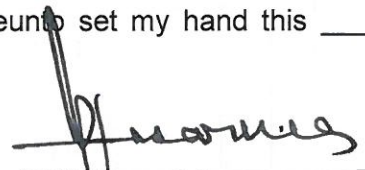


Certification

I, Aissa V. Encarnacion, the Corporate Secretary of the Manila House Private Club, Inc., a corporation duly registered under and by virtue of the laws of the Republic of the Philippines, with SEC registration number CS201604652 and with principal office at 8th Floor, Seven/NEO (formerly Net Park), 5th Avenue, Bonifacio Global City, Taguig City 1630, on oath state that:

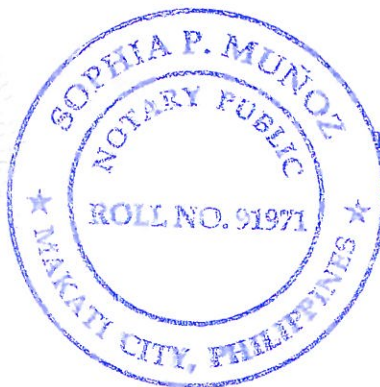
- 1) I have caused this Definitive Information Statement to be prepared on behalf of Manila House Private Club, Inc.;
- 2) I have read and understood its contents which are true and correct based on my own personal knowledge and/or on authentic records;
- 3) The Manila House Private Club, Inc. will comply with the requirements set forth in SEC Notice dated 12 May 2021 to effect a complete and official submission of reports and/or documents through electronic mail;
- 4) I am fully aware that submitted documents which require pre-evaluation and/or payment of processing fee shall be considered complete and officially received only upon payment of a filing fee; and
- 5) The e-mail account designated by the company pursuant to SEC Memorandum Circular No. 28, s. 2020 will be used by the company in its online submissions to CGFD.


IN WITNESS WHEREOF, I have hereunto set my hand this JUN 20 2024 day of _____, 20____.


Aissa V. Encarnacion
Corporate Secretary
JUN 20 2024

SUBSCRIBED AND SWORN to before me this _____, in Makati City, Philippines and exhibited to me her government issued identification with the following details: TIN ID No. 101-846-496.

Doc. No. 58 ;
Page No. 13 ;
Book No. I ;
Series of 2024.




SOPHIA P. MUNOZ
Notary Public
Until December 31, 2025
Roll of Attorneys No. 91971
P.T.R. No. 10201463; 01.02.2024; Makati City
I.B.P. No. 420746; 01.14.2024; Makati City
Admitted to the Bar in 2023
Notarial Commission No. M-366
5F Montepino Bldg., 138 Amoroso St.
Legaspi Village, Makati City

COVER SHEET

C S 2 0 1 6 0 4 6 5 2

S.E.C. Registration Number

M A N I L A H O U S E

P R I V A T E C L U B ,

I N C .

(Company's Full Name)

8 T H F L O O R , S E V E N N E O

(F O R M E R L Y N E T P A R K) , 5 T H A V E N U E

B O N I F A C I O G L O B A L C I T Y ,

T A G U I G C I T Y 1 6 3 0

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

AISSA V. ENCARNACION
Corporate Secretary

Contact Person

88127567

Company Telephone Number

Month Day

DEFINITIVE INFORMATION STATEMENT
(SEC FORM 20-IS)

FORM TYPE

Month Day

Secondary License Type, if Applicable

C G F D

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes



Manila House

MANILA HOUSE PRIVATE CLUB, INC.
8th Floor, Seven/NEO (formerly Net Park), 5th Avenue
Bonifacio Global City, Taguig City 1630
Tel. No. (632) 8504 2533

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

NOTICE IS HEREBY GIVEN that the annual stockholders' meeting of **MANILA HOUSE PRIVATE CLUB, INC.** (the "Company") will be on **26 July 2024, Friday, (9:00 a.m.)** through remote communication, with the following Agenda:

AGENDA

1. Determination of Quorum
2. Annual Report of the President
3. Approval of the Minutes of the previous Stockholders' Meeting
4. Ratification and Confirmation of Acts and Resolutions of the Board of Directors
5. Approval of the Audited Financial Statements for the year ending 31 December 2023
6. Appointment of External Auditor
7. Election of Directors
8. Other Matters
9. Adjournment

Only stockholders of record at the close of business on **10 June 2024** are entitled to notice of, and to vote at, this meeting. Registration will start at 8:00 a.m.

Electronic copies of the Information Statement (SEC Form 20-IS), Management Report (attached to the Information Statement), Annual Report (SEC Form 17-A), and other pertinent documents are available on the Corporation's website www.manilahouseinc.com.

Makati City, JUN 20 2024

FOR THE BOARD OF DIRECTORS

AISSA V. ENCARNACION
Corporate Secretary

We are not soliciting your proxy. If you are unable to attend the meeting but would like to be represented thereat, please submit your proxy form to the Corporate Secretary on or before 16 July 2024, Tuesday, 5:00 p.m. Validation date of the proxies shall be on 19 July 2024.

EXPLANATION OF AGENDA ITEMS

1. Determination of Quorum

The Corporate Secretary will certify the date the notice of the Annual Stockholders' Meeting was sent to all stockholders of record. The Corporate Secretary will also certify the existence of a quorum based on her examination of all duly recorded proxies and the list of stockholders personally present at the meeting.

2. Annual Report of the President

The President will deliver a report to the stockholders on the performance of the Company in 2023 and the prospects for 2024.

Resolutions noting the report will be presented to the stockholders for the approval of at least a majority of the outstanding capital stock present at the meeting.

3. Approval of the Minutes of the previous Stockholders' Meeting

A resolution approving the minutes of the previous Stockholders' Meeting will be presented to the stockholders for approval of at least a majority of the outstanding capital stock present at the meeting.

4. Ratification and Confirmation of Acts and Resolutions of the Board of Directors

The stockholders were furnished copies of the acts and resolutions of the Board of Directors for the period from 13 June 2023 to 11 April 2024.

A resolution approving the said acts and resolutions will be presented to the stockholders for the approval of at least a majority of the outstanding capital stock present at the meeting.

5. Approval of the Audited Financial Statements for the year ending 31 December 2023

The stockholders were furnished copies of the Audited Financial Statements for the year ending 31 December 2023.

The President will recommend for approval the financial statements as of 31 December 2023 and its accompanying explanatory notes as audited by the Company's external auditors.

Resolutions approving the audited financial statements will be presented to the stockholders for the approval of at least a majority of the outstanding capital stock present at the meeting.

6. Appointment of External Auditor

The Board of Directors will recommend to the stockholders the appointment of Punongbayan & Araullo as the external auditor for 2024 at a fee of ₱ 520,000.00 exclusive of Value-Added Tax ("VAT") and Out-of-Pocket Expenses ("OPE").

A resolution approving the recommendation of the appointment of the Company's external auditor will be presented to the stockholders for the approval of at least a majority of the outstanding capital stock present at the meeting.

7. Election of Directors

The stockholders have to elect 7 directors with at least 2 independent directors.

The Nominations and Elections Committee ("Nomelec") evaluated and nominated the independent directors of the Company.

In the voting of directors, each stockholder entitled to vote may cast the votes to which the number of shares he owns entitles him, for as many persons as there are to be elected as directors, or he may give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he may see fit, provided that the whole number of votes cast by him shall not exceed the number of shares owned by him multiplied by the whole number of directors to be elected.

The candidates who garner the highest number of votes shall be declared elected directors of the Company.

8. Other Matters

The Chairman will open the floor for comments and questions by the stockholders.

9. Adjournment

TABLE OF CONTENTS

	Page No.
PART I – GENERAL INFORMATION	7
Date, time and place of annual stockholders’ meeting	7
Dissenters’ Right of Appraisal	7
Interest of Certain Persons in or Opposition to Matters to be Acted Upon	8
PART II – CONTROL AND COMPENSATION INFORMATION	8
Voting Securities and Principal Holders Thereof	8
Directors and Executive Officers	13
Significant Employees	15
Family Relationships	15
Involvement in Certain Legal Proceedings	15
Certain Relationships and Related Transactions	16
Compensation of Directors and Executive Officers	16
Independent Public Accountant	19
Audit and Audit-Related Fees	19
Tax Fees and All Other Fees	20
Financial Statements	20
Changes in and Disagreements with Accountants on Accounting and Financial Disclosure/Independent Public Accountant	20
Compensation Plans	21
PART III – OTHER MATTERS	21
Action with Respect to Reports	21
Matters Not Required to be Submitted	21
Other Proposed Actions	21
Conduct of Meeting and Registration	21
Voting Procedures	22
Manner by which Votes will be Counted	22
Corporate Governance	23
Management Report	24
Dividends	24

ANNEXES

Profiles of Directors and Officers	Annex "A"
Certifications of Qualifications of Independent Directors	Annex "A-1", "A-2"
Profiles of Nominees	Annex "B"
Certifications of Qualifications of Nominee Independent Directors	Annex "B-1" "B-2"
Summary of Acts and Resolutions of the Board of Directors	Annex "C"
Management Report	Annex "D"
Statement of Management's Responsibility	Annex "E"
Audited Consolidated Financial Statements	Annex "F"
Interim Financial Statements	Annex "G"
Internal Procedures for the Conduct of or Participation in Stockholders' Meetings via Remote Communication or In Absentia	Annex "H"
Voting Procedures	Annex "I"

SECURITIES AND EXCHANGE COMMISSION
DEFINITIVE SEC FORM 20-IS
 INFORMATION STATEMENT PURSUANT TO SECTION 20
 OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:
☐ Preliminary Information Statement
☒ Definitive Information Statement
2. Name of Registrant as specified in its charter: Manila House Private Club, Inc.
3. Province, country or other jurisdiction of incorporation or organization: Republic of the Philippines
4. SEC Identification Number: CS201604652
5. BIR Tax Identification Code: 009-243-591
6. Address of principal office: 8th Floor, Seven/NEO (formerly Net Park), 5th Avenue, Bonifacio Global City, Taguig City 1630
7. Registrant's telephone number, including area code: (632) 8812 5767
8. Date, time and place of the meeting of security holders: Remote Communication (Via Zoom), 26 July 2024 (9:00 AM)
9. Approximate date on which the Information Statement is first to be sent or given to security holders: 1 July 2024
10. In case of Proxy Solicitation:
 Name of Person Filing the Statement/Solicitor N/A
 Address and Telephone No. N/A
11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding	Cut-Off Period
<u>Common Shares</u>	<u>100,005</u>	<u>10 June 2024</u>
<u>Preferred Shares</u>	<u>1,550</u>	<u>10 June 2024</u>

12. Are any or all of registrant's securities listed on a Stock Exchange?

Yes _____ No ✓

If yes, disclose the name of such Stock Exchange and the class of securities listed therein: N/A

INFORMATION REQUIRED IN INFORMATION STATEMENT

I. GENERAL INFORMATION

Date, time and place of annual stockholders' meeting

- (a) Date: 26 July 2024
Time: 9:00 a.m.
Place: Via Remote Communication
Mailing Address: 8th Floor, Seven/NEO (formerly Net Park), 5th Avenue, Bonifacio Global City, Taguig City

The Board of Directors, in a regular meeting held on 11 April 2024 authorized the conduct of the annual stockholders' meeting via remote communication in accordance with the *Internal Procedures for the Conduct of or Participation In Stockholders' Meetings via Remote Communication or In Absentia* and the *Voting Procedures*. On the same date, the Board of Directors also approved the postponement of the annual stockholders' meeting to 26 July 2024.

- (b) Approximate date the Company will first send copies of this information statement to its stockholders: 1 July 2024

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

Dissenters' Right of Appraisal

There are no other matters or proposed corporate actions, which may give rise to a possible exercise by stockholders of their appraisal rights under Title X of the Revised Corporation Code of the Philippines. Any stockholder of the Company shall have the right to dissent and demand payment of the fair value of his shares in the following instances:

1. In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
2. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets; and
3. In case of merger or consolidation.

The appraisal right may be exercised by any stockholder who shall have voted against the proposed corporate action, by making a written demand on the Company within thirty (30) days after the date on which the vote was taken for payment of the fair value of his shares: Provided, that failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented or effected, the Company shall pay to such stockholder, upon surrender of the certificate or certificates of stock representing his shares, the fair market value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

Interest of Certain Persons in or Opposition to Matters to be Acted Upon

There are no matters to be acted upon in which any Director, Executive Officer, nominee for election as a Director of the Company or any of their associates is involved or had a direct, indirect or substantial interest.

The Company has not been informed of any opposition to any action to be taken up in the meeting.

II. CONTROL AND COMPENSATION INFORMATION

Voting Securities and Principal Holders Thereof

(a) The holders of the Company's 101,555 outstanding shares of stock, consisting of 100,005 common shares and 1,550 preferred shares, as of the close of business on **10 June 2024** are entitled to notice of, and to vote on the matters to be acted upon during the annual stockholders' meeting. Each share is entitled to one (1) vote.

(b) Each of the Company's stockholders has cumulative voting rights with respect to the election of directors.

In the election of directors, a stockholder may cumulate his votes in accordance with Section 23 of the Revised Corporation Code of the Philippines. Each stockholder may vote such number of shares for as many persons as there are directors or he may cumulate said shares.

The voting rights of a stockholder may be cumulated by multiplying his number of shares by the total number of seats available.

The stockholders of the Company shall elect the members of the Board of Directors of the Company. The nominee for president shall be automatically elected.

In case there are more votes cast by a voter than his cumulative votes, all his votes shall be invalidated.

In case a voter opts to cast only partially his allotted cumulative votes, it shall not result in the invalidation of the votes cast.

(c) The Company shall not solicit for a proxy.

(d) Approximate Number of Shareholders as of 10 June 2024 with names of the top twenty (20) shareholders.

The number of shareholders of record as of 10 June 2024 is 40. Total shares outstanding as of 10 June 2024 is 100,005 common shares with a par value of P10.00 and 1,550 preferred shares with a par value of P100,000. There are 12 holders of common shares and 31 holders of preferred shares.

The common and preferred shareholders as of 10 June 2024 are as follows:

COMMON SHARES

NAME	NATIONALITY	NO. OF SHARES	PERCENTAGE	AMOUNT SUBSCRIBED	AMOUNT PAID
Ocampo II, Ricardo Mariano C.	Filipino	29,999	29.54%	Php299,990.00	Php299,990.00
San Diego, Antonio Raymundo O.	Filipino	29,998	29.54%	Php299,980.00	Php299,980.00
Pangilinan, Gilbert Zoil O.	Filipino	15,001	14.77%	Php150,010.00	Php150,010.00
Craig, Katrina Panlilio	Filipino	15,000	14.77%	Php150,000.00	Php150,000.00
Addison, Pierre Angeli	Filipino	10,000	9.85%	Php100,000.00	Php100,000.00
Coseteng, Ferdinand Edwin S. ¹	Filipino	1	Nil	Php10.00	Php10.00
Ocampo, Celestina M.	Filipino	1	Nil	Php10.00	Php10.00
Encarnacion, Aissa V.	Filipino	1	Nil	Php10.00	Php10.00
Lacson, Edgardo G.	Filipino	1	Nil	Php10.00	Php10.00
Sicat, Regina F.	Filipino	1	Nil	Php10.00	Php10.00
Albert, Jose Mari T.	Filipino	1	Nil	Php10.00	Php10.00
Arcilla, Jose L.	Filipino	1	Nil	Php10.00	Php10.00
		-----	-----	-----	-----
Total Common Shares Subscribed		100,005	98.47%	Php1,000,050.00	Php1,000,050.00

PREFERRED SHARES

NAME	NATIONALITY	NO. OF SHARES	PERCENTAGE	AMOUNT SUBSCRIBED	AMOUNT PAID
Albert, Maricris ²	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Sehwani, Jane Asuncion	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Brias, Maria Cristina Floirendo	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Campos, Jr., Joselito D.	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Chan, Ben	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Cheng,	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00

¹ †Deceased 13 October 2017.

² †Deceased 23 April 2022.

Berck					
Chua, David	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Chua, Francis	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Coseteng, Ferdinand Edwin S. ³	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Pangilinan, Jr., Gilbert Zoilo O.	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Delgado, Jose Roberto	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Garcia, Rafael	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Hess, Clinton Andrew Campos	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Hiranand, Haresh	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Ho, Doris Teresa Magsaysay	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Lagdameo, Maria Linda	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Lhuillier, Jean Henri	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Lim, Sheila	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Lopez, Federico	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Ocampo, Celestina M.	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Po, Christopher Paulus Nicolas	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Roxas, Lorenzo Andres T.	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Rufino, Carlos S.	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Santos, Duane	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Teo, Zishen	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Uttamchandani, Rajan	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Uytengsu, Wilfred	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00

³ †Deceased 13 October 2017.

Zulueta, Jeanette	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Espinosa, Frances	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Eduardo, Alice	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Gonzalez, Enrique	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
			-----	-----	-----
Total Preferred Shares Subscribed		1,550	1.55%	Php 155,000,000.00	Php 155,000,000.00

(e) Security Ownership of Certain Record and Beneficial Owners (of more than 5%) as of 10 June 2024.

There are no stockholders of record and beneficial owners owning at least 5% of the Company's securities as of 10 June 2024, except the following:

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent
Common	Ricardo Mariano C. Ocampo II <i>No relationship</i> 30 Tamarind Road, South Forbes Park, Makati City		Filipino	29,999	29.54%
Common	Antonio Raymundo O. San Diego <i>Incorporator, Director, Treasurer</i> Apt. 29 F, Fairways Tower, 5th Ave. corner McKinley Road, Bonifacio Global City, Taguig City		Filipino	29,998	29.54%
Common & Preferred	Gilbert Zoilo O. Pangilinan, Jr. <i>Incorporator</i> 1495 Carissa St., Dasmarinas Village, Makati City		Filipino	15,051	14.82%

Common	Katrina Panlilio Craig <i>No Relationship</i> 17 Queen's Gate London, SW7 5JE, UK		Filipino	15,000	14.77%
Common	Pierre Angeli Addison <i>No Relationship</i> 28 B San Ignacio Street, Kapitolyo, Pasig		Filipino	10,000	9.85%

(f) Security Ownership of Directors and Management as of 10 June 2024.

The following represent the security ownership of members of the Company's Board of Directors and corporate officers as of 10 June 2024:

Title of Class	Name of Beneficial Owner	Position	Amount and Nature of Beneficial Ownership	Citizenship	% Class
Preferred	Doris Magsaysay Ho	Chairman	50 (direct)	Filipino	0.05%
Common	Jose L. Arcilla	President	1 (direct)	Filipino	Nil
Preferred	David O. Chua	Director	50 (direct)	Filipino	0.05%
Common	Jose Mari T. Albert	Director	1 (direct)	Filipino	Nil
Common	Regina F. Sicat	Independent Director	1 (direct)	Filipino	Nil
Common	Edgardo G. Lacson	Independent Director	1 (direct)	Filipino	Nil
Common	Antonio Raymundo O. San Diego	Director, Treasurer	29,998 (direct)	Filipino	29.54%
Common	Aissa V. Encarnacion	Corporate Secretary	1 (direct)	Filipino	Nil
-	Vesfe Revisa	Compliance Officer	0	Filipino	-
-	Dax Ilog	Data Privacy Officer	0	Filipino	-

(g) Voting Trust Holders of 5% or More

As of 10 June 2024, there is no person who holds any class of shares of the Company under a voting trust or similar agreement.

(h) Changes in Control

There are no arrangements that may result in change in control of the Company.

There is no provision in the Company's Articles of Incorporation and By-Laws that may cause delay or deferment of, or in any manner, prevent a change in control of the Company.

No change in control of the Company has occurred since the beginning of the fiscal year.

Directors and Executive Officers

(a) Directors and Executive Officers

Directors

Director	Nationality	Position/Committee Membership
Doris Magsaysay Ho	Filipino	Chairman of the Board Chairman, Executive Committee Member, Compensation and Governance Committee Member, Nominations and Elections Committee
Jose L. Arcilla	Filipino	President Member, Executive Committee
David O. Chua	Filipino	Member, Executive Committee Member, Audit Committee
Jose Mari T. Albert	Filipino	Member, Executive Committee
Antonio Raymundo O. San Diego	Filipino	Treasurer Member, Executive Committee
Edgardo G. Lacson	Filipino	Independent Director Chairman, Audit Committee Member, Compensation and Governance Committee Member, Nominations and Elections Committee

Regina F. Sicat	Filipino	Independent Director Chairman, Compensation and Governance Committee Chairman, Nominations and Elections Committee Member, Audit Committee
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Key Officers

Officer	Nationality	Position
Doris Magsaysay Ho	Filipino	Chairman of the Board
Jose L. Arcilla	Filipino	President
Antonio Raymundo O. San Diego	Filipino	Treasurer
Aissa V. Encarnacion	Filipino	Corporate Secretary
Vesfe E. Revisa	Filipino	Compliance Officer
Dax Ilog	Filipino	Data Privacy Officer

For a brief profile of each of the Company's Directors, please refer to **Annex "A."** The certifications of independent directors of Regina F. Sicat and Edgardo G. Lacson are attached hereto as **Annexes "A-1"** and **"A-2,"** respectively.

(b) Nomination and Election Committee Members

- Regina F. Sicat, 65, Filipino
- Edgardo Lacson, 80, Filipino
- Doris Magsaysay Ho, 72, Filipino

The Nomination Committee nominates the following for independent directors:

- Edgardo Lacson, 80, Filipino, nominated by Doris Ho (no relationship)
- Regina F. Sicat, 65, Filipino, nominated by Doris Ho (no relationship)

The following are nominated as directors for the year 2024-2025:

- Doris Magsaysay Ho, 72, Filipino
- Jose L. Arcilla, 59, Filipino
- David O. Chua, 56, Filipino
- Jose Mari T. Albert, 74, Filipino
- Antonio Raymundo O. San Diego, 57, Filipino
- Edgardo G. Lacson, 80, Filipino, Independent Director
- Regina F. Sicat, 65, Filipino, Independent Director

For a brief profile of each of the nominees, please refer to **Annex "B."** The certifications of nominee independent directors Regina F. Sicat and Edgardo G. Lacson are attached hereto as **Annexes "B-1"** and **"B-2,"** respectively.

The following represent the security ownership of nominees as of 10 June 2024:

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	% Class
Doris Magsaysay Ho	50 (preferred - direct)	Filipino	0.05%
Jose L. Arcilla	1 (common-direct)	Filipino	Nil
David O. Chua	50 (preferred - direct)	Filipino	0.05%
Jose Mari T. Albert	1 (common - direct)	Filipino	Nil
Regina F. Sicat	1 (common - direct)	Filipino	Nil
Edgardo G. Lacson	1 (common - direct)	Filipino	Nil
Antonio Raymundo O. San Diego	29,998 (common - direct)	Filipino	29.54%

Significant Employees

There are no persons, other than the executive officers, expected by the Company to make significant contribution to the business.

Family Relationships

None of the directors and executive officers named above is related to the fourth civil degree either by consanguinity or affinity.

Involvement in Certain Legal Proceedings

None of the directors or senior officers are involved in any material pending legal proceedings in any court or administrative agency.

During the past five (5) years and until the present, the Company, its directors and executive officers in their official capacities have not been involved in any other legal proceedings that will have a material adverse effect on its operations or financial condition. The space being leased by the Company is not subject of any legal proceedings.

To the knowledge and/or information of the Company, the above named directors and executive officers of the Company are not, presently or during the last five (5) years, involved or have been involved in any of the following:

- any bankruptcy petition filed by or against any business of which any of its incumbent directors or executive officers was a general partner or an executive officer either at the time of bankruptcy or within two years prior to that time;

- any conviction by final judgment in a criminal proceeding, domestic or foreign, or any criminal proceeding, domestic or foreign, pending against any of the incumbent directors or executive officers;
- any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court or competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any of the incumbent directors or executive officers in any type of business, securities, commodities, or banking activities; and
- any finding by a domestic or foreign court of competent jurisdiction (in civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization, that any of the incumbent directors or executive officers has violated a securities or commodities law, and the judgment has not been reversed, suspended, or vacated.

Certain Relationships and Related Transactions

There are no transactions and contracts entered by the Company with related parties.

Compensation of Directors and Executive Officers

(a) Compensation of Directors and Executive Officers

No remuneration was paid by the Company, directly or indirectly, to the directors of the Company.

The aggregate compensation estimated to be paid in the ensuing fiscal year to the following officers of the Company are as follows:

Name and Principal Position	Year	Monthly Salary	Bonus	Total
Jose L. Arcilla II (President)	2023	P443,986.00	n.a.	P443,986.00
Vesfe E. Revisa (Compliance Officer/ Finance Director)	2023	P152,250.00	n.a.	P152,250.00

The Chairman and Corporate Secretary do not receive any compensation.

There is no other arrangement with directors for which they were compensated.

(b) Summary Compensation Table

The following tables summarize the actual aggregate compensation of the directors and officers of the Company in 2022 and 2023 and an estimate for 2024.

