



SECURITIES AND EXCHANGE COMMISSION

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Receipt Date and Time: April 29, 2026 06:40:14 PM

Company Information

SEC Registration No.: CS201412229

Company Name: ALVIERA COUNTRY CLUB, INC.

Industry Classification: K70100

Company Type: Stock Corporation

Document Information

Document ID: OST104292026811283391

Document Type: ANNUAL_REPORT

Document Code: SEC_Form_17-A

Period Covered: December 31, 2025

Submission Type: Original Filing

Remarks: WITH FS

Acceptance of this document is subject to review of forms and contents

COVER SHEET

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A L V I E R A C O U N T R Y C L U B , I N C .

(Company's Name)

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c i e n d a D o l o r e s , P o r a c , P a m p a n g

a

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

Elaine Marie F. Alzona

Contact Person

908-3852

Company Telephone Number

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Month
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Fiscal Year

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Month

Annual Meeting

Secondary License Type, If applicable

C F D

Dept. Requiring this Doc.

Amended Articles Number/Section

Borrowing

Total No. of Stockholders

Total Amount of

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

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SEC Number: CS201412229
File Number: _____

ALVIERA COUNTRY CLUB, INC.

(Company's Full Name)

Alviera Country Club, Brgy. Hacienda Dolores,
Porac, Pampanga

(Company Address)

(632) 908-3852

(Telephone Number)

December 31, 2025

(Year Ending)

Annual Report – SEC Form 17-A

(Form Type)

-

(Amendments)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

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

1. For the fiscal year ended: **December 31, 2025**
2. SEC identification number: **CS201412229**
3. BIR Identification No. **008-805-693-000**
4. Exact name of issuer as specified in its charter: **ALVIERA COUNTRY CLUB, INC.**
5. Province, Country or other jurisdiction of incorporation or organization:
PORAC, PAMPANGA
6. Industry Classification Code: (SEC Use Only)
7. Address of principal office and Postal Code: **Alviera Country Club, Brgy. Hacienda
Dolores, Porac, Pampanga, 2008**
8. Issuer's telephone number, including area code **(632) 908-3852**
9. Former name, former address and former fiscal year, if changed since last report: **N/A**
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

<u>Title of each Class</u>	<u>Number of shares of common stock outstanding and amount of debt outstanding</u>
Class B Shares, no par value	2,600
Class C Shares, no par value	300

11. Are any or all of the securities listed on a Stock Exchange?

Yes [] No [**x**]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

12. Indicate by check mark whether the registrant:
 - (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [**x**] No []

- (b) has been subject to such filing requirements for the past ninety (90) days.

Yes [**x**] No []

13. Aggregate market value of the voting stock held by non-affiliates:

Not applicable

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

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Yes []

No []

Not applicable

DOCUMENTS INCORPORATED BY REFERENCE

15. Briefly describe documents incorporated by reference and identify the part of SEC Form 17-A into which the document is incorporated:

2025 Audited Financial Statements (incorporated as reference for Items 7 & 12 of SEC Form 17-A)

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PART I – BUSINESS

Item 1. Business

Form and Date of Organization

The Club was organized as a stock, non-profit corporation and was duly registered with the Securities and Exchange Commission (SEC) on July 9, 2014. The Club has no predecessors. As of December 31, 2025, the Club has no subsidiaries. The Club started its commercial operations last March 28, 2019 and has its official Grand Launch on July 31, 2019.

The Club is not involved in any bankruptcy, receivership or similar proceedings. Neither is the Club involved in any material reclassification, merger consolidation or purchase or sale of significant amount of assets not in the ordinary course of business.

Description of Business

Services to be offered

The Club was incorporated for the purpose of maintaining, operating, managing and carrying on the business of a sports and leisure club and its facilities in the Municipality of Porac, Province of Pampanga for the amusement, entertainment, recreational and athletic activities, on a non-profit basis, of its members.

Sales Mix

Revenues will be derived from monthly dues, use of sports facilities, sales of food and beverages, and other revenue-generating activities related to the operations of the Club. However, since it will be operated on a non-profit basis, no part of its net income shall inure to the benefit of any shareholder. Assessments, fees and dues collected from its shareholders shall be for the sole purpose of meeting the operational and maintenance expenses of the Club.

Plan of Distribution

To undertake the distribution of its shares to the public, Nuevocentro, Inc. (NCI), the Parent Company, has engaged the services of GG&A Club Shares Brokers, Inc. ("GG&A"), an accredited broker of the SEC, as its selling agent to promote, market, and sell the shares at such prices specified by NCI given yearly increases until the maximum of such prices, and on the standard terms and conditions of quotation or sale specified by NCI. The brokers shall also ensure completion of necessary reservation and booking documents of all buyers, including all forms required by the SEC. There is no relationship between the Issuer-registrant and GG&A.

Status of Property Development

As of December 31, 2025, Makati Development Corporation (MDC) is 100% complete for the property development of the Club.

On July 31, 2019 the Club has its official Grand Launch and started to use the property for its normal operation.

Competition

The leisure market has proven to be of interest among numerous land development companies due to the extensive promotion of the industry, escalation of the market segment seeking vacation destinations, and increase in interest in the natural environment and tourism. Several clubs are considered competitors since they are well-known throughout the industry, such as Tagaytay

Highlands, International Golf Club, Timberland Sports and Nature Club, Pico de Loro Beach and Country Club, Punta Fuego, Subic Bay Yacht Club, and Club Morocco.

The Club intends to set itself apart from other leisure clubs in the country by providing a unique interactive experience for its members in the context of a natural setting by making accessible in-nature facilities to be separately developed by NCI. It will also offer a wide variety of nature-based activities that the other clubs do not make available. The competitive advantage of the Club is also in its setting that provides a dramatic landscape of foothills and forest. The expertise and track record of NCI, through Ayala Land Inc. (ALI), in the field of real estate development further guarantees a high-quality development the value of which will appreciate over time.

Key suppliers

The Club energy and power is being provided primarily by Pampanga Electric Cooperative (“PELCO”) which will also provide primary power to the entire Alvierra development. The Club engage Manila Water Philippines Ventures Inc. as provider for water supply. The Club main provider of manpower is Asiapro Multi-Purpose Cooperative while for security guards is Jarton Security Agency Inc. The Club engaged to various suppliers in Metro Manila and Pampanga for food and beverage.

Customer base

The Club will rely heavily on a solid membership base and frequent usage. Continuous sales of the shares supported by promotion will be primary initiatives.

The business of the Club is not dependent upon a single customer or a few customers, the loss of any or more of which would not have a material adverse effect on the Club. As to date, there is no customer that will account for twenty percent (20%) of the Club’s revenues.

Related Party Transactions

The Club has engaged MDC as the Club’s general contractor and contracted Ayalaland Club Management, Inc (ACMI) up to July 2019 as the operations manager. Globe Telecom, Inc., which provides telecommunication to the Club, Bank of the Philippine Island, Ayalaland Estates, Inc. and the aforementioned companies are affiliates of the Ayala Land, Inc. (ALI), the Club’s Ultimate Parent Company.

Intercompany transactions with NCI may include noninterest bearing advances to fulfill the Club’s operational financing requirements.

Intangible Assets

The Club has no patents, trademarks, copyrights, franchises or royalty agreements.

Legal and Regulatory Matters

As of the date of this report, the Club is not a party to any litigation which would have any material or adverse effect upon its business or financial condition. The Gross Parcel owned by the Club is not the subject of any legal proceedings.

On August 23, 2014, the Department of Environment and Natural Resources (“DENR”) issued the Environmental Compliance Certificate (“ECC”) for the Alvierra development where the project is located. Among the conditions under which the ECC was granted is the establishment of the following:

1. A Multipartite Monitoring Team (“MMT”) composed of local government units concerned, NGO/PO, DENR Region 3, Environmental Management Bureau Region 3, and the project

proponent. There is already an existing Multipartite Monitoring Team for Alviera that can take on this task.

2. A continuing Information, Education, and Communication (“IEC”) Program to explain publicly its Environmental Impact Statement (“EIS”).

The foregoing conditions are intended to ensure that the development and operation of Alviera and the Club do not violate existing environmental laws.

A development permit which covers the entire Alviera development has also been obtained. The development permit was approved and issued by the office of the Municipal Mayor. The Barangay resolution was approved on June 10, 2014.

The Gross Parcel is part of a parcel of land covered by an Exclusion/Exemption Order issued by the Department of Agrarian Reform (“DAR”) and Memorandum dated May 28, 1998 and June 4, 2003, respectively, which excluded and exempted the said parcel of land from the coverage of the Comprehensive Agrarian Reform Program.

NCI does not foresee any existing or probable government regulation which may in any way hinder the development and operation of the Club.

Amount Spent on Development Activities

The amount spent as of December 31, 2025 for building development totaled ₱826.97 million.

Human Resource

As of December 31, 2025, the Club employed 17 full-time employees and 86 contractual workers. Consultants may also be hired for concerns that require expertise. Employment base is expected to increase once members’ patronage of the Club increases, requiring more manpower resource, and/or once the need arises.

Risk Factors and Risk Management Strategies

Real Estate Appreciation/Depreciation

The investment in the shares of the Club is an indirect investment in real property such that the usual risks associated with property ownership should be considered. These include natural calamities, adverse changes in political and economic conditions, environmental laws or applicable Philippine regulations, which may affect property values and could result in real estate appreciation or depreciation in the future.

Market Valuation

It is not anticipated that an organized trading market for the purchase and sale of the Club’s shares will be developed in the near future. Prospective buyers who intend to invest purely for potential capital gains should consider that the shares are not publicly traded and market valuation may not be readily available.

Economic and Political Factors

The depreciation of the Philippine Peso will directly affect the estimated construction and development costs for the project, which includes the costs of imported construction materials and service fees of foreign consultants. Any escalation in development costs for the Club may affect the price at which the shares will be offered for sale after the initial offer. Any political or economic instability in the future may have a negative effect on the price.

In the event that the shares are not sold within the projected timetable because of economic and political factors that may decrease the selling price of the shares, NCI will continue to provide financial support or cause the Club to loan from third parties such amounts as may be necessary to support the Club's operations.

Competitive Business Condition

The Club is expected to encounter competition from existing sports, golf and country clubs which are located in Central Luzon and in other regions. The competition with these clubs is expected to be based on operating history, secondary price of available shares, amenities and facilities, and location and accessibility.

The Club has suitably differentiated itself from the competition through its unique offerings. No other leisure development in the area, whether existing or currently being developed, offers proprietary shares in a club with both sports and country club facilities situated in a mixed-use township development amidst mountain nature setting. The Club's design, surroundings and available nature-based activities will set it apart from competition.

Mitigation Plan for the Above Risks

NCI shall implement measures to ensure that investors' investments in the shares shall be protected even during downturns and changes in business condition.

To ensure that the marketability of the shares, NCI has been promoting the Club not as a stand-alone development but as part of the mixed-use township development project, Alviera. The Club is also being aggressively marketed together with the selling of residential lots and houses, as well as commercial and industrial lots, in Alviera. NCI is also using ALI's wide network of internal and external sales force to market the Club. As the residents, investors and locators reside in Alviera, it is expected that the demand for the shares will continuously increase alongside the development and completion of each of Alviera's communities, resulting in the appreciation of the value of the shares.

To ensure that quality of the Club remains up to standards, as of December 31, 2025, the Club employed 17 full-time employees to oversee and manage the Club operations. NCI remains the majority shareholder of the Club.

Item 2. Properties

Description and Location of the Site

The Club will form part of Alviera, the new master planned development by ALI, consisting of approximately 1,800 hectares (as of date of this report), located in Porac, Pampanga. Alviera will house BPO buildings, retail centers, universities, a technology and business park, a country club, recreational amenities and a full range of residential options.

The site of the Club is approximately a 56,241-square meter property bounded by the Alviera town center in the north, overlooking the Porac ridges in the south, and Subic-Clark Toll Expressway in the west.

Principal Properties

The facilities and amenities of the Club was constructed on a 56,241-square meter parcel of land located in Porac, Pampanga covered by Transfer Certificate of Title No. 042-2015001973 issued by the Registry of Deeds for San Fernando, Pampanga in the name of Alviera Country Club, Inc. The parcel,

also known herein as the Gross Parcel, is owned by the Club, the title to which was transferred and registered in the name of the Club on February 6, 2015.

The real property taxes on the Gross Parcel for the year 2025 have been paid to the Municipality of Porac.

The Gross Parcel is free from any lien or encumbrance and is not the subject of any legal proceedings.

The Club has a total of P14.78 million additions to the property and equipment for the year comprising Kitchen, Facilities & Maintenance, & F&B equipment.

Item 3. Legal Proceedings

As of December 31, 2025, the Club, is not involved in any litigation regarding an event that it considered material.

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

Except for the matters taken up during the Annual Meeting of Stockholders, there was no other matter submitted to a vote of security holders during the period covered by this report.

PART II – SECURITIES OF THE REGISTRANT

Item 5. Market for Issuer’s Common Equity and Related Stockholders Matters

Market Information

The Club’s shares are not publicly traded and there are no organized trading market for the purchase and sale of such shares as to date.

Stockholders

The Club has an authorized capital stock of 6,800, no par shares. The details of the number of authorized and outstanding shares of the Club as of December 31, 2025 follow:

	Authorized	Outstanding
Class A	3,700	3,700
Class B	2,600	2,600
Class C	300	300
Class D	200	200
	<u>6,800</u>	<u>6,800</u>

Upon the incorporation of the Club, NCI invested the amount of ₱133.0 million in cash consideration for the issuance of club shares, at its initial issue price of ₱76,000 per share. On October 3, 2017, the Club’s Board of Directors (BOD) approved the conversion of NCI’s advances amounting to ₱196.99 million in exchange of 2,592 Class A shares. The SEC approved the confirmation of valuation of advances on August 10, 2018.

Subsequently, on December 21, 2018, NCI subscribed to the Club’s remaining authorized capital stock comprising of 83 Class A shares, 1,950 Class B shares, 225 Class C shares and 200 Class D shares at an issue price of ₱254,985 per share. 25% of the total subscription price was paid by NCI on December 28, 2018. Remaining subscription receivable amounted to ₱470.06 million was fully collected as of December 31, 2020.

The following are the shareholders of the Club as of December 31, 2025:

Name	Nationality	No. and Class of Shares Subscribed					Amount of Capital Stock Subscribed (₱)	% of Total
		A	B	C	D	Total		
Nuevocentro, Inc.	Filipino	3,688	2,213	264	200	6,365	923,278,145	96.50%
Clarissa Teresita L. Asuncion	Filipino	1	-	-	-	1	76,000	0.01%
Augusto D. Bengzon	Filipino	1	-	-	-	1	76,000	0.01%
Aileen Anunciacion R. Zosa	Filipino	1	-	-	-	1	76,000	0.01%
Jose P. De Jesus	Filipino	1	-	-	-	1	76,000	0.01%
Anna Ma. Margarita B. Dy	Filipino	1	-	-	-	1	76,000	0.01%
May P. Rodriguez	Filipino	1	-	-	-	1	76,000	0.01%
Christopher B. Maglanoc	Filipino	1	-	-	-	1	254,985	0.03%
Carlo Leonardo N. Leonio	Filipino	1	-	-	-	1	76,000	0.01%
Lawrence Conrad N. Leonio	Filipino	1	-	-	-	1	76,000	0.01%
Lady Claire L. Guiyab	Filipino	1	-	-	-	1	76,000	0.01%
Joselito H. Sibayan	Filipino	1	-	-	-	1	76,000	0.01%
Hansgeorg G. Lopez-Vito	Filipino	1	-	-	-	1	76,000	0.01%
Others (423 stockholders)		-	387	36	-	423	32,376,000	3.38%
Total		3,700	2,600	300	200	6,800	956,745,130	100%

Dividends

Being a non-profit organization, no profit shall inure to the exclusive benefit of any of its shareholders; hence, no dividends shall be declared in their favor. However, upon the dissolution or liquidation of the Club, shareholders shall be entitled to a pro-rata share of the assets of the Club at the time of its dissolution or liquidation.

