.72 million as of December 31, 2022 to ₱1.77 million as of December 31, 2023, which is mainly due to net income recognized during the year.

**Schedule of Financial Soundness Indicators**

Tagaytay Midlands Golf Club, Inc.  
As of December 31, 2025, 2024 and 2023

<i>Performance Indicators</i>	<i>Formula for Calculation</i>	<i>December 31, 2025 (Audited)</i>	<i>December 31, 2024 (Audited)</i>	<i>December 31, 2023 (Audited)</i>
Current ratio	Current assets over current liabilities	<b>5.23 : 1.00</b>	<b>5.51 : 1.00</b>	<b>3.93 : 1.00</b>
Acid-test ratio	Quick assets*** over current liabilities	<b>4.94 : 1.00</b>	<b>5.07 : 1.00</b>	<b>3.48 : 1.00</b>
Solvency ratio	Net income(loss) before depreciation over total liabilities	<b>68.16%</b>	<b>83.26%</b>	<b>59.52%</b>
Total liabilities to equity ratio	Total liabilities over total members' equity	<b>0.07 : 1.00</b>	<b>0.06 : 1.00</b>	<b>0.09 : 1.00</b>
Asset-to-equity ratio	Total assets over total members' equity	<b>1.07 : 1.00</b>	<b>1.06 : 1.00</b>	<b>1.09 : 1.00</b>
Interest rate coverage ratio	Income from operations before depreciation over interest expense	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
Net Profit Margin	Net income/loss over total revenue	<b>36.85%</b>	<b>41.77%</b>	<b>51.26%</b>
Return on equity	Net income (loss) over ave. members' equity	<b>2.28%</b>	<b>2.43%</b>	<b>2.68%</b>

During the year ended December 31, 2025 except for what has been noted in the preceding, 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 Golf Club;
- ii. Events that will trigger direct or contingent financial obligation that is material to the Golf 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 Golf 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 Golf 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 Golf Club's continuing operations;
- vii. Seasonal aspects that had a material impact on the Golf Club's results of operations; and
- viii. Material changes in the financial statements of the Golf Club from the year ended December 31, 2025, except as reported in the MD&A.

**TAGAYTAY MIDLANDS GOLF CLUB, INC.**  
**(A Nonprofit Corporation)**

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**NOTES TO FINANCIAL STATEMENTS**

1. The Golf Club's financial report is in compliance with Philippine Financial Reporting Standards. The accounting policies and methods of computation followed in the annual financial statements as of December 31, 2025 are the same as compared with the annual financial statements as of December 31, 2024.
2. There are no material events or uncertainties known to management that had a material impact on the seasonal aspects of the Golf Club's results of operations.
3. There are no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidents.
4. There are no material changes in estimates of amounts reported in the current financial year or changes in estimates of amounts reported in prior financial years.
5. There are no material events subsequent to the end of the accounting period that have not been reflected in the financial statements for the period ended December 31, 2025.
6. There are no material changes in the composition of the club during the accounting period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.
7. The Golf Club has no contingent liabilities or contingent assets.

8. There are no material contingencies existing as of December 31, 2025 that can have a material effect in the decision making of the financial statement users.
9. The Golf Club did not purchase any interest in another entity that is to be considered as business combination under PFRS 3.
10. The Golf Club applied PFRS 16 (Leases) using the modified retrospective approach, with an initial application date of January 1, 2019. The Golf Club has not restated the comparative information, which continues to be reported under PAS 17.
11. The Golf Club applied Philippine Interpretation IFRIC 23 (Uncertainty over Income Tax Treatments) and this has no impact on the Golf Club's financial position or performance.
12. The Golf Club applied PFRS 9 using the modified retrospective approach, with an initial application date of January 1, 2018. The Golf Club has not restated the comparative information, which continues to be reported under PAS 39.
13. The Golf Club applied PFRS 15 (Revenue from Contracts with Customers) using the modified retrospective approach, with an initial application as of January 1, 2018.

#### **Item 7. Financial Statements**

The audited balance sheet as of December 31, 2025 and December 31, 2024, and the related statements of revenues and expenses and cash flows for each of the three years in the period ended December 31, 2025 are attached herewith as part of this Form 17-A. Also accompanying the financial statements is a statement of management's responsibility over them.

#### **Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

There have been no disagreements with any accountant or any matter of accounting principles or practices, financial statement disclosure or auditing scope of procedure.

#### **Independent Public Accountants, External Audit Fees and Services**

Reyes Tacandong & Co. ("RT&Co") is the Company's external auditor for 2025. Representatives of RT&Co are expected to be present at the 2025 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. Christina A. Jose and 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 2023 and 2024, respectively.

The Company paid RT & Co. ₱404,000 for external audit services for 2025 and ₱350,000 for 2024. For each of the last two (2) fiscal years, RT&Co. 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, currently composed of Mr. Sergio C. Yu, as Chairman, Mr. Ruben C. Tan, and Mr. Hans T. Sy as Members, recommends to the Board of Directors the appointment of the external auditors. The Board of Directors and the stockholders approve the Audit Committee's recommendation. The Board of Directors approves the audit fees as recommended by the Audit Committee.

### PART III - CONTROL AND COMPENSATION INFORMATION

#### Item 9. Directors and Executive Officers of the Issuer

The following are the incumbent Directors and Executive Officers of the Golf Club as of January 31, 2026:

NAME	NATIO-NALITY	POSITION	AGE	TERM OF OFFICE
Willy N. Ocier	Filipino	Chairman	69	Since 1992
Hans T. Sy	Filipino	Director	70	Since 1992
Jerry C. Tiu	Filipino	President	68	Since 2001
Shirley C. Ong	Filipino	Director	64	Since 2010
Jacinto C. Ng, Jr.	Filipino	Director	56	Since 2001
Sergio C. Yu	Filipino	Vice Chairman & Lead Independent Director	68	Since 2021
Ruben C. Tan	Filipino	Independent Director	70	Since 2023
Manuel A. Gana	Filipino	Vice President & Treasurer	68	Since 2000
Ma. Clara T. Kramer	Filipino	General Manager	64	Since 2010 to January 2026
Anna Francesca C. Respicio	Filipino	Corporate Secretary	40	Since 2021

A brief write-up on the incumbent directors and principal officers are as follows:

#### Willy N. Ocier - Director

Mr. Willy N. Ocier, 69, Filipino, is the Chairman of the Board of the Golf Club. He is also the Vice Chairman of the Board of the Tagaytay Highlands International Golf Club, Inc., He is likewise the Executive Director and Chairman of Belle Corporation, the Chairman and Director of Premium Leisure Corp., APC Group, Inc., Pacific Online Systems Corporation, Total Gaming and Technologies, Inc. and Premium Leisure and Amusement, Inc. He is also Vice Chairman of Highlands Prime, Inc. He is also the Chairman, President, and Chief Executive Officer of Philippine Global Communications, Inc. He is a Director of DigiPlus interactive Corp. He also sits as a Director to the following unaffiliated corporations, Vantage Equities Inc., Philequity Management, Inc., Abacore Capital Holdings, Inc. and Toyota Corporation Batangas. He was formerly President and Chief Operating Officer of Eastern Securities Development Corporation.

Mr. Ocier graduated from Ateneo de Manila University with a Bachelor of Arts degree in Economics. In recognition of Mr. Ocier's corporate leadership and role in providing employment

opportunities to Filipinos, the University of Batangas conferred him a degree in Doctor of Humanities, honoris causa.

### **Hans T. Sy - Director**

Mr. Hans T. Sy, 70, Filipino, is a Director of the Golf Club since 1992. He is the Chairman of the Board of the Tagaytay Highlands International Golf Club, Inc. since 1992. He is a Director of The Spa and Lodge at Tagaytay Highlands since 2021. Currently he is the Chairman of the Executive Committee of SM Prime Holdings, Inc. and has been a Director since 1994. He previously held the position of President until September 2016. He has held key positions in businesses related to banking, real estate development, mall operations, as well as leisure and entertainment. In the SM Group, his other current positions include Adviser to the Board of SM Investments Corporation, Chairman of China Banking Corporation, and Chairman of National University.

Mr. Sy holds a Bachelor of Science degree in Mechanical Engineering from De La Salle University.

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

Mr. Tiu, 68, Filipino, is the President of Tagaytay Midlands Golf Club, Inc., as well as Tagaytay Highlands International Golf Club, Inc., The Country Club at Tagaytay Highlands Inc., and The Spa and Lodge at Tagaytay Highlands, Inc., since year 1999 up to present. He is also the President and Director of Tagaytay Highlands Community Condominium Association, Inc., Tagaytay Midlands Condominium Community Association, Inc., and Greenlands Community Homeowners Association, Inc. He is also the Vice-President and Director of The Highlands Prime Community Homeowners Association, Inc., The HPI's Horizon Community Condominium Owners' Association, Inc., and The Hillside at Tagaytay Highlands Community Homeowners' Association, Inc. He is an Independent Director of APC Group, Inc. and Premium Leisure Corp since 2021. He is also the former Director of Manila Polo Club from year 1996 to 1998, and Independent Adviser to the Board of Premium Leisure Corp.

He holds a Bachelor of Science degree in Commerce (Major in Marketing) from the University of British Columbia.

### **Shirley C. Ong - Director**

Ms. Ong, 64, Filipino, is a Director of the Club (since January 2010). She is a former Senior Vice President and the COO for Operations of Highlands Prime, Inc. (HPI) (Jan 2010-May 2013), former Senior Vice President of SM Land (May 2013-Oct 2013), former Senior Vice President of SM Prime Holdings Inc. for Residential Leisure (Oct 2013-May 2016) and currently, the Executive Vice President from May 2016 up to present. Before joining the Company, she was First Vice President for Business Development of Filinvest Alabang, Inc. (1995-2010). She brings with her over 27 years of experience, 21 years of which has been in various areas of real estate from city development, office/residential, high-rise development, residential village development including finance, marketing, sales and property management.

She earned her degree in Bachelor of Arts, Major in Economics from University of Sto. Tomas (Class of 1983) where she graduated as Cum Laude.

### **Jacinto C. Ng, Jr. - Director**

Mr. Ng, 56, Filipino, is a Director of Tagaytay Midlands Golf Club, Inc. He is a Non-Executive Director of Belle Corporation since August 2000, a member of the Executive Committee, Audit Committee, and Risk Oversight Committee of Belle Corporation.

He is the Group Executive Officer of the Joy~Nostalq Group, chairman of the Joy~Nostalq Foundation, a member of the Rebisco Foundation, XS86 Men for Others Foundation, Xavier School Educational Trust Fund and Xavier School Inc.'s Board of Trustees.

Mr. Ng, Jr. holds a Bachelor of Science degree in Architecture from the University of the Philippines.

### **Sergio C. Yu – Vice Chairman & Lead Independent Director**

Mr. Yu, 68, Filipino, is currently a Chief Executive Officer (CEO) and President of Hyundai Elevator Services Philippines from September 14, 1993 to present and Hyco Industrial Sales Corporation – the exclusive distributor and after sales provider of Hyundai Elevators & Escalators from July 6, 1989 to present. He is also the Managing Director of Twingates Corporation and Managing Director at the University Athletic Association of the Philippines (“UAAP”). Mr. Yu graduated college at Far Eastern University, year 1975.

### **Ruben C. Tan**

Mr. Ruben C. Tan, 70, is currently an Independent Director of Tagaytay Midlands Golf Club, Inc, The Country Club at Tagaytay Highlands, Inc., and The Spa and Lodge at Tagaytay Highlands, Inc. 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 obtained in 1978.

### **Principal Officers**

#### **Manuel A. Gana – Vice President & Treasurer**

Mr. Gana, Filipino, 68 years old, is the Vice President and Treasurer of the Golf Club. He is also a Director, and the Vice President and Treasurer of the Tagaytay Highlands International Golf Club, Inc., The Country Club at Tagaytay Highlands Inc., and The Spa and Lodge at Tagaytay Highlands, Inc.

He is currently a Board Adviser of Belle Corporation and served as its President and Chief Executive Officer from March 2017 to April 2022. Previously, he served as Belle Corporation's Executive Vice President and Chief Financial Officer from 2000 to 2017, and as Vice President of Finance and Chief Financial Officer from 1997 to 1999 for MagiNet Corporation, which was then a subsidiary of Sinophil Corporation (now called Premium Leisure Corp.), a subsidiary of Belle. Prior to his career

at the Belle Group, 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.

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

Ms. Kramer, 64, Filipino, is the General Manager of Tagaytay Midlands Golf Club, Inc. since July 2010. She is also the concurrent General Manager of Tagaytay Highlands International Golf Club, Inc., and The Country Club at Tagaytay Highlands, Inc. 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 Hotel 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.

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

Atty. Respicio, 40, Filipino, is the Corporate Secretary of the Club. She also serves as Corporate Secretary of Tagaytay Highlands International Golf Club, Inc., The Country Club at Tagaytay Highlands, Inc., and The Spa and Lodge at Tagaytay Highlands, Inc. She is likewise the Corporate Secretary of the following reporting and/or listed companies: Jollville Holdings Corporation (2014 to date), Discovery World Corporation (2017 to date), and Sterling Bank of Asia, Inc. (A Savings Bank) (2018 to date).

Atty. Respicio obtained her Bachelor of 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.

#### **Significant Employee**

The Golf Club has no significant employees.

#### **Family Relationship**

There are no family relationships up to the fourth civil degree either by consanguinity or affinity among directors, executive officers, or persons nominated or chosen by the Club to become directors or executive officers.

#### **Involvement in Certain Legal Proceedings**

The Golf Club is not aware of any of the following events wherein any of its directors, executive officers, underwriter or control persons were involved during the past five (5) years up to the latest date:

- (a) Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- (b) Any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- (c) Being subject to 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 his involvement in any type of business, securities, commodities or banking activities; and
- (d) Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.

**Item 10. Executive Compensation**

Except for the General Manager and President, the Directors and Executive Officers do not receive any compensation from the Golf Club.

**Annual Compensation**

Named Group:

<b>Name and Principal Position</b>	<b>Year</b>	<b>Salary (Php)</b>	<b>Bonus (Php)</b>
Jerry C. Tiu (President)	2022		
	2023		
	2024		
Maria Clara T. Kramer (General Manager)	2022		
	2023		
	2024		
Total Salaries	2023	₱13,138,814	
	2024	₱13,808,777	
	2025	₱14,215,364	

**Item 11. Security Ownership of Certain Beneficial Owners and Management**

- (1) 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 the Golf Club as of **December 31, 2025**

TITLE OF CLASS	NAME AND ADDRESS OF RECORD/BENEFICIAL OWNER	AMOUNT AND NATURE OF RECORD/BENEFICIAL OWNERSHIP	PERCENT OF CLASS
Proprietary share	<b>Belle Corporation*</b> 5 <sup>th</sup> Floor Tower A, Two E-com Center, Palm Coast Avenue, Mall of Asia Complex, Pasay City, Metro Manila, Philippines	3,456 shares	57.60%

\*Belle Corporation is a publicly listed corporation. The following are the incumbent members of the Board of Directors of Belle Corporation: Mr. Willy N. Ocier, Mr. Armin Antonio B. Raquel Santos, Mr. Jacinto C. Ng, Jr., Mr. Gregory L. Domingo, Ms. Maria Gracia P. Tan, Mr. Paquito N. Ochoa, Jr., and Mr. Laurito E. Serrano.

