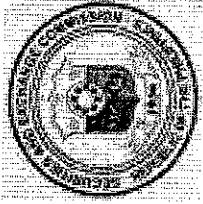




109282016000751



SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
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VALLEY

GOLF &

COUNTRY CLUB, INC.


ANTIPOLO CITY, PHILIPPINES
P.O. BOX 202 Q. PLAZA, CAINTA
TELS. 658-4901 TO 03, 658-4919 TO 20
FAX NO. 658-4918

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of VALLEY GOLF & COUNTRY CLUB, INC. is responsible for the preparation and fair presentation of the financial statements for the years ended June 30, 2016 and 2015, in accordance with the prescribed financial reporting framework indicated therein. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the financial statements and submits the same to the stockholders or members.

Sycip, Gorres, Velayo & Co., the independent auditors appointed by the stockholders for the years ended June 30, 2016 and 2015, respectively, have examined the financial statements of the Company in accordance with Philippine Standards on Auditing, and in their reports to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such examination.



JAIIME F. PANGANIBAN
President/ Chief Executive Officer
TIN # 165-047-183



ALEXANDER S. MARQUEZ
Treasurer/Chief Financial Officer
TIN # 132-047-576

Signed this ___ day of September 2016

SUBSCRIBED AND SWORN TO before me this 22 SEP 2016 at the MARIKINA CITY, Metro Manila, Philippines. Affiant exhibiting to me his/her Tax Identification Number as indicated below his/her name and signature above.

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Book No. 107
Series of 2016


ATTY. ANNA THERESA C. CRUZ

Notary Public

Until December 31, 2017

Appointment No. 05 (2016-2017)

PTR No. 6071651 / 01-04-2016 / Marikina City

IBP No. 1012990 / 12-15-2015 / RSM

Roll No. 52694

MCLE No. IV - 0014002 / 03-24-2013

No. 6 Mariano Arcade, Guniting Street

Midtown San Roque, Marikina City

Tel. No. 404-86-06 / 579-27-91

Valley Golf & Country Club, Inc.
(A Nonprofit Organization)

Financial Statements
June 30, 2016 and 2015
and Years Ended June 30, 2016, 2015 and 2014

and

Independent Auditors' Report



A member firm of Ernst & Young Global Limited

INDEPENDENT AUDITORS' REPORT

The Members and the Board of Directors
Valley Golf & Country Club, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Valley Golf & Country Club, Inc. (a nonprofit organization), which comprise the statements of financial position as at June 30, 2016 and 2015, and the statements of income, statements of comprehensive income, statements of changes in members' equity and statements of cash flows for each of the three years in the period ended June 30, 2016, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



Opinion

In our opinion the financial statements present fairly, in all material respects, the financial position of Valley Golf & Country Club, Inc. as at June 30, 2016 and 2015, and its financial performance and its cash flows for each of the three years in the period ended June 30, 2016 in accordance with Philippine Financial Reporting Standards.

Report on the Supplementary Information Required Under Revenue Regulations 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 in Note 28 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of Valley Golf & Country Club, Inc. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Jose Pepito E. Zabata

Jose Pepito E. Zabata III
Partner

CPA Certificate No. 85501

SEC Accreditation No. 0328-AR-3 (Group A),

May 1, 2015, valid until April 30, 2018

Tax Identification No. 102-100-830

BIR Accreditation No. 08-001998-60-2015,

February 27, 2015, valid until February 26, 2018

PTR No. 5321714, January 4, 2016, Makati City

August 31, 2016



VALLEY GOLF & COUNTRY CLUB, INC.
(A Nonprofit Organization)

STATEMENTS OF FINANCIAL POSITION

	2016	2015
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	P22,029,184	P13,912,176
Trade and other receivables (Note 5)	10,696,986	13,665,396
Other current assets (Note 6)	5,654,608	6,814,269
Total Current Assets	38,380,778	34,391,841
Noncurrent Assets		
Property and equipment (Note 7)	221,472,751	225,247,385
Investment properties (Note 8)	11,081,280	13,840,220
Trust fund (Note 9)	4,262,495	3,821,187
Deferred income tax asset (Note 24)	3,410,425	3,529,552
Other noncurrent assets (Note 10)	3,621,122	3,722,019
Total Noncurrent Assets	243,848,073	250,160,363
TOTAL ASSETS	P282,228,851	P284,552,204
LIABILITIES AND MEMBERS' EQUITY		
Current Liabilities		
Trade and other payables (Note 11)	P9,649,272	P11,190,283
Members' deposits and others (Note 12)	7,570,493	6,381,197
Short-term loans (Note 25)	2,500,000	5,500,000
Membership dues paid in advance (Note 13)	4,812,886	4,696,172
Payable to a contractor (Note 14)	4,523,504	4,523,504
Accrued provision for probable claims (Note 15)	1,019,740	1,019,740
Total Current Liabilities	30,075,895	33,310,896
Noncurrent Liabilities		
Deferred income tax liability (Note 24)	34,194	2,113,567
Retirement benefit obligation (Note 26)	12,222,847	10,075,738
Total Noncurrent Liabilities	12,257,041	12,189,305
Members' Equity (Note 16)		
Capital stock	14,337,000	14,337,000
Contributions in excess of par value	201,403,972	201,403,972
Accumulated excess of revenues over expenses	24,154,943	23,311,031
Total Members' Equity	239,895,915	239,052,003
TOTAL LIABILITIES AND MEMBERS' EQUITY	P282,228,851	P284,552,204

See accompanying Notes to Financial Statements.



VALLEY GOLF & COUNTRY CLUB, INC.
(A Nonprofit Organization)

STATEMENTS OF INCOME

	Years Ended June 30	
	2016	2014
REVENUES		
Members' dues	P\$2,224,200	P\$2,031,320
Green fees (Note 17)	17,291,914	18,304,311
Assessment for road maintenance	7,543,541	6,827,005
Rentals (Note 18)	6,822,351	6,312,970
Transfer fees	4,790,000	5,030,000
Patronage fees	4,022,230	3,928,102
Concessionaires' fees (Note 19)	3,123,286	3,146,363
Service charge on playing guests	2,991,810	2,467,287
Golf cart storage	2,313,419	2,199,474
Miscellaneous income (Note 20)	14,133,825	8,173,506
	115,256,576	108,420,338
		113,836,695
COST AND EXPENSES		
Cost of services (Note 21)	96,695,169	103,530,589
General and administrative (Note 22)	16,792,905	19,164,716
	113,488,074	122,695,305
		110,437,204
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE INCOME TAXES	1,768,502	(14,274,967)
PROVISION FOR (BENEFIT FROM) INCOME TAXES (Note 24)	550,389	(90,047)
		(2,712,377)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	P1,218,113	(P14,184,920)
		P6,111,868

See accompanying Notes to Financial Statements.



VALLEY GOLF & COUNTRY CLUB, INC.
(A Nonprofit Organization)
STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended June 30		
	2016	2015	2014
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	P1,218,113	(P14,184,920)	P6,111,868
OTHER COMPREHENSIVE INCOME (LOSS)			
<i>Item not to be reclassified to profit or loss in subsequent periods:</i>			
Re-measurement gains (losses) on defined benefit obligation (Note 26)	(2,487,768)	6,668,607	376,618
Income tax effect	2,113,567	(2,000,582)	(112,985)
	(374,201)	4,668,025	263,633
TOTAL COMPREHENSIVE INCOME (LOSS)	P843,912	(P9,516,895)	P6,375,501

See accompanying Notes to Financial Statements.



VALLEY GOLF & COUNTRY CLUB, INC.
(A Nonprofit Organization)

STATEMENTS OF CHANGES IN MEMBERS' EQUITY

	Years Ended June 30		
	2016	2015	2014
CAPITAL STOCK (Note 16)			
Issued and outstanding:			
Balance at beginning of year	P14,292,000	P14,193,000	P14,193,000
Issuance of shares	45,000	99,000	-
Balance at end of year	14,337,000	14,292,000	14,193,000
Subscribed:			
Balance at beginning of year	45,000	99,000	99,000
Subscriptions	-	45,000	-
Share issuances	(45,000)	(99,000)	-
Balance at end of year	-	45,000	99,000
	14,337,000	14,337,000	14,292,000
CONTRIBUTIONS IN EXCESS OF PAR VALUE			
Balance at beginning of year	201,403,972	200,258,972	200,258,972
Premium on shares issued	-	1,145,000	-
Balance at end of year	201,403,972	201,403,972	200,258,972
ACCUMULATED EXCESS OF REVENUES OVER EXPENSES (Note 16)			
Balance at beginning of year	23,311,031	32,827,926	26,452,425
Comprehensive income (loss):			
Excess (deficiency) of revenues over expenses	1,218,113	(14,184,920)	6,111,868
Re-measurement gains (losses) on defined benefit obligation - net of tax	(374,201)	4,668,025	263,633
Total comprehensive income (loss)	843,912	(9,516,895)	6,375,501
Balance at end of year	24,154,943	23,311,031	32,827,926
TOTAL MEMBERS' EQUITY	P239,895,915	P239,052,003	P247,378,898

See accompanying Notes to Financial Statements.



VALLEY GOLF & COUNTRY CLUB, INC.
(A Nonprofit Organization)

STATEMENTS OF CASH FLOWS

	Years Ended June 30	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses before income taxes	¥1,768,502	(¥14,274,967)
Adjustments for:		
Depreciation and amortization (Notes 21 and 22)	16,507,221	16,219,880
Loss on write-off of:		
Inventory (Note 21)	1,435,341	-
Property and equipment (Note 22)	17,066	58,729
Interest expense (Note 22)	133,083	910,814
Interest income (Note 20)	(80,806)	(142,797)
Gain on sale of property and equipment - net (Notes 7 and 20)	(8,728,634)	(418,290)
Provision for impairment losses on receivables (Note 22)	-	393,607
Operating income before working capital changes	11,051,773	2,746,976
Decrease (increase) in:		
Trade and other receivables	2,968,052	(2,614,083)
Other current assets	(667,783)	(2,362,063)
Increase (decrease) in:		
Trade and other payables	(2,600,171)	1,587,385
Members' deposits and others	1,189,296	(3,206,295)
Membership dues paid in advance	116,714	(93,452)
Retirement benefit obligation	(340,659)	3,158,688
Net cash generated from (used in) operations	11,717,222	(782,844)
Interest received	81,164	113,363
Interest paid	(133,083)	(164,062)
Net cash flows from (used in) operating activities	11,665,303	(833,543)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property and equipment (Note 7)	9,827,493	300,000
Additions to:		
Property and equipment (Note 7)	(9,836,044)	(13,020,592)
Trust fund (Note 9)	(435,576)	-
Increase in:		
Other noncurrent assets	(98,436)	(2,219,326)
Trust fund	(5,732)	(4,009)
Net cash flows used in investing activities	(548,295)	(14,943,927)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of short-term loans (Note 25)	(3,000,000)	-
Proceeds from:		
Short-term loans	-	3,000,000
Issuance of stock	-	1,190,000
Net cash flows from (used in) financing activities	(3,000,000)	4,190,000
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	8,117,008	(11,587,470)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	13,912,176	25,499,646
CASH AND CASH EQUIVALENTS AT END OF YEAR	¥22,029,184	¥13,912,176
		¥25,499,646

See accompanying Notes to Financial Statements.



