2022 ANNUAL REPORT

CLUB PUNTA FUEGO

2022 ANNUAL REPORT

Vision and Mission Statement

"To be the preferred membership club in terms of facilities, activities, food & beverage, service quality and overall value in the country."

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Message to Shareholders

Dear Fellow Shareholders,

The year 2022 brought a mixture of challenges and milestones for our Club. Barely recovering from the severe impacts of the pandemic to the leisure and hospitality industry, the Club ceased operations for almost two weeks in January 2022 as 17 employees tested positive for COVID-19. This was followed by the negative global economic impacts of the Russia-Ukraine conflict triggering extraordinary spikes in fuel and oil prices, hyperinflation in commodities prices and further disruptions in the supply chain that caused difficulties in procuring key products necessary for our operation. The Club had to endure the ensuing upsurge in the cost of its operation resulting from significant increases in food and beverage costs, cost of supplies and materials, manpower and contracted services, repair and maintenance expenses and utilities.

Amidst all these adversities, the Club was able to stand its ground and ended the year with a total consolidated revenues of Php221 million, achieving a 50% growth from last year's Php147 million and surpassing by 1% the pre-pandemic revenue level of Php218 million in 2019. Despite an average increase of almost 60% in direct costs and operating expenses, EBITDA improved by 17% from Php28 million in 2021 to Php33 million in 2022. The year concluded with a net income after tax of Php7.5 million, ten times higher than the 2021 net income of Php0.68 million and a complete turnaround from the 2020 net loss of Php23 million. Cash level also increased by 31% from Php86 million in 2021 to Php112 million in 2022.

To ensure continuous improvements in services, facilities and the overall Club Punta Fuego experience for members and their families, Php26 million was invested in capital expenditures and special projects during the year. These included the renovations of six Sunset Suites, female locker room, tennis court and infinity pool shower area, repainting of the Casitas, replacement of Il Jardineto flooring to paver tiles and the renovation of Terrazas locker rooms, board walk comfort rooms, cabanas wash and shower areas. For the rooms, we replaced air conditioning units, television sets, curtains, beds and mattresses, linens and beddings, vanity and dining chairs. We also purchased various F&B items such as ice machines, microwave, blender, chafing dishes, kitchen and dining wares as well as banquet tables and covers. Marina projects included the jet ski catwalk installation, reconditioning of two tractors, expansion of outside mooring and the receipt of the rescue boat, engine and trailer. Major repairs were done on other areas such as the Uguis storeroom roofing, fire alarms and kitchen fire suppression system, generator sets and shuttles.

Notwithstanding our rising Club share price which has doubled from Php600,000 in 2021 to Php1.2 million by end of 2022, membership dues remain at Php4,000 monthly. We are working to further improve the Club's operational profitability and further improve EBITDA without relying on membership dues. The upgrades in our services and facilities are in line with our desire to continue to improve our service and to provide our members with memorable experiences. We remain committed to our vision of becoming "the preferred membership club in terms of facilities, activities, food and beverage, service quality and overall value in the country".

The year 2022 marked the 24th year of the Club's operation and we stay grateful to the patronage and loyalty of our members. The foundation that we have laid down in the past will enable us to remain competitive, profitable and sustainable. We look forward with faith and enthusiasm that we will get stronger and evolve together as we face the challenging years ahead.

Erickson Y. Manzano
President

Pedro Emilio O. Roxas
Chairman

Review of Operations

MEMBERSHIP

Club Punta Fuego is a premier beach club and residential resort located in Nasugbu, Batangas, Philippines. The Club offers a luxurious and exclusive getaway experience along the beautiful coastline of the Batangas Peninsula. The exquisite surroundings of Club Punta Fuego allow members to enjoy a wide range of amenities and privileges.

Membership in Club Punta Fuego entitles you to use the Club's top-notch amenities, which include private beaches, swimming pools, a golf course, a tennis court, and a wellness center that offers a well-equipped gym and SPA. It provides a secluded and exclusive getaway where members are given free access to a variety of amenities, engage in activities, and make priceless memories with friends and family, and meet other members. Additionally, members have access to a variety of aquatic leisure pursuits like sailing, diving, and water sports. In a nutshell, the Club provides a serene and beautiful setting for leisure and relaxation.

There are two types of Club membership, the regular and associate. ***Regular members*** are natural persons and juridical entities who are registered owners of shares of stock. ***Associate members*** are owners of lots at the Peninsula de Punta Fuego and Terrazas de Punta Fuego residential projects who opted to activate their membership with the Club as nominees of either Roxaco Land Corporation, Landco Pacific Corporation or their affiliates. Both types of membership enjoy the same rights and privileges, but only Regular members have the right to vote and have claims to the assets and properties of the Club.

As of December 31, 2022, the Club has a total of 1,415 members. Seventy seven new members were welcomed while sixty members opted to deactivate their membership. The management of the Club and its Board of Directors continue to work on strengthening the share value of the company thru expansion and upgrades of existing facilities and amenities and improvement of membership privileges.

MEMBERSHIP TYPE	2020	2021	2022
Regular	795	788	800
Associate	603	610	615
TOTAL	**1,398**	**1,398**	**1,415**

MEMBERSHIP HIGHLIGHTS

Members' Endorsement Check Program

The *Members' Endorsement Check Program* allows members to endorse their family and friends to enjoy Club Punta Fuego's facilities and amenities. By inviting patrons to return for leisure activities, this program builds a market footprint that benefits the Club. The opportunity to experience Punta Fuego's distinctive qualities through this program gives potential new members a path to acquiring Club shares.

Members' Birthday and Anniversary Program

The birthday and anniversary program allows members to spend time with their family and enjoy an array of the Club's amenities and dining choices.

Members and their qualified dependents may choose between a 90-minute Hilot Therapy session with complimentary lunch and dinner for two people or an overnight stay with complimentary breakfast for two people in a room of their preference.

Annual Membership Dues Promotion for 2023

The Club continued to offer the *Annual Membership Dues Promotion,* granting members who choose to pay their annual membership dues for the following year in advance, with a wide range of discounts and gifts.

In the 2023 promotion launched in October 2022, the giveaways were valued at almost twice the cost of the annual membership dues. Those who paid by November 15 were given an early bird gift, a one-month discount on membership dues, Php2,000.00 in quarterly consumables, free overnight accommodations, free day passes, free use of cabanas, food and beverage coupons redeemable from any outlets, and a number of other items. Of the 1,415 members, 945 took advantage of the 2023 *Annual Membership Dues Promotion*.

ACCOMMODATION

The Club offers Mediterranean-inspired accommodation facilities with 33 Casitas and 15 Sunset Suites. The 60-square meter casitas, constructed in 11 clusters of three adjoining rooms, are furnished with queen-sized beds and come with pocket gardens in their bathrooms, a unique element that further connects occupants to nature. Every room has a veranda, a number of which are fronting the sea with a stunning view of the West Philippine Sea. Members and their visitors have the option of lodging in a casita with a sea view or a garden view.

On the other hand, the Sunset Suites provide smaller accommodations than the Casitas, although there are two Loft Suites. Every room on one side of the structure has a unique layout, which is mirrored on its other side. The majority of the rooms have breathtaking views of the sea. Six of the Sunset Suites, now called Amihan Suites, had been fully renovated towards the end of 2022, while five more rooms are scheduled to follow suit in 2023.

All rooms received routine maintenance throughout the year, in addition to interior and exterior repainting, and replacements of a number of air conditioning units, television sets, beds, mattresses, water heaters, curtains, dining chairs and vanity chair covers. New towels, linens and beddings were also added to the rooms.

FOOD AND BEVERAGES

San Diego RESTAURANT

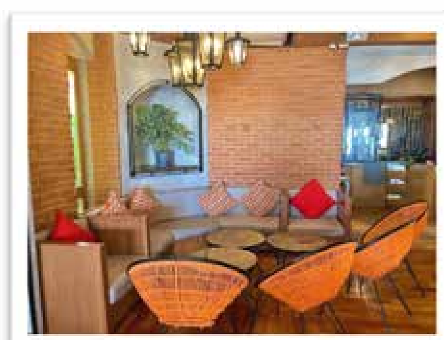
SAN DIEGO RESTAURANT. Named after a Spanish merchant vessel converted into a warship to battle with the Dutch ship Mauritius that sailed past its overlooking waters over 400 years ago, *San Diego* is an all-day restaurant that serves Asian and Continental food varieties. With its spacious dining area that can accommodate 200 people, members and visitors can choose to eat indoors on airconditioned comfort, or al fresco on nature's breeze at the *San Diego* Terrace. Breakfast and themed dinner buffets are offered on weekends while ala carte menus are available daily.

The restaurant's electrical and air conditioning systems underwent yearly repair and maintenance. To improve efficiency and quality of service, new kitchen equipment such as ice machine, blender, microwave oven, and other kitchen wares, dining wares, glasswares and cutleries were purchased during the year in replacement of broken or run-down items.

T&C BAR AND LOUNGE

T&C BAR AND LOUNGE. With a breathtaking view of the sea and the signature double infinity pool where the sunset could be observed, the *T&C (Tradition and Contradiction) Bar and Lounge* features a variety of traditional and contradictory aspects, both in its design and food offerings. It offers a stunning view of the ocean and unique double infinity pool where the sun sets.

T&C Bar and Lounge takes pride in it central bar, serving an exquisite selectio of wine and cocktails, beers, coffee, teas, and fruit shakes. It Spanish-Mediterranean menu combines dishes from bot traditional and modern Spanish tapas and modern, contradictin ones that complement each other. It also has a lounge, a dinin space, and a wine cellar suited for special events. For this year' refurbishment, six new bubble chairs were added. New plates glass wares and coffee wares were also purchased for the outlet.



Review of Operations

IL JARDINETO. Authentic and rustic Italian food that are simple yet satisfying are served at this outdoor Italian restaurant at the Lower Beach Club that has views of the beach and the pool. The al fresco dining is ideal for members and visitors who lounge by the pool following a swim or an exhilarating water sport activity. *Il Jardineto* is also a favored wedding location for its cozy atmosphere and outdoor appeal. Improvements to the outlet included the replacement of the restaurant flooring with paver tiles, polycarbonate roofing of the reception area, repair of kitchen equipment, purchase of dining and glass wares, and replacement of swimming pool pumps.

BARRACUDA BAR. The *Barracuda Bar*, which took its name from a large, ray-finned predatory fish, is located directly in front of the *Punta Fuego Yacht Club* and offers another outdoor dining area overlooking the water and floating berths where club members' boats are docked.

The Bar, with its laid-back ambience, specializes in serving brick-oven-cooked sandwiches, burgers, sausages, and pizza. This dining outlet is the ideal place to unwind after engaging in outdoor activities and to quickly catch up with friends and fellow Club members who share a common passion for boats. For a renewed look, cushion covers of the *Barracuda Bar* were replaced.

CAFÉ SOL. Located at Terrazas de Punta Fuego Beach Club, *Café Sol* is a seaside restaurant where members and guests are bestowed with a beautiful view of either the sea or the Nasugbu mountain range, providing members and their guests with a safe and pleasant haven even during the monsoon season with its veranda and permanent roofing structures. It provides Asian cuisine, predominantly seafood, with an open-view kitchen and grill area. In addition to routine repair and maintenance, a new ice machine and microwave oven were purchased for the outlet. Support facilities such as the male and female locker rooms were also fully renovated.

The **JUICE BAR** is a complementary outdoor beverage outlet located along the cabanas in Terrazas Beach Club, overlooking the long stretch of Terrazas beach, in a breezy ambiance. It offers fresh fruit juices and shakes, cocktails, beers and other beverages.

MEETINGS, BANQUETS AND WEDDINGS

The Club has five function rooms for convention, socials, planning and other events. San Ambrosio, San Carlos and San Pablo I and II are located at the Main Club, while the ballroom is located at the Upper Beach that is suitable for weddings and banquets.

The largest indoor location for group meetings is the 250-square meter San Pablo I and II function rooms, which have floor to ceiling windows, and which can accommodate up to 200 guests. Two smaller functions rooms, the San Ambrosio and San Carlos can serve as breakout rooms for group or corporate events. The Upper Beach Ballroom can accommodate up to 150 persons and also a favorite venue for indoor weddings. All function rooms can be equipped with audio-visual equipment such as white screens, LCD TV, projector and microphones.

Other favorite spots for outdoor weddings at the Club are the Terrazas beach front, popularly for beach weddings, the Single Infinity Pool, with its floating stage and private setting, the Lower Beach Club for an outdoor and rustic wedding, and the Upper Beach Club for indoor wedding celebrations. Full wedding packages with a selection of picturesque wedding locations are available from Club Punta Fuego. Twelve (12) social events and eight (8) marriages were held at the club.