SUMMARY OF ANNUAL COMPENSATION (in Pesos)					
NAME AND POSITION	YEAR	SALARY	BONUS	OTHER COMPENSATION (Per Diem)	TOTAL
	2022 (Actual)				
Directors					
Top 5 highly compensated officers:					
Jose L. Arcilla <i>President</i>		₱5,066,574.24			₱5,066,574.24
Other Officers					
Vesfe E. Revisa <i>Compliance Officer/Finance Director</i>		₱1,740,000.00			₱1,740,000.00
Total		₱6,806,574.24			₱6,806,574.24
Note:					

SUMMARY OF ANNUAL COMPENSATION (in Pesos)					
NAME AND POSITION	YEAR	SALARY	BONUS	OTHER COMPENSATION (Per Diem)	TOTAL
	2023 (Actual)				
Directors					
Top 5 highly compensated officers:					
Jose L. Arcilla		₱ 5,327,832			₱ 5,327,832

<i>President</i>					
Other Officers Vesfe E. Revisa <i>Compliance Officer/Finance Director</i>		₱ 1,827,000			₱ 1,827,000
Total		₱ 7,154,832			₱ 7,154,832

SUMMARY OF ANNUAL COMPENSATION (in Pesos)					
NAME AND POSITION	YEAR	SALARY	BONUS	OTHER COMPENSATION (Per Diem)	TOTAL
	2024 (Estimate)				
Directors					
Top 5 highly compensated officers: Jose L. Arcilla <i>President</i>		₱ 5,327,832			₱ 5,327,832
Other Officers Vesfe E. Revisa <i>Compliance Officer/Finance Director</i>		₱ 1,827,000			₱ 1,827,000
Total		₱ 7,154,832			₱ 7,154,832

(c) Employment Contracts and Termination of Employment and Change in Control Arrangement

The Company has no special arrangements, special employment contracts, or change in control arrangements with its directors or officers.

(d) Option Warrants and Options

The Company has no outstanding warrants or option agreements with its directors.

The Company has no outstanding warrants with its officers.

Independent Public Accountant

In 2023 the independent public accountant is the accounting firm of Punongbayan & Araullo. Mr. James Joseph Benjamin J. Araullo is currently the signing partner. The external auditor was last changed in 2023. The appointment of the external auditor is in accordance with the provisions prescribed in the Code of Ethics for Professional Accountants in the Philippines as adopted by the Board of Accountancy and the Professional Regulation Commission and such other standard as may be set by the SEC. The appointment of the independent public accountant is consistent with Rule 68 of the Revised SRC which was approved on 19 August 2019.

The Board of Directors, as recommended by the Audit Committee, approved the appointment of Punongbayan & Araullo as the Company's external auditor for the year 2024-2025, with Mr. James Joseph Benjamin J. Araullo as the signing partner, at a fee of ₱ 520,000, exclusive of Value-Added Tax ("VAT") and Out-of-Pocket Expenses ("OPE"). The appointment of Punongbayan & Araullo as the Company's external auditor for the year 2024-2025 is recommended by the Board to the stockholders for approval.

Punongbayan & Araullo will be available at the Annual Stockholders' Meeting on 26 July 2024 to answer questions from the stockholders.

Audit and Audit-Related Fees

Billings for services rendered by Punongbayan & Araullo in connection with their engagement for 2023 amounted to ₱490,000.00., exclusive of Value-Added Tax ("VAT") and Out-of-Pocket Expenses ("OPE").

Billings for services rendered by Isla Lipana & Co. in connection with their engagement for 2022 amounted to ₱550,000.00., exclusive of Value-Added Tax ("VAT") and Out-of-Pocket Expenses ("OPE").

Billings for services rendered by Isla Lipana & Co. in connection with their engagement for 2021 amounted to ₱423,500.00, exclusive of Value-Added Tax ("VAT") and Out-of-Pocket Expenses ("OPE").

Billings for services rendered by Isla Lipana & Co. in connection with their engagement for 2020 amounted to ₱385,000.00, exclusive of Value-Added Tax ("VAT") and Out-of-Pocket Expenses ("OPE").

Billings for services rendered by Isla Lipana & Co. in connection with their engagement for 2019 amounted to ₱585,000.00, exclusive of Value-Added Tax ("VAT") and Out-of-Pocket Expenses ("OPE").

Billings for services rendered by Isla Lipana & Co. in connection with their engagement for 2018 amounted to ₱350,000.00, exclusive of Value-Added Tax ("VAT") and Out-of-Pocket Expenses ("OPE").

Billings for services rendered by Isla Lipana & Co. in connection with their engagement for 2017 amounted to ₱ 350,000.00, exclusive of Value-Added Tax ("VAT") and Out-of-Pocket Expenses ("OPE").

Billings for services rendered by Isla Lipana & Co. in connection with their engagement for 2016 amounted to ₱ 75,000, exclusive of VAT and OPE.

Punongbayan & Araullo has not been paid any fees for assurance and related services other than the audit of the financial statements of the Company.

Tax Fees and All Other Fees

Punongbayan & Araullo did not receive fees for tax accounting, compliance, advice, planning and any other form of services. The Audit Committee approved the appointment of Punongbayan & Araullo for the audit of its annual financial statements for 2023. There were no other non-audit related services provided to the Company.

The Audit Committee approved the appointment of Punongbayan & Araullo for the audit of its annual financial statements for 2024. There were no non-audit related services provided to the Company.

Financial Statements

The Statement of Management's Responsibility for Financial Statements and the Audited Consolidated Financial Statements of the Company as of December 31, 2023 and 2022 are attached hereto as **Annexes "E" and "F,"** respectively. The Interim Financial Statement as of 31 March 2024 is attached as **Annex "G"**

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure/Independent Public Accountant

The Audited Financial Statement of the Company from the year ended 31 December 2022 and 31 December 2023 were audited by Punongbayan & Araullo, independent auditors, headed by Mr. James Joseph Benjamin J. Araullo as the signing partner. The external auditor was last changed in 2023. The appointment of the external auditor is in accordance with the provisions prescribed in the Code of Ethics for Professional Accountants in the Philippines as adopted by the Board of Accountancy and the Professional Regulation Commission and such other standard as may be set by the SEC. The audited financial statements as of 31 December 2022 and 31 December 2023 were examined by Punongbayan & Araullo, in accordance with the Philippine Financial Reporting Standards for a fee of ₱490,000.00, exclusive of VAT and OPE.

Punongbayan & Araullo has not been paid any fees other than the fees directly related to this Statement.

The Company has not had any disagreements on accounting and financial disclosures with the current external auditors. Punongbayan & Araullo has neither shareholding in the Company nor any right whether legally enforceable or not, to nominate persons to subscribe to the Company's securities. Punongbayan & Araullo has not received any direct or indirect interest in the Company or in any securities (including options, warrants or rights thereto) pursuant to or in connection with its services. The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines set by the Board of Accountancy and approved by the Professional Regulation Commission.

The Board of Directors, as recommended and approved by the Audit Committee, will recommend the appointment of Punongbayan & Araullo, headed by Mr. James J. Araullo as the signing partner, as the Company's external auditor for the year 2024. The members of

the Audit Committee are: Dir. Edgardo Lacson (Chairman), Dir. Regina Sicat, and Dir. David Chua.

Compensation Plans

The Company has no current plan regarding the payment or distribution of cash and non-cash compensation.

III. OTHER MATTERS

Action with Respect to Reports

The stockholders will be asked to approve or ratify during the annual stockholders meeting the following matters:

1. Minutes of the previous Stockholders' Meeting
2. Annual Report and Audited Financial Statements for fiscal year 2023

Matters Not Required to be Submitted

Other than those specified herein, there are no matters or actions to be taken up in the meeting with respect to any matter, which is not required to be submitted to a vote of security holders.

Other Proposed Actions

- (a) Acts and Resolutions of the Board of Directors of the Company

A list containing the summary of the Acts and Resolutions of the Board of Directors of the Company from 13 June 2023 to 11 April 2024 is attached hereto as **Annex "C."**

- (b) Appointment of External Auditor
- (c) Election of Directors

Unless stockholders other than the controlling stockholders raise for discussion specific issues or questions under the item "Other Matters," the stockholders will not take any other action with respect to any matter not specifically referred to above.

Conduct of Meeting and Registration

The stockholders of record as of 10 June 2024 ("record date") will be entitled to attend or to vote at the meeting (hereinafter, the "Stockholders").

To verify the stockholders who can exercise these rights, the Corporate Secretary shall refer to the available records of the Corporation, to wit:

- a) general information sheets filed with the Securities and Exchange Commission;
- b) stock and transfer book registered with the Securities and Exchange Commission;
- c) stock certificates issued by the Corporation;
- d) documents on file such as correspondences, agreements and court decisions; or

- e) such other records the Corporate Secretary may deem sufficient or acceptable.

The Corporate Secretary will send the notice of stockholders' meetings to the Stockholders to their respective e-mail addresses or postal addresses on record. In addition, the Corporate Secretary may send the notices via other means such as messaging apps, or as may be provided by prevailing rules. The notices must include the agenda, materials, proxy template (if any), requirements and procedures for voting via remote communication or *in absentia*, requirements and procedures for nomination and election of directors (if applicable), and electronic ballot ("e-ballot").

Prior the scheduled date of the stockholders' meeting, each Stockholder, via e-mail, must:

- a) inform the Corporate Secretary of his or her intention to attend or not attend the meeting via remote communication; and
- b) if he or she will not attend the meeting, inform the Corporate Secretary if he or she intends to vote *in absentia*.

The Corporate Secretary will provide the online meeting invitation or link to the Stockholders who confirm their attendance in the meeting. These Stockholders will likewise be provided with the ASM Kit which includes the agenda, e-ballot and the definitive information statement.

The *Internal Procedures for the Conduct of or Participation In Stockholders' Meetings via Remote Communication or In Absentia* is attached hereto as **Annex "H."**

Voting Procedures

The Board of Directors, in a regular meeting held on 11 April 2024, authorized the conduct of the annual stockholders' meeting via remote communication in accordance with the *Internal Procedures for the Conduct of or Participation In Stockholders' Meetings via Remote Communication or In Absentia* and the *Voting Procedures*.

Stockholders, whether or not attending and participating in the meeting via remote communication, may vote in the election of directors and on all matters requiring approval, at any time prior to the end of the annual stockholders' meeting, by doing the following:

1. accomplish and sign the e-ballot;
2. e-mail the signed e-ballot and a scanned copy photograph of his or her valid government-issued ID with photograph and signature; and
3. send the e-mail with the attachments to the Corporate Secretary (corporate_secretary@manilahouseinc.com).

The *Voting Procedures* is attached hereto as **Annex "I."**

Manner by which Votes will be Counted

In all items for approval except election of directors, each share of stock entitles its registered owner to one vote.

In the election of directors, stockholders entitled to vote shall have the right to vote the number of shares of stock standing in their respective names as of record date. A stockholder may:

- a. vote such number of shares for as many persons as there are directors to be elected;
- b. cumulate said shares and give one (1) candidate as many votes as the number of directors to be elected multiplied by the number of the shares owned; or
- c. distribute them on the same principle among as many candidates as they may see fit;

In case there are more votes cast by a voter than his cumulative votes, all his votes shall be invalidated.

In all matters for the approval of the stockholders, a majority of the stockholders present during the meeting shall be sufficient to approve such matter.

E-ballots submitted to the Corporate Secretary with the proxy name left blank shall be deemed a proxy in favor of the Chairman and the Corporate Secretary shall cast all votes of the Stockholder in favor of the nominees and in favor of the approval of all agenda items.

The Corporate Secretary will tabulate all votes. After canvassing all the votes, the Corporate Secretary shall announce the results during the meeting.

Corporate Governance

The Company's Board of Directors, officers, executives and employees adhere to good governance policies to achieve the Company's strategic objectives, create value for its stakeholders, and maintain long term viability.

The Company's policy is to promote transparency, accountability and fairness and to conduct its business strictly in accordance with law. The Company ensures timely and accurate disclosures on all material aspects, including its financial condition, performance, ownership and governance.

In support of the Company's commitment to the governance principles of transparency, accountability, fairness and integrity, the Company, through its Board of Directors, approved and adopted a Manual on Corporate Governance on 27 September 2016. To ensure proper and efficient management of the day-to-day operations of the Company, the Board of Directors and officers developed an Authorization Matrix, which designates specific persons whose approval and/or review of various operational matters are required, and which shall be part of the system of determining responsibility and accountability in the Company.

The Company is developing an effective succession planning program to ensure the transfer of company leadership to highly competent and qualified individuals. In connection therewith, the Company developed a transparent nomination and election process. The Company's directors and key officers also undergo continuing corporate governance trainings and seminars.

The Company revised its Manual on Corporate Governance, which was adopted by the Board of Directors on 14 April 2023, to conform to the latest governance standards.

The Board of Directors (the “Board”), Management, Officers and Staff of the Company are committed to the principles and practices contained in this Manual to guide Management in the performance of their respective duties and responsibilities, and for the achievement of the Company’s corporate goals.

Management Report

The Management Report is attached hereto as **Annex “D,”** and includes management’s discussion and analysis of the company’s performance as of 31 March 2024.

Dividends

The Company has not declared any dividends in the last two years.

Dividend per Share

All Common Shares of stock shall enjoy the same rights and privileges, and shall be entitled to dividends at a rate equivalent to seven percent (7%) of the total amount declared from out of the unrestricted retained earnings until the amount of investment of the stockholders owning Preferred Shares plus ten percent (10%) return on the subscription amount shall have been fully paid. Thereafter, the dividend payout rate to Shareholders holding Common shares shall be twenty percent (20%) of the total amount declared from out of the unrestricted retained earnings.

Dividend Policy

The Board of Directors is authorized to declare dividends only from the Company’s unrestricted retained earnings, and the Board may not declare dividends which will impair the Company’s capital. Dividends may be payable in either cash, shares or property, or a combination thereof, as the Board determines. Cash dividends are subject to approval by a majority of the board of directors and no further approval from the Company’s shareholders is required. The declaration of stock dividends is subject to the approval of the Board of Directors and of stockholders representing two-thirds (2/3) of the Company’s outstanding capital stock, including Preferred Shares. The Company has not declared a formal dividend policy except as stated herein.

As and if dividends are declared by the Company’s Board of Directors, dividends on the Preferred Shares shall be equivalent to ninety-three percent (93%) of the total amount declared out of the unrestricted retained earnings until the amount of the investment of stockholders owning Preferred Shares plus ten percent (10%) return on the Preferred Shares shall have been fully paid. Thereafter, the Preferred Shares shall be entitled to eighty percent (80%) of the amount declared from out of the unrestricted retained earnings. Preferred Shares are non-participating in any other or further dividends beyond that specifically payable on the shares. For Preferred Shares, the Board of Directors shall prescribe the cumulation of dividends, the date or dates of cumulation or accrual but dividends shall be deemed to be cumulative from date of issue unless otherwise specified by the Board of Directors.

N.B. UPON WRITTEN REQUEST OF A STOCKHOLDER, MANILA HOUSE PRIVATE CLUB, INC. SHALL PROVIDE, FREE OF CHARGE, A COPY OF ITS 2023 ANNUAL REPORT (SEC FORM 17-A). THE REQUEST SHOULD BE ADDRESSED TO THE ATTENTION OF JOSE L. ARCILLA, PRESIDENT AND GENERAL MANAGER, 8TH FLOOR, SEVEN/NEO (FORMERLY NET PARK), 5TH AVENUE, BONIFACIO GLOBAL CITY, TAGUIG CITY 1630.

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati on JUN 20 2024.

MANILA HOUSE PRIVATE CLUB, INC.

By:



AISSA V. ENCARNACION
Corporate Secretary

ANNEX "A"

PROFILES OF DIRECTORS AND OFFICERS

The following lists the professional and/or business experience of the Directors and Officers of the Company covering a period of at least five (5) years.

DORIS MAGSAYSAY-HO CHAIRMAN, DIRECTOR

Doris Ho, Filipino, 72, is the President and Chief Executive Officer of the Magsaysay Group of Companies, including Magsaysay Maritime Corporation and A. Magsaysay, Inc. She also serves as Chair, Director, Trustee or Member of various organizations, such as: Lorenzo Shipping Corporation, Fairmont Shipping Limited, Makati Business Club, APEC Business Advisory Council, Philippine Interisland Shipping Association, Steamship Mutual Underwriting Association, The National Corn Competitiveness Group, Asia Society Philippine Foundation, Inc., Asia Society (New York), Metropolitan Museum Manila, The Hague Process on Refugees and Migration, First Philippine Conservation, Inc., World President's Organization. She obtained her master's degree at Pratt Institute and is a graduate of Manhattanville College.

JOSE L. ARCILLA PRESIDENT, DIRECTOR

Jose Arcilla, Filipino, 59, is a professional hotelier with over 35 years of experience in business operations management (mostly hospitality) and demonstrated history and skills in strategic planning, customer service and managerial finance, rising to levels of General Manager and Chief Financial Officer; he has been concurrent President/Director and General Manager of the Club since 2020; his working experience covers the Indian Ocean (MALDIVES), Asia (the Philippines, Vietnam and Malaysia), Canada and the USA; previously associated with reputable international hotel and club organizations such as the Marriott Renaissance, Swiss-bel Hotel International, World Hotels, Club Corporation of Asia (Mimosa Leisure Estate under the Mondragon Group), the Bellevue Hotels and Resorts, the Manila Polo Club, among others; strong finance professional, graduated Cum Laude at the University of Santo Tomas with a Bachelor of Science degree in Commerce, Major in Accounting and a duly licensed CPA with MBA degree, including tenure as Federal Government Auditor in the Office of the CNMI Public Auditor's Office under the US Attorney General.

DAVID O. CHUA DIRECTOR

David O. Chua, Filipino, 56, is President of Cathay Pacific Steel Corporation (CAPASCO) and Vice Chairman of the Board of the University of the East (UE). He is presently a member of the Advisory Board of the Metropolitan Bank and Trust Company (Metrobank), and member of the Boards of First Philippine Holdings Inc (FPH), Dizon Silver and Copper Mines Inc., Nihao Mineral Resources International Inc., UE Ramon Magsaysay Memorial Medical Center (UERMMC), Prople Inc., and Federation Filipino Chinese Chambers of Commerce and Industry Inc.. He acquired his MBA from the Kellogg School of Management of Northwestern University and the Hong Kong University of Science and Technology. He graduated with a degree of BS Financial Services Management, Honors from Saint Mary's College of California.

JOSE MARI T. ALBERT
DIRECTOR

Jose Mari T. Albert, Filipino, 74, is currently the Chairman of the board and the Treasurer of iSport Life, Inc.

ANTONIO RAYMUNDO O. SAN DIEGO
DIRECTOR, TREASURER

Antonio Raymundo O. San Diego, Filipino, 57, is the Editor-in-Chief of The Tatler Philippines, the country's premiere lifestyle, luxury and society magazine for the last 22 years, successfully spearheading it from its maiden issue to its current iteration. Tatler Philippines is part of the TATLER Asia group, which has publications in Hong Kong, China, Singapore, Indonesia, Malaysia, Thailand and Taiwan. He acquired his diploma from Les Roches International School of Hotel Management.

REGINA F. SICAT
INDEPENDENT DIRECTOR

Regina F. Sicat, Filipino, 65, is the President and Chief Executive Officer of ProJuris Business Services Corporation. She obtained her Master of Business Administration with a concentration in Marketing and Finance from Columbia University, Graduate School of Business. She took the Art of Discussion Leadership from Harvard Business School and obtained a Bachelor of Arts in Economics from Bryn Mawr College. Prior to ProJuris Business Services Corporation, she was the Chief Executive Officer of LegisPro Corporation from 2010 to 2022. She also worked for Citibank Manila and Citibank New York in the Asia Pacific Division. She was also Vice President for Bankers Trust in New York City and Business Development Director for Corporate Learning at John Clements Consulting Company in the Philippines.

EDGARDO G. LACSON
INDEPENDENT DIRECTOR

Edgardo G. Lacson, Filipino, 80, is the Chairman of the Employers Confederation of the Philippines, past President of the Philippine Chamber of Commerce and Industry (PCCI) Honorary Chairman of PCCI, where he spearheaded the committee on capital market, an independent director of Kareila Management Corporation, Capital Market Integrity Corporation, The Keepers Holdings, Inc., Securities Clearing Corporation of the Philippines, DDMP REIT Inc., and Global Ferronickel Holdings, Inc. He was a Director of the Philippine Stock Exchange Inc. from May 2011 to May 2018 and from May 2019 to July 2021. He is the President of MIS Maritime Corporation, and the Chairman of Greenergy Holdings Inc., Safe Seas Shipping Agency and of Metrostore Corporation. He is a trustee of ADR Institute Stratbase, PNP NCR Advisory Council, and the PNP Makati Advisory Council. He was a former independent director of Puregold Price Club, Inc., and a former trustee of Philippine Petroleum Sea Transportation Association. He finished his Bachelor of Science in Commerce degree major in Accounting from De La Salle College.

AISSA V. ENCARNACION
CORPORATE SECRETARY

Aissa V. Encarnacion, Filipino, 59, is Partner at Zamora and Poblador Law Offices. She obtained her Bachelor of Laws from the University of the Philippines, College of Law in 1992. She was admitted to the Philippine Bar in 1993. She is the Corporate Secretary of The Philippine Stock Exchange, Inc., and various other corporations. She is a Professorial Lecturer at the University of the Philippines - College of Law and concurrently a Professorial Lecturer at the University of the Philippines - Cesar Virata School of Business. She obtained a Bachelor of Science in Business Administration, Major in Finance and Marketing also from the University of the Philippines - College of Business Administration.

VESFE E. REVISA
COMPLIANCE OFFICER

Vesfe E. Revisa, Filipino, 46, is a Certified Public Accountant with audit experience and 20 solid years of exposure to operational and financial management in hospitality industry. She became part of the pre-opening team of Erawan Philippines, Inc. and established Vanguard Hotels Pte. Ltd.-ROHQ in the country. She served also as Assistant Finance Controller for Manila Polo Club, Inc. and Manila Southwoods Golf and Country Club. She is a graduate of Bachelor of Science in Accountancy from Pamantasan ng Lungsod ng Maynila.

DAX ILOG
DATA PRIVACY OFFICER

Dax Ilog, Filipino, 47, is an experienced information technology leader with over 15 years of expertise overseeing different stages of various IT projects. He possesses a strong technical background and professional knowledge regarding network management, cybersecurity, software architecture, software development, project management, as well as system and server administration. He holds a Bachelor of Science in Electronics and Communications Engineering from FEATI University. He has been leading the IT department of Manila House Private Club since 2018 and has experience with other membership clubs and hotels. Additionally, he has relevant job experience in technology consulting, vendor management, process streamlining, and policy creation.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, REGINA F. SICAT, Filipino, of legal age and a resident of 1251 Acacia Street, Dasmarinas Village, Makati City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am an Independent Director of Manila House Private Club, Inc., and have been its independent director since 2017.
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
ProJuris Business Services Corporation	President and Chief Executive Officer	2022 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Manila House Private Club, Inc. as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am not related to any director/officer/substantial shareholder of Manila House Private Club, Inc.

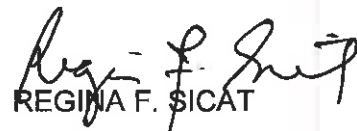
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I am not in government service/affiliated with a government agency or GOCC.

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

8. I shall inform the Corporate Secretary of Manila House Private Club, Inc. of any changes in the abovementioned information within five days from its occurrence.

Done this APR 30 2024 at Makati City.


REGINA F. SICAT

SUBSCRIBED AND SWORN to before me this APR 30 2024 at _____, affiant personally appeared before me and exhibited to me her Philippine Passport No. P2142885B which expires on 9 May 2029.

Doc. No.: 136
Page No.: 29
Book No.: 10
Series of 2024.



CRIS MARCO V. BANAAG
Notary Public
Until December 31, 2024
Roll of Attorneys No. 20293
P.T.R. No. 19074359; 01.02.2024; Makati City
I.B.P. No. 371260; 12.11.2023; Makati City
Admitted to the Bar in 2022
Notarial Commission No. M-630
5F Montepino Bldg., 158 Amoroso St.
Legaspi Village, Makati City

CERTIFICATION OF INDEPENDENT DIRECTOR

I, Edgardo G. Lacson, Filipino, of legal age, with address at Suites 212-217 Cityland III V.A. Rufino Street, Legaspi Village, Makati City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am an Independent Director of Manila House Private Club, Inc. and have been its independent director since 2021.
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
MIS Maritime Corporation	President	1992 - Present
Safe Seas Shipping Agency	Chairman	1996 - Present
Greenery Holdings Inc.	Chairman	2023 - Present
Link Edge	Director	2006 - Present
Metrostore Corporation	Chairman	2002 - Present
MIL Export Philippines, Inc.	Treasurer	1987 - Present
Kareila Management Corporation	Independent Director	2023 - Present
Global Ferronickel Holdings, Inc.	Independent Director	2016 - Present
Securities Clearing Corporation of the Philippines	Independent Director	2010 - Present
Double Dragan Meridian Plaza REIT, Inc.	Independent Director	2021 - Present
Capital Market Integrity Corporation	Independent Director	2023 - Present
The Keepers Holdings, Inc.	Independent Director	2023 - Present
ADR Institute Stratbase	Trustee	2014 - Present
Employers Confederation of the Philippines	Chairman/ Immediate Past President	2016 – Present; President 2010 - 2016
Philippine Chamber of Commerce and Industry	Past President/Honorary Chairman	2006 – Present
Management Association of the Philippines	Member	2009 - Present
National Center for Mediation	Treasurer	2016 - Present
PNP Regional Advisory Council – NCR	Vice Chairman	2019 - Present
PNP Makati Advisory Council	Trustee	2018 - Present
University of Makati	Member of the Board of Regents	2020 - Present
PCCI Human Resources Development Foundation	Vice President	2018 - Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Manila House Private Club, Inc., as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am not related to any director/officer/substantial shareholder of Manila House Private Club, Inc.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. Except in the following social or civic organizations, I am not in government service/affiliated with a government agency or GOCC:

Company/Organization	Position/Relationship	Period of Service
PNP Regional Advisory Council – NCR	Vice Chairman	2019 - Present
PNP Makati Advisory Council	Trustee	2018 - Present
University of Makati	Member of the Board of Regents	2020 - Present

7. I have the required permission from the above-mentioned companies/organizations to be an independent director in Manila House Private Club, Inc., pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.

8. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

9. I shall inform the Corporate Secretary of Manila House Private Club, Inc. of any changes in the abovementioned information within five days from its occurrence.

APR 30 2024

Done this _____ at Makati City.


EDGARDO G. LACSON

APR 30 2024

SUBSCRIBED AND SWORN to before me this _____ at Makati City, affiant personally appeared before me and exhibited to me his Senior Citizen ID No. 44645.

Doc. No.: 137
Page No.: 29
Book No.: 10
Series of 2024.



CRIS MARCO V. BANAAG
Notary Public
Until December 31, 2024
Roll of Attorneys No. 60893
P.T.R. No. 10071356; 01.02.2024; Makati City
L.B.P. No. 371200; 12.21.2023; Makati City
Admitted to the Bar in 2012
Notarial Commission No. 04-490
5F Montepino Bldg., 138 Amoroso St.
Legaspi Village, Makati City

ANNEX “B”

PROFILES OF NOMINEES FOR DIRECTORS

The following lists the professional and/or business experience of the nominees for Directors of the Company for 2024-2025.

DORIS MAGSAYSAY-HO

Doris Ho, Filipino, 72, is the President and Chief Executive Officer of the Magsaysay Group of Companies, including Magsaysay Maritime Corporation and A. Magsaysay, Inc. She also serves as Chair, Director, Trustee or Member of various organizations, such as: Lorenzo Shipping Corporation, Fairmont Shipping Limited, Makati Business Club, APEC Business Advisory Council, Philippine Interisland Shipping Association, Steamship Mutual Underwriting Association, The National Corn Competitiveness Group, Asia Society Philippine Foundation, Inc., Asia Society (New York), Metropolitan Museum Manila, The Hague Process on Refugees and Migration, First Philippine Conservation, Inc., World President's Organization. She obtained her master's degree at Pratt Institute and is a graduate of Manhattanville College.

JOSE L. ARCILLA

Jose Arcilla, Filipino, 59, is a professional hotelier with over 35 years of experience in business operations management (mostly hospitality) and demonstrated history and skills in strategic planning, customer service and managerial finance, rising to levels of General Manager and Chief Financial Officer; he has been concurrent President/Director and General Manager of the Club since 2020; his working experience covers the Indian Ocean (MALDIVES), Asia (the Philippines, Vietnam and Malaysia), Canada and the USA; previously associated with reputable international hotel and club organizations such as the Marriott Renaissance, Swiss-bel Hotel International, World Hotels, Club Corporation of Asia (Mimosa Leisure Estate under the Mondragon Group), the Bellevue Hotels and Resorts, the Manila Polo Club, among others; strong finance professional, graduated Cum Laude at the University of Santo Tomas with a Bachelor of Science degree in Commerce, Major in Accounting and a duly licensed CPA with MBA degree, including tenure as Federal Government Auditor in the Office of the CNMI Public Auditor's Office under the US Attorney General.

DAVID O. CHUA

David O. Chua, Filipino, 56, is President of Cathay Pacific Steel Corporation (CAPASCO) and Vice Chairman of the Board of the University of the East (UE). He is presently a member of the Advisory Board of the Metropolitan Bank and Trust Company (Metrobank), and member of the Boards of First Philippine Holdings Inc (FPH), Dizon Silver and Copper Mines Inc., Nihao Mineral Resources International Inc., UE Ramon Magsaysay Memorial Medical Center (UERMMC), Prople Inc., and Federation Filipino Chinese Chambers of Commerce and Industry Inc.,. He acquired his MBA from the Kellogg School of Management of Northwestern University and the Hong Kong University of Science and Technology. He graduated with a degree of BS Financial Services Management, Honors from Saint Mary's College of California.

JOSE MARI T. ALBERT

Jose Mari T. Albert, Filipino, 74, is currently the Chairman of the board and the Treasurer of iSport Life, Inc.

ANTONIO RAYMUNDO O. SAN DIEGO

Antonio Raymundo O. San Diego, Filipino, 57, is the Editor-in-Chief of The Tatler Philippines, the country's premiere lifestyle, luxury and society magazine for the last 22 years, successfully spearheading it from its maiden issue to its current iteration. Tatler Philippines is part of the TATLER Asia group, which has publications in Hong Kong, China, Singapore, Indonesia, Malaysia, Thailand and Taiwan. He acquired his diploma from Les Roches International School of Hotel Management.

REGINA F. SICAT INDEPENDENT DIRECTOR

Regina F. Sicat, Filipino, 65, is the President and Chief Executive Officer of ProJuris Business Services Corporation. She obtained her Master of Business Administration with a concentration in Marketing and Finance from Columbia University, Graduate School of Business. She took the Art of Discussion Leadership from Harvard Business School and obtained a Bachelor of Arts in Economics from Bryn Mawr College. Prior to ProJuris Business Services Corporation, she was the Chief Executive Officer of LegisPro Corporation from 2010 to 2022. She also worked for Citibank Manila and Citibank New York in the Asia Pacific Division. She was also Vice President for Bankers Trust in New York City and Business Development Director for Corporate Learning at John Clements Consulting Company in the Philippines.

EDGARDO G. LACSON INDEPENDENT DIRECTOR

Edgardo G. Lacson, Filipino, 80, is the Chairman of the Employers Confederation of the Philippines, past President of the Philippine Chamber of Commerce and Industry (PCCI) Honorary Chairman of PCCI, where he spearheaded the committee on capital market, an independent director of Kareila Management Corporation, Capital Market Integrity Corporation, The Keepers Holdings, Inc., Securities Clearing Corporation of the Philippines, DDMP REIT Inc., and Global Ferronickel Holdings, Inc. He was a Director of the Philippine Stock Exchange Inc. from May 2011 to May 2018 and from May 2019 to July 2021. He is the President of MIS Maritime Corporation, and the Chairman of Greenergy Holdings Inc., Safe Seas Shipping Agency and of Metrostore Corporation. He is a trustee of ADR Institute Stratbase, PNP NCR Advisory Council, and the PNP Makati Advisory Council. He was a former independent director of Puregold Price Club, Inc., and a former trustee of Philippine Petroleum Sea Transportation Association. He finished his Bachelor of Science in Commerce degree major in Accounting from De La Salle College.

CERTIFICATION OF INDEPENDENT DIRECTOR
(Nominee)

I, REGINA F. SICAT, Filipino, of legal age and a resident of 1251 Acacia Street, Dasmarinas Village, Makati City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for Independent Director of Manila House Private Club, Inc., and have been its independent director since 2017.
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
LegisPro Corporation	Chief Executive Officer	2010 to 2022
ProJuris Business Services Corporation	President and Chief Executive Officer	2022 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Manila House Private Club, Inc. as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am not related to any director/officer/substantial shareholder of Manila House Private Club, Inc.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I am not in government service/affiliated with a government agency or GOCC.

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

8. I shall inform the Corporate Secretary of Manila House Private Club, Inc. of any changes in the abovementioned information within five days from its occurrence.

Done this JUN 20 2024 at Makati City.



REGINA F. SICAT

MAKATI CITY

SUBSCRIBED AND SWORN to before me this JUN 20 2024 at _____, affiant personally appeared before me and exhibited to me her Philippine Passport No. P2142885B which expires on 9 May 2029.

Doc. No.: 54
Page No.: 12
Book No.: I
Series of 2024.




PATRICIA MAY P. SULIT
Notary Public
Until December 31, 2025
Roll of Attorneys No. 83501
P.T.R. No. 4662503; 01.02.2020; Makati City
I.B.P. No. 399383; 01.04.2020; Makati City
Admitted to the Bar in 2020
Notarial Commission No. M-265
| 5F Montepino Bldg., 138 Amoroso St.
Legaspi Village, Makati City

CERTIFICATION OF INDEPENDENT DIRECTOR
(Nominee)

I, Edgardo G. Lacson, Filipino, of legal age, with address at Suites 212-217 Cityland III V.A. Rufino Street, Legaspi Village, Makati City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for Independent Director of Manila House Private Club, Inc. and have been its independent director since 2021.
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
MIS Maritime Corporation	President	1992 - Present
Safe Seas Shipping Agency	Chairman	1996 - Present
Greenenergy Holdings Inc.	Chairman	2023 - Present
Link Edge	Director	2006 - Present
Metrostore Corporation	Chairman	2002 - Present
MIL Export Philippines, Inc.	Treasurer	1987 - Present
Kareila Management Corporation	Independent Director	2023 - Present
Puregold Price Club, Inc.	Independent Director	2012 - 2021
Global Ferronickel Holdings, Inc.	Independent Director	2016 - Present
Securities Clearing Corporation of the Philippines	Independent Director	2010 - Present
Double Dragan Meridian Plaza REIT, Inc.	Independent Director	2021 - Present
Capital Market Integrity Corporation	Independent Director	2023 - Present
The Keepers Holdings, Inc.	Independent Director	2023 - Present
ADR Institute Stratbase	Trustee	2014 - Present
Employers Confederation of the Philippines	Chairman/ Immediate Past President	2016 – Present; President 2010 - 2016
Philippine Interisland Shipping Association	Trustee	1994 - 2022
Phil. Petroleum Sea Transport Association	Member	1994 - 2022
Philippine Disaster Recovery Foundation	Trustee	2008 - 2016
Philippine Chamber of Commerce and Industry	Past President/Honorary Chairman	2006 – Present
Management Association of the Philippines	Member	2009 - Present
National Center for Mediation	Treasurer	2016 - Present
PNP Regional Advisory Council – NCR	Vice Chairman	2019 - Present
PNP Makati Advisory Council	Trustee	2018 - Present
University of Makati	Member of the Board of Regents	2020 - Present
The Philippine Stock Exchange, Inc.	Independent Director	2012 – 2019
PCCI Human Resources Development Foundation	Vice President	2018 - Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Manila House Private Club, Inc., as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am not related to any director/officer/substantial shareholder of Manila House Private Club, Inc.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. Except in the following social or civic organizations, I am not in government service/affiliated with a government agency or GOCC:


Company/Organization	Position/Relationship	Period of Service
PNP Regional Advisory Council – NCR	Vice Chairman	2019 - Present
PNP Makati Advisory Council	Trustee	2018 - Present
University of Makati	Member of the Board of Regents	2020 - Present

7. I have the required permission from the above-mentioned companies/organizations to be an independent director in Manila House Private Club, Inc., pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.

8. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

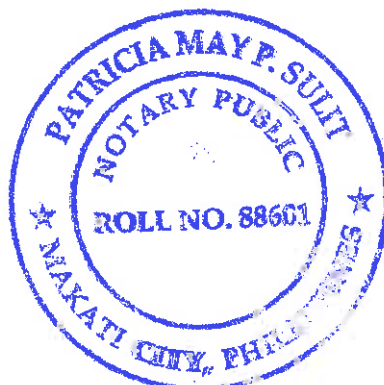
9. I shall inform the Corporate Secretary of Manila House Private Club, Inc. of any changes in the abovementioned information within five days from its occurrence.


Done this JUN 19 2024 at Makati City.


EDGARDO G. LACSON
JUN 19 2024

SUBSCRIBED AND SWORN to before me this _____ at Makati City, affiant personally appeared before me and exhibited to me his Senior Citizen ID No. 44645.

Doc. No.: 50
Page No.: II
Book No.: I
Series of 2024.




PATRICIA MAY P. SULIT
Notary Public
Until December 31, 2025
Roll of Attorneys No. 36601
P.T.R. No. 0562501-01022024, Legaspi City
I.B.P. No. 39334-01022024, Legaspi City
Admitted to the Bar in 2002
Notarial Commission No. AJ-305
5F Montepino Bldg., 143 Amador St.
Legaspi Village, Makati City

ANNEX "C"
BOARD ACTS AND RESOLUTIONS
FROM 13 JUNE 2023 TO 11 APRIL 2024

DATE OF MEETING	BOARD ACTS AND RESOLUTION
13 June 2023 – Special Board Meeting	Approved the appointment of Punongbayan & Araullo as the Corporation's external auditor for 2023 with a fee of Php 490,000.00, excluding Value-Added Tax and Out-of-Pocket Expenses.
19 June 2023 – Regular Board Meeting	Confirmed the appointment of Punongbayan & Araullo as the Corporation's external auditor for 2023 with a fee of Php 490,000.00, excluding Value-Added Tax and Out-of-Pocket Expenses.
	Approved the Corporation's Internal Procedures for the Conduct of or Participation in Stockholders' Meetings via Remote Communication or in Absentia and the Voting Procedures, for the conduct of or participation in the 2023 annual meeting.
	Accepted the resignation of the members without outstanding dues.
	Approved the grant of honorary membership to the incumbent President of the Philippines, the incumbent First Lady, and all sitting ambassadors, waiving their annual dues.
	Approved the admission of new members of the Corporation.
	Approved the 'No Gift Policy' of the Corporation.
	Approved the reclassification of nominees to regular members, provided that they shall continue to enjoy the benefits of a founding member.
	Authorized management to charge annual membership dues to common shareholders of the Corporation and exempted incumbent members of the Board of Directors and Corporate Officers from annual membership dues.
	Appointed the chairman, officers, and members of the Corporation's various committees.
14 July 2023 – Organizational Board Meeting	Authorized any member of the Corporation's Executive Committee to negotiate, sign, execute, and deliver any lease contract of the Corporation in Seven/NEO Building.
	Approved the increase in Joining Fees and Annual Membership Dues effective 1 July 2023 and 1 January 2024 respectively.
17 October 2023 – Regular Board Meeting	Approved the admission of new members of the Corporation.
	Approved the removal from the Membership Roster of the resigning members.

	Approved the designation of the original founding members as "Founding Members A" and the transferee founding members as "Founding Members B"
	Approved the budget for the Phase 1 and Phase 2 (Financial Management System) of the System Re-Development.
	Approved the the budget for the Avenue Deck and Bar renovation.
	Authorized Mr. Jose L. Arcilla as a representative of the Corporation for the inquiry, application, opening and maintenance of Standby Credit Facility with BDO Unibank, Inc.
	Authorized Mr. Jose L. Arcilla as a representative of the Corporation for the inquiry, application, opening and maintenance of Standby Credit Facility with Union Bank of the Philippines.
	Authorized Mr. Jose L. Arcilla, as a representative of the Corporation, to apply for, open, and manage an account with First Circle Growth Finance Corp. and its parent entity, Carabao Capital Philippines Pte Ltd, its affiliates, service providers, partners, and subsidiaries.
	Authorized Mr. Antonio Raymundo O. San Diego, as a representative of the Corporation, to apply for, open, and manage an account with First Circle Growth Finance Corp. and its parent entity, Carabao Capital Philippines Pte Ltd, its affiliates, service providers, partners, and subsidiaries.
11 April 2024 – Regular Board Meeting	Approved the audited financial statements for 2023.
	Approved the admission of new members as of March 2024.
	Approved the budget for the Avenue Bar and Deck renovation.
	Approved the reappointment of Punongbayan & Araullo, as the Corporation's external auditor for 2024.
	Approved the postponement of the ASM from 28 May 2024 to 26 July 2024 at 9:00 a.m. to be held via remote communication.
	Approved the Corporation's Information Statement and the Annual Report (SEC Form 17-A) for filing with the SEC.
	Approved the Internal Procedure for Annual Stockholders' Meeting and Voting Procedure for the annual stockholders' meeting for 2024.
	Approved the creation of a sinking fund.

ANNEX “D”

MANAGEMENT REPORT

MANAGEMENT’S DISCUSSION AND ANALYSIS AND ITS PLAN OF OPERATIONS

Company Establishment

The Company was established on 15 March 2016 by a group of investors around a shared vision and mission. Some of the founding investors also serve as managers of the company.

Vision

Manila House, a Private Members Company, is a culturally shaped space of belonging, inspiration and kinship that brings diverse sectors of society together, driven by a common interest to learn from each other.

Mission

The Company will delight its members and guests with great value and experiences.

Profit	The Company is a sustainable and profitable enterprise. It will strive for profitable returns and growth for its investors. It will comply with government fiscal and non-fiscal regulations.
People	The Company will project, embody, and sustain an image and reputation that will attract and retain a great talent pool.
Portfolio	The Company offers excellent food and facilities and a diverse and exciting program of activities and events that will allow different sectors to meet and to learn from each other.
Partners	The Company will project, embody, and sustain an image and reputation that will attract a desired member and guest pool, supplier pool, sponsor pool and partners for activities and events.
Planet	The Company will strictly comply with the Net Park green building principles and safety and sanitation policies.
Productivity	The Company will be efficiently managed with well-thought-out processes that delight members, guests, and employees in every way.

For the period ended 31 December 2023

Revenues and other income

For the period ended December 31, 2023, the Club generated P138.3 million in operating revenues from which P135.7 million (net of P5.6 million discounts or 4.0% of F&B revenues) came from F&B revenues while P2.6 million came from sale of merchandise. 56% of the F&B revenue is sourced from the events, private dining, and corporate meetings and 44% is combined revenue of remaining restaurants - Bonifacio Dining and Avenue Bar/ Avenue Deck and revenue from takeaways.

Membership dues for the year are at P25.0 million and amortized Membership fees amounted to P24.3 million.

Other income includes membership fees, membership dues, unused consumables, and late payment charges on dues.

Cost of Services and Expenses

Cost of Sales and Services

Cost of sales and services includes cost of materials, direct and personnel cost associated in production totaling P84.0 million.

Administrative Expenses

The main elements of administrative expenses were the expenditures incurred by the Executive Office, Finance, Facilities, and Human Resources departments.

Total payroll and related costs amounted to P24.6 million while professional fees and outsourced services totaled P3.7 million.

Significant fixed expenses related to administration, maintenance, and premises cost including rent expense for the year totaled P24.6 million which were consolidated under Depreciation and Amortization, Finance costs and decrease in lease liability in line with the adoption of PFRS 16 starting 2019.

Utilities expenditure stood at P8.5 million, and depreciation attributable to normal wear and tear of assets amounting to P5.0 million. Additionally, a Right-of-Use asset was recognized as we adopted the PFRS 16 during the year with depreciation of P15.6 million.

Net Income

For the period ended December 31, 2023, total revenues exceed total expenses by P22.7 million before Income tax and other comprehensive income.

Cash Flow

As of December 31, 2023, there was an increase in cash flow of P25.7 million. The total cash generated from operating activities reached P57.5 million, primarily attributed to the advance collection of 2024 annual dues. This increase was partially offset by payments made to contractors and suppliers for the Club's renovation, as well as payments towards leases and shareholders.

Capital expenditures/disposals

In 2023, payment to suppliers pertaining to capital expenditures totaled P6.1 million. As of the end of December 2023, the cumulative total of property and equipment cost was at P107.7 million with P90.8 million attributable to accumulated depreciation.

Liquidity

The Club does not anticipate any cash flow or liquidity problem within the next 12 months even though there are long outstanding payables in records. The Company has been paying its payables within the extended payments terms.

The Club closely monitors its cash flow and overall liquidity position to ensure that it sustains its operations and pay all its obligations - to its employees, suppliers, government and other stakeholders as they become due.

Capital Deficiency

As of December 31, 2023, the Club has recorded an accumulated deficit of P244.4 million

and a capital deficiency of P86.3 million, respectively. To address, the Club intends to boost revenue by enhancing sales in both events and restaurants, as well as by selling more membership certificates to maximize revenue potential. Additionally, the Club has secured a renewal of its lease term with NEO management for another 10 years, which is expected to attract more membership sales. Management plans to continue controlling and managing expenses effectively. Furthermore, ongoing renovations are underway, and management is in negotiations with NEO management for additional space on the 39th floor to accommodate larger events.

Toward this end, the Club Management is committed to improving and maintaining a stronger balance sheet and comfortable levels of net operating income and cash flows.

KEY PERFORMANCE INDICATORS FOR THE PERIOD ENDED 31 DECEMBER 2023

Performance Indicators	31-Dec-23	31-Dec-22	Explanation
Current/Liquidity Ratio			
Current Assets divide by Current Liabilities	0.47	0.29	This ratio evaluates the ability of the company to pay its current debt promptly.
			Current ratio of 0.72 as of December 31, 2023, is an improvement from 2022 of 0.29 mainly due to increase in cash inflows from operating activities.
Return on Equity			
Net Income (Loss) Divided by Total Equity	-18%	-18%	Measures the rate of return on the ownership interest of the company's stockholders. Determines the productivity of the owners' capital.
			The -18% represents for year 2023.
Net Profit Margin			
Net Profit Divided by Revenue	15%	15%	Net profit margin is a criterion that determines the percentage of profit earned per unit of income from a company's activity. Therefore, with the help of net profit margin, the amount of profit from the company's activity can be determined.
			Net Profit Margin of 15% for 2023 is the same as previous year's operation.

Debt to Equity Ratio			
Total Liabilities Divided by Total Shareholder's Equity	-267%	-233%	Shows the proportion of the creditors' capital to the business' total capital. Measures the degree to which the assets of the business are financed by the debts and stockholders of the business.
			The ratio of -267% as compared with -233% from previous year's operation.

	31-Dec-23	31-Dec-22	2023 vs. 2022	% Change
Revenues	138,289,292	138,063,953	225,339	0%
Cost of Services	-84,102,968	-81,500,297	-2,602,671	3%
Administrative Expenses	-87,899,267	-97,670,817	9,771,550	-10%
Other Income	56,449,699	62,117,738	-5,668,039	-9%
Net Income	22,736,756	21,010,577	1,726,179	8%

Operations

The Club monitors and tracks operational effectivity and efficiency through departmental profitability. Thus, during this period, the Club's operation has transitioned to new normal which efforts were made to adapt and adjust our business goals, revenue targets and growth rates, in order to achieve business sustainability amidst the pandemic that we faced.

The Club continues to work with its major suppliers to assure the quality and diversity expected from a Filipino restaurant in Bonifacio Global City.

The Club will always continue to review the quality of our service against our high standards. It will also seek technology enhancements and digitalization to improve the efficiency, effectiveness, and cost competitiveness of our products and services.

The Club has no obligation and other relationships with unconsolidated entities or other people created during the reporting period.

Guest Satisfaction

The Club established a system and agreed on a methodology to implement a guest satisfaction survey to ensure that the quality of the food and service is maintained and to identify areas for improvement.

Marketing Plan

The Club conducted intensive planning sessions to come up with a marketing plan to generate sales and increase customer patronage of the Club. This is essential in meeting target sales for the year. The marketing plan also enables the Club to strategize and identify the salespeople to employ, the resources required to achieve the goals and the activities to

be initiated to interest a wider membership.

Human Resource Strategy

The Club will ensure that its employees will be continuously trained. It will also implement a coaching/mentoring system to ensure the proper development of all staff.

Facilities construction

Plans for additional works for the enhancement and improvements of the facilities of the Club are a management priority. This will support the operations and ensure that the Club is in a state of comfort and convenience.

Plans and Prospects

Increasing membership diversity, involvement, and satisfaction

The Club continues to work on revenue opportunities by increasing membership diversity, involvement, and satisfaction with the objective of increasing patronage and visits to the Club while striving to manage its operational expenses by through efficiency, sound financial discipline and adherence to prescribed managerial policies and control processes.

The Club will increase membership involvement by forming committees based on sector and personal interest. The Club will work closely with these committees spearheading the conceptualization, organization, and execution of learning activities and special immersion events. In addition, we will organize a committee comprised primarily of our younger members to brainstorm activities that will be more relevant to their demographic.

Manila House is in discussions with other International Membership Company's that share the same goals, for reciprocity arrangements to give our members access to carefully selected list of Company's in major cities throughout the world.

Key Variable and Other Qualitative and Quantitative Factors.

There are no known trends, events or uncertainties that will have a material impact on liquidity.

No known events will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the club with unconsolidated entities or other persons created during the reporting period.

There is no significant elements of Income or Loss from continuing operations.

There are no causes for any material changes from period to period of the financial statement.

There are no seasonal aspects that have a material effect on the Financial Statement as audited.

Corporate Governance

The Company's Board of Directors, officers, executives and employees adhere to good governance policies to achieve the Company's strategic objectives, create value for its stakeholders, and maintain long term viability.

The Company's policy is to promote transparency, accountability and fairness and to conduct its business strictly in accordance with law. The Company ensures timely and accurate disclosures on all material aspects, including its financial condition, performance, ownership and governance.

In support of the Company's commitment to the governance principles of transparency, accountability, fairness and integrity, the Company, through its Board of Directors, approved and adopted a Manual on Corporate Governance on 27 September 2016. To secure proper and efficient management of the day-to-day operations of the Company, the Board of Directors and officers developed an Authorization Matrix, which designates specific persons whose approval and/or review of various operational matters are required, and which shall be part of the system of determining responsibility and accountability in the Company.