The top 20 stockholders of Belle Corporation (as of 31 December 2025) are as follows:

	STOCKHOLDERS	TYPE / CLASS	NUMBER OF STOCKS
1	Belleshare Holdings, Inc.	Common	2,604,740,622
2	PCD Nominee Corporation (Filipino)	Common	2,601,171,805
3	PCD Nominee Corporation (Non-Filipino)	Common	1,896,683,975
4	Sysmart Corporation	Common	1,625,199,505
5	Sybase Equity Investment Corp.	Common	525,073,578
6	Social Security System	Common	442,402,788
7	Jacinto C. Ng Jr.	Common	135,860,666
8	Eastern Securities Dev. Corp.	Common	111,730,866
9	Premium Leisure Corp. (former 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. Devt. Corp.	Common	50,000,000
15	Willy N. Ocier	Common	47,026,709
16	Jacinto Ng, Jr. &/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 or Philip K. Yap	Common	3,500,000

## (2) Security Ownership of Management

The following is a tabular presentation of the shares beneficially owned by all directors and executive officers of the Golf Club as of **December 31, 2025**.

TITLE OF CLASS	NAME OF BENEFICIAL OWNER	AMOUNT AND NATURE OF OWNERSHIP	CITIZENSHIP	PERCENT OF CLASS
Proprietary Share	<b>Willy N. Ocier</b>	1 share/Beneficial	Filipino	0.02%
Proprietary Share	<b>Hans T. Sy</b>	1 share/Beneficial	Filipino	0.02%

TITLE OF CLASS	NAME OF BENEFICIAL OWNER	AMOUNT AND NATURE OF OWNERSHIP	CITIZENSHIP	PERCENT OF CLASS
Proprietary Share	<b>Jerry C. Tiu</b>	3 share/Beneficial	Filipino	0.02%
Proprietary Share	<b>Jacinto C. Ng, Jr.</b>	1 share/Beneficial	Filipino	0.02%
Proprietary Share	<b>Shirley C. Ong</b>	1 share/Beneficial	Filipino	0.02%
Proprietary Share	<b>Sergio C. Yu</b>	1 share/Beneficial	Filipino	0.02%
Proprietary Share	<b>Ruben C. Tan</b>	1 share/Beneficial	Filipino	0.02%
Aggregate Security Ownership of Directors and Officers		7 shares		0.14%

**(3) Voting Trust Holders of 5% or more**

The Corporation is not aware of any person holding more than 5% of the shares of the Corporation under a voting trust or similar agreement.

**(4) Changes in Control**

From its incorporation to date there has been no change in control of the Corporation. Neither is the Corporation aware of any arrangement which may result in a change in control of it.

**Item 12. Certain Relationships and Related Transactions**

The Golf Club has not been involved in any transaction during the last five (5) years in which any of its directors, executive officers, nominees or security holders has direct or indirect material interest.

Belle Corporation owns 3,456 shares or 57.60% of the total outstanding shares of the Club.

## PART IV- CORPORATE GOVERNANCE

### Item 13. Corporate Governance

The Club 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"), the Club submitted its Corporate Governance Manual (the "Manual") to the SEC. This manual institutionalizes the principles of good corporate governance in the entire Company. The Club 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 operates. The Club undertakes every effort possible to create awareness throughout the entire organization.

The Club has complied with the relevant SEC circulars and rules on good corporate governance. The Club also appointed members of various Board level committees. These committees consist of the Corporate Governance Committee (tasked with ensuring compliance with and proper observance of corporate governance principles and practices), the Board Risk Oversight Committee (tasked to assist the Board in overseeing the Club's practices and processes relating to risk assessment and risk management; maintaining an appropriate risk culture, reporting financial and business risks and associated internal controls, and the Audit Committee (tasked to represent and assist the Board in its general oversight of the Club's accounting and financial reporting processes, audits of the financial statements, and internal control and audit functions. )

A Compliance Officer was also appointed. Members of various committees are elected annually and to serve for a term of one (1) year.

In compliance with SEC Memorandum Circular No. 24 series of 2019, the Club has revised its Manual on Corporate Governance to conform to the recommended good corporate governance principles for Registered Issuers and Public Companies and regularly submits to SEC its Corporate Governance Reports.

The Board establishes the major goals, policies, and objectives of the Club, as well as the means to monitor and evaluate the performance of Management. The Board also ensures that an adequate internal control mechanism is implemented and properly complied with at all levels.

The Club is not aware of any material non-compliance with its Manual on Corporate Governance by any of its officers or employees.

## PART V - EXHIBITS AND SCHEDULES

### Item 14. Exhibits and Reports on SEC Form 17-C

#### (a) Exhibits

Exhibit "D"	Financial Statements (meeting the requirements of RSA Rule 48-1)
Exhibit "E"	Indebtedness to Unconsolidated Subsidiaries and Related Parties
Exhibit "F"	Property and Equipment
Exhibit "F"	Accumulated Depreciation
Exhibit "K"	Proprietary Certificates

#### (b) Reports on SEC Form 17-C

The following SEC Form 17-C was filed pursuant to the provision of the Security Regulation Code:

<b>Date of Report</b>	<b>Information</b>
06 August 2025	2025 Annual Stockholders Meeting Schedule and Record Date
15 September 2025	Results of 2025 Annual Stockholders Meeting and OBD meetings

**SIGNATURES**

Pursuant to the requirements of Section 17 of the SRC and Section 177 of the Revised Corporation Code, this report is signed on behalf of the Issuer by the undersigned, thereunto duly authorized, in the City of \_\_\_\_\_ on \_\_\_\_\_.

By:


**JERRY C. TIU**  
Director / President

**MANUEL A. GANA**  
Vice President / Treasurer

**MA. PERLITA B. MENGUITO**  
General Manager

**KARREN T. PEÑALBA**  
OIC - Finance

**SUBSCRIBED AND SWORN** to before me this \_\_\_\_\_ day of MAY 05 2026 2026 affiants exhibiting to me their Competent Evidence of Identity, as follows:

NAME	COMPETENT EVIDENCE OF IDENTITY (C.E.I.)	EXPIRY DATE	PLACE OF ISSUE
JERRY C. TIU			
MA. PERLITA B. MENGUITO			
MANUEL A. GANA			
KARREN T. PEÑALBA			

Doc. No. 448  
Page No. 81  
Book No. 741  
Series of 2026.



**ATTY. VALENTIN C. GUANIO**  
11\* Rizo Ave., Kaybagal South, Tagaytay City  
Commission Expires on **DECEMBER 31, 2026**  
PIR No. 6620380 / January 5, 2026  
RULI No. 22908  
BIR LIFETIME RES. NO. 02892  
MCLC COMPLIANCE NO. VIII-032-178

**SIGNATURES**

Pursuant to the requirements of Section 17 of the SRC and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Pasig on \_\_\_\_\_ 2026.

By:

11 MAY 2026



**ANNA FRANCESCA C. RESPICIO**  
Corporate Secretary

**SUBSCRIBED AND SWORN** to before me this 11 MAY 2026 day 2026 of at Pasig City, Metro Manila, affiant having exhibited to me her [REDACTED] as her competent evidence of identity.

Doc. No. 19  
Page No. 3  
Book No. II  
Series of 2026.



  
**ALTHEA DOMALES B. MALIWANAG**  
Notary Public for  
Pasig City and Municipality of Pateros  
Appointment No. 11 (2015-2027)  
Commission Expires on December 31, 2027  
2704 East Tower, Leona Towers, Exchange Road  
Ortigas Center, 1605 Pasig City  
PTR No. 3986121/01.14.26/Pasig City  
IBP No. 576298/02.29.25/Quezon  
Roll of Attorneys No. 06401  
MCLEC No. VIII-0039127/06.27.25

**TAGAYTAY MIDLANDS GOLF CLUB, INC.**  
(A Nonprofit Corporation)

**INDEX TO THE FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES**

**FORM 17-A, Item 7**

Page No.

**Financial Statements**

Statement of Management's Responsibility for Financial Statements	
Independent Auditor's Report	
Statements of Financial Position as of December 31, 2025 and 2024	
Statements of Comprehensive Income	
For the years ended December 31, 2025, December 31, 2024 and December 31, 2023	
Statements of Changes in Members' Equity	
For the years ended December 31, 2025, December 31, 2024 and December 31, 2023	
Statements of Cash Flows	
For the years ended December 31, 2025, December 31, 2024 and December 31, 2023	
Notes to Financial Statements	

**Supplementary Schedules**

Independent Auditor's Report on Supplementary Schedules

**Supplementary Schedules Required by Annex 68-J**

A.	Financial Assets	NA
B.	Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)	NA
C.	Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements	NA
D.	Long-term Debt	Attached
E.	Indebtedness to Related Parties	NA
F.	Guarantees of Securities of Other Issuers	NA
G.	Capital Stock	Attached

**TAGAYTAY MIDLANDS GOLF CLUB, INC.**  
**SUPPLEMENTARY SCHEDULES REQUIRED BY ANNEX 68-J**  
**DECEMBER 31, 2025**

**Schedule A. Financial Assets**

Name of Issuing Entity and Association of Each Issue	Amount Shown in the Statement of Financial Position	Income Received and Accrued
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NOT APPLICABLE: The Golf Club does not have financial assets that constitute five percent (5%) or more of the total current assets.

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**Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties) As at December 31, 2025**

Name and Designation	Balance as at January 1, 2025	Additions	Deductions		Current	Non-Current	Balance as at December 31, 2025
			Amount Collected	Amount Written Off			
Advances to officers and employees	P-	P-	P-	P-	P-	P-	P-

*There are no receivables which are considered outside of the Golf Club's ordinary course of business as at December 31, 2024.*

**Schedule C - Amounts Receivable from and Payable to Related Parties which are Eliminated during the Consolidation of Financial Statements**  
**As at December 31, 2025**

*Due from subsidiaries*

Name and Designation	Balance as at January 1, 2025	Additions	Deductions		Current	Non- Current	Balance as at December 31, 2025
			Amount Collected	Amount Written Off			

Not Applicable: The Golf Club does not prepare consolidated financial statements as at December 31, 2025.

**Schedule D - Long Term Debt**  
**As at December 31, 2025**

Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long term debt" in related balance sheet
Mortgage Payable	₱ 5,438,000	₱ 1,782,667	₱ 1,039,889

**Schedule E - Indebtedness to Related Parties**  
**As at December 31, 2025**

Name	Balance, January 1, 2025	Balance, December 31, 2025
N/A	N/A	N/A

**Schedule F - Guarantees of Securities of Other Issuers**  
**As at December 31, 2025**

Name of Issuing Entity of Securities Guaranteed by the Company for which this statement is filed	Title of Issue of Each Class of Securities Guaranteed	Total Amount Guaranteed and Outstanding	Amount Owned by Person for which the Statement is Filed	Nature of Guarantee
Not Applicable: The Golf Club has no guarantees of securities of other issuers as at December 31, 2024.				

**Schedule G - Capital Stock**  
**December 31, 2025**

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding	Number of Shares Reserved for Options, Warrants, Conversions, and Other Rights	Number of Shares Held By		
				Related parties	Directors, Officers and Employees	Others
Common	6,000	6,000	-	3,553	7	2,459

**TAGAYTAY MIDLANDS GOLF CLUB, INC.**  
(A Nonprofit Corporation)

**INDEX TO EXHIBITS**

**FORM 17-A**

	<u>Page No.</u>
<b>Financial Statements</b>	
(3) Plan of Acquisition, Reorganization, Arrangements, Liquidation, or Succession	NA
(5) Instruments Defining the Rights of Security Holders, Including Indentures	NA
(8) Voting Trust Agreement	NA
(9) Material Contracts	NA
(10) Annual Report to Security Holders, Form 11-Q or Quarterly Report to Security Holders	NA
(13) Letter re: Change in Certifying Accountants	NA
(16) Report Furnished to Security Holders	NA
(18) Subsidiaries of the Registrant	NA
(19) Published Report Regarding Matters Submitted to Vote of Security Holders	NA
(20) Consent of Experts and Independent Counsel	NA
(21) Power of Attorney	NA
(29) Additional Exhibits	NA
NA Not Applicable	

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

The management of The Tagaytay Midlands Golf Club, Inc. (the Company) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2025, 2024 and 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

The Board of Directors reviews and approves the financial statements including the schedules attached therein and submits the same to the stockholders.

Reyes Tacandong & Co., the independent auditor appointed by the stockholders for the periods December 31, 2025, 2024 and 2023, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

Willy N. Ocier  
Chairman of the Board

Jerry C. Tiu  
President

Manuel A. Garia  
Vice President / Treasurer

Signed this 05 day of MAY 05 2026, 2026.

SUBSCRIBED AND SWORN to before me this MAY 05 2026 day of \_\_\_\_\_, 2026 affiants exhibiting to me their competent evidence of identity, as follows

NAME	Competent Evidence of Identity	Expiry Date	Place of Issue
WILLY N. OCIER	[REDACTED]		
JERRY C. TIU			
MANUEL A. GANA			

Doc. No. 440;  
Page No. 89;  
Book No. 247;  
Series of 2024.



  
ATTY. VALENTIN C. GUANIO  
10 Riza Ave., ~~Kaybagal South~~, Tagaytay City  
Commission Expires on DECEMBER 31, 2026  
IBP No. 6620380/January 3, 2026  
ROLL No. 22908  
IBP LIFETIME RES. NO. 02892  
MCLE COMPLIANCE NO. VIII-0023028



## INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors  
Tagaytay Midlands Golf Club, Inc.  
Bo. Tranca  
Talisay, Batangas

### *Opinion*

We have audited the financial statements of Tagaytay Midlands Golf Club, Inc. (the Company), which comprise the statements of financial position as at December 31, 2025 and 2024, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years ended December 31, 2025, 2024 and 2023, and notes to financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years ended December 31, 2025, 2024 and 2023 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

### *Basis for Opinion*

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

### *Other Information*

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement) and SEC Form 17-A (Annual Report) for the year ended December 31, 2025, but does not include the financial statements and our auditors' report thereon. The SEC Form 20-IS and SEC Form 17-A for the year ended December 31, 2025 are expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.