VALLEY GOLF & COUNTRY CLUB, INC.
(A Nonprofit Organization)

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

Valley Golf & Country Club, Inc. (the Club) was organized in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on May 14, 1958 as a nonprofit organization for a term of 50 years up to 2008. The Club's corporate life was extended for another 50 years from May 15, 2008 as confirmed and ratified by the stockholders on November 18, 2007 and was subsequently approved by the SEC on April 29, 2008.

The primary purpose of the Club is to foster and promote the game of golf and operate and maintain a golf course and country club and, generally, to do and perform all such acts and things, and exercise such powers as are ordinarily done, performed and exercised by social and athletic clubs and associations.

The registered office of the Club, which is also its principal place of business, is located at Don Celso S. Tuason Ave., Antipolo City.

The Club's Board of Directors (BOD) approved the issuance of the financial statements on August 31, 2016.

2. Summary of Significant Accounting Policy

Basis of Preparation

The financial statements of the Club have been prepared under the historical cost basis. The financial statements are presented in Philippine Peso, which is the Club's functional and presentation currency.

Statement of Compliance

The financial statements of the Club have been prepared in compliance with Philippine Financial Reporting Standards (PFRS). PFRS also includes Philippine Accounting Standards (PAS) and Philippine Interpretation based on the International Financial Reporting Interpretations Committee (IFRIC) interpretation as issued by the Financial Reporting Standards Council.

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year except for the following amended PFRS and (PAS) and Philippine Interpretations [based on IFRIC interpretations] which were adopted as of July 1, 2016. Adoption of these amendments to PFRS, PAS and Philippine Interpretations did not have any significant effect to the Club.

- Amendments to PAS 19, *Defined Benefit Plans: Employee Contributions*
- Annual Improvements to PFRSs 2010 - 2012 Cycle
 - PFRS 2, *Share-based Payment - Definition of Vesting Condition*
 - PFRS 3, *Business Combinations - Accounting for Contingent Consideration in a Business Combination*
 - PFRS 8, *Operating Segments - Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets*



- PAS 16, *Property, Plant and Equipment, and PAS 38, Intangible Assets - Revaluation Method - Proportionate Restatement of Accumulated Depreciation and Amortization*
- PAS 24, *Related Party Disclosures - Key Management Personnel*
- Annual Improvements to PFRSs 2011 - 2013 Cycle
- PFRS 3, *Business Combinations - Scope Exceptions for Joint Arrangements*
- PFRS 13, *Fair Value Measurement - Portfolio Exception*
- PAS 40, *Investment Property*

Standards Issued But Not Yet Effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are listed below. The Club intends to adopt these standards when they become effective. Adoption of these standards and interpretations are not expected to have any impact significant impact on the financial statements of the Club.

No definite adoption date prescribed by the SEC and Financial Reporting Standards Council (FRSC)

- Philippine Interpretation IFRIC 15, *Agreements for the Construction of Real Estate*

Effective January 1, 2016

- PFRS 10, *Consolidated Financial Statements, and PAS 28, Investments in Associates and Joint Ventures - Investment entities: Applying the consolidation Exception (Amendments)*
- PAS 27, *Separate Financial Statements - Equity Method in Separate Financial Statements (Amendments)*
- PFRS 11, *Joint Arrangements - Accounting for Acquisitions of Interests (Amendments)*
- PAS 1, *Presentation of Financial Statements - Disclosure Initiative (Amendments)*
- PAS 14, *Regulatory Deferral Accounts*
- PAS 16, *Property, Plant and Equipment, and PAS 41, Agriculture - Bearer Plants*
- PAS 16, *Property, Plant and Equipment, and PAS 38, Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortization (Amendments)*
- Annual Improvements to PFRSs (2012 - 2015 cycle)
- PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations - Changes in Methods of Disposal*
- PFRS 7, *Financial Instruments: Disclosures - Servicing Contracts*
- PFRS 7, *Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements*
- PAS 19, *Employee Benefits - regional market issue regarding discount rate*
- PAS 34, *Interim Financial Reporting - disclosure of information 'elsewhere in the interim financial report'*

Effective January 1, 2018

- PFRS 9, *Financial Instruments*

In addition, the International Accounting Standards Board has issued the following new standards that have not yet been adopted locally by the SEC and FRSC. The Club is currently assessing the impact of these new standards and plans to adopt them on their required effective dates once adopted locally.

- International Financial Reporting Standards (IFRS) 15, *Revenue from Contracts with Customers* (effective January 1, 2018)
- IFRS 16, *Leases* (effective January 1, 2019)



Summary of Significant Accounting Policies

Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from dates of acquisition and that are subject to insignificant risk of changes in value.

Financial Assets and Financial Liabilities

Financial assets in the scope of PAS 39, are classified as either financial assets at fair value through profit or loss (FVPL), loans and receivables, held-to-maturity (HTM) investments or available-for-sale (AFS) financial assets, as appropriate, while financial liabilities are classified as either financial liabilities at FVPL or other financial liabilities. When financial assets and financial liabilities are recognized initially, they are measured at fair value, plus, in the case of investments not at FVPL, directly attributable transaction costs. The Club determines the classification of its financial assets and financial liabilities upon initial recognition and, where allowed and appropriate, re-evaluates this designation at each reporting date.

All regular way purchases and sales of financial assets are recognized on the trade date, which is the date that the Club commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

The Club's financial instruments are of the nature of loans and receivables and other financial liabilities. As of June 30, 2016 and 2015, the Club has no financial assets and liabilities at FVPL, AFS financial assets, and HTM investments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, loans and receivables are subsequently carried at amortized cost using the effective interest rate (EIR) method, less any allowance for impairment. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are integral part of the EIR and transaction costs. Gains and losses are recognized in the statement of income when the loans and receivables are derecognized or impaired, as well as through the amortization process. Loans and receivables are classified as current assets when it is expected to be realized within twelve months after the balance sheet date or within the normal operating cycle whichever is longer. Otherwise, these are classified as noncurrent assets.

This accounting policy applies to the Club's 'cash and cash equivalents', 'trade and other receivables' and 'trust fund'.

Other financial liabilities

This category pertains to issued financial liabilities or their components that are neither held for trading nor designated as at FVPL upon the inception of the liability and contain contractual obligations to deliver cash or another financial asset to the holder or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.



All loans and borrowings are initially recognized at the fair value of the consideration received less directly attributable debt issuance costs. Debt issuance costs are amortized using the EIR method and unamortized debt issuance costs are included and offset against the related carrying value of the loan in the balance sheet.

The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument, as a whole, the amount separately determined as the fair value of the liability component on the date of issue.

After initial recognition, other financial liabilities are subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are integral part of the EIR.

When a loan is paid, the related unamortized debt issuance costs at the date of repayment are charged against current operations. Gains or losses are recognized in statement of income when the liabilities are derecognized as well as through the amortization process.

This accounting policy applies primarily to the Club's 'trade and other payables', 'members' deposit and others' and 'short term loans'.

Derecognition of Financial Assets and Liabilities
Financial assets

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

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

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

Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Club's continuing involvement is the amount of the transferred asset that the Club may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Club's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.



Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability and the difference in the respective carrying amounts is recognized in the statement of income.

Fair Value Measurements

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

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

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

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

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

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

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

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

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



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

Impairment of Financial Assets

The Club assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the borrower or a group of borrowers is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Assets carried at amortized cost

The Club first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on loans and receivables carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original EIR (i.e., the EIR computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through the use of an allowance account. The amount of the loss shall be recognized in the statement of income. The asset, together with associated allowance accounts, is written off when there is no realistic prospect of future recovery.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the statement of income to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

Assets carried at cost

If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.



Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Club assesses that it has currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Club and all of the counterparties.

Property and Equipment

Property and equipment, except for land, are stated at cost less accumulated depreciation and any impairment losses, if any. Land is stated at cost less any impairment in value.

The initial cost of property and equipment comprises its purchase price, including import duties, non-refundable taxes, estimated costs of dismantlement or restoration and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Such cost includes the cost of replacing part of such property and equipment when the recognition criteria are met. Expenditures incurred after the property and equipment have been put into operations, such as repairs and maintenance and overhaul costs, are normally charged to the statement of income in the period when the costs are incurred.

In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment. The carrying amount of the replaced part regardless of whether the replaced part had been depreciated separately is derecognized if an entity recognizes in the carrying amount of an item of property and equipment the cost of a replacement for part of the item. If it is not practicable for an entity to determine the carrying amount of the replaced part, it may use the cost of the replacement as an indication of what the cost of the replaced part was at the time it was acquired or constructed.

When each major inspection is performed, its cost is recognized in the carrying amount of the item of property and equipment as a replacement if the recognition criteria are satisfied.

Each part of an item of property and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

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

<u>Category</u>	<u>Number of Years</u>
Land improvements	3-50
Building and structures	5-50
Ground tools and services machinery and equipment	3-10
Furniture, fixtures and equipment	3-10
Transportation equipment	5

Construction in progress is stated at cost. Depreciation is computed when the construction is completed.



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

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and any allowance for impairment loss are removed from the accounts and any resulting gain or loss is credited to or charged against current operations. Impairment losses of items of property and equipment, related claims for or payments of compensation from third parties and any subsequent purchase or construction of replacement assets are separate economic events and are accounted for separately.

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

Investment Properties

Investment property, which consists of land and building held for rentals or capital appreciation or both. Except for land, investment property is stated at cost less accumulated depreciation and impairment in value for building. The cost of the investment property comprises its purchase price and other direct costs. Depreciation on the building is computed on a straight-line basis over the estimated useful life of 20 years. Land is stated at cost less any accumulated impairment.

Transfers are made to investment property when there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction of development. Transfers are made from investment property when there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. These transfers are recorded using the carrying amount of the investment property at the date of the change in use.

Gains or losses resulting from the sale of an investment property are recognized in statement of income.

Investment property is derecognized upon disposal or when permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in the statement of income in the year of retirement or disposal.

Computer Software

Computer software, included as part of 'Other noncurrent assets' is initially recognized at cost. Following initial recognition, computer software is carried at cost, less accumulated amortization and any accumulated impairment in value.

Computer software is amortized on a straight-line basis over its estimated useful economic life of three (3) years and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization commences when the computer software is available for use. The period and method of amortization for the computer software are reviewed at each end of the reporting period. Changes in the estimated useful life is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense is recognized in the statement of income in the expense category consistent with the function of the computer software.



Trust Fund

Trust fund pertains to short-term deposits for which the use is restricted to the daily operations of the Club.

Impairment of Nonfinancial Assets

The Club assesses at each reporting date whether there is an indication that a nonfinancial asset may be impaired. If any such indication exists, or when annual impairment testing for a nonfinancial asset is required, the Club makes a formal estimate of recoverable amount. A nonfinancial asset's estimated recoverable amount is the higher of a nonfinancial asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual nonfinancial asset, unless the asset does not generate cash inflows that are largely independent of those from other nonfinancial assets or group of nonfinancial assets, in which case the recoverable amount is assessed as part of the cash generating unit to which it belongs. Where the carrying amount of a nonfinancial asset exceeds its estimated recoverable amount, the nonfinancial asset is considered impaired and is written down to its estimated recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the nonfinancial asset. Fair value less costs to sell is the amount obtainable from the sale of a nonfinancial asset or cash-generating unit in an arm's-length transaction, adjusted for incremental costs that would be directly attributable to the disposal of the nonfinancial asset.