Recent Sales of Unregistered or Exempt Securities

The Club has not sold any unregistered or exempt securities. Neither has it reacquired any securities, issued new securities, issued securities in exchange for property, services, or other securities, or issued new securities resulting from the modification of outstanding securities.

PART III – FINANCIAL INFORMATION

Item 6. Management’s Discussion and Analysis and Plan of Operation

Plan of Operation

The Club started its commercial operations last March 28, 2019 and has its official Grand Launch last July 31, 2019 and started to operate under its normal operation. Members started to pay their monthly dues after the Grand Launch as they can already use the club facilities and amenities. Any increase in dues will be reported to the SEC within thirty (30) days from the approval of the Board of Directors. The Members will be notified of such increase. Notices on the dues will also be posted on bulletin boards located in conspicuous areas for the benefits of secondary markets.

Revenues are derived from monthly dues, sale of food and beverages, and from usage of sports facilities and equipment. Since the Club operated on a non-profit basis, no part of its net income will

inure to the benefit of its shareholders. Assessments, fees and dues collected from Members shall be for the sole purposes of meeting the operational and maintenance expenses of the Club.

Funding for operating requirements will be generated from the Club's revenue streams and from advances from NCI, when necessary. Future funding requirements are expected to be heavily sourced through revenue generation.

The Club currently has no plans of conducting any product research and development. It also does not expect to sell any plant and significant equipment.

As discussed in Part I under Human Resource, the Club already employed full-time employees and contractual workers as of date and will expect to increase manpower when the need arises.

Management's Discussion and Analysis

Financial Condition

Current assets of the Club amounted to ₱33.16 million and ₱21.14 million as of December 31, 2025 and 2024, respectively, resulting to a current ratio of 0.13:1 and 0.11:1. NCI will provide the necessary operating financial support to the Club when necessary. Future operating requirements of the Club are expected to be sourced from revenue generating activities.

In 2025 and 2024, the Club received advances from NCI amounting to ₱50.00 million and ₱34.00 million, respectively.

The Club has not availed of any long-term debt financing from its related parties or external sources. Accordingly, the Club has no existing contingencies, material commitments for capital expenditures, guarantees and other off-balance sheet transactions as of December 31, 2025.

Review of operations 2025 vs. 2024

The Club incurred a net loss after tax of ₱48.14 million for the year 2025, 11% lower than the reported net loss after tax of ₱54.04 million in 2024.

Revenue

The club generated revenue amounted to ₱62.62 million, 13% higher than the revenue realized in 2024 amounting to ₱55.62million, which mainly pertains to monthly dues, sale of food and beverage and usage of sports facilities and equipment.

Expenses

Total expenses in 2025 amounted to ₱110.75 million, 1% higher than the ₱109.66 million expenses incurred in 2024. Details of movements in expenses are discussed below under "Material changes in the Financial Statements".

Capital Expenditure

The Club spent a total of ₱875.79 million for project and capital expenditures of the Club since inception. For 2025, the Club purchased Kitchen, Facilities & Maintenance and F&B equipment's used in the operations amounting to ₱14.78 million.

Accrued expenses and other payables

Accrued expenses and other payables amounted to ₱248.30 million and ₱198.58 million as of December 31, 2025 and 2024, respectively, breakdown of which are provided in Notes 6 of the financial statements, as attached.

Review of operations 2024 vs. 2023

The Club incurred a net loss after tax of ₱54.04 million for the year 2024, 18% higher than the reported net loss after tax of ₱45.85 million in 2023.

Revenue

The club generated revenue amounted to ₱55.62 million, almost at par with the revenue realized on 2023 amounting to ₱55.44 million, which mainly pertains to monthly dues, sale of food and beverage and usage of sports facilities and equipment.

Expenses

Total expenses in 2024 amounted to ₱109.66 million, 8% higher than the ₱101.28 million expenses incurred in 2023. Details of movements in expenses are discussed below under "Material changes in the Financial Statements".

Capital Expenditure

The Club spent a total of ₱861.01 million for project and capital expenditures of the Club since inception. For 2024, the Club purchased Kitchen, Facilities & Maintenance and F&B equipment's used in the operations amounting to ₱3.26 million.

Accrued expenses and other payables

Accrued expenses and other payables amounted to ₱198.58 million and ₱164.66 million as of December 31, 2024 and 2023, respectively, breakdown of which are provided in Notes 6 of the financial statements, as attached.

Review of operations 2023 vs. 2022

The Club incurred a net loss after tax of ₱45.85 million for the year 2023, 9% lower than the reported net loss after tax of ₱50.66 million in 2022.

Revenue

The club generated revenue amounted to ₱55.44 million, 44% higher than the revenue realized on 2022 amounting to ₱38.45 million, which mainly pertains to monthly dues, sale of food and beverage and usage of sports facilities and equipment.

Expenses

Total expenses in 2023 amounted to ₱101.28 million, 14% higher than the ₱89.10 million expenses incurred in 2022. Details of movements in expenses are discussed below under "Material changes in the Financial Statements".

Capital Expenditure

The Club spent a total of ₱857.75 million for project and capital expenditures of the Club since inception. All of the capital expenditures were spent on construction and fit-out of the Country Club. For 2023, the Club purchased Kitchen, Facilities & Maintenance and F&B equipment's used in the operations amounting to ₱1.79 million.

Accrued expenses and other payables

Accrued expenses and other payables amounted to ₱164.66 million and ₱132.64 million as of December 31, 2023 and 2022, respectively, breakdown of which are provided in Notes of the financial statements, as attached.

Review of operations 2022 vs. 2021

The Club incurred a net loss after tax of ₱50.65 million for the year 2022, 30% higher than the reported net loss after tax of ₱39.02 million in 2021.

Revenue

The club generated revenue amounted to ₱38.45 million, 32% higher than the revenue realized on 2021 amounting to ₱29.18 million, which mainly pertains to monthly dues, sale of food and beverage and usage of sports facilities and equipment.

Expenses

Total expenses in 2022 amounted to ₱89.10 million, 31% higher than the ₱68.19 million expenses incurred in 2021. Details of movements in expenses are discussed below under “Material changes in the Financial Statements”.

Capital Expenditure

The Club spent a total of ₱818.42 million for project and capital expenditures of the Club since inception. All of the capital expenditures were spent on construction and fit-out of the Country Club. For 2022, the Club purchased Kitchen, Facilities & Maintenance and F&B equipment's used in the operations amounting to P 5.79 million.

Accrued expenses and other payables

Accrued expenses and other payables amounted to ₱132.64 million and ₱105.51 million as of December 31, 2022 and 2021, respectively, breakdown of which are provided in Notes of the financial statements, as attached.

Key Financial Performance Indicators

The table below sets forth the comparative performance indicators of the Club:

	December 31, 2025	December 31, 2024	December 31, 2023
Current ratio ¹	0.13:1	0.11:1	0.14:1
Debt to Equity ratio ²	0.37:1	0.27:1	0.20:1
Return on Assets ³	(5.60%)	(6.21%)	(5.15%)
Return on Equity ⁴	(7.57%)	(7.87%)	(6.22%)

¹ *Current assets / current liabilities*

² *Total debt / Total stockholders' equity*

³ *Net loss/ Total assets*

⁴ *Net loss/ Total stockholders' equity*

Ratios for Solvency and Interest Coverage are not applicable to the Club since it has no outstanding bank loan and interest expense as of December 31, 2025, 2024, and 2023.

Material changes (+/- 5% or more) in the financial statements

Income Statement items – 2025 versus 2024

10% increase in Revenues from Membership Dues

Improved membership dues driven by higher number of good standing members from 583 in 2024 to 645 in 2025.

25% increase in Revenues from Sale of Goods

Increase in banquet and outlet revenues due to continued focus on increasing big ticket events.

13% increase in Service Income

Service income includes revenue from sports and recreation, guest fees, spa and villa rentals. Increase is mainly attributable to various events such as team buildings and sports fest.

20% decrease in Other Income

Decrease was due to lower expired consumables in 2025.

19% increase in interest income

Interest income increase is due to increase in average cash balance on bank deposits.

1% increase in Total Expenses

Increase in cost mainly attributable to increase in costs related to banquet and outlet operations relative to increase in revenues.

Income Statement items – 2024 versus 2023

12% increase in Revenues from Membership Dues

Improved membership dues driven by higher number of good standing members from 557 in 2023 to 583 in 2024 and 15% increase in due charges (P3,740 vs P3,240)

13% decrease in Service Income

Service income includes revenue from sports and recreation, guest fees, spa and villa rentals. Decrease is mainly attributable to the lower number of guests per month at 102 vs 159, affecting guest fee collection.

25% decrease in Other Income

Decrease given insurance claims recognized in 2024 was only for the remaining claims balance and lower expired consumables in 2024.

39% decrease in interest income

Interest income decreased is due to decrease in average cash balance on bank deposits.

8% increase in Total Expenses

Increase in cost mainly attributable to one-off costs recognized during 2024 to cover for charges in arrears for Systems cost and insurance cost.

Income Statement items – 2023 versus 2022

44% increase in Revenues

Material changes in the income statement is mainly attributable with 6% increase in number of members from 561 in 2022 to 597 in 2023 and foot traffic increase of 17% from 30,154 in 2022 to 35,409 in 2023.

Revenues were generated from the ff. outlets:

- Specialty restaurant and café
- Events/banquets
- Sports facilities and courts
- Leisure and recreational facilities (spa, game rooms, theater)
- Villa rentals
- Membership dues

22% decrease in interest income

Interest income decreased is due to decrease in average cash balance on bank deposits, mainly due to sudden change in operations as result of the lowering of restriction due to pandemic and opening of another Bank Account under Security Bank for the check cutting facility.

15% increase in Direct Operating Expenses

The following expenses mainly attributed to the increase:

- *159% increase in Marketing*
The increase in marketing expenses resulted from the Club's intensified marketing activities conducted post pandemic.
- *12% increase in Utilities*
As the Club's facilities were operated and maintained for the full year 2023, semi-fixed expenses incurred for electricity and water utilities also increased. ₱1.32 million increment was noted for 2023.

- *39% increase in Contracted Services*
With the club's stabilization of manpower complement in 2023 and wage increase implemented in Porac, Pampanga, ₱2.57 million increment was noted for 2023.
- *18% decrease in Repairs and Maintenance*
The Club put up an effort to maintain the Club's equipment and vehicle under internal repairs and maintenance in 2022 compared to 2023, ₱0.19 million savings was noted for 2023.
- *12% decrease in Representation expense and 26% decrease in Travel & Transportation*
With the effect of pandemic in the operation of the club, priority for the expenses were align on all that is necessary to the operation of the Club.
- *33% increase in Other Expenses*
Proper allocation of expenditures to the proper account resulted to increase in other expenses account.

The following are the significant variance on general administrative expenses:

- *46% decrease in Professional Fees*
This consist of Monthly Retainers fee paid to the Club's legal counsel, including the payment for the preparation of legal documents. One-off legal fee billing for the 2022 Annual Stockholders' Meeting was incurred resulting to the increase in addition to the yearly increase in the Club's audit fee.
- *1,682% increase in Taxes and Licenses*
This consist of payment of Business Permits as well as the payment of Real Property Taxes for the land and building improvements. Increase in 2023 is due to catch-up payments of real property tax for building improvements covering periods from 2019 to 2022.
- *22% decrease in supplies and other supplies*
With the effect of pandemic in the operation of the club, priority for the expenses were align on all that is necessary to the operation of the Club.
- *34% decrease in other finance charge*
This consist mainly of bank charges for the online transfer of payments to suppliers and contractors, with the opening of the check cutting facility such charges were also decrease.

Income Statement items – 2022 versus 2021

32% increase in Revenues and 60% increase in Cost of Sales

Material changes in the income statement is mainly attributable with 13% increase in number of members from 495 in 2021 to 561 in 2022 and foot traffic increase of 95% from 24,489 in 2021 to 30,154 in 2022.

Revenues were generated from the ff. outlets:

- Specialty restaurant and café
- Events/banquets
- Sports facilities and courts
- Leisure and recreational facilities (spa, game rooms, theater)
- Villa rentals
- Membership dues

The corresponding increase in revenues, particularly with the F&B and Banquet at 12%, and villa rentals has caused the increase in cost of sales.

22% decrease in interest income

Interest income decreased is due to decrease in average cash balance on bank deposits, mainly due to sudden change in operations as result of the lowering of restriction due to pandemic and opening of another Bank Account under Security Bank for the check cutting facility.

33% decrease in other income

Other income from 2021 is higher than 2022 due to settlement of various intercompany transactions particularly with Ayala Land Inc and Anvaya Cove.

12% increase in Direct Operating Expenses

The following expenses mainly attributed to the increase:

- *38% increase in Marketing*
The increase in marketing expenses resulted from the Club's intensified marketing activities conducted post pandemic.
- *93% increase in Utilities*
As the Club's facilities were operated and maintained for the full year 2022, semi-fixed expenses incurred for electricity and water utilities also increased. ₱0.91 million increment was noted for 2022.
- *402% increase in Repairs and Maintenance*
The Club put up an effort to maintain the Club's equipment and vehicle under internal repairs and maintenance, ₱0.86 million increment was noted for 2022.
- *32% decrease in Representation expense*
With the effect of pandemic in the operation of the club, priority for the expenses were align on all that is necessary to the operation of the Club.
- *78% increase in Travel & Transportation*
Increase is correlated to the intensified marketing activities conducted post pandemic.
- *70% increase in Other Expenses*
Proper allocation of expenditures to the proper account resulted to increase in other expenses account.

The following are the significant variance on general administrative expenses:

- *40% increase in Professional Fees*
This consist of Monthly Retainers fee paid to the Club's legal counsel, including the payment for the preparation of legal documents. One-off legal fee billing for the 2022 Annual Stockholders' Meeting was incurred resulting to the increase in addition to the yearly increase in the Club's audit fee.
- *38% decrease in Taxes and Licenses*
This consist of payment of Business Permits as well as the payment of Real Property Taxes for the year 2022. The decrease in business tax is aligned with the increase/recognition of revenue in 2021 as the assessor's basis for the Club's tax in 2022.
- *35% decrease in supplies and other supplies*
With the effect of pandemic in the operation of the club, priority for the expenses were align on all that is necessary to the operation of the Club.
- *17% increase in other finance charge*
This consist mainly of bank charges for the online transfer of payments to suppliers and contractors, with the opening of the check cutting facility such charges were also decrease.

22% decrease in Provision for Final Tax

This consist mainly of final tax on interest income from bank accounts.

Balance Sheet items – 2025 versus 2024

77% increase in cash

Higher operating cash flows in 2025 compared to 2024 given better operations and higher advances from parent company.

55% increase in accounts receivable

Increase is due to the increase in membership from 583 in 2024 to 645 in 2025 resulting to increase collectability in some accounts.

24% increase in inventory

Higher inventory due to movements of stocks and additional purchases.

5% decrease in Other Current Assets

Decrease is due to derecognition of deferred input VAT in relation to EOPT.

25% increase in accrued and other payables

The increase pertains to additional advances of the Parent Company (Nuevocentro Inc) made to the Club.

16% increase in deficit

Increase is due to additional operating losses incurred during the year as discussed in "Income Statement items – 2025 versus 2024".

Balance Sheet items – 2024 versus 2023

26% decrease in cash

Lower collections in 2024 compared to 2023 given adjustment in membership dues payment term and settlement of real property tax for building improvements in arrears.

8% decrease in accounts receivable

Decrease in accounts receivable is due to Club's effort to collect long outstanding accounts from members.

22% increase in inventory

Higher inventory due to movements of stocks and additional purchases.

494% increase in Other Current Assets

The significant increase is due to recognition of prepaid real property taxes for building and improvements and machineries.

21% increase in accrued and other payables

The increase pertains to additional advances of the Parent Company (Nuevocentro Inc) made to the Club.