In connection with our audits of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

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

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

*Auditors' Responsibilities for the Audit of the Financial Statements*

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management



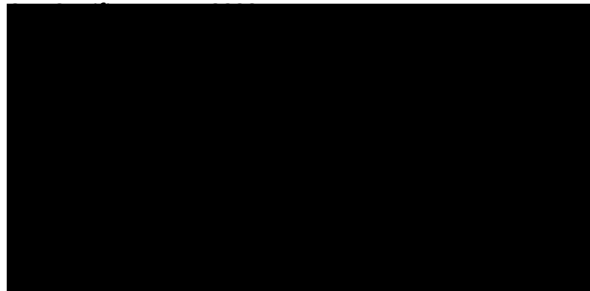
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**REYES TACANDONG & Co.**



CHRISTINA A. JOSE  
Partner



April 18, 2026  
Makati City, Metro Manila

**TAGAYTAY MIDLANDS GOLF CLUB, INC.**  
**STATEMENTS OF FINANCIAL POSITION**

		<b>December 31</b>	
	Note	2025	2024
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	<b>₱586,366,042</b>	₱491,898,076
Trade and other receivables	5	<b>67,149,269</b>	72,220,141
Inventories		<b>224,694</b>	300,376
Other current assets	6	<b>38,963,627</b>	48,678,425
Total Current Assets		<b>692,703,632</b>	613,097,018
<b>Noncurrent Assets</b>			
Property and equipment	7	<b>1,284,553,840</b>	1,301,697,582
Net retirement asset	17	<b>5,472,220</b>	7,871,700
Other noncurrent assets	8	<b>1,527,738</b>	926,866
Total Noncurrent Assets		<b>1,291,553,798</b>	1,310,496,148
		<b>₱1,984,257,430</b>	₱1,923,593,166
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Trade and other payables	9	<b>₱131,300,415</b>	₱109,432,590
Current portion of mortgage payable	10	<b>1,039,889</b>	1,782,667
Total Current Liabilities		<b>132,340,304</b>	111,215,257
<b>Noncurrent Liabilities</b>			
Mortgage payable - net of current portion	10	-	1,039,889
Deferred tax liabilities	19	<b>1,372,760</b>	1,982,251
Total Noncurrent Liabilities		<b>1,372,760</b>	3,022,140
Total Liabilities		<b>133,713,064</b>	114,237,397
<b>Equity</b>			
Proprietary membership certificates	12	<b>532,500,000</b>	532,500,000
Additional paid-in capital	12	<b>1,810,633,418</b>	1,810,633,418
Deficit		<b>(488,678,271)</b>	(530,337,570)
Cumulative remeasurement loss on net retirement asset - net of deferred tax	17	<b>(3,910,781)</b>	(3,440,079)
Total Equity		<b>1,850,544,366</b>	1,809,355,769
		<b>₱1,984,257,430</b>	₱1,923,593,166

*See accompanying Notes to Financial Statements.*

**TAGAYTAY MIDLANDS GOLF CLUB, INC.**  
**STATEMENTS OF COMPREHENSIVE INCOME**

Years Ended December 31				
	Note	2025	2024	2023
<b>REVENUES</b>				
Green fees		₱49,830,955	₱46,774,330	₱41,222,164
Food, beverage and sundries		33,060,224	31,546,575	25,681,448
Golf cart and locker rental		27,053,335	22,504,569	21,970,491
Others		3,096,829	3,059,063	2,181,670
		<b>113,041,343</b>	<b>103,884,537</b>	<b>91,055,773</b>
<b>COSTS AND EXPENSES</b>				
Cost of sales	14	20,742,443	22,508,702	24,404,658
Cost of services	14	265,152,163	246,465,095	219,381,522
General and administrative expenses	15	49,713,744	38,946,002	36,485,742
		<b>335,608,350</b>	<b>307,919,799</b>	<b>280,271,922</b>
<b>OTHER INCOME (CHARGES) - Net</b>				
Interest income	4	20,921,543	17,970,791	13,376,616
Interest expense	10	(249,164)	(249,164)	(103,818)
Other income - net	16	53,085,686	37,958,469	35,248,145
		<b>73,758,065</b>	<b>55,680,096</b>	<b>48,520,943</b>
<b>DEFICIENCY OF REVENUES OVER COSTS AND EXPENSES BEFORE MEMBERS' SUPPORT</b>				
		<b>(148,808,942)</b>	<b>(148,355,166)</b>	<b>(140,695,206)</b>
<b>MEMBERS' SUPPORT</b>				
Membership dues		190,015,651	192,208,455	187,904,333
<b>EXCESS OF REVENUES AND MEMBERS' SUPPORT OVER COSTS AND EXPENSES</b>				
		<b>41,206,709</b>	<b>43,853,289</b>	<b>47,209,127</b>
<b>PROVISION FOR (BENEFIT FROM) DEFERRED INCOME TAX</b>				
	19	(452,590)	460,646	532,862
<b>NET INCOME</b>				
		<b>41,659,299</b>	<b>43,392,643</b>	<b>46,676,265</b>
<b>OTHER COMPREHENSIVE LOSS</b>				
<i>Item not to be reclassified to profit or loss -</i>				
Remeasurement loss on net retirement asset - net of deferred tax	17	(470,702)	(212,331)	(1,376,220)
<b>TOTAL COMPREHENSIVE INCOME</b>				
		<b>₱41,188,597</b>	<b>₱43,180,312</b>	<b>₱45,300,045</b>
<b>BASIC AND DILUTED INCOME PER PROPRIETARY MEMBERSHIP CERTIFICATE</b>				
	13	₱6,943	₱7,232	₱7,779

See accompanying Notes to Financial Statements.

**TAGAYTAY MIDLANDS GOLF CLUB, INC.**  
**STATEMENTS OF CHANGES IN EQUITY**

	Note	Years Ended December 31		
		2025	2024	2023
<b>PROPRIETARY MEMBERSHIP CERTIFICATES</b>	12	<b>₱532,500,000</b>	₱532,500,000	₱532,500,000
<b>ADDITIONAL PAID-IN CAPITAL</b>	12	<b>1,810,633,418</b>	1,810,633,418	1,810,633,418
<b>DEFICIT</b>				
Balance at beginning of year		<b>(530,337,570)</b>	(573,730,213)	(620,406,478)
Net income		<b>41,659,299</b>	43,392,643	46,676,265
Balance at end of year		<b>(488,678,271)</b>	(530,337,570)	(573,730,213)
<b>CUMULATIVE REMEASUREMENT LOSS ON NET RETIREMENT ASSET - Net of Deferred Tax</b>	17			
Balance at beginning of year		<b>(3,440,079)</b>	(3,227,748)	(1,851,528)
Remeasurement loss		<b>(470,702)</b>	(212,331)	(1,376,220)
Balance at end of year		<b>(3,910,781)</b>	(3,440,079)	(3,227,748)
		<b>₱1,850,544,366</b>	₱1,809,355,769	₱1,766,175,457

*See accompanying Notes to Financial Statements.*

**TAGAYTAY MIDLANDS GOLF CLUB, INC.**

**STATEMENTS OF CASH FLOWS**

	Note	Years Ended December 31		
		2025	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Excess of revenues and members' support over costs and expenses		<b>₱41,206,709</b>	₱43,853,289	₱47,209,127
Adjustments for:				
Depreciation and amortization	7	<b>49,480,232</b>	51,723,932	50,696,772
Interest income	4	<b>(20,921,543)</b>	(17,970,791)	(13,376,616)
Retirement expense	17	<b>2,145,429</b>	1,819,309	1,839,232
Gain on sale of property and equipment	16	<b>(879,614)</b>	(3,314)	–
Reversal of liabilities	16	<b>(320,520)</b>	(1,564,613)	(787,105)
Interest expense	10	<b>249,164</b>	249,164	103,818
Unrealized foreign exchange loss (gain)	16	<b>(18,819)</b>	(57,305)	6,633
Loss on retirement of property and equipment	7	<b>843</b>	422	–
Reversal of allowance for expected credit loss (ECL)	16	–	–	(808,298)
Operating income before working capital changes		<b>70,941,881</b>	78,050,093	84,883,563
Decrease (increase) in:				
Trade and other receivables		<b>6,180,237</b>	33,931,400	42,830,279
Inventories		<b>75,682</b>	(105,816)	(4,404)
Other current assets		<b>11,658,836</b>	24,272,290	(7,686,180)
Increase (decrease) in trade and other payables		<b>22,188,345</b>	(46,410,115)	25,450,011
Net cash generated from operations		<b>111,044,981</b>	89,737,852	145,473,269
Interest received		<b>19,812,178</b>	17,942,982	12,668,679
Income tax paid		<b>(1,944,038)</b>	(1,990,080)	(2,142,188)
Retirement benefits paid	17	<b>(373,552)</b>	(1,451,788)	(4,270,674)
Contributions to the retirement plan	17	–	(2,152,801)	(3,690,516)
Net cash provided by operating activities		<b>128,539,569</b>	102,086,165	148,038,570
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Acquisitions of property and equipment	7	<b>(32,305,636)</b>	(57,221,889)	(59,666,983)
Proceeds from sale of property and equipment	7	<b>879,614</b>	55,715	–
Decrease (increase) in other noncurrent assets		<b>(632,569)</b>	396,324	15,008,328
Net cash used in investing activities		<b>(32,058,591)</b>	(56,769,850)	(44,658,655)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Payments of:	10			
Mortgage		<b>(1,782,667)</b>	(1,782,667)	(742,777)
Interest		<b>(249,164)</b>	(249,164)	(103,818)
Cash used in financing activities		<b>(2,031,831)</b>	(2,031,831)	(846,595)

(Forward)

	Note	Years Ended December 31		
		2025	2024	2023
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>₱94,449,147</b>	₱43,284,484	₱102,533,320
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>		<b>18,819</b>	57,305	(6,633)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<b>491,898,076</b>	448,556,287	346,029,600
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>₱586,366,042</b>	₱491,898,076	₱448,556,287
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS</b>				
	4			
Cash on hand		<b>₱2,960,844</b>	₱2,984,721	₱2,506,893
Cash in banks		<b>82,531,364</b>	72,651,363	67,702,305
Cash equivalents		<b>500,873,834</b>	416,261,992	378,347,089
		<b>₱586,366,042</b>	₱491,898,076	₱448,556,287
<b>NONCASH FINANCIAL INFORMATION</b>				
Acquisition of property and equipment through mortgage	10	<b>₱-</b>	₱-	₱5,348,000

See accompanying Notes to Financial Statements.

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## **TAGAYTAY MIDLANDS GOLF CLUB, INC.**

### **NOTES TO FINANCIAL STATEMENTS**

**AS AT DECEMBER 31, 2025 AND 2024**

**AND FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023**

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#### **1. Corporate Information**

Tagaytay Midlands Golf Club, Inc. (the Company) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on June 10, 1997. The Company was established to promote social, recreational and athletic activities among its members by providing and maintaining clubhouses and a golf course on a nonprofit basis, the nucleus of which will be the construction, development and maintenance of golf course and other sports and recreational facilities.

The registered office address of the Company is located at Bo. Tranca, Talisay, Batangas.

On July 23, 1997, the SEC granted the Company a permit to offer proprietary membership certificates to the public (see Note 12). Belle Corporation (Belle), a publicly-listed company in the Philippines, owns 57.60% and 58.88% of the Company's proprietary membership certificates as at December 31, 2025 and 2024, respectively.

The Company's financial statements as at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023 were approved and authorized for issuance by the Board of Directors (BOD) on April 18, 2026, as reviewed and recommended for approval by the Audit Committee on the same date.

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#### **2. Summary of Material Accounting Policy Information**

##### **Basis of Preparation and Statement of Compliance**

The financial statements of the Company have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards issued by the Philippine Financial and Sustainability Reporting Standards Council and adopted by the SEC. This financial reporting framework includes PFRS Accounting Standards, Philippine Accounting Standards (PAS), Philippine Interpretations from International Financial Reporting Interpretations Committee and SEC pronouncements.

The material accounting policies used in the preparation of the financial statements has been consistently applied to all the years presented, unless otherwise stated.

##### **Measurement Bases**

The financial statements are presented in Philippine Peso, the Company's functional currency. All values represent absolute amounts, unless otherwise indicated.

The financial statements of the Company have been prepared on a historical cost basis, except for plan assets which are measured at fair value and retirement liability which is measured at the present value of defined benefit obligation. Historical cost is generally based on the fair value of the consideration given in exchange for an asset and fair value of the consideration received in exchange for incurring a liability.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company uses market observable data to the extent possible when measuring the fair value of an asset or a liability. Fair values are categorized into different levels in a fair value hierarchy based on inputs used in the valuation techniques as follows:

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

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values are included in Note 20 to the financial statements.

#### **Adoption of Amendments to PFRS Accounting Standards**

The material accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability*, effective for annual periods beginning on or after January 1, 2025.

The amendments clarify when a currency is considered exchangeable into another currency and how an entity determines the exchange rate for currencies that lack exchangeability. The amendments also introduce new disclosure requirements to help users of financial statements assess the impact when a currency is not exchangeable. An entity does not apply the amendments retrospectively. Instead, an entity recognizes any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings when the entity reports foreign currency transactions. When an entity uses a presentation currency other than its functional currency, it recognizes the cumulative amount of translation differences in equity. Earlier application is permitted.

The adoption of the amendments to PFRS Accounting Standards did not materially affect the financial statements of the Company. Additional disclosures were included in the financial statements, as applicable.

### **New and Amendments to PFRS Accounting Standards in Issue But Not Yet Effective**

Relevant new and amendments to PFRS Accounting Standards, which are not yet effective as at December 31, 2025 and have not been applied in preparing the financial statements, are summarized below:

Effective for annual periods beginning on or after January 1, 2026:

- Amendments to PFRS 9, *Financial Instruments*, and PFRS Accounting Standards 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Assets –* The amendments provide to clarify the requirements related to the date of recognition and derecognition of financial assets and financial liabilities, with an exception for derecognition of financial liabilities settled through cash using an electronic payment system. The amendments also clarify the requirements of assessing contractual cash flow characteristics of financial assets, with additional guidance on assessment of contingent features, and the characteristics of non-recourse loans and contractually linked instruments. The amendments also introduce additional disclosure requirements for equity instruments classified as financial asset measured at fair value through other comprehensive income (FVOCI) with contingent features. Earlier application is permitted.
- Annual Improvements to PFRS Accounting Standards Volume 11 -
  - Amendments to PFRS 7, *Financial Instruments: Disclosures* – The amendments remove some obsolete references related to the gain or loss on derecognition on financial assets of an entity that has a continuing involvement and to the disclosure requirements on deferred differences between fair value and transaction price. The amendments also clarify that the illustrative guidance does not necessarily illustrate all the requirements for credit risk disclosure.

Effective for annual periods beginning on or after January 1, 2027 -

- PFRS 18, *Presentation and Disclosure in Financial Statements* – This standard replaces PAS 1, *Presentation of Financial Statements*, and sets out requirements for the presentation and disclosure of information in general purpose financial statements. The standard introduces new categories and sub-totals in the statements of comprehensive income, additional disclosures on management-defined performance measures, and enhanced requirements for grouping information. Full retrospective application is required. Earlier application is permitted.

Under prevailing circumstances, the adoption of the foregoing new and amendments to PFRS Accounting Standards is not expected to have any material effect on the financial statements of the Company. Additional disclosures will be included in the financial statements, as applicable.