Impairment losses of continuing operations are recognized in the statements of income in those expense categories consistent with the function of the impaired nonfinancial asset, except for any property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognized in other comprehensive income to the amount of any previous revaluation.

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

Related Parties

Parties are considered to be related if one party has the ability to, directly or indirectly, control or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties include members of key management personnel including directors and officers of the Club and close members of the family and companies associated with these individuals. In considering each possible related entity relationship, attention is directed to the substance of the relationship and not merely the legal form.

Capital Stock

Capital stock is determined using the nominal value shares that have been issued. When the Club issues more than one class of stock, a separate account is maintained for each class of stock and number of shares issued.



Contribution in Excess of Par Value

Amount of contribution in excess of par value is accounted for as an additional paid-in capital. Additional paid-in capital also arises from additional capital contribution from the members.

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Club and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

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

Membership Dues

Members' dues are recognized monthly as the fees become due. Any advance payments for membership dues are recognized as a liability and credited to "Membership dues paid in advance" account in the statement of financial position.

Green Fees

Green fees are income generated from use of the golf course by member's guest and walk-in customers. Revenues are recorded when the related services are rendered.

Assessment for Road Maintenance

Assessment for road maintenance is income generated from the use of the Club's main road, Don Celso S. Tuason Avenue. Revenues are recorded upon billing to members.

Rentals and Concessionaires' Fees

Rentals and concessionaires' fees are recognized when the service is rendered in accordance with the terms of the agreements entered into by the Club.

Transfer Fees

Transfer fees are recognized when the shares of stocks have been transferred.

Patronage Fees

Patronage fees are consumables that members are entitled to for the consumption of food provided by the club's concessionaire. These are recognized monthly as the fees expire.

Service Charge on Playing Guests

Service charges on playing guests are transaction fees or cash requirements in order to process the Club's playing rights to outside individuals. These are recognized when the service is rendered.

Golf Cart Storage

Golf cart storage is income generated from the safekeeping and storage of member's golf carts.

Interest Income

Interest is recognized as income when it accrues, taking into account the effective yield on the asset.

Miscellaneous Income

Miscellaneous income are recognized as the earning process occurs and collection is reasonably assured.



Cost and Expenses

Cost and expenses are decreases in economic benefits during the accounting period in the form of outflows or decreases of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Cost and expenses are recognized when incurred.

Taxes

Current income tax

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

Deferred income tax

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

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable income or loss; and
- in respect of taxable temporary differences associated with investments in foreign subsidiaries and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carryforward of unused tax credits in the form of minimum corporate income tax (MCIT) and unused tax losses in the form of net operating loss carryover (NOLCO), to the extent that it is probable that taxable income will be available against which the deductible temporary differences, and the carry forward benefit of MCIT and NOLCO can be utilized except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable income or loss; and
- in respect of deductible temporary differences associated with investments in foreign subsidiaries and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable income will be available against which the temporary differences can be utilized.

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



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

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to offset current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority. Income tax relating to items recognized directly in equity is recognized directly in other comprehensive income and not in the statements of income.

Value-added Tax (VAT)

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

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

Output VAT is presented net if input VAT and the resulting payable is included as part of 'Trade and other payables' account to be remitted to applicable taxation authorities. When the resulting outcome is a net input VAT, it is included as part of 'Other current assets' account, which can be recovered as tax credit against future tax liability of the Club.

Deferred input VAT represents input VAT on purchase of capital goods exceeding one million pesos. The related input VAT is recognized over five (5) years or the useful life of the capital goods, whichever is shorter.

Leases

The determination of whether an arrangement is, or contains a lease, is based on the substance of the arrangement at the inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets even if that right is not explicitly specified in an arrangement.

Club as a Lessor

Leases which do not transfer to the lessee substantially all the risks and benefits of ownership of the asset are classified as operating lease. Lease income from operating leases is recognized on a straight-line basis over the lease term. Indirect cost incurred by the lessor in negotiating and arranging for an operating lease is added to the carrying amount of the leased asset and recognized as expense over the lease term.

Retirement Benefit Obligation

Defined Benefit Plan

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

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.



Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Re-measurements of net defined benefit liability or asset

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

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

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

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Club, nor can they be paid directly to the Club. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

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

Provisions

Provisions are recognized when the Club has a present obligation (legal and constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are made by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Where the Club expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the receipt of the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of income, net of any reimbursement.



Contingencies

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

Events After the Reporting Date

Post year-end events that provide additional information about the Club's position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to financial statements when material.

3. Significant Judgment and Estimates

The preparation of the accompanying financial statements in compliance with PFRS requires management to make judgments and estimates that affect the amounts reported in the financial statements and the accompanying notes. The judgments and estimates used in the accompanying financial statements are based upon management's evaluation of relevant facts and circumstances as at the date of the financial statements. Future event may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimate are reflected in the financial statements as they become reasonably determinable. Actual results could differ from such estimates.

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 circumstance.

Judgments

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

Going concern assessment

The management has made an assessment on the Club's ability to continue as a going concern and is satisfied that the Club has the resources to continue their business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt about the Club's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Determining Functional Currency

The functional currency of the Club has been determined to be the Philippine Peso. Based on the Club's evaluation, the Philippine Peso is the currency that represents the primary economic environment in which the Club operates and it is the currency that mainly influences the underlying transactions, events and conditions relevant to the Club.

Classification of Financial Instruments

The Club exercises judgment in classifying a financial instrument, or its component parts, on initial recognition either as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the statement of financial position.



In addition, the Club classifies financial assets by evaluating, among others, whether the asset is quoted or not in an active market. Included in the evaluation on whether a financial asset is quoted in an active market is the determination on whether the quoted prices are readily and regularly available, and whether those prices represent actual and regularly occurring market transactions on an arm's length basis.

Operating Lease - Club as Lessor

The Club has entered into commercial property lease on its investment property. The Club determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of the investment property, thus the lease is accounted for as an operating lease.

Estimates

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

Estimating Allowance for Impairment Losses

The Club maintains an allowance for impairment losses on receivables at a level considered adequate to provide for potential uncollectible receivables. The level of this allowance is evaluated by the Club on the basis of factors that affect the collectability of the accounts. These factors include, but are not limited to, the length of the Club's relationship with members and debtors, their payment behavior and known market factors. The Club reviews the age and status of receivables, and identifies accounts that are to be provided with allowance on a continuous basis.

Provisions for impairment losses on trade and other receivables amounted to nil, ₱0.4 million and ₱0.1 million in 2016, 2015 and 2014, respectively. Trade and other receivables, net of allowance for impairment losses as of June 30, 2016 and 2015, amounted to ₱10.7 million and ₱13.7 million, respectively (see Note 5).

Estimating Useful Lives of Property and Equipment and Investment Properties

The Club estimates the useful lives of property and equipment and investment properties based on the period over which the Club's property and equipment and investment properties are expected to be available for use. The estimated useful lives of property and equipment and investment properties are reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of these assets. In addition, the Club's estimation of the useful lives of property and equipment and investment properties are based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible that the future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above.

As of June 30, 2016 and 2015, there were no changes made in the estimated useful lives of the Club's property and equipment and investment properties.

The net carrying amount of property and equipment as of June 30, 2016 and 2015 amounted to ₱221.4 million and ₱225.2 million, respectively (see Note 7).

The net carrying amount of investment properties as of June 30, 2016 and 2015 amounted to ₱11.1 million and ₱13.8 million, respectively (see Note 8).



Estimating Useful Life of Computer Software

The estimated useful life used as a basis for amortizing the computer software costs was determined on the basis of management's assessment of the period within which the benefits of the asset are expected to be realized by the Club.

There were no changes made in the estimated useful life of the Club's computer software in 2016.

The net carrying amount of computer software as of June 30, 2016 and 2015 amounted to ₱0.4 million and ₱0.6 million, respectively (see Note 10).

Estimating Impairment Losses of Nonfinancial Assets

Internal and external sources of information are reviewed at each end of the reporting period to identify indications that property and equipment, investment properties, and computer software may be impaired or an impairment loss previously recognized no longer exists or may be decreased.

If any such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its estimated recoverable amount. The Club assesses the impairment of assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Club considers important which could trigger an impairment review include the following:

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

As of June 30, 2016 and 2015, the Club has no accumulated impairment losses on property and equipment, investment properties, computer software. The aggregate carrying value of these nonfinancial assets as of June 30, 2016 and 2015 amounted to ₱232.9 million and ₱239.7 million, respectively (see Notes 7, 8, and 10).

Determining Retirement Benefit Expense

The cost of defined benefit pension plans and the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, future salary increases, turnover rate and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the market yields on Philippine government bonds with terms consistent with the expected employee benefit payout as at end of the reporting periods. The mortality rate is based on publicly available mortality tables and is modified accordingly with estimates of mortality improvements. Future salary increases and pension increases are based on expected future inflation rates for the Philippines.

Retirement benefit expense amounted to ₱1.7 million, ₱5.2 million and ₱2.4 million in 2016, 2015 and 2014, respectively. Retirement benefit obligation amounted to ₱12.2 million and ₱10.1 million as of June 30, 2016 and 2015 (see Note 26).



Estimating Realizability of Deferred Income Tax Assets

The Club reviews the carrying amounts of deferred income tax assets at each reporting date and reduced the amounts to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilized.

However, there is no assurance that the Club can generate sufficient taxable profit to allow all or part of its deferred taxable assets to be utilized.

As of June 30, 2016 and 2015, the Club's deferred income tax assets amounted to ₱3.4 million and ₱3.5 million, respectively (see Note 24).

As of June 30, 2016 and 2015, the Club's deferred income tax liability amounted to ₱34,194 and ₱2.1 million, respectively (see Note 24).

Temporary deductible differences for which no deferred income tax asset was recognized amounted to ₱18.9 million and ₱20.5 million as of June 30, 2016 and 2015, respectively (see Note 24).

Provision and Contingencies

The Club is currently involved in various legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with its counsel handling the defense in these matters and is based upon an analysis of potential results. In the opinion of management and its legal counsel, the eventual liability under these lawsuits or claims, if any, will not have a material or adverse effect on the Club's financial position and results of operations. It is possible, however, that the future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceedings.

The Club has accrued provision for probable claims amounting to ₱1.0 million as of June 30, 2016 and 2015 (see Note 15).

4. **Cash and Cash Equivalents**

	2016	2015
Cash on hand	₱95,000	₱95,000
Cash in banks	20,280,229	12,173,603
Short-term investments	1,653,955	1,643,573
	<u>₱22,029,184</u>	<u>₱13,912,176</u>

Cash in banks earn interest at the respective bank deposit rates. Short-term investments have varying maturities of up to 90 days and earn interest at the respective short-term deposit rates.

Interest income earned amounted to ₱0.2 million, ₱0.1 million and ₱0.1 million in 2016, 2015 and 2014, respectively (see Note 20).



5. Trade and Other Receivables

	2016	2015
Members	₱11,488,331	₱11,930,080
Subscription	—	1,210,000
Others	1,386,745	2,893,487
	12,875,076	16,033,567
Less: allowance for impairment losses	2,178,090	2,368,171
	₱10,696,986	₱13,665,396

Receivables from members, which are due 30 days after billing date, are noninterest-bearing and constitute a lien on the members' shares.