Review of Operations

SPORTS AND RECREATION

In addition to the swimming pools and access to many beaches inside the Peninsula and Terrazas, the Club offers additional recreational amenities, such as:

The Squash Court	A Mini Golf
The Tennis Court	Ylang-ylang SPA
A Mini Theater and Game Hall	Gym
Business Center for office-related services	Beach Volleyball
Indoor Activities include: ▪ *Nintendo Wii* ▪ *PlayStation 3* ▪ *Billiards* ▪ *Tables tennis*	 ▪ *Football* ▪ *Dart* ▪ *Board games* ▪ *Play pen*

A few steps from the Casitas is a 9-hole executive golf course designed by the world renowned and award-winning Nelson & Haworth, known for its lush landscaping and magnificent vistas of the lovely, crystal-clear waters off the Nasugbu coast. The Club also offers a variety of water sports activities through our concessionaire, including jet skiing, banana boats, wing tubing, kayaks, wakeboards, island hopping, and more. For the less adventurous, members and guests can choose to use the double infinity pool and kiddie pool at the Main Club, the swimming pool at the Lower Beach Club and the single infinity pool at the Upper Beach Club. To ensure that these facilities were properly maintained and kept on top shape, the following projects were completed in 2022: the full renovation of the female locker room by the kiddie pool, initial works on the construction of a protective fence on the golf course, replacements of swimming pool water pumps, replacement of the electrical transformer of the Lot 18 pump for the Golf area, and the full renovation of the tennis court.

Review of Operations

PUNTA FUEGO YACHT CLUB

The Punta Fuego Yacht Club offers berthing, dry boat storage, and mooring facilities in addition to a range of services like boat maintenance, boat launch and recovery, and the provision of power, water, and gasoline. It is conveniently located for enjoying marine activities and water exploration. In terms of the number of boats it services annually, its activity is expanding. In 2022, a total of 279 boats were stored in its dry parking facilities and 10 boats in private house while 57 vessels were in its floating berths. The PFYC launched and recovered 2,298 times, boats, jet skis, and hobies with parking contracts, and assisted in the arrival and departure of in-house vessels 701 times, assisted 451 visiting vessels, and launched 556 visiting watercrafts. A total of 203 job orders were done, and 631 outside contractors were assisted.

PFYC regularly maintains all areas of responsibility. Major projects in 2022 included the reconditioning of the Ford Tractor 6610 and Eurotrac X1204, the. installation of the jetski catwalk, and the receipt of the Hammerhead rescue boat, engine and accessories purchased in 2021. Row 1 of outside mooring was also installed, with a 6-yacht capacity.

TERRAZAS DE PUNTA FUEGO BEACH CLUB

Enjoy an 800-meter stretch of white sand beach backed by Hispanic-inspired architecture with an Asian tropical touch at *Terrazas de Punta Fuego Beach Club,* extension facility of the Club twenty minutes away from Peninsula de Punta Fuego and a two-hour drive from Manila

The property includes an infinity pool for children and adults, an outdoor bubble pool close to the sea, and 28 Balinese-designed beach-front cabanas ranging in sizes for couples and families. It has also two dining outlets, the *Café Sol* and the *Juice Bar*. Members and guests can order from these two outlets and have their food delivered to the cabanas where they can dine in comfort and privacy, while enjoying the ocean views.

The *Terrazas Beach Club* also offers indoor and outdoor massage treatments. Members may choose between having them at the SPA facility, or at their occupied cabanas.

Review of Operations

Events/Promos/Tournaments during 2022:

Month	Event
January	Easy Breezy Stay Rooms Promo
	Birthday/Anniversary Promo Launch
February	Sunset Romance - *Rooms Promo*
	Chinese New Year Dinner Buffet
	Valentine's Dinner Buffet
March	19th Punta Fuego Regatta
	Auction of Delinquent Shares
April	Marina Mobile Registration – Part I
	GM's Cocktail
	Holy Week Activities
May	Marina Mobile Registration – Part II
June	Auction of Delinquent Shares
July	23rd Annual Shareholders Meeting
	Raindrops Price Drops - *Rooms Promo*
	Limited-Time Offer – Rooms Promo
August	BER Splash Deal – Rooms Promo
	Lift Demo Day
	Presidential Dinner Joint Partnership with Anya Resort Tagaytay
September	Oktoberfest Weekend 1
	Beach Break - *Rooms Promo*
October	Annual Club Dues Promo
	Oktoberfest Weekend 2
	Halloween – Addams Family
November	Flavors of the Levant
	Tennis Court reopening
	Auction of Delinquent Shares
	FIFA A World Cup Qatar Live at T&C Bar
	Beach Break – Rooms Promo
December	FIFA A World Cup Qatar Live at T&C Bar
	Christmas Festivities
	GM's Cocktail
	New Year's Eve Countdown Party

CLUB SHARES
FOR AUCTION!
ENDORSEMENTS ARE WELCOME
Friday March 18, 2022
10:00 am via zoom
For details, please contact the Membership Department

Holy Week
Activities

CROSSROADS
TO WELLNESS
APRIL 26-28, 2022

Presentation
on Simplified Boat
Registration
under Amnesty
SAVE
THE
DATE
April 26, 2022
at 3:30pm
via Zoom

GM's
Cocktail
FOR MEMBERS ONLY

Mobile
Registration
Drive
SAVE
THE
DATE
May 21 - 22

CROSSROADS
TO WELLNESS
JUNE 16-17, 2022

CLUB SHARES
FOR AUCTION!
ENDORSEMENTS ARE WELCOME
Friday, June 17, 2022
10:00 am via zoom
For details, please contact the Membership Department

LIMITED-TIME
OFFER

Raindrops
PRICE DROPS

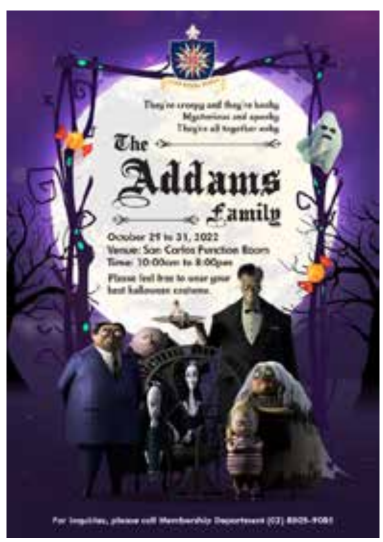
23rd
Club Punta Fuego, Inc.
Annual Shareholders' Meeting
Via Zoom
July 16, 2022, Saturday, 10:00 AM

Presidential Dinner

BER Splash Deal

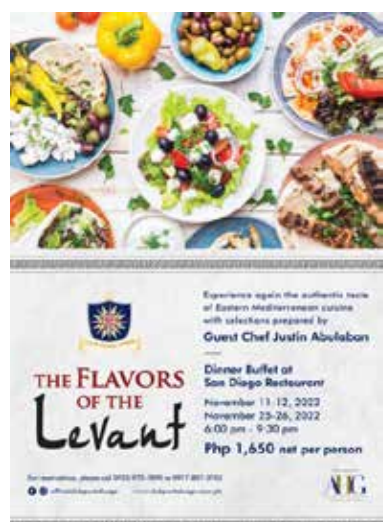
JET
DEMO DAY AT CLUB PUNTA FUEGO

2023
ANNUAL MEMBERSHIP
DUES PROMO



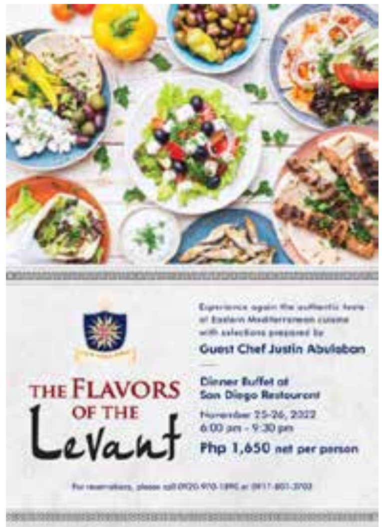
They're creepy and they're kooky
Mysterious and spooky
They're all together ooky
The
Addams
Family
October 29 to 31, 2022
Venue: San Carlos Function Room
Time: 10:00am to 8:00pm
Please feel free to wear your best halloween costume.
For inquiries, please call Membership Department (02) 8805-9081

Herzlich Willkommen zum
Oktoberfest
DINNER BUFFET
We have re-scheduled the event to
October 7 - 8, 2022
We apologize for any inconvenience this may have caused
Savor the authentic flavors of Bavarian and German specialties prepared with guest chefs from
from 6:00PM to 9:30PM
San Diego Restaurant
German Club Manila



Experience again the authentic taste of Eastern Mediterranean cuisine with selections prepared by
Guest Chef Justin Abulaban
THE FLAVORS OF THE Levant
Dinner Buffet at San Diego Restaurant
November 11-12, 2022
November 25-26, 2022
6:00 pm - 9:30 pm
Php 1,650 net per person


CLUB SHARES
FOR AUCTION!
ENDORSEMENTS ARE WELCOME
Friday, November 18, 2022
10:00 am via zoom
Final registration is on Monday, November 14, 2022, 5:00PM
For details, please contact the Membership Department
(02) 8 553 8888 local 13
+63 906 503 0846 | +63 949 889 50 25


Experience again the authentic taste of Eastern Mediterranean cuisine with selections prepared by
Guest Chef Justin Abulaban
THE FLAVORS OF THE Levant
Dinner Buffet at San Diego Restaurant
November 25-26, 2022
6:00 pm - 9:30 pm
Php 1,650 net per person


FIFA WORLD CUP Qatar2022
WATCH THE MATCHES
LIVE TELECAST
NOV. 20 - DEC. 18
T&C BAR AND LOUNGE


Dont miss the holiday fun, enjoy the sea soon.
Stay dates: December 20 to 25, 2022
Book Now!


Christmas Festivities


GM's Cocktail
FOR MEMBERS ONLY
It's a special celebration to rejoice in the hopes of new beginnings in 2023.
December 29, 2022
7PM - 9PM
Il Jardineto at Lower Beach Club


70s FUNK & SOUL
PHP 2,800 per person


20TH PUNTA FUEGO
REGATTA 2023
SAVE THE DATE
JANUARY 2023
21 & 22
Keelboats
Ocean Multihulls
Punta Fuego Yacht Club, Nasugbu Batangas

Financial condition

Total assets of the Group as of end of 2022 stood at Php576.4 million registering a 4% increase from Php552.3 million in 2021. Cash and cash equivalents increased by 31% from Php85.8 million in 2021 to Php112.1 million in 2022, from the Club's positive results of operation for the year. In addition, the Group collected Php40.4 million from the advance payment of annual dues of members for the succeeding year 2023, registering a 67% turnout from its 1,375 active members. This is 13% higher than last year's 59% turnout amounting to Php35.9 million as of December 2021. The increase in cash in 2022 is net of capital expenditures for the year which includes FF&E replacements and major repairs and renovations amounting to Php25.7 million, compared to Php11.5 million in 2021.

Total receivables decreased by 10% from Php31.1 million in 2021 to Php27.9 million by end of 2022. The account includes receivables from members and other receivables such as advances to suppliers and employees and interest receivable. Total billed amount to Members in 2022 of Php94.3. million increased. by 4% from Php90.6 million in 2021, but net receivables decreased by 5%, from Php28.2 million in 2021 to Php26.8 million as of yearend 2022. This was due to collections from long-standing accounts amounting to Php8.9 million, and from the sale of delinquent shares thru auction. In 2022, three auctions were held thru remote communication (via ZOOM), where a total of 71 delinquent shares with Php3.8 million outstanding accounts were intended for auction. Of these, 65 accounts amounting to Php2.8 million were settled before the auction while 6 shares were sold to the public for Php5,838,000. There were 1,415 members liable to pay dues by the end of 2022 compared to 1,398 members in 2021. Although there were 72 members who activated their membership during the year, 55 members also opted to deactivate their membership. The Group maintained a 96% collection efficiency in 2022 and 2021, with 223 delinquent members and past due accounts totaling Php14.7 million as of end of 2022 (245 members in 2021 at Php16.9 million). Continuous efforts are being undertaken to collect on this, such as discontinued use of Club facilities, the filing of collection suits and the auction of delinquent shares as earlier mentioned.

Inventories and supplies increased by 42% from Php9.4 million in 2021 to Php13.3 million in 2022 as the Club's operations went back to normal and volume of sales increased. In addition, costs of these were also impacted by rising inflation experienced in 2022, averaging at 5.8% for the year but reached as high as 8.1% by yearend, compared to an average of 3.9% only in 2021. Regular par stocking of raw materials, supplies and amenities were restored and maintained.

Prepayments and other current assets include premiums of property, general liability and employees' health insurance and advance payment of association dues for the areas occupied by the Club in the Punta Fuego Peninsula at the rate of Php1.9/SQM for its golf areas in the Peninsula, Php3.75/SQM for its non-golf areas and Php4.50/SQM in Terrazas de Punta Fuego. The increase of 4% from Php31.1 million to Php32.4 million was due to the increase in input VAT from higher purchases for the period and from advance payment of the 2023 Terrazas Beach Club association dues in December 2022. Prepayments also include documentary stamp taxes amounting to Php25.8 million paid in 2020 for the transfer of land ownership to the Group from its developer, which remains outstanding pending SEC approval on the issuance of its remaining unissued 487 shares.