### **Financial Assets and Liabilities**

*Date of Recognition.* The Company recognizes a financial asset or a financial liability in the statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way of purchase or sale of financial assets, recognition and derecognition, as applicable, is done using settlement date accounting.

*Initial Recognition.* Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at fair value through profit or loss (FVPL), includes transaction cost.

*“Day 1” Difference.* Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a “Day 1” difference) in profit or loss. In cases where there is no observable data on inception, the Company deems the transaction price as the best estimate of fair value and recognizes “Day 1” difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the “Day 1” difference.

*Classification of Financial Instruments.* The Company classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost and (c) financial assets at FVOCI. The classification of a financial instrument largely depends on the Company’s business model and on the purpose for which the financial instruments are acquired or incurred and whether these are quoted in an active market.

Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or financial liabilities at amortized cost.

As at December 31, 2025 and 2024, the Company does not have financial assets at FVOCI and financial assets and liabilities at FVPL.

*Financial Assets at Amortized Cost.* A financial asset shall be measured at amortized cost if both of the following conditions are met:

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

Financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less any allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized or impaired or through the amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

This category includes cash and cash equivalents, trade and other receivables, refundable deposits and advances to employees (both presented under “Other noncurrent assets” account).

*Financial Liabilities at Amortized Cost.* Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized or through the amortization process.

This category includes trade and other payables (excluding membership dues collected in advance, statutory payables and unclaimed gift certificates) and mortgage payable.

#### **Reclassification of Financial Assets**

The Company reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date).

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVPL, any gain or loss arising from the difference between the previous amortized cost of the financial asset and fair value is recognized in profit or loss.

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVOCI, any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in other comprehensive income (OCI).

#### **Impairment of Financial Assets at Amortized Cost**

The Company recognizes an allowance for expected credit loss (ECL) on financial assets at amortized cost based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The difference is then discounted at an approximation to the asset's original effective interest rate.

For trade receivables, the Company has applied the simplified approach and has calculated ECL based on the lifetime ECL. Simplified approach requires that ECL should always be based on the lifetime ECL. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECL at each reporting date.

The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For other financial assets at amortized cost, the Company applies the general approach in measuring the ECL. The ECL is based on the 12-month ECL, which pertains to the portion of lifetime ECL that result from default events on a financial instrument that are possible within 12 months after the reporting date.

However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

A financial asset is written off when there is no reasonable expectation of recovering the financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the counterparty does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

### **Derecognition of Financial Assets and Liabilities**

*Financial Assets.* A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

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

When the Company has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company’s continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

*Financial Liabilities.* A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in profit or loss.

### **Offsetting Financial Assets and Liabilities**

Financial assets and liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statements of financial position.

### **Classification of Financial Instrument between Liability and Equity**

A financial instrument is classified as liability if it provides for a contractual obligation to:

- Deliver cash or another financial asset to another entity;
- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company; or
- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Company does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability. Otherwise, the financial instrument is classified as equity.

### **Inventories**

Inventories are valued at the lower of cost and net realizable value (NRV). Cost is determined using the weighted average method. All costs directly attributable to acquisition such as the purchase price, transport cost and taxes that are not subsequently recoverable from taxing authorities are included as part of the cost of inventories.

The NRV of inventories is the estimated selling price in the ordinary course of business, less estimated costs of marketing and distribution. In determining the NRV, the Company considers any adjustment necessary for obsolescence.

When the NRV of inventories is lower than its cost, the inventories are written down to its NRV and the excess of the cost over the NRV is charged to profit or loss.

### **Other Current Assets**

This account consists of creditable withholding taxes (CWT), deferred input value-added tax (VAT), input VAT and prepayments.

*CWT.* CWT represents the amount withheld by the Company's customers in relation to its income. CWT is stated at its net realizable amount and can be utilized as payment for income taxes.

*Deferred Input VAT.* Deferred input VAT represents VAT on the unpaid portion of availed services and the unamortized amount of input VAT on capital goods.

In accordance with the Revenue Regulations (RR) No. 16-2005, as amended by RR. No. 13-2018, input VAT on purchases or imports of the Company of capital goods (depreciable assets for income tax purposes) made prior to January 1, 2022, with an aggregate acquisition cost (exclusive of VAT) in each of the calendar months exceeding ₱1.0 million are claimed as credit against output VAT over 60 months or the estimated useful lives of capital goods, whichever is shorter.

Deferred input VAT that is expected to be realized within 12 months after the financial reporting period is classified as current asset. Otherwise, this is classified as noncurrent asset.

*Input VAT.* Revenues, expenses and assets are recognized net of the amount of VAT, except:

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

The net amount of tax recoverable from the taxation authority is included as part of "Other current assets" account in the statements of financial position.

*Prepayments.* Prepayments are expenses not yet incurred but paid in advance. Prepayments are apportioned over the period covered by the payment and charged to the appropriate account in profit or loss when incurred. Prepayments that are expected to be realized for no more than 12 months after the reporting period are classified as current assets. Otherwise, these are classified as noncurrent assets.

**Property and Equipment**

Property and equipment, excluding land and construction in progress, is stated at cost less accumulated depreciation and any impairment in value. Land is stated at cost, including transaction costs less any impairment in value.

The initial cost of property and equipment consists of its purchase price and any directly attributable costs in bringing the asset to its working condition and location for its intended use. Such cost includes the cost of replacing part of such property and equipment when that cost is incurred if the recognition criteria are met.

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

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets. The depreciation periods for property and equipment are as follows:

<u>Asset Type</u>	<u>Number of Years</u>
Building and improvements	20
Facilities and equipment	2 to 10
Furniture, fixtures and equipment	2 to 5
Transportation equipment	2 to 5

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

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized.

Construction in progress, which includes cost of construction and other direct costs, is stated at cost and is not depreciated until such time as the relevant assets are completed and put into operational use. Construction in progress is reclassified to a specific category of property and equipment when the construction and other related activities necessary to prepare the assets for their intended use are completed and the assets are available for use.

Fully depreciated assets are retained as property and equipment until these are no longer in use.

**Other Noncurrent Assets**

This account mainly consists of advances to contractors and suppliers and computer software.

*Advances to Contractors and Suppliers.* Advances to contractors and suppliers pertain to amounts paid in advance for goods or services to be utilized or incurred in connection with the Company's operations. These are recognized as asset in the statements of financial position upon actual receipt of goods or services.

*Computer Software.* Costs associated with developing or maintaining computer software are recognized as expense when incurred. Costs that are directly associated with identifiable and unique software controlled by the Company and will generate economic benefits exceeding cost beyond one year are recognized as intangible assets.

Expenditure which enhances or extends the performance of the computer software beyond their original specifications is recognized as capital improvements and added to the original cost of the computer software. Computer software is recognized as assets and amortized using the straight-line method over their estimated useful life of five years. The estimated useful life and amortization method are reviewed periodically to ensure that the period and method of amortization are consistent with the expected pattern of economic benefits from computer software.

#### **Impairment of Nonfinancial Assets**

The Company assesses at each reporting date whether there is an indication that the nonfinancial assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. Recoverable amount is the higher of an asset's fair value less costs of disposal or its value in use, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimate of recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss.

#### **Proprietary Membership Certificates and Additional Paid-in Capital (APIC)**

Proprietary membership certificates are measured at par value for all proprietary membership certificates issued. Unpaid certificates are recognized as a reduction of subscribed membership certificates. Proceeds and/or fair value of considerations received in excess of par value, if any, are recognized as APIC. Incremental costs directly attributable to the issuance of new proprietary membership certificates are shown in equity as a deduction, net of tax, from the APIC, if any.

#### **Deficit**

Deficit represents the cumulative balance of the Company's results of operations.

#### **Cumulative Remeasurement Loss on Net Retirement Asset – Net of Deferred Tax**

OCI comprises of income and expense that are not recognized in profit or loss for the year. This includes cumulative remeasurement loss on net retirement asset, net of deferred tax.

#### **Basic and Diluted Income per Proprietary Membership Certificate**

The Company computes its basic income per proprietary membership certificate by dividing net income for the period attributable to ordinary equity holders of the Company by the weighted average number of proprietary membership certificate outstanding during the period.

Diluted income per proprietary membership certificate is computed in the same manner, adjusted for the dilutive effect of any potential proprietary membership certificate. For the years ended December 31, 2025, 2024 and 2023, the Company has no potential dilutive proprietary membership certificate.

**Members' Support**

Members' support pertains to membership dues which are recognized in the statements of comprehensive income over time based on the applicable period. Members' advance payments are recognized as part of "Membership dues collected in advance" under "Trade and other payables" account in the statements of financial position.

**Revenue Recognition**

Revenue from contracts with customers is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time. Revenue is recognized over time if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits as the Company performs its obligations; (b) the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognized at a point in time.

The Company also assesses its revenue arrangements to determine if it is acting as a principal or as an agent. The Company has assessed that it acts as a principal in all of its revenue sources, except for commission income that the Company acts as an agent.

Disaggregation of revenue based on major sources is presented in the statements of comprehensive income.

The following specific recognition criteria must also be met before revenue is recognized:

*Green Fees, Golf Cart and Locker Rental and Other Revenues.* Revenue from green fees, golf cart and locker rental, and others are recognized upon satisfaction of performance obligation of transferring the promised services to the members and/or guests.

*Food, Beverage and Sundries.* Revenue from the sale of food, beverage and sundries is recognized at a point in time when the related orders are served.

*Membership Transfer and Assignment Fees.* Revenue is recognized at a point in time upon transfer and assignment of member shares.

*Other Income.* This includes income from sponsorship, members' penalties and charges, commissions, among others. Revenue is recognized at a point in time when earned or when services have been rendered.

Revenue outside the scope of PFRS 15 is recognized as follow -

*Interest Income.* Interest is recognized as it accrues taking into account the effective yield on the asset, net of final tax.

### **Cost and Expense Recognition**

Costs and expenses are recognized in profit or loss upon receipt of goods, utilization of services or at the date the cost and expenses are incurred.

*Cost of Sales.* Cost of sales is recognized as expense when the related goods are sold.

*Cost of Services.* Cost of services is recognized as expense when the related services are rendered.

*General and Administrative Expenses.* These constitute costs of administering the business and costs incurred to sell and market goods and services. These are expensed as incurred.

*Interest Expense.* Interest expense is recognized in profit or loss using the effective interest method.

### **Employee Benefits**

*Short-term Benefits.* The Company recognizes a liability net of amounts already paid and an expense for services rendered by employees during the year. Short-term employee benefits given by the Company to its employees include salaries and wages, social security contributions, short-term compensated absences and bonuses and non-monetary benefits.

Short-term employee benefit liabilities are measured on an undiscounted basis and are expensed as the related service is provided.

*Retirement Benefits.* The Company is a participant to the Tagaytay Highlands Multiemployer Retirement Plan which is a non-contributory defined benefit plan. The net retirement asset is the aggregate of the fair value of plan assets (FVPA) reduced by the present value of the defined benefit obligation (DBO) at the end of the reporting period.

Retirement benefit costs are actuarially determined using the projected unit credit method which reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

Defined benefit costs comprise the following:

- Service cost; and
- Net interest on the net retirement liability or plan asset; and
- Remeasurements of net retirement liability or plan asset.

Current service costs are recognized as expense in profit or loss. Current service costs are the increase in the present value of the DBO in the current period. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net retirement asset is the change during the period in the net retirement asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net retirement asset. Net interest on the net retirement asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses and return on plan assets are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held in trust and managed by a trustee bank. Plan assets are not available to the creditors of the Company, nor can they be paid directly to the Company. FVPA is based on market price information. When no market price is available, the FVPA is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the FVPA is higher than the present value of the DBO, the measurement of the resulting retirement plan asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Company's right to be reimbursed of some or all of the expenditure required to settle a DBO is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

### **Leases**

The Company assesses whether the contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, it has both of the following:

- i. the right to obtain substantially all of the economic benefits from the use of the identified asset; and
- ii. the right to direct the use of the identified asset.

If the Company has the right to control the use of an identified asset for only a portion of the term of the contract, the contract contains a lease for that portion of the term.

*The Company as a Lessee.* Leases are recognized as right-of-use (ROU) assets, with corresponding lease liabilities, at the date at which the leased assets are available for use by the Company, except for leases with lease terms of 12 months or less (short-term leases) and leases for which the underlying asset is of low value, in which case, the lease payments associated with those leases are recognized as an expense on a straight-line basis.

*The Company as a Lessor.* Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Rental income under operating leases is recognized on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as rent income. Contingent rents are recognized as revenue in the period in which these are earned.

Operating lease income is recognized if it is probable that the entity will collect the consideration. In evaluating whether collectability of the amount of consideration is probable, the Company considers the customer's ability and intention to pay. If the collection of the rentals is not probable, operating lease income is recognized only to the extent collectible.

### **Income Taxes**

*Current Tax.* Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and the tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period.

*Deferred Tax.* Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases. Deferred tax liabilities are recognized for all temporary differences that are expected to increase taxable profit in the future.

Deferred tax assets are recognized for all temporary differences and carryforward benefit of unused tax credits from the net operating loss carryover (NOLCO) that are expected to reduce taxable profit in the future. Deferred tax assets are measured at the highest amount that, on the basis of current or estimated future taxable profit, is more likely than not to be recovered.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at reporting date.

Current tax and deferred tax are recognized in profit or loss except to the items recognized directly in equity or in OCI. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### **Related Parties and Transactions**

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related party relationships exist when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting enterprise, or between and/or among the reporting enterprise and its key management personnel, directors, or its stockholders.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on legal form.

#### **Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

### **Contingencies**

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

### **Events after the Reporting Date**

Events after the reporting date that provide additional information about the Company's financial position at reporting date (adjusting events) are reflected in the financial statements. Events after the reporting date that are not adjusting events are disclosed in the notes to financial statements when material.

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## **3. Significant Judgment, Accounting Estimates and Assumptions**

The preparation of the financial statements in accordance with PFRS Accounting Standards require management to exercise judgment, make estimates and use assumptions that affect amounts of assets, liabilities, income and expenses reported in the financial statements and related notes. The judgment, accounting estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as at reporting date.

While the management believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

### **Judgment**

In the process of applying the Company's accounting policies, management has made the following judgment, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements.

*Determining the Classification of Financial Instruments.* The Company exercises judgment in classifying a financial instrument on initial recognition either as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the statements of financial position.

The classification of financial assets depends on the results of the business model test and "solely payment of principal and interest" test performed by the Company. The Company exercises judgment in determining the business model to be used in managing its financial instruments to achieve their business objectives.

The Company determines that the primary business model used in the management of its financial assets is to hold the financial asset to collect contractual cash flows representing solely payments of principal and interest. Consequently, all financial assets are measured at amortized cost.

*Evaluation of the Consistency of Lease Commitments.* The evaluation of whether an arrangement contains a lease is based on its substance. An arrangement is, or contains a lease when the fulfillment of the arrangement depends on specific asset or assets and the arrangement conveys a right to use the asset.