Subscription receivable pertains to the additional subscription of shares which are due in one year.

Other receivables consist mainly of the share of the homeowners for the security services and electricity of the access roads around the Club, advances made to officers and employees and receivables from concessionaires and various organizations.

As of June 30, 2016, the aging analysis of trade and other receivables are as follows:

	2016	2015
Not more than 30 days outstanding	₱1,463,709	₱4,957,793
Beyond 30 days outstanding:		
31-60 days	3,628,586	1,521,017
61-90 days	1,947,012	844,972
Over 90 days	5,835,769	8,709,785
	₱12,875,076	₱16,033,567

As of June 30, 2016 and 2015, the movements in the allowance for impairment losses are as follows:

	2016	2015
Balances at beginning of year	₱2,368,171	₱1,974,564
Provisions for impairment losses (Note 22)	—	393,607
Write-off	190,081	—
Balances at end of year	₱2,178,090	₱2,368,171

6. Other Current Assets

	2016	2015
Supplies inventory	₱1,321,305	₱2,567,484
Prepayments	2,306,767	2,356,299
Creditable withholding tax (CWT)	905,395	444,555
Others	1,121,141	1,445,931
	₱5,654,608	₱6,814,269

Supplies inventory include gasoline and oil stocks, grounds materials, office and stationeries, shop and maintenance supplies and construction materials.



Prepayments pertain to prepaid taxes and licenses, prepaid medical expenses and prepaid insurance premiums.

CWT is the tax withheld by the withholding agents from payments to the Club which can be applied against the income tax payable.

Others pertain to advances on purchases and deferred input VAT.

7. Property and Equipment

Cost:	2016							Total
	Land	Land Improvements	Building and Structures	Ground Tools and Service Machinery and Equipment	Furniture, Fixtures and Equipment	Transportation Equipment	Construction In Progress	
Balances at beginning of year	₹9,423,172	₹275,201,031	₹55,316,580	₹23,055,790	₹5,956,937	₹12,186,769	₹2,262,410	₹384,902,489
Additions	-	-	-	641,624	-	-	9,194,420	9,836,044
Disposals	(11,331)	-	-	(852,805)	(65,228)	-	-	(929,364)
Transfers	-	221,400	229,107	1,014,584	-	-	(1,465,091)	-
Balance at end of year	9,411,841	275,422,431	56,045,487	23,859,193	5,891,709	12,186,769	10,991,739	393,809,169
Accumulated depreciation:								
Balances at beginning of year	-	101,466,397	28,373,399	15,657,429	5,761,327	8,396,552	-	159,655,104
Depreciation (Notes 21 and 22)	-	6,224,821	4,150,494	2,149,847	50,572	973,214	-	13,548,948
Disposals	-	-	-	(802,406)	(65,228)	-	-	(867,634)
Balances at end of year	-	107,691,218	32,523,893	17,004,870	5,746,671	9,349,766	-	172,356,418
Net book values	₹9,411,841	₹167,731,213	₹23,521,594	₹6,854,323	₹145,038	₹2,837,003	₹10,991,739	₹221,472,751

Cost:	2015							Total
	Land	Land Improvements	Building and Structures	Ground Tools and Service Machinery and Equipment	Furniture, Fixtures and Equipment	Transportation Equipment	Construction In Progress	
Balances at beginning of year	₹9,423,172	₹273,527,323	₹54,286,627	₹43,156,913	₹6,050,848	₹9,823,133	₹973,007	₹397,243,023
Additions	-	-	100,000	4,707,982	35,988	2,500,000	5,676,622	13,020,592
Disposals	-	-	-	(25,094,863)	(129,899)	(136,363)	-	(25,361,126)
Transfers	-	1,673,708	1,427,753	285,758	-	-	(3,387,219)	-
Balance at end of year	9,423,172	275,201,031	55,816,380	23,055,790	5,956,937	12,186,769	3,262,410	384,902,489
Accumulated depreciation:								
Balances at beginning of year	-	95,149,944	24,366,282	36,435,590	5,842,448	7,842,231	-	169,635,495
Depreciation (Notes 21 and 22)	-	6,316,453	4,007,117	2,265,556	48,771	690,684	-	13,328,581
Disposals	-	-	-	(23,043,717)	(129,892)	(136,363)	-	(23,309,972)
Balances at end of year	-	101,466,397	28,373,399	15,657,429	5,761,327	8,396,552	-	159,655,104
Net book values	₹9,423,172	₹173,734,634	₹27,442,981	₹7,398,361	₹195,610	₹3,790,217	₹3,262,410	₹225,247,385

Fully depreciated equipment still used in operations amounted to ₹72.3 million and ₹67.8 million as of June 30, 2016 and 2015, respectively.

On January 2016, the Club sold a parcel of land amounting to ₹9.8 million. The cost of the land is ₹11,331, resulting to a gain of ₹8.7 million (see Note 20).

On November 2014, the Club entered a maintenance service agreement with MJ Carr Golf Management, Inc. (MJCARR) which resulted to a sale of ground tools and service machinery and equipment with a book value of ₹1.7 million. Proceeds from sale of equipment amounted to ₹2.4 million resulting to a gain on sale of ₹0.4 million (see Note 20).



8. **Investment Properties**

	2016		
	North Clubhouse	Land	Total
Cost:			
Balances at beginning and end of year	₱53,718,366	₱88,237	₱53,806,603
Accumulated amortization:			
Balances at beginning of year	39,966,383	—	39,966,383
Amortization (Note 21)	2,758,940	—	2,758,940
Balances at end of year	42,725,323	—	42,725,323
Net book values	₱10,993,043	₱88,237	₱11,081,280

	2015		
	North Clubhouse	Land	Total
Cost:			
Balances at beginning and end of year	₱53,718,366	₱88,237	₱53,806,603
Accumulated amortization:			
Balances at beginning of year	37,207,443	—	37,207,443
Amortization (Note 21)	2,758,940	—	2,758,940
Balances at end of year	39,966,383	—	39,966,383
Net book values	₱13,751,983	₱88,237	₱13,840,220

Rental income from investment property amounted to ₱0.2 million in 2016, 2015 and 2014 (see Note 18). Direct expenses related to investment properties consist mainly of depreciation amounting to ₱2.8 million in 2016 and 2015.

The aggregate fair value of the Club's properties amounted to ₱90.5 million. The fair values of the Club's properties were determined on the valuation performed by TCI Top Consult, Inc. on June 15, 2016. The TCI Top Consult is an industry specialist in valuing these types of properties. The fair value represents the price that would be received to sell an asset or paid a liability in an orderly transaction between market participants at the measurement date.

9. **Trust Fund**

Pursuant to the resolution passed by the members on September 12, 1982 and as provided for in the Club's by laws, the trust fund committee is empowered to invest the Valley Golf Trust Fund, which in no case shall be less than the original amount of ₱3.5 million, in leading universal banks in the country.

The members' resolution further states that all proceeds from future sale of shares and real property, including all amortizations due on the sale of shares previously sold, shall accrue to the trust fund and that 85% of the interest income of the fund shall be made available for the maintenance and repair of the golf course. The remaining 15% of said interest income shall accrue to and form part of the fund.



On May 21, 1989, the members' resolution was amended stating that, "the proceeds of the sale of any real property of the Club or shares of stock to be used for capital expenditure and other infrastructure project shall not form part of the Valley Golf Trust Fund. However, any excess thereof shall form part of the Valley Golf Trust Fund".

The trust fund account was reported as part of the "noncurrent asset" portion in the statement of financial position.

As of June 30, 2016 and 2015, trust fund balance amounted to ₱4.3 million and ₱3.8 million, respectively. Interest income recognized for the trust fund amounted to ₱38,212, ₱37,238 and ₱30,249 in 2016, 2015 and 2014, respectively (see Note 20).

10. Other Noncurrent Assets

	2016	2015
Refundable deposit	₱3,079,306	₱3,055,331
Computer software - net	387,637	586,970
Others	154,179	79,718
	₱3,621,122	₱3,722,019

Refundable deposit pertains to deposits from utility companies and MJ Carr. The carrying amounts of the deposits are regarded as its amortized cost since the timing of the refund or settlement of the deposits could not be reasonably estimated.

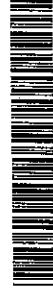
The movement of computer software is as follows:

	2016	2015
Cost:		
Balance at beginning of year	₱2,181,437	₱2,156,687
Additions	-	24,750
Balance at end of year	2,181,437	2,181,437
Accumulated Amortization:		
Balance at beginning of year	1,594,467	1,462,108
Amortization (Note 22)	199,333	132,359
Balance at end of year	1,793,800	1,594,467
Net Book Value	₱387,637	₱586,970

11. Trade and Other Payables

	2016	2015
Trade	₱2,078,170	₱5,008,946
Organizations and cooperative	3,272,824	2,011,302
Accrued expenses	2,336,748	2,210,246
Concessionaires	1,105,016	996,818
VAT payable	251,634	418,174
Others	604,880	544,797
	₱9,649,272	₱11,190,283

Trade payables are unsecured, noninterest-bearing and are payable to suppliers within 30 days.



Accrued expenses are obligations on the basis of normal credit terms and do not bear interest. These pertain to accruals made for outside services, utilities and other various accruals. These are normally settled throughout the next financial year.

Payable to concessionaires and other organizations pertains to collections received by the Club for and on behalf of the concessionaires and other organizations.

Other payables mainly consist of tournament deposits and withholding tax payable.

12. Members' Deposits and Others

	2016	2015
Cash deposit	₱4,525,000	₱4,385,000
Due to former members	2,875,493	1,826,197
Security deposit	170,000	170,000
	₱7,570,493	₱6,381,197

Cash deposit pertains to deposits made by playing guests. Any unpaid liabilities will be deducted from this account and the excess will be refunded upon resignation of the playing guest.

Due to former members consist mainly of proceeds from auction sale of shares, payable to former members and other advance payments made by them.

Security deposit pertains to various deposits received by the Club from its concessionaires and lessee and is to be refunded at the end of their respective agreements.

13. Membership Dues Paid in Advance

This account represents advance collection of monthly membership dues which are applied in the next financial year.

As of June 30, 2016 and 2015, membership dues paid in advance amounted to ₱4.8 million and ₱4.7 million, respectively.

14. Payable to a Contractor

This pertains to the payable for the construction of the Club's main road, Don Celso S. Tuazon Avenue with a total amount of ₱4.5 million as of June 30, 2016 and 2015.

On January 3, 2012, the parties agreed in principle to settle the debt in exchange of 985 square meters of land belonging to the Club. The market value of the land amounted to ₱4.9 million.



15. Accrued Provision for Probable Claims

Accrued provision for probable claims pertains to the estimated liability to resolve various probable claims against the Club. Any payment of actual claims against the Club requires the approval of the BOD.

The information usually required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, is not disclosed on the grounds that it can be expected to prejudice the outcome of these lawsuits, claims, arbitration and assessments.

As of June 30, 2016 and 2015, accrued provision for payable claims amounted to ₱1.0 million.