The Company is developing an effective succession planning program to ensure the transfer of company leadership to highly competent and qualified individuals. In connection therewith, the Company will develop a transparent nomination and election process. The Company's directors and key officers undergo continuing corporate governance trainings and seminars.

The Company revised its Manual on Corporate Governance, which was adopted by the Board of Directors on 14 April 2023, to conform to the latest governance standards.

The Board of Directors (the "Board"), Management, Officers and Staff of the Company are committed to the principles and practices contained in this Manual to guide Management in the performance of their respective duties and responsibilities, and for the achievement of the Company's corporate goals.

For the period 01 January to 31 March 2024

Revenues

For the period ended March 31, 2024, the Club generated P32.8 million in operating revenues from which P31.2 million (net of P1.8 million discounts or 5.4% of F&B revenues) came from F&B revenues while P1.6 million of it came from sale of merchandise. The main contributors to revenues, among others, are 44% table reservations from restaurants and 56% from organized events.

Expenses

In line with the improvements in revenues, total F&B expenses as of March 31, 2024, have been improved but still in line to increase in revenues due to the cost of functions, events and other administrative needs to facilitate increase in revenues. Total operating expenses amounted to P45.3 million. Detailed analysis of the major expenses' contributors was as follows:

Cost of Services

Cost of food and beverages consumed of P10.2 million or 32.7% of F&B revenues as compared to 31.5% in 2023. Attributed to food cost amounted to P8.3 million which equivalent to 33.7% as compared to 32% in 2023, while P1.9 million was attributed for cost of beverages which is equivalent to 28%. One of the major reasons for the improvement of Food and Beverage Cost was the due to better management of materials

used in production. Moreover, the Management is continuously monitoring prices and considering the adjustments for selling prices. Still, the Purchasing Team have worked with key suppliers to ensure the appropriate balance between price and quality for all our goods.

Administrative Expenses

Major contributors of administrative expense were:

- Total payroll is P6.48 million or 15.15% of total revenue. The Club has a total of 80 employees.
- Professional fees and contract services amounted to P3.06million.
- The major fixed expenses concerning administration, maintenance and cost of premises were:
 - Rent of P6.5 million equivalents to 15.24% of gross revenue.
 - Utilities amounted to P2.64 million.
 - Depreciation amounted to P1.27 million.

Other Income

Other income includes membership fees and dues, interest income and other income earned by the Company. Major contributors to other income are the membership fees and membership dues for the period.

As of March 31, 2024, total membership fees and dues amounted to P4.0 million in which P204.3 million membership fees were collected from 1224 total members of all types.

Net Income/Loss

The Club is presently undergoing renovations and facilities upgrades. Due to the necessity of closing certain areas for these activities, for the period ended March 31, 2024, total expenses exceeded total revenues, resulting in a net loss of P1.2 million.

Cash Flow

As of March 31, 2024, cash flow increased by P9.7 million due to the inflows of cash amounting to P24.2 million generated from operations net of payment to capital expenditures.

Capital expenditures

The Club initiated spending for upkeep and maintenance of the facilities. For the quarter the total spent was P20.0 million.

Liquidity

The Club does not anticipate any cash flow or liquidity problem within the next 12 months and is not in default on any note, lease, or other indebtedness of financing commitments. The Company has been paying its payables within the stated terms.

The Company closely monitors its cash flow and overall liquidity position to ensure that it sustains its operations and pays all its obligations - to its employees, suppliers, government, and other stakeholders as they become due.

Equity

Share capital has decreased by P1.2 million which is basically due to the loss for the period. Total equity net of deficit amounted to P87.5 million.

KEY PERFORMANCE INDICATORS FOR 01 JANUARY TO 31 MARCH 2024

Performance Indicators	31-Mar-24	31-Dec-23	Explanation
Current/Liquidity Ratio			
Current Assets divide by Current Liabilities	0.46	0.47	This ratio evaluates the ability of the company to pay its current debt promptly.
			Current ratio of 0.46 as of March 31, 2024 is decrease from 2023 of 0.47 mainly due to increase in payables from capital expenditure.
Return on Equity			
Net Income (Loss) Divided by Total Equity	1%	-18%	Measures the rate of return on the ownership interest of the company's stockholders. Determines the productivity of the owners' capital.
			The 1% represents for 1Q of 2024.
Net Profit Margin			
Net Profit Divided by Revenue	-3%	15%	Net profit margin is a criterion that determines the percentage of profit earned per unit of income from a company's activity. Therefore, with the help of net profit margin, the amount of profit from the company's activity can be determined.
			Net Profit Margin of -3% for the 1Q of 2024.
Debt to Equity Ratio			

Total Liabilities Divided by Total Shareholder's Equity	-290%	-267%	Shows the proportion of the creditors' capital to the business' total capital. Measures the degree to which the assets of the business are financed by the debts and stockholders of the business.
			The ratio of -290% as compared with -267% from pervious year's operation.

	31-Mar-24	31-Mar-23	2023 vs. 2022	% Change
Revenues	42,795,047	51,189,649	-8,394,602	-16%
	-	-	-554,187	3%
Cost of Services	22,242,756	21,688,569		
Administrative	-	-	-1,486,429	7%
Expenses	23,079,237	21,592,808		
Other Income	1,325,834	1,148,181	177,653	15%
Net Income	-1,201,112	9,056,453	-10,257,565	-113%

Operations

The Company tracks and evaluates operational effectiveness and efficiency through departmental profitability. As of March 31, 2024, food and beverage operations were impacted by the closure of certain areas for facility upgrades. The Company anticipates attracting more patrons once the improved facilities reopen. Additionally, membership sales have been slow during this period, prompting management to review its strategies and offerings. Consequently, operational costs remained high, resulting in minimal departmental profit. As the Company works on improving operations by boosting revenues and controlling expenses, it continues to monitor its gross operating profit.

The Company continues to work with Chef Consultant and new suppliers to assure the quality, diversity, and consistency of food offerings.

The Company will always continue to review the quality of our service against our high standards. It will also seek technology enhancements and digitalization to improve the efficiency, effectiveness, and cost competitiveness of our products and services.

The Company has no obligation or other relationships with unconsolidated entities or other people created during the reporting period.

Guest Satisfaction

The Company established a system and agreed on a methodology to implement a guest satisfaction survey to ensure that the quality of the food and service is maintained and to identify units which will require improvement.

Marketing Plan

The Company conducted intensive planning sessions to come up with a marketing plan to generate banquet sales and increase customer patronage of the Company. This is essential in meeting target sales for the year. The marketing plan also enabled the Company to strategize and identify the salespeople to employ, the resources required to achieve the goals and the activities to be initiated to interest a wider membership.

Human Resource Strategy

The Company will ensure that its employees will be continuously trained. It will also implement a coaching/mentoring system to ensure the proper development of all staff.

As part of the Company's Corporate Social Responsibility activity, the Company will seek to hire student trainees from other hospitality schools, such as the Magsaysay Center for Hospitality and Culinary Arts, to provide them the necessary on the groundwork experience, allowing them to join the workforce after graduation.

Facilities construction

Continuous enhancement and improvements of the facilities of the Company are on the Management's priorities to support the operations and ensure that the Company is in a state of comfort and convenience.

Plans and Prospects

Increasing membership diversity, involvement, and satisfaction

The Club continues to work on revenue opportunities by increasing membership diversity, involvement, and satisfaction with the objective of increasing patronage and visits to the Club while striving to manage its operational expenses by promoting efficiency, exercising sound financial discipline and ensuring adherence to prescribed managerial policies and control processes.

The Company will increase membership involvement by forming committees based on sector and personal interest. The Company will work closely with these committees as champions to conceptualize, organize, and execute learning activities and special immersion events. In addition, we will organize a committee comprised primarily of our younger members to brainstorm activities that will be more relevant to their demographic.

Manila House also aims to provide additional value to its general membership by organizing activities that will interest the broad membership. Examples of these are: book launches, concerts, film showings, and various talks from preeminent experts in their field.

Manila House is in discussions with other International Membership Company's that share the same goals, for reciprocity arrangements to give our members access to carefully selected list of Company's in major cities throughout the world.

Corporate Governance

The Company's Board of Directors, officers, executives and employees strive to achieve the Company's strategic objectives, create value for its stakeholders, and sustain long term viability. The Board of Directors, through policies and its own practices, shall establish and actively promote, communicate, and recognize sound governance principles and practices to reflect a culture of strong governance.

The Company promotes transparency, accountability and fairness and its business shall be conducted strictly in accordance with the law. Timely and accurate disclosure shall be made of all material aspects and development regarding the Company, including its financial condition, performance, ownership, and governance. The strategic guidance of the Company shall be in accordance with the objectives as set by the government, the effective monitoring of Management by the Board, and the Board's accountability to the Company and the shareholders.

In support of the Company's commitment to the governance principles of transparency, accountability, fairness and integrity, the Company, through its Board of Directors, approved and adopted a Manual on Corporate Governance on 27 September 2016. The Company then appointed a Compliance Officer and Data Privacy Officer on 12 April 2018. To secure proper and efficient management of the day-to-day operations of the Company, the Board of Directors and officers developed an Authorization Matrix, which designates specific persons whose approval and/or review of various operational matters are required, and which shall be part of the system of determining responsibility and accountability in the Company.

In order to improve its corporate governance, the Company shall develop an effective succession planning program to ensure the transfer of company leadership to highly competent and qualified individuals. In connection therewith, the Company shall develop a transparent nomination and election process. The Company shall also require its directors and key officers to undergo initial and continuing training, such as attendance in corporate governance training and seminars.

HOLDERS OF SECURITIES

Approximate Number of Shareholders as of 10 June 2024 with names of the top twenty (20) shareholders .

The number of shareholders of record as of 10 June 2024 is 40. Total shares outstanding as of 10 June 2024 is 100,005 common shares with a par value of P10.00 and 1,550 preferred shares with a par value of P100,000. There are 12 holders of common shares and 31 holders of preferred shares.

The holders as of 10 June 2024 are as follows:

COMMON SHARES

NAME	NATIONALITY	NO. OF SHARES	PERCENTAGE	AMOUNT SUBSCRIBED	AMOUNT PAID
Ocampo II, Ricardo Mariano C.	Filipino	29,999	29.54%	Php299,990.00	Php299,990.00
San Diego, Antonio Raymundo O.	Filipino	29,998	29.54%	Php299,980.00	Php299,980.00
Pangilinan, Gilbert Zoilo O.	Filipino	15,001	14.77%	Php150,010.00	Php150,010.00
Craig, Katrina Panlilio	Filipino	15,000	14.77%	Php150,000.00	Php150,000.00
Addison, Pierre Angeli	Filipino	10,000	9.85%	Php100,000.00	Php100,000.00
Coseteng, Ferdinand Edwin S. ¹	Filipino	1	Nil	Php10.00	Php10.00
Ocampo, Celestina M.	Filipino	1	Nil	Php10.00	Php10.00
Encarnacion, Aissa V.	Filipino	1	Nil	Php10.00	Php10.00
Lacson, Edgardo G.	Filipino	1	Nil	Php10.00	Php10.00
Sicat, Regina F.	Filipino	1	Nil	Php10.00	Php10.00
Albert, Jose Mari T.	Filipino	1	Nil	Php10.00	Php10.00
Arcilla, Jose L.	Filipino	1	Nil	Php10.00	Php10.00
		-----	-----	-----	-----
Total Common Shares Subscribed		100,005	98.47%	Php1,000,050.00	Php1,000,050.00

PREFERRED SHARES

NAME	NATIONALITY	NO. OF SHARES	PERCENTAGE	AMOUNT SUBSCRIBED	AMOUNT PAID
Albert, Maricris ²	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Sehwani, Jane Asuncion	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Brias, Maria Cristina Floirendo	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Campos, Jr., Joselito D.	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Chan, Ben	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Cheng, Berck	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00

¹ †Deceased 13 October 2017.

² †Deceased 23 April 2022.

Chua, David	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Chua, Francis	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Coseteng, Ferdinand Edwin S. ³	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Pangilinan, Jr., Gilbert Zoilo O.	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Delgado, Jose Roberto	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Garcia, Rafael	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Hess, Clinton Andrew Campos	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Hiranand, Haresh	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Ho, Doris Teresa Magsaysay	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Lagdameo, Maria Linda	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Lhuillier, Jean Henri	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Lim, Sheila	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Lopez, Federico	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Ocampo, Celestina M.	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Po, Christopher Paulus Nicolas	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Roxas, Lorenzo Andres T.	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Rufino, Carlos S.	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Santos, Duane	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Teo, Zishen	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Uttamchandani, Rajan	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Uytengsu, Wilfred	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Zulueta, Jeanette	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00

³ †Deceased 13 October 2017.

Espinosa, Frances	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Eduardo, Alice	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
Gonzalez, Enrique	Filipino	50	0.05%	Php5,000,000.00	Php5,000,000.00
			-----	-----	-----
Total Preferred Shares Subscribed		1,550	1.55%	Php 155,000,000.00	Php 155,000,000.00

Stock Prices

The authorized capital stock of the Company is Two Hundred Two Million Pesos (Php202,000,000.00), Philippine Currency, consisting of Two Hundred Thousand (200,000) Common Shares with a par value of Ten Pesos (Php10.00) per share; and Two Thousand (2,000) Preferred Shares with a par value of One Hundred Thousand Pesos (Php100,000.00) per share.

Since these securities are not listed in any stock exchange, there is no market price for the Company's securities derived from day-to-day trading.

DIVIDENDS

The Company has not declared any dividends in the last two years.

Dividend per Share

All Common Shares of stock shall enjoy the same rights and privileges, and shall be entitled to dividends at a rate equivalent to seven percent (7%) of the total amount declared from out of the unrestricted retained earnings until the amount of investment of the stockholders owning Preferred Shares plus ten percent (10%) return on the subscription amount shall have been fully paid. Thereafter, the dividend payout rate to Shareholders holding Common shares shall be twenty percent (20%) of the total amount declared from out of the unrestricted retained earnings.

Dividend Policy

The Board of Directors is authorized to declare dividends only from the Company's unrestricted retained earnings, and the Board may not declare dividends which will impair the Company's capital. Dividends may be payable in either cash, shares or property, or a combination thereof, as the Board determines. Cash dividends are subject to approval by a majority of the board of directors and no further approval from the Company's shareholders is required. The declaration of stock dividends is subject to the approval of the Board of Directors and of stockholders representing two-thirds (2/3) of the Company's outstanding capital stock, including Preferred Shares. The Company has not declared a formal dividend policy except as stated herein.

As and if dividends are declared by the Company's Board of Directors, dividends on the Preferred Shares shall be equivalent to ninety-three percent (93%) of the total amount declared out of the unrestricted retained earnings until the amount of the investment of stockholders owning Preferred Shares plus ten percent (10%) return on the Preferred

Shares shall have been fully paid. Thereafter, the Preferred Shares shall be entitled to eighty percent (80%) of the amount declared from out of the unrestricted retained earnings. Preferred Shares are non-participating in any other or further dividends beyond that specifically payable on the shares. For Preferred Shares, the Board of Directors shall prescribe the cumulation of dividends, the date or dates of cumulation or accrual but dividends shall be deemed to be cumulative from date of issue unless otherwise specified by the Board of Directors.

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	1	6	0	4	6	5	2
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Company Name

M	A	N	I	L	A		H	O	U	S	E		P	R	I	V	A	T	E		C	L	U	B		I	N	C	.

Principal Office (No./Street/Barangay/City/Town/Province)

8	T	H		F	L	O	O	R		S	E	V	E	N	/	N	E	O		(F	O	R	M	E	R	L	Y	
N	E	T	P	A	R	K)	5	T	H		A	V	E	.		B	O	N	I	F	A	C	I	O				
G	L	O	B	A	L		C	I	T	Y		T	A	G	U	I	G												

Form Type

A	F	S	
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Department requiring the report

C	R	M	B
---	---	---	---

Secondary License Type, if Applicable

N	/	A	
---	---	---	--

COMPANY INFORMATION

Company's Email Address

finance@manilahouseinc.com

Company's Telephone Number/s

N/A

Mobile Number

09175600201

No. of Stockholders

40

Annual Meeting
Month/Day

JULY 14

Fiscal Year
Month/Day

DECEMBER 31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person

VESFE REvisa

Email Address

vesfe.revisa@manilahouseinc.com

Telephone Number/s

N/A

Mobile Number

09178511563

Contact Person's Address

8TH FLOOR SEVEN/NEO (FORMERLY NETPARK) 5TH AVENUE BONIFACIO GLOBAL CITY, TAGUIG

Note: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designate



Manila House Private Members Club
8th Floor, Net Park Building
5th Avenue, BGC, Taguig

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

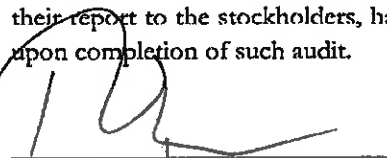
The management of **Manila House Private Club, Inc.** (the Club) is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the years ended December 31, 2023 and 2022, in accordance with the prescribed financial reporting framework 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 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.

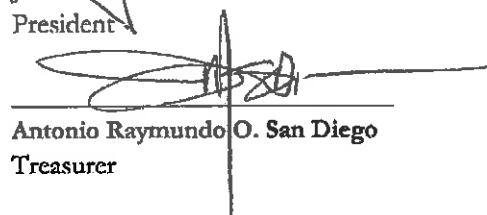
Punongbayan and Araullo and Isla Lipana & Co., the independent auditors appointed by the stockholders for the years ended December 31, 2023 and 2022, respectively, have audited the financial statements of the Club in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.



Doris Magsaysay Ho
Chairman



Jose L. Arcilla
President



Antonio Raymundo O. San Diego
Treasurer

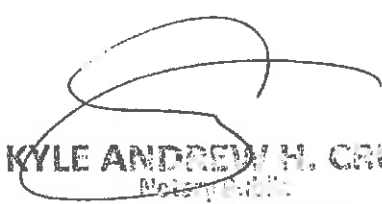
Signed this 11th day of April, 2024.

SUBSCRIBED AND SWORN to before me this APR 11 2024, affiant
exhibiting to their Government issued IDs, as follows:

NAME	ID NO.	EXPIRY
Jose L. Arcilla	Driver's License ID no. N04-90-14082	Valid until 12 October 2027
Doris M. Ho	TIN ID no. 101-357-770- 000	
Antonio Raymundo O. San Diego	Passport Id no. P8483762A	Valid until 23 August 2028

Doc. No. 152;
Page No. 34;
Book No. III;
Series of 2024.




KYLE ANDREW H. CRUZ
Notary Public
Until December 21, 2031
Roll of Notary Public No. 03870
P.T.R. No. 1007411 (S. 01-07-2024) Manila City
I.B.R. No. 3207411 (S. 01-07-2024) (P.D.M.)
Accredited by the S. No. 2024
Notary Public No. 1007411
5F Montemayor Bldg. 220 Ramon Alib St.,
Legaspi Village, Manila City



ANNEX "F"

FOR SEC FILING

Financial Statements and
Independent Auditors' Report

Manila House Private Club, Inc.

December 31, 2023

*(With Comparative Figures for the Two Years Ended
December 31, 2022 and 2021)*

Report of Independent Auditors

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

The Board of Directors and Shareholders
Manila House Private Club, Inc.
8th Floor Seven/NEO, 5th Avenue
Bonifacio Global City
Taguig City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Manila House Private Club, Inc. (the Club), which comprise the statement of financial position as at December 31, 2023, and the statement of comprehensive income, statement of changes in capital deficiency and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

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

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which indicates that the Club reported capital deficiency of P86,303,726 and P103,175,124 as of December 31, 2023 and 2022, respectively, arising from the losses incurred since the Club's incorporation. While this condition raises doubt about the Club's ability to continue as a going concern, management has ongoing renovations and has plans in increasing its revenues and managing its expenses. In connection with our audit, we have performed audit procedures to evaluate management's plans and actions as to likelihood of improving the situation and as to feasibility under the circumstances. Accordingly, the Club's financial statements have been prepared assuming that the Club will continue as a going concern entity which contemplates the realization of assets and the settlement of liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Other Matter

The financial statements of the Club as of and for the years ended December 31, 2022 and 2021 were audited by other auditors whose report, dated April 14, 2023, expressed an unqualified opinion on those financial statements. We were not engaged to audit, review or apply any procedures to the 2022 and 2021 financial statements of the Club. Accordingly, we do not express an opinion or any other form of assurance on the 2022 and 2021 financial statements of the Club taken as a whole.

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, 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the 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 Other Legal and Regulatory Requirements

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2023 required by the Bureau of Internal Revenue as disclosed in Note 24 to the financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements prepared in accordance with PFRS. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PUNONGBAYAN & ARAULLO


By: **James Joseph Benjamin J. Araullo**
Partner

CPA Reg. No. 0111202
TIN 212-755-957
PTR No. 10076133, January 3, 2024, Makati City
SEC Group A Accreditation
Partner - No. 111202-SEC (until financial period 2026)
Firm - No. 0002 (until financial period 2024)
BIR AN 08-002511-039-2021 (until Nov. 9, 2024)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

April 11, 2024

Supplemental Statement of Independent Auditors

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines


T +63 2 8988 2288

The Board of Directors and Shareholders
Manila House Private Club, Inc.
8th Floor Seven/NEO, 5th Avenue
Bonifacio Global City
Taguig City

We have audited the financial statements of Manila House Private Club, Inc. (the Club) for the year ended December 31, 2023, on which we have rendered the attached report dated April 11, 2024.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the Club has five stockholders owning 100 or more shares each of the Club's capital stock as of December 31, 2023, as disclosed in Note 13 to the financial statements.

PUNONGBAYAN & ARAULLO



By: **James Joseph Benjamin J. Araullo**
Partner

CPA Reg. No. 0111202
TIN 212-755-957
PTR No. 10076133, January 3, 2024, Makati City
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BIR AN 08-002511-039-2021 (until Nov. 9, 2024)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

April 11, 2024

MANILA HOUSE PRIVATE CLUB, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023
(With Comparative Figures as of December 31, 2022)
(Amounts in Philippine Peso)

	Notes	2023	2022 (As restated - see Note 23.1)
<u>ASSETS</u>			
Current Assets			
Cash	2	P 38,744,010	P 13,056,353
Trade and other receivables - net	3	7,800,735	10,913,140
Inventories	4	3,910,567	2,998,612
Prepayments and other current assets	5	10,875,785	6,806,528
Total Current Assets		61,331,097	33,774,633
Non-current Assets			
Right of use asset - net	7	44,185,007	59,718,194
Property and equipment - net	6	16,931,532	15,896,264
Deferred income tax assets - net	8	15,839,792	21,940,235
Other non-current assets	9	5,849,245	5,849,245
Total Non-current Assets		82,805,576	103,403,938
Total Assets		P 144,136,673	P 137,178,571
<u>LIABILITIES AND CAPITAL DEFICIENCY</u>			
Current Liabilities			
Trade and other payables	10	P 44,118,745	P 34,020,071
Deferred income	14	53,659,937	50,374,872
Lease liabilities	7	22,268,570	20,134,306
Advances from shareholders	11	9,168,502	10,268,502
Total Current Liabilities		129,215,754	114,797,751
Non-current Liabilities			
Lease liabilities	7	45,997,760	68,002,840
Deferred income	14	51,708,279	53,969,821
Retirement benefit obligation	12	3,518,606	3,583,283
Total Non-current Liabilities		101,224,645	125,555,944
Total Liabilities		230,440,399	240,353,695
Capital Deficiency			
Share capital	13	156,000,050	156,000,050
Other reserves	12	2,119,747	940,016
Deficit		(244,423,523)	(260,115,190)
Capital Deficiency		(86,303,726)	(103,175,124)
Total Liabilities and Capital Deficiency		P 144,136,673	P 137,178,571

See Notes to Financial Statements.

MANILA HOUSE PRIVATE CLUB, INC.
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023
(With Comparative Figures for the Two Years Ended December 31, 2022 and 2021)
(Amounts in Philippine Peso)

	Notes	2023	2022	2021
Net revenues				
Sale of food, beverage and goods		P 130,896,631	P 130,684,884	P 61,317,639
Membership income		49,460,886	42,878,397	37,360,801
Rentals and other income		4,796,557	3,756,818	989,541
Retail sales		2,596,104	3,622,251	1,917,004
	15	187,750,178	180,942,350	101,584,985
Cost of sales and services				
Food and beverage expenses	4	(54,127,061)	(53,523,671)	(23,832,201)
Depreciation and amortization	6, 7	(19,062,364)	(23,365,996)	(25,600,195)
Payroll and related expenses	16	(14,538,693)	(14,345,718)	(12,600,696)
Other expenses	17	(15,437,214)	(13,630,908)	(7,902,189)
		(103,165,332)	(104,866,293)	(69,935,281)
Gross profit		84,584,846	76,076,057	31,649,704
Operating expenses	18	(64,121,024)	(68,342,822)	(60,004,781)
Other income - net	19	6,988,813	19,239,341	4,314,664
Operating income (loss)		27,452,635	26,972,576	(24,040,413)
Finance cost	7	(4,715,879)	(5,961,999)	(6,935,336)
Income (loss) before income tax		22,736,756	21,010,577	(30,975,749)
Income tax expense	8	(7,045,089)	(2,727,144)	(8,019,648)
Net income (loss) for the year		15,691,667	18,283,433	(38,995,397)
Other comprehensive income				
Item that will not be subsequently reclassified to profit or loss				
Actuarial gain on defined benefit plan	12	1,179,731	1,038,639	741,025
Total comprehensive income (loss) for the year		P 16,871,398	P 19,322,072	(P38,254,372)
Basic and diluted earnings (loss) per share	13	P 156.91	P 182.83	(P 389.93)

See Notes to Financial Statements.