*Classifying Lease Commitments - The Company as a Lessor.* The Company, as a lessor, has accounted for the lease agreements for its store space and cell sites under operating leases. The Company has determined that it has not transferred the significant risks and rewards of ownership of the leased properties to the lessee because of the following factors:

- a) the lessee will not acquire ownership of the leased properties upon termination of the lease;
- b) the lessee was not given an option to purchase the assets at a price that is sufficiently lower than the fair value at the date of the option;
- c) the lease term is not a major part of the economic life of the asset; and
- d) the present value of the minimum lease payments is not substantially all of the fair value of the leased asset.

Rental income earned from leases in 2025, 2024 and 2023 are disclosed in Note 18 to the financial statements.

*Classifying Lease Commitments - The Company as a Lessee.* The Company elected to apply the recognition exemption on leases of low-value assets and short-term leases. The related rent expense on these lease agreements are recognized in profit or loss.

Rent expense in 2025, 2024 and 2023 are disclosed in Note 18 to the financial statements.

#### **Accounting Estimates and Assumptions**

The key accounting estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as at the date of the Company's financial statements. Actual results could differ from such estimates.

*Assessing the ECL on Financial Assets at Amortized Cost.* For trade receivables from members, the Company uses specific identification approach in determining balance of receivables from each member to be potentially uncollectible, when it meets the following criteria: (a) the member is more than 60 days past due on its contractual payments, i.e. principal; and (b) the current market value of the shares of each member is below its outstanding receivables. The Company imposes a 2% penalty on members with 61 days and over past due on its contractual payments. The current market value of the shares is considered as collateral in case of non-payment of members, as the Company has the current right to rescind the shares and sell it in an auction. The Company determines the loss given default (recoverable amount of outstanding receivables) in computing the provision for ECL.

For trade receivables from related parties, the Company uses judgment, based on the best available facts and circumstances, including but not limited to, assessment of the related parties' operating activities (active or dormant), business viability and overall capacity to pay, in providing for ECL. The provision for ECL are re-evaluated and adjusted as additional information is received.

The Company estimates ECL on trade receivables from credit card transactions using a provision matrix based on days past due. The matrix is derived from the Company's historical credit loss experience on credit card receivables and is adjusted for forward-looking information, including relevant macroeconomic factors that may affect the ability of the counterparty to settle the receivables.

For other financial assets at amortized cost, the Company applies the general approach in measuring ECL. The Company assessed that cash in banks and cash equivalents are with reputable counterparty banks that possess good credit ratings. For nontrade receivables, refundable deposits and advances to employees, the Company considers the financial capacity of the counterparty to pay the obligations to the Company as they fall due.

No provision for ECL was recognized in 2025, 2024 and 2023. No reversals were made in 2025 and 2024. The Company reversed allowance for ECL in 2023 due to collection from members.

The carrying amounts of financial assets at amortized cost are disclosed in Notes 4, 5 and 8 to the financial statements.

*Estimating the Useful Lives of Depreciable Property and Equipment.* The Company estimates the useful lives of the depreciable property and equipment based on the period over which these assets are expected to be available for use. The estimated useful lives are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of these assets. In addition, estimation of the useful lives is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

There were no changes in the estimated useful lives of depreciable property and equipment in 2025, 2024 and 2023. The carrying amount of depreciable property and equipment as at December 31, 2025 and 2024 respectively, are disclosed in Note 7 to the financial statements.

*Assessing the Impairment of Nonfinancial Assets.* The Company assesses impairment on nonfinancial assets whenever events or changes in circumstances indicate that the carrying amounts of these assets may not be recoverable. The factors that the Company considers important which could trigger an impairment review include the following:

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

An impairment loss is recognized whenever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is the higher of the asset's value in use or estimated fair value less cost to sell. In determining value in use, the present value of estimated future cash flows expected to be generated from the continued use of the assets is determined using estimates and assumptions that can materially affect the financial statements.

The Company assessed that there were no impairment indicators, hence, no impairment loss was recognized in 2025, 2024 and 2023. The carrying amounts of nonfinancial assets as at December 31, 2025 and 2024 are disclosed in Notes 6, 7 and 8 to the financial statements.

*Estimating the Retirement Benefits.* The determination of the Company's obligation and cost for retirement benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions are described in Note 17 to the financial statements.

Retirement expense in 2025, 2024 and 2023 and the carrying amount of net retirement asset as at December 31, 2025 and 2024, are disclosed in Note 17 to the financial statements.

*Assessing the Realizability of Deferred Tax Assets.* The Company reviews its deferred tax assets at each reporting date and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

The Company's unrecognized deferred tax assets as at December 31, 2025 and 2024 are disclosed in Note 19 to the financial statements. Management has assessed that it is not probable that sufficient taxable income will be available to allow all of the deferred tax assets to be utilized.

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#### 4. Cash and Cash Equivalents

This account consists of:

	<b>2025</b>	2024
Cash on hand	<b>₱2,960,844</b>	₱2,984,721
Cash in banks	<b>82,531,364</b>	72,651,363
Cash equivalents	<b>500,873,834</b>	416,261,992
	<b>₱586,366,042</b>	₱491,898,076

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

Cash equivalents pertain to short-term placements which are made for varying periods of up to three months depending on the immediate cash requirements of the Company, and earn interest based on prevailing market interest rates.

Interest income earned amounted to ₱20.9 million, ₱18.0 million and ₱13.4 million in 2025, 2024 and 2023, respectively. Interest receivable, included in "Nontrade" under "Trade and other receivables" account, amounted to ₱2.3 million and ₱1.1 million as at December 31, 2025 and 2024, respectively (see Note 5).

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#### 5. Trade and Other Receivables

This account consists of:

	Note	<b>2025</b>	2024
Trade:			
Members		<b>₱51,192,930</b>	₱44,181,522
Related parties	11	<b>7,246,249</b>	17,614,528
Credit card		<b>1,359,883</b>	5,682,648
Nontrade		<b>7,350,207</b>	4,741,443
		<b>₱67,149,269</b>	₱72,220,141

Trade receivables from members pertain to billings by the Company for the services rendered and the outstanding membership dues. Members' accounts are normally collected within the term of 30 to 60 days. Unsettled members' accounts for more than 60 days are considered past due. The Company has the option to put members' proprietary shares into auction in case of nonpayment of members' accounts when the account is more than 120 days past due.

Trade receivables from related parties consist of assignment fees, reimbursement of expenses and charges for the use of the Company's facilities. These receivables are noninterest-bearing and are due and demandable.

Trade receivables from credit cards pertain to receivable from local banks arising from members' credit card payments for their dues. These are noninterest-bearing and are normally collected within two (2) to three (3) days.

Nontrade receivables mainly pertain to interest receivable and advances to employees and third parties, which are noninterest-bearing and generally have 30 to 90 days term.

## 6. Other Current Assets

This account consists of:

	2025	2024
CWT	P13,817,696	P11,873,658
Deferred input VAT	11,888,292	20,856,450
Input VAT	11,626,606	14,276,782
Prepayments	1,631,033	1,671,535
	<b>P38,963,627</b>	<b>P48,678,425</b>

Prepayments mainly pertain to real property taxes paid in advance, unamortized portion of insurance for the Company's properties and advance payments for dues and subscriptions. These are expected to be utilized and consumed within one year.

## 7. Property and Equipment

Balances and movements in this account are as follows:

	2025						Total
	Land	Building and Improvements	Facilities and Equipment	Furniture, Fixtures and Equipment	Transportation Equipment	Construction In Progress	
<b>Cost</b>							
Balances at beginning of year	P948,444,086	P1,049,954,035	P648,477,463	P22,248,557	P46,025,596	P8,079,990	P2,723,229,727
Additions	-	2,892,370	12,862,975	635,461	8,717,858	7,196,972	32,305,636
Disposals	-	-	(6,233,911)	-	-	-	(6,233,911)
Retirement	-	(8,727)	(283,787)	(66,558)	(1,604,193)	-	(1,963,265)
Reclassifications	-	4,718,809	-	-	-	(4,718,809)	-
Balances at end of year	948,444,086	1,057,556,487	654,822,740	22,817,460	53,139,261	10,558,153	2,747,338,187
<b>Accumulated Depreciation</b>							
Balances at beginning of year	-	781,006,099	594,518,981	19,059,626	26,947,439	-	1,421,532,145
Depreciation	-	24,627,457	17,340,179	1,589,833	5,891,066	-	49,448,535
Disposals	-	-	(6,233,911)	-	-	-	(6,233,911)
Retirement	-	(8,727)	(282,944)	(66,558)	(1,604,193)	-	(1,962,422)
Balances at end of year	-	805,624,829	605,342,305	20,582,901	31,234,312	-	1,462,784,347
<b>Carrying Amount</b>	<b>P948,444,086</b>	<b>P251,931,658</b>	<b>P49,480,435</b>	<b>P2,234,559</b>	<b>P21,904,949</b>	<b>P10,558,153</b>	<b>P1,284,553,840</b>

	2024						Total
	Land	Building and Improvements	Facilities and Equipment	Furniture, Fixtures and Equipment	Transportation Equipment	Construction In Progress	
<b>Cost</b>							
Balances at beginning of year	₱948,444,086	₱1,044,683,123	₱612,235,536	₱20,921,679	₱38,819,063	₱2,053,590	₱2,667,157,077
Additions	–	3,546,969	37,157,841	1,326,878	7,206,533	7,983,668	57,221,889
Disposals	–	(233,325)	(698,759)	–	–	–	(932,084)
Retirement	–	–	(217,155)	–	–	–	(217,155)
Reclassifications	–	1,957,268	–	–	–	(1,957,268)	–
Balances at end of year	948,444,086	1,049,954,035	648,477,463	22,248,557	46,025,596	8,079,990	2,723,229,727
<b>Accumulated Depreciation</b>							
Balances at beginning of year	–	751,542,192	579,784,322	17,306,259	22,554,870	–	1,371,187,643
Depreciation	–	29,697,212	15,597,770	1,753,367	4,392,569	–	51,440,918
Disposals	–	(233,305)	(646,378)	–	–	–	(879,683)
Retirement	–	–	(216,733)	–	–	–	(216,733)
Balances at end of year	–	781,006,099	594,518,981	19,059,626	26,947,439	–	1,421,532,145
<b>Carrying Amount</b>	<b>₱948,444,086</b>	<b>₱268,947,936</b>	<b>₱53,958,482</b>	<b>₱3,188,931</b>	<b>₱19,078,157</b>	<b>₱8,079,990</b>	<b>₱1,301,697,582</b>

Depreciation and amortization recognized in profit and loss consists of:

	Note	2025	2024	2023
Property and equipment		<b>₱49,448,535</b>	₱51,440,918	₱50,413,757
Computer software	8	<b>31,697</b>	283,014	283,015
		<b>₱49,480,232</b>	₱51,723,932	₱50,696,772

Depreciation and amortization are allocated as follows:

	Note	2025	2024	2023
Cost of services	14	<b>₱47,417,234</b>	₱49,037,326	₱48,160,097
General and administrative expenses	15	<b>2,062,998</b>	2,686,606	2,536,675
		<b>₱49,480,232</b>	₱51,723,932	₱50,696,772

The cost of fully depreciated property and equipment still being used by the Company amounted to ₱1,271.2 million and ₱1,276.9 million as at December 31, 2025 and 2024, respectively.

In 2025, the Company sold fully depreciated property and equipment which resulted to a gain amounting to ₱0.9 million. In 2024, the Company sold property and equipment with a carrying amount of ₱52,401 which resulted to a gain amounting to ₱3,314 (see Note 16).

Moreover, the Company also retired various property and equipment resulting to a loss of ₱843 and ₱422 in 2025 and 2024, respectively. This is presented as part of “Others” under “Cost of sales and services” and “General and administrative expenses” accounts in the statements of comprehensive income.

Construction in progress pertains to construction of Boom Gates, Slope Protection and other ongoing projects that are expected to be completed in 2026.

The Company does not have contractual commitments as at December 31, 2025 and 2024.

## 8. Other Noncurrent Assets

This account consists of:

	2025	2024
Refundable deposits	₱537,679	₱46,575
Advances to contractors and suppliers	410,441	766,027
Advances to employees	400,000	–
Computer software	179,618	–
Deferred input VAT - net of current portion	–	114,264
	<b>₱1,527,738</b>	<b>₱926,866</b>

Computer software pertains to the cost of the Company's accounting and information system. Movements in the computer software are as follows:

	Note	2025	2024
<b>Cost</b>			
Balance at beginning of year		₱1,415,072	₱1,415,072
Additions		211,315	–
Balance at end of year		1,626,387	1,415,072
<b>Accumulated Amortization</b>			
Balance at beginning of year		1,415,072	1,132,058
Amortization	7	31,697	283,014
Balance at end of year		1,446,769	1,415,072
<b>Carrying Amount</b>		<b>₱179,618</b>	<b>₱–</b>

Advances to contractors and suppliers represent payment for construction of property and equipment which will be recouped upon every progress billing payment depending on the percentage of accomplishment.

## 9. Trade and Other Payables

This account consists of:

	Note	2025	2024
Trade:			
Third parties		₱20,064,978	₱16,147,859
Related parties	11	10,358,974	6,140,688
Membership dues collected in advance		53,240,987	44,469,246
Accrued expenses		17,409,113	12,019,770
Refundable deposits		9,933,120	7,841,832
Auctioned membership liability		9,153,606	11,247,287
Statutory payables		2,878,045	2,407,906
Nontrade		2,148,448	1,804,398
Concessionaires	18	2,118,292	2,282,756
Retention payable		2,048,402	3,050,598
Unclaimed gift certificates		1,000,950	1,230,950
Others		945,500	789,300
		<b>₱131,300,415</b>	<b>₱109,432,590</b>

Trade payables to third parties are noninterest-bearing and are normally settled on a 30 to 60 days term.

Payables to related parties arise from the use of facilities of the related parties by the Company's members. This also consists of reimbursement of operating expenses to related parties. These payables are due and demandable.

Membership dues collected in advance pertain to membership dues that are already collected but are not yet earned as at reporting date. These are expected to be classified as members' support within the next financial year.

Accrued expenses pertain to accruals for rent, utilities, and other contracted services which are generally settled within the following month.

Refundable deposits pertain to cash receipts from members upon assignment of shares which is expected to be refunded within one year. The amount paid is refundable upon completion of terms and conditions.

Auctioned membership liability refers to the unclaimed net proceeds or the excess of the bid price over the amount of receivables from delinquent members whose shares were sold at auction. These are normally claimed within 30 to 180 days.

Statutory payables pertain to obligations to government agencies that are normally settled in the following month.

Nontrade payables are noninterest-bearing and are normally settled within a year.

Concessionaires pertain to food and beverage sales collected by the Company for a third party which are remitted every month.

Retention payable pertains to amount withheld from contractors of the Company until the completion of specified conditions based on the agreement.

Unclaimed gift certificates refers to the gift certificates issued by the Company for the availment by the members of services and products of the Company. Paid and barter gift certificates are recognized as liability upon receipt of cash. Complimentary gift certificates are recognized as expense upon issuance.