16. Member's Equity

Capital Stock

	Shares		Amount	
	2016	2015	2016	2015
Common shares - ₱9,000 par value Authorized - 1,800 shares Issued				
Balance at beginning of year	1,588	1,577	₱14,292,000	₱14,193,000
Additions during the year	5	11	45,000	99,000
Balance at end of year	1,593	1,588	14,337,000	14,292,000
Subscribed				
Balance at beginning of year	5	11	45,000	99,000
Additions during the year	-	5	-	45,000
Issuance of shares during the year	(5)	(11)	(45,000)	(99,000)
	-	5	-	45,000
	1,593	1,593	₱14,337,000	₱14,337,000

The selling price per share of installment sales is ₱350,000 for 2016, payable with a down payment of ₱30,000 and the balance in 11 equal monthly installments of ₱30,000 and one final installment of ₱20,000, without interest if paid on or before due date. Penalty interest of 2% per month is charged on any default in installment payment.

Accumulated Excess of Revenues Over Expenses

	2016	2015
Accumulated excess of revenues over expenses	₱27,188,005	₱25,969,892
Other comprehensive income (loss):		
<i>Item not to be reclassified to profit or loss in subsequent periods:</i>		
Beginning balance	(2,658,861)	(7,326,886)
Re-measurement gains (losses) on defined benefit obligation	(374,201)	4,668,025
	(3,033,062)	(2,658,861)
	₱24,154,943	₱23,311,031



17. Green Fees

Green fees are generated from the use of the Club's golf courses. The Club has two golf courses: the North and South course. The North course is open to its members, their guests, and walk-in customers while the South course is open to its members and their guests only.

On July 1, 2013, the Club entered into an agreement with Korea Golf & Members Leisure, Inc. (Korea Golf) for the use of the Club's North course. The Club also grants Korea Golf the use of its North Clubhouse office space. The agreement is for a minimum of ₱4.0 million worth of green fee coupons a year. Payments from this agreement would be earned and included in the Club's green fees upon usage of the Club's facilities. The agreement is valid until July 1, 2018.

During 2015, there was a default to the contract by Korea Golf. They had failed to purchase the minimum green fees coupons as stated in the contract. The Club rescinded the contract and forfeited all the payments made by Korea Golf. The green fees from Korea Golf amounted to ₱0.2 million and ₱1.3 million in 2016 and 2015, respectively.

18. Rentals

	2016	2015	2014
Golf carts and lockers	₱6,600,453	₱6,100,627	₱5,510,116
Investment property:			
Communication cell site	221,898	212,343	203,199
	₱6,822,351	₱6,312,970	₱5,713,315

Rentals of golf carts are for the use of the golf carts provided by the club for its members. Rentals of lockers are for the use of the Club's locker rooms.

The Club leases the north clubhouse's rooftop to a local telecommunications company to be used as a cell site under certain conditions. Monthly rental amounts to ₱15,000, subject to a 4.5% escalation starting on the fourth year. The lease period is from October 1, 2007 to September 30, 2017, renewable for a period to be mutually agreed upon by the parties.

Minimum rentals to be collected from the long-term lease are as follows:

	2016	2015	2014
Within one year	₱242,318	₱231,883	₱221,898
After one year but more than five	61,239	487,273	535,440
More than five years	—	—	183,716
	₱303,557	₱719,156	₱941,054



19. Concessionaires' Fees

	2016	2015	2014
Food and beverage services	₱2,022,949	₱2,112,254	₱1,917,903
Retail services	821,766	776,966	851,478
Driving range operations	278,571	257,143	235,714
Spa and barber shop services	-	-	91,071
	₱3,123,286	₱3,146,363	₱3,096,166

Concession agreements entered into by the Club are shown below:

Food and Beverage Services

Interpro Food Specialist, Inc., local concessionaire and the Club entered into a concession agreement whereby the said concessionaire operates the food and beverage operations of the Club. The agreement also provides that the concessionaire shall pay a fee of 10% of the monthly gross sales including special functions contracted for the members and guest and to purchase one share of stock. The share of stock is pledged to the Club which serves as a security deposit to answer for any damages or expenses incurred. The agreement is for a period of five years from September 1, 2013 up to September 1, 2018, subject to renewal at the option of the Club under such terms and conditions to be mutually agreed by the parties.

Retail Shop

Pacsport Phils, Inc. was awarded the concession to operate a retail sales outlet, inside the Clubhouse to serve the members, guests and dependents, exclusively. In consideration for operating the Shop, the Club charges a basic minimum monthly rental of ₱65,000 or 15% of their gross sales per month inclusive of value added tax, whichever is higher. The agreement is for a period of two years from March 15, 2016 up to May 14, 2018.

Driving Range Operations

The contract with Benjie Magada for maintenance and operation of the driving range facility covers a period of four years from July 1, 2012 up to July 1, 2016 subject to renewal or extension at the option of the Club. In consideration, the concessionaire will pay the Club a monthly concession fee amounting to ₱20,000, subject to 10% increase annually.

20. Miscellaneous Income

	2016	2015	2014
Gain on sale of properties (Note 7)	₱8,728,634	₱418,290	₱-
Service fee	938,691	1,002,360	2,868,703
Surcharge	910,999	858,117	1,191,545
Pull carts	366,589	300,682	313,508
Interest	157,225	142,797	123,147
Others	3,031,687	5,451,260	2,294,980
	₱14,133,825	₱8,173,506	₱6,791,883

Others mainly consist of venue and room fee, and bingo session net proceeds.



21. Cost of Services

	2016	2015	2014
Outside services	₱31,849,392	₱25,110,709	₱11,867,184
Personnel cost (Note 23)	21,156,966	31,418,436	28,159,099
Depreciation and amortization (Notes 7, 8, 10)	16,156,146	15,851,358	15,926,761
Utilities	9,019,029	8,907,168	9,103,625
Supplies	5,901,187	8,936,376	11,405,280
Repairs and maintenance	2,278,776	5,845,463	7,993,656
Loss on write-off of inventory	1,435,341	—	—
Others	8,898,332	7,461,079	6,924,015
	₱96,695,169	₱103,530,589	₱91,379,620

Others pertain to provision for tournament expenses, insurance and parking fee.

22. General and Administrative

	2016	2015	2014
Personnel costs (Note 23)	₱6,505,505	₱8,732,275	₱8,513,781
Taxes and licenses	3,953,221	3,866,497	4,293,638
Outside services	1,730,766	836,294	1,476,305
Board members' meetings	1,223,876	1,195,926	918,816
Bank charges	862,321	772,533	696,826
Supplies	589,473	717,647	705,011
Utilities	584,081	621,292	568,895
Depreciation and amortization (Notes 7, 8, 10)	351,075	368,522	337,303
Interest	133,083	910,814	243,333
Loss on write-off of property and equipment	17,066	58,729	923,026
Provision for impairment losses on receivables (Note 5)	—	393,607	68,290
Others	842,438	690,580	312,360
	₱16,792,905	₱19,164,716	₱19,057,584

Other expenses consist mainly of advertising expenses, prompt payment discounts, insurance and net expenses incurred during tournaments.

23. Personnel Costs

	2016	2015	2014
Cost of services (Note 21):			
Salaries and wages	₱15,600,187	₱16,061,650	₱18,707,086
Employee benefits	4,224,270	11,055,514	7,623,071
Retirement benefits expense (Note 26)	1,332,509	4,301,272	1,828,942
	21,156,966	31,418,436	28,159,099

(forward)



	2016	2015	2014
General and administrative (Note 22):			
Salaries and wages	4,969,836	4,195,362	4,632,654
Employee benefits	1,210,183	3,680,843	3,351,672
Retirement benefits expense (Note 26)	325,486	856,070	529,455
	6,505,505	8,732,275	8,513,781
	₱27,662,471	₱40,150,711	₱36,672,880

24. Income Taxes

The Club's provision for current income tax in 2016 and 2015 pertains to MCIT.

The compositions of provision for (benefit from) income taxes were:

	2016	2015	2014
Current	₱397,068	₱145,758	₱464,384
Deferred	153,321	(235,805)	(3,176,761)
	₱550,389	(₱90,047)	(₱2,712,377)

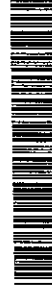
The reconciliation of income computed at the statutory tax rates to provision for income tax as shown in the statements of income is as follows:

	2016	2015	2014
Income tax computed at statutory rate	₱530,551	(₱4,282,490)	₱1,019,847
Income tax effects of:			
Expired MCIT	494,185	-	-
Nondeductible expenses	43,618	140,313	66,855
Interest income subjected to final tax	(24,242)	(31,571)	(36,944)
Movement of unrecognized deferred income tax assets	(493,723)	4,083,701	(3,762,135)
	₱550,389	(₱90,047)	(₱2,712,377)

The components of the Club's net deferred income tax asset (liability) are as follows:

	2016	2015
Deferred income tax assets:		
Advanced payments of membership dues and others	₱1,443,866	₱1,408,852
MCIT	1,007,210	1,104,327
Accrued provision for probable claims	305,922	305,921
Allowance for impairment losses	653,427	710,452
	₱3,410,425	₱3,529,552

(forward)



	2016	2015
Deferred income tax liability:		
Re-measurement gain on defined benefit obligation	P-	(P2,113,567)
Interest income from accretion	(34,194)	-
	(P34,194)	(P2,113,567)

No deferred income tax assets from the following deductible temporary difference were recognized as it is not probable that sufficient taxable profit will be available to allow the benefit of the deferred income tax assets to be utilized:

	2016	2015
Retirement benefit obligation	P9,735,079	P10,075,738
NOLCO	9,148,565	10,415,441
Interest expense from accretion	-	38,209
	P18,883,644	P20,529,388

As of June 30, 2016, unrecognized deferred income tax asset in other comprehensive income amounted to P2.5 million.

As of June 30, 2016, the Club has NOLCO that can be claimed as deduction from future taxable income as follows:

Year incurred	Available up to	Amount	Applied	Expired	Balance
2015	2016-2018	P10,415,441	P1,266,876	P-	P9,148,565

The Club has available MCIT which can be applied to the Club's future tax liabilities as follows:

Year incurred	Available up to	MCIT	Applied	Expired	Balance
2013	2014-2016	P494,185	P-	P494,185	P-
2014	2015-2017	464,384	-	-	464,384
2015	2016-2018	145,758	-	-	145,758
2016	2017-2019	397,068	-	-	397,068
		P1,501,395	P-	P494,185	P1,007,210

25. Related Party Transactions

Parties are considered to be related if one party has the ability to control, directly or indirectly, the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.



A summary of major account balances with related parties follows:

	Year	Amount/ Volume	Receivable	Liability	Terms	Conditions
Short term loans from Members	2016	₱3,000,000	₱-	₱2,500,000	1 year term,	Unsecured
	2015	₱3,000,000	₱-	₱5,500,000	interest bearing	
Interest expense on short term loans from Members	2016	208,854	-	-	3%	-
	2015	164,062	-	-	3%	
Advances to officers and employees	2016	-	-	-	1 year term	Unsecured
	2015	283,000	-	-	non-interest bearing	

Short-term Loans

These represent one-year loans obtained from Club members, renewable on a yearly basis upon mutual agreement of the parties. The Club however has the option to preterminate the loan. These loans bear annual interests of 4% in 2016 and 3% in 2015. The loans are secured by unissued shares of stock of the Club.