100% decrease in retention payables

The decrease is due to reversal of long outstanding retention payables from contractors.

22% increase in deficit

Increase is due to additional operating expenses incurred during the commencement of operation on 2024 as discussed in "Income Statement items – 2024 versus 2023"

Balance Sheet items – 2023 versus 2022

226% increase in cash

Increase is due to increase in collection from membership dues.

38% increase in accounts receivable

Increase is due to the increase in membership from 561 in 2022 to 597 in 2023 resulting to increase collectability in some accounts.

20% increase in inventory

The Club's inventory mainly attributed to the F&B suppliers, with the increase in foot traffic, the club maintained higher inventory at yearend.

10% decrease in Other Current Assets

The decrease is due to amortization of prepaid real property tax for 2023 paid in 2022.

26% increase in accrued and other payables

The increase pertains to payment by NCI as advances made to the Club and to MDC for the construction of Club facilities.

54% decrease in retention payables

The decrease is due to settlement of long outstanding retention payables from contractors.

23% increase in deficit

Increase is due to additional operating expenses incurred during the commencement of operation on 2023 as discussed in "Income Statement items – 2023 versus 2022"

Balance Sheet items – 2022 versus 2021

57% decrease in cash

Significant cash disbursements were made in 2022 for operating activities.

7% decrease in accounts receivable

Decrease in accounts receivable is due to Club's effort to collect long outstanding accounts from members.

31% decrease in inventory

The Club's inventory mainly attributed to the F&B suppliers, with the increase in foot traffic inventory also significantly decreases.

1319% increase in Other Current Assets

The increase is due to recognition of prepaid real property tax for 2023 paid in 2022.

27% increase in accrued and other payables

The significant increase pertains to payment by NCI as advances made to the Club and to MDC for the construction of Club facilities.

35% increase in deficit

Increase is due to additional operating expenses incurred during the commencement of operation on 2022 as discussed in "Income Statement items – 2022 versus 2021"

Balance Sheet items – 2021 versus 2020

25% increase in cash

Increase is due to increase in collection from membership dues.

19% increase in accounts receivable

Increase is due to the increase in membership from 424 in 2020 to 495 in 2021 resulting to increase collectability in some accounts.

46% decrease in inventory

The Club's inventory mainly attributed to the F&B suppliers, with the increase in foot traffic inventory also significantly decreases.

24% increase in Other Current Assets

The increase is due to the Adjusting entries made for 2021 for the OCA Creditable Withholding Tax.

29% increase in accrued and other payables

The significant increase pertains to payment by NCI as advances made to the Club and to MDC for the construction of Club facilities.

36% increase in deficit

Increase is due to additional operating expenses incurred during the commencement of operation on 2021 as discussed in “Income Statement items – 2021 versus 2020”

Item 7. Financial Statements

The 2025 financial statements of the Club are incorporated herein in the accompanying Index to Exhibits.

Item 8. Information on Independent Accountant and Other Related Matters

Independent Public Accountants and Audit Fees

In 2025, audit services were sourced from PwC Isla Lipana & Co. pursuant to the General Requirements of SRC Rule 68, Par. 3 (Qualifications and Reports of Independent Auditors), the Club has engaged PwC Isla Lipana & Co. as external auditor, with Mr. Vergel Jr. Pabillon as In-charge for the years 2024 and 2025 and with Mr. Paul Chester See as In-charge for the year 2023. Corresponding audit fees accrued and paid to PWC Isla Lipana & Co and SGV & Co. amounted to ₱221,625, ₱221,625 and ₱ 211,071 for the years ended December 31, 2025, 2024 and 2023 respectively.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The Club has engaged the services of PwC Isla Lipana & Co during the years 2025, 2024 and 2023. There were no disagreements with the PwC Isla Lipana & Co on any matter of accounting and financial disclosure.

PART IV – MANAGEMENT AND CERTAIN SECURITY HOLDERS

Items 9. Directors and Executive Officers (as of December 31, 2025)

Incorporators and Board of Directors

The incorporators of the Club are as follows:

Leonardo L. Leonio
Bernard Vincent O. Dy
Arturo G. Corpuz
Augusto D. Bengzon
Anna Ma. Margarita B. Dy
Clarissa Teresita L. Asuncion
Carlo Leonardo N. Leonio

As of the period covered by this report, the members of the Board of Directors of the Club are as follows:

Director	Nationality	Term of Office
May P. Rodriguez	Filipino	Since 26 December 2025
Augusto D. Bengzon	Filipino	Since 9 July 2014
Lawrence Conrad N. Leonio	Filipino	Since 11 February 2015
Lady Claire L. Guiyab	Filipino	Since 26 December 2025
Clarissa Teresita L. Asuncion	Filipino	Since 9 July 2014
Carlo Leonardo N. Leonio	Filipino	Since 9 July 2014
Christopher B. Maglanoc	Filipino	Since 2 October 2024
Joselito H. Sibayan	Filipino	Since 04 November 2025
Roberto S. Kanapi	Filipino	Since 26 December 2025
Aileen Anunciacion R. Zosa	Filipino	Since 2 October 2024

Independent Directors

The Club elected Mr. Joselito H. Sibayan as an Independent Director following the passing of Mr. Oscar S. Reyes at the Board Meeting held on 04 November 2025.

In addition, during the Annual Stockholders' Meeting held on 26 December 2025, Mr. Roberto S. Kanapi was also elected as an independent director in compliance with the requirements of the SRC.

Executive Officers

The executive officers of the Club as of the period covered by this report are as follows:

Position	Officer	Term of Office
Chairman	Bernard Vincent O. Dy	Since 2 October 2024
Vice-Chairman	Clarissa Teresita L. Asuncion	Since 2 October 2024
President	Christopher B. Maglanoc	Since 2 October 2024
Treasurer	Regina F. Magbitang	Since 2 October 2024
General Manager (Development)	Anna Rica Lourdes D. Balbido	Since 2 October 2024
Interim - General Manager (Operations)	Luigi C. Crespo	Since 19 March 2025
Comptroller, Chief Finance Officer, Compliance Officer	Elaine Marie F. Alzona	Since 20 August 2025
Data Protection Officer	Roscoe M. Pineda	Since 2 October 2024
Chief Audit Executive	Alysa Jane U. San Pedro	Since 2 October 2024
Corporate Secretary	Vladimir Joy M. Tamargo	Since 2 October 2024

Comprehensive Background

The following describes the relevant business experience of the Club's directors and officers as of the period covered by this report, for the past five (5) years:

Chairman: *Bernard Vincent O. Dy*, Filipino, 61, has been a director of the Club since 9 July 2014 and its current Chairman since 02 October 2024. Prior to this post, he was the President & Chief Executive Officer of Ayala Land, Inc. (ALI) and Head of the Residential Business and Corporate Marketing and Sales of ALI. He is the Chairman of Prime Orion Philippines, Inc. and a director of Cebu Holdings, Inc. and Cebu Property Ventures and Development Corporation, all being publicly-listed companies. His other significant positions include: Chairman of Ayala Property Management Corporation, Makati Development Corporation, Ayala Land International Sales, Inc., Amicassa Process Solutions, Inc., Amaia Land Corporation, Avida Land Corp., Alveo Land Corp., AyalaLand Commercial Reit, Inc., Lagdigan Land Corporation, Bellavita Land Corporation, Avencosouth Corp., Ayagold Retailers, Inc., Station Square East Commercial Corporation, Aviana Development Corp., Cagayan De Oro Gateway Corp., BGSouth Properties, Inc., BGNorth Properties, Inc., BGWest Properties, Inc., Portico Land Corp., Nuevocentro, Inc., Philippine Integrated Energy Solutions, Inc., SIAL Specialty Retailers, Inc., and SIAL CVS Retailers, Inc.; Vice Chairman of Ayala Greenfield Development Corporation; Chairman and President of Serendra, Inc.; and Director and President of Bonifacio Land Corporation, Emerging City Holdings, Inc., Columbus Holdings, Inc. Berkshires Holdings, Inc., Fort Bonifacio Development Corporation, Aurora Properties Incorporated, Vesta Property Holdings, Inc., Ceci Realty Inc., Alabang Commercial Corporation, Accendo Commercial Corp., Hero Foundation Incorporated, Bonifacio Art Foundation; Director of Whiteknight Holdings, Inc., AyalaLand Medical Facilities Leasing, Inc., Alveo-Federal Land Communities, Inc., ALI Eton Property Development Corporation; Trustee of Ayala Foundation, Inc.; and Member of Ayala Group Club, Inc. In 2015, he was inducted as member of the Advisory Council of the National Advisory Group for the Police Transformation Development of the Philippine National Police. He earned a degree of B.B.A Accountancy from the University of Notre Dame in 1985 and took his Master's Degree in Business Administration in 1989 and Masters in International Relations in 1997 both at the University of Chicago.

Vice-Chairman: *Clarissa Teresita L. Asuncion*, Filipino, 56, has been a Director of the Club since 9 July 2014 and its current Vice-Chairman since 02 October 2024. She is the Chairperson of Nuevocentro Inc., the joint venture development company between Ayala Land, Inc. and Leonio Land Holdings, Inc., which is the developer of ALVIERA. She is President of Leonio Land Holdings, Inc., the Chairman of Leonioland Construction Incorporated and Leonioland Sales, Inc., the Vice Chairman and the Treasurer of Leonio Group Corp. and Circle Corporate Inc., and the Treasurer and a Director of Petrolift Inc. She also seats as director of Petrolift Inc., and its subsidiaries and LNL Resources and subsidiaries. She graduated with a degree in Business Administration from the University of the Philippines and finished her Masters in Management from Asian Institute of Management where she graduated with distinction. She is a member of Manila Polo Club, Alabang Country Club, Palms Country Club and Anvaya Golf and Country Club.

President: *Christopher B. Maglanoc*, Filipino, 53, has been a Director of the Club since 2 October 2024 and its current President. He is a Senior Vice President of ALI and is currently the Estates Group Head of ALI having oversight over all Estate Group companies and operations, including the Strategic Landbank Management Group, VisMin Group and Corporate Marketing. He was the President of Ayala Land Malls, Inc. and Chairman of various companies under the Malls Group of ALI. Prior to thus, he was the President of Avida Land Corporation. He was Chief of Operating Officer and Head of Project and Strategic Management in Avida Land before he was elected as President of the Company on 1 January 2012. Prior to his stint in Avida in 2004, he occupied Management positions in various business units in ALI (i.e. Commercial Centers, Corporate Planning, and Alveo Land, Inc.). His other significant positions are Chairman of Darong Agricultural and Development Corporation, Lagdigan Land Corporation, Director and Executive Vice President of Accendo Commercial Corp.; Director and President of Aurora Properties, Inc., Aviana Development Corp., Cagayan de Oro Gateway Corp., and Ceci Realty Inc.; Director, Vice Chairman, and President of Vesta Property Holdings, Inc.; Director of Ali Eton Property Development Corp. and Serendra, Inc. He graduated from UP Los Baños with degrees in BA Sociology and BS Economics in 1990 and 1992, respectively. He finished his MBA from the Asian

Institute of Management and attended International Student Exchange Program in Copenhagen Business School in Denmark in 1997.

Treasurer: Regina F. Magbitang, Filipino, 52, has served as the Assistant Treasurer of the Club since 3 October 2017 and its current Treasurer since 2 October 2024. She is the Treasurer of Nuevo Centro Inc., the joint venture development company between Ayala Land, Inc. and Leonio Land Holdings, Inc. She is the Group Chief Financial Officer of the Leonio Group of Companies, and the Treasurer of Leonio Land Holdings, Inc. and its subsidiaries, Petrolift Inc. and its subsidiaries and LNL Resources, Inc. and its subsidiaries. She is also the President of Corporate Circle, Inc. since 2016 to present. She worked as an Auditor in Joaquin Cunanán/Price Waterhouse Coopers before joining the Leonio Group of Companies as Financial Analyst and assumed higher positions as Treasury Officer, Finance Manager, Assistant General Manager for Corporate Services, General Manager for Shipping, and General Manager for Shared Services and Group Comptroller. She graduated with a degree of BS Accountancy with magna cum laude honors at St. Scholastica's College and Masters in Business Administration at the Graduate School of De La Salle University. She is a member of the Palms Country Club.

Director: Leonardo L. Leonio, Filipino, 76, has been a Director of the Club since 9 July 2014. He has served as Chairman in 2019, 2021 and 2023 and Vice Chairman of the Club in 2018, 2020, and 2022. He is a director of Nuevo Centro, Inc. (NCI), the joint venture development company between Ayala Land, Inc. and Leonio Land Holdings, Inc., which is the developer of ALVIERA. He was Chairman of NCI in 2017, 2019 and 2021. He is the Chairman of the Board and Director of Leonio Group Corp., Leonio Land Holdings, Inc., Petrolift Holdings Inc., and Circle Corporate Inc. He is the Chairman Emeritus and still a director of Petrolift Inc. and its subsidiaries and LNL Resources, Inc. and its subsidiaries. He attended Bachelor of Science in Business Administration at the University of the Philippines. He is a member of Manila Polo Club, Alabang Country Club, Sta. Elena Golf Club and Tagaytay Highlands.

Director: Augusto D. Bengzon, Filipino, 61, has been a Director of the Club since 9 July 2014. He joined ALI in December 2004 and currently serves as Senior Vice President, Chief Finance Officer and Treasurer. His other significant positions include: Chairman of Aprisa Business Process Solutions Inc.; Director and Treasurer of ALI Eton Property Development Corp., Aurora Properties Inc., AyalaLand-Tagle Properties, Inc., Alveo Land Corp., AyalaLand Premier Inc., Ceci Realty Inc., Philippine Integrated Energy Solutions, Inc. and Vesta Property Holdings, Inc.; Director of Amicassa Process Solutions Inc., AREIT, Inc., Anvaya Cove Golf and Sports Club, Inc., Makati Development Corporation and Station Square East Commercial Corp.; Treasurer of Alabang Commercial Corporation, AKL Properties Inc., Amaia Land Corp., Amaia Southern Properties Inc., Avida Land Corp., AyalaLand Logistics Holding Corp., Ayala Property Management Corporation, Bellavita Land Corp., BGWest Properties, Inc., Hero Foundation, Inc., Serendra Inc., and The Suites at One Bonifacio High Street Condominium Corp.; Chief Finance Officer of Altaraza Development Corporation; Comptroller of Nuevocentro, Inc.' Assistant Treasurer of Ayala Greenfield Development Corporation and Ayala Greenfield Golf & Leisure Club, Inc.; Trustee of Philippine National Police Foundation, Inc. and currently the President of Financial Executives Institute of the Philippines. He received his Bachelor of Science degree in Business Management from Ateneo de Manila University and is a graduate of the Philippine Trust Institute. He was granted the Andres K. Roxas scholarship at the Asian Institute of Management where he received his Master's in Business Management degree.