MANILA HOUSE PRIVATE CLUB, INC.
STATEMENT OF CHANGES IN CAPITAL DEFICIENCY
FOR THE YEAR ENDED DECEMBER 31, 2023
(With Comparative Figures for the Two Years Ended December 31, 2022 and 2021)
(Amounts in Philippine Peso)

	Share Capital (see Note 13)	Other Reserves (see Note 12)	Deficit	Total Capital Deficiency
Balances as at January 1, 2021	P156,000,050	(P 839,648)	(P239,403,226)	(P 84,242,824)
Comprehensive loss				
Net loss for the year	-	-	(38,995,397)	(38,995,397)
Other comprehensive income for the year	-	741,025	-	741,025
Total comprehensive income (loss) for the year	-	741,025	(38,995,397)	(38,254,372)
Balances as at December 31, 2021	156,000,050	(98,623)	(278,398,623)	(122,497,196)
Comprehensive income				
Net income for the year	-	-	18,283,433	18,283,433
Other comprehensive income for the year	-	1,038,639	-	1,038,639
Total comprehensive income for the year	-	1,038,639	18,283,433	19,322,072
Balances as at December 31, 2022	156,000,050	940,016	(260,115,190)	(103,175,124)
Comprehensive income				
Net income for the year	-	-	15,691,667	15,691,667
Other comprehensive income for the year	-	1,179,731	-	1,179,731
Total comprehensive income for the year	-	1,179,731	15,691,667	16,871,398
Balances as at December 31, 2023	P156,000,050	P 2,119,747	(P244,423,523)	(P 86,303,726)

See Notes to Financial Statements.

MANILA HOUSE PRIVATE CLUB, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023
(With Comparative Figures for the Two Years Ended December 31, 2022 and 2021)
(Amounts in Philippine Peso)

	Notes	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES				
Income (loss) before tax		P 22,736,756	P 21,010,577	(P 30,975,749)
Adjustments for:				
Depreciation and amortization	6, 7	20,663,320	25,328,394	27,750,232
Interest expense	7	4,715,879	5,961,999	6,935,336
Retirement benefit expense	12	1,115,054	1,176,134	1,215,450
Provision for doubtful accounts	3	538,673	-	36,591
Interest income	2	(10,228)	(6,148)	(1,230)
Gain on disposal of property and equipment	19	-	-	17,797,295
Unrealized foreign exchange loss - net		-	64,823	-
Gain on lease concessions or modifications	7	-	-	(17,286,664)
Operating income before working capital changes		49,759,454	53,535,779	5,471,261
Changes in working capital:				
Trade and other receivables		2,573,732	(6,340,988)	1,672,058
Inventories		(911,955)	331,950	(897,654)
Prepayments and other current assets		(5,013,902)	(2,992,173)	(1,128,218)
Other noncurrent assets		-	-	(854,491)
Trade and other payables		10,098,673	(2,450,326)	(2,822,173)
Deferred income		1,023,523	(5,195,399)	(6,419,503)
Cash generated from (used in) operations		57,529,525	36,888,843	(4,978,720)
Interest received from bank deposits		10,228	6,148	1,230
Net Cash from Operating Activities		57,539,753	36,894,991	4,977,490
CASH FLOWS USED IN AN INVESTING ACTIVITY				
Payments for property and equipment	6	(6,129,443)	(2,686,829)	(2,269,462)
CASH FLOWS FROM FINANCING ACTIVITIES				
Principal payments of lease liabilities	7	(19,906,774)	(19,252,580)	-
Interest payments of lease liabilities	7	(4,715,879)	(5,961,999)	(6,394,507)
Advances from (payment to) shareholders	11	(1,100,000)	(1,848,759)	6,117,278
Net Cash Used in Financing Activities		(25,722,653)	(27,063,338)	(277,229)
NET INCREASE (DECREASE) IN CASH		25,687,657	7,144,824	(7,524,181)
CASH AT BEGINNING OF YEAR		13,056,353	5,976,352	13,500,533
Effect of Exchange Rate Changes on Cash		-	(64,823)	-
CASH AT END OF YEAR		P 38,744,010	P 13,056,353	P 5,976,352

Supplementary Information on a Non-cash Financing Activity –

In 2023 and 2022, there were modifications to a certain lease contract. Accordingly, the Club remeasured both its right-of-use assets and lease liabilities by P35,958 and P7,360,556 in 2023 and 2022, respectively (see Note 7).

See Notes to Financial Statements.

MANILA HOUSE PRIVATE CLUB, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023
(With Comparative Figures as of December 31, 2022 and 2021)
(Amounts in Philippine Peso)

Note 1 - General Information

Manila House Private Club, Inc. (the "Club") was registered with Securities and Exchange Commission (SEC) on March 15, 2016, primarily to engage in the business of owning, operating and maintaining an exclusive restaurant which provides areas, facilities and services for dining, meeting, social, recreation, entertainment and similar activities for the use of the Club and other persons who may be granted the right to use or otherwise allowed by the Club.

The registered office address of the Club, which is also its principal place of business, is located at 8th Floor Seven/NEO, 5th Avenue, Bonifacio Global City, Taguig City.

The Club has 74 and 66 regular employees as at December 31, 2023 and 2022, respectively.

On October 20, 2017, the SEC granted the Club permit to sell or offer preferred shares and membership certificates for sale to the public. The Club may sell or offer for sale to the public preferred shares and membership certificates subject to full compliance with the provisions of the Securities Regulation Code.

As at December 31, 2023, the Club continues to be in a deficit and capital deficiency position and current liabilities exceed current assets by P67,884,657. However, the Club already registered a net income of P15,691,667 for the year ended December 31, 2023.

The Club plans to further address the accumulated deficit and capital deficiency through increasing revenue by driving sales in both events and restaurants and continuing to sell membership certificates to maximize the Club's revenue potential and also by better controlling and managing its expenses.

These financial statements have been approved and authorized for issuance on April 11, 2024 by Mr. Jose L. Arcilla, President, as authorized by the Club's Board of Directors (BOD).

Note 2 - Cash

Cash as at December 31 consists of:

	2023	2022
Cash in banks	P 38,043,149	P 12,671,105
Cash on hand	700,861	385,248
	P 38,744,010	P 13,056,353

Cash in banks earn interest at the prevailing bank deposit rate. Interest income earned from these deposits for the years ended December 31, 2023, 2022 and 2021 amounted to P10,228, P6,148 and P1,230, respectively, and is presented as Interest income under Other Income - net account in the statement of comprehensive income (see Note 19).

Note 3 - Trade and Other Receivables

Trade and other receivables as at December 31 consist of:

	2023	2022
Trade receivables	P 6,309,660	P 9,903,582
Advances to employees	2,066,339	784,503
Other receivables	-	261,646
	8,735,999	10,949,731
Less: Allowance for doubtful accounts	(575,264)	(36,591)
	P 7,800,735	P10,913,140

Trade receivables are non-interest bearing and are generally collectible within 30 days.

Advances to employees pertain to employee advances which are subject to liquidation or collectible through salary deduction.

Other receivables pertain to commissions from various consignors. These receivables are collectible in cash within 30 day-normal collection period, unsecured, non-interest bearing and with no guarantee.

Movements in allowance for doubtful accounts for trade and other receivables for the years ended December 31 follow:

	Note	2023	2022	2021
January 1		P 36,591	P 36,591	P -
Provision during the year	18	538,673	-	36,591
December 31		P 575,264	P 36,591	P 36,591

All of the Club's trade and other receivables have been assessed for impairment using the expected credit losses (ECL) model [see Note 21.1.2(b)]. In 2023 and 2021, certain trade receivables were found to be impaired based on the ECL methodology of the Club as determined by management; hence, adequate amounts of allowance for impairment have been recognized. Provision for doubtful accounts was recognized amounting to P538,673 and P36,591 in 2023 and 2021, respectively, and is presented under Operating Expenses in the 2023 and 2021 statements of comprehensive income (see Note 18). There was no impairment loss recognized in 2022.

Note 4 - Inventories

The details of inventories, which are all stated at cost that are lower than their net realizable values, are shown below.

	2023	2022
Food and beverages	P 3,380,017	P 2,456,153
Retail stocks	441,462	518,459
Operating supplies and others	89,088	24,000
	P 3,910,567	P 2,998,612

The cost of inventories recognized as direct expenses for the years ended December 31, 2023, 2022 and 2021 amounted to P54,127,061, P53,523,671 and P23,832,201, respectively.

Note 5 - Prepayments and Other Current Assets

Prepayments and other current assets as at December 31 consist of:

	2023	2022
Advances to suppliers	P 7,872,096	P 4,061,300
Prepaid tax	2,580,231	2,432,228
Prepaid supplies	423,458	313,000
	P 10,875,785	P 6,806,528

Advances to suppliers relate to down payments for future purchases and services.

Prepaid supplies consist of several prepayment items such as office supplies, cleaning supplies, kitchenware, uniforms and linen and curtains which the Club has paid in cash and are expected to be used and expensed in the succeeding period.

Note 6 - Property and Equipment

Details of and movements in the account as at and for the years ended December 31 are as follows:

	Furniture, fixtures and equipment	Transportation equipment	Site improvement	Construction in-progress	Total
Cost					
January 1, 2022	P 60,515,945	P 726,000	P 36,890,955	P 749,326	P 98,882,226
Additions	91,757	-	2,595,072	-	2,686,829
Reclassification	-	-	749,326	(749,326)	-
December 31, 2022	60,607,702	726,000	40,235,353	-	101,569,055
Additions	4,492,263	67,654	1,569,526	-	6,129,443
December 31, 2023	65,099,965	793,654	41,804,879	-	107,698,498
Accumulated depreciation					
January 1, 2022	55,992,975	629,200	21,581,864	-	78,204,039
Depreciation	2,707,835	96,800	4,664,117	-	7,468,752
December 31, 2022	58,700,810	726,000	26,245,981	-	85,672,791
Depreciation	1,573,071	11,125	3,509,979	-	5,094,175
December 31, 2023	60,273,881	737,125	29,755,960	-	90,766,966
Net book values					
December 31, 2022	1,906,892	-	13,989,372	-	15,896,264
December 31, 2023	P 4,826,084	P 56,529	P 12,048,919	P -	P 16,931,532

The depreciation of property and equipment for the years ended December 31 was allocated as follows:

	Note	2023	2022	2021
Cost of sales and services		P 4,699,488	P 6,890,086	P 9,453,333
Operating expenses	18	394,687	578,666	793,940
		P 5,094,175	P 7,468,752	P 10,247,273

As at December 31, 2023 and 2022, the Club has no unpaid property and equipment additions.

As of December 31, 2023 and 2022, the gross carrying amount of the Club's fully depreciated property and equipment that are still used in operations is P88,200,071 and 88,186,865, respectively.

Note 7 - Right-of-Use Assets and Lease Liabilities

(i) Club premises

On March 21, 2016, the Club entered into a non-cancellable lease agreement with 20-34 Property Holdings, Inc. (Lessor), for the lease of its separate office and storage spaces to be utilized for the construction of its restaurant. The term of the lease is for a period of 10 years and five years, respectively, starting from September 16, 2016 with escalation in rental fee of 5% each year. Both spaces are renewable on the fifth year subject to mutual agreement between the Club and the Lessor.

On July 17, 2017, the agreement was amended to change the commencement date to October 16, 2016, lease area and monthly rates for its office and storage lease. The amendment also included two additional leases for storage area which started on January 15, 2017 and March 22, 2017, respectively. Under the terms of the covering lease agreements after modification, the Club is required to make three months security deposits amounting to P8,881,434.

On November 1, 2020, the lease agreement was modified reducing the office and storage spaces and monthly lease payments. Under the terms of the covering lease agreements after modification, the Club is required to make three months security deposits amounting to P5,776,582. These security deposits are presented at its amortized cost. The carrying amount of these security deposits as at December 31, 2023 and 2022 amounted to P4,281,605 (see Note 9).

Based on the fifth amendment to the contract of lease, the essential provision stated that beginning November 1, 2020 until July 31, 2021, the net usable area of the Club is 1,282 sqm with an office space of 1,091 sqm (inclusive of 30.90 sqm mezzanine and 30.44 sqm of Rooms 8A and 8B) and storage area of 190.97 sqm.

Starting August 1, 2021 up to April 30, 2022, the net usable area of the club increased to 1,311 sqm with an increase in the office space of 1,120 sqm as well. Moreover, starting May 1, 2022 onwards, the net usable space of the Club is 1,306 sqm with an office space of 1,115 sqm.

In 2021, lease concessions were also granted to the Club thereby reducing the monthly rental payments at varying rates per month. For the year ended December 31, 2021, the Club recognized a gain from lease concessions amounting to P17,286,664 under Other Income account in the 2021 statement of comprehensive income (see Note 19). There was no additional lease concessions for the years ended December 31, 2023 and 2022.

On March 14, 2023, the lease agreement was modified to include the lease of one motorcycle parking slot. Accordingly, the Club recognized additional right-of-use assets and lease liabilities amounting to P35,958.

(ii) Storage areas

On April 15, 2022, the Club entered into a lease agreement with Valentina S. Berin for the lease of space located in Pasig City which shall be used as office, storage, and commissary of the Club. The term of the lease is for a period of two years, starting from May 1, 2022 and ending on April 30, 2024. The lessor shall be notified by the lessee of its intention to renew the contract 60 days before the termination date.

The Club shall be charged a monthly rental of P45,000. In addition, it shall deposit to the lessor, upon signing of the contract equivalent to four months or the of P180,000 wherein the two months shall be applied as rent for the 11th and 12th months and the remaining two months shall answer partially for damages and any other obligations.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leased assets are presented as a separate line item in the statement of financial position. The statements of financial position show the following amounts relating to leases:

	Club premises	Storage areas	Total
Cost			
January 1, 2022	P 214,287,285	P 14,958,486	P 229,245,771
Additions	-	1,070,049	1,070,049
Modifications	(6,619,960)	(740,596)	(7,360,556)
December 31, 2022, as restated	207,667,325	15,287,939	222,955,264
Modifications	35,958	-	35,958
December 31, 2023	207,703,283	15,287,939	222,991,222
Accumulated amortization			
January 1, 2022	(137,425,222)	(7,952,206)	(145,377,428)
Amortization	(16,040,779)	(1,818,863)	(17,859,642)
December 31, 2022	(153,466,001)	(9,771,069)	(163,237,070)
Amortization	(13,817,183)	(1,751,962)	(15,569,145)
December 31, 2023	(167,283,184)	(11,523,031)	(178,806,215)
Net book values			
December 31, 2022	54,201,324	5,516,870	59,718,194
December 31, 2023	P 40,420,099	P 3,764,908	P 44,185,007

Movements in the lease liabilities for the years ended December 31 follow:

	2023	2022 (As restated)
Lease liabilities		
As at January 1	P 88,137,146	P 113,680,233
Principal payments	(19,906,774)	(19,252,580)
Interest expense	4,715,879	5,961,999
Interest payments	(4,715,879)	(5,961,999)
Lease modification	35,958	-
Lease concessions	-	(7,360,556)
Additions	-	1,070,049
As at December 31	68,266,330	88,137,146
Lease liabilities		
Current	22,268,570	20,134,306
Non-current	45,997,760	68,002,840
	P 68,266,330	P 88,137,146

The statements of comprehensive income for the years ended December 31 show the following amounts relating to leases:

	Note	2023	2022	2021
Amortization expense				
Club premises		P 13,817,183	P 16,040,779	P 16,040,779
Storage areas		1,751,962	1,818,863	1,462,180
		15,569,145	17,859,642	17,502,959
Interest expense		4,715,879	5,961,999	6,935,336
Short-term leases	18	829,000	645,000	890,826
		P 21,114,024	P 24,466,641	P 25,329,121

The depreciation of right of use asset for the years ended December 31 was allocated as follows:

	Note	2023	2022	2021
Cost of sales and services		P 14,362,876	P 16,475,910	P 16,146,862
Operating expenses	18	1,206,269	1,383,732	1,356,097
		P 15,569,145	P 17,859,642	P 17,502,959

The undiscounted maturity analysis of lease liabilities at December 31, 2023 and 2022 are as follows:

	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	Total
2023					
Lease payments	P 25,552,619	P 26,630,011	P 21,868,586	P -	P 74,051,216
Finance charges	(3,284,049)	(1,969,984)	(530,853)	-	(5,784,886)
Net present value	P 22,268,570	P 24,660,027	P 21,337,733	P -	P 68,266,330
2022					
Lease payments	P 24,613,136	P 25,540,619	P 26,618,011	P 21,862,102	P 98,633,868
Finance charges	(4,478,830)	(3,517,877)	(1,969,276)	(530,739)	(10,496,722)
Net present value	P 20,134,306	P 22,022,742	P 24,648,735	P 21,331,363	P 88,137,146

The Club's payments relative to its leases for the years ended December 31, 2023, 2022 and 2021 amounted to P24,622,653, P25,214,579; P6,394,507, respectively. The payments were allocated between the principal amount of lease liabilities and interest expense.

(iii) Discount rate

The lease payments are discounted using the Club's incremental borrowing rate, being the rate that the Club would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. The discount rate for various lease liabilities is at 5.64% to 5.99% in both 2023 and 2022, and 5.64% in 2021.

To determine the incremental borrowing rate, the Club uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received. Where third party financing cannot be obtained, the Club uses the government bond yield, adjusted for the credit spread specific to each entity under the Club and security using the right-of-use asset.

(iv) Extension and termination options

The extension and termination options are not included in the lease term of the Club premises and storage areas. These options are exercisable only upon mutual agreement of the Club and the lessor. However, extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or terminated). Lease payments to be made under reasonably certain extension options are included in the measurement of lease liability.

Note 8 - Income Taxes

The components of tax expense as reported in the statements of comprehensive income are as follows:

	2023	2022	2021
Recognized in profit or loss:			
Current tax expense –			
Minimum corporate income tax (MCIT) at 1.5%	P 944,646	P -	P -
Deferred tax expense (income) relating to:			
Origination and reversal of temporary differences	6,100,443	2,727,144	8,260,549
Effect of change in income tax rate	-	-	(240,901)
	P 7,045,089	P 2,727,144	P 8,019,648

The details of temporary differences for which deferred tax assets and deferred tax liabilities were recognized as at December 31, 2023 and 2022 are as follows:

	2023	2022
Deferred income tax assets		
To be recovered within 12 months:		
Unrealized foreign exchange gain	P -	P 16,206
To be recovered beyond 12 months:		
Net operating loss carryover (NOLCO)	9,819,461	9,497,995
PFRS 16 lease accounting	6,020,331	7,104,738
Deferred membership income	-	5,321,296
	P 15,839,792	P 21,940,235

Management believes that future taxable profit will not be available for the below temporary differences. Details of unrecognized deferred tax assets as at December 31 are as follows:

	2023	2022
Deferred membership income for the next two years	P 14,293,394	P 14,293,394
Unrecognized NOLCO	6,265,392	6,265,392
MCIT	2,150,244	1,928,301
Retirement benefit obligation	879,652	895,821
Allowance for doubtful accounts	143,815	9,147
	P 23,732,497	P 23,392,055

The movements in deferred tax assets and deferred tax liabilities for the years ended December 31 are as follows:

	2023	2022	2021
January 1	P 21,940,235	P 24,667,379	P 32,651,854
Charged to profit or loss	(6,100,443)	(2,727,144)	(8,019,648)
MCIT	-	-	276,074
Impact of CREATE	-	-	(240,901)
December 31	P 15,839,792	P 21,940,235	P 24,667,379

Realization of future tax benefits related to the deferred tax assets is dependent on many factors, including the Club's ability to generate taxable income in the future. As at December 31, 2023 and 2022, the Club recognized its deferred tax assets to the extent that management assessed that it is probable that there will be sufficient future taxable profits to which the future deductible amounts can be applied. Deferred tax assets are recognized for unused NOLCO to the extent that the realization of the related tax benefit through the future taxable profits is probable. A portion of deferred tax asset related to NOLCO was not recognized.

The Club is entitled to NOLCO which can be applied to the Club's taxable income for three to five succeeding years from the year the loss was incurred.

Details of the NOLCO as at December 31 are as follows:

Year of incurrence	Year of expiration	2023	2022
2019	2022	P -	P 85,592,264
2020	2025	25,061,567	25,061,567
2021	2026	37,991,978	37,991,978
2023	2026	1,285,865	-
		64,339,410	148,645,809
Unrecognized		(25,061,567)	(69,646,905)
Applied		-	(15,945,359)
Expired		-	(25,061,567)
		39,277,843	37,991,978
Tax rate		25%	25%
		P 9,819,461	P 9,497,995

The Club is subject to MCIT which is computed at 1.5% in 2023 and 1% in 2022 of gross income, net of allowable deductions, as defined under the tax regulations, or to regular corporate income tax, whichever is higher.

Details of the Club's unrecognized MCIT as at December 31 are as follows:

Year of incurrence	Year of expiration	2023	2022
2020	2023	P 722,703	P 722,703
2021	2024	276,074	276,074
2022	2025	929,524	929,524
2023	2026	944,646	-
		2,872,947	1,928,301
Expired		(722,703)	-
		P 2,150,244	P 1,928,301

A reconciliation of tax on pretax profit (loss) computed at the applicable statutory rates to tax expense reported in the statements of comprehensive income is as follows:

	2023	2022	2021
Tax on pretax profit (loss) at 25%	P 5,684,189	P 5,252,644	P (7,743,937)
Tax effects of:			
Unrecognized MCIT	944,646	-	276,074
Movement in unrecognized deferred tax asset	413,432	-	7,835,785
Non-deductible expenses	5,379	1,639,500	450,892
Interest income subject to final tax	(2,557)	(1,537)	(307)
Application of NOLCO	-	(4,188,800)	-
Non-deductible entertainment and representation expense	-	25,337	179,024
Change in tax rates	-	-	7,022,117
	P 7,045,089	P 2,727,144	P 8,019,648

The Club claimed itemized deductions in 2023, 2022 and 2021 in computing its income tax due.

Note 9 - Other Non-current Assets

Other non-current assets as at December 31 consist of:

	Note	2023	2022
Security deposits	7	P 4,281,605	P 4,281,605
Utilities and water deposits		1,160,169	1,160,169
Advance rental		103,352	103,352
Others		304,119	304,119
		P 5,849,245	P 5,849,245

Advance rental pertains to advance payment of rent as required under the terms covering lease contract. As at December 31, 2023 and 2022, the advanced rental remains to be unapplied.

Security, utilities and water deposits, pertains to the rental deposit refundable at the end of the lease term.

Note 10 - Trade and Other Payables

Trade and other payables as at December 31, 2023 and 2022 consist of:

	2023	2022
Trade payables	P 11,492,206	P 11,394,239
Output VAT	19,570,122	10,712,269
Payable to government agencies	7,274,849	4,428,420
Salaries and other benefits	1,690,288	1,748,828
Retention payable	1,172,382	1,172,382
Accrued expenses	962,499	2,489,160
Consignor payable	843,589	908,777
Others	1,112,810	1,165,996
	P 44,118,745	P 34,020,071

Trade, accruals and other payables are non-interest bearing and are generally on a 30 to 60 day term.

Retention payable pertains to the amount withheld by the Club from the project contractors related to its construction in progress which is equivalent to 10% of every progress billing to be released upon fulfillment of the terms and conditions in the contract.

Consignor payable pertains to receipts from sale of consigned goods which are yet to be remitted to the consignors.

Others pertains to gift certificates payable and tax refund of employees.

Note 11 - Related Party Transactions

In the normal course of business, the Club transacts with companies which are considered related parties under PAS 24, *Related Party Disclosures*.

The table in the succeeding page summarizes the Club's balances and transactions with related parties for the years ended December 31, 2023 and 2022.

	2023		2022		Terms and conditions
	Transactions	Outstanding payable	Transactions	Outstanding payable	
Shareholders					
Advances from shareholders	(P1,100,000)	P 9,168,502	(P1,848,759)	P10,268,502	Balances are payable in cash on demand, unsecured and non-interest bearing.
Key management personnel					
Short-term employee benefits	7,154,832	-	6,380,476	-	Based on employee contracts payable every designated pay period.
Retirement benefits	(64,677)	3,518,606	137,495	3,583,283	Refer to Note 12

As at December 31, 2023 and 2022, there are no outstanding advances to and from key management personnel. There are no share-based compensation, remuneration and other long term benefits received by key management personnel during the year.

Note 12 - Retirement Benefit

The Club does not have an established retirement plan and only conforms to the minimum regulatory benefit under the Retirement Pay Law (Republic Act No. 7641) which is of the final salary defined benefit type and provides retirement benefit equal to 22.5 days pay for every year of credit service for employees who attain the normal retirement age of 60 with at least five years of service. The regulatory benefit is paid in a lump sum upon retirement. The most recent actuarial valuation of the Club's retirement plan was performed by an independent actuary at December 31, 2023.