Key Management Personnel Compensation

Compensation of key management personnel amounted to ₱1.3 million, ₱1.2 million and ₱0.7 million in 2016, 2015 and 2014, respectively, which represent short-term benefits.

Complimentary Club Coupons and House Guests Privileges

Complimentary green fee coupons are given to the BOD and certain officers for distribution to prospective members and certain guests and friends of the Club. The outstanding green fee coupons for each fiscal year are as follows:

	2016	2015	2014
Beginning balance	388	439	616
Additions during the year	3,298	3,188	3,428
Issuances during the year	(3,136)	(3,239)	(3,605)
Ending balance	550	388	439

The amount of green fees charged to playing guest ranges from ₱625 to ₱2,536. Green fee coupons expire after six months.

The Club also authorizes certain Club officers to entertain houseguests and use the Club's facilities free-of-charge.

Non-Paying Members and their Dependents

Certain members of the Club and their dependents are exempt from paying monthly dues.

Retirement Fund

The Club's retirement fund is being held in trust by a trustee bank. As of June 30, 2016 and 2015, the fair value of plan assets amounted to ₱13.1 million and ₱11.0 million, respectively (see Note 26).



26. Retirement Benefit Obligation

The Club has a funded, non-contributory, defined benefit retirement plan covering all its qualified officers and employees. Under the plan, qualified officers and employees are entitled to receive pension benefits on a lump sum basis when they reach the retirement age of 60. With the consent of the Club, an employee may elect to retire early provided he has rendered at least 20 years of credited service or at least 15 years of credited service and at least 50 years old. The projected unit credit cost method was used to determine the retirement benefit costs and obligation.

The following tables summarize the components of the retirement benefit cost recognized in the statements of income and the retirement benefit obligation recognized in the statement of financial position for the retirement plan.

Retirement benefits expense recognized in the statement of income:

	2016	2015	2014
Service cost	₱1,174,909	₱1,841,312	₱1,908,613
Settlement loss	-	2,388,480	-
Net interest cost:			
Interest cost on benefit obligation	973,524	1,641,728	1,088,170
Interest income on plan assets	(490,438)	(714,178)	(638,386)
Retirement benefit expense	₱1,657,995	₱5,157,342	2,358,397

Re-measurement losses (gains) on defined benefit obligation recognized under OCI in the statements of comprehensive income:

	2016	2015
Actuarial losses (gains):		
Experience adjustments	₱2,848,282	(₱2,497,617)
Changes in financial assumptions	2,027,017	(3,243,913)
Changes in demographic assumptions	-	(63,275)
Return on plan assets excluding the amount included in net interest cost	4,875,299	(5,804,805)
Re-measurement losses (gains) on defined benefit obligation	(2,387,531)	(863,802)
	₱2,487,768	(₱6,668,607)

Cumulative re-measurement effect recognized in OCI included in the accumulated excess of revenues over expenses:

	2016	2015
Balances at beginning of year	₱7,658,861	₱7,326,886
Actuarial loss (gain)	4,875,299	(5,804,805)
Return on assets excluding amount included in net interest cost	(2,387,531)	(863,802)
Income tax effect	(2,113,567)	2,000,582
Total amount recognized in OCI	₱3,033,062	₱2,658,861



Movements in retirement benefit obligation in 2016 and 2015 are as follows:

	2016	2015
Balances at beginning of year	₱10,075,738	₱13,585,657
Retirement benefit expense	1,657,995	5,157,342
Contributions paid	(1,998,654)	(1,998,654)
Total amount recognized in OCI	2,487,768	(6,668,607)
Balance at end of year	₱12,222,847	₱10,075,738

Changes in the present value of defined benefit obligation as follows:

	2016	2015
Balances at beginning of year	₱21,071,950	₱32,064,992
Current service cost	1,174,909	1,841,312
Settlement loss	-	2,388,480
Interest cost	973,524	1,641,728
Net actuarial loss (gain) due to:		
Experience adjustments on plan liabilities	2,848,282	(2,497,617)
Changes in financial assumptions	2,027,017	(3,243,913)
Changes in demographic assumptions	-	(63,275)
Benefits paid from plan assets	(2,760,000)	(11,059,757)
Balances at end of year	₱25,335,682	₱21,071,950

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

	2016	2015
Balances at beginning of year	₱10,996,212	₱18,479,335
Interest income on retirement plan assets	490,438	714,178
Actual contributions	1,998,654	1,998,654
Actual return excluding amount included in net interest cost	2,387,531	863,802
Benefits paid	(2,760,000)	(11,059,757)
Balances at end of year	₱13,112,835	₱10,996,212

Retirement obligation as reported in the statement of financial position:

	2016	2015
Present value of benefit obligation	₱25,335,682	₱21,071,950
Fair value of retirement plan assets at end of year	(13,112,835)	(10,996,212)
	₱12,222,847	₱10,075,738



The major categories of plan assets are as follows:

	2016	2015
Deposit in banks	₱12,143	₱10,712
Investment in government securities	7,009,549	6,852,080
Other securities and debt instruments	2,986,000	307,000
Shares of stock	2,677,718	3,728,720
Accrued interest receivable	113,657	113,888
Miscellaneous receivable	329,902	-
	₱13,128,969	₱11,012,400

Deposit in banks includes regular savings.

Investments in government securities consist of retail treasury bonds that bear interest ranging from 5.0% to 11.1% and will mature on various dates starting July 2013 to October 2037.

Other securities and debt instruments pertain to 'due from Bangko Sentral ng Pilipinas' and 'time certificate of deposit'.

Miscellaneous receivable pertains to 'dividends receivable' and 'due from brokers'.

The principal actuarial assumptions used in determining retirement benefit obligations for the Club's retirement plan are as follows:

	2016	2015
Discount rate	3.77%	4.62%
Future salary increases	3.00%	3.00%
Turnover rate	14% at age 19 to 1% at age 45	14% at age 19 to 1% at age 45

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of the end of the reporting period, assuming all other assumptions were held constant:

	Increase (decrease)	Effect on defined benefit Obligation
Discount rates	+1%	(₱28,058,941)
	-1%	27,696,063
Salary increase rate	+1%	₱27,800,994
	-1%	(27,525,904)



Shown below is the maturity profile of the undiscounted benefit payments:

	Expected benefit payments
2015	P354,402
2016	-
2017	2,691,657
2018	479,187
2019	929,630
2020-2024	17,871,237

Retirement benefit expense from defined benefit retirement plan is actuarially determined using the projected unit credit method.

The Club's latest actuarial valuation report was on June 30, 2016. It also expects to contribute P2.0 million in 2017.

27. Financial Instruments

Financial Risk Management Objectives and Policies

The Club's principal financial liabilities comprise of trade and other payables, members' deposit and others, and short term loans. The main purpose of these financial liabilities is to raise finance for the Club's operations. The Club has various financial assets such as cash and cash equivalents, trade and other receivables and trust fund, which arise directly from its operations.

The main risks arising from the Club's financial instruments are credit risk and liquidity risk.

The BOD reviews and approves the policies for managing each of these risks and they are summarized below.

Credit risk

The Club establishes credit limits at the level of the individual borrower, corporate relationship and industry sector. Also, the Club transacts only with recognized third parties, with no required collateral.

Loans and other receivables are monitored on an ongoing basis with the result that the Club's exposure to bad debts is not significant. Provision for impairment losses on receivables will also be made if the situation so warrants subject to the BOD's review and approval.

The following table represents the Club's maximum exposure to credit risk:

	2016	2015
Cash and cash equivalents*	P21,934,184	P13,817,176
Trade and other receivables	10,681,543	13,363,566
Trust fund	4,262,495	3,821,187
	P36,878,222	P31,001,929

*Excludes cash on hand



Credit quality per class of financial asset

The credit quality of financial assets is being managed by the Club using internal credit ratings. High grade financial assets are those that are current and collectible. Standard grade financial assets need to be consistently followed up but are still collectible.

The tables below show the credit quality by class of financial asset based on the Club's credit rating system:

As of June 30, 2016

	Neither past due nor impaired		Past due but not impaired	Past due and Individually impaired	Total
	High grade	Standard grade			
Cash and cash equivalents*	₱21,934,184	₱-	₱-	₱-	₱21,934,184
Trade and other receivables:					
Trade receivables	1,111,545	-	8,198,696	2,178,090	11,488,331
Others	-	1,371,302	-	-	1,371,302
Trust fund	4,262,495	-	-	-	4,262,495
	₱27,308,224	₱1,371,302	₱8,198,696	₱2,178,090	₱39,056,312

*Excludes cash on hand

As of June 30, 2015

	Neither past due nor impaired		Past due but not impaired	Past due and Individually impaired	Total
	High grade	Standard grade			
Cash and cash equivalents*	₱13,817,176	₱-	₱-	₱-	₱13,817,176
Trade and other receivables:					
Trade receivables	4,604,116	-	5,059,480	2,266,484	11,930,080
Others	-	4,001,800	-	101,687	4,103,487
Trust fund	3,821,187	-	-	-	3,821,187
	₱22,242,479	₱4,001,800	₱5,059,480	₱2,368,171	₱33,671,930

*Excludes cash on hand

A financial asset is considered past due when the counterparty failed to make payment when contractually due. The Club has past due amounting to ₱8.2 million and ₱5.1 million as of June 30, 2016 and 2015, respectively.

Impaired financial assets are those accounts identified by the Club that needs to be provided with allowance. The level of this allowance is evaluated by management on the basis of factors that affect the collectability of the accounts such as but not limited to the length of the Club's relationship with the member, the member's payment behavior and known market factors.

The Club has impaired financial assets amounting to ₱2.2 million and ₱2.4 million as of June 30, 2016 and 2015 (see Note 5).

Liquidity risk

Liquidity risk is defined as the risk that the Club may not be able to settle or meet its obligations as they fall due. The Club monitors and maintains a level of cash deemed adequate by the management to finance the Club's operations and mitigate the effects of fluctuations in cash flows.

The table below summarizes the maturity profile of the Club's financial liabilities as of June 30, 2016 and 2015, based on contractual undiscounted cash flows. The table also analyses the maturity profile of the Club's financial assets in order to provide a complete view of the Club's contractual commitments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates.