Property and equipment registered a net decrease of Php4.9 million (1%) from Php389.0 million in 2021 to Php384.1 million in 2022. Capital expenditures in 2022 amounted to Php25.7 million which included major repairs and replacements of FF&Es and special projects such as the renovation of six Sunset suites, paving of the Il Jardineto restaurant flooring, polycarbonate roofing at the Lower Beach Club, renovation of the female locker room by the kiddie pool, Uguis storeroom roof repair, replacement of the telephone PABX system, purchase of ice machine for the San Diego restaurant, repair of the kitchen fire suppression system, repair of the double infinity shower area, renovation of the Upper Beach Club function hall, renovation of the tennis court, replacement of Terrazas cabana flooring, renovation of Terrazas male and female locker rooms, renovation of the Terrazas cabanas shower and common wash areas, replacement of the Marina jet ski catwalk and purchase of the generator set for the marina. These additions were offset by depreciation for the year amounting to Php30.6 million in 2022 compared to Php31.3 in 2021.

Accounts payable and accrued expenses showed a substantial increase of 34% from 23.5 million in 2021 to Php31.4 million in 2022. The notable improvement in the Club's volume of business resulted to increased purchasing activities, utilities consumption and support services requirements. This in turn increased trade payables, output VAT payable and various accrued expenses. The additional collection of Php6.3 million in VAT refund claims filed with BIR, Php1.8 million of which remains undistributed, also contributed to the increase in payables.

There are no known trends or known demands, commitments, events or uncertainties that are likely to affect the registrant's liquidity. There is also no known events that will trigger any direct or contingent financial obligation for the company. Finally, there were no material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

The Group adopted Philippine Accounting Standard 19, which requires all actuarial gains and losses to be recognized immediately in other comprehensive income as they occur. As such, there has been a restatement of the Club's retirement costs and liability for the past two years.

The Group collected Php40.4 million from the advance payment of membership dues for 2023, compared to last year's collection of Php35.9 million. The Group also collected advance payment of 5-year berth leases, boat parking and guests deposits for advance bookings. These brought total unearned revenues for 2022 to Php54.3 million, 15% higher than last year's collection Php47.3 million.

Total member's equity of the Group amounting to Php468.7 million in 2022 reflected a 1% increase from Php462.4million in 2021, as a result of the net income of the Group for the year. The Group posted a net income of Php7.5 million for 2022, which is 10x higher than the net income of Php0.68 million in 2021, despite the intermittent room accommodation facility closure experienced during the year. The number of shares issued and outstanding in 2022 remained at 2,033 shares, inclusive of (2) treasury shares.

RESULTS OF OPERATIONS

In January 2022, 31 employees of the Group manifested symptoms, 17 of whom tested positive for COVID-19 infection. Of these employees, 10 were from operations, while 7 were from the back office. To disinfect the facilities and prevent the further spread of the disease, the operation was closed for 11 days. The closure resulted to an estimated Php4.3 million in lost revenues.

In spite of the January setback, the Group ended the year with consolidated revenues of Php220.7 million, registering a 50% increase from last year's Php147.0 million, and a 104% increase compared to total revenues of Php108.1 million generated in 2020. The 2022 revenues have also surpassed by 1% the pre-pandemic total revenues of Php217.7 million in 2019. Departmental costs and expenses of Php88.3 million is 107% higher than Php42.7 million spent in 2021 as the Group returned to full operations of its facilities and outlets. These also registered a 186% increase over direct costs and expenses incurred in 2020 at Php30.9 million. Management fees and executive salaries for 2022 of Php8.7 million is 8% higher than the Php8.1 million spent in 2021, and 9% higher than in 2021 at Php 7.9 million. Total operating expenses of Php90.7 million in 2022 showed a 33% increase from the previous year's operating expenses of Php68.1 million, and an increase of 49% compared to the 2020 figure of Ph60.8 million.

Financial Review

The Group's operation in 2022 resulted to a gross profit of Php123.6 million reflecting a 28% increase over gross profit last year of Php96.3 million. However, gross profit to revenue ratio in 2022 of 56% decreased from the 2021 GP ratio of 66%, due to notable increases in costs and expenses, mainly that of payroll, overhead and members' consumables. Despite this, the Group ended 2022 with a net income before tax of Php7.9 million, which is almost 30x higher than net income before tax of Php0.26 million registered in 2021 and has completely overturned the net loss before tax of PHp24.3 million incurred in 2020.

The year 2022 ended with a net income after tax of Php7.5 million, a 1,008% improvement over the net income of Php0.68 million in 2021 and 132% better than the net loss of Php23.3 million posted in 2020. The Group is subject to an average Minimum Corporate Income Tax of 1.5% on its gross operating income, as a result of the Comprehensive Recovery and Tax Incentives for Enterprises (CREATE) Law.

There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations. Additionally, there were no significant elements of income or loss that did not arise from the registrant's continuing operations.

Although the Group's operations are divided into a peak (Dec. 1-June 15) and a lean (June 16-Nov. 30) season, which reflects a seasonal trend in revenues and its relative operating expenses, this has no material effect on the financial condition or results of operations of the Group as financial statements are reported based on one complete calendar year.

REVENUES

The Group generated Php220.7 million in total revenues for 2022 showing a 50% growth over 2021 revenue performance of Php147.0 million. It also exceeded by 104% the revenues of Php108.1 million in 2020, and by 1.3%, the pre-pandemic total revenue level of Php217.7 million in 2019. As travel restrictions relaxed and the economy opened up, overall paid room occupancy reflected a significant increase from 22% in 2021 to 54% in 2022. This propelled revenues from room accommodation from last year's revenues of Php33.6 million to Php77.8 million in 2022, which showed a 132% increase, as well as revenues from restaurant and bar operations from Php24.7 million in 2021 to Php64.9 million in 2022, which is 163% higher. The increase in room occupancy and day tour traffic not only increased room and restaurant revenues, but also improved sales of other departments such as those of the marina from Php24.3. million in 2021 to Php25.3 million in 2022 (4% increase), and of spa, golf and other sports and recreational facilities from Php1.0 million in 2021 to Php3.4 million in 2022 (229% increase). Income from membership dues, however, decreased by 22% from Php63.3 million in 2021 to Php49.3 million with the decrease in transfer fees and the increase in the availments of members' consumables and coupons from the annual membership dues and the birthday and anniversary promotions. Availments almost doubled from Php15.1 million in 2021 to Php23.6 million in 2022 as the Club granted extension of the expiry dates of the previous years' coupons in consideration of members not being able to travel during the early years of the pandemic.

COST AND OPERATING EXPENSES

Departmental costs and management fees of Php97.0 million showed a relative increase of 91% over last year's Php50.7 million as the Group went into full operation during the year. Operating expenses of Php90.7 million increased by 33% compared to Php68.1 million in 2021, while management fees and executive payroll increased by 8% from Php8.1 million last year to Php8.7 million in 2022. As operations went into full capacity, full manpower was also required (which were still limited and scheduled during the previous year), resulting to a 37% increase in direct payroll cost from Php41.7 million in 2021 to Php56.9 million in 2022. This amount is also 50% higher than payroll costs in 2020 - the first year of the COVID-19 pandemic when the Group's operations were stopped in mid-March that year. Overhead expenses (which included general and administrative, human resources, membership and marketing, repair and maintenance, and utilities and fuel expenses) also increased by 28% from Php56.4 million in 2021 to Php72.4 in 2022. In summary, the increase in the 2022 total costs and expenses compared to 2021 and 2020 were due to a combination of increase in business resulting to higher cost of sales, operating supplies, fuel and utility consumption, payroll, and the notable wave of price increases in the cost of raw materials and basic commodities, fuel and utilities, and cost of services experienced in 2022.

DEPRECIATION

Total depreciation for the year 2022 amounting to Php30.6 million, reflected a 2% decrease from Php31.3 million of depreciation recorded last year. This is net of acquisitions for the year, while a number of assets have become fully depreciated. Total capital expenditures amounted to Php25.7 million, which is a 123% increase over last year's major repairs and acquisitions of Php11.5 million. Depreciation cost, however, is expected to go up as new projects are being undertaken and expected to be completed in the coming years. Depreciation expenses are non-cash expenses of the Club.

PROSPECTS FOR THE FUTURE

The Group is confident that it has withstood the worst of the financial crisis brought about by the COVID-19 pandemic, and is projecting a challenging 6% growth in total operating revenues for 2023 amid uncertainties in an evolving global economic situation observed in the first quarter of 2023. Membership dues are expected to grow by 4% with one new member every month. The revenue performance of Php44.6 million for the first quarter of 2023 exceeded the Php41.6 million projection by 7%, with actual room occupancy of 58% exceeding the projected occupancy of 53%.

As share prices continue to rise, from its closing price of Php600,000 per share in 2021 to its current market value of Php1,200,000 per share, the Group will ensure that shareholder value is sustained thru excellent service, well-maintained facilities, and continuous improvements of infrastructures, facilities and amenities. It will continue to invest in technological tools, machinery and equipment that will enable the Club to improve its operational efficiency and adapt to the current situation.

Among the Projects lined up for 2023 are the purchase of food and beverage equipment, renovation of the San Diego restaurant and function rooms, renovation of the cabanas, male and female comfort rooms and staff comfort rooms, replacement of the generator set in Terrazas Beach Club, renovation of the male and female locker rooms at the Lower Beach Club, retiling of the swimming pools, repainting of the Main Club façade, *sanepa* repairs of the Casitas, renovation of additional five sunset suites, South Marina additional mooring project, North Marina perimeter fence, additional Marina tow truck and planning and design of room accommodation facility at the South Marina.

Club Punta Fuego, Inc. and Subsidiary

Consolidated Financial Statements
December 31, 2022 and 2021
and Years Ended December 31, 2022, 2021
and 2020

and

Independent Auditor's Report

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Building a better working world

A member firm of Ernst & Young Global Limited

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
Club Punta Fuego, Inc.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Club Punta Fuego, Inc. (the Group), which comprise the consolidated statements of financial position as at December 31, 2022 and 2021, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2022 and 2021, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2022 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

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

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

SYCIP GORRES VELAYO & CO.

Kristopher S. Catalan
Partner
CPA Certificate No. 109712
Tax Identification No. 233-299-245
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 109712-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-109-2020, November 27, 2020, valid until November 26, 2023
PTR No. 9369789, January 3, 2023, Makati City

April 14, 2023

CLUB PUNTA FUEGO, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31	
	2022	2021
ASSETS		
Current Assets		
Cash and cash equivalents (Note 5)	**₱112,073,981**	₱85,752,394
Receivables (Note 6)	**27,983,688**	31,118,973
Inventories (Note 7)	**13,318,613**	9,392,984
Prepayments and other current assets (Note 8)	**32,384,164**	31,128,229
Total Current Assets	**185,760,446**	157,392,580
Noncurrent Assets		
Property and equipment (Note 9)	**384,091,121**	389,021,803
Deferred tax assets (Note 19)	**6,526,135**	5,927,660
Total Noncurrent Assets	**390,617,256**	394,949,463
TOTAL ASSETS	**₱576,377,702**	₱552,342,043
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Note 10)	**₱31,371,954**	₱23,335,942
Due to related parties (Note 13)	**20,000,080**	19,214,612
Contract liabilities (Note 12)	**54,273,801**	47,331,332
Total Current Liabilities	**105,645,835**	89,881,886
Noncurrent Liability		
Retirement benefits liability (Note 17)	**2,041,474**	52,542
Total Liabilities	**107,687,309**	89,934,428
Equity (Note 11)		
Proprietary shares	**528,849,206**	528,849,206
Additional paid-in capital	**2,648,830**	2,648,830
Cumulative deficiency of revenue over expenses	**(63,270,655)**	(70,811,706)
Shares of delinquent shareholders acquired through auctions	**(855,110)**	(855,110)
Other comprehensive income (Note 17)	**1,318,122**	2,576,395
Total Equity	**468,690,393**	462,407,615
TOTAL LIABILITIES AND EQUITY	**₱576,377,702**	₱552,342,043

See accompanying Notes to Consolidated Financial Statements.