The retirement obligation is determined using the projected unit credit (PUC) method. Under the PUC method, the annual normal cost for the portion of the retirement is determined as the amount necessary to provide for the portion of the retirement benefit accruing during the year.

The following are the details of the Club's retirement account balance as at and for the years ended December 31:

	2023	2022	2021
Retirement benefit obligation	P 3,518,606	P 3,583,283	P 3,445,788
Retirement benefit expense recognized in profit or loss	1,115,054	1,176,134	1,215,450
Remeasurement gain recognized in other comprehensive income	(1,179,731)	(1,038,639)	(741,025)

Changes in the present value of the defined benefit obligation for the years ended December 31 are as follows:

	2023	2022
January 1	P 3,583,283	P 3,445,788
Current service cost	851,324	178,492
Interest cost	263,730	997,642
Remeasurement loss (gain) from:		
Changes in demographic	(1,258,623)	-
Changes in financial assumptions	224,322	(968,392)
Experience adjustment	(145,430)	(70,247)
December 31	P 3,518,606	P 3,583,283

The movement of retirement benefit obligation recognized in the statements of financial position for the years ended December 31 are as follows:

	2023	2022	2021
Current service cost	P 851,324	P 178,492	P 123,014
Interest cost	263,730	997,642	1,092,436
December 31	P 1,115,054	P 1,176,134	P 1,215,450

Movements in other reserves, net of deferred tax, charged in equity are as follows:

	2023	2022
January 1	(P 940,016)	P 98,623
Remeasurement loss (gain) from:		
Changes in demographic	(1,258,623)	-
Changes in financial assumptions	224,322	(968,392)
Experience adjustment	(145,430)	(70,247)
December 31	(P 2,119,747)	(P 940,016)

The principal actuarial assumptions used for the years ended December 31 are as follows:

	2023	2022
Discount rate	6.12%	7.36%
Salary increase rate	3.00%	3.00%
Average future working years of service	25.0	25.0

As at December 31, 2023 and 2022, the weighted average duration of the retirement benefit obligation are 6 years and 10 years, respectively. The expected undiscounted maturity benefit payments between one to 10 years is P3,011,266 and P3,033,225 as at December 31, 2023 and 2022, respectively.

Note 13 - Capital Deficiency

13.1 Share capital

Details and movements of the Club's share capital as at December 31, 2023 and 2022 are as follows:

	Authorized		Issued and outstanding	
	Shares	Amount	Shares	Amount
Preferred shares at P100,000 per share	2,000	P 200,000,000	1,550	P 155,000,000
Common shares at P10 per share	200,000	2,000,000	100,005	1,000,050
				P 156,000,050

Out of the total authorized preferred shares of 2,000, the SEC granted the Club license to offer or sell to the public 1,500 shares at the offer price of P100,000 per share. Refer to Note 23.7 for features of preferred shares and common shares.

The Club has five shareholders owning 100 or more common shares each of the Club's capital stock as at December 31, 2023 and 2022.

13.2 Earnings (loss) per share

Basic and diluted earnings (loss) per share are computed as follows:

	2023	2022	2021
Net profit (loss) for the year	P15,691,667	P18,283,433	(P38,995,397)
Divided by the weighted average number of issued and outstanding common shares	100,005	100,005	100,005
Basic and diluted earnings (loss) per share	P 156.91	P 182.83	(P 389.93)

Note 14 - Deferred Income

On October 20, 2017, the SEC granted the Club permit to sell or offer preferred shares (see Note 13) and membership certificates for sale to the public. Membership to the Club entitles a person an exclusive right to access the Club's facilities and services. The issue price of each membership certificate depends on the type of membership listed below. In 2023, the Club increased the prices of each membership certificate.

(a) Founding Membership

A member who becomes part of the first 600 members of the Club. Each membership certificate costs P300,000 and is transferrable after the lock up period.

(b) Regular Membership

A member who was admitted after the Club has chosen the first 600 Founding Members. Each membership certificate costs P250,000 and is transferrable after the lock up period.

(c) Associate Membership

A member who has the same qualifications and privileges as Regular Members except that the certificates of membership are non-transferable. Each membership certificate costs P200,000.

(d) Junior Membership

A member who has the same qualifications and privileges as Regular Members except that the certificates of membership are non-transferable and the member must be under 30 years of age upon submission of application for membership to the Club. Each membership certificate costs P75,000.

A lock up period of five years from subscription among holders of Founding and Regular Membership certificates prohibits the selling, assigning, or transferring of the certificates to any third party.

The details of Club's membership certificates as at December 31 consist of:

	Authorized		Certificate	Total
	Shares	Total amount	sold	amount
As at December 31, 2023				
Founding membership certificates	600	120,000,000	600	P 130,650,000
Regular membership certificates	1,000	150,000,000	200	38,482,143
Associate membership certificates	600	60,000,000	170	24,082,143
Junior membership certificates	600	30,000,000	201	11,050,000
Total	2,800	360,000,000	1,171	P 204,264,286
As at December 31, 2022				
Founding membership certificates	600	120,000,000	600	P 121,200,000
Regular membership certificates	1,000	150,000,000	163	30,582,143
Associate membership certificates	600	60,000,000	142	19,582,143
Junior membership certificates	600	30,000,000	187	10,200,000
Total	2,800	360,000,000	1092	P 181,564,286

Proceeds from sale of membership certificates are recognized as revenue over the shorter of average life expectancy of member and lease term (see Note 15). No refund has been given to those resigned and terminated certificates. In 2023, there are new members that replaced the resigned and terminated members. Proceeds are included in membership certificates sold during the year. There was no similar transaction in 2022 and 2021.

Movement of deferred membership fees for the years ended December 31 are as follows:

	2023	2022	2021
Beginning	P 78,458,695	P 80,815,641	P 91,138,569
Membership certificates sold	22,700,000	18,050,000	10,300,000
Less: Amortization during the year	(24,355,376)	(20,406,946)	(20,622,928)
Total	76,803,319	78,458,695	80,815,641
Less: Current portion	(25,095,040)	(24,488,874)	(20,790,103)
Non-current portion	P 51,708,279	P 53,969,821	P 60,025,538

The balance of the current portion of deferred income as at December 31, 2023 and 2022 reported in the statements of financial position includes advance payments and deferred dues and income amounting to P2,083,068 and P26,481,829 in 2023, respectively, and P4,188,809 and P21,697,189 in 2022, respectively.

Note 15 - Net Revenues

The components of net revenues for the years ended December 31 follow:

	Note	2023	2022	2021
Sale of food, beverages and goods		P 136,472,934	P 135,534,806	P 64,005,191
Less: Discounts		(5,576,303)	(4,849,922)	(2,687,552)
		130,896,631	130,684,884	61,317,639
Membership dues		34,828,043	35,270,890	16,737,873
Amortization of deferred income	14	24,305,442	20,456,880	20,622,928
Less: Allowances		(9,672,599)	(12,849,373)	-
		180,357,517	173,563,281	98,678,440
Rentals and other income		4,796,557	3,756,818	989,541
Retail sales		2,596,104	3,622,251	1,917,004
Net sales and services		P 187,750,178	P 180,942,350	P 101,584,985

Retail sales were from sales of items such as pillows and hampers.

Rental and other income were derived from use of banquet space, ingress fee, cancellation fees and other income associated with banquet events.

Provision for allowances represent the expected annual membership dues that are yet to be collected as at December 31, 2023 and 2022. Since probability of collection under the definition of contract was not met therefore the revenue was provided for with a provision for allowance. The amount is based on observed historical trend of disallowances in the past 3 years. The corresponding credit is offset against the annual membership dues for presentation purposes.

Note 16 - Payroll and Related Expenses

The components of payroll and related expenses presented under cost of sales and services in the statements of total comprehensive income for the years ended December 31 follow:

	2023	2022	2021
Salaries and wages	P 9,127,867	P 9,752,425	P 8,318,230
Employee benefits	4,295,772	3,417,159	3,067,016
Retirement benefit expense	1,115,054	1,176,134	1,215,450
	P 14,538,693	P 14,345,718	P 12,600,696

Note 17 - Other Expenses

The components of other expenses presented under cost of sales and services for the years ended December 31 follow:

	2023	2022	2021
Contract services	P 8,086,364	P 8,658,530	P 4,292,485
Operating and office supplies	1,578,824	2,374,707	2,183,335
Music and entertainment	1,470,321	264,000	14,000
Professional fees	1,335,344	36,676	475,000
Laundry services	997,703	-	-
Housekeeping	556,881	635,314	178,834
Operating equipment	345,071	207,161	131,604
Transportation	130,353	82,838	42,892
Utensils	111,520	554,055	30,857
Representation and entertainment	88,845	166,984	21,633
Uniforms	42,435	14,703	21,889
Others	693,553	635,940	509,660
	P 15,437,214	P 13,630,908	P 7,902,189

Others include cost of decorations, complimentary guest gifts and research and development for food menu.

Note 18 - Operating Expenses

The components of operating expenses for the years ended December 31 follow:

	Notes	2023	2022	2021
Payroll and related expenses		P 24,544,130	P 24,611,048	P 22,099,193
Utilities		8,513,359	7,952,868	5,182,569
Repairs and maintenance		6,609,977	6,429,398	3,834,255
Bank charges		3,345,946	2,993,001	1,423,000
Professional fees		2,150,693	2,522,728	1,019,921
Supplies		1,971,968	1,137,502	602,414
Depreciation and amortization	6, 7	1,600,956	1,962,398	2,150,037
Outside services		1,471,377	1,010,898	676,061
Representation expenses		1,365,702	1,072,146	1,489,550
Communication		1,308,298	1,223,144	1,396,897
Taxes and licenses		1,274,921	1,433,382	1,945,752
Rent	7	829,000	645,000	890,826
Trainings		701,075	246,885	236,821
Provision for doubtful accounts	3	538,673	-	36,591
Transportation		310,499	423,081	695,023
Advertising and promotion		203,385	911,783	597,268
Information systems		114,759	-	99,869
Insurance		37,546	36,837	36,982
Other expenses		7,228,760	13,730,723	15,591,752
		P 64,121,024	P 68,342,822	P 60,004,781

Other expenses mainly pertain to duty meals and internship allowances incurred during the year. Other expenses for 2022 mainly include penalties for late payments to supplier.

Note 19 - Other Income

The components of other income for the years ended December 31 follow:

	Notes	2023	2022	2021
Unused consumables		P 8,743,062	P 7,509,244	P 5,731,153
Interest income	2	10,228	6,148	1,230
Foreign exchange losses		1,187	(78,957)	-
Gain on lease concessions or modifications	7	-	-	17,286,664
Loss on disposal/sale of assets		-	-	(17,797,295)
Miscellaneous income (expenses) - net		(1,765,664)	11,802,906	(907,088)
		P 6,988,813	P 19,239,341	P 4,314,664

Unused consumables pertain to portion of annual dues that can be used to purchase goods from the Club which was forfeited in 2023.

Miscellaneous income (expenses) - net pertains to late payment charges of receivables arising from credit sales, net of the common utilities and services allocation for its club premises and storage areas.

Note 20 – Commitments and Contingencies

There are other commitments and contingencies that may arise in the normal course of the Club's operations which are not reflected in the financial statements. As of December 31, 2023 and 2022, management is of the opinion that losses, if any, from these events and conditions will not have a material effect on the Club's financial statements.

Note 21 - Financial Risk and Capital Management

21.1 Financial Risk Factors

The Club's activities expose it to a variety of financial risks: market risks (foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Club's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Club's financial performance.

21.1.1 Market risks

(a) *Foreign exchange risk*

Currency risk arises when future commercial transactions, and recognized assets and liabilities are denominated in a currency that is not the Club's functional currency. In the normal course of business, the Club transacts with certain companies based outside the Philippines, with these transactions being settled in US Dollar. Such transactions are very minimal and does not expose the Club to foreign exchange risk.

(b) *Cash flow and fair value interest rate risk*

This risk affects future cash flows as a result of changes in market interest rates. The Club's exposure to the risk of changes in interest rates is minimal since it only relates to interest on cash deposits.

21.1.2 Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Club. Credit risk arises from the financial assets of the Club, which comprise of cash in bank, trade and other receivables (excluding advances to employees) and refundable deposits.

The maximum exposure to credit risk for the components of the statements of financial position approximates their carrying values as at December 31, 2023 and 2022.

The table below summarizes the credit quality of the Club's financial assets as at December 31, 2022 and 2021:

	Notes	Stage 1 Performing	Stage 2 Under- performing	Stage 3 Non- Performing	Total
2023					
Cash in bank	2	P 38,043,149	P -	P -	P 38,043,149
Trade and other receivables*	3	-	5,734,396	575,264	6,309,660
Refundable deposits	9	5,441,774	-	-	5,441,774
		P 43,484,923	P 5,734,396	P 575,264	P 49,794,583
2022					
Cash in bank	2	P 12,671,105	P -	P -	P 12,671,105
Trade and other receivables*	3	-	10,128,637	36,591	10,165,228
Refundable deposits	9	5,441,774	-	-	5,441,774
		P 18,112,879	P 10,128,637	P 36,591	P 28,278,107

**excluding advances to employees*

The assets were classified by the Club based on changes in credit quality under three-stage model for impairment. Stage 1 pertains to assets of the Club that is not credit-impaired on initial recognition. Stage 2 pertains to assets of the Club with significant increase in credit risk but not yet deemed to be credit-impaired. Financial assets that are credit-impaired are classified under Stage 3, which were fully provided for with an allowance for impairment.

(a) *Cash*

The Club deposits its cash in bank in commercial banks as defined by Philippine Banking System and are approved by the BOD to minimize credit risk exposure.

The credit risk for cash is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. Included in cash are cash in banks which are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P0.5 million for every depositor per banking institution.

(b) *Trade and other receivables*

The Club has no significant concentrations of credit risk due to various customers comprising its portfolio and it has policies in place to ensure that the sale of goods and services is made only to customers with an appropriate credit history. The credit quality of receivables is evaluated both on the basis of the aging of the receivables as well as on the basis of individual case by case customer analysis in order to identify customers with a potential higher credit risk due to individual customer specific reasons. The impairment loss allowance for receivables is recognized on the basis of this credit quality evaluation and using the expected loss credit model. Nonetheless, the Club is still exposed to risk of non-collection arising from disputes and disagreements on billings, which may deter the collection of outstanding accounts on a timely basis.

The Club applies the simplified approach under PFRS 9, *Financial Instruments*, to measure ECL which uses a lifetime ECL for trade and other receivables, including due from related parties. To measure the ECL, receivables have been grouped based on shared credit risk characteristics and the days past due.

	Stage 1 - Performing	Stage 2 - Under- performing	Stage 3 - Non- performing	Total
2023				
Expected loss rate	0.00%	0.00%	100.00%	
Trade receivables	- P 5,734,396	P 575,264	P 6,309,660	
Loss allowance	-	-	P 575,264	P 575,264
2022				
Expected loss rate	0.00%	0.00%	100.00%	
Trade receivables	- P 10,128,637	P 36,591	P 10,165,228	
Loss allowance	-	-	P 36,591	P 36,591

(c) *Refundable deposits*

Credit exposure on refundable deposits arises from the Club's existing non-cancellable lease agreements and utility providers.

As at December 31, 2023 and 2022, management does not expect any counterparty to default in its payment obligations to the Club considering that the lessors and utility providers are creditworthy and in good financial standing.

21.1.3 Liquidity risk

Liquidity risk arises from the possibility that the Club may encounter difficulties in raising funds to meet commitments from financial instruments or that a market for derivatives may not exist in some circumstance.

The Club monitors its cash flow position and overall liquidity position in assessing its exposure to liquidity risk. The Club maintains a level of cash deemed sufficient to finance operations and to mitigate the effects of fluctuation in cash flows by monitoring on a monthly basis the expected cash inflows and outflows. Management believes there will be adequate financial asset to meet maturing financial obligations and readiness of related parties to extend financial assistance through advances, if necessary; hence, there is no significant liquidity risk.

The Club's financial liabilities mature within the next 30 to 60 days from reporting date. The amounts disclosed in the table are contractual undiscounted cash flows, as the impact of discounting is not significant.

	Notes	2023	2022
Trade and other payables*	10	P 17,273,774	P 18,879,382
Advances from shareholders	11	9,168,502	10,268,502
Lease liabilities**	7	74,051,216	98,633,868
		P 100,493,492	P 127,781,752

*excluding payable to government agencies and output VAT

**including future interest payments

21.2 Capital Management

Management's primary objective as regards capital is to ensure that the Club continues as a going concern, as well as to maintain optimal returns through dividend declarations. Capital consists of share capital and deficit as shown in the statement of financial position. There are no external restrictions imposed by third parties on the Club's capital nor it is subjected to minimum statutory requirements as at December 31, 2023 and 2022.

There were no changes made in the capital management policies as at December 31, 2023 and 2022.

21.3 Financial Instrument by Category

The accounting policies for financial instruments have been applied to the line items below.

	Notes	2023	2022
Financial assets			
Cash	2	P 38,744,010	P 13,056,353
Trade and other receivables*	3	6,309,660	10,165,228
Security deposits	9	5,441,774	5,441,774
		P 50,495,444	P 28,663,355
Financial liabilities			
Trade and other payables**	10	P 17,273,774	P 18,879,382
Advances from shareholders	11	9,168,502	10,268,502
Lease liabilities	7	74,051,216	98,633,868
		P 100,493,492	P 127,781,752

*excluding advances to employees

**excluding payable to regulatory agencies and output VAT

An analysis of net debt and the movements in net debt as at December 31 are as follows:

	Notes	2023	2022
Cash in banks	2	P 38,043,149	P 12,671,105
Advances from shareholders	11	(9,168,502)	(10,268,502)
Net debt		P 28,874,647	P 2,402,603

Movements in the Club's net debt for the year ended December 31 are as follows:

	Cash	Advances from shareholders	Total
Net debt as at January 1, 2022	P 5,716,238	(P 12,117,261)	(P 6,401,023)
Cash flows	6,954,867	1,848,759	8,803,626
Net debt as at December 31, 2022	12,671,105	(10,268,502)	2,402,603
Cash flows	25,372,044	1,100,000	26,472,044
Net debt as at December 31, 2023	P 38,043,149	(P 9,168,502)	P 28,874,647

Advances from shareholders are peso-denominated and non-interest bearing (see Note 11).

21.4 Fair Value Measurement

The carrying values of cash, trade and other receivables (excluding advances to employees), rental deposits and trade and other payables (excluding payable to government agencies and output VAT) are assumed to approximate their fair values due to the liquidity, short maturity and nature of such items.

As at December 31, 2023 and 2022, the Club does not have financial assets and liabilities that are measured at fair value.

21.5 Fair Value Hierarchy

In accordance with PFRS 13, *Fair Value Measurement*, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS, are categorized into three levels based on the significance of inputs used to measure the fair value. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

As at December 31, 2023 and 2022, the Club does not hold financial and non-financial assets and liabilities at fair value.

Note 22 - Significant Accounting Judgments and Estimates

The preparation of the Club's financial statements in accordance with Philippine Financial Reporting Standards (PFRS) requires management to make judgments and estimates that affect the amounts reported in the financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

22.1 Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period:

(a) Estimation of useful lives of property and equipment and right-of-use assets

The Club estimates the useful lives of property and equipment and right-of-use assets based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment and right-of-use assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence, and legal or other limits on the use of the assets.

The carrying amounts of property and equipment and right-of-use assets are analyzed in Notes 6 and 7, respectively. Based on management's assessment as at December 31, 2023 and 2022, there is no change in estimated useful lives of those assets during those years. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above.

(b) Estimation of retirement benefit obligation

The determination of the obligation and retirement costs is dependent on the selection of certain assumptions by management used by the actuary in calculating such amounts. Those assumptions are described in Note 12 and include, among others, discount rates and salary increase rates. While the Club believes that the assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions materially affect retirement benefit obligation. The assumptions are reviewed at each reporting date and are adjusted as necessary to reflect the current circumstances.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumption are as follows:

	Rates	Increase (Decrease)	
		2023	2022
Discount rate	1.00%	(P 183,792)	(P 323,463)
	-1.00%	211,059	392,166
Salary increase rate	1.00%	P 215,674	P 406,174
	-1.00%	(190,698)	(338,842)

The sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the PUC method at the end of the reporting period) has been applied as when calculating the retirement benefit obligation recognized within the statements of financial position. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(c) Determination of incremental borrowing rate for leases

To determine the incremental borrowing rate, the Club uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received. Where third party financing cannot be obtained, the Club uses the government bond yield, adjusted for the (1) credit spread specific to the Club and (2) security using the right-of-use asset (see Note 7). Actual results, however, may vary due to changes in estimates brought about by changes in such factors.

(d) Estimation of allowance for ECL

The measurement of the allowance for ECL on financial assets at amortized cost is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation used in measuring ECL is further detailed in Note 21.1.2.

(e) Determination of realizable amount of deferred tax assets

The Club reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. The carrying value of recognized deferred tax assets, which management assessed may be fully utilized in the coming years, as of December 31, 2023 and 2022 is disclosed in Note 8. Certain deferred tax assets, however, were not recognized since management believes that there is no assurance that the related tax benefits will be realized in the coming years.

(f) Impairment of non-financial assets

In assessing impairment, management estimates the recoverable amount of each asset or a cash-generating unit based on expected future cash flows and uses an interest rate to calculate the present value of those cash flows. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

The Club assessed that the recoverable amounts of property and equipment, right-of-use assets and other non-financial assets as of December 31, 2023 and 2022 are higher than their carrying values.

(g) Determination of net realizable value of inventories

In determining the net realizable value of inventories, management takes into account the most reliable evidence available at the dates the estimates are made. The Club's inventories, which include perishable goods, are affected by certain factors which may cause inventory losses. Moreover, future realization of the carrying amounts of inventories as presented in Note 4 is affected by price changes of food ingredients. Both aspects are considered key sources of estimation uncertainty and may cause significant adjustments to the Club's inventories within the next reporting period.

(h) Provision for allowances on membership dues

The allowances represent uncollected claims arising from membership contracts. Since the probability of collection under the definition of contract was not met, the revenue was provided for with allowances. The amount is based on observed historical trends in the past three years (see Note 15).

22.2 Critical Management Judgments in Applying Accounting Policies

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

(a) Determination of lease term of contracts with renewal and termination options

In determining the lease term, management considers all relevant factors and circumstances that create an economic incentive to exercise a renewal option or not exercise a termination option. Renewal options and/or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated and the renewal of the contract is not subject to mutual agreement of both parties.

The factors that are normally the most relevant are (a) if there are significant penalties should the Club pre-terminate the contract, and (b) if any leasehold improvements are expected to have a significant remaining value, the Club is reasonably certain to extend and not to terminate the lease contract. Otherwise, the Club considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The Club did not include the renewal period as part of the lease term for leases of its Club premises and storage areas due to the provision in its contracts that requires mutual agreement of both parties on the terms and agreements of the renewal and termination of the lease contract.

The lease term is reassessed if an option is actually exercised or not exercised or the Club becomes obliged to exercise or not exercise it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the Club.

(b) Provision for impairment of trade and other receivables

The allowance for impairment of trade and other receivables are based on assumptions about risk of default and expected loss rates. The Club uses estimates in making these assumptions and selecting the inputs to the impairment calculation, based on the Club's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Any change in the Club's assessment of collectability of receivables that was not previously provided for due to reassessment made as additional information is received could significantly impact the calculation of such provision and the results of operations. The amounts and timing of recorded provision for impairment of receivables for any period would differ if the Club made different assumptions or utilized different estimates.

The details of receivables are disclosed in Note 3.

(c) Recognition of deferred income

The recognition policy for membership fee is deferred and recognized as revenue over the average life expectancy of member and lease term, whichever is shorter. Any change in the Club's assessment of amortization of revenue that was not previously accounted for due to reassessment made as additional information is received could significantly impact the calculation of such amortization and the results of operations. The amounts and timing of recorded amortization of membership fee for any period would differ if the Club made different assumptions or utilized different estimates. The details of unamortized membership fee are disclosed in Note 14.

(d) Recognition of provisions and contingencies

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Judgment is exercised by management to distinguish between provisions and contingencies. Disclosures on relevant provisions and contingencies are presented in Note 20.

Note 23 - Material Accounting Policy Information

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

23.1 Basis of preparation

(a) Statement of Compliance with Philippines Financial Reporting Standards

The financial statements of the Club have been prepared in accordance with PFRS. PFRS are adopted by the Financial and Sustainability Reporting Standards Council (FSRSC), from the pronouncements issued by the International Accounting Standards Board and approved by the Philippine Board of Accountancy.

The financial statements have been prepared using the measurement bases specified by PFRS for each type of asset, liability, income, and expense. The measurement bases are more fully described in the accounting policies that follow.

(b) Presentation of Financial Statements

The financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statements*. The Club presents all items of income, expense and other comprehensive income or loss in a single statement of comprehensive income.

The Club presents a third statement of financial position as at the beginning of the preceding period when it applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items that has a material effect on the information in the statement of financial position at the beginning of the preceding period. The related notes to the third statement of financial position are not required to be disclosed.