As of June 30, 2016

	On demand	Less than 30 Days	31 to 60 days	61 to 90 days	More than 91 Days	Total
<i>Financial liabilities</i>						
Other financial liabilities						
Trade payables	₱1,295,588	₱47,313	₱-	₱-	₱617,413	₱1,960,314
Accrued expenses	1,487,459	274,105	154,105	164,452	256,627	2,336,748
Others**	2,551,250	114,618	103,540	35,440	1,824,626	4,629,474
Members deposits and others	7,570,493	-	-	-	-	7,570,493
Short term loans including interest expense	2,510,415	-	-	-	-	2,510,415
	₱15,415,205	₱436,036	₱257,645	₱199,892	₱2,698,666	₱19,007,444
<i>Financial assets</i>						
Loans and receivables:						
Cash and cash equivalents	₱22,029,184	₱-	₱-	₱-	₱-	₱22,029,184
Trade and other receivable:						
Trade receivables	1,111,545	3,628,586	1,947,011	891,218	1,731,880	9,310,240
Others	352,164	-	-	-	1,019,137	1,371,301
Trust fund	4,262,495	-	-	-	-	4,262,495
	₱27,755,388	₱3,628,586	₱1,947,011	₱891,218	₱2,751,017	₱36,973,220

**Excludes statutory liabilities

As of June 30, 2015

	On demand	Less than 30 Days	31 to 60 days	61 to 90 days	More than 91 Days	Total
<i>Financial liabilities</i>						
Other financial liabilities						
Trade payables	₱4,915,411	₱-	₱-	₱-	₱93,535	₱5,008,946
Accrued expenses	1,073,880	249,991	142,127	156,748	587,500	2,210,246
Others**	3,246,236	-	-	-	-	3,246,236
Members deposits and others	6,381,197	-	-	-	-	6,381,197
Short term loans including interest expense	5,555,167	-	-	-	-	5,555,167
	₱21,171,891	₱249,991	₱142,127	₱156,748	₱681,035	₱22,401,792
<i>Financial assets</i>						
Loans and receivables:						
Cash and cash equivalents	₱13,912,176	₱-	₱-	₱-	₱-	₱13,912,176
Trade and other receivable:						
Trade receivables	4,604,116	1,360,505	3,285,297	211,991	-	9,561,909
Others	224,118	62,891	116,655	45,898	3,352,095	3,801,657
Trust fund	3,821,187	-	-	-	-	3,821,187
	₱22,561,597	₱1,423,396	₱3,501,952	₱257,889	₱3,352,095	₱31,096,929

**Excludes statutory liabilities

Fair Values

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arm's length transactions.

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

Cash and cash equivalents, trade and other receivables, trust fund, trade and other payables, members' deposit and others, and short term loans

The carrying values of cash and cash equivalents, trade and other receivables, trust fund, trade and other payables, members' deposit and others, and short term loans, approximate their fair values due to the relatively short-term maturity of these financial instruments.



Fair Value Hierarchy

The Club uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
- Level 3: Those inputs for the asset or liability that are not based on observable market data (unobservable inputs)

As of June 30, 2016 and 2015, the Club does not have any financial instruments to be presented under the fair value hierarchy required by PFRS 7.

Capital Management

The primary objective of the Club's capital management policy is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize members' value. The club manages its capital structure and makes adjustments to it, in light of changes in economic conditions. The Club is not subject to externally imposed capital requirements.

No changes were made in the objectives, policies or processes for the years ended June 30, 2016 and 2015.

28. Supplementary Information under Revenue Regulations (RR) 15-2010

The Club reported and/or paid the following types of taxes in 2016:

VAT

The Club's sales are subject to output VAT while its purchases from other VAT-registered individuals or corporations are subject to input VAT. The VAT rate is 12.0%.

The NIRC of 1997 provides for the imposition of VAT on sales of goods and services. Accordingly, the Club's sales are subject to output VAT while its purchases from other VAT-registered individuals or corporations are subject to input VAT. R.A. No. 9337 increased the VAT rate from 10.0% to 12.0%, effective February 1, 2006.

Details of the Club's net sales/receipts, output VAT and input VAT accounts are as follows:

a. Net Sales/Receipts and Output VAT declared in the Club's VAT returns

	Net Sales/ Receipts	Output VAT
Taxable sales:		
Sales of services	₱92,194,401	₱11,063,328
Membership dues collected in advance	7,420,614	890,474
Exempt sales	28,722,849	—
Exempt membership dues collected in advance	2,622,175	—
	<u>₱130,960,039</u>	<u>₱11,953,802</u>



Input VAT

Balance at July 1, 2015	P-
Current year's domestic purchases/payments for:	
Goods other than for resale or manufacture	2,399,124
Capital goods exceeding P1,000,000	139,286
Domestic purchases of services	5,306,422
	7,844,832
Applied against output tax	(7,844,832)
Balance at June 30, 2016	P-

Withholding Taxes

Withholding taxes on compensation and benefits	P1,498,617
Expanded withholding taxes	1,443,924
Creditable withholding taxes	926,044
Final withholding taxes	460,000
	P4,328,585

Other Taxes and Licenses

This includes all other taxes, local and national, including real estate taxes, licenses and permit fees lodged under "Taxes and Licenses" account under "General and Administrative" section in the statement of income:

Real estate taxes	P3,127,216
Business taxes (local business tax)	659,550
Documentary stamp tax	166,456
	P3,953,222

Tax Assessments

The Club did not receive any final tax assessments in 2016, nor did it have tax cases under preliminary investigation, litigation and/or prosecution in courts or bodies outside the administration of BIR.



Schedule A. Marketable Securities. (Current Marketable Equity Securities & Other Short-term Cash Investments)

(1) Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet (2)	Valued based on market quotation at balance sheet date (3)	Income received and accrued
1. Rizal Commercial Banking Corporation	1,653,955.00	1,653,955.00	1,653,955.00	10,381.00
	1,653,955.00	1,653,955.00	1,653,955.00	10,381.00

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related parties)

Name and Designation of Debtor (1)	Balance at beginning of period	Additions	Amounts collected (2)	Amounts written off (3)	Current	Not Current	Balance at end of period
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1 Employees	18,829.75	293,549.59	296,936.80	15,442.54	90,134.23	15,442.54	15,442.54
2 Driving Range Operator	51,623.33	374,895.50	336,384.60		90,134.23		90,134.23
3 Pacita del Rosario-Caddies Canteen	23,666.59		1,145,464.09	23,666.59	0.00	0.00	0.00
4 Passport Phils.	.00	1,145,464.09	45,610.00	68,443.33	0.00	0.00	0.00
5 SSS- sickness benefits	22,833.33	45,610.00	68,443.33		0.00	0.00	0.00
6 Suppliers	98,400.00	3,416,528.80	3,274,188.80		240,740.00	240,740.00	240,740.00
7 Various Sponsors	55,848.21	909,553.57	935,401.78		30,000.00	30,000.00	30,000.00
8 Various Banks	11,771.77	44,156.39	43,798.16		12,130.00	12,130.00	12,130.00
9 Employees Canteen	.00	193,570.10	193,570.10		0.00	0.00	0.00
10 Caddie Association	.00	6,544.65	6,544.65		0.00	0.00	0.00
11 MJ CARR Golf Management	1,809,668.00	1,599,876.88	3,132,591.78		276,953.10	276,953.10	276,953.10
12 Others -employees	194,447.69	557,113.20	545,898.89		205,662.00	205,662.00	205,662.00
13 BALL SPA/Barber Shop	.00	4,340.40	.00		4,340.40	4,340.40	4,340.40
14 INTERPRO	.00	3,534,204.53	3,534,204.53		0.00	0.00	0.00
15 SMART	245,377.94	802,227.64	536,263.08		511,342.50	511,342.50	511,342.50
16 Fernando Umali- employee	283,000.00	.00	283,000.00		0.00	0.00	0.00
17 Lessee- NC office unit	65,520.00		65,520.00		0.00	0.00	0.00
18 Caddie Canteen 2	12,500.00		12,500.00		0.00	0.00	0.00
Subscription Receivable	2,893,486.61	12,927,635.34	14,332,690.59	101,686.59	1,386,744.77	1,386,744.77	1,386,744.77
1 Roman Villame	200,000.00		200,000.00		0.00	0.00	0.00
2 Rafael Aguilta	200,000.00		200,000.00		0.00	0.00	0.00
3 Claudette Garzon	230,000.00		230,000.00		0.00	0.00	0.00
4 An Yong Jae	290,000.00		290,000.00		0.00	0.00	0.00
5 Amigrace B. Caramba	290,000.00		290,000.00		0.00	0.00	0.00
Total	1,210,000.00	12,927,635.34	14,332,690.59	101,686.59	1,386,744.77	1,386,744.77	1,386,744.77

1 Roman Villame	200,000.00		200,000.00		0.00	0.00	0.00
2 Rafael Aguilta	200,000.00		200,000.00		0.00	0.00	0.00
3 Claudette Garzon	230,000.00		230,000.00		0.00	0.00	0.00
4 An Yong Jae	290,000.00		290,000.00		0.00	0.00	0.00
5 Amigrace B. Caramba	290,000.00		290,000.00		0.00	0.00	0.00
Total	1,210,000.00	0.00	1,210,000.00	0.00	0.00	0.00	0.00

Schedule C: Non-Current Marketable Equity Securities, Other Long-Term Investments in Stock and Other Investments

	Beginning Balance	Additions	Deductions	Ending Balance
Name of Issuing entity and description of investment (1)	N/A	N/A	N/A	N/A
Number of shares or principal amount of bonds and notes (2)	N/A	N/A	N/A	N/A
Amount in Pesos	N/A	N/A	N/A	N/A
Equity in earnings (losses of investees for the period) (3)	N/A	N/A	N/A	N/A
Other (4)	N/A	N/A	N/A	N/A
Distribution of earnings (5)	N/A	N/A	N/A	N/A
Other (6)	N/A	N/A	N/A	N/A
Number of shares or principal amounts of bonds and notes (2)	N/A	N/A	N/A	N/A
Amount in Pesos	N/A	N/A	N/A	N/A
Dividends received from investments not accounted for by the equity method	N/A	N/A	N/A	N/A

Schedule D: Indebtedness of Unconsolidated Subsidiaries and Related parties

Name of Related parties (1)	Balance at beginning of period	Balance at end of period (2)
N/A	N/A	N/A

Schedule E. Intangible Assets - Other Assets

Description (1)	Beginning balance	Additions at cost (2)	Charged to cost and expenses	Charged to other accounts	Other Changes (deductions)	Ending balance
Miscellaneous deposits	840,289.33		52,444.85			787,844.48
Deposit to MJCarr	2,215,042.29		0.00			2,291,461.24
Deferred Interest						
Exp. Accretion	79,718.00		0.00			154,178.68
Computer soft-ware & systems	586,970.09		199,333.32			387,636.77
	3,722,019.71		251,778.17		0.00	3,621,121.17

Schedule F. Long Term Debt

Title of issue and type of obligation (1)	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet (2)	Amount shown under caption "Long term debt" in related balance sheet (3)
	N/A	N/A	N/A

Schedule G: Indebtedness to Related Parties (Long-Term Loans from Related Companies)

Name of Related Party (1)	Balance at beginning of period	Balance at end of period (2)
-----------------------------	--------------------------------	--------------------------------

N.A.

N.A.

N.A.

Schedule H: Guarantees of Securities of Other Issuers (1)

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding (2)	Amount owned by person for which statement (3) is filed	Nature of guarantee
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N.A.

N.A.

N.A.

N.A.

N.A.

Schedule I: Capital Stock (1)

Title of issue (2)	Number of Shares authorized	Number of shares issued and outstanding at shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by parties (3)	Directors, officers and employees	Others
Common share	1,800	1,593	0	0	9	1,584

ITEM 8. CHANGES IN AND DISAGREEMENT WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

For the Fiscal years ended June 30, 1998 up to June 30, 2003, the Club's external auditor was Joaquin Cunanan & Co.. The handling partner was Miss Irene Valletero. The engagement of Joaquin Cunanan & Co. was terminated last May 2004 upon approval of the Board on April 29, 2004 on the hiring of Punongbayan & Araullo. The hiring was in compliance with the Manual of Corporate Governance to rotate the external auditor every five (5) years.