The liabilities reversed by the Company in 2025, 2024 and 2023 are disclosed in Note 16 to the financial statements.

## 10. Mortgage Payable

In 2023, the Company entered into promissory notes with chattel mortgage with a local bank for the acquisition of eight vehicles. The total principal amounting to ₱5.3 million bears an interest rate of 8.70%. The mortgage is payable on a monthly installment basis over a term of 36 months.

Mortgage payable are classified as follows:

	2025	2024
Current	₱1,039,889	₱1,782,667
Noncurrent	–	1,039,889
	<b>₱1,039,889</b>	<b>₱2,822,556</b>

The reconciliation of the Company's liabilities arising from financing activities is presented below:

	2025				Balance at End of Year
	Balance at Beginning of Year	Noncash Changes	Interest Expense	Payments	
Mortgage payable	₱2,822,556	₱–	₱–	(₱1,782,667)	₱1,039,889
Interest payable	–	–	249,164	(249,164)	–
	<b>₱2,822,556</b>	<b>₱–</b>	<b>₱249,164</b>	<b>(₱2,031,831)</b>	<b>₱1,039,889</b>

	2024				Balance at End of Year
	Balance at Beginning of Year	Noncash Changes	Interest Expense	Payments	
Mortgage payable	₱4,605,223	₱–	₱–	(₱1,782,667)	₱2,822,556
Interest payable	–	–	249,164	(249,164)	–
	<b>₱4,605,223</b>	<b>₱–</b>	<b>₱249,164</b>	<b>(₱2,031,831)</b>	<b>₱2,822,556</b>

The mortgage payable contains covenants which restrict the mortgagor from selling, transferring, mortgaging or disposing of the mortgaged property or any portion thereof nor shall said property be removed or transported outside and beyond forty (40) kilometers from its location without written consent from the mortgagee.

The mortgage payable does not contain any financial covenants.

## 11. Related Party Transactions

The Company has the following transactions and balances with its related parties:

Related Parties	Transactions	Amount of Transactions			Outstanding Balances	
		2025	2024	2023	2025	2024
<b>Stockholder</b>						
<i>Trade and other receivables</i> (see Note 5)	Assignment fees, sponsorship and others	<b>₱29,560,751</b>	₱37,680,225	₱31,467,528	<b>₱2,541,944</b>	₱-
<i>Trade and other payables</i> (see Note 9)	Utilities, repairs and maintenance and reimbursement of expenses	<b>₱28,606,807</b>	₱38,154,692	₱32,941,070	₱-	₱87,000
<b>Related Parties with Common Stockholder</b>						
<i>Trade and other receivables</i> (see Note 5)	Green fees, food, beverage, sundries, golf cart, locker rental and reimbursement of expenses	<b>₱56,509,260</b>	₱88,998,690	₱67,144,899	<b>₱4,704,305</b>	₱17,614,528
<i>Trade and other payables</i> (see Note 9)	Club services and reimbursement of expenses	<b>₱155,250,452</b>	₱213,917,869	₱208,473,971	<b>₱10,358,974</b>	₱6,053,688
<b>Plan Assets</b>						
<i>Retirement plan assets</i> (see Note 17)	Contributions	₱-	₱2,152,801	₱3,690,516	<b>₱37,902,277</b>	₱36,081,954

### **Terms and Conditions of Transactions with Related Parties**

The outstanding balances as at year-end are unsecured, noninterest-bearing, due and demandable and settlement is performed through cash and offsetting of receivables and payables with the same related party. The Company has not made any provision for ECL relating to the amounts owed by the related parties. This assessment is undertaken each financial year by examining the financial position of the related parties and the market in which the related parties operate.

### **Transactions with a Stockholder**

Transactions with Belle consist of reimbursement of assignment fees, sponsorship, reimbursement of utilities and other expenses and repairs and maintenance works.

### **Transactions with Other Tagaytay Highlands Clubs**

*Reciprocity Agreements.* On October 6 and 8, 1999, the Company entered into a Reciprocity Agreement with other Tagaytay Highlands Clubs that are substantially owned by Belle, whereby members of the Company and other Tagaytay Highlands Clubs will be allowed to enjoy the use of each other's facilities, subject to rules and regulations. This agreement shall remain in effect until mutually terminated by the parties. Receivables include rendering of sales and services to members of other Tagaytay Highlands Clubs while payables include collections on behalf of other Tagaytay Highlands Clubs.

*Others.* The Company also has transactions for reimbursement of operating expenses such as contract services, repairs and maintenance, utilities and labor cost. Moreover, this also includes payments of food and beverage costs, room and spa, massage charges and shuttle services of the Company's employees.

Transactions with Retirement Benefit Plan

The Company has a retirement benefit plan in the form of a bank-trustee managed account with BDO Unibank, Inc. - Trust and Investments Group. The Company's transactions with the retirement fund mainly pertain to contributions during the year.

Compensation of Key Management Personnel

Compensation of key management personnel are as follows:

	2025	2024	2023
Short-term employee benefits	<b>₱14,029,577</b>	₱13,668,657	₱13,021,935
Long-term employee benefits	<b>185,787</b>	140,120	116,879
	<b>₱14,215,364</b>	₱13,808,777	₱13,138,814

**12. Equity**

Track Record of Registration of Securities

The following summarizes the information on the Company's registration of securities under the Securities Regulation Code:

Date of SEC Approval	Authorized Shares	Number of Shares Issued	Issue/Offer Price
July 23, 1997	6,000	6,000	₱1,500,000 to ₱3,000,000

The authorized capital stock of the Company amounted to ₱600,000,000 divided into 6,000 shares with par value of ₱100,000 per share. The details of the Company's proprietary membership certificates and APIC as at December 31, 2025 and 2024 are as follows:

Authorized and subscribed	₱600,000,000
Subscription receivable	(67,500,000)
Proprietary membership certificates	₱532,500,000
Excess of pre-agreed amount of development cost over total par value of shares	₱2,044,000,000
Subscription receivable	(233,366,582)
APIC	₱1,810,633,418

Development Agreement

The Company entered into a Development Agreement (DA) with Belle for the construction and development of a 36-hole golf course on April 17, 1997. The said DA was amended on December 15, 1999. The terms of the amended DA call for as many subscriptions as there are shares, such that the shares to be issued to Belle as the development progresses will be in proportion to pre-agreed amount of development cost, inclusive of the initial capital contribution.

The excess of such development cost over the total par value of the Company's shares of stock shall constitute APIC of the Company.

As at December 31, 2018, 18 holes were already constructed for which 4,738 shares have been issued to Belle. In 2019, additional 9 holes were developed and turned-over to the Company with a total development cost of ₱264.5 million for which additional 587 shares were issued to Belle. Subscriptions receivable pertains to the remaining 9 holes for development.

Restrictive Conditions

The Company is an exclusive club and is organized on a nonprofit basis for the sole benefit of its members. The ownership of all shares of stock of the Company is subject to the following restrictive conditions:

- a. No issuance or transfer of shares of stock of the Company which would reduce the stock ownership of Philippine citizens or nationals to less than the minimum percentage of the outstanding capital stock required by any applicable provisions of the Constitution, law, or regulation to be owned by Philippine citizens or nationals, shall be made or effected by, or shall be recorded in the books of the Company.
- b. No holder, of any class of shares of the Company shall have, as such holder any preemptive right to acquire, purchase, or subscribe for any share of the capital stock of any class of the Company which it may issue or sell, whether out of the number of shares authorized by the Articles of Incorporation as originally filed, or by any amendment thereof, or out of shares of the capital stock of any class of the Company acquired by it after the issue thereof; nor shall any holder of any class of shares of the Company have, as such stockholder, have any preemptive right to acquire, purchase, or subscribe for any obligation which the Company may issue or sell that shall be convertible into or exchangeable for any shares of the capital stock of any class of the Company or to which shall be attached or appertain any warrant or any instrument that shall confer upon the owner of such obligation, warrant, or instrument the right to subscribe for, or to acquire or purchase from the Company, any share of its capital stock of any class.
- c. No profit shall inure to the exclusive benefit of any of its stockholders, hence, no dividend shall be declared in their favor. Stockholders 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.
- d. The owners of shares of the Company shall be subject to the payment of monthly dues and other dues and assessments and subject to such rules and conditions as may be prescribed in the By-Laws or by the BOD to meet the expenses for the general operations of the Company, and the maintenance and improvement of its premises and facilities, in addition to such fees as may be charged for the actual use of the facilities. In the case of a stockholder who is a corporate stockholder, the designated representative shall be initially billed for such dues. In case of nonpayment by the representative, the corporate stockholder shall be ultimately liable for the payment of such dues. Such dues together with all other obligations of the stockholders to the Company, shall constitute a first lien on the shares, second only to any lien in favor of the national or local government, and in the event of delinquency such shares may be ordered sold by the BOD in the manner provided in the By-Laws to satisfy said dues or other obligations of the stockholders.
- e. Any stockholder selling or disposing of his/its share(s) in the Company shall pay a transfer fee in such amount as may be determined by the BOD from time to time. Said transfer fee shall be levied and collected at the time of transfer in the Company's Stock and Transfer Book. Any transfer of shares, except transfer by hereditary succession, made in violations of these conditions shall be null and void and shall not be recorded in the books of the Company.

- f. Except in the case of legally married spouses, shares of stock of the Company may be registered only in the name of a single person, firm, entity, association or corporation. In the case of legally married spouses, one of the spouses may be entitled to apply for membership in the Company. Juridical entities may also designate only one individual playing representative for each share of stock owned by them.
- g. A holder of a share of stock of the Company is not an ipso facto member of the Company, and he must file an application for Company membership, which shall be subject to the approval of the BOD. If an application for membership of a stockholder is disapproved by the BOD, the stockholder shall dispose of his share within a period of sixty (60) days from notice of such disapproval. In the event of his failure to affect such transfer, his share shall be offered for sale at auction in the manner prescribed in the By-Laws or by the BOD.
- h. In case any stockholder or member violates the provisions of the Articles of Incorporation or the By-Laws or the rules and regulations of the Company, or the resolutions duly promulgated by the BOD or the stockholders, or commit any other act or conduct which the BOD may deem injurious to the interest or hostile to the objects of the Company, such stockholder or member may be expelled by the BOD in the manner provided in the By-Laws upon proper notice and hearing. A stockholder/member who is so expelled shall then ceases to be a stockholder/member and shall have no right with respect to his share except the right to demand payment therefore in accordance with these By-Laws. The Company shall have a period of thirty (30) days from the expulsion of the stockholder to make payment of his share/s, and upon such payment the stockholder shall forthwith transfer and assign the share/s held by him as directed by the Company.
- i. Certificates of stock shall be in such form as the BOD shall approve; but all certificates of stock of the Company shall contain an appropriate reference to the foregoing limitations and restrictions, and stock may be issued or transferred in the books of the Company only in accordance with the terms and provisions of such limitations and restrictions.

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### 13. Basic and Diluted Income Per Proprietary Membership Certificate

Basic and diluted income per proprietary membership certificate is computed as follows:

	Note	2025	2024	2023
Net income (a)		<b>₱41,659,299</b>	₱43,392,643	₱46,676,265
Weighted average number of proprietary membership certificates (b)	12	<b>6,000</b>	6,000	6,000
Basic and diluted income per proprietary membership certificate (a/b)		<b>₱6,943</b>	₱7,232	₱7,779

In 2025, 2024 and 2023, the Company has no potential dilutive proprietary membership certificates outstanding. Therefore, basic income per proprietary membership certificate is the same as diluted income per proprietary membership certificate.

#### 14. Cost of Sales and Services

##### Cost of Sales

This account consists of:

	2025	2024	2023
Food cost	P14,879,894	P16,015,948	P17,920,502
Beverage cost	4,395,042	5,024,108	5,215,733
Sundry inventory cost	1,467,507	1,468,646	1,268,423
	<b>P20,742,443</b>	<b>P22,508,702</b>	<b>P24,404,658</b>

##### Cost of Services

This account consists of:

	Note	2025	2024	2023
Salaries and other benefits		P63,956,426	P53,633,183	P47,427,124
Repairs and maintenance		59,801,439	44,447,572	40,961,596
Depreciation and amortization	7	47,417,234	49,037,326	48,160,097
Communication, light and water		24,265,986	31,817,221	21,506,752
Club tournament		22,475,789	17,298,666	14,903,659
Outside services		15,744,937	13,403,617	13,713,805
Taxes and licenses		5,982,635	5,783,369	5,784,670
Supplies		5,188,413	4,887,599	4,593,680
Fuel and oil		3,329,894	7,401,288	3,436,733
Caddy expense		2,942,799	2,492,945	2,371,888
Bank charges		2,313,860	1,924,841	1,911,911
Laundry		2,140,549	2,815,984	2,322,037
Insurance		1,194,631	1,055,169	823,256
Retirement expense	17	1,072,715	909,655	919,616
Rent	18	1,037,386	942,812	1,447,290
Dues and subscriptions		907,291	735,535	189,236
Representation		855,817	1,132,959	999,469
Transportation and travel		224,171	142,024	121,620
Waste disposal		31,619	281,361	691,300
Others		4,268,572	6,321,969	7,095,783
		<b>P265,152,163</b>	<b>P246,465,095</b>	<b>P219,381,522</b>

Others mainly pertain to costs incurred from events and other activities held by the Company. This also includes loss on retirement of property and equipment.

Details of salaries and other benefits are as follows:

	2025	2024	2023
Salaries and wages	P52,586,072	P45,765,105	P41,034,068
Employee benefits and others	21,048,792	16,826,986	15,295,338
	<b>P73,634,864</b>	<b>P62,592,091</b>	<b>P56,329,406</b>

Salaries and other benefits recognized in profit or loss are as follows:

	Note	2025	2024	2023
Cost of services		<b>₱63,956,426</b>	₱53,633,183	₱47,427,124
General and administrative expenses	15	<b>9,678,438</b>	8,958,908	8,902,282
		<b>₱73,634,864</b>	₱62,592,091	₱56,329,406

#### 15. General and Administrative Expenses

This account consists of:

	Note	2025	2024	2023
Repairs and maintenance		<b>₱9,959,835</b>	₱6,314,900	₱3,232,617
Salaries and other benefits	14	<b>9,678,438</b>	8,958,908	8,902,282
Processing fee		<b>5,996,930</b>	1,500,000	1,000,000
Taxes and licenses		<b>5,889,859</b>	5,651,668	5,621,518
Outside services		<b>5,486,114</b>	7,034,066	6,593,883
Communication, light and water		<b>2,738,211</b>	968,731	1,668,715
Bank charges		<b>2,313,860</b>	1,924,890	1,912,087
Depreciation and amortization	7	<b>2,062,998</b>	2,686,606	2,536,675
Retirement expense	17	<b>1,072,714</b>	909,654	919,616
Supplies		<b>592,227</b>	576,647	545,679
Fuel and oil		<b>583,479</b>	628,185	598,427
Insurance		<b>521,989</b>	623,519	601,516
Rent	18	<b>403,494</b>	358,339	50,142
Representation		<b>363,573</b>	104,237	36,998
Transportation and travel		<b>106,950</b>	184,429	52,885
Laundry		<b>43,090</b>	1,320	29,962
Waste disposal		<b>24,134</b>	279,535	1,669,301
Others		<b>1,875,849</b>	240,368	513,439
		<b>₱49,713,744</b>	₱38,946,002	₱36,485,742

Others pertain to expenses related to club activities which are not individually material. This includes loss on retirement of property and equipment.