Director: Jennylle S. Tupaz, Filipino, 51, has been a Director of the Club since 30 September 2021. She is currently a Vice President of Ayala Land, Inc. and is the Senior Estates Development Head for Central Luzon, Visayas, and Mindanao Estates. She previously held the positions of President (Ayala Land Malls, Inc.) from 2018 to 2020 and rose from Project Development Manager to President (Alveo Land Corp.) from 2007 to 2018. She is also affiliated with the following: Trustee, Miriam College Board of Trustees; Director, Nuevocentro Inc. and AyalaLand Estates, Inc.; Director and General Manager,

Aviana Development Corp.; Director and General Manager, Accendo Commercial Corp.; Director and General Manager, CDOGC; Director, Taft Punta Engano Properties, Inc.; Director, Javantiger, Inc.; Director, Solinea, Inc.; Director/President, Aduge Commercial Corp.; Director/President, Lagdigan Land Corp.; Director/President, Darong Agricultural Development Corp (Davao del Sur); Director/President, San Rafael Estate Association, Inc.; Chairman, Cebu Business Park Association, Inc. Chairman, Cebu IT Park Association, Inc.; Faculty, Ayala Land Professionals in Development Program (Project Development Process). She holds a Bachelor of Science in Statistics degree which she obtained from the University of the Philippines Diliman in 1994, and a Master of Business Degree which she obtained from the University of Chicago Booth School of Business in 2019

Director: Lawrence Conrad N. Leonio, Filipino, 55, has been a Director of the Club since 11 February 2015. He is a director of Nuevocentro, Inc., the joint venture development company between Ayala Land, Inc. and Leonio Land Holdings, Inc., which is the developer of ALVIERA. He is the Chairman and President of LNL Resources, Inc. and its subsidiaries. He is likewise the present Chairman of Petrolift Inc., & its subsidiaries. He is the Chief Executive Officer of Leonio Group Corp. and Petrolift Holdings Inc. He is also a director of the following companies: Leonio Land Holdings, Inc., Leonioland Construction Incorporated, and Circle Corporate Inc. He graduated with a degree of B.S. Management from De La Salle University. He also completed a Professional Shipping Course at the Norwegian Shipping Academy in Oslo, Norway and holds an MBA degree major in Entrepreneurship at Olin Graduate School of Business at Babson College Massachusetts, USA. He is a member of Alabang Country Club, Palms Country Club and Royal Bangkok Sports Club.

Director: Jose P. De Jesus, Filipino, 89, has been an Independent Director of the Club since 3 October 2017. He is an independent director and the Chairman of Converge ICT Solutions, Inc. He was the Chairman of Clark Development Corporation; President and Chief Executive Officer of Nationwide Development Corporation; Secretary of the Department of Transportation and Communications; President and Chief Operating Officer of the Manila Electric Co. (Meralco); President and Chief Executive Officer of the Manila North Tollways Corporation, Executive Vice President of the Philippine Long Distance Telephone Company; Chairman of the Manila Waterworks & Sewage System; Secretary of the Department of Public Works and Highways; and President of the Development Academy of the Philippines. He was awarded the Philippine Legion of Honor, Rank of Commander in June 1992 by then President Corazon C. Aquino. He is a director of Philippines AirAsia, Inc., Comstech Integration Alliances, Inc., Petron Corporation, SMC Skyway Corporation, SMC TPLEX Corporation, SMC SLEX, Inc. He is a Trustee of the Holy Angel University, Kapampangan Development Foundation, a member of the Management Association of the Philippines, a member of the Board of Advisors of the Bantayog ng mga Bayani Foundation, and an Eisenhower Exchange Fellow. Mr. De Jesus graduated with degree in AB Economics and Master of Arts in Social Psychology from the Ateneo de Manila University ("ADMU"). He was 1.J1x in Domino (Most Outstanding Alumnus) awardee of ADMU in July 2012. He finished Graduate Studies in Human Development from the University of Chicago.

Director: Joselito H. Sibayan, Filipino, 67, was elected as an Independent Director of the Club on 04 November 2025 to serve the remaining unexpired term of Mr. Oscar S. Reyes. He is President and CEO of Mabuhay Capital. Prior to forming Mabuhay Capital, Lito was Vice-Chairman, Investment Banking-Philippines, and Philippine Country Manager for Credit Suisse First Boston (CSFB). Lito has spent 25 years in Investment Banking, with experience spanning Securities Sales and Trading, Capital-Raising, and Mergers & Acquisitions Advisory. Lito's team raised over USD 7 billion for the Philippine Government and Philippine Companies from bond flotations, equity placements, structured financings, and foreign strategic sales.

Director: Oscar S. Reyes, Filipino, 78, has been an Independent Director of the Club since 11 February 2015. Among his other current positions are: Chairman, Pepsi Cola Products Philippines Inc.; Director of PXP Energy Corporation; Independent Director of D.M. Wenceslao and Associates,

Basic Energy Corporation, Sun Life Financial Plans, Inc., Sun Life Prosperity Funds, Pioneer Life Insurance Group, Philippine Dealing System Holdings Corp., Philippine Dealing and Exchange Corp., Philippine Depository and Trust Corp., Philippine Securities Settlement Corp, Petrolift Corporation, Eramen Minerals Inc., Navitas Energy Services Inc., Navitas Holdings Inc., Team Energy Corporation, and Mit-Pacific Infrastructure Holdings Inc., He is a member of the Board of Trustees of Pilipinas Shell Foundation Inc. and El Nido Foundation. He served the Manila Electric Company in various capacities from 2010 until his retirement in 2019 as its President and Chief Executive Officer and Chairman/Director of its various subsidiaries and affiliates. Mr. Reyes also served the Shell Companies in the Philippines in various capacities from 1986 until his retirement in 2001 as Country Chairman and President of Pilipinas Shell Petroleum Corporation, and Managing Director of Shell Philippines Exploration B.V. He completed his Bachelor of Arts degree in Economics at the Ateneo de Manila University in 1965 (Cum Laude) and did post-graduate studies at the Ateneo Graduate School of Business, Waterloo Lutheran University and the Harvard Business School.

Director: Aileen Anunciacion R. Zosa, Filipino, 64, has been a Director of Club since 02 October 2025 and a regular director on 04 November 2025. She is the former President/CEO and Vice Chairman of the Board of Directors of the Bases Conversion and Development Authority (BCDA), a state-owned enterprise and integrated area development organization. Rising from the ranks, she was previously BCDA's Executive Vice President for Planning and Business Development for 13 years – actively involved in the privatization of and revenue generation projects of former military lands and assets under the stewardship of the BCDA. Since then, these military lands and assets were converted into what is not Bonifacio Global City, Newport City, Clark Freeport and Special Economic Zone, Clark Civil Aviation Complex (Clark International Airport), Subic-Clark-Tarlac Expressway, Camp John Hay Special Economic Zone, Poro Point Freeport and Special Economic Zone, and Bataan Technology Park.

General Manager (Development): Anna Rica Lourdes D. Balbido, Filipino, 41, has been the General Manager of the Club since 2 October 2024. She is also the General Manager of Nuevocentro, Inc. She holds a Bachelor Degree in Management Economics from Ateneo De Manila University and a Master of Business Administration from De Lasalle University.

General Manager: Luigi C. Crespo, Filipino, 33, is currently the Interim General Manager of Alviera Country Club Inc. and concurrently work as the Project Development Manager for the Alviera Central Business District. Prior to his post, he worked as Project Development Manager in Robinsons Land Corporation – Residential Division for 10 years. He took his undergraduate degree at the University of the Philippines Manila under the degree program Bachelor of Arts in Organizational Communication, and is now taking his post graduate degree at the Ateneo Regis Program.

Corporate Secretary: Vladimir Joy M. Tamargo, Filipino, 42, is the current Corporate Secretary of the Corporation. He is a Senior Associate at Co Ferrer & Ang-Co Law Offices, a full-service law firm specializing in corporate law, taxation, estate planning, labor, data privacy, and real estate transactions. He is also the Corporate Secretary of other Philippine Corporations. Prior to joining CFA Law, he was an Assistant City Clerk for the City of Palmdale, California for 5 years and an Administrative Analyst for the City of Newport Beach, California for 2 year. He graduated Magna Cum Laude with a degree of Bachelor of Arts in Political Science from the California State University - Northridge and earned his Juris Doctor degree from the Far Eastern University Institute of Law in 2020 with honors.

Chief Finance Officer, Comptroller and Compliance Officer: Elaine Marie F. Alzona, Filipino, 47, is the current Comptroller, Chief Financial Officer and Compliance Officer of the Corporation. She is currently the Chief Financial Officer of the AyalaLand Estates Group. She previously held the positions of Chief Financial Officer of the Ayala Malls Group (2021 to 2025), Chief Finance Officer and Chief Compliance Officer of AREIT, Inc. (2019 to 2021) and Chief Finance Officer for Hotels of AyalaLand Hotels and Resorts Corp. and subsidiaries (2010 to 2021). She graduated with a degree of BS Business

Administration and Accountancy with magna cum laude honors at the University of the Philippines Diliman and Masters in Business Administration at the Asian Institute of Management.

Chief Audit Executive: *Alysa Jane U. San Pedro*, Filipino, 35, is the current Chief Audit Executive of the Club. She also handles other Ayala Land, Inc. (ALI) Strategic Business Units, specifically the Premium Residential Business Group (RBG) and other Clubs. She is a Certified Public Accountant (CPA), a Certified Internal Auditor (CIA), and a member of the Institute of Internal Auditors Philippines (IIAP). She holds a Bachelor of Science in Accountancy degree from the Philippine School of Business Administration, Manila.

Data Protection Officer: *Roscoe M. Pineda*, Filipino, 52, is the current Data Protection Officer of the Corporation. He is the current Vice President, Chief Information Officer and Data Protection Officer of Ayala Land, Inc. He also served as Director for APRISA Business Process Solutions, Inc. and a Trustee of GICC; He was Service Center Lead - Tech of ANZ GSO (Manila), Inc. from 2021 to 2023; Chief Operating Officer of ANZ GSO (Manila), Inc. from 2016 to 2021; Head of Risk Services from 2015 to 2016; He also served as Chief Shared Services Officer for Sun Life of Canada, Philippines from 2012 to 2015. He graduated with a degree in Bachelor of Science in Mathematics from the University of Santo Tomas.

Significant Employees

As of December 31, 2025, the Club already employed 17 full-time employees and 86 contractual workers. Consultants may also be hired for concerns that require expertise. Employment base is expected to increase once members' patronage of the Club increases, requiring more manpower resource, and/or once the need arises.

Family Relationships

Leonardo L. Leonio is the father of Clarissa T. Leonio Asuncion, Lawrence N. Leonio and Carlo N. Leonio.

Involvement in Legal Proceedings (over the past 5 years)

For the past five (5) years immediately preceding the date of this report, none of the directors and officers has been involved in any material pending legal proceedings in any court or administrative agency of the Government. In particular, none of the directors and officers have been involved in any bankruptcy petition nor in any conviction by final judgment in a criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses. None of the directors and officers became the subject of any order, judgment or decree of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring suspending or otherwise limiting their involvement in any type of business, securities, commodities or banking activities. None of the directors and officers were found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation.

Items 10. Executive Compensation

No remuneration shall be paid by the Club, directly or indirectly, to the directors of the Club. The President of the Club shall not receive any remuneration or compensation from the Club.

Items 11. Security Ownership of Certain Beneficial Owners and Management

The security ownership of certain record and beneficial owners of more than 5% of common shares as of the date of this report is as follows:

Title of Class	Name and Address of Record Owner and Relationship to the Issuer	Name of Beneficial Owner & Relationship w/ Record Owner	Citizenship	No. of Shares Held	%
Class A (Founders')	Nuevocentro, Inc. (NCI) 31/F Tower One & Exchange Plaza, Ayala Avenue, Makati *Parent company of the Issuer	NCI is both beneficial and record owner.	Filipino	3,688	99.68%
Class B	NCI (same address) *Parent company of the Issuer	NCI is both beneficial and record owner.	Filipino	2,213	85.12%
Class C	NCI (same address) *Parent company of the Issuer	NCI is both beneficial and record owner.	Filipino	264	88.00%
Class D	NCI (same address) *Parent company of the Issuer	NCI is both beneficial and record owner.	Filipino	200	100%

The Board of Directors of NCI has the power to decide how NCI's shares in the Club are to be voted. The following are the members of the Board of Directors of NCI as of the date of this report: Anna Ma. Margarita B. Dy, Christopher B. Maglanoc, Antonino T. Aquino, Arturo G. Corpuz, Leonardo L. Leonio, Clarissa Teresita L. Asuncion, Carlo Leonardo N. Leonio, Lawrence Conrad N. Leonio, and Jennylle S. Tupaz.

None of the directors, executive officers, and members of their immediate family owns ten percent (10%) or more of total outstanding shares in the Club.

Security Ownership of Management

The following table sets forth the share ownership of the directors and officers of the Club as of December 31, 2025:

Title of Class	Name of Record Owner	Amount and Nature of Beneficial Ownership	Citizenship	%
Class A (Founders')	Bernard Vincent O. Dy	1 (Qualifying Share)	Filipino	0.01%
Class A (Founders')	Augusto D. Bengzon	1 (Qualifying Share)	Filipino	0.01%
Class A (Founders')	Jennylle S. Tupaz	1 (Qualifying Share)	Filipino	0.01%
Class A (Founders')	Christopher B. Maglanoc	1 (Qualifying Share)	Filipino	0.01%
Class A (Founders')	Lawrence Conrad N. Leonio	1 (Qualifying Share)	Filipino	0.01%
Class A (Founders')	Leonardo L. Leonio	1 (Qualifying Share)	Filipino	0.01%
Class A (Founders')	Clarissa Teresita L. Asuncion	1 (Qualifying Share)	Filipino	0.01%
Class A (Founders')	Carlo Leonardo N. Leonio	1 (Qualifying Share)	Filipino	0.01%
Class A (Founders')	Oscar S. Reyes*	1	Filipino	0.01%
Class A (Founders')	Jose P. De Jesus*	1	Filipino	0.01%
Class A (Founders')	Aileen Anunciacion R. Zosa	1	Filipino	0.01%
N/A	Anna Rica Lourdes D. Balbido	-	Filipino	0.00%
N/A	Luigi C. Crespo	-	Filipino	0.00%

Title of Class	Name of Record Owner	Amount and Nature of Beneficial Ownership	Citizenship	%
N/A	Elaine Marie F. Alzona	-	Filipino	0.00%
N/A	Regina F. Magbitang	-	Filipino	0.00%
N/A	Alysa Jane U. San Pedro	-	Filipino	0.00%
N/A	Roscoe E. Pineda	-	Filipino	0.00%
N/A	Vladimir Joy M. Tamargo	-	Filipino	0.00%

NCI is the beneficial owner of the qualifying shares held by the regular directors of the Club.

None of the members of the Club's directors and management owns 2.0% or more of the outstanding capital stock of the Club. Further, the Club has no commitment to its directors and officers with respect to the issuance of shares of any class.

Changes in Control

There are no arrangements which may result in a change in control of the Club.

Items 12. Certain Relationships and Related Transactions

The Club, in their regular conduct of business, has entered into transactions with associates and other related parties principally consisting of advances and reimbursement of expenses, purchase of real estate properties, construction contracts, and development, management and administrative service agreements. Purchases of services from related parties are made on an arm's length basis and at current market prices at the time of the transactions.

None of the directors, executive officers, and members of their immediate family owns ten percent (10%) or more of total outstanding shares in the Club.

No transactions shall be entered into by the Club in which any director, executive officer, nominee for election as director, security holder in the Club, or immediate family member of any of the foregoing, shall have a direct or indirect material interest.

The total outstanding capital stock of the Club is owned 96.81% by NCI. The breakdown of the shareholdings in the Club per class of shares is shown in greater detail under the section *Financial Information* (under the heading *Security Ownership of Certain Beneficial and Record Shareholders*).

PART V – CORPORATE GOVERNANCE

Item 13. Compliance with Leading Practice on Corporate Governance

The machinery for corporate governance of the Club is principally contained in the Articles of Incorporation and By-Laws and their amendments. These constitutive documents lay down, among others, the basic structure of governance, minimum qualifications of directors, and the principal duties of the Board of Directors and officers of the Corporation.

The Club has adopted a Manual of Corporate Governance in accordance with the Securities Regulation Code and SEC Memorandum Circular No. 24-2019, otherwise known as the Code of Corporate Governance for Public Companies and Registered Issuers. The function of the Manual of Corporate Governance is to supplement and complement the Club's Articles of Incorporation and By-Laws by setting forth principles of good and transparent governance.

The Board of Directors, Management, officers and employees of the Club commit themselves to the principles and best practices of governance contained in the Manual of Corporate Governance as a guide in the attainment of its corporate goals. The Club shall make a continuing effort to create awareness of good corporate governance within the organization.

New initiatives are regularly pursued to develop and adopt corporate governance best practices and to build the right corporate culture across the organization.