CLUB PUNTA FUEGO, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2022	2021	2020
REVENUE FROM CONTRACTS WITH CUSTOMERS (Note 12)			
Membership dues	**₱49,259,566**	₱63,336,453	₱56,181,807
Restaurant and bar operations	**77,825,040**	33,616,849	18,088,240
Room accommodation	**64,864,625**	24,711,326	12,903,782
Marina and other facilities	**25,282,020**	24,335,129	20,018,338
Spa, golf, other sports and recreational facilities	**3,419,774**	1,039,824	862,624
	220,651,025	147,039,581	108,054,791
DEPARTMENTAL COSTS AND EXPENSES (Note 14)			
Restaurant and bar operations	**55,214,131**	25,920,705	17,383,346
Room accommodation	**23,997,879**	10,123,679	8,339,957
Spa, golf, other sports and recreational facilities	**5,282,346**	4,016,171	3,642,530
Marina and other facilities	**3,832,698**	2,627,297	1,566,808
	88,327,054	42,687,852	30,932,641
Management fee and executive payroll (Note 14)	**8,692,999**	8,059,243	7,953,257
	97,020,053	50,747,095	38,885,898
GROSS PROFIT	**123,630,972**	96,292,486	69,168,893
OPERATING EXPENSES (Note 15)	**90,675,856**	68,130,719	60,831,937
INCOME BEFORE DEPRECIATION, INTEREST AND OTHER INCOME AND INCOME TAX	**32,955,116**	28,161,767	8,336,956
DEPRECIATION AND AMORTIZATION (Note 9)	**30,623,674**	31,311,810	33,599,650
INCOME (LOSS) BEFORE INTEREST AND OTHER INCOME AND INCOME TAX	**2,331,442**	(3,150,043)	(25,262,694)
INTEREST AND OTHER INCOME (Notes 5 and 18)	**5,581,837**	3,408,850	922,796
INCOME (LOSS) BEFORE INCOME TAX	**7,913,279**	258,807	(24,339,898)
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 19)			
Current	**551,278**	96,277	10,974
Deferred	**(179,050)**	(518,272)	(1,038,856)
	372,228	(421,995)	(1,027,882)
NET INCOME (LOSS)	**7,541,051**	680,802	(23,312,016)
OTHER COMPREHENSIVE INCOME (LOSS)			
Item not to be reclassified to profit or loss in subsequent periods:			
Remeasurement gain (loss) on retirement benefits (Note 17)	**(1,677,698)**	319,829	550,632
Tax effect	**419,425**	75,808	(165,190)
	(1,258,273)	395,637	385,442
TOTAL COMPREHENSIVE INCOME (LOSS)	**₱6,282,778**	₱1,076,439	(₱22,926,574)

See accompanying Notes to Consolidated Financial Statements.

CLUB PUNTA FUEGO, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2022, 2021 AND 2020

	Proprietary shares (Note 11)	**Additional paid-in capital**	**Cumulative deficiency of revenue over expenses**	**Shares of delinquent shareholders acquired through auctions** (Note 11)	**Other comprehensive income**	**Total**
BALANCES AS AT DECEMBER 31, 2019	**₱528,849,206**	**₱2,833,289**	**(₱48,180,492)**	**(₱5,539,569)**	**₱1,795,316**	**₱479,757,750**
Net loss	–	–	(23,312,016)	–	–	(23,312,016)
Other comprehensive income	–	–	–	–	385,442	385,442
Total comprehensive income (loss)	–	–	(23,312,016)	–	385,442	(22,926,574)
Sale of treasury shares	–	(194,731)	–	3,794,731	–	3,600,000
BALANCES AS AT DECEMBER 31, 2020	**528,849,206**	**2,638,558**	**(71,492,508)**	**(1,744,838)**	**2,180,758**	**460,431,176**
Net income	–	–	680,802	–	–	680,802
Other comprehensive income	–	–	–	–	395,637	395,637
Total comprehensive income	–	–	680,802	–	395,637	1,076,439
Sale of treasury shares	–	10,272	–	889,728	–	900,000
BALANCES AS AT DECEMBER 31, 2021	**528,849,206**	**2,648,830**	**(70,811,706)**	**(855,110)**	**2,576,395**	**462,407,615**
Net income	–	–	7,541,051	–	–	7,541,051
Other comprehensive loss	–	–	–	–	(1,258,273)	(1,258,273)
Total comprehensive income (loss)	–	–	7,541,051	–	(1,258,273)	6,282,778
BALANCES AS AT DECEMBER 31, 2022	**₱528,849,206**	**₱2,648,830**	**(₱63,270,655)**	**(₱855,110)**	**₱1,318,122**	**₱468,690,393**

See accompanying Notes to Consolidated Financial Statements.

CLUB PUNTA FUEGO, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2022	2021	2020
CASH FLOWS FROM OPERATING A`CTIVITIES			
Income (loss) before income tax	**₱7,913,279**	₱258,807	(₱24,339,898)
Adjustments for:			
Depreciation and amortization (Note 9)	**30,623,674**	31,311,810	33,599,650
Retirement benefits cost (Note 17)	**1,242,163**	1,274,578	1,258,140
Interest income (Notes 5 and 18)	**(1,971,400)**	(423,019)	(641,025)
Operating income before working capital changes	**37,807,716**	32,422,176	9,876,867
Decrease (increase) in:			
Due from related parties	**271,031**	456,204	2,042,919
Prepayments and other current assets	**(1,288,026)**	(2,142,134)	(25,912,034)
Receivables	**3,135,285**	508,598	(653,953)
Inventories	**(3,925,629)**	(2,961,748)	1,784,385
Increase (decrease) in:			
Accounts payable and other current liabilities	**7,551,738**	4,418,657	(9,617,024)
Contract liabilities / unearned income	**7,426,741**	10,380,262	(5,499,262)
Due to related parties	**514,437**	658,757	18,099,651
Net cash flows generated from (used in) operations	**51,493,293**	43,740,772	(9,878,451)
Contributions to retirement plan (Note 17)	**(930,930)**	(884,448)	–
Interest received	**1,971,400**	423,019	641,025
Income taxes paid	**(519,184)**	(225,095)	(396,875)
Net cash flow provided by (used in) operating activities	**52,014,579**	43,054,248	(9,634,301)
CASH FLOWS FROM INVESTING ACTIVITY			
Acquisition of property and equipment (Note 9)	**(25,692,992)**	(11,550,583)	(5,119,191)
CASH FLOWS FROM FINANCING ACTIVITY			
Sale of treasury shares (Note 11)	**–**	900,000	3,600,000
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**26,321,587**	32,403,665	(11,153,492)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**85,752,394**	53,348,729	64,502,221
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 5)	**₱112,073,981**	₱85,752,394	₱53,348,729

See accompanying Notes to Consolidated Financial Statements.

1. **Corporate Information and Authorization for Issue of the Consolidated Financial Statements**

Club Punta Fuego, Inc. (the Parent Company) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on December 16, 1997. The Parent Company was registered with Bureau of Internal Revenue as tax exempt. As such, the Parent Company is entitled to the benefits under Section 30 (E) of Republic Act (RA) No. 8424 entitled "An Act of Amending the National Internal Revenue Code, as Amended and For Other Purposes". As the Revenue Memorandum Circular (RMC) No. 35-2012 was issued which pertains to taxability of membership fees, assessment dues, and fees of similar nature collected by recreational clubs from its members, the Parent Company's membership dues became subjected to income tax and value-added tax (VAT).

Punta Fuego Hospitality Services Corporation (the Subsidiary), a wholly owned subsidiary of the Parent Company, was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on July 3, 2014.

In August 2020, the Supreme Court invalidated BIR RMC No. 35-2012 which imposes income tax and VAT on membership fees, assessment dues, and fees of similar nature collected by recreational clubs from its members based on the following grounds:

- As long as the 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, the fees cannot be classified as income subject to income tax.
- In collecting such fees, the club is not selling its service to the members. Conversely, the members are not buying services from the club when dues are paid. Hence, there is no economic or commercial activity to speak of as these dues are devoted for the operations/maintenance of the facilities of the organization. As such, there could be no "sale barter or exchange of goods or properties, or sale of a service" to speak of, which would then be subject to VAT.

As such, starting 2021, the Parent Company no longer subjected the membership dues collected to income tax and VAT.

The Parent Company and Subsidiary are collectively referred as "the Group".

The Group's primary purpose is to promote social, recreational and athletic activities on a non-profit basis among its members, through the acquisition, development, construction, management and maintenance of a golf course, resort, marina and other sports and recreational facilities.

The Group's registered office address and principal place of business is Peninsula de Punta Fuego, Barangay Balaytigue, Nasugbu, Batangas.

<u>Status of Operations and Impact of COVID-19</u>
The Group generated ₱220,651,025 in total revenues for 2022 showing a 50% growth over 2021 revenue performance of ₱147,039,581. As travel restrictions relaxed and the economy opened up, overall room occupancy reflected a significant increase from 8% in 2021 to 44% in 2022. This propelled revenues from room accommodation from last year's revenues of ₱24,711,326 to ₱64,864,625 in 2022, which showed a 162% increase, as well as revenues from restaurant and bar operations of ₱77,825,040 which is 132% higher than the 2021 revenues of ₱33,616,849. The increase in room occupancy and daytour traffic not only increased room and restaurant revenues, but also

improved sales of other departments such as those of the marina from ₱24,335,129 in 2021 to ₱25,282,020 in 2022, and of spa, golf and other sports and recreational facilities from ₱1,039,824 in 2021 to ₱3,419,774 in 2022. Income from membership dues, however, decreased by 22% from ₱63,336,453 in 2021 to ₱49,259,566 with the decrease in transfer fees and the increase in the availments of members' consumables and coupons from the annual membership dues and the birthday and anniversary promotions, which almost doubled from ₱15,141,979 in 2021 to ₱23,554,836 in 2022 as the Group granted extension of the expiry dates of the previous years' coupons in consideration of members not being able to travel during the early years of the pandemic.

Departmental costs and expenses of ₱97,020,053 also showed an increase of 91% over last year's ₱50,747,095, as the Group went into full operation during the year. Operating expenses of ₱90,675,856 increased by 33% compared to ₱68,130,719 in 2021, while management fee and executive payroll increased by 8% from ₱8,059,243 last year to ₱8,692,999 in 2022. As operations went into full capacity, full manpower was also required (which were still limited and scheduled during the previous), resulting to a 35% increase in direct payroll costs. Overhead expenses (which included general and administrative, human resources, membership and marketing, repair and maintenance, and utilities and fuel expenses) also increased by 28% from ₱56,393,628 in 2021 to ₱72,416,763 in 2022.

Despite increases in costs and expenses, the Group ended 2022 with a gross profit of ₱123,630,972, reflecting a 28% increase in the gross profit last year of ₱96,292,486. However, gross profit to revenue ratio in 2022 of 56% decreased from the 2021 Gross Profit ratio of 65%, due to notable increases in costs and expenses, mainly that of payroll, overhead and members' consumables.

Approval of the Consolidated Financial Statements

The Group's consolidated financial statements were approved and authorized for issue by the Board of Directors (BOD) on April 14, 2023.

2. Basis of Preparation, Statement of Compliance and Changes in Accounting Policies

Basis of Preparation

The accompanying consolidated financial statements of the Group have been prepared under historical cost basis and presented in Philippine peso (₱), which is also the Group's functional currency.

The consolidated financial statements have been prepared under the going concern assumption. The Group believes that its business would remain relevant despite challenges posed by the COVID-19 pandemic. Despite the adverse impact of the COVID-19 pandemic on short-term business results, long-term prospects remain attractive.

Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs).

PFRSs include Philippine Financial Reporting Standards, Philippine Accounting Standards (PAS) and Interpretations issued by the Philippine Interpretations Committee (PIC).

Basis of Consolidation

The consolidated financial statements of the Group include the accounts of the Parent Company and its subsidiary where the Parent Company has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

A Subsidiary
A subsidiary is an entity over which the parent company has the power to govern the financial and operating policies or generally has an interest of more than one half of its voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the parent controls another entity. The subsidiary is fully consolidated from the date on which control is transferred to the parent company. It is de-consolidated from the date on which control ceases. The results of operations of the subsidiary acquired or disposed of during the year are included in the consolidated statements of comprehensive income from the date of acquisition or up to the date of disposal, as appropriate.

Transactions Eliminated on Consolidation
All intragroup transactions and balances including income and expenses, and unrealized gains and losses are eliminated in full.

Accounting Policies of the Subsidiary
The financial statements of subsidiary are prepared for the same reporting year and using uniform accounting policies as that of the Parent Company.

<u>Changes in Accounting Policies and Disclosures</u>
The accounting policies adopted are consistent with those of the previous financial year. Adoption of these new standards did not have an impact on the consolidated financial statements of the Group.

- Amendments to PFRS 3, *Reference to the Conceptual Framework*
- Amendments to PAS 16, *Plant and Equipment: Proceeds before Intended Use*
- Amendments to PAS 37, *Onerous Contracts – Costs of Fulfilling a Contract*
- *Annual Improvements to PFRSs* 2018-2020 Cycle
    - Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*
    - Amendments to PFRS 9, *Financial Instruments*, *Fees in the '10 per cent' test for derecognition of financial liabilities*
    - Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*

<u>Standards Issued but not yet Effective</u>
Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements will have a significant impact on the consolidated financial statements.