In 2023, the Club restated the 2022 financial statements to correct certain financial statement accounts due to unaccounted modification of the Club's lease contract which occurred in 2022.

The restatement of such prior period error did not have an effect on the statement of financial position at the beginning of the preceding period; hence, did not warrant the presentation of a third statement of financial position.

The effects of the restatement in the statement of financial position as of December 31, 2022 are summarized below.

	As Previously Reported	Adjustments	As Restated
Changes in Assets –			
Right-of-use asset - net	P 67,078,750	(P 7,360,556)	P 59,718,194
Changes in Liabilities:			
Current –			
Lease liabilities	P 21,838,230	(P 1,703,924)	P 20,134,306
Non-current –			
Lease liabilities	73,659,472	(5,656,632)	68,002,840

(c) *Functional and Presentation Currency*

These financial statements are presented in Philippine pesos, the Club's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

The items included in the financial statements of the Club are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the Club operates.

23.2 Adoption of Amended Standards

(a) *Effective in 2023 that are Relevant to the Club*

The Club adopted for the first time the following amendments to existing standards, which are mandatorily effective for annual periods beginning on or after January 1, 2023:

PAS 1 and PFRS Practice

Statement 2 (Amendments) : Presentation of Financial Statements –
Disclosure of Accounting Policies

PAS 8 (Amendments) : Definition of Accounting Estimates

PAS 12 (Amendments) : Deferred Tax Related to Assets and
Liabilities from a Single Transaction

Discussed below and in the succeeding page are the relevant information about these pronouncements.

- (i) PAS 1 and PFRS Practice Statement 2 (Amendments), *Presentation of Financial Statements – Disclosure of Accounting Policies*. The amendments replaced the requirement for entities to disclose their significant accounting policies with the requirement to disclose their material accounting policy information. The amendments also include guidance to help entities apply the definition of material in making decisions about accounting policy disclosures.

The amendments clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial, that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements and if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information. The application of these amendments is reflected in the Club's financial statements under Notes 22 and 23.

- (ii) PAS 8 (Amendments), *Accounting Estimates – Definition of Accounting Estimates*. The amendments introduced a new definition of accounting estimate which is a monetary amount in the financial statements that are subject to measurement uncertainty. It also clarifies that a change in accounting estimate that results from new information or new developments is not a correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. The application of these amendments had no significant impact on the Club's financial statements.
- (iii) PAS 12 (Amendments), *Income Taxes – Deferred Tax Related to Assets and Liabilities from a Single Transaction*. The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense). Management assessed that the application of such amendments had no significant impact on the Club's financial statements.

(b) *Effective in 2023 that is not Relevant to the Club*

Among the amendments to existing standards, which are mandatorily effective for annual periods beginning on or after January 1, 2023, the amendments to PAS 12, *Income Taxes: International Tax Reform – Pillar Two Model Rules*, are not relevant to the Club's financial statements.

(c) *Effective Subsequent to 2023 but not Adopted Early*

There are amendments to existing standards effective for annual periods subsequent to 2023, which are adopted by the FSRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and none of these are expected to have significant impact on the Club's financial statements:

- (i) PAS 1 (Amendments), *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current* (effective from January 1, 2024)
- (ii) PAS 1 (Amendments), *Presentation of Financial Statements – Non-current Liabilities with Covenants* (effective from January 1, 2024)
- (iii) PAS 7 (Amendments), *Cash Flow Statements* and PFRS 7 (Amendments), *Financial Instruments: Disclosures – Supplier Finance Arrangements* (effective from January 1, 2024)
- (iv) PFRS 16 (Amendments), *Leases – Lease Liability in a Sale and Leaseback* (effective from January 1, 2024)
- (v) PAS 21 (Amendments), *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability* (effective from January 1, 2025)

23.3 Financial Instruments

(a) *Financial Assets*

(i) *Classification and Measurement of Financial Assets*

The relevant financial asset classification applicable to the Club is only financial assets at amortized cost.

The Club's financial assets at amortized cost include Cash, Trade and Other Receivables, and Security deposits presented under Other Non-current Assets account.

(ii) Impairment

The Club assesses on a forward-looking basis the ECL associated with its debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For receivables, the Club applies the simplified approach permitted by PFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables. The expected loss rates are based on the payment profiles of sales over a period of 36 months before December 31, 2023 and 2022, and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Club has identified consumer price index to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in this factor.

(b) Financial Liabilities

Financial liabilities include Trade and Other Payables (except payable to government agencies and output VAT), Advances from Shareholders, and Lease Liabilities.

23.4 Inventories

The cost of inventories is determined using the first-in, first-out method.

23.5 Property and Equipment

Depreciation is computed using the straight-line method over the estimated useful life of the assets, which pertain to furniture, fixtures and equipment, and transportation equipment, is five years.

Site improvements are amortized over the shorter of remaining lease term or useful life of the improvement.

23.6 Impairment of Non-financial Assets

The Club's inventories, property and equipment, right-of-use assets and other non-financial assets are subject to impairment testing whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

23.7 Equity

Common shares are stated at par value and are classified as share capital.

Preferred shares have the following features, rights and privileges:

- to vote and be voted for in all meetings of the shareholders of the Club where such vote is called for;
- pro-rata share in the dividend declaration of the Club;
- cumulation of dividends;
- preference over holders of the common shares in the distribution of corporate assets in the event of dissolution and liquidation of the Club;
- non-convertible into common shares;

- entitled to nominate such number of individuals as may be set by the BOD to become Members of the Club upon fulfillment of the admissions, qualifications, maintenance and other requirements as prescribed by the Club;
- no pre-emptive rights over any sale or issuance of any share in the Clubs share capital; and right to use the facilities and services of the Club.

23.8 Revenue and Expense Recognition

The Club's revenue streams are considered recognized at a point in time with no variable consideration and financing component.

The Club recognizes revenue when (or as) a performance obligation is satisfied at the amount of the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, some sales taxes). Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Club's activities, which normally approximates the invoice amount, net of VAT. The following specific recognition criteria must also be met before revenue is recognized.

(i) Sale of food, beverage and goods

The Club operates several food banquet and restaurants. Food and beverage revenue is recognized upon invoicing and coincides when the meals are served to customers. It is presented net of applicable taxes.

(ii) Retail sales

Retail sales are recognized upon billing to customers which coincides with deliveries of goods. It is presented net of applicable taxes.

(iii) Membership income

Membership in the Club is a privilege, which is subject to such restrictions, limitations and obligations as may be imposed by the Club in accordance with its By-Laws and the Club Rules. In granting membership to the Club, the BOD classified its members as Founding, Regular, Associate and Junior members.

Membership income comes from the membership fees and monthly dues. Such fees vary depending on their type of membership.

Membership fees are one-time upfront payment and is deferred and recognized as revenue over the average life expectancy of members and lease term, whichever is shorter. Founding and Regular membership are transferable after the required lock-up period of five years. Associate and Junior Membership are non-transferable.

Membership dues are billed on an annual basis and recognized as income during the relevant year.

Expenses are recognized in the period they are incurred.

23.9 Leases – Club as a Lessee

The Club depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Club has elected to account for certain short-term leases and leases of low-value assets, if any, using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

23.10 Retirement Benefits

The Club provides short-term and post-employment benefits to employees through defined benefit and defined contribution plans, and other employee benefits.

The Club's defined benefit post-employment plan covers all regular full-time employees.

The defined benefit obligation is calculated annually by independent actuaries using the PUC method.

Note 24 - Supplementary information required by the Bureau of Internal Revenue (BIR)

Presented below and in the succeeding page is the supplementary information which is required by the BIR under Revenue Regulation (RR) No. 15-2010 to be disclosed as part of the notes to financial statements. This supplementary information is not a required disclosure under PFRS.

(a) *Output VAT*

Output VAT declared for the year ended December 31, 2023 and the revenues upon which the same was based consist of:

	Gross amount of revenues	Output VAT
Subject to 12% VAT		
Sale of goods	P 106,904,324	P 12,828,519
VAT-exempt sales	2,427,959	
	P 109,332,283	P 12,828,519

The tax bases for Revenues are based on the Club's gross receipts for the year; hence, may not be the same as the amounts reported in the 2023 statement of comprehensive income.

(b) *Input VAT*

Movements in input VAT for the year ended December 31, 2023 are as follows:

Beginning balance	P	-
Add: Current year's domestic purchases/payments for:		
Domestic Purchases of Goods Other than Capital Goods		3,911,121
Domestic Purchase of Services		5,411,223
Payments		1,824,000
Other tax credits		1,614,528
Less: Input VAT applied against output VAT		(12,760,872)
Ending balance	P	-

(c) *Taxes on Importation*

The Club did not have any importation subject to duties and tariff fees in 2023.

(d) *Excise Tax*

The Club did not have any transaction in 2023 which is subject to excise tax.

(e) *Documentary stamp tax (DST)*

The Club did not have any transaction in 2023 which is subject to DST.

(f) Taxes and Licenses

All other local and national taxes paid for the year December 31, 2023 consist of:

	Amount
Mayor's permit	P 1,110,673
Real Property Tax	49,005
BIR registration fee	500
Others	114,743
	P 1,274,921

The local and national taxes are presented as Taxes and licenses under the Operating Expenses account in the 2023 statement of comprehensive income.

(g) Withholding Taxes

The details of total withholding taxes for the year ended December 31, 2023 are shown below.

	Amount
Expanded withholding tax	P 1,067,284
Withholding tax on compensation	1,851,720
	P 2,919,004

There were no transactions entered into by the Club that were subjected to final taxes during the year.

(h) Deficiency Tax Assessments and Tax Cases

As of December 31, 2023, the Club does not have any final deficiency tax assessment with the BIR nor does it have tax cases outstanding or pending in courts or outside of the BIR in any of the open taxable years.

**Report of Independent Auditors
to Accompany Supplementary
Information Required by the
Securities and Exchange Commission
Filed Separately from the
Basic Financial Statements**

Punongbayan & Araullo
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T +63 2 8988 2288

The Board of Directors and Shareholders
Manila House Private Club, Inc.
8th Floor Seven/NEO, 5th Avenue
Bonifacio Global City
Taguig City

We have audited, in accordance with Philippine Standards on Auditing, the financial statements of Manila House Private Club, Inc. for the year ended December 31, 2023, on which we have rendered our report dated April 11, 2024. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The applicable supplementary information (see List of Supplementary Information) is presented for purposes of additional analysis in compliance with the requirements of the Revised Securities Regulation Code Rule 68, and is not a required part of the basic financial statements prepared in accordance with Philippine Financial Reporting Standards. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PUNONGBAYAN & ARAULLO



By: **James Joseph Benjamin J. Araullo**
Partner

CPA Reg. No. 0111202
TIN 212-755-957
PTR No. 10076133, January 3, 2024, Makati City
SEC Group A Accreditation
Partner - No. 111202-SEC (until financial period 2026)
Firm - No. 0002 (until financial period 2024)
BIR AN 08-002511-039-2021 (until Nov. 9, 2024)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

April 11, 2024

MANILA HOUSE PRIVATE CLUB, INC.
LIST OF SEC SUPPLEMENTARY SCHEDULES
COVERED BY INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2023

Schedule	Content	Page No.
Schedule Required under Annex 68-J of the Revised Securities Regulation Code Rule 68		
A	Financial Assets	1
B	Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)	2
C	Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements	3
D	Long-term Debt	4
E	Indebtedness to Related Parties	5
F	Guarantees of Securities of Other Issuers	6
G	Capital Stock	7
Other Required Information		
	Reconciliation of Retained Earnings Available for Dividend Declaration from the Parent Company	8
	Map Showing the Relationship Between the Company and its Related Entities	9
	Schedule of Financial Soundness Indicators	10

Manila House Private Club, Inc.

**Schedule A
Financial Assets
December 31, 2023
(Amounts in Philippine Peso)**

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Value based on market quotation at statement date	Income received and accrued
Financial assets at fair value through other comprehensive income			
N/A	N/A	N/A	N/A
Total financial assets at fair value through other comprehensive income			
Cash	-	-	P38,744,010
Trade and other receivables	-	-	5,734,396
Refundable deposits	-	-	5,441,774
Total financial assets	-	-	P49,920,180

Manila House Private Club, Inc.

Schedule B
Amounts Receivable from Directors, Officers, Employees,
Related Parties and Principal Stockholders (Other than Related Parties)
December 31, 2023
(Amounts in Philippine Peso)

Name and designation of debtor	Balance at beginning of year	Additions	Amounts collected, liquidated or reclassified	Amounts written off	Current	Non-current	Balance at end of year
Employees	P784,503	3,184,542	(1,902,706)	-	P2,066,339	-	P2,066,339

Manila House Private Club, Inc.

Schedule C
Amounts Receivable from Related Parties which are Eliminated
During the Consolidation of Financial Statements
December 31, 2023
(Amounts in Philippine Peso)

Name and designation of debtor	Balance at beginning of year	Additions	Amounts collected	Amounts provided for/ written off	Current	Not current	Balance at end of year
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Manila House Private Club, Inc.

**Schedule D
Long Term Debt
December 31, 2023
(Amounts in Philippine Peso)**

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet
N/A	N/A	N/A	N/A

Manila House Private Club, Inc.

Schedule E
Indebtedness to Related Parties
December 31, 2023
(Amounts in Philippine Peso)

Names of related parties	Balance at beginning of period	Balance at end of period
Doris Magsaysay Ho	P3,796,978	P3,096,978
Joselito Campos	1,000,000	1,000,000
Clinton Hess	1,000,000	1,000,000
Linda Lagdameo	1,000,000	1,000,000
Lisa Gokongwei-Cheng	999,875	999,875
Carlos Rufino	700,000	700,000
Celestina Ocampo	800,000	600,000
Patricia Coseteng	547,624	547,624
Antonio Raymundo San Diego	424,025	224,025
	P10,268,502	P9,168,502

Manila House Private Club, Inc.

Schedule F
Guarantees of Securities of Other Issuers
December 31, 2023
(Amounts in Philippine Peso)

Name of issuing entity of securities guaranteed by the Club 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				

Manila House Private Club, Inc.

**Schedule G
Capital Stock
December 31, 2023**

The details of authorized and paid-up capital stock are as follows:

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by affiliates	Directors, officers and employees	Others
Outstanding common stock	200,000	100,005	-	-	30,003	70,002
Preferred stock	2,000	1,550	-	-	100	1,450
Total	202,000	101,555	-	-	30,103	71,552

Manila House Private Club, Inc.
8th Floor Seven/NEO, 5th Avenue, Bonifacio Global City, Taguig City

Map Showing the Relationship Between the Company and its Related Entities
December 31, 2023

N/A

The Club is not part of a group of companies.

Manila House Private Club, Inc.
8th Floor Seven/NEO, 5th Avenue, Bonifacio Global City, Taguig City

Reconciliation of Retained Earnings Available for Dividend Declaration
December 31, 2023

N/A

The Club does not have any retained earnings because it is in a deficit position as of December 31, 2023.

Manila House Private Club, Inc.

**Financial Soundness Indicators
December 31, 2023**

Financial ratio	Calculation	2023	2022
Liquidity/current ratio	Total current assets divided by total current liabilities Total current assets 61,331,097 Divided by: Total current liabilities 129,215,754 Liquidity/current ratio 0.47	0.47:1	0.29:1
Acid test ratio	Quick assets (total current assets less prepayments and other current assets) divided by total current liabilities Total current assets 61,331,097 Less: Prepayments and other current assets 10,875,785 50,455,312 Divided by: Total current liabilities 129,215,754 0.39	0.39:1	0.23:1
Solvency ratio	Net income after tax plus non-cash expenses (e.g. depreciation etc.) divided by total liabilities Net income after tax 15,691,667 Add: Depreciation and amortization 20,663,320 36,354,987 Divided by: Total liabilities 230,440,399 0.16	0.16:1	0.18:1
Debt-to-equity ratio	Total liabilities divided by total equity Total liabilities 230,440,399 Divided by: Total equity (86,303,726) (2.67)	-2.67:1	-2.33:1
Asset-to-equity ratio	Total assets divided by total equity Total assets 144,136,673 Divided by: Total equity (86,303,726) (1.67)	-1.67:1	-1.33:1
Return on equity	Net income after tax divided by total equity Net income after tax 15,691,667 Divided by: Total equity (86,303,726) (0.18)	-0.18:1	-0.18:1
Return on assets	Net income after tax divided by total assets at beginning Net income after tax 15,691,667 Divided by: Total assets, beginning 137,178,571 0.11	0.11:1	0.12:1
Net profit margin	Net income after tax divided by total revenue and income Net income after tax 15,691,667 Divided by: Total revenue and income 194,738,991 0.08	0.08:1	0.09:1
Earnings per share	Net income divided by number of common stock outstanding Net income after tax 15,691,667 Divided by: Number of common stock outstanding 100,005 156.91	156.91	182.83

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Hi MANILA HOUSE PRIVATE CLUB, INC.,

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The following document has been received:

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Receipt Date and Time: April 15, 2024 04:23:57 PM

Company Information

SEC Registration No.: CS201604652

Company Name: MANILA HOUSE PRIVATE CLUB, INC.

Industry Classification: H55200

Company Type: Stock Corporation

Document Information

Document ID: OST10415202482200331

Document Type: Financial Statement

Document Code: FS

Period Covered: December 31, 2023

Submission Type: Annual

Remarks: None

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

Subject *****SPAM*** SEC eFast Final Acceptance**
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Company Name: MANILA HOUSE PRIVATE CLUB, INC.
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Please strictly follow the instruction stated in the form.

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1. General Information Sheet (GIS-Stock)
2. General Information Sheet (GIS-Non-stock)
3. General Information Sheet (GIS- Foreign stock & non-stock)
4. Broker Dealer Financial Statements (BDFS)
5. Financing Company Financial Statements (FCFS)
6. Investment Houses Financial Statements (IHFS)
7. Publicly – Held Company Financial Statement
8. General Form for Financial Statements
9. Financing Companies Interim Financial Statements (FCIF)
10. Lending Companies Interim Financial Statements (LCIF)

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SECURITIES AND EXCHANGE COMMISSION

SEC Headquarters, 7907 Makati Avenue,
Salcedo Village, Barangay Bel-Air, Makati City,
1209, Metro Manila, Philippines

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MANILA HOUSE PRIVATE CLUB, INC.
STATEMENT OF FINANCIAL POSITION AS
AT FOR THE QUARTER MARCH 31, 2024
(With Comparative Figures as of December 31,
2023) (Amounts in Philippine Peso)

	Unaudited 2024	2023
<u>ASSETS</u>		
Current Assets		
Cash	P 48,460,333	P 38,744,010
Trade and other receivables - net	7,604,984	7,800,735
Inventories	3,452,579	3,910,567
Prepayments and other current assets	11,116,785	10,875,785
Total Current Assets	70,634,681	61,331,097
Non-current Assets		
Right of use asset - net	44,185,007	44,185,007
Property and equipment - net	30,139,925	16,931,532
Deferred income tax assets - net	15,839,792	15,839,792
Other non-current assets	5,849,245	5,849,245
Total Non-current Assets	96,013,969	82,805,576
Total Assets	P 166,648,650	P 144,136,673
<u>LIABILITIES AND CAPITAL DEFICIENCY</u>		
Current Liabilities		
Trade and other payables	P 65,305,970	P 44,118,745
Deferred income	56,206,464	53,659,937
Lease liabilities	22,268,570	22,268,570
Advances from shareholders	9,147,839	9,168,502
Total Current Liabilities	152,928,843	129,215,754
Non-current Liabilities		
Lease liabilities	45,997,760	45,997,760
Deferred income	51,708,279	51,708,279
Retirement benefit obligation	3,518,606	3,518,606
Total Non-current Liabilities	101,224,645	101,224,645
Total Liabilities	254,153,488	230,440,399
Capital Deficiency		
Share capital	156,000,050	156,000,050
Other reserves	2,119,747	2,119,747
Deficit	(245,624,635)	(244,423,523)
Capital Deficiency	(87,504,838)	(86,303,726)
Total Liabilities and Capital Deficiency	P 166,648,650	P 144,136,673

MANILA HOUSE PRIVATE CLUB, INC.
STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED MARCH 31,

2024

(With Comparative Figures for Year Ended December 31, 2023)
(Amounts in Philippine Peso)

	2024	2023
Net revenues		
Sale of food, beverage and goods	P 31,206,417	P 130,896,631
Membership income	10,012,015	49,460,886
Rentals and other income	1,176,222	4,796,557
Retail sales	400,393	2,596,104
	42,795,047	187,750,178
Cost of sales and services		
Food and beverage expenses	(13,776,833)	(54,127,061)
Depreciation and amortization	(1,267,968)	(19,062,364)
Payroll and related expenses	(3,579,982)	(14,538,693)
Other expenses	(3,617,973)	(15,437,214)
	(22,242,756)	(103,165,332)
Gross profit	20,552,291	84,584,846
Operating expenses	(23,079,237)	(64,121,024)
Other income - net	1,325,834	6,988,813
Operating income (loss)	(1,201,112)	27,452,635
Finance cost	-	(4,715,879)
Income (loss) before income tax	(1,201,112)	22,736,756
Income tax expense	-	(7,045,089)
Net income (loss) for the year	(1,201,112)	15,691,667
Other comprehensive income		
Actuarial gain on defined benefit plan	-	1,179,731
Total comprehensive income (loss) for the year	P (1,201,112)	P 16,871,398

MANILA HOUSE PRIVATE CLUB, INC.
STATEMENT OF CHANGES IN CAPITAL DEFICIENCY
FOR THE QUARTER ENDED MARCH 31, 2024
(With Comparative Figures for the Two Years Ended December 31, 2023 and 2022)
(Amounts in Philippine Peso)

	Share Capital (see Note 13)	Other Reserves (see Note 12)	Deficit	Total Capital Deficiency
Balances as at December 31, 2021	156,000,050	(98,623)	(278,398,623)	(122,497,196)
Comprehensive loss				
Net loss for the year	-	-	18,283,433	(38,995,397)
Other comprehensive income for the year	-	1,038,639	-	741,025
Total comprehensive income for the year	-	1,038,639	18,283,433	19,322,072
Balances as at December 31, 2022	156,000,050	940,016	(260,115,190)	(103,175,124)
Comprehensive income				
Net income for the year	-	-	15,691,667	15,691,667
Other comprehensive income for the year	-	1,179,731	-	1,179,731
Total comprehensive income for the year	-	1,179,731	15,691,667	16,871,398
Balances as at December 31, 2023	P156,000,050	P 2,119,747	(P244,423,523)	(P 86,303,726)
Comprehensive income				
Net loss for the quarter	-	-	(1,201,112)	(1,201,112)
Other comprehensive income for the year	-	-	-	-
Total comprehensive loss for the quarter	-	-	(1,201,112)	(1,201,112)
Balances as at March 31, 2024	P156,000,050	P 2,119,747	(P245,624,635)	(P 87,504,838)

MANILA HOUSE PRIVATE CLUB, INC.
STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED MARCH 31,
2024
(With Comparative Figures for Year Ended December 31, 2023)
(Amounts in Philippine Peso)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before tax	P (1,201,112)	P 22,736,756
Adjustments for:		
Depreciation and amortization	1,267,968	20,663,320
Interest expense	-	4,715,879
Retirement benefit expense	-	1,115,054
Provision for doubtful accounts	-	538,673
Interest income	(4,846)	(10,228)
Gain on disposal of property and equipment	-	-
Unrealized foreign exchange loss - net	-	-
Gain on lease concessions or modifications	-	-
Operating income before working capital changes	62,010	49,759,454
Changes in working capital:		
Trade and other receivables	195,751	2,573,732
Inventories	457,988	(911,955)
Prepayments and other current assets	(241,001)	(5,013,902)
Other noncurrent assets	-	-
Trade and other payables	21,187,225	10,098,673
Deferred income	2,546,527	1,023,523
Cash generated from (used in) operations	24,208,500	57,529,525
Interest received from bank deposits	4,846	10,228
Net Cash from Operating Activities	24,213,346	57,539,753
CASH FLOWS USED IN AN INVESTING ACTIVITY		
Payments for property and equipment	(14,476,361)	(6,129,443)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments of lease liabilities	-	(19,906,774)
Interest payments of lease liabilities	-	(4,715,879)
Advances from (payment to) shareholders	(20,662)	(1,100,000)
Net Cash Used in Financing Activities	(20,633)	(25,722,653)
NET INCREASE (DECREASE) IN CASH	9,716,322	25,687,657
CASH AT BEGINNING OF YEAR	38,744,010	13,056,353
Effect of Exchange Rate Changes on Cash	-	-
CASH AT END OF YEAR	P 48,460,333	P 38,744,010

MANILA HOUSE PRIVATE CLUB, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024
(With Comparative Figures as of December 31, 2023)
(Amounts in Philippine Peso)

Note 1 - General Information

Manila House Private Club, Inc. (the "Club") was registered with Securities and Exchange Commission (SEC) on March 15, 2016, primarily to engage in the business of owning, operating and maintaining an exclusive restaurant which provides areas, facilities and services for dining, meeting, social, recreation, entertainment and similar activities for the use of the Club and other persons who may be granted the right to use or otherwise allowed by the Club.

The registered office address of the Club, which is also its principal place of business, is located at 8th Floor Seven/NEO, 5th Avenue, Bonifacio Global City, Taguig City.