The Manual was initially amended to conform with the Code of Corporate Governance for Public Companies and Registered Issuers which were approved by the Board of Directors on June 26, 2020. Further amendments to the Manual on Corporate Governance to improve the Corporation's corporate governance practices were approved by the Board of Directors on August 8, 2022 and were filed with the Commission on August 26, 2022. As of the December 31, 2024, there has been no amendment to the Club's Manual of Corporate Governance.

PART VI – EXHIBITS AND SCHEDULES

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

(a) Exhibits – See accompanying Index to Exhibits

The following exhibit is incorporated by reference in this report:

2025 Audited Financial Statements

The other exhibits, as indicated in the Index to Exhibits are either not applicable to the Club or require no answer.

(b) Reports on SEC Form 17-C

The following current reports have been submitted by the Club in 2025:

1. Appointment of General Manager – Operations, Mr. Luigi C. Crespo replacing Mr. Johann V. Ramirez, the latter having resigned;
2. Re-appointment of Independent Auditor for 2025 was accepted by the Board of Directors;
3. Appointment of New Comptroller, Chief Finance Officer & Compliance Officer, Ms. Elaine Marie F. Alzona replacing Ms. Francis M. Montojo, the latter having resigned;
4. Approval of the Extension of the Nomination Period from 01 October 2025 to 24 October 2025;
5. Rescheduling the date of the Annual Stockholders' Meeting to 24 October 2025;
6. Rescheduling the date of the Annual Stockholder's Meeting to 18 November 2025;
7. Passing away of Independent Director Oscar S. Reyes and the election of Mr. Joselito H. Sibayan on 04 November 2025 as the new Independent Director;
8. Rescheduling the date of the Annual Stockholder's Meeting to 11 December 2025;
9. Rescheduling the date of the Annual Stockholder's Meeting to 26 December 2025;
10. Results of the Annual Stockholders' Meeting held on 26 December 2025

(c) Reports under SEC Form 17-C filed

None.

(d) Material events subsequent to the end of the reporting period that have not been reflected in the financial statements of the reporting period.

There were no material financial impact that needs to be recognized for the financial statements as of December 31, 2025.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in Makati City on _____.

QUEZON CITY

By:



May P. Rodriguez
 President



Vladimir Joy M. Tamargo
 Corporate Secretary



Elaine Marie F. Alzona
 Comptroller, Chief Finance Officer, and
 Compliance Officer




Luigi C. Crespo
 General Manager - Operations

SUBSCRIBED AND SWORN to before me this APR 28 2026 affiants exhibiting to me their respective valid and legal ID, as follows:

Name	Competent Evidence of Identity	Date and Place of Issue
May P. Rodriguez	P0019018C	May 11, 2022/Manila
Vladimir Joy M. Tamargo	DL# N02-16-000633	September 1, 2023/Manila
Elaine Marie F. Alzona	Passport# P6005978B	December 22, 2020/Mandaluyong
Luigi C. Crespo	TIN# 424-033-401-000	-

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 Book No. XVII
 Series of 2024


ATTY. BRYAN C. CASAS
 NOTARY PUBLIC FOR QUEZON CITY
 ADM. MATTER NO. NP-12 VALID UNTIL DEC. 31, 2026
 ROLL OF ATTORNEY NO. 66393/TIN 289-467 753
 IBP NO. 576803 DECEMBER 30, 2025, QUEZON CITY
 MCLE NO. VIII 0013054, VALID UNTIL 14/APR/2028
 PTR NO. 10488501, JANUARY 5, 2026, MARIKINA CITY
 603 EDSA DIAMOND FINANCE, CUBAO, Q.C.

**ALVIERA COUNTRY CLUB, INC.
INDEX TO EXHIBITS
FORM 17-A – Item 7**

2025 Financial Statements

Attached

Additional Exhibits

n.a.

n.a. Not applicable or require no answer

ALVIERA COUNTRY CLUB INC.

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

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

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

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

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

Isla Lipana & Co., the independent auditors appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards of Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.


MAY P. RODRIGUEZ
President


ELAINE MARIE F. ALZONA
Comptroller, Chief Finance Officer, Compliance Officer

Signed this 23rd day of March 2026.



Independent Auditor's Report

To Board of Directors and Shareholders
Alviera Country Club, Inc.
Alviera Country Club, Brgy. Hacienda Dolores
Porac, Pampanga

Report on the Audits of the Financial Statements

Our Opinion

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

What we have audited

The financial statements of the Club comprise:

- the statements of financial position as at December 31, 2025 and 2024;
- the statements of comprehensive income for each of the three years in the period ended December 31, 2025;
- the statements of changes in equity for each of the three years in the period ended December 31, 2025;
- the statements of cash flows for each of the three years in the period ended December 31, 2025; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas,
1226 Makati City, Philippines
+63 (2) 8845 2728

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Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Club in accordance with the Code of Ethics for Professional Accountants in the Philippines ("Code of Ethics"), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

Material Uncertainty Relating to Going Concern

We draw attention to Note 1 to the financial statements, which indicates that the Club's current liabilities exceeded its total current assets by P215.14 million and has accumulated deficit of P345.08 million as at December 31, 2025 (2024 - P177.44 million, P296.94 million, respectively). Similarly, the Club incurred a net loss after tax for the year ended December 31, 2025 amounting to P48.14 million (2024 - P54.04 million, 2023 - P45.85 million). These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Club's ability to continue as a going concern.

The Parent Company has issued a letter of support, in which it expressed its intention to support and provide sufficient financial assistance to the Club, as necessary, to maintain the Club as a going concern and to enable it to meet its operating requirements as these fall due. Further, the Club's plans and strategies to address this matter are also discussed in Note 1 to the financial statements.

We have performed sufficient audit procedures to verify the validity of the letter of support from the Parent Company and its financial capability to make good of its commitment to the Club and management's plans and strategies. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 17-A, but does not include the financial statements and our auditor's report thereon. The SEC Form 17-A is expected to be made available to us after the date of this auditor's report.

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

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

When we read the SEC Form 17-A, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and, if required by Securities Regulation Code 68, to the Securities and Exchange Commission.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the 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 Club'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 Club'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 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 Club to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on the Bureau of Internal Revenue Requirement

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 15 to the financial statements is presented for the purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Isla Lipana & Co.



Vergel E. Pabillon, Jr.

Partner

CPA Cert. No. 0119924

P.T.R. No. 0032861; issued on January 8, 2026, Makati City

SEC A.N. (individual) as general auditors 119924-SEC, Category A;

valid to audit 2025 to 2029 financial statements

SEC A.N. (firm) as general auditors 0142-SEC, Category A;

valid to audit 2020 to 2025 financial statements

T.I.N. 306-301-484

BIR A.N. 08-000745-240-2026, issued on January 9, 2026; effective until January 8, 2029

BOA/PRC Reg. No. 0142/P-047, effective until November 14, 2028

Makati City

March 23, 2026



Isla Lipana & Co.

Statement Required by Rule 68 Securities Regulation Code (SRC)

To the Board of Directors and Shareholders of
Alviera Country Club, Inc.
Alviera Country Club, Brgy. Hacienda Dolores
Porac, Pampanga

We have audited the financial statements of Alviera Country Club, Inc. as at and for the year ended December 31, 2025, on which we have rendered the attached report dated March 23, 2026. The supplementary information shown in the Reconciliation of the Club's Retained Earnings Available for Dividend Declaration, as an additional component required by Part I, Section 5 of the Revised SRC Rule 68, and Schedules A, B, C, D, E, F and G, as required by Part II of the Revised SRC Rule 68, is presented for purposes of filing with the Securities and Exchange Commission and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in the audit of the basic financial statements. In our opinion, the supplementary information has been prepared in accordance with Rule 68 of the SRC.

Isla Lipana & Co.

Vergel E. Pabillon, Jr.

Partner

CPA Cert. No. 0119924

P.T.R. No. 0032861; issued on January 8, 2026, Makati City

SEC A.N. (individual) as general auditors 119924-SEC, Category A;

valid to audit 2025 to 2029 financial statements

SEC A.N. (firm) as general auditors 0142-SEC, Category A;

valid to audit 2020 to 2025 financial statements

T.I.N. 306-301-484

BIR A.N. 08-000745-240-2026, issued on January 9, 2026; effective until January 8, 2029

BOA/PRC Reg. No. 0142/P-047, effective until November 14, 2028

Makati City
March 23, 2026

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Alviera Country Club, Inc.

Statements of Financial Position
As at December 31, 2025 and 2024
(All amounts in Philippine Peso)

	Notes	2025	2024
Assets			
Current assets			
Cash	2	14,156,881	7,975,933
Accounts and other receivables	3	16,190,247	10,468,777
Inventories	4	1,098,018	888,432
Other current assets		1,711,865	1,803,715
Total current assets		33,157,011	21,136,857
Non-current assets			
Property and equipment - net	5	719,047,685	728,137,534
Input value-added tax (VAT)		106,985,360	107,839,350
Deposits		1,269,785	1,269,785
Total non-current assets		827,302,830	837,246,669
Total assets		860,459,841	858,383,526
Liabilities and Equity			
Current liabilities			
Accounts and other payables	6	248,295,080	198,577,738
Non-current liability			
Retention payable	6	495,000	-
Total liabilities		248,790,080	198,577,738
Equity			
Capital stock	7	956,745,130	956,745,130
Deficit		(345,075,369)	(296,939,342)
Total equity		611,669,761	659,805,788
Total liabilities and equity		860,459,841	858,383,526

(The notes on pages 1 to 26 are an integral part of these financial statements.)

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Alviera Country Club, Inc.

Statements of Comprehensive Income
For each of the three years in the period year ended December 31, 2025
(All amounts in Philippine Peso)

	Notes	2025	2024	2023
Income	10			
Membership dues		27,066,380	24,629,820	22,011,320
Sale of goods		27,880,197	22,372,779	22,358,127
Service income		2,652,692	2,337,614	2,675,027
Other income		5,017,961	6,278,407	8,394,005
		62,617,230	55,618,620	55,438,479
Expenses	10			
Cost of sales and services		49,555,349	46,989,656	40,501,645
Direct operating expenses		42,642,766	41,930,192	40,731,360
General administrative expenses		18,553,227	20,737,737	20,049,718
		110,751,342	109,657,585	101,282,723
Loss before income tax		48,134,112	54,038,965	45,844,244
Income tax expense	8	1,915	1,609	2,633
Net loss for the year		48,136,027	54,040,574	45,846,877
Other comprehensive loss for the year		-	-	-
Total comprehensive loss for the year		48,136,027	54,040,574	45,846,877
Basic and diluted loss per share	7	7,114	7,981	6,774

(The notes on pages 1 to 26 are an integral part of these financial statements.)

Alviera Country Club, Inc.

Statements of Changes in Equity
For each of the three years in the period ended December 31, 2025
(All amounts in Philippine Peso)

	Capital stock (Note 7)	Deficit	Total equity
As at January 1, 2023	956,745,130	(197,051,891)	759,693,239
Comprehensive loss			
Net loss for the year	-	(45,846,877)	(45,846,877)
Total comprehensive loss	-	(45,846,877)	(45,846,877)
As at December 31, 2023	956,745,130	(242,898,768)	713,846,362
Comprehensive loss			
Net loss for the year	-	(54,040,574)	(54,040,574)
Total comprehensive loss	-	(54,040,574)	(54,040,574)
As at December 31, 2024	956,745,130	(296,939,342)	659,805,788
Comprehensive loss			
Net loss for the year	-	(48,136,027)	(48,136,027)
Total comprehensive loss	-	(48,136,027)	(48,136,027)
As at December 31, 2025	956,745,130	(345,075,369)	611,669,761

(The notes on pages 1 to 26 are an integral part of these financial statements.)

Alviera Country Club, Inc.

Statements of Cash Flows
For each of the three years in the period ended December 31, 2025
(All amounts in Philippine Peso)

	Notes	2025	2024	2023
Cash flows from operating activities				
Loss before income tax		(48,134,112)	(54,038,965)	(45,844,244)
Adjustments for:				
Gain on reversal of retention payables	6	-	(3,233,414)	(3,831,845)
Loss on reversal of advances to contractors	6	-	144,884	-
Depreciation expense	5,10	23,870,707	23,817,359	25,549,222
Interest income	2	(9,573)	(8,045)	(13,165)
Loss before changes in working capital		(24,272,978)	(33,318,181)	(24,140,032)
(Increase) decrease in:				
Accounts and other receivables		(5,721,470)	929,188	(3,112,504)
Inventories		(209,586)	(157,702)	(120,804)
Other current assets		91,850	(1,500,255)	5,246
Input VAT		853,990	655,468	(3,556,197)
Increase (decrease) in				
Accounts and other payables		(282,658)	(83,156)	19,986,647
Retention payable		495,000	-	-
Cash used in operations		(29,045,852)	(33,474,638)	(10,937,644)
Interest income received		9,573	8,045	13,165
Final tax paid	8	(1,915)	(1,609)	(2,633)
Net cash used in operating activities		(29,038,194)	(33,468,202)	(10,927,112)
Cash flows from investing activities				
Additions to property and equipment	5	(14,780,858)	(3,263,478)	(1,003,312)
Cash flows from financing activities				
Advances from the Parent Company	12	50,000,000	34,000,000	19,358,201
Net increase (decrease) in cash		6,180,948	(2,731,680)	7,427,777
Cash at beginning of the year		7,975,933	10,707,613	3,279,836
Cash at end of the year	2	14,156,881	7,975,933	10,707,613

(The notes on pages 1 to 26 are an integral part of these financial statements.)

Alviera Country Club, Inc.

Notes to the Financial Statements

As at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025
(In the notes, all amounts are shown in Philippine Peso unless otherwise stated)

1 Corporate information

Corporate information

Alviera Country Club, Inc. (the "Club") was registered with the Securities and Exchange Commission (SEC) on July 9, 2014. It was established primarily to construct, maintain, manage and carry on the business of a sports and leisure club and its facilities in the Municipality of Porac, Pampanga, for the amusement, entertainment, recreational and athletic activities, on a non-profit basis, of its members. The Club is a subsidiary of Nuevocentro, Inc. (NCI), the Parent Company. NCI's parent is Ayala Land, Inc. (ALI). ALI's parent is Ayala Corporation (AC). AC and ALI are incorporated in the Republic of the Philippines and are both listed in the Philippine Stock Exchange.

On July 17, 2014, the Board of Directors (BOD) approved the application for the registration and licensing with the SEC of the Club's 6,800 shares, consisting of 3,700 Class A no par value shares, 2,600 Class B no par value shares, 300 Class C no par value shares and 200 Class D no par value shares, to be offered to the public. The SEC issued the Certificate of Permit to Offer securities for Sale on May 6, 2015.

The Club is exempt from payment of income tax on income received from social, recreational, and athletic activities on a non-profit basis provided that no part of the Club's income shall inure to the benefit of any of its members, trustees and officers. Under Section 30 (E) of the Tax Reform Act of 1997, an organization organized for recreational, sports and athletic activities shall be exempt from payment of income tax on income received from aforementioned activities.

On August 3, 2012, the Bureau of Internal Revenue (BIR) has issued Revenue Memorandum Circular (RMC) No. 35-2012 clarifying that clubs organized and operated exclusively for pleasure, recreation and other non-profit purposes are subject to income tax and value-added tax (VAT) on their income from whatever source, including but not limited to membership fees, assessment dues, rental income, and service fees.

On August 13, 2019, the Supreme Court (SC) declared that membership fees, assessment dues, and fees of similar nature collected by Clubs which are organized and operated exclusively for pleasure, recreation, and other nonprofit purposes do not constitute as: (a) "the income of recreational clubs from whatever source" that are "subject to income tax"; and (b) part of the "gross receipts of recreational clubs" that are "subject to VAT". Starting October 1, 2020, the Club no longer collect output VAT on membership fees and fees of similar nature.

The Club started its commercial operations last March 28, 2019 and had its official Grand Launch on July 31, 2019.