The Group intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2023

- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to PAS 8, *Definition of Accounting Estimates*
- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

Effective beginning on or after January 1, 2024

- Amendments to PAS 1*, Classification of Liabilities as Current or Non-current*
- Amendments to PFRS 16*, Lease Liability in a Sale and Leaseback*

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*

Deferred effectivity

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

The Group continues to assess the impact of the aforementioned new and amended accounting standards and interpretation effective subsequent to December 31, 2022 on its consolidated financial statements in the period of initial application. Additional disclosures required by these amendments will be included in the consolidated financial statements when these amendments are adopted.

3. Significant Accounting Policies

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

Current versus Noncurrent Classification
The Group presents assets and liabilities in the consolidated statements of financial position based on whether it is current and noncurrent classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as noncurrent.

Deferred tax assets, deferred tax liabilities and accrued retirement benefit liability are classified as noncurrent assets and liabilities, respectively.

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

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

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

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

a. Financial assets

Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through profit or loss (FVPL) and fair value through other comprehensive income (FVOCI).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied practical expedient are measured at the transaction price determined under PFRS 15, *Revenue from Contracts with Customers*.

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

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

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

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:
- Financial assets at amortized cost (debt instruments)
- FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVPL

The Company has no FVOCI with recycling of cumulative gains and losses (debt instruments), financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments) and financial assets at FVPL.

Financial assets at amortized cost (debt instruments)
This category is the most relevant to the Group. The Group measures financial assets at amortized cost if both of the following conditions are met:
- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

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

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

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

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

The ECL allowance is based on the credit losses expected to arise over the life of the asset, unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' ECL. Both life time ECL and 12 months' ECL are calculated on either an individual basis or a collective basis, depending on the nature of the financial instruments.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group 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.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

b. Financial liabilities

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

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

The Group's financial liabilities include accounts payable and other liabilities, and due to related parties.

Subsequent measurement
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance charges in profit or loss.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of comprehensive income.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement 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. The Group assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Group and all of the counterparties.

Day 1 Difference
Where the transaction price in a non-active market is different from the fair value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a Day 1 difference) in profit or loss unless it qualifies for the recognition as some other type of asset. In cases where use is made of data which is not observable, the difference between the transaction price and model value is only recognized in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the "Day 1" difference amount.

Inventories
Inventories are stated at the lower of cost and net realizable value (NRV). Cost is determined using first-in, first-out method. For inventories held for sale, NRV is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. NRV of inventories is the current replacement cost.

Property and Equipment
Property and equipment are carried at cost, excluding day-to-day servicing, less accumulated depreciation and impairment in value, if any. The initial cost of property and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the property and equipment 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 incurred meets the recognition criteria.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets.

Category	Number of Years
Buildings, structures and improvements	20 - 50
Operational equipment	2 - 5
Furniture, fixtures and equipment	2 - 5
Transportation equipment	2 - 5

Depreciation and amortization commence once the assets are available for use. Depreciation ceases when the asset is derecognized.

The carrying values of the property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

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 proceeds and the carrying amount of the item) is included in the profit or loss in the year the asset is derecognized.

The residual values, useful lives and depreciation method of property and equipment are reviewed, and adjusted if appropriate, at each financial year end.

Fully depreciated property and equipment are retained in the accounts until they are no longer in use and no further depreciation is charged to profit or loss.

Facilities and equipment under construction
The costs of a constructed asset are accumulated in the "Facilities and equipment under construction" account until the asset is placed into service. When the asset is completed and placed into service, it will be transferred to its related property and equipment account. Depreciation begins after the asset has been placed into service.

Impairment of Nonfinancial Assets
The Group's nonfinancial assets include property and equipment. The carrying values of nonfinancial assets are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indication exists, or when annual impairment testing for an asset is required, and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of the asset is the greater of fair value less costs to sell and value-in-use. The fair value is the amount obtainable from the sale of the asset in an arm's-length transaction. 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. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Any impairment loss is recognized in profit or loss.

Previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the recoverable amount of an asset, but not, however, to an amount higher than the carrying amount that would have been determined (net of any depreciation and amortization) had there been no impairment loss recognized for the asset in prior years. A reversal of an impairment loss is recognized in profit or loss.

Unearned Income

Unearned income is recognized as liability of the Group whenever membership dues, boat parking, and club certification are collected in advance. Once advance collections are earned the liability account is derecognized and revenue is recognized.

Other Comprehensive Income (Loss)

Other comprehensive income (loss) comprises items of income and expense that are not recognized in profit or loss for the year in accordance with PFRSs. Other comprehensive income (loss) includes remeasurement gains and losses on the Group's retirement plan. Other comprehensive income (loss) items that will be reclassified subsequently to profit or loss are presented separately from those items that will not be reclassified subsequently.

Equity

Proprietary shares have no par value. The board of directors have the authority to issue such shares for such consideration as it may time to time fix, which in no event shall be less than the amount prescribed by the law. The excess of the proceeds over the stated consideration, represents the additional paid-in capital. Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax.

Cumulative deficiency of revenues over expenses represents the cumulative balance of periodic net income or loss, dividend contributions, prior period adjustments, effect of changes in accounting policy and other capital adjustments.

Shares of delinquent shareholders acquired through auctions are the Group's own equity instruments which are reacquired and deducted from equity. No gain or loss is recognized on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Revenue Recognition

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods and services. The Group has generally concluded that it is principal in its revenue arrangements because it typically controls the goods and services before transferring them to the customer.

Rooms revenue

Revenue from room rentals are recognized over the period of time under the input method, a time-based measure that results in a straight-line recognition of revenue, as the customer simultaneously receives the benefits from the services rendered by the Group throughout the period when rooms are occupied or services are performed. Payment is due generally within 30 days as the customer occupies the room and receives the services except for some customers with specific credit terms.

The Group considers whether there are other promises in the contract that are distinct and separately identifiable. Accordingly, the Group allocates the transaction price based on the relative stand-alone selling prices of services and goods.

Food and beverage revenue
Revenue from food and beverage sales are recognized at a point in time as goods are sold. The transaction price of the goods is representative of their stand-alone selling prices. Payment is due generally within 30 days as goods are sold except for some customers with specific credit terms.

Other operating departments revenue
Revenue from other operating departments include, among others, lobby shops, business center and car rental, laundry service, telephone service, and health club services which are recognized at a point in time as goods are sold and over time as services are performed. The transaction prices of the related goods and services are representative of their stand-alone selling prices. Payment is due generally within 30 days as the customer receives the goods and services except for some customers with specific credit terms.

In considering the transaction price for the revenue from rooms, food and beverages and other operating departments, the Group considers the effects of any variable consideration (e.g., rebates and discounts), noncash consideration and consideration payable to customers.

Contract Balances
Contract Assets. A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays the consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Trade Receivables. A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets under Financial Assets and Financial Liabilities – Financial assets at amortized cost (debt instruments).

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

Interest Income
Interest income is recognized as the interest accrues using the EIR. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

Cost and Expenses Recognition
Cost and expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decrease in equity. Cost and expenses are recognized in the year these are incurred while interest expense is accrued in the appropriate period.

Retirement Benefits Cost
The Group has a funded non-contributory defined benefit retirement plan managed by a trustee bank. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. The retirement liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Retirement benefits cost comprise the following:
- Service cost
- Net interest on the net defined benefit liability or asset
- Re-measurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

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

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

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

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in 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 by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets 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).

The Group’s right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Income Tax

Current income tax

Current income tax assets and current income tax liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted at the balance sheet date.

Current income tax for current and prior periods shall, to the extent unpaid, be recognized as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess shall be recognized as an asset.

Deferred income tax

Deferred income tax is provided on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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

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

Deferred income tax assets and deferred income tax liabilities are measured at the tax rates that are expected to apply to the period 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 the balance sheet date.

Leases

The Group as lessee

The Group applies the short-term lease recognition exemption to its short-term leases of condominium units for its sales agents (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

The Group as a lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. 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 basis as the rental income.

Provisions and Contingencies

Provisions are recognized when: (a) the Group has a present obligation (legal or constructive) as a result of a past event; (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using the pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risk specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Contingent liabilities are not recognized in the consolidated financial statements but are disclosed in the notes to consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed in the notes to consolidated financial statements when an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the consolidated financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the consolidated financial statements.

Events after the Reporting Period
Events after the reporting period that provide additional information about the Group's financial position at the end of reporting period (adjusting event), if any, are reflected in the consolidated financial statements. Events after the reporting period, that are not adjusting events, are disclosed in the notes to consolidated financial statements when material.

4. Significant Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements in compliance with PFRSs requires management to make judgments, estimates and assumptions that affect certain reported amounts and disclosures. In preparing the consolidated financial statements, management has made its best judgments, estimates and assumptions of certain amounts, giving due consideration to materiality. The judgments and estimates used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the consolidated financial statements. Accordingly, actual results could differ from those estimates, and such estimates will be adjusted.

The Group believes the following represent a summary of these significant judgments, estimates and assumptions and related impact and associated risks in the consolidated financial statements:

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

Evaluation of impairment of noncurrent nonfinancial assets
Internal and external sources of information are reviewed at each reporting date to identify indications that property and equipment may be impaired or an impairment loss previously recognized no longer exists or may have decreased. If any such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount.

Management assessed that no impairment indicators exists for the years ended December 31, 2022 and 2021. As of December 31, 2022 and 2021, the carrying values of property and equipment amounted to ₱384,091,121 and ₱389,021,803 (see Note 9). Accordingly, the Group did not recognize impairment loss for the years ended December 31, 2022 and 2021.

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

Provision for expected credit losses on trade receivables
The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analyzed.

The assessment of the correlation between observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future. Receivables, net of expected credit losses, amounted to ₱27,983,688 and ₱31,118,973 as of December 31, 2022 and 2021, respectively. Allowance for ECL amounted to ₱10,611,579 and ₱11,474,274 as of December 31, 2022 and 2021, respectively (see Note 6).

Recognition of deferred income tax assets
The Group reviews the carrying amount of deferred income tax asset at each reporting period and reduces it to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred income tax asset to be utilized. The deferred income tax asset recognized amounted to ₱6,965,515 and ₱6,786,465 as of December 31, 2022 and 2021, respectively.

As of December 31, 2022 and 2021, the Group has deductible temporary differences for which no deferred income tax assets was recognized amounting to ₱177,497,925 and ₱135,581,195, respectively, on unutilized NOLCO and excess MCIT as it is not probable that sufficient taxable profit will be available to allow the benefit of the deferred income tax assets to be utilized (see Note 19).

Estimating retirement obligation and cost
The determination of the obligation and cost for retirement benefits is dependent on the selection of certain assumptions used by actuary in calculating such amounts. Those assumptions, which include among others, discount rates and rates of compensation increase, are described in Note 17. While the Group believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the retirement obligations. All assumptions are reviewed at each reporting date.

Retirement benefits liability amounted to ₱2,041,474 as at December 31, 2022 and retirement benefits assets amounted to ₱52,542 as at December 31, 2021 (see Note 17).

5. **Cash and Cash Equivalents**

This account consists of:

	2022	2021
Cash on hand	**₱573,419**	₱556,946
Cash in banks	**34,530,174**	16,429,611
Cash equivalents	**76,970,388**	68,765,837
	₱112,073,981	₱85,752,394

Cash in banks earn interest at the prevailing bank deposit rates. Cash equivalents are made for varying periods depending on the immediate cash requirements of the Group and earn interest at rates range from 0.50% to 6.0% in 2022 and from 0.50% to 4.625% in 2021.

Interest income on cash in banks and cash equivalents amounted to ₱1,971,400, ₱423,019 and ₱641,025 for the years ended December 31, 2022, 2021 and 2020, respectively (Note 18).

6. **Receivables**

This account consists of:

	2022	2021
Receivables from members	**₱37,441,557**	₱40,094,322
Advances to officers and employees	**247,517**	387,166
Advances to suppliers	**310,161**	51,527
Other receivables	**596,031**	2,060,232
	38,595,266	42,593,247
Allowance for credit losses	**(10,611,578)**	(11,474,274)
	₱27,983,688	₱31,118,973

Receivables from members generally have a 60-day term.

Advances to officers and employees pertain to advances made to employees, including the cash budget for projects or expenses wherein the excess is returned to Group's fund after submission of liquidation report by the employee in-charge.

Advances to suppliers pertain to advance payments on purchased goods and services.

Other receivables pertain to insurance claims and accrued interest on short-term placements.

Allowance for credit losses pertain to receivables from members specifically identified as uncollectible.

The rollforward analysis of allowance for credit losses follows:

	2022	2021
Beginning balance	**₱11,474,274**	₱10,175,036
Provision for ECL (Note 15)	**1,184,834**	1,299,238
Write off of receivables	**(2,047,530)**	–
Ending balance	**₱10,611,578**	₱11,474,274

No receivable was pledged as security to liabilities as of December 31, 2022 and 2021.