## 16. Other Income - Net

This account consists of:

	Note	2025	2024	2023
Membership transfer fees		<b>₱17,419,643</b>	₱16,076,929	₱18,318,594
Insurance claims		<b>10,715,495</b>	–	–
Sponsorship		<b>8,167,162</b>	4,381,476	749,050
Assignment fees		<b>4,990,434</b>	5,904,107	5,887,181
Members' penalties and charges		<b>4,633,070</b>	3,819,783	3,856,542
Commission income		<b>2,566,338</b>	3,184,399	2,954,123
Gain on sale of property and equipment	7	<b>879,614</b>	3,314	–
Store space rental	18	<b>707,143</b>	707,143	664,342
Reversal of liabilities	9	<b>320,520</b>	1,564,613	787,105
Cell sites rental	18	<b>251,928</b>	251,928	220,536
Unrealized foreign exchange gain (loss)		<b>18,819</b>	57,305	(6,633)
Reversal of allowance for ECL		–	–	808,298
Others		<b>2,415,520</b>	2,007,472	1,009,007
		<b>₱53,085,686</b>	₱37,958,469	₱35,248,145

Membership transfer fees include income derived from transfer of right by an individual member through selling of shares and transfer of right through change of designee by a corporate member.

Insurance claims pertain to compensation received by the Company from its insurance policy in relation to the eruption of Taal Volcano in 2020.

Assignment fees refer to income arising from assignment of members' right to any other party for the right to use the facilities of the Company.

Members' penalties and charges pertain to collection from members for late payments of membership dues and other charges.

Commission income pertains to income derived from its members' use of the golf course owned by the other Tagaytay Highlands Club.

Reversal of liabilities pertains to derecognition of long-outstanding unclaimed gift certificates, staled checks and other payables.

Others pertain to income derived from events held by the Company which include wedding ceremonies, seminars, golf tournaments, among others.

## 17. Retirement Benefits

The Company is a participant to the Tagaytay Highlands Multiemployer Retirement Plan which is a non-contributory defined benefit plan. The plan provides a retirement benefit equal to one hundred percent (100%) of plan salary for every year of credited service or in accordance with the collective bargaining agreement. Benefits are paid in a lump sum upon retirement or separation in accordance with the terms of the plan.

The retirement benefit obligation is determined using the projected unit credit method. The latest available actuarial report of the Company is as at December 31, 2025.

The components of retirement expense are as follows:

	2025	2024	2023
Current service cost	₱2,626,389	₱2,267,555	₱2,154,653
Net interest income	(546,855)	(496,594)	(331,951)
Interest on the effect of asset ceiling	65,895	48,348	16,530
	<b>₱2,145,429</b>	<b>₱1,819,309</b>	<b>₱1,839,232</b>

The components of retirement expense recognized in profit or loss are as follows:

	Note	2025	2024	2023
Cost of services	14	₱1,072,715	₱909,655	₱919,616
General and administrative expenses	15	1,072,714	909,654	919,616
		<b>₱2,145,429</b>	<b>₱1,819,309</b>	<b>₱1,839,232</b>

The components of net retirement asset are as follows:

	2025	2024
FVPA	₱37,902,277	₱36,081,954
Present value of DBO	(31,927,610)	(27,131,776)
Effect of the asset ceiling	(502,447)	(1,078,478)
	<b>₱5,472,220</b>	<b>₱7,871,700</b>

The changes in FVPA are as follows:

	2025	2024
Balance at beginning of year	₱36,081,954	₱31,055,323
Interest income	2,204,607	1,934,330
Remeasurement gain (loss)	(384,284)	939,500
Contributions	-	2,152,801
Balance at end of year	<b>₱37,902,277</b>	<b>₱36,081,954</b>

The changes in present value of the retirement liability are as follows:

	2025	2024
Balance at beginning of year	P27,131,776	P23,882,664
Current service cost	2,626,389	2,267,555
Interest expense	1,657,752	1,437,736
Benefits paid from book reserve	(373,552)	(1,451,788)
Remeasurement loss (gain) on DBO due to changes in:		
Experience adjustments	734,635	1,099,657
Demographic assumptions	182,773	-
Financial assumptions	(32,163)	(104,048)
Balance at end of year	P31,927,610	P27,131,776

The changes in the effect of asset ceiling are as follows:

	2025	2024
Balance at beginning of year	P1,078,478	P803,131
Interest cost	65,895	48,348
Remeasurement loss (gain)	(641,926)	226,999
Balance at end of year	P502,447	P1,078,478

The cumulative remeasurement loss recognized in OCI as at December 31 are as follows:

	2025		
	Cumulative	Deferred	Net
	Remeasurement Loss	Income Tax	
Balance at beginning of year	P4,586,772	(P1,146,693)	P3,440,079
Remeasurement loss	627,603	(156,901)	470,702
Balance at end of year	P5,214,375	(P1,303,594)	P3,910,781

	2024		
	Cumulative	Deferred	Net
	Remeasurement Loss	Income Tax	
Balance at beginning of year	P4,303,664	(P1,075,916)	P3,227,748
Remeasurement loss	283,108	(70,777)	212,331
Balance at end of year	P4,586,772	(P1,146,693)	P3,440,079

The principal actuarial assumptions used to determine retirement benefits are as follows:

	2025	2024
Discount rate	6.14%	6.11%
Salary increase rate	4.00%	4.00%

The sensitivity analysis based on reasonably possible changes of the assumptions is as follows:

	Change in Assumption	Effect on the present value of retirement liability	
		2025	2024
Discount rate	+100bps	<b>(P1,029,243)</b>	(P1,096,604)
	-100bps	<b>1,115,720</b>	1,210,948
Salary increase rate	+100bps	<b>1,128,345</b>	1,224,431
	-100bps	<b>(1,059,377)</b>	(1,128,108)

Each sensitivity analysis on the significant actuarial assumptions was prepared by remeasuring the DBO at the end of each reporting date after first adjusting one of the current assumptions according to the applicable sensitivity increment or decrement (based on changes in the relevant assumption that were reasonably possible at the valuation date) while all other assumptions remained unchanged. The sensitivities were expressed as the corresponding change in the DBO.

It should be noted that the changes assumed to be reasonably possible at the valuation date are open to subjectivity, and do not consider more complex scenarios in which changes other than those assumed may be deemed more reasonable.

The composition of plan assets for benefits as at December 31 is as follows:

	2025	2024
Debt instruments - government bonds	<b>91.07%</b>	87.46%
Debt Instruments - other bonds	<b>6.14%</b>	6.53%
Cash and cash equivalents	<b>0.94%</b>	3.07%
Unit investment trust funds	<b>0.91%</b>	0.78%
Others (market gain/loss, accrued receivables net of payables, etc.)	<b>0.94%</b>	2.16%
	<b>100.00%</b>	100.00%

The retirement plan exposes the Company to actuarial risks as follows:

*Investment and Interest Risks.* The present value of retirement liability for consistency is calculated using a discount rate determined by reference to market yields to government bonds. Generally, a decrease in the interest rate of a reference government bonds will increase the plan obligation. However, this will be partially offset by an increase in the return on the plan's investments and if the return on plan asset falls below this rate, it will create a deficit in the plan.

*Longevity and Salary Risks.* The present value of retirement liability is calculated by reference to the best estimate of the mortality of the plan participants both during and after their employment and to their future salaries. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the plan obligation.

Maturity analysis of the undiscounted benefit payments as at December 31 are as follows:

	2025	2024
Within 1 year	<b>P16,693,112</b>	P11,817,736
More than 1 year to 5 years	<b>14,381,817</b>	8,129,291
More than 5 years	<b>18,327,101</b>	18,687,177
	<b>P49,402,030</b>	P38,634,204

The weighted average duration of the retirement liability is 3.4 years and 4.3 years as at December 31, 2025 and 2024, respectively.

## 18. Significant Agreements

### **The Company as a Lessee**

The Company leases a five-door and eight-door building with lease terms of 12 months or less and leases of office equipment that is of low value. The Company applied the short-term lease and lease of low-value assets recognition exemptions for these leases.

	Note	2025	2024	2023
Cost of services	14	<b>₱1,037,386</b>	₱942,812	₱1,447,290
General and administrative expenses	15	<b>403,494</b>	358,339	50,142
		<b>₱1,440,880</b>	<b>₱1,301,151</b>	<b>₱1,497,432</b>

### **The Company as a Lessor**

#### **Store Space**

The Company entered into a concession agreement with a third party wherein they shall operate a retail sales outlet and sell a complete line of golf equipment, apparel, accessories and other sports equipment apparel. The contract is effective for 2 years from April 1, 2023 to December 31, 2025.

Store space rental income in 2025, 2024 and 2023 are disclosed in Note 16 to the financial statements.

#### **Cell Sites**

The Company entered into a lease agreement with a third party wherein they will lease the land located at Midlands for cell sites to be situated in the area. The term is for a period of 10 years starting August 12, 2013 to August 11, 2023 and was renewed from August 12, 2023 to August 11, 2033.

The Company entered into a lease agreement with a third party wherein they will lease the land located at Midlands Talisay, Batangas for cell sites to be situated in the area. The term is for a period of 10 years starting June 25, 2014 to June 24, 2024 and was renewed from June 25, 2024 to June 25, 2034.

Cell sites' rental income recognized by the Company in 2025, 2024 and 2023 are disclosed in Note 16 to the financial statements.

#### **Concession**

The Company entered into a concession contract agreement with a third party wherein the third party will provide food and beverage or complete restaurant amenities at the restaurant of the Company. The contract is effective from August 1, 2023 to July 31, 2025 and was renewed from August 1, 2025 to July 31, 2027.

The Company charges the concessionaire commission based on monthly sales. This is presented as part of "Food, beverage and sundries" under "Revenues" account in the statements of comprehensive income.

Payable to concessionaire which pertains to food and beverage sales collected by the Company as at December 31, 2025 and 2024 are disclosed in Note 9 to the financial statements.

## 19. Income Tax

The Company has no provision for current income tax due to its tax loss position in 2025, 2024 and 2023. Provision for (benefit from) deferred income tax amounted to (₱0.5 million), ₱0.5 million and ₱0.5 million in 2025, 2024 and 2023.

On June 26, 2019, the Supreme Court (SC) released a decision discussing that membership dues, assessment fees, etc. are exempt from income tax and VAT. This is the SC case G.R. No. 228539 entitled "Association of Non-Profit Clubs, Inc. (ANPC) vs. Bureau of Internal Revenue" which was rendered final and executory with the Entry of Judgment made at the SC Second Division.

SC ruled that, for as long as these membership fees, assessment dues and the like are treated as collections by recreational clubs from their members as an inherent consequence of their membership, and are, by nature, intended for the maintenance, preservation and upkeep of the clubs' general operations and facilities, then these fees cannot be classified as "the income of recreational clubs from whatever source" that are "subject to income tax". Instead, they only form part of capital from which no income tax may be collected or imposed.

The components of the Company's deferred tax liabilities are as follows:

	2025	2024
Net retirement asset	₱1,368,055	₱1,967,925
Unrealized foreign exchange gain	4,705	14,326
	<b>₱1,372,760</b>	<b>₱1,982,251</b>

The components of the Company's unrecognized deferred tax assets are as follows:

	2025	2024
NOLCO	₱126,642,657	₱177,052,907
Excess of contribution over service cost	2,007,065	2,430,454
	<b>₱128,649,722</b>	<b>₱179,483,361</b>

These unrecognized deferred tax assets amounting to ₱128.6 million and ₱179.5 million as at December 31, 2025 and 2024, respectively, were not recognized since management believes that it is not probable that taxable income will be available against which the deferred tax assets can be utilized.

The details of NOLCO which can be claimed as deduction from future taxable income are shown below.

Year Incurred	Beginning Balance	Incurred	Expired	Ending Balance	Valid Until
2025	₱-	₱120,723,484	₱-	₱120,723,484	2028
2024	131,331,373	-	-	131,331,373	2027
2023	125,142,378	-	-	125,142,378	2026
2022	123,236,219	-	(123,236,219)	-	2025
2021	129,373,393	-	-	129,373,393	2026
2020	199,128,267	-	(199,128,267)	-	2025
	<b>₱708,211,630</b>	<b>₱120,723,484</b>	<b>(₱322,364,486)</b>	<b>₱506,570,628</b>	

Under the Republic Act No. 11494, *Bayanihan to Recover as One Act*, and Revenue Regulations No. 25-2021, the Company is allowed to carry over its operating losses incurred for the taxable years 2020 and 2021 for the next five years immediately following the year of such loss.

The reconciliation of provision for income tax computed at the statutory tax rate and the effective tax rate follows:

	2025	2024	2023
Provision for income tax at statutory income tax rate	<b>₱10,301,677</b>	₱10,963,322	₱11,802,282
Expired NOLCO	<b>80,591,122</b>	-	-
Tax effects of:			
Nontaxable membership dues	<b>(47,503,913)</b>	(48,052,114)	(46,976,083)
Nondeductible expenses	<b>12,222,549</b>	9,634,340	8,005,063
Interest income subjected to final tax	<b>(5,230,386)</b>	(4,492,698)	(3,344,154)
Change in unrecognized deferred tax assets	<b>(50,833,639)</b>	32,407,796	31,045,754
	<b>(₱452,590)</b>	₱460,646	₱532,862

Corporate Recovery and Tax Incentives for Enterprises Act (CREATE)

Under the CREATE Act which took effect on July 1, 2020, the regular corporate income tax (RCIT) rate of domestic corporations is computed at 25% or 20% depending on the amount of total assets and taxable income. Accordingly, the income tax rates used in preparing the financial statements as at and for the years ended December 31, 2025 and 2024 were 25% for RCIT and 2% for minimum corporate income tax, respectively.

## 20. Financial Assets and Financial Liabilities

### Financial Risk Management Objectives and Policies

The Company's principal financial instruments consist of cash and cash equivalents, trade and other receivables, refundable deposits and advances to employees (both presented under "Other noncurrent assets" account), trade and other payables (excluding membership dues collected in advance, statutory payables and unclaimed gift certificates) and mortgage payable. The main purpose of these financial instruments is to provide funds for the Company's operations and capital expenditures.

The BOD has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and manage the Company's exposure to financial risks, to set appropriate transaction limits and controls, and to monitor and assess risks and compliance to internal control policies. Risk management policies and structure are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company has exposure to credit risk and liquidity risk from the use of its financial instruments. The BOD reviews and approves the policies for managing each of these risks.