The Club's registered office address and principal place of business is at Alviera Country Club, Brgy. Hacienda Dolores, Porac, Pampanga.

Status of operations

In 2025, the Club incurred net losses after tax amounting to P48,136,027 (2024 - P54,040,574 and 2023 - P45,846,877), resulting in deficit of P345,075,369 (2024 - P296,939,342). Also, as at December 31, 2025, the Club's current liabilities exceeded its total current assets by P215,138,069 (2024 - P177,440,881). These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Club's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

The Club's Parent Company is committed to provide the necessary financial support for the Club's working capital requirements to meet its liabilities and other possible obligation and responsibilities in order for it to continue its business operations as a going concern.

In addition, management has assessed that the Club is still able to maintain sufficient liquidity through laying out projects, new marketing strategies and partnership with its related parties to boost the usage of its members of the Club's facilities. Accordingly, the Club's financial statements have been prepared on the assumption that the Company will continue as a going concern as at and for the years ended December 31, 2025 and 2024.

Approval of financial statements

The financial statements of the Company have been approved and authorized for issuance by the Board of Directors on March 23, 2026.

2 Cash

This account as at December 31 consists of:

	2025	2024
Cash in banks	14,106,881	7,925,933
Cash on hand	50,000	50,000
	14,156,881	7,975,933

Cash in banks refer to savings account maintained by the Club with universal banks and earn interest amounting to P9,573 (2024 - P8,045 and 2023 - P13,165) at the prevailing bank deposit rates.

As at December 31, 2025 and 2024, there is no restriction on the Club's cash balances.

3 Accounts and other receivables

This account as at December 31 consists of:

	Note	2025	2024
Trade receivables		14,776,480	10,137,927
Due from related parties	9	685,505	290,730
Receivable from employees		728,262	40,120
		16,190,247	10,468,777

Trade receivables pertain mainly to sales generated by the Club's restaurant, and sports and recreation facilities and dues. These are collectible to members within one month from consumption and usage.

Due from related parties pertains to usage of the Club's facilities (Note 9).

Receivable from employees represent advances for travel and other expenses arising in the ordinary course of business. These are non-interest bearing and are recoverable through expense liquidation within one month from grant date.

4 Inventories

Inventories are stated at cost, which is lower than their net realizable value. As at December 31, 2025, the inventories of the Club mainly consist of food and beverage which amount to P1,098,018 (2024 - P888,432).

Cost of food and beverages charged to operations amounts to P10,446,720 (2024 - P8,698,559 and 2023 - P9,014,632) (Note 10).

5 Property and equipment - net

Movements in this account are as follows:

	Land	Building	Facilities, furniture, fixtures and equipment	Transportation equipment	Total
Cost					
As at January 1, 2024	14,429,178	818,420,257	21,093,239	3,802,541	857,745,215
Additions	-	-	3,263,478	-	3,263,478
As at December 31, 2024	14,429,178	818,420,257	24,356,717	3,802,541	861,008,693
Additions	-	8,546,741	6,234,117	-	14,780,858
As at December 31, 2025	14,429,178	826,966,998	30,590,834	3,802,541	875,789,551
Accumulated depreciation					
As at January 1, 2024	-	90,367,236	15,074,151	3,612,413	109,053,800
Depreciation (Note 10)	-	20,460,506	3,166,725	190,128	23,817,359
As at December 31, 2024	-	110,827,742	18,240,876	3,802,541	132,871,159
Depreciation (Note 10)	-	20,559,612	3,311,095	-	23,870,707
As at December 31, 2025	-	131,387,354	21,551,971	3,802,541	156,741,866
Net book value					
December 31, 2025	14,429,178	695,579,644	9,038,863	-	719,047,685
December 31, 2024	14,429,178	707,592,515	6,115,841	-	728,137,534

In 2014, the Club acquired 5.62 hectares of land in Porac, Pampanga from NCI for the site of the Club's premises (Note 1).

Fully depreciated property and equipment are retained in the books until these are no longer in use. The cost of fully depreciated property and equipment still in use as at December 31, 2025 and 2024 amounted to P3,802,541.

As at December 31, 2025 and 2024, there's no non-cash investing activity on property and equipment.

6 Liabilities

Accounts and other payables

This account as at December 31 consists of:

	Note	2025	2024
Due to related parties	9	227,107,776	178,895,107
Contract liability		12,475,369	9,267,082
Accounts payable		964,153	3,561,872
Payables to government agencies		547,071	414,732
Accrued expenses			
Professional fees		4,433,910	3,584,425
Utilities		2,003,632	2,316,612
Salaries and employee benefits		763,169	537,908
		248,295,080	198,577,738

Due to related parties largely pertains to unpaid advances, utilities, and communication expense.

Contract liability pertains to payments received from member for future consumption of Club's services and facilities, monthly membership dues received by the Club in advance, deposits from members and guests for booked functions and events.

Accounts payable are non-interest bearing and are normally settled within one year.

Payables to government agencies pertains to withholding taxes payable to Bureau of Internal Revenue (BIR), statutory employee remittances to other government agencies.

Retention payable

In 2024, the Club recognized gain from the reversal of retention payable amounting to P3,233,414 and is presented as part of other income in the statement of comprehensive loss. No similar transaction occurred in 2025. Consequently, the Club's retention payable pertaining to landscaping works amounts to P495,000 as at December 31, 2025 (2024 - nil).

7 Equity

The Club has an authorized capital stock of 6,800, no par value shares. The details of the number of authorized and issued shares of the Club as at December 31, 2025 and 2024 are as follows:

	Authorized	Issued and subscribed
Class A	3,700	3,700
Class B	2,600	2,600
Class C	300	300
Class D	200	200
	6,800	6,800

Class A shares

Class A shares shall be held by an individual, corporation, partnership or association, irrespective of nationality or citizenship. Class A shares are issued to the original subscribers of the Club and shall have the status of Founders' shares with all the rights and privileges as subscribed to Founders' shares. Founders' shares are subjected to the rights and restrictions within a period of five years from date of incorporation: (a) has sole and exclusive right to nominate persons who shall serve as director of the Club; (b) are prohibited from selling and transferring Founders' share to third persons; (c) usage without the need for activation fee; and (d) application and qualification of its nominee for membership to the Club.

Class B shares

Class B shares shall be held by an individual, corporation, partnership or association, irrespective of nationality or citizenship. Each Class B shares shall be entitled to one usage right which shall be exercised by the holder thereof or its nominee in the manner set forth in the By-laws of the Club.

Holders of Class B shares shall not enjoy preemptive rights to (a) subscribe to any or all original issuance of Class A shares, Class C shares, and Class D shares of the Club, and (b) to any sale, assignment or transfer of any class of treasury shares.

Class C shares

Class C shares shall be held by a corporation, partnership or association, irrespective of nationality or citizenship. Each Class C shares shall be entitled to two usage rights which shall be exercised by the holder thereof or its nominee in the manner set forth in the By-laws of the Club.

Holders of Class C shares shall not enjoy preemptive rights to (a) subscribe to any or all original issuance of Class A shares, Class B shares, and Class D shares of the Club, and (b) to any sale, assignment or transfer of any class of treasury shares.

Class D shares

Class D shares shall be held by an individual, corporation, partnership or association, irrespective of nationality or citizenship. Each Class D shares shall be entitled to one usage right which shall be exercised by the holder thereof or its nominee in the manner set forth in the By-laws of the Club.

Holders of Class D shares shall not enjoy preemptive rights to (a) subscribe to any or all original issuance of Class A shares, Class B shares, and Class C shares of the Club, and (b) to any sale, assignment or transfer of any class of treasury shares.

In view of the issuance of Founders' shares, the voting rights pertaining to Class B, C and D shares shall be suspended for the period commencing from the date of incorporation of the Club up to and including the date prior to the fifth anniversary of such date of incorporation. Upon the expiry of such five-year period, the Class A shares shall automatically lose their character as Founders' shares and the holder thereof shall be deemed to be a holder of a regular Class A share, whereby the voting rights of all the other classes of shares in the Club shall be automatically activated and shall be equal in all respects to holders of all the other classes of shares in the Club.

Shareholders shall only be entitled to a pro-rata share of the assets of the Club at the time of the dissolution or liquidation thereof.

Upon the incorporation of the Club, NCI, Parent Company, invested P133,000,000 in cash consideration for the issuance of club shares, at its initial issue price of P76,000 per share. Furthermore, NCI paid for the documentary stamp tax related to the Club's incorporation amounting P0.66 million.

On August 10, 2018, the SEC approved the confirmation of valuation of advances from NCI amounting to P196,992,000 in exchange of 2,592 Class A shares.

On October 4, 2018, the BOD approved the subscription of NCI to the Club's remaining authorized capital stock comprising of 83 Class A shares, 1,950 Class B shares, 225 Class C shares and 200 Class D shares at an issue price of P254,985 per share. In 2018, NCI made payment for its subscription amounting to P156,688,282 and the outstanding balance amounting to P470,064,848 in 2019.

NCI is authorized to offer the club shares to the public by way of secondary offering. As at December 31, 2025, NCI sold 9.59% (2024 - 9.57%) of its total shares in the Club. Ownership of these shares are transferred once fully paid.

As at December 31, 2025 and 2024, the total number of shareholders are 436 and 400, respectively.

Basic and diluted loss per share

The following table presents information used to calculate loss per share:

	2025	2024	2023
Net loss for the year	(48,136,027)	(54,040,574)	(45,846,877)
Number of shares (excluding shares of delinquent members)	6,766	6,771	6,768
Basic and diluted loss per share	(7,114)	(7,981)	(6,774)

Basic and diluted loss per share are equal as the Club does not have any dilutive potential ordinary shares in 2025, 2024 and 2023.

Capital management

The Club manages its capital structure and makes adjustments to it, in light of changes in economic conditions. It monitors capital using leverage ratios on both gross debt and net debt basis.

As at December 31, the Club had the following ratios:

	2025	2024
Debt to equity	37.13%	27.11%
Net debt to equity	34.81%	25.90%

Debt consists of advances from its related parties. Net debt includes advances from its related parties less cash and cash equivalents. Equity, which the Club considers as capital, pertains to the total equity.

The Club is not subject to any externally imposed capital requirement. No changes were made in the objectives, policies or processes for managing capital for the years ended December 31, 2025 and 2024.

8 Income tax

The reconciliation of income tax expense at the statutory rate and the actual income tax expense presented in the statement of comprehensive loss for the years ended December 31 follows:

	2025	2024	2023
Statutory income tax at 25% tax rate	(12,033,528)	(13,509,741)	(11,461,061)
Add (deduct) tax effects of:			
Movement in unrecognized deferred tax assets	16,661,651	17,222,947	16,441,676
Non-deductible expenses	2,140,865	2,446,260	522,740
Expired NOLCO	-	-	-
Expired MCIT	-	-	2,766
Interest income already subjected to final tax	(2,393)	(2,011)	(3,291)
Non-taxable income	(6,766,595)	(6,157,455)	(5,502,830)
Provision for income tax at effective tax rate	-	-	-

For the year ended December 31, 2025, the Club incurred and paid final tax on interest income amounting to P1,915 (2024 - P1,609) (2023 - P2,633).

Deferred tax assets are recognized only to the extent that realization of the related tax benefit is probable. As at December 31, 2025 and 2024, the Company did not recognize deferred tax assets amounting to P64,751,363 (2024 - P74,109,136), as management believes that it is not probable that sufficient taxable profit will be available to allow the benefit of the deferred tax assets to be utilized.

Details of unrecognized deferred income tax assets as at December 31 are as follow:

	2025	2024
NOLCO	61,710,296	71,217,528
Accrued expenses	3,041,067	2,891,608
	64,751,363	74,109,136

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(b) of "Bayanihan to Recover As One Act" which states that the NOLCO incurred for taxable years 2021 and 2020 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss. The carry-over period for NOLCO incurred in any other taxable years is three (3) years.

Details of NOLCO as at December 31 are as follows:

Year incurred	Year expired	2025	2024
2020	2025	42,849,781	42,849,781
2021	2026	51,256,815	51,256,815
2022	2025	62,423,588	62,423,588
2023	2026	61,056,043	61,056,043
2024	2027	67,283,885	67,283,885
2025	2028	67,244,440	-
		352,114,552	284,870,112
Applied during the year		-	-
Expired during the year		105,273,369	-
		246,841,183	284,870,112
Tax rate		25%	25%
		61,710,296	71,217,528

9 Related party transactions and balances

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Club including holding companies, subsidiaries and fellow subsidiaries, are related parties of the Club. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Club gives them significant influence over the enterprise, key management personnel, including directors and officers of the Club and close members of the family of these individuals, and companies associated with these individuals also constitute related parties. In considering each possible related entity relationship, attention is directed to the substance of the relationship and not merely the legal form.

Terms and conditions of transactions and balances with related parties

In the ordinary course of business, the Club has transactions with related parties. There have been no guarantees provided or received for any related party receivables or payables. These accounts are due based on normal credit terms, at a gross basis, non-interest bearing and are generally unsecured except for advances to contractors, which is subject to recoupment over the term of the construction.

Impairment 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. Except as otherwise indicated, the outstanding accounts with related parties shall be settled in cash. The transactions are made at terms and prices agreed upon by the parties.

The following table shows the related party transactions and balances included in the financial statements:

	2025		2024	
	Transactions	Outstanding receivables	Transactions	Outstanding receivables
ALI				
Advances (f)	394,775	685,505	-	290,730
Associates				
Interest income (h)	8,593	-	7,017	-
Due from related parties (Note 3)		685,505		290,730
	2025		2024	
	Transactions	Outstanding payables	Transactions	Outstanding payables
ALI				
Advances (b)	1,277,015	4,150,803	591,957	5,938,134
Parent Company				
Advances (a) (Note 12)	50,000,000	220,519,893	38,141,799	170,519,893
Entities under common control				
Advances (c), (d), (e)	-	2,437,080	380,741	2,437,080
Affiliates				
Utilities	(1,231,720)	-	(87,415)	-
Communications expense (g)	(551,498)	-	(781,057)	-
Due to related parties (Note 6)		227,107,776		178,895,107

The following describes the nature of the transactions of the Club with related parties for the years ended December 31, 2025 and 2024:

- a. NCI made non-interest bearing advances, repayable in cash, to the Club for working capital requirements. In 2025, advances made amounts to P50,000,000 (2024 - P34,000,000). No payments were made to NCI for these advances for the years ended December 31, 2025 and 2024.
- b. Advances of ALI to the Club pertains to various charges related to property and development cost. As at December 31, 2025, the outstanding advances of ALI to the Club amounts to P4,150,803 (2024 -P5,938,134).
- c. Advances of Alveo Land Corporation (ALC) to the Club pertains to various charges related to property and development cost. As at December 31, 2025 and 2024, the outstanding advances of ALC to the Club amounts to P81,537.
- d. Advances to the Club from Makati Development Corporation (MDC) pertains to charges for mechanical, plumbing, and electrical works. As at December 31, 2025 and 2024, the outstanding balance of advances from MDC amounts to P2,320,873.
- e. Advances to the Club from Ayalaland Estates, Inc. (ALEI) pertains to marketing expenses. As at December 31, 2025 and 2024, the outstanding balance due to Ayalaland Estates, Inc. (ALEI) amounts to P34,670.
- f. Receivable from ALI pertains to its consumption and usage of the Club's facilities with charges amounting to P685,505 as at December 31, 2025 (2024 - P290,730).
- g. In 2025, total communication expense to Globe Telecom Inc. and Innove Communications Inc. amounts to P551,498 (2024 - P781,057).
- h. As at December 31, 2025 and 2024, the Club maintains its cash in bank account with BPI, an associate of AC, amounting to P9,642,522 (2024 - P5,820,076). Interest income earned from cash in bank amounted to P8,593, and P7,017 in 2025 and 2024 respectively. These are included in the interest income recognized in the statement of comprehensive loss.
- i. The key management personnel of the Club are its directors. In 2025, 2024 and 2023, no compensation has been granted by the Club to them.