7. Inventories

This account consists of:

	2022	2021
Supplies	**₱7,402,206**	₱6,306,399
Food and beverage	**5,335,611**	2,707,452
Others	**580,796**	379,133
	₱13,318,613	₱9,392,984

The cost of inventories charged to departmental costs and expenses amounted to ₱42,042,650, ₱17,769,335, and ₱9,462,178 in 2022, 2021 and 2020, respectively (see Note 14). Furthermore, there are no inventories whose NRV are below cost.

No impairment losses on inventories were recognized in 2022 and 2021.

No inventories have been used or pledged as security to the Group's obligations in 2022 and 2021.

8. Prepayments and Other Current Assets

This account consists of:

	2022	2021
Deferred charge	**₱25,801,750**	₱25,801,750
Deposits	**884,780**	913,640
Prepaid taxes	**1,078,898**	975,904
Prepayments	**3,804,197**	2,914,081
Others	**814,539**	522,854
	₱32,384,164	₱31,128,229

Deferred charge pertains to payment made by the Group in December 2020 for the documentary stamp tax for the issuance of shares to Fuego Development Corporation supposedly in 2021. Shares is expected to be issued in 2022.

Deposits mainly include security deposits related to the Group's lease of office space, rental of shuttle service, landscape contract and construction bonds for engineering workshops.

Prepaid taxes mainly pertain to taxes withheld by customers from its income payments to the Group which are subsequently used as credit against the Group's income tax payable. The amounts are net of those applied as credit against income tax payable amounting to ₱551,278 and ₱96,277 in 2022 and 2021, respectively.

Prepayments mainly include advance payments for insurance taxes and association dues.

9. Property and Equipment

Movements of this account follow:

	2022					
	Buildings, Structures and Improvements	**Operational Equipment**	**Furniture, Fixtures and Equipment**	**Transportation Equipment**	**Facilities and Equipment under Construction**	**Total**
Cost						
Beginning balances	**₱639,134,521**	**₱60,045,964**	**₱164,920,333**	**₱14,530,622**	**₱4,868,681**	**₱883,500,121**
Additions	**1,855,673**	**4,815,958**	**5,584,277**	**133,382**	**13,303,702**	**25,692,992**
Reclassification	**13,109,356**	**(43,216)**	**–**	**–**	**(13,109,356)**	**(43,216)**
Ending balances	**654,099,550**	**64,818,706**	**170,504,610**	**14,664,004**	**5,063,027**	**909,149,897**
Accumulated Depreciation and Amortization						
Beginning balances	**279,401,140**	**52,354,841**	**149,511,758**	**13,210,579**	**–**	**494,478,318**
Depreciation and amortization	**21,444,027**	**1,922,530**	**6,510,625**	**746,492**	**–**	**30,623,674**
Reclassification	**–**	**(43,216)**	**–**	**–**	**–**	**(43,216)**
Ending balances	**300,845,167**	**54,234,155**	**156,022,383**	**13,957,071**	**–**	**525,058,776**
Net Book Values	**₱353,254,383**	**₱10,584,551**	**₱14,482,227**	**₱706,933**	**₱5,063,027**	**₱384,091,121**

	2021					
	Buildings, Structures and Improvements	Operational Equipment	Furniture, Fixtures and Equipment	Transportation Equipment	Facilities and Equipment under Construction	Total
Cost:						
Beginning balances	₱637,132,678	₱57,941,848	₱160,064,296	₱14,530,622	₱2,280,094	₱871,949,538
Additions	1,679,086	2,197,027	4,763,126	–	2,911,344	11,550,583
Reclassification	325,757	–	–	–	(325,757)	–
Ending balances	639,137,521	60,138,875	164,827,422	14,530,622	4,865,681	883,500,121
Accumulated Depreciation and Amortization:						
Beginning balances	257,801,982	50,861,261	142,213,381	12,289,884	–	463,166,508
Depreciation and amortization	21,599,158	1,450,821	7,341,136	920,695	–	31,311,810
Ending balances	279,401,140	52,312,082	149,554,517	13,210,579	–	494,478,318
Net Book Values	₱359,736,381	₱7,826,793	₱15,272,905	₱1,320,043	₱4,865,681	₱389,021,803

Fully depreciated properties and equipment costing ₱118,045,817 and ₱110,161,151 are still being used by the Club as of December 31, 2022 and 2021, respectively

No property and equipment was pledged as security to liabilities as of December 31, 2022 and 2021.

10. Accounts Payable and Other Current Liabilities

This account consists of:

	2022	2021
Trade payables	**₱13,258,374**	₱6,318,638
Accrued expenses	**10,811,048**	7,916,205
Statutory payables	**2,578,307**	1,969,529
Service charges	**1,683,113**	1,761,140
Others	**3,041,112**	5,370,430
	₱31,371,954	₱23,335,942

Accrued expenses consist of:

	2022	2021
Communication and postage	**₱1,567,530**	₱1,786,730
Personnel costs	**2,091,965**	1,578,940
Utilities	**2,159,277**	1,554,377
Professional fees	**873,108**	393,061
Accrued repairs and maintenance	**519,512**	504,248
Security services	**244,090**	647,421
Messengerial services	**73,048**	41,361
Others	**3,282,518**	1,410,067
	₱10,811,048	₱7,916,205

Trade payables include unpaid cost of purchases of food, beverage and other supplies and are normally on a 30-day term.

Statutory payables include withholding tax and output VAT. Service charges payable pertain to share of employees from the 10% add-on on top of the basic fees charged against members for the services rendered by the Group.

Others consist mainly of accruals for fuel and oil, and other contracted services which are individually immaterial in amounts.

11. Equity

Proprietary shares

The composition of the Group's no par value proprietary shares as of December 31, 2022, 2021 and 2020 is as follows:

	2022	2021	2020
Common - no par value			
Authorized	**2,500**	2,500	2,500
Issued			
Number of shares at beginning and end of year	**2,032**	2,029	2,033
Outstanding			
Number of shares at beginning of year	**2,031**	2,028	2,020
Sale during the year	–	3	8
Number of shares at end of year	**2,031**	2,031	2,028

Summarized below, as defined in the Group's Articles of Incorporation are the restrictive conditions, among others:

- The founders' shares shall have the exclusive right to vote and be voted for in the election of directors.

- No transfer of shares of stock which will reduce the stock ownership of Filipino citizens to less than the minimum percentage of the outstanding capital stock required by law to be owned by Filipino citizens shall be allowed or permitted to be recorded in the books of the Group.

- No profit shall inure to the exclusive benefit of any of its shareholders, hence, no dividends shall be declared in their favor.

- No shareholder shall sell, transfer, or otherwise in any manner alienate or in any way dispose of any proprietary shares of the Group unless these shares shall have first been offered for sale to the Group by written offer.

- The members of the group as defined under the by-laws shall be subject to the payment of monthly dues, fees, charges or assessments in such amount as may be prescribed by resolution of the BOD.

- In any case any shareholder violates the provisions of the articles of incorporation and by-laws of the Group, such shareholder may be expelled by the BOD.

- A registered shareholder may assign his rights to an assignee.

Share of delinquent shareholders acquired through auctions
This represents delinquent shares acquired by the Club during the year through auctions pursuant to the Club's By-laws. In 2022, 6 shares were auctioned, all 6 shares of which were acquired by the public for ₱5,838,000. In 2021, 41 shares have been auctioned, 22 of which were acquired by the public for 12,055,000, while 3 treasury shares were sold for ₱1,350,000. In 2020, no shares were auctioned, while 8 treasury shares were sold for ₱3,600,000.

12. Revenue from Contracts with Customers

Disaggregated Revenue Information
Set out below is the disaggregation of the Group's revenue from contracts with customers for the years ended December 31:

Timing of revenue recognition	2022	2021	2020
Revenue transferred over time	**₱142,825,985**	₱113,422,732	₱89,966,551
Revenue transferred at a point in time	**77,825,040**	33,616,849	18,088,240
Total revenue from contracts with customers	**₱220,651,025**	₱147,039,581	₱108,054,791

Contract Balances
The Group has no contract assets as at December 31, 2022 and 2021.

Under PFRS 15, advance payments received by the Group from their customers meet the definition of contract liabilities. The contract liabilities as of December 31 consist of:

	2022	2021
Membership dues	**₱39,996,000**	₱35,464,000
Marina boat storage and berthing fee	**9,715,412**	9,504,385
Club certificates	**1,883,077**	1,702,177
Guests' deposit	**2,679,312**	660,770
	₱54,273,801	₱47,331,332

Contract liabilities pertain to payments of membership dues and yacht docking fees received in advance from members of the Group. Club certificates pertain to payments received for gift certificates which can be used to avail goods and services in the Group. Guests' deposits pertain to the advance payments of guests for room reservations in the Group.

The amount of revenue recognized in 2022, 2021 and 2020 from amounts included in the contract liabilities at the beginning of the years amounted to ₱51,912,240, ₱40,941,983 and ₱39,251,528, respectively.

Performance Obligations

For the sale of goods and services, the performance obligation is satisfied when food and beverages are sold and services are rendered. Payment is generally in cash or charge to members' account due within 30 days except for some members with specific credit terms. The Group applies the practical expedient and does not disclose information about the remaining performance obligations that have original expected durations of one year or less.

13. Related Party Transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the Group are related parties of the Group. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Group and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

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

In the normal course of business, significant transactions with the related parties are as follows:

Landco Pacific Corporation (LPC)

Advances to LPC pertain to charges from the use of the Group's food and beverage outlets, accommodation and other facilities, in relation to LPC's sales and marketing activities.

Punta Fuego Village Homeowners' Association, Inc. (PFVHAI)

Advances from PFVHAI include reimbursement of expenses and payments of members erroneously transacted under the PFVHAI's bank account.

Anya Hospitality Corporation (AHC)

On January 1, 2019, the Group entered into a five-year contract, commencing on January 1, 2019 until December 31, 2024, with AHC, a business unit of Roxaco Land Corporation, a related party, in connection with the operation and management of the Group's commercial, industrial and service facilities. The contract is renewable at the option of both parties.

Under the agreement, AHC is entitled to a fixed monthly fee of ₱414,000, net of taxes and other charges, or 3% of the total gross operating revenue of the Club and its complimentary facilities (including consumables of members) whichever is higher. The management fee shall be renegotiated should there be an increase in the inventory of rooms. AHC is also entitled to sales and marketing fee based on four percent (4%) of the current gross operating revenue, net of taxes and other charges.

Fuego Development Corporation (FDC), Fuego Land Corporation (FLC) and Roxaco Land Corporation (RLC)
Transactions with FDC, FLC and RLC include advance payment and reimbursement of expenses and availment and grant of non-interest bearing cash advances from/to related parties.

Outstanding balances of due from/due to related parties are carried in the consolidated statements of financial position under the following accounts listed below:

Related party	Category	Year	Amounts/ Volume	Due from (Due to)	Terms	Conditions
Landco Pacific Corporation	Due from related parties	**2022**	**₱–**	**₱1,662,054**	Non-interest bearing	Unsecured, no impairment
		2021	(₱34,250)	₱1,662,054	-do-	-do-
Punta Fuego Village Homeowners' Association, Inc.	Due from related parties	**2022**	**278,105**	**149,692**	Non-interest bearing	Unsecured, no impairment
		2021	(25,129)	427,797	Non-interest bearing	-do-
Anya Hospitality Corporation	Management fee	**2022**	**12,630,613**	**(1,631,445)**	Non-interest bearing	Unsecured, no impairment
		2021	8,059,243	(1,124,082)	-do-	-do-
Fuego Land Corporation	Due from related parties	**2022**	**–**	**29,736**	Non-interest bearing	Unsecured, no impairment
		2021	–	29,736	-do-	-do-
Fuego Development Corporation	Due to related parties	**2022**	**–**	**(20,210,117)**	Non-interest bearing	Unsecured, no impairment
		2021	--	(20,210,117)	-do-	-do-
Total		**2022**		**(₱20,000,080)**		
		2021		**(₱19,214,612)**		

Compensation of key management personnel of the Group
The remuneration of directors and other members of key management in 2022, 2021 and 2020 consist of:

	2022	2021	2020
Salaries and other short-term benefits	**₱11,204,591**	₱10,229,609	₱10,797,252
Retirement costs	**942,791**	284,155	212,488
	₱12,147,382	₱10,513,764	₱11,009,740

Terms and conditions of transactions with related parties
Outstanding balances at year-end are unsecured, interest-free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The Group has not recognized any impairment on amounts due from affiliated companies as of December 31, 2022 and 2021. This assessment is undertaken each financial year through a review of the financial position of the related party and the market in which the related party operates.