*Credit Risk.* Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligation. The Company limits its exposure to credit risk by depositing its cash in banks and cash equivalents with high reputable and pre-approved financial institutions. In addition, trade and other receivables are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

The Company's maximum exposure to credit risk is equal to the carrying amount of its financial assets.

The Company has no concentration of credit risk.

The tables below show the credit quality by class of financial assets based on the Company's credit rating system.

	2025				
	Neither Past Due nor Impaired		Past Due but not Impaired	Credit Impaired	Total
	High Grade	Standard Grade			
Lifetime ECL -					
Trade receivables from:					
Credit card	<b>₱1,359,883</b>	<b>₱-</b>	<b>₱-</b>	<b>₱-</b>	<b>₱1,359,883</b>
Members	-	<b>51,192,930</b>	-	-	<b>51,192,930</b>
Related parties	-	<b>7,246,249</b>	-	-	<b>7,246,249</b>
12-month ECL:					
Cash in banks and cash equivalents	<b>583,405,198</b>	-	-	-	<b>583,405,198</b>
Nontrade receivables	-	<b>7,350,207</b>	-	-	<b>7,350,207</b>
Refundable deposits*	-	<b>537,679</b>	-	-	<b>537,679</b>
Advances to employees*	-	<b>400,000</b>	-	-	<b>400,000</b>
	<b>₱584,765,081</b>	<b>₱66,727,065</b>	<b>₱-</b>	<b>₱-</b>	<b>₱651,492,146</b>

\*Presented under "Other noncurrent assets" account in the statements of financial position.

	2024				
	Neither Past Due nor Impaired		Past Due but not Impaired	Credit Impaired	Total
	High Grade	Standard Grade			
Lifetime ECL -					
Trade receivables from:					
Credit card	<b>₱5,682,648</b>	<b>₱-</b>	<b>₱-</b>	<b>₱-</b>	<b>₱5,682,648</b>
Members	-	<b>44,181,522</b>	-	-	<b>44,181,522</b>
Related parties	-	<b>17,614,528</b>	-	-	<b>17,614,528</b>
12-month ECL:					
Cash in banks and cash equivalents	<b>488,913,355</b>	-	-	-	<b>488,913,355</b>
Nontrade receivables	-	<b>4,741,443</b>	-	-	<b>4,741,443</b>
Refundable deposits*	-	<b>46,575</b>	-	-	<b>46,575</b>
	<b>₱494,596,003</b>	<b>₱66,584,068</b>	<b>₱-</b>	<b>₱-</b>	<b>₱561,180,071</b>

\*Presented under "Other noncurrent assets" account in the statements of financial position.

- High grade - applies to customers and counterparties that always pay on time or even before maturity.
- Standard grade - applies to receivable from counterparties that always pay on due date if they are reminded or followed up by the Company.
- Past due but not impaired - items with history of frequent default, nevertheless, the amounts are still collectible.
- Impaired - those that are long outstanding or those that have been provided with an allowance for ECL.

**Liquidity Risk.** Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company seeks to manage its liquidity profile to be able to finance its capital expenditures and service its maturing debts. The Company's objective is to maintain a balance between continuity of funding and flexibility through valuation of projected and actual cash flow information.

The Company considers obtaining borrowings as the need arises.

As at December 31, 2025 and 2024, the Company's trade and other payables (excluding membership dues collected in advance, statutory payables and unclaimed gift certificates) and current mortgage payable are generally settled within a year. Noncurrent portion of mortgage payable is settled more than one (1) year.

### **Capital Management**

The primary objective of the Company's capital management is to ensure that the Company has sufficient funds in order to support its operations, pay existing obligations and maximize the members' membership certificate value. The Company manages its capital structure and makes adjustments to it, whenever there are changes in economic conditions. To manage or adjust the capital structure, the Company may obtain additional support from members. No changes were made in the objectives, policies or processes in 2025, 2024 and 2023. The Company considers its equity as capital employed and monitors capital using the monthly cash position report and financial statements.

### **Fair Value of Financial Assets and Liabilities**

The table below presents the carrying amount and fair value of financial instruments:

	2025		2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets at Amortized Cost:</b>				
Cash and cash equivalents	<b>₱586,366,042</b>	<b>₱586,366,042</b>	₱491,898,076	₱491,898,076
Trade and other receivables	<b>67,194,155</b>	<b>67,194,155</b>	72,220,141	72,220,141
Refundable deposits*	<b>537,679</b>	<b>537,679</b>	46,575	46,575
Advances to employees*	<b>400,000</b>	<b>400,000</b>	–	–
	<b>₱654,497,876</b>	<b>₱654,497,876</b>	₱564,164,792	₱564,164,792
<b>Financial Liabilities at Amortized Cost:</b>				
Trade and other payables**	<b>₱73,234,933</b>	<b>₱73,234,933</b>	₱60,535,188	₱60,535,188
Mortgage payable	<b>1,039,889</b>	<b>1,039,889</b>	2,822,556	2,709,566
	<b>₱74,274,822</b>	<b>₱74,274,822</b>	₱63,357,744	₱63,244,754

\*Presented under "Other noncurrent assets" account in the statements of financial position.

\*\*Excluding membership dues collected in advance, statutory payables and unclaimed gift certificate with an aggregate amount of ₱57.1 million and ₱48.1 million as at December 31, 2025 and 2024, respectively.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate such value:

*Cash and Cash Equivalents, Trade and Other Receivables, Trade and Other Payables (excluding Membership Dues Collected in Advance, Statutory Payables and Unclaimed Gift Certificates).* Due to the short-term nature and demandable feature of these financial instruments, their fair values approximate the carrying amounts as at reporting date.

*Refundable Deposits.* These are presented at cost since the timing and amounts of future cash flows related to the refundable deposits are linked to the termination of the contract with the electricity provider which cannot be reasonably and reliably estimated.

*Advances to Employees.* The carrying value of advances to employees approximates their fair values since the effect of discounting the cash flows from this instrument was determined by management to be insignificant.

*Mortgage Payable.* In 2025, due to the short-term nature of the mortgage payable, the fair value approximates the carrying amount. In 2024, the fair value of mortgage payable is estimated using the discounted cash flow technique with effective interest rate of 5.7%. The fair valuation has been categorized as Level 2 in the fair value hierarchy.

There were no transfers between levels in the fair value hierarchy in 2025, 2024 and 2023.



**REPORT OF INDEPENDENT AUDITORS  
TO ACCOMPANY FINANCIAL STATEMENTS FOR FILING WITH THE  
SECURITIES AND EXCHANGE COMMISSION**

The Stockholders and the Board of Directors  
Tagaytay Midlands Golf Club, Inc.  
Bo. Tranca  
Talisay, Batangas

We have audited the accompanying financial statements of Tagaytay Midlands Golf Club, Inc. (the Company) as at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023, on which we have rendered our report dated April 18, 2026.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the Company has one (1) stockholder owning one hundred (100) or more shares.

**REYES TACANDONG & Co.**



CHRISTINA A. JOSÉ  
Partner



April 18, 2026  
Makati City, Metro Manila



**REPORT OF INDEPENDENT AUDITORS  
ON SUPPLEMENTARY SCHEDULES FOR FILING WITH THE  
SECURITIES AND EXCHANGE COMMISSION**

The Stockholders and the Board of Directors  
Tagaytay Midlands Golf Club, Inc.  
Barangay Tranca  
Talisay, Batangas

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Tagaytay Midlands Golf Club, In. (the Company) as at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023 and have issued our report thereon dated April 18, 2026. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole.

The following supplementary schedules are the responsibility of the Company's management. These are presented for purposes of complying with the Revised Securities Regulation Code Rule 68 Part II, and are not part of the basic financial statements:

- Schedule of Financial Soundness Indicators as at and for the years ended December 31, 2025 and 2024
- Schedules required by Annex 68-J of the Revised Securities Regulation Code (SRC) Rule 68 as at and for the year ended December 31, 2025

The supplementary schedules have been subjected to the audit procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

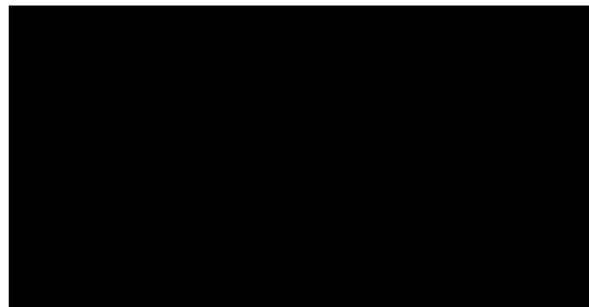
The Schedule of Financial Soundness Indicators, including their definitions, formulas, calculations, and their appropriateness or usefulness to the intended users, are the responsibility of the Company's management.

The financial soundness indicators are not measures of operating performance defined by the Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarity titled measures presented by other companies. The components of these financial soundness indicators have been traced to the Company's financial statements as at December 31, 2025 and 2024.

**REYES TACANDONG & Co.**



CHRISTINA A. JOSÉ  
Partner



April 18, 2026  
Makati City, Metro Manila

**TAGAYTAY MIDLANDS GOLF CLUB, INC.**

**SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS**

**DECEMBER 31, 2025 and 2024**

<b>Ratio</b>	<b>Formula</b>	<b>2025</b>	<b>2024</b>
Current Ratio	Total current assets	<b>₱692,703,632</b>	₱613,097,018
	Divided by: Total current liabilities	<b>132,340,304</b>	111,215,257
	<b>Current Ratio</b>	<b>5.23</b>	5.51
Acid Test Ratio	Total current assets	<b>₱692,703,632</b>	₱613,097,018
	Less: Inventories	<b>(224,694)</b>	(300,376)
	Other current assets	<b>(38,963,627)</b>	(48,678,425)
	Quick assets	<b>653,515,311</b>	564,118,217
	Divide by: Total current liabilities	<b>132,340,304</b>	111,215,257
	<b>Acid Test Ratio</b>	<b>4.94</b>	5.07
Solvency Ratio	Net income	<b>₱41,659,299</b>	₱43,392,643
	Add: Depreciation and amortization	<b>49,480,232</b>	51,723,932
	Net income before depreciation and amortization	<b>91,139,531</b>	95,116,575
	Divided by: Total liabilities	<b>133,713,064</b>	114,237,397
	<b>Solvency Ratio</b>	<b>68.16%</b>	83.26%
Debt-to-Equity Ratio	Total liabilities	<b>₱133,713,064</b>	₱114,237,398
	Divided by: Total equity	<b>1,850,544,366</b>	1,809,335,769
	<b>Debt-to-Equity Ratio</b>	<b>0.07</b>	0.06
Asset-to-Equity Ratio	Total assets	<b>₱1,984,257,430</b>	₱1,923,593,166
	Divided by: Total equity	<b>1,850,544,366</b>	1,809,335,769
	<b>Asset-to-Equity Ratio</b>	<b>1.07</b>	1.06
Return on Equity	Net income	<b>₱41,659,299</b>	₱43,392,643
	Divided by: Average total equity	<b>1,829,950,068</b>	1,787,765,613
	<b>Return on Equity</b>	<b>2.28%</b>	2.43%
Return on Assets	Net income	<b>₱41,659,299</b>	₱43,392,643
	Divided by: Average total assets	<b>1,953,925,298</b>	1,926,686,773
	<b>Return on Assets</b>	<b>2.13%</b>	2.25%
Net Profit Margin	Net income	<b>₱41,659,299</b>	₱43,392,643
	Divided by: Revenue and other income	<b>186,799,408</b>	159,564,633
	<b>Net Profit Margin</b>	<b>22.30%</b>	27.19%

**TAGAYTAY MIDLANDS GOLF CLUB, INC.**  
**SEC SUPPLEMENTARY SCHEDULES AS REQUIRED BY**  
**ANNEX 68-J OF REVISED SRC RULE 68**  
**DECEMBER 31, 2025**

**Table of Contents**

<u>Schedule</u>	<u>Description</u>	<u>Page</u>
A	Financial Assets	<u>N/A</u>
B	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)	<u>N/A</u>
C	Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements	<u>N/A</u>
D	Long-Term Debt	<u>N/A</u>
E	Indebtedness to Related Parties	<u>N/A</u>
F	Guarantees of Securities of Other Issuers	<u>N/A</u>
G	Proprietary Membership Certificates	<u>Attached</u>

*Notes:*

*A - None to report. The Company has no financial assets measured at fair value through profit or loss.*

*B - None to report. All receivables arise from the ordinary course of business.*

*C - Not applicable. The Company does not prepare consolidated financial statements.*

*D - None to report. The Company has no long-term debt.*

*E - None to report. The Company has no long-term indebtedness to a related party.*

*F - None to report. The Company has no guarantees of securities of other issuers.*

*\* No profit inures to the exclusive benefit of any of the Company's members and no dividend shall be declared in their favor, hence, a supplementary schedule of reconciliation of retained earnings available for dividend declaration as at December 31, 2025 is not applicable.*

**TAGAYTAY MIDLANDS GOLF CLUB, INC.**

**SCHEDULE G – PROPRIETARY MEMBERSHIP CERTIFICATES**

**DECEMBER 31, 2025**

<i>Title of issue</i>	<i>Number of proprietary membership certificates authorized</i>	<i>Number of certificates issued and outstanding as shown under statement of financial position</i>	<i>Number of certificates reserved for options, warrants, conversion and other rights</i>	<i>Number of proprietary membership certificates held by</i>		
				<i>Related parties</i>	<i>Directors, officers and employees</i>	<i>Others</i>
Proprietary Membership Certificates	6,000	6,000	–	3,533*	8	2,459

\*Includes subscription receivable amounting to ₱67,500,000 (675 shares).

**TAGAYTAY MIDLANDS GOLF CLUB, INC.**

**SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDIT FEE-RELATED INFORMATION  
FOR THE REPORTING PERIOD ENDED DECEMBER 31, 2025**

	<b>Current Year</b>	<b>Prior Year</b>
<b>Total Audit Fees</b>	<b>₱404,000</b>	<b>₱350,000</b>



Midlands Golf Club Tagaytay &lt;tagaytay.midlandsgolf@gmail.com&gt;

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1 message

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**eafs@bir.gov.ph** <eafs@bir.gov.ph>  
To: TAGAYTAY.MIDLANDSGOLF@gmail.com  
Cc: HARAVIDALLON.TAGAYTAYHIGHLNADS@gmail.com

Tue, May 12, 2026 at 8:26 AM

Hi TAGAYTAY MIDLANDS GOLF CLUB INC.,

### Valid files

- EAFS005008526TCRTY122025-02.pdf
- EAFS005008526TCRTY122025-34.pdf
- EAFS005008526RPTTY122025.pdf
- EAFS005008526ITRTY122025.pdf
- EAFS005008526TCRTY122025-01.pdf
- EAFS005008526AFSTY122025.pdf

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Transaction Code: **AFS-0-65J8E9FB0PNSYVZTYPPN2NMW20PSZR1RPQ**

Submission Date/Time: **May 12, 2026 08:26 AM**

Company TIN: **005-008-526**

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- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

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