10 Income and expenses

Income for the years ended December 31 consist of:

	2025	2024	2023
Revenue			
Membership dues	27,066,380	24,629,820	22,011,320
Sale of goods	27,880,197	22,372,779	22,358,127
Service income			
Villa	1,709,705	1,401,760	1,357,321
Sports and complex	598,387	591,833	681,329
Guest	264,788	248,075	542,627
Spa	79,812	95,946	93,750
Other income			
Interest and surcharges	290,453	26,478	3,668,887
Expired member's consumables	1,199,095	2,511,034	1,688,741
Claims	-	158,288	1,424,597
Service charges	3,518,840	3,574,562	1,598,615
Interest income from cash in bank	9,573	8,045	13,165
	62,617,230	55,618,620	55,438,479

Membership dues pertain to maintenance fees paid by the Club's members on a monthly basis.

Sales of goods pertains to consumption of food and beverage in the Club's restaurant.

Cost of sales and services for the years ended December 31 consist of:

	Note	2025	2024	2023
Cost of services				
Salaries and employee benefits		20,758,308	18,095,760	17,429,766
Utilities		15,021,495	17,210,928	12,031,438
Supplies		3,328,826	2,984,409	2,025,809
Cost of goods	4	10,446,720	8,698,559	9,014,632
		49,555,349	46,989,656	40,501,645

Direct operating expenses for the years ended December 31 consist of:

	Note	2025	2024	2023
Depreciation expense	5	23,870,707	23,817,359	25,549,222
Contracted services		12,518,565	11,106,538	9,091,192
Utilities		2,650,852	3,037,223	2,123,195
Repairs and maintenance		1,105,664	1,373,312	876,102
Insurance		602,300	674,359	788,373
Postal and communication		551,498	781,057	277,618
Transportation and travel		473,858	547,187	470,959
Marketing		259,095	201,778	215,283
Representation		109,908	58,968	54,591
Others		500,319	332,411	1,284,825
		42,642,766	41,930,192	40,731,360

Contracted services mostly pertain to outsourced staff and security personnel of the Club.

Utilities pertain to cost of electricity and water consumption.

Repairs and maintenance pertains to expenses incurred for the upkeep of the Club's properties.

Transportation and travel pertains to fares, toll fees, fuel and accommodation incurred during official business trips of employees.

Representation pertains to expenses incurred as complimentary to customers or suppliers such as free use of club facilities, meals for employees and official business trips and expenses.

Others mostly pertain to cost of spoilage and daily meals given to employees.

General administrative expenses for the years ended December 31 consist of:

	2025	2024	2023
Salaries and other benefits	10,439,424	12,003,291	12,223,395
Input VAT expenses	2,671,279	1,491,285	-
Taxes and licenses	1,623,622	3,646,524	5,400,597
Professional fees	1,070,814	267,142	462,235
Insurance	989,225	1,158,120	229,127
Systems cost	287,790	1,408,811	285,756
Supplies	83,102	122,928	53,223
Financing charges	10,001	6,983	18,043
Others	1,377,970	632,653	1,377,342
	18,553,227	20,737,737	20,049,718

Salaries and other benefits pertain to salaries and mandatory government benefits given to direct employees of the Club.

Input VAT expenses pertain to input VAT allocable to exempt sales for the year.

Taxes and licenses pertain to payment of real property taxes and permits of the Club.

Professional fees pertain to incurred legal and audit fees.

Supplies pertain to office supplies used for administrative purposes.

Others include hygiene and medical supply kits, training and development, meals and drinking water and employee relations and activities incurred during the year.

11 Financial assets and financial liabilities

Fair value information

The carrying values of the Club's cash in banks, trade receivables, due from related parties and deposits and financial liabilities classified under accounts and other payables approximate their fair values due to the short-term contractual nature of transactions involving these financial instruments.

Fair value hierarchy

As at December 31, 2025, and 2024, the Club has no financial asset and liability carried at fair value.

Financial risk management objectives and policies

The Club's principal financial instruments comprise of cash in banks, deposits, trade receivables, due from related parties, and financial liabilities classified under accounts and other payables. The main purpose of the Club's financial instruments is to fund operational and capital expenditures.

The main risk arising from the use of the financial instruments are credit risk and liquidity risk.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The investment of the Club's cash resources is managed so as to minimize risk while seeking to enhance yield. The Club's holding of cash in bank exposes the Club to credit risk of the counterparty if the counterparty is unwilling or unable to fulfill its obligations, and the Club consequently suffers financial loss. Credit risk management involves entering into financial instruments only with counterparties with acceptable credit standing.

Bank limits are established on the basis of liquidity, capital adequacy and financial stability. Given the high credit standing of its accredited counterparty banks, management does not expect any of these financial institutions to fail in meeting their obligations.

The maximum exposure to credit risk for the Club's financial assets as at December 31 are as follows:

	Notes	2025	2024
Cash in banks	2	14,106,881	7,925,933
Accounts and other receivables*	3	15,461,985	10,428,657
Deposits		1,269,785	1,269,785
		30,838,651	19,624,375

*excluding receivables from employees

Based on management's experience, exposure to bad debts of trade receivables is not significant and is mitigated as the fair value of the club shares that each members holds/owns is more than the outstanding trade receivable of the member. No expected credit loss was recognized in 2025 and 2024.

(b) Liquidity risk

Liquidity risk is defined by the Club as the risk of losses arising from funding difficulties due to deterioration in market conditions and/or the financial position of the Club that make it difficult for the Club to raise the necessary funds or that forces the Club to raise funds at significantly higher interest rates than usual.

The Club manages liquidity risk by maintaining a balance between continuity of funding and flexibility. The Club maintains a level of cash deemed sufficient to finance its operations.

As part of its liquidity risk management, the Club regularly evaluates its projected and actual cash flows.

The table below analyzes the Club's financial assets and liabilities as at December 31, 2025 and 2024. The amounts disclosed in the table are the contractual undiscounted cash flows which are equal to their carrying balances, as the impact of discounting is not significant.

	Notes	Due and demandable	Within three months	More than three months	Total
December 31, 2025					
<i>Financial assets</i>					
Cash in bank	2	14,106,881	-	-	14,106,881
Accounts and other receivables	3	15,461,985	-	-	15,461,985
Deposits		-	-	1,269,785	1,269,785
		29,568,866	-	1,269,785	30,838,651
<i>Financial liability</i>					
Accounts and other payables	6	(247,748,009)	-	-	(247,748,009)
Liquidity position (gap)		(218,179,143)	-	1,269,785	(216,909,358)

	Notes	Due and demandable	Within three months	More than three months	Total
December 31, 2024					
<i>Financial assets</i>					
Cash in bank	2	7,925,933	-	-	7,925,933
Accounts and other receivables	3	10,428,657	-	-	10,428,657
Deposits		-	-	1,269,785	1,269,785
		18,354,590	-	1,269,785	19,624,375
<i>Financial liability</i>					
Accounts and other payables	6	(198,163,006)	-	-	(198,163,006)
Liquidity position (gap)		(179,808,416)	-	1,269,785	(178,538,631)

Accounts and other receivables exclude receivable from employees aggregating to P728,262 (2024 - P40,120) which are considered as non-financial assets.

Accounts and other payables exclude payables to government agencies aggregating to P547,071 (2024 - P414,732) which are considered as non-financial liabilities.

As at December 31, 2025, and 2024, the Club's financial liabilities are all due and demandable.

12 Changes in advances from the Parent Company

The reconciliations of the movements in the Club's financing activities through advances from the Parent Company are presented below:

	At January 1	Cash flows	Non-cash changes	At December 31 (Note 9)
2025	170,519,893	50,000,000	-	220,519,893
2024	132,378,094	34,000,000	4,141,799	170,519,893

Non-cash changes refer to expenses paid by the Parent Company, on behalf of the Club, and reimbursable to the Club.

13 Significant accounting judgements and estimates

The preparation of the financial statements in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards requires the Club to make judgments, estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The judgments, estimates and assumptions used are based on management's evaluation of relevant facts and circumstances as at the date of the financial statements. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the financial statements as they become reasonably determinable.

13.1 Significant judgements

In the process of applying the Club's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effects on the amounts recognized in the financial statements:

Going concern assessment

The use of the going concern assumption involves management making judgments, at a particular point in time, about the future outcome of events or conditions that are inherently uncertain. The underlying assumption in the preparation of financial statements is that the Club has neither the intention nor the need to liquidate. Management takes into account a whole range of factors which include, but not limited to, Parent Company's ability to provide financial support, expected operations and profitability and potential sources of additional financing. Management prepares the financial statements on a going concern basis as management has future plans regarding the Club, as discussed in Note 1.

Identification of contract with customers under PFRS 15

The Club applies PFRS 15 guidance to a portfolio of contracts with similar characteristics as the Club reasonably expects that the effects on the financial statements if applying this guidance to the portfolio would not differ materially from applying this guidance to the individual contracts within that portfolio. Hence, the Club viewed each transaction receipt as one contract.

Identifying performance obligations

The Club identifies performance obligations by considering whether the promised goods or services in the contract are distinct goods or services. A good or service is distinct when the customer can benefit from the good or service on its own or together with other resources that are readily available to the customer is separately identifiable from the other promises in the contract.

Determining whether the Club is acting as a principal or agent

The Club assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The following criteria indicate whether the Club is acting as a principal or an agent:

- The Club has the primary responsibility for providing services to the customer;
- The Club has latitude in establishing price, either directly or indirectly, for example by providing additional services; and,
- The Club bears the customer's credit risk for the amount receivable from the customer.

The Club has concluded that generally, it is acting as a principal in its revenue arrangements.

Determination of taxable profit, tax bases, unused tax losses, unused tax credits and tax rates

The Club has assessed whether it has any uncertain tax treatments. The Club applies significant judgement in identifying uncertainties over its income tax treatments. The Club assesses whether the identified uncertainties had an impact on its financial statements. The Club determined, based on its tax assessment, in consultation with its tax counsel, that it has no uncertain tax treatments. Recognizing deferred tax assets

The Club reviews the carrying amounts of deferred taxes at the end of each reporting period and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. However, there is no assurance that the Club will generate sufficient taxable profits to allow all or part of the deferred tax assets to be utilized. The Club looks at its projected performance in assessing the sufficiency of future taxable income. The Club's unrecognized deferred tax assets as at December 31, 2025 amounted to P64,751,363 (2024 - P74,109,136) (Note 8).

Assessing recoverability of input VAT

The Club assesses on a regular basis if there is objective evidence of impairment of input VAT. The amount of impairment loss is measured as the difference between the carrying amount and the estimated recoverable amount. The recognition of impairment requires the Club to assess how it could claim its accumulated input VAT.

The Club has accumulated excess input VAT since its establishment in 2014. Management has the remedy to claim these accumulated input VAT through addition of new revenue streams.

As at December 31, 2025, the carrying values of input VAT amounts to P106,985,360 (2024 - P107,839,350). No allowance for impairment losses was recognized for input VAT for the years ended December 31, 2025 and 2024.

13.2 Significant estimates

In the process of applying the Club's accounting policies, management has made the following estimates and assumptions, which have the most significant effects on the amounts recognized in the financial statements:

Estimating allowance for ECL of trade receivables and due from related parties

The Club assesses long-outstanding member's receivable account periodically as to future collectability. Club shares of members with long-outstanding balances are placed to public auction for bidding at the management's own terms and minimum pricing to ensure that outstanding balances of delinquent members are recovered. The Club defines a financial asset as in default when contractual payments are 120 days past due. However, in certain cases, the Club may also consider a receivable to be in default when internal or external information indicates that the Club is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Club.

For the Club's due from related parties, evaluation includes the review of the credit risk of the debtor through a review of qualitative and quantitative information. Factors being considered includes significant changes in the business, financial and economic conditions, regulatory and economic environment to which the debtor operates, among others.

The information about the ECLs on the Club's trade receivables is disclosed in Note 11.

Estimating net realizable value (NRV) of inventories

Inventories are presented at the lower of cost or NRV. Estimation of NRV is based on the most reliable evidence available at the time the estimates are made of the amount the inventories are expected to be realized. A review of the items of inventories is performed at the end of each reporting period to reflect the accurate valuation of inventories in the financial statements.

The carrying values of inventories amounted to P1,098,018 and P888,432 as at December 31, 2025 and 2024, respectively. No provision, allowance and write-off for inventory obsolescence were recognized in 2025 and 2024 (Note 4).

Evaluating asset impairment

The Club reviews property and equipment, and other non-financial assets (excluding inventories and input VAT) for impairment in value. This includes considering certain indications of impairment such as significant changes in asset usage, significant decline in assets' market value, obsolescence or physical damage of an asset, significant underperformance relative to expected historical or projected future operating results and significant negative industry or economic trends, taking into consideration the impact of adverse events.

Internal and external sources of information are reviewed at each year-end reporting date to identify indications that the Club's non-financial asset may be impaired, or an impairment loss previously recognized no longer exists or may be decreased. If any such indication exists, the recoverable amount of the non-financial asset is estimated.

As described in the accounting policy, the Club estimates the recoverable amount as the higher of the fair value less cost of disposal and value-in-use. In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Club is required to make estimates and assumptions that may affect other current and non-current assets, and property and equipment. An impairment loss would be recognized whenever evidence exists that the carrying value is not recoverable. For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

No impairment losses were recognized for the Club's non-financial assets. The carrying values of the nonfinancial assets as at December 31 follow:

	2025	2024
Property and equipment, net	719,047,685	728,137,534
Other current assets	1,711,865	1,803,715
	720,759,550	729,941,249

14 Summary of material accounting policies

The material accounting policies that have been used in the preparation of the financial statements are summarized below. These policies have been consistently applied to all the years presented, unless otherwise stated.

14.1 Basis of Preparation

Statement of compliance

The financial statements of the Club have been prepared in accordance with Philippines Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards comprise the following authoritative literature approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and the Board of Accountancy, and adopted by the Securities and Exchange Commission (SEC):

- PFRS Accounting Standards,
- PAS Standards, and
- interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC), and Standing Interpretations Committee (SIC).

Basis of measurement

The accompanying financial statements have been prepared on the historical cost basis and are presented in Philippine Peso, which is the Club's functional and presentation currency. All amounts are rounded to the nearest peso, unless otherwise indicated.

Changes in accounting policies and disclosures

(a) New standards, and amendments and interpretations to existing standards adopted

The Club has adopted the following amendments to existing standards starting January 1, 2025:

- Lack of Exchangeability - Amendments to PAS 21;

On 15 August 2023, the IASB amended IAS 21 to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. Prior to these amendments, IAS 21 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary.

The adoption of the above amendment did not result in a material impact to the financial statements of the Club.

There are no other new standards, interpretations and amendments to existing standards effective January 1, 2025 that are considered to be relevant or have a material impact on the Club's financial statements

(b) New standards, and amendments and interpretations to existing standards not yet effective as at December 31, 2025

Certain new standards, and amendments and interpretations to existing standards have been published that are not mandatory for December 31, 2025 reporting periods and have not been early adopted by the Club. None of these are expected to be relevant and have a significant effect on the financial reporting of the Club, while the most relevant ones are set out as follows:

- Amendments to the Classification and Measurement of Financial Instruments - Amendments to PFRS 9 and PFRS 7 (Effective beginning on or after January 1, 2026)

On May 2024, the IASB issued targeted amendments to PFRS 9 and PFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cashflows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The adoption of the above amendments is not expected to have a material impact on the financial statements of the Club except on the timing of derecognition of financial liability through electronic fund transfers and checks.

- PFRS 18 Presentation and Disclosure in Financial Statements (Effective beginning on or after January 1, 2027)

PFRS 18 will replace PAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though PFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Club's financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

The Club does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:

- management-defined performance measures;
- a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss - this break-down is only required for certain nature expenses; and
- for the first annual period of application of PFRS 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying PFRS 18 and the amounts previously presented applying PAS 1.