14. Departmental Costs and Expenses

This account consists of:

	2022	2021	2020
Personnel costs (Note 16)	**₱30,323,523**	₱19,820,769	₱15,584,979
Food and beverage (Note 7)	**28,189,126**	11,839,386	6,176,233
Communication, light and water	**14,099,097**	4,249,872	5,077,806

(Forward)

	2022	2021	2020
Supplies (Note 7)	**13,853,524**	5,929,949	3,285,945
Transportation and travel	**311,322**	182,805	747,762
Entertainment, amusement and recreation	**15,120**	–	35,000
Others	**1,535,342**	665,071	24,916
	88,327,054	42,687,852	30,932,641
Management fee and executive payroll	**8,692,999**	8,059,243	7,953,257
	₱97,020,053	₱50,747,095	₱38,885,898

15. Operating Expenses

This account consists of:

	2022	2021	2020
Personnel costs (Note 16)	**₱26,573,368**	₱21,835,517	₱22,369,318
Advertising and promotion	**9,377,173**	5,868,984	3,850,894
Communication, light and water	**8,794,108**	8,616,675	6,297,882
Association dues	**5,796,031**	5,656,189	5,491,769
Security services	**5,255,254**	4,885,143	4,620,085
Repairs and maintenance	**4,875,679**	3,722,072	2,379,813
Rent	**4,069,855**	1,967,674	1,180,906
Transportation and travel	**3,849,128**	2,321,012	2,093,259
Taxes and licenses	**3,632,715**	3,227,886	3,554,288
Credit card commission	**3,318,269**	1,924,947	1,374,937
Professional fees	**1,256,931**	892,898	1,032,609
Provision for ECL (Note 6)	**1,184,834**	1,299,238	3,581,998
Insurance	**835,498**	835,156	814,215
Supplies	**669,616**	462,549	395,379
Entertainment, amusement and recreation	**603,906**	490,967	300,554
Condominium corporation dues	**289,880**	–	–
Others	**10,293,611**	4,123,812	1,494,031
	₱90,675,856	₱68,130,719	₱60,831,937

Others consist mainly of credit card and sales commissions, bank charges and other miscellaneous expenses.

16. Personnel Costs

This account consists of:

	2022	2021	2020
Salaries and wages	**₱38,352,602**	₱27,599,360	₱24,864,167
Employee benefits	**17,302,126**	12,782,348	11,831,990
Retirement expense (Note 17)	**1,242,163**	1,274,578	1,258,140
	₱56,896,891	₱41,656,286	₱37,954,297

Personnel costs included in departmental costs and operating expenses are as follows:

	2021	2021	2020
Departmental costs (Note 14)	**₱30,323,523**	₱19,820,769	₱15,584,979
Operating expenses (Note 15)	**26,573,368**	21,835,517	22,369,318
	₱58,896,891	₱41,656,286	₱37,954,297

17. **Retirement Benefits**

The Club has a funded noncontributory defined benefit retirement plan (the Plan) managed by a trustee bank. The investing decisions of the Plan are made by certain officers of the Club duly authorized by the BOD. The benefits provided in the Plan are based on the years of credited service and compensation of employees.

The following tables summarize the components of the “Retirement expenses” recognized in the consolidated statements of comprehensive income and “Retirement benefit liability” and “Retirement asset” recognized in the consolidated statements of financial position, which are based on the latest actuarial valuation report dated March 29, 2023.

The components of retirement expenses recognized in the consolidated statements of comprehensive income are as follows:

	2022	2021	2020
Current service cost	**₱1,244,485**	₱1,291,735	₱1,292,425
Net interest income	**(2,322)**	(17,182)	(36,322)
Interest on the effect of asset ceiling	–	25	2,037
Retirement expenses	**₱1,242,163**	₱1,274,578	₱1,258,140

The components of retirement benefits liability recognized in other comprehensive income (OCI) are as follows:

	2022	2021	2020
Cumulative income in OCI, beginning	**(₱3,435,200)**	(₱3,115,371)	(₱2,564,739)
Remeasurement loss (gain) on defined benefit obligation:			
Deviations of experience from assumptions	**2,635,810**	(389,736)	(520,208)
Changes in financial assumptions	**(1,754,869)**	(406,945)	41,210
Demographic assumptions loss	–	16,834	–
(Forward)			
Remeasurement loss (gain) on plan assets	**₱796,757**	₱460,705	(₱31,820)
Remeasurement gain on changes in effect of asset ceiling	–	(687)	(39,814)
Balances at end of year	**(1,757,502)**	(3,435,200)	(3,115,371)
Tax effect	**439,380**	858,805	934,613
	(₱1,318,122)	(₱2,576,395)	(₱2,180,758)

The retirement benefits liability recognized in the consolidated statements of financial position are as follows:

	2022	2021
Fair value of plan assets	**₱14,683,053**	₱14,544,552
Present value of obligation	**(16,724,527)**	(14,597,094)
Balances at end of year	**(₱2,041,474)**	(₱52,542)

Movements in the retirement liability recognized in the consolidated statements of financial position:

	2022	2021
Balances at beginning of year	**(₱52,542)**	₱17,759
Retirement costs	**(1,242,163)**	(1,274,578)
Remeasurement gain on retirement benefits	**(1,677,699)**	319,829
Contributions paid	**930,930**	884,448
Balances at end of year	**(₱2,041,474)**	(₱52,542)

Changes in the present value of defined benefit obligation are as follow:

	2022	2021
Balances at beginning of year	**₱14,597,094**	₱13,578,720
Current service cost	**1,244,485**	1,291,735
Interest cost	**735,694**	506,486
Benefits paid directly from plan assets	**(733,687)**	–
Remeasurement loss (gain) arising from:		
Deviations of experience from assumptions	**2,635,810**	(389,736)
Changes in financial assumptions	**(1,754,869)**	(406,945)
Changes in demographic assumptions	**–**	16,834
Balances at end of year	**₱16,724,527**	₱14,597,094

Changes in the fair value of plan assets are as follows:

	2022	2021
Balances at beginning of year	**₱14,544,552**	₱13,597,141
Contributions paid	**930,930**	884,448
Interest income	**738,016**	523,668
Remeasurement gain	**(796,758)**	(460,705)
Benefits paid directly from plan assets	**(733,687)**	–
Balances at end of year	**₱14,683,053**	₱14,544,552

The actual return on plan assets amounted to a loss of ₱58,742 and an income of ₱62,963 for the years ended December 31, 2022 and 2021, respectively.

The categories of plan assets at fair value are as follows:

	2022		2021	
	Amount	**%**	Amount	%
Marketable securities	**₱13,695,266**	**93.16%**	₱14,406,954	98.93%
Cash and cash equivalents	**874,011**	**5.95%**	1,409	0.01%
Others*	**131,341**	**0.89%**	153,846	1.06%
	₱14,700,618	**100.00%**	₱14,562,209	100.00%

**"Others" consist of market gains and accrued receivables, among others.*

The principal assumptions used to determine accrued retirement liability in 2022 and 2021 are as follows:

	2022	2021
Discount rate	**7.21%**	5.04%
Rate of increase in compensation	**3.00%**	2.00%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of December 31, 2022 and 2021, assuming all other assumptions were held constant:

	Increase (decrease) in basis points	Effect on retirement benefit obligation	
		2022	2021
Discount rates	+100 bps	**(₱1,340,961)**	(₱1,316,305)
	-100 bps	**1,524,677**	1,514,333
Future salary increase rate	+100 bps	**1,574,999**	1,546,561
	-100 bps	**(1,405,025)**	(1,365,291)

Shown below is the maturity analysis of the undiscounted benefit payments as of December 31, 2022 and 2021:

	2022	2021
Within one year	**₱1,066,261**	₱726,638
Between one and five years	**7,660,415**	6,439,512
Beyond five years	**9,779,194**	6,027,517

18. Interest and Other Income

This account consists of:

	2022	2021	2020
Penalties	**₱2,844,815**	₱2,100,873	₱72,696
Interest income (Note 5)	**1,971,400**	423,019	641,025
Boutique	**134,256**	92,559	19,004
Gain on sale of equipment	**65,000**	–	–
Auction fee	**48,000**	390,000	–
Others	**518,366**	402,399	190,071
	₱5,831,837	₱3,408,850	₱922,796

Others consists of rentals of the Group's facilities and other incidental charges.

19. Income Tax

Current Tax

The Group's provision for current tax represents the minimum corporate income tax (MCIT) amounting to ₱551,278, ₱96,277 and ₱10,974 for the years ended December 31, 2022, 2021 and 2020, respectively.

The reconciliation of provision for (benefit from) income tax computed at the statutory income tax rate to provision for income tax as shown in the consolidated statements of comprehensive income is summarized as follows:

	2022	2021	2020
Income tax at statutory rate	**₱1,938,402**	₱59,433	(₱7,301,969)
Add (deduct) tax effects of:			
Nontaxable income	**(12,314,891)**	(15,834,113)	(16,854,542)
Excess MCIT over RCIT and NOLCO for which no deferred income tax assets were recognized	**11,241,453**	14,055,212	23,080,491
Interest income subjected to final tax	**(492,278)**	(105,673)	(192,308)
Change in tax rate	–	1,403,146	–
Derecognized deferred tax asset	–	–	240,446
	₱372,686	(₱421,995)	(₱1,027,882)

Deferred Tax

The components of the Group's net deferred tax assets are as follow:

	2022	2021
Presented in profit or loss		
Deferred tax assets:		
Allowance for ECL	**₱2,652,895**	₱2,859,310
Unearned income from Marina boat storage and berthing fee	**2,899,623**	2,801,641
Provision for repairs and maintenance	**103,902**	100,850
Retirement liability	**1,309,095**	1,024,664
	6,965,515	6,786,465
Presented in OCI		
Deferred tax liability related to retirement asset recognized as other comprehensive income	**(439,380)**	(858,805)
Net deferred tax assets	**₱6,526,135**	₱5,927,660

The unutilized excess MCIT and NOLCO for which no deferred tax assets are recognized in the consolidated statement of financial position are as follows:

	2022	2021
NOLCO	**₱176,977,507**	₱133,715,707
Excess MCIT over RCIT	**520,418**	1,865,488
	₱177,497,925	₱135,581,195

Last September 11, 2021, the President signs into law the "Bayanihan to Recover as One Act" or "Bayanihan 2", an act in response to COVID-19 to accelerate the recovery and bolster the resiliency of the Philippine economy.

Unless otherwise disqualified from claiming the deduction, the business or enterprise which incurred net operating loss for taxable years 2020 and 2021 shall be allowed to carry over the same as a deduction from its gross income for the next five consecutive taxable years immediately following the year of such loss. The net operating loss for said taxable years may be carried over as a deduction even after the expiration of RA No. 11494 provided the same are claimed within the next five consecutive taxable years immediately following the year of such loss.

As of December 31, 2021, the Group has incurred NOLCO in taxable year 2020 to 2022 which can be claimed as deduction from the regular taxable income for the next taxable years, as follows:

Year Incurred	Available Until	Available NOLCO	Tax Effect
2020	2025	₱76,907,213	₱19,226,803
2021	2026	55,876,661	13,969,165
2022	2025	43,261,633	10,815,408

As of December 31, 2022, the amounts of excess MCIT over RCIT allowable as tax credit over a period of three years consist of:

Incurred	Amount	Application	Expiry	Balance	Expiry Year
2022	₱426,044	₱–	₱–	₱426,044	2025
2021	86,047	–	–	86,047	2024
2020	8,327	–	–	8,327	2023
2019	1,771,114	–	(1,771,114)	–	2022
	₱2,291,532	₱–	(₱1,771,114)	₱520,418	

Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act

President Rodrigo Duterte signed into law on March 26, 2021 the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act to attract more investments and maintain fiscal prudence and stability in the Philippines. Republic Act (RA) 11534 or the CREATE Act introduces reforms to the corporate income tax and incentives systems. It takes effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation or April 11, 2021.

The following are the key changes to the Philippine tax law pursuant to the CREATE Act which have an impact on the Group:

- Effective July 1, 2020, regular corporate income tax (RCIT) rate is reduced from 30% to 25% for domestic and resident foreign corporations. For domestic corporations with net taxable income not exceeding Php5 million and with total assets not exceeding Php100 million (excluding land on which the business entity's office, plant and equipment are situated) during the taxable year, the RCIT rate is reduced to 20%.

- Minimum corporate income tax (MCIT) rate reduced from 2% to 1% of gross income effective July 1, 2020 to June 30, 2023.

20. Financial Instruments

Fair Value Information

The carrying amount of cash and cash equivalents, receivables, due from related parties, deposits and accounts payable and other current liabilities (except taxes and statutory payables) approximate their fair value due to the relatively short-term maturities of these financial instruments.

Financial Risk Management Objectives and Policies and Capital Management

The Group has financial assets which arise directly from its operations. These financial assets include "Cash and cash equivalents", "Receivables" and "Due from related parties". The Group's financial liabilities consist of "Accounts payable and other current liabilities" and "Due to related parties". The Group's intention in incurring these liabilities is to obtain funds for its day-to-day operations.