The Club has 80 and 74 regular employees as of March 31, 2024, and December 31, 2023, respectively.

On October 20, 2017, the SEC granted the Club permit to sell or offer preferred shares and membership certificates for sale to the public. The Club may sell or offer for sale to the public preferred shares and membership certificates subject to full compliance with the provisions of the Securities Regulation Code.

As of March 31, 2024, the Club continues to be in a deficit and capital deficiency position and current liabilities exceed current assets by P82,294,162.

The Club plans to further address the accumulated deficit and capital deficiency through increasing revenue by driving sales in both events and restaurants and continuing to sell membership certificates to maximize the Club's revenue potential and also by better controlling and managing its expenses.

Note 2 - Cash

Cash as at March 31 and December 31 consists of:

	March 2024	2023
Cash in banks	P 47,739,472	P 38,043,149
Cash on hand	720,861	700,861
	P 48,460,333	P 38,744,010

Cash in banks earn interest at the prevailing bank deposit rate. Interest income earned from these deposits for the quarter ended March 31, 2024, and year ended December 31, 2023, amounted to P4,846 and P10,228, respectively, and is presented as Interest income under Other Income - net account in the statement of comprehensive income (see Note 15).

Note 3 - Trade and Other Receivables

Trade and other receivables as of March 31 and December 31, consist of:

	March 2024	2023
Trade receivables	P 6,083,026	P 6,309,660
Advances to employees	2,097,222	2,066,339
Other receivables	-	-
	8,180,248	8,735,999
Less: Allowance for doubtful accounts	(575,264)	(575,264)
	P 7,604,984	P 7,800,735

Trade receivables are non-interest bearing and are generally collectible within 30 days.

Advances to employees pertain to employee advances which are subject to liquidation or collectible through salary deduction.

Other receivables pertain to commissions from various consignors. These receivables are collectible in cash within 30 day-normal collection period, unsecured, non-interest bearing and with no guarantee.

Note 4 - Inventories

The details of inventories, which are all stated at costs that are lower than their net realizable values, are shown below.

	March 2024	2023
Food and beverages	P 3,041,403	P 3,380,017
Retail stocks	329,676	441,462
Operating supplies and others	81,500	89,088
	P 3,452,579	P 3,910,567

Note 5 - Prepayments and Other Current Assets

Prepayments and other current assets as of March 31 and December 31 consist of:

	March 2024	2023
Advances to suppliers	P 7,872,096	P 7,872,096
Prepaid tax	2,821,231	2,580,231
Prepaid supplies	423,458	423,458
	P 11,116,785	P 10,875,785

Advances to suppliers relate to down payments for future purchases and services.

Prepaid supplies consist of several prepayment items such as office supplies, cleaning supplies, kitchenware, uniforms and linen and curtains which the Club has paid in cash and are expected to be used and expensed in the succeeding period.

Note 6 - Property and Equipment

Details of and movements in the account as at and for the years ended March 31 are as follows:

	Furniture, fixtures and equipment	Transportation equipment	Site improvement	Construction in-progress	Total
Cost					
January 1, 2022	P 60,515,945	P 726,000	P 36,890,955	P 749,326	P 98,882,226
Additions	91,757	-	2,595,072	-	2,686,829
Reclassification	-	-	749,326	(749,326)	-
December 31, 2022	60,607,702	726,000	40,235,353	-	101,569,055
Additions	4,492,263	67,654	1,569,526	-	6,129,443
December 31, 2023	65,099,965	793,654	41,804,879	-	107,698,498
Additions	4,006,571	-	1,535,725	12,841,210	18,3873,506
March 31, 2024	69,106,536	793,654	43,340,604	12,841,210	126,082,004
Accumulated depreciation					
January 1, 2022	55,992,975	629,200	21,581,864	-	78,204,039
Depreciation	2,707,835	96,800	4,664,117	-	7,468,752
December 31, 2022	58,700,810	726,000	26,245,981	-	85,672,791
Depreciation	1,573,071	11,125	3,509,979	-	5,094,175
December 31, 2023	60,273,881	737,125	29,755,960	-	90,766,966
Depreciation	3,044,383	2,255	2,128,475	-	5,175,113
March 31, 2024	63,318,264	739,380	31,884,435	-	95,942,079
Net book values					
December 31, 2022	1,906,892	-	13,989,372	-	15,896,264
December 31, 2023	4,826,084	56,529	12,048,919	-	16,931,532
March 31, 2024	P5,788,272	P54,274	P11,456,169	P12,841,210	P30,139,925

Note 7 - Right-of-Use Assets and Lease Liabilities

(i) Club premises

On March 21, 2016, the Club entered into a non-cancellable lease agreement with 20-34 Property Holdings, Inc. (Lessor), for the lease of its separate office and storage spaces to be utilized for the construction of its restaurant. The term of the lease is for a period of 10 years and five years, respectively, starting from September 16, 2016, with escalation in rental fee of 5% each year. Both spaces are renewable in the fifth year subject to mutual agreement between the Club and the Lessor.

On July 17, 2017, the agreement was amended to change the commencement date to October 16, 2016, lease area and monthly rates for its office and storage lease. The amendment also included two additional leases for storage area which started on January 15, 2017, and March 22, 2017, respectively. Under the terms of the covering lease agreements after modification, the Club is required to make three months' security deposits amounting to P8,881,434.

On November 1, 2020, the lease agreement was modified reducing the office and storage spaces and monthly lease payments. Under the terms of the covering lease agreements after modification, the Club is required to make three months security deposits amounting to P5,776,582. These security deposits are presented at its amortized cost. The carrying amount of these security deposits as at December 31, 2023 and 2022 amounted to P4,281,605.

Based on the fifth amendment to the contract of lease, the essential provision stated that beginning November 1, 2020, until July 31, 2021, the net usable area of the Club is 1,282 sqm with an office space of 1,091 sqm (inclusive of 30.90 sqm mezzanine and 30.44 sqm of Rooms 8A and 8B) and storage area of 190.97 sqm.

Starting August 1, 2021, up to April 30, 2022, the net usable area of the club increased to 1,311 sqm with an increase in the office space of 1,120 sqm as well. Moreover, starting May 1, 2022, onwards, the net usable space of the Club is 1,306 sqm with an office space of 1,115 sqm.

In 2021, lease concessions were also granted to the Club thereby reducing the monthly rental payments at varying rates per month. For the year ended December 31, 2021, the Club recognized a gain from lease concessions amounting to P17,286,664 under Other Income account in the 2021 statement of comprehensive income. There were no additional lease concessions for the years ended December 31, 2023, and 2022.

On March 14, 2023, the lease agreement was modified to include the lease of one motorcycle parking slot. Accordingly, the Club recognized additional right-of-use assets and lease liabilities amounting to P35,958.

(ii) Storage areas

On April 15, 2022, the Club entered into a lease agreement with Valentina S. Berin for the lease of space located in Pasig City which shall be used as office, storage, and commissary of the Club. The term of the lease is for a period of two years, starting from May 1, 2022, and ending on April 30, 2024. The lessor shall be notified by the lessee of its intention to renew the contract 60 days before the termination date.

The Club shall be charged a monthly rental of P45,000. In addition, it shall deposit to the lessor, upon signing of the contract equivalent to four months or the of P180,000 wherein the two months shall be applied as rent for the 11th and 12th months and the remaining two months shall answer partially for damages and any other obligations.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leased assets are presented as a separate line item in the statement of financial position. The statements of financial position show the following amounts relating to leases:

	Club premises	Storage areas	Total
Cost			
January 1, 2022	P 214,287,285	P 14,958,486	P 229,245,771
Additions	-	1,070,049	1,070,049
Modifications	(6,619,960)	(740,596)	(7,360,556)
December 31, 2022, as restated	207,667,325	15,287,939	222,955,264
Modifications	35,958	-	35,958
December 31, 2023	207,703,283	15,287,939	222,991,222
Accumulated amortization			
January 1, 2022	(137,425,222)	(7,952,206)	(145,377,428)
Amortization	(16,040,779)	(1,818,863)	(17,859,642)
December 31, 2022	(153,466,001)	(9,771,069)	(163,237,070)
Amortization	(13,817,183)	(1,751,962)	(15,569,145)
December 31, 2023	(167,283,184)	(11,523,031)	(178,806,215)
Net book values			
December 31, 2022	54,201,324	5,516,870	59,718,194
December 31, 2023/ March 30, 2024	P 40,420,099	P 3,764,908	P 44,185,007

(iii) Discount rate

The lease payments are discounted using the Club's incremental borrowing rate, being the rate that the Club would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security, and conditions. The discount rate for various lease liabilities is at 5.64% to 5.99% in both 2023 and 2022, and 5.64% in 2021.

To determine the incremental borrowing rate, the Club uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received. Where third party financing cannot be obtained, the Club uses the government bond yield, adjusted for the credit spread specific to each entity under the Club and security using the right-of-use asset.

(iv) Extension and termination options

The extension and termination options are not included in the lease term of the Club premises and storage areas. These options are exercisable only upon mutual agreement of the Club and the lessor. However, extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or terminated). Lease payments to be made under reasonably certain extension options are included in the measurement of lease liability.

Note 8 - Other Non-current Assets

Other non-current assets as of March 31 and December 31 consist of:

	March 2024	2023
Security deposits	P 4,281,605	P 4,281,605
Utilities and water deposits	1,160,169	1,160,169
Advance rental	103,352	103,352
Others	304,119	304,119
	P 5,849,245	P 5,849,245

Advance rental pertains to advance payment of rent as required under the terms covering lease contract. As of March 31, 2024, and December 31, 2023, the advanced rental remains to be unapplied.

Security, utilities, and water deposits, pertains to the rental deposit refundable at the end of the lease term.

Note 9 - Trade and Other Payables

Trade and other payables as of March 31 and December 31 consist of:

	March 2024	2023
Trade payables	P 26,528,268	P 11,492,206
Output VAT	22,123,093	19,570,122
Payable to government agencies	10,116,110	7,274,849
Salaries and other benefits	1,888,187	1,690,288
Retention payable	1,172,382	1,172,382
Accrued expenses	1,584,233	962,499
Consignor payable	1,034,394	843,589
Others	859,303	1,112,810
	P 65,305,970	P 44,118,745

Trade, accruals, and other payables are non-interest bearing and are generally on a 30-to-60-day term.

Retention payable pertains to the amount withheld by the Club from the project contractors related to its construction in progress which is equivalent to 10% of every progress billing to be released upon fulfillment of the terms and conditions in the contract.

Consignor payable pertains to receipts from sale of consigned goods which are yet to be remitted to the consignors.

Others pertain to gift certificates payable and tax refund of employees.

Note 10 - Deferred Income

On October 20, 2017, the SEC granted the Club permit to sell or offer preferred shares (see Note 13) and membership certificates for sale to the public. Membership of the Club entitles a person an exclusive right to access the Club's facilities and services. The issue price of each membership certificate depends on the type of membership listed below. In 2023, the Club increased the prices of each membership certificate.

(a) Founding Membership

A member who becomes part of the first 600 members of the Club. Each membership certificate costs P300,000 and is transferrable after the lock up period.

(b) Regular Membership

A member who was admitted after the Club has chosen the first 600 Founding Members. Each membership certificate costs P250,000 and is transferable after the lock up period.

(c) Associate Membership

A member who has the same qualifications and privileges as Regular Members except that the certificates of membership are non-transferable. Each membership certificate costs P200,000.

(d) Junior Membership

A member who has the same qualifications and privileges as Regular Members except that the certificates of membership are non-transferable, and the member must be under 30 years of age upon submission of application for membership to the Club. Each membership certificate costs P75,000.

A lock up period of five years from subscription among holders of Founding and Regular Membership certificates prohibits the selling, assigning, or transferring of the certificates to any third party.

The details of Club's membership certificates as at March 31 consist of:

	Authorized		Certificate sold	Total amount
	Shares	Total amount		
As at March 31, 2024				
Founding membership certificates	600	120,000,000	600	P 131,250,000
Regular membership certificates	1,000	150,000,000	218	41,482,143
Associate membership certificates	600	60,000,000	189	24,482,143
Junior membership certificates	600	30,000,000	217	11,050,000
Total	2,800	360,000,000	1,224	P 207,152,686
As at December 31, 2023				
Founding membership certificates	600	120,000,000	600	P 130,650,000
Regular membership certificates	1,000	150,000,000	200	38,482,143
Associate membership certificates	600	60,000,000	170	24,082,143
Junior membership certificates	600	30,000,000	201	11,050,000
Total	2,800	360,000,000	1092	P 204,264,286

Proceeds from the sale of membership certificates are recognized as revenue over the shorter of average life expectancy of member and lease term. No refund has been given to those resigned and terminated certificates. In 2023, there are new members that replaced the resigned and terminated members. Proceeds are included in membership certificates sold during the year. There was no similar transaction in 2022 and 2021.

Note 11 - Net Revenues

The components of net revenues for the period ended March 31 and December 31 follow:

	March 2024	2023
Sale of food, beverages and goods	P 32,984,346	P 136,472,934
Less: Discounts	(1,777,929)	(5,576,303)
	31,206,417	130,896,631
Membership dues	6,012,015	34,828,043
Amortization of deferred income	4,000,000	24,305,442
Less: Allowances	-	(9,672,599)
	41,218,432	180,357,517
Rentals and other income	1,176,222	4,796,557
Retail sales	400,393	2,596,104
Net sales and services	P 42,795,047	P 180,942,350

Retail sales were from sales of items such as pillows and hampers.

Rental and other income were derived from use of banquet space, ingress fee, cancellation fees and other income associated with banquet events.

Note 12 - Payroll and Related Expenses

The components of payroll and related expenses presented under cost of sales and services in the statements of total comprehensive income for the period ended March 31 and December 31 follow:

	March 2024	2023
Salaries and wages	P 2,394,457	P 9,127,867
Employee benefits	1,185,525	4,295,772
Retirement benefit expense	-	1,115,054

P	3,579,982	P	14,538,693
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Note 13 - Other Expenses

The components of other expenses presented under cost of sales and services for the period ended March 31 and December 31 follow:

	2024	2023
Contract services	P 1,717,741	P 8,086,364
Operating and office supplies	361,994	1,578,824
Music and entertainment	379,910	1,470,321
Professional fees	233,333	1,335,344
Laundry services	366,922	997,703
Housekeeping	75,675	556,881
Operating equipment	145,490	345,071
Transportation	8,488	130,353
Utensils	3,787	111,520
Representation and entertainment	20,221	88,845
Uniforms	15,820	42,435
Others	288,592	693,553
	P 3,617,973	P 15,437,214

Others include the cost of decorations, complimentary guest gifts and research and development for food menu.

Note 14 - Operating Expenses

The components of operating expenses for the period ended March 31 and December 31 as follows:

	2024	2023
Payroll and related expenses	P 7,048,647	P 24,544,130
Utilities	2,642,167	8,513,359
Repairs and maintenance	1,331,496	6,609,977
Bank charges	829,053	3,345,946
Professional fees	918,448	2,150,693
Supplies	397,005	1,971,968
Depreciation and amortization	-	1,600,956
Outside services	458,647	1,471,377
Representation expenses	405,160	1,365,702
Communication	385,089	1,308,298
Taxes and licenses	260,505	1,274,921
Rent	6,523,927	829,000
Trainings	38,804	701,075
Provision for doubtful accounts	-	538,673
Transportation	87,907	310,499
Advertising and promotion	22,022	203,385
Information systems	190,714	114,759
Insurance	91,913	37,546
Other expenses	1,447,733	7,228,760
	P 23,079,237	P 64,121,024

Note 15 - Other Income

The components of other income for the period ended March 31 and December 31 as follows:

	March 2024	2023
Unused consumables	P 1,957,930	P 8,743,062
Interest income	4,846	10,228
Foreign exchange losses	(1,898)	(1,187)
Gain on lease concessions or modifications	-	-
Loss on disposal/sale of assets	-	-
Miscellaneous income (expenses) - net	(635,044)	(1,765,664)
	P 1,325,834	P 6,988,813

Unused consumables pertain to portion of annual dues that can be used to purchase goods from the Club which was forfeited on a quarterly basis.

Miscellaneous income (expenses) - net pertains to late payment charges of receivables arising from credit sales, net of the common utilities and services allocation for its club premises and storage areas.

**INTERNAL PROCEDURES
FOR THE CONDUCT OF OR PARTICIPATION IN STOCKHOLDERS' MEETINGS
VIA REMOTE COMMUNICATION OR IN ABSENTIA**

The Board of Directors of Manila House Private Club, Inc. (the "Corporation") hereby approves the following internal procedures for the conduct of or participation in the 2024 annual meeting of the Corporation to be held on 26 July 2024 via remote communication.

Stockholders of Record, Notices and Quorum

1. The stockholders of record as of 10 June 2024 ("record date") will be entitled to attend or to vote at the meeting (hereinafter, the "Stockholders").
2. To verify the stockholders who can exercise these rights, the Corporate Secretary shall refer to the available records of the Corporation, to wit:
 - a. general information sheets filed with the Securities and Exchange Commission;
 - b. stock and transfer book registered with the Securities and Exchange Commission;
 - c. stock certificates issued by the Corporation;
 - d. documents on file such as correspondences, agreements and court decisions; or
 - e. such other records the Corporate Secretary may deem sufficient or acceptable.
3. The Corporate Secretary will send the notice of stockholders' meetings to the Stockholders to their respective e-mail addresses or postal addresses on record. In addition, the Corporate Secretary may send the notices via other modern means such as messaging apps, or as may be provided by prevailing rules. The notices must include the agenda, materials, proxy template (if any), requirements and procedures for voting via remote communication or *in absentia*, requirements and procedures for nomination and election of directors (if applicable), and electronic ballot ("e-ballot").
4. Prior the scheduled date of the stockholders' meeting, each Stockholder, via e-mail, must:
 - a. inform the Corporate Secretary of his or her intention to attend or not attend the meeting via remote communication; and
 - b. if he or she will not attend the meeting, inform the Corporate Secretary if he or she intends to vote *in absentia*.
5. The Corporate Secretary will provide the online meeting invitation or link to the Stockholders who confirm their attendance in the meeting. These Stockholders

will likewise be provided with the ASM Kit which includes the agenda, e-ballot and the definitive information statement.

Conduct of Meeting

1. The registration shall commence one (1) hour before the scheduled meeting.
2. The Stockholders must indicate their full names as their meeting I.D. for verification purposes. If any stockholder fails to indicate his or her full name, the Corporate Secretary may resort to any of the following means of verification:
 - a. comparing the images of the stockholders appearing with the photographs on file;
 - b. sending the electronic invites of the meeting to the e-mail addresses of the stockholders on file;
 - c. sending messages to the known accounts of the stockholders in any messaging app;
 - d. calling or messaging the stockholders through contact numbers on file;
 - e. requiring the stockholders to present valid government-issued identification cards with photographs and signatures;
 - f. positive identification by the Corporate Secretary or by at least two (2) stockholders attending the meeting;
 - g. acquiescence by all the participants; or
 - h. resorting to such other means as the Corporate Secretary may deem sufficient or acceptable.
3. During the registration period, the Stockholders will not be allowed to join the meeting or will be kept in the Waiting Room until the Corporate Secretary has verified their identities. The Corporate Secretary is prohibited from allowing any person not a stockholder from attending the meeting unless he or she has a valid proxy duly executed by a Stockholder of record and validated by the Corporate Secretary.
4. The entire meeting, including the Message of the Chairman and the Report of the President, will be conducted virtually and streamed via Zoom.
5. Each of the proposed resolutions will be shown on the screen during the live streaming in accordance with the Agenda.

Manner of Voting

1. Stockholders, whether or not attending and participating in the meeting via remote communication, may vote in the election of directors and on all matters requiring approval, at any time prior to the end of the annual stockholders' meeting, by doing the following:
 - a. **accomplish and sign the e-ballot;**

- b. e-mail the signed e-ballot and a scanned copy or photograph of his or her **valid government-issued ID** with photograph and signature; and
 - c. send the **e-mail** with the attachments to the Corporate Secretary (corporate_secretary@manilahouseinc.com)
- 2. In all items for approval except election of directors, each share of stock entitles its registered owner to one vote.
- 3. In the election of directors, stockholders entitled to vote shall have the right to vote the number of shares of stock standing in their respective names as of record date. A stockholder may:
 - a. vote such number of shares for as many persons as there are directors to be elected;
 - b. cumulate said shares and give one (1) candidate as many votes as the number of directors to be elected multiplied by the number of the shares owned; or
 - c. distribute them on the same principle among as many candidates as they may see fit;

provided, that the total number of votes cast shall not exceed the number of shares owned by the stockholder as shown in the books of the corporation multiplied by the whole number of directors to be elected. Nominees for directors receiving the highest number of votes shall be declared elected.

In case there are more votes cast by a voter than his cumulative votes, all his votes shall be invalidated.

In all matters for the approval of the stockholders, a majority of the stockholders present during the meeting shall be sufficient to approve such matter, unless the Revised Corporation Code requires otherwise.

- 4. E-ballots submitted to the Corporate Secretary with the proxy name left blank shall be deemed a proxy in favor of the Chairman and the Corporate Secretary shall cast all votes of the Stockholder in favor of the nominees and in favor of the approval of all agenda items.
- 5. The Corporate Secretary will tabulate all votes. The Corporate Secretary shall announce the results during the meeting, after canvassing all the votes.

Remote Communication Application

1. To ensure that all stockholders are able to participate in the meeting, to hear the discussion and to read the materials substantially, the Corporate Secretary shall only use such apps that have, at least, the following features: (a) video and audio conferencing, (b) thumbnail view of all participants, (c) document sharing, and (d) audio and video recordings of the meeting. The Corporate Secretary may, from time to time during the meeting, call each stockholder to check whether her or she is able to hear and see all the other participants.

Documentation of the Meeting

1. The Corporate Secretary shall record the meeting via the remote communication app used during the meeting.
2. While the recording of the meeting held via remote communication is automatically saved in the app's cloud storage (if available) or in an internal storage, the Corporate Secretary may transfer the recording to an external storage device. Upon transferring the recording in an external storage device, the Corporate Secretary may delete the recording in the internal storage. Upon the written request of any stockholder, the Corporate Secretary shall send the website link to the recording saved in the app's cloud storage (if available) or a copy of the recording via external storage device, by personal delivery or mail or other practicable means. Any expenses incurred for the reproduction and delivery of the recording shall be for the exclusive account and shall be advanced by the requesting stockholder.
3. For circumstances not provided above, the stockholders, by simple majority vote, shall, during the meeting, decide how to proceed.

**MANILA HOUSE PRIVATE CLUB, INC.
2024 ANNUAL STOCKHOLDERS MEETING
VIA REMOTE COMMUNICATION (ZOOM)**

VOTING PROCEDURES

The Board of Directors of Manila House Private Club, Inc. (the "Corporation") hereby approves the following voting procedures in the 2024 Annual Stockholders' Meeting, wherein stockholders may participate via remote communication or *in absentia*:

1. Stockholders must, at any time prior to but not later than one (1) day before the meeting, notify the Corporate Secretary via e-mail of their intention to attend and participate in the virtual meeting. A stockholder who will not attend the meeting, must also inform the Corporate Secretary if he or she intends to vote *in absentia*.

E-mail to: Aissa V. Encarnacion at corporate_secretary@manilahouseinc.com

The Corporate Secretary will provide the Zoom Meeting link to the stockholders who validly registered for the meeting. These stockholders shall likewise be provided with the ASM Kit which includes the agenda, the electronic ballot ("e-ballot") and the Definitive Information Statement.

2. Any stockholder who is unable to join the meeting may vote in the election of directors and on other matters *in absentia*, by e-mailing the duly accomplished e-ballot to the Corporate Secretary within the prescribed period. This will be considered for the purpose of determining the existence of a quorum.
3. Stockholders who are unable to personally attend the meeting, or are present during the meeting via remote communication, may vote in the election of directors and on all matters requiring approval at any time prior to the end of the annual stockholders' meeting:
 - a. **accomplish and sign** the attached **e-ballot**;
 - b. e-mail the e-ballot and a scanned copy or photograph of his or her **valid government-issued ID** with photograph and signature; and
 - c. address and send the **e-mail** with the attachments to the Corporate Secretary (corporate_secretary@manilahouseinc.com).
4. *Number of votes of each stockholder.* In all items for approval except election of directors, each share of stock entitles its registered owner to one vote.

In the election of directors, stockholders entitled to vote shall have the right to vote the number of shares of stock standing in their respective names as of record date. A stockholder may:

- a. vote such number of shares for as many persons as there are directors to be elected;
- b. cumulate said shares and give one (1) candidate as many votes as the number of directors to be elected multiplied by the number of the shares owned; or
- c. distribute them on the same principle among as many candidates as they may see fit;

provided, that the total number of votes cast shall not exceed the number of shares owned by the stockholder as shown in the books of the corporation multiplied by the whole number of directors to be elected. Nominees for directors receiving the highest number of votes shall be declared elected.

In case there are more votes cast by a voter than his cumulative votes, all his votes shall be invalidated.

5. *Registration.* The registration shall commence one (1) hour before the scheduled meeting. For verification purposes, the stockholders must indicate their full names as their Zoom Meeting I.D.

6. *Results of the election and voting.* The Corporate Secretary will tabulate all votes. The Corporate Secretary shall announce the results during the meeting, after canvassing all the votes.