From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

The Club will apply the new standard from its mandatory effective date of January 1, 2027.

Retrospective application is required, and so the comparative information for the financial year ending December 31, 2026 will be restated in accordance with PFRS 18.

There are no other new standards, interpretations and amendments to existing standards not yet effective as at December 31, 2025 reporting period that are considered to be relevant or have a material impact on the Club's financial statements.

14.2 Current and non-current classification

The Club presents assets and liabilities in the statement of financial position based on current and non-current classification.

An asset is current when it is:

- a. expected to be realized or intended to be sold or consumed in normal operating cycle;
- b. held primarily for the purpose of trading;
- c. expected to be realized within twelve (12) months after reporting date; or
- d. cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.

All other assets are classified as non-current.

A liability is current when:

- a. it is expected to be settled in the normal operating cycle;
- b. it is held primarily for the purpose of trading;
- c. it is due to be settled within 12 months after reporting date; or
- d. there is no unconditional right to defer the settlement of the liability for at least 12 months after reporting date.

The Club classifies all other liabilities as non-current.

14.3 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 the Club.

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 Club 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 for which fair value is measured or disclosed in the 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

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Club determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Club has determined classes of assets on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy as explained above.

14.4 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.

14.4.1 Financial assets

(a) Initial recognition and measurement

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Club's business model for managing them. The Club 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. Financial assets that do not contain a significant financing component or for which the Club has applied the practical expedient are measured at the transaction price determined under PFRS 15.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, 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.

Financial assets with cash flows that are not SPPI are classified and measured at FVPL, irrespective of the business model.

The Club'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. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at FVOCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

The classification requirements for financial assets are described below:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

As at December 31, 2025, and 2024, the Club's financial assets pertain to financial assets at amortized cost (debt instruments).

(b) Subsequent measurement

Financial assets at amortized cost (debt instruments)

Financial assets at amortized cost are subsequently measured using the effective interest (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 Club's financial assets at amortized cost includes cash in banks, accounts and other receivables, and deposits.

(c) 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 statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or,
- The Club 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 Club has transferred substantially all the risks and rewards of the asset, or (b) the Club has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Club has transferred its rights to receive cash flows from an asset or has entered into a passthrough 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 Club continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Club 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 Club 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 Club could be required to repay.

(d) Impairment of financial assets

The Club recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Club expects to receive, discounted at an approximation of the original effective interest rate. 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.

For cash in banks, the Club applies the low credit risk simplification.

For accounts and other receivables, the Club applies a simplified approach in calculating ECLs. Therefore, the Club does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Club 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 Club considers a receivable in default when contractual payments are 120 days past due. However, in certain cases, the Club may also consider a receivable to be in default when internal or external information indicates that the Club is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Club. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The Club implements a policy on its receivables, wherein members in the delinquent list or those with accounts that are past due for more than 120 days are reported to the BOD. The respective shares of the members or of the juridical entities they represent shall be ordered sold by the BOD, through an auction, to satisfy the claims of the Club.

14.4.2 Financial liabilities

(a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, 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 Club's financial liabilities include accounts and other payables, except payables to the government, contract liabilities and payables to related parties and other obligations that meet the above definition (other than liabilities covered by other accounting standards, such as income tax payable).

(b) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two categories:

- Financial liabilities at FVPL
- Financial liabilities at amortized cost (interest-bearing loans and borrowings)

After initial recognition, non-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 costs in the statement of comprehensive loss.

(c) 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 through profit or loss in the statement of comprehensive loss.

14.4.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to set off the recognized amounts and there is an intention to settle on a net basis, to realize the asset and settle the liability simultaneously. The Club 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 Club and all of the counterparties.

14.5 Property and equipment

Property and equipment, except land, are stated at cost net of accumulated depreciation, amortization and accumulated impairment losses, if any. Land held for use in operations is carried at cost less any impairment losses. The initial cost of land comprises its purchase price and any directly attributable costs of bringing the land to the condition necessary for its intended use. Subsequently, land is not subject to depreciation.

The initial cost of property and equipment consists of its purchase price including import duties and any directly attributable costs of bringing the property and equipment to its working condition and location for its intended use. Cost also includes the cost of replacing part of such property and equipment when the recognition criteria are met.

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

Depreciations are computed on a straight-line basis over the estimated useful lives of the property and equipment. The estimated useful lives of the property and equipment are as follows:

Asset type	Number of years
Building	40
Facilities, furniture, fixtures and equipment	3 to 5
Transportation equipment	3 to 5

The Club determines depreciation for each significant part of an item of property and equipment.

The estimated useful lives and method of depreciation are reviewed and adjusted, if appropriate, at each financial year end to ensure that the years and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

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

Fully depreciated property and equipment are retained in the books until these are no longer in use.

14.6 Impairment of non-financial assets

Advances to contractors, input VAT and other non-current assets

Assets such as advances to contractors, input VAT and other non-current assets, are assessed at each reporting date to determine whether there is any indication that these assets are impaired. If these assets are impaired, an allowance for impairment is set-up. The amounts and timing of recorded expenses for any period would differ if the Club made different judgments or utilized different estimates. An increase in allowance for impairment losses would increase recorded expenses and decrease advances to contractors, input VAT and other non-current assets.

Recovery of impairment losses recognized in prior year is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or has decreased. The recovery is recorded through profit or loss in the statement of comprehensive loss. However, the increase in carrying amount of an asset due to recovery of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined had there been no impairment loss recognized for that asset in prior year.

Property and equipment

The Club assesses at each reporting date whether there is an indication that property and equipment may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Club estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) fair value less costs of disposal and its value-in-use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognized through profit or loss in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date to determine whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized through profit or loss in the statement of comprehensive loss unless the asset is carried at revalued amount, in which case, the reversal is treated as a revaluation increase.

14.7 Equity

Capital stock

Capital stock is measured at par value for all shares issued and outstanding. When the Club issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued.

Deficit

Deficit represents accumulated losses of the Club. A deficit is not an asset but a deduction from equity.

14.8 Revenue from contracts with customers

The Club's revenue from contracts with customers primarily consist of membership dues, service income and sale of goods. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Club expects to be entitled in exchange for those goods or services. The Club has generally concluded that it is the principal in its revenue arrangements.

The following are the Club's performance obligations:

(i) Membership dues

Revenue from membership dues is recognized over the time the members are provided access to the Club's room accommodation, golf course, sports complex, game rooms, restaurants and other amenities. Transaction price is determined to be the BOD-approved rate for monthly membership dues. Each monthly membership dues are considered as a single performance obligation, therefore it is not necessary to allocate the transaction price. Any advance payments are recorded under "Contract liabilities" under accounts and other payables account in the statement of financial position.

(ii) Service income

Service income includes revenue from providing room accommodation, guest fees and income from the use of the Club's facilities and amenities such as golf course, sports complex, game rooms and other Club amenities. Revenue is recognized over the time the services are rendered and/or facilities and amenities are used.

(iii) Sale of goods

Revenue from sale of food and beverages and merchandise are recognized when control of the goods is transferred to the customers, generally when goods are delivered to and accepted by the customers.

(iv) Other income

Other income is recognized at a point in time when it is earned and realizable or when the Club's right to receive the payment is established.

14.9 Contract balances

Trade receivables

A receivable is recognized when the Club has the unconditional right to collect an amount of consideration due from the customer (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is recognized if a payment is received or payment is due (whichever is earlier) from a customer before the Club transfers the related goods or services. Contract liabilities are recognized as revenue when the Club performs under the contract. Membership dues and consumables collected in advance are recognized as contract liabilities in the statement of financial position.

14.10 Taxes

Current income tax

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

Current income tax for current and prior periods shall, to the extent unpaid, be recognized as a liability and is presented as income tax payable in the statement of financial position. 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 and is presented as part of other current assets in the statement of financial position.

Deferred tax

Deferred income tax is provided, using the liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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

Deferred tax assets and liabilities are measured at the tax rate that is 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 reporting date.

14.11 Provisions

Provisions are recognized when the Club has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Club expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

14.12 Employee benefits

The Club's long term employee benefit is measured using the accrual method based on the minimum retirement benefits required under RA No. 7641, otherwise known as The Philippine Retirement Pay Law. The accrual method is applied by calculating the expected liability as at reporting date using the current salary of the entitled employees and the employees' years of service, without consideration of future changes in salary rates and service periods.

14.13 Reclassifications

Certain reclassification was made in the December 31, 2023 financial statements of the Club to conform to the current year's presentation. The reclassification did not have an impact to the retained earnings and reported financial position as at January 1, 2025 and 2024 and to the reported net loss, comprehensive loss, equity and cash flows for the years ended December 31, 2025 and 2024.

14.14 Events after the reporting period

Post year-end events that provide additional information about the Club's financial position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are non-adjusting events are disclosed in the notes to financial statements when material.

15 Supplementary tax information under Revenue Regulations no. 15-2010

The Club reported and/or paid the following types of taxes for 2025:

a. Value-added Tax (VAT)

(i) Output VAT

Net sales/receipt and Output VAT declared in the Club's VAT returns for the year 2025:

	Net sales/ receipts	Output VAT
Taxable sales:		
Sale of goods	27,880,197	3,345,624
Sale of services	4,142,240	497,069
Total	32,022,437	3,842,693

Sale of services subject to VAT pertains to gross receipts/collections on revenues from guest, spa services and rental of recreational equipment. On the other hand, sale of goods pertains to gross receipts/collections on revenues from sale of food, beverage and merchandise.

The Club has exempt sales amounting to P27,066,380 in 2025 pursuant to SC Ruling G.R. No. 228539 [Association of Non-Profit Clubs, Inc. (ANCP) vs. Bureau of Internal Revenue (BIR)] dated August 13, 2019.

(ii) *Input VAT*

The amount of input VAT claimed broken down as follows:

	Amount
Balance at beginning of the year	107,839,350
Current year's purchases:	
Goods other than for resale or manufacture	273,257
Services lodged under other accounts	5,386,724
Input Tax allocable to Exempt Sales	(2,671,279)
Total allowable input VAT	110,828,052
Output VAT during the year	(3,842,692)
Balance at the end of the year	106,985,360

b. *Taxes and licenses*

The following are the taxes, licenses and permit fees presented as part of general administrative expenses in the statement of comprehensive loss in 2025:

	Amount
Real property taxes	1,415,509
Licenses and permits	184,128
Community tax certificate	10,500
Others	13,485
	1,623,622

c. *Withholding taxes*

Details of withholding taxes in 2025 follows:

	Paid	Accrued	Total
Expanded withholding taxes	685,396	183,842	869,238
Withholding taxes on compensation and benefits	864,069	92,180	956,249
	1,549,465	276,022	1,825,487

The accrued withholding taxes are included under accounts and other payables in the statement of financial position.

d. *Documentary stamp tax (DST) and other taxes*

The Club has no transaction subject to DST and other taxes not specified above during 2025.

e. *Tax assessments and cases*

On October 1, 2024, the Club received an assessment on real property taxes for building improvements covering periods of 2020 to 2024 amounting to P2,242,761, which was settled subsequently in October 2024.

There are no other outstanding final tax assessment and tax cases under preliminary investigation, litigation, and/or prosecution in courts or bodies outside of the BIR as at December 31, 2025.

ALVIERA COUNTRY CLUB, INC.
SUPPLEMENTARY SCHEDULES REQUIRED UNDER ANNEX 68-J
OF THE REVISED SRC RULE 68
As at December 31, 2025

Supplementary schedules required by Annex 68-J

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

Other Supporting Schedules

Reconciliation of Retained Earnings Available for Dividend Declaration
Financial Soundness Indicators

ALVIERA COUNTRY CLUB, INC.
FINANCIAL ASSETS
AS AT DECEMBER 31, 2025

Description	Amount Shown in the Statement of Financial Position	Income Received
Cash in bank		
Bank of the Philippine Island (BPI)	4,464,359	8,593
Security Bank	9,642,522	980
	14,106,881	9,573
Trade and other receivables		
Trade receivables	14,776,480	-
Receivable from related party	685,505	-
	15,461,985	-
Non-current assets		
Deposits	1,269,785	-

ALVIERA COUNTRY CLUB, INC.
AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE
CONSOLIDATION OF THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025

Name and designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written-off	Current	Non-current	Balance at end of period
Ayala Land Inc.	290,730	394,775	-	-	685,505	-	685,505

ALVIERA COUNTRY CLUB, INC.
LONG-TERM DEBT
AS AT DECEMBER 31, 2025

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "current portion of long-term debt" in statement of financial position	Amount shown under caption "long-term debt" in statement of financial position
N/A	N/A	N/A	N/A

ALVIERA COUNTRY CLUB, INC.
INDEBTEDNESS TO RELATED PARTIES (LONG-TERM LOANS FROM RELATED COMPANIES)
AS AT DECEMBER 31, 2025

Name of related party	Balance at the beginning of period	Balance at the end of period
N/A	N/A	N/A

ALVIERA COUNTRY CLUB, INC.
GUARANTEES OF SECURITIES OF OTHER ISSUERS
AS AT DECEMBER 31, 2025

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee
N/A	N/A	N/A	N/A	N/A

**ALVIERA COUNTRY CLUB, INC.
CAPITAL STOCK
AS AT DECEMBER 31, 2025**

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related statement of financial position caption	Number of shares reserved for options, warrants, conversion, and other rights	Number of shares held by related parties	Directors and officers	Others
Class A	3,700	3,700	-	3,688	12	-
Class B	2,600	2,600	-	2,213	-	387
Class C	300	300	-	264	-	36
Class D	200	200	-	200	-	-
	6,800	6,800	-	6,365	12	423

Alviera Country Club, Inc.

Reconciliation of Retained Earnings Available for Dividend Declaration

For the year ended December 31, 2025

(All amounts in Philippine Peso)

Unappropriated retained earnings (deficit), beginning of the year		(296,939,342)
Add: Category A: Items that are directly credited to unappropriated retained earnings		
Reversal of retained earnings appropriation	-	
Effect of restatements or prior-period adjustments	-	
Others (prior year unrealized foreign exchange gain)	-	-
Less: Category B: Items that are directly debited to unappropriated retained earnings		
Dividend declaration during the reporting period	-	
Retained earnings appropriated during the reporting period	-	
Effect of restatements or prior-period adjustments	-	
Others (describe nature)	-	-
Unappropriated retained earnings (deficit), as adjusted		(296,939,342)
Less: Net loss for the current year		(48,136,027)
Less: Category C.1: Unrealized income recognized in the profit or loss during the year (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	-	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Unrealized fair value gain of investment property	-	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-	-
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Realized fair value gain of investment property	-	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-	-

(continued)

Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)	-	
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-	
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Reversal of previously recorded fair value gain of investment property	-	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)	-	-
Adjusted net loss		(48,136,027)
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)		-
Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP		
Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the year	-	
Others (describe nature)	-	-
Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)	-	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-	
Adjustment due to deviation from PFRS - gain (loss)	-	
Others (describe nature)	-	-
Total retained earnings (deficit), end of the year available for dividend declaration		(345,075,369)

Alviera Country Club, Inc.

Financial Soundness Indicators
As at December 31, 2025

Ratio	Formula	2025	2024	2023
Current ratio	Current assets / Current liabilities	0.13	0.11	0.14
Acid test ratio	Quick assets (Total current assets excluding inventory) / Current liabilities	0.13	0.10	0.14
Solvency ratio	EBITDA / Total debt*	0.21	0.30	0.33
Debt-to-equity ratio	Total debt* / Total equity	0.37	0.27	0.20
Asset-to-equity ratio	Total assets / Total equity	1.41	1.30	1.24
Return on equity	Net loss after tax / Average total equity	(0.08)	(0.08)	(0.06)
Return on assets	Net loss after tax / Average total assets	(0.06)	(0.06)	(0.05)
Net profit margin	Net loss after tax / Total revenue	(0.77)	(0.97)	(0.83)

* Total debt consists of advances from its related parties