The Group, being an exclusive nonprofit membership club which derives 22% of its income from fixed membership dues collected from its members and 78% from its operations, is exposed to minimum financial risks. Investing activities are limited to short-term money market placements in fully-secured government securities. The Group's risk management is governed by the Finance and Audit Committee, with coordination and in close cooperation with the BOD, and focuses on actively securing the Group's short to medium-term cash flows by minimizing the exposure to financial markets.

Long-term financial investments are managed to generate lasting returns.

The Group does not engage in the trading of financial assets for speculative purposes and did not enter into any free-standing derivative transaction in 2022 and 2021. The most significant financial risks to which the Group is exposed are credit risk and liquidity risk.

The BOD reviews and approves policies of managing each of the risks and they are summarized below:

Credit Risk

The Group's receivables are actively monitored to avoid significant uncollectible accounts. Policies are in place to ensure collection of these receivables. In case of delinquency, the Group's By-Laws provide for clear-cut measures and sanctions against members with unpaid accounts. These measures include withholding services and suspending rights and privileges to the member. In addition, the Group has the first lien on every share of stock to secure debts of members arising from unpaid membership dues and other club charges. Sales of products and services to non-members, i.e., members' guests, are on cash basis. In the case of membership dues, advance payment promotions are launched each year with incentives on early annual payments to reduce receivables from members. These measures minimize the credit risk exposure or any margin loss from possible default in the payment of receivables.

The credit qualities of the Group's cash and cash equivalents are neither past due nor impaired and are considered to be of good quality. The Group's cash and cash equivalents are deposited in reputable commercial banks, which earn interest at prevailing bank interest rates and are unrestricted as to withdrawal.

There are no significant concentrations of credit risk within the Group.

The table below shows the maximum exposure to credit risk for the Group's financial assets as of December 31, 2022 and 2021:

	2022	2021
Cash and cash equivalents*	**₱111,500,562**	₱85,195,448
Receivables**	**27,673,527**	31,067,446
Due from related parties	**1,841,482**	2,119,587
Total credit risk exposure	**₱141,015,571**	₱118,382,481

**Excluding cash on hand amounting to ₱573,419 and ₱556,946 as of December 31, 2022 and 2021, respectively.*
***Excluding advances to suppliers amounting to ₱310,161 and 51,527 as of December 31, 2022 and 2021, respectively.*

The aging analysis of financial assets (excluding cash and cash equivalents) are as follows:

	2022					
	Neither Past	**Past Due but not Impaired**				
	Due nor Impaired	**Less than 30 Days**	**31 to 60 Days**	**More than 60 Days**	**Impaired Receivables**	**Total**
Receivables:						
Members	**₱9,095,991**	**₱2,034,590**	**₱963,183**	**₱14,736,214**	**₱10,611,579**	**₱37,441,557**
Others*	**843,548**	**–**	**–**	**–**	**–**	**843,548**
Due from related parties	**149,692**	**–**	**–**	**1,691,790**	**–**	**1,841,482**
	₱10,089,231	**₱2,034,590**	**₱963,183**	**₱16,428,004**	**₱10,611,579**	**₱40,126,587**

**Excluding advances to suppliers amounting to ₱310,161.*

The aging analysis of financial assets (excluding cash and cash equivalents) are as follows:

	2021					
	Neither Past	Past Due but not Impaired				
	Due nor Impaired	Less than 30 Days	31 to 60 Days	More than 60 Days	Impaired Receivables	Total
Receivables:						
Members	₱10,631,647	₱1,413,303	₱998,801	₱16,977,569	₱9,611,900	₱39,633,220
Others*	1,046,126	–	–	–	1,862,375	2,908,501
Due from related parties	2,119,587	–	–	–	–	2,119,587
	₱13,797,360	₱1,413,303	₱998,801	₱16,977,569	₱11,474,275	₱44,661,308

**Excluding advances to suppliers amounting to ₱51,527.*

The table below shows the credit quality of the Group's financial assets which are neither past due nor impaired:

	2022			
	Neither Past Due nor Impaired			
	High	**Medium**	**Low**	**Total**
Cash and cash equivalents*	**₱111,500,562**	**₱–**	**₱–**	**₱111,500,562**
Receivables:				
Members	**9,095,991**	**–**	**–**	**9,095,991**
Others**	**843,548**	**–**	**–**	**843,548**
Due from related parties	**149,692**	**–**	**–**	**149,692**
	₱121,589,793	**₱–**	**₱–**	**₱121,589,793**

**Excluding cash on hand amounting to ₱573,419.*
***Excluding advances to suppliers amounting to ₱310,161.*

	2021			
	Neither Past Due nor Impaired			
	High	Medium	Low	Total
Cash and cash equivalents*	₱85,195,448	₱–	₱–	₱85,195,448
Receivables:				
Members	10,631,647	–	–	10,631,647
Others**	1,046,126	–	–	1,046,126
Due from related parties	2,119,587	–	–	2,119,587
	₱98,992,808	₱–	₱–	₱98,992,808

**Excluding cash on hand amounting to ₱556,946.*
***Excluding advances to suppliers amounting to ₱51,527.*

Receivables from members with "High" credit rating are collected within billing date. Customers with receivables classified as "Medium" credit rating pay their dues within 31 to 60 days after billing date. "Low" rating receivables are collected after 60 days from billing date but before 90 days. Past due but not impaired receivables are collected after 90 days, in which case, they are already considered delinquent.

Cash and cash equivalents, receivables from members, and due from related parties have a "High" credit rating since these are transacted with reputable and financially sound counterparties.

Liquidity Risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of short to medium-term investments and advances from related parties. The Group monitors its risk to a shortage of funds through monitoring of financial investments, financial assets and projected cash flows from operations. The Group's objectives in managing its liquidity profile are: a) to ensure that adequate funding is available at all times; b) to meet commitments as they arise without incurring unnecessary costs; and c) to be able to access funding when needed at the least possible cost.

The following tables summarize the maturity profile of the Group's financial assets held for managing liquidity and financial liabilities based on contractual undiscounted payments:

	2021		
	On Demand	**Less than 3 Months**	**Total**
Financial assets			
Cash and cash equivalents	**₱111,500,562**	**₱–**	**₱85,195,448**
Receivables:			
Members	**9,095,991**	**–**	**10,631,647**
Others	**843,548**	**–**	**1,046,126**
Due from related parties	**149,692**	**–**	**2,119,587**
	121,589,793	**–**	**98,992,808**
Financial liabilities			
Accounts payable and other current liabilities*	**28,793,647**	**–**	**21,366,413**
Due to related parties	**21,841,562**	**–**	**21,334,199**
	50,635,209	**–**	**42,700,612**
Liquidity position	**₱70,954,584**	**₱–**	**₱56,292,196**

**Excluding statutory payables amounting to ₱2,578,307*

	2021		
	On Demand	Less than 3 Months	Total
Financial assets			
Cash and cash equivalents	₱85,195,448	₱–	₱85,195,448
Receivables:			
Members	10,631,647	–	10,631,647
Others	1,046,126	–	1,046,126
Due from related parties	2,119,587	–	2,119,587
	98,992,808	–	98,992,808
Financial liabilities			
Accounts payable and other current liabilities*	21,366,413	–	21,366,413
Due to related parties	21,334,199	–	21,334,199
	42,700,612	–	42,700,612
Liquidity position	₱56,292,196	₱–	₱56,292,196

**Excluding statutory payables amounting to ₱1,969,529.*

Capital Management
The primary objective of the Group's capital management is to safeguard the entity's ability to continue as a going concern, so that it can continue to provide benefits for its members and other stakeholders.

The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may issue new proprietary shares or sell assets to reduce debts.

The Group's capital includes the following:

	2022	2021
Proprietary shares	**₱528,849,206**	₱528,849,206
Additional paid-in capital	**2,648,830**	2,648,830
Cumulative deficiency of revenues over expenses	**(63,270,655)**	(70,811,706)
Shares of delinquent shareholders acquired through auctions	**(855,110)**	(855,110)
Other comprehensive income	**1,318,122**	2,576,395
	₱468,690,393	₱462,407,615

Board of Directors

Pedro Emilio O. Roxas
Chairman

Erickson Y. Manzano
President

Santiago R. Elizalde
Vice-Chairman

Edgar P. Arcos
Treasurer

Maida B. Bruce
Director

John Patrick C. Gregorio
Director

Vivian S. Liban
Director

Pilar T. Lee
Independent Director

Luz C. Laguitao
Independent Director

Michael Jeremy Rollin
Independent Director

Isabel Cuerva-Kahn
Independent Director

Atty. Noel A. Laman
Corporate Secretary

Board Committees

Executive Committee	Erickson Y. Manzano (Chairman) Pedro Emilio O. Roxas Santiago R. Elizalde Maida B. Bruce Vivian S. Liban Isabel Cuerva-Kahn
Corporate Governance Committee	Luz C. Laguitao (Chairwoman) Michael Jeremy Rollin Maida B. Bruce Pilar T. Lee Pedro Emilio O. Roxas
Finance Committee	Edgar P. Arcos (Chairman) Vivian S. Liban Isabel Cuerva-Kahn John Patrick C. Gregorio
Audit Committee	Pilar T. Lee (Chairwoman) Maida B. Bruce Isabel Cuerva-Kahn
HR & Labor Committee	Luz C. Laguitao (Chairwoman) Erickson Y. Manzano Isabel Cuerva-Kahn Vivian S. Liban Michael Jeremy Rollin
Membership Committee	Santiago R. Elizalde (Chairman) Michael Jeremy Rollin Isabel Cuerva-Kahn
Marina & Sports Committee	Santiago R. Elizalde (Chairman) Jose Picornell Michael Jeremy Rollin Philip Hagedorn Noel A. Laman John Patrick C. Gregorio
Nomination & Election Committee	Francisco R. Elizalde (Chairman) Pilar T. Lee Jose L. Ignacio Jose S. Picornell John Patrick C. Gregorio

Management Team

Edgar Johannes F. Krohn	General Manager
Ma. Rosandra A. Gayosa	Finance Director
Maria Lynne T. Castillo	Human Resources Manager
Diane Nichole T. Sze	Membership Manager
Marites G. Felicisimo	Operations Manager
Anthony B. Nacion	Terrazas Beach Club Operations Manager
Renelito V. Bentir	Marina Manager
Alyanna Mae G. Masip	Front Office Manager
Fergie D. Samson	Executive Housekeeper
Dwight A. Azurin	Executive Chef
Wesley A. Valdez	Sous Chef
Christian C. Valeriano	Sous Chef
Robert L. Napata, Jr.	Chief Engineer
Owen Aldrin P. dela Cruz	MIS Manager
Lilibeth M. Pega	Cost Control Manager
Rolando M. Flores	Security Manager

Managed by:

AHG

Service as You Please

Juan P. Roca
Managing Director

In Memory

We dedicate this page in remembrance of our Executive Chefs, Chef William N. Velasco and Chef Philip D. Baltazar, whose untimely passing in late 2021 due to COVID-19 and cerebrovascular accident, respectively, left a void in the Club's Food and Beverage Department. Their calm demeanor and gentle smiles, while exuding an admirable and assuring presence at the Club's kitchens with their passion, dedication and culinary talents, will be greatly missed. The Club was privileged to have had them in the Team, and their memories and legacies will never be forgotten.

Chef William began his two- year tenure at Club Punta Fuego in October 2019 as Executive Chef. He worked for Hilton Hotels and Resorts for twenty-three years before joining the Club, bringing with him a wealth of experience in the culinary field.

Between 2009 to 2019, he was an Executive Chef at the Hilton Garden in Riyadh, Hilton Resort and Spa in the United Arab Emirates, and Hilton Hotel and Resort in Salalah, Oman. He started his career in 1996 at the Hilton as Chef de Garde Manger or Pantry Chef. Advancing from the ranks, he ultimately attained the promotion of Senior Chef de Partie, until he was promoted to Executive Sous Chef in 2000.

Chef Philip joined the Food & Beverage Team in October 2014 as Executive Pastry Chef and had been a part of Club Punta Fuego for almost eight years.

He was a well-known Pastry Chef in the hotel and restaurant sector who had worked for notable hotels and resorts in the Philippines for over twenty years, including Sofitel Philippine Plaza, Mandarin Oriental, Tagaytay Highlands, Island Cove, and Astoria Plaza.

He also received specialized training in the art of chocolate making in Switzerland, and represented the Philippines in a competition for Asian breads in China, where he took home bronze medals in three categories: showpiece, artisan bread, and laminated dough.

Corporate Directory

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Castillo Laman Tan Pantaleon & San Jose Law Offices
Abella, Bernardino, Listones and Partners
Borge Law Office

Banks
Metropolitan Bank & Trust Company
Union Bank of the Philippines
Bank of the Philippine Islands
Rizal Commercial Banking Corporation
China Banking Corporation
BDO Unibank, Inc.

External Auditors
SyCip Gorres Velayo & Co.

Managed by:

AHG

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