For the years ended June 30, 2004 up to 2007, the financial statements of Valley Golf & Country Club was audited by Punongbayan & Araullo. The handling partner is Ms. Mailene Sique-Bisnar. Punongbayan & Araullo was hired to audit the 2004 books of account by the Board of Directors, in compliance with the resolution approved during the Stockholders' Meeting of September 28, 2003 to leave the decision on the hiring of the new external auditors to the sound discretion of the Board subject to the observance of SEC Regulations on Good Corporate Governance. The election of Punongbayan and Araullo as the Club's External Auditors was approved during the September 26, 2004 Stockholders' Meeting.

For the years ended June 30, 2008 up to 2012, the financial statements of Valley Golf & Country Club, Inc. were audited by Uy Singson Abella & Co. The handling partner is Ms. Milagros F. Padernal. The change in external auditor was approved by the Board of Directors on their regular meeting last June 14, 2008. The recent change in external auditor is in compliance with SEC Memo Circular No. 8 (Series of 2003)/SRC Rule 68 (4)(b)(iv) on Rotation of external auditors at least every five (5) years, and has been reflected in a current report submitted to the SEC.

For the years ended June 30, 2013 up to 2016, the financial statements of Valley Golf & Country Club, Inc. were audited by Sycip Gorres Velayo & Co. The handling partner is Mr. Jose Pepito E. Zabat III. The change in external auditor was approved by the Board of Directors on their regular meeting last May 19, 2012 and the appointment was approved during Regular Stockholders' Meeting on September 22, 2013. The change in external auditor is in compliance with SEC Memo Circular No. 8 (Series of 2003)/SRC Rule 68 (4)(b)(iv) on Rotation of external auditors at least every five (5) years, and has been reflected in a current report submitted to the SEC.

There are no disagreements with Joaquin Cunanan & Co, Punongbayan & Araullo, Uy Singson Abella and Sycip Gorres Velayo & Co on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure.

PART III - CONTROL AND COMPENSATION INFORMATION

ITEM 9. DIRECTORS AND EXECUTIVE OFFICERS OF THE ISSUER

Incumbent Board of Directors, Executive Officers and Significant Employees of Valley Golf & Country Club, Inc.

Name	Age	Citizenship	Position	Term of Office as Director/ Period Served
Jaime F. Panganiban	65	Filipino	President	3yrs/2013-Present
Michael T. Echavez	52	Filipino	Vice-President	3yrs/2013-Present
Alexander S. Marquez	61	Filipino	Treasurer	3yrs/2014-Present
Abraham C. dela Cruz	62	Filipino	Asst. Treasurer	3yrs/2015-Present
Pablito M. Gregore*	53	Filipino	Director	3yrs/2013-Present
Lakan D. Fonacier	62	Filipino	Director	3yrs/2014-Present
Isauro V. San Pedro, Jr.*	63	Filipino	Director	3yrs/2014-Present
Luis Manuel S. Polintan *	58	Filipino	Director	3yrs/2015-Present
Luis G. Quiogue	52	Filipino	Director	3yrs/2015-Present
Ronald O. Solis	56	Filipino	Corporate Secretary	N.A.
Antonio Carlos S. Ocampo	51	Filipino	General Manager	N.A.
* Independent Director				

Mr. Jaime F. Panganiban has been a member of the Club since June 2000. He is an accomplished senior bank executive with widely recognized expertise in the treasury, capital markets, investment banking, trust, wealth and risk management built upon a foundation of exposures and postings in the Asia Pacific region. He is currently the principal, Chairman and CEO of Lake Shore CCY Inc, a foreign exchange and money changer, JFP Assets Corporation, a real estate holding company, BGP Asia Pacific Inc. Ltd., an advisory and asset Management Company and ComPoint Networks Inc, a wireless telecommunications company.

Mr. Alexander S. Marquez has been a member since 1994. He was elected to the Board in 2000. A year after his election, he was elected Vice-President and became the Club's President in 2002-03. He held the following positions during his tenure as Director: Chairman of House Committee (2001-02), Chairman of Purchasing Committee (2001-02), Chairman of Sports & Games Committee (2000-01), Chairman of Housekeeping Committee (2000-01). He also served the Club as a member of various committees. He was elected as City Councilor of Antipolo to full three-year term for three times. Presently, he is the Managing Director of Our Lady of Peace Memorial Park and Services. He is currently the Chairman of the Finance Committee and Ad-hoc Committee on the Improvement of the North Clubhouse.

Mr. Abraham C. Dela Cruz has been a member of the Club since March, 2006. He is currently the President/General Manager of Triple "A" Commercial and Trading Corp., Chairman of Candaba Water District (2007- Present), Chairman of Multi System Const. Dev. Corp. (2012-Present). He is currently the Chairman of the Security Committee and Real Estate Committee.

Mr. Michael T. Echavez is a Mechanical Engineer by profession. He has been a member of the Club since January 2000 as Playing Guest and became a Proprietary Member in April 2008. He is currently the President of Fivesome Dineplace Inc., Foods4u Inc., Jobs4u Inc. and Wall Street Courier Services. He is actively serving the Club as Chairman of the House Committee and Bids & Awards Committee.

Mr. Pablito M. Gregore is a Civil Engineer by profession with an MBA from Ateneo de Manila University. He has been a Proprietary Member of the Club since September 2006. He is currently the Chairman of Colorsteel Systems Corporation and Philippine Steelframing Corporation. He is actively serving the club as Chairman of the Grounds Committee and Engineering Committee.

Mr. Isaura V. San Pedro, Jr. has been a member of the Club since 2003 as Playing Guest and became a Proprietary Member in 2006. He was elected to the Board in 2008 and held the following positions during his stint as Director: Chairman, Real Estate Committee (2008-2011) and Vice Chairman of the House and Construction Committee (2010-2011). Mr. Isaura V. San Pedro, Jr. is a graduate of B.S. in Industrial Engineering - National University. He completed post graduate studies at Dela Salle University - Master of Business Management (MBM), Asian Institute of Management - Basic Management Program (BMP), University of Asia and Pacific - Master in Strategic Business Economics (SBEP). Concurrently, he is the President & Corporate Operations Director of B-MIRK Group of Companies. He is presently serving the Club as Chairman of the Administration Committee.

Mr. Edmundo Lakan D. Fonacier has been a member of the Club since 2008. He is a retired business executive and former financial consultant of several Local Government Units (LGUs). He was the Chairman of the 12th. Don Celso Tuason Cup Committee in 2012. At present, he is actively serving the Club as Chairman of the Membership Committee.

Mr. Luis Manuel S. Polintan has been a member of the Club since June, 1999 as Playing Guests and became a Proprietary Member in September, 2010. He is the President/Owner of Interworld Security Agency and Emples Commercial. He is currently the Chairman of the Audit Committee

Mr. Luis G. Quiogue has been a member of the Club as playing guest since 2002 and became a proprietary member on April 2013. He is currently the General Manager of Presidential Commission on Good Governance from march 2011 to present. He is the Chairman of the Sports & Games Committee.

Atty. Ronald O. Solis was appointed as Corporate Secretary of Valley Golf & Country Club, Inc. last October 1, 2013. He has been a Proprietary Member of the Club since June 2003 up to the present.

Mr. Antonio Carlos S. Ocampo resides in Greenwoods Executive Village, Cainta, Rizal. Mr. Ocampo was born on Dec. 12, 1965. He is a graduate of Bachelor of Science Mechanical Engineering in the University of the East. Mr. Ocampo is a Professional Rules Official and Golf Organizer. He started working at Valley Golf as General Manager on June 15, 2016.

The directors are independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with their exercise of independent judgment in carrying out their responsibilities as directors. There are no other directors other than the above mentioned names.

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

During the past five (5) years there was no bankruptcy petition filed by or against any business of which the directors, any nominee for election as director and executive officers is a general partner or executive officer either at the time of bankruptcy or within two years prior to that time.

There is no conviction by final judgment, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses against the directors, any nominee for election as director and executive officers.

None of the directors, any nominee for election as director and executive officers are subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities.

None of the directors, any nominee for election as director and executive officers were found by a domestic or foreign court of competent jurisdiction, the Commission of comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self regulatory organization, to have violated a securities or commodities law or regulation and the judgment has not been reversed, suspended or vacated.

SIGNIFICANT EMPLOYEES

Mr. Antonio Carlos S. Ocampo resides in Greenwoods Executive Village, Cainta, Rizal. Mr. Ocampo was born on Dec. 12, 1965. He is a graduate of Bachelor of Science Mechanical Engineering in the University of the East. Mr. Ocampo is a Professional Rules Official and Golf Organizer. He started working at Valley Golf as General Manager on June 15, 2016.

Ms. Rosanna R. Arguelles was born on October 9, 1963 in Antipolo City and is now 52 years old; She is a CPA and a graduate of BSC with a major in Accounting at University of Santo Tomas. She was previously Chief Accountant of the Municipality of Antipolo. She started her employment at Valley Golf in 1988 and is now the Division Manager of the Controller's Division.

Ms. Elda C. Jugo was born on September 9, 1962 in Binangonan, Rizal and is now 53 years old. She graduated from Far Eastern University with a degree of Bachelor of Science in Accounting. She was initially hired as typist-filing clerk in 1986 and is now the Finance and Accounting Manager of the Club.

Engr. Michael B. Ongtango was born on August 13, 1967 in Manila and is now 48 years old. He is a licensed Engineer and a graduate of B.S. Civil Engineering at Mapua Institute of Technology. He was initially hired as Engineering Supervisor on August 16, 2011 and is now the Engineering Department Manager. He was previously the Project Engineer of Tri-Place Hotel.

Mr. Sigfried Arguelles was born on January 5, 1962 and is now 54 years old. He started working at Valley Golf in 1990 and now the Clubhouse and External Affairs Manager of the Club.

These are the General Manager, Division Manager and Department Managers and are considered the key personnel of the Club. The division and department managers as well as supervisors were previously given a yearly increase in salaries at a maximum of 3%. But in 2010, instead of giving annual increases, managers and supervisors were given performance bonuses - percentage from the audited net income. They also receive Christmas bonuses. All duties and responsibilities are ensured to be rotated to other supervisors within the department so there will be no monopoly of knowledge. The friendly atmosphere between management and supervisors and the benefits that the employees receive are factors that contribute to the sense of loyalty of the employees.

ITEM 10. EXECUTIVE COMPENSATION

Executive Compensation

General

The President, Vice-President, Treasurer, Asst. Treasurer and all members of the Board are not paid any compensation of whatever kind since election to the Board up to the present.

On June 16, 2016 Valley Golf & Country Club hired the services of **Mr. Antonio Carlos S. Ocampo** as General Manager of the Club, with a salary of P114,900.00.

As Corporate Secretary, **Atty. Ronald O. Solis** receives ten (10) green fee coupons per month (plus 2 additional coupons per attendance on special meetings) as compensation for performing his duties as such.

SUMMARY COMPENSATION TABLE

Name	Position	Fiscal Year	Salary/month Retainer	13 th month	Bonus
Antonio Carlos Ocampo	General Manager	2016	114,900.00	62,958.90	23,987.26
Rosanna R. Arguelles	Division Manager Controller	2010	60,480.00	60,480.00	19,848.80
		2011	65,190.00	65,190.00	21,308.90
		2012	71,890.00	71,890.00	23,385.90
		2013	76,390.00	76,390.00	24,780.90
		2014	80,890.00	80,890.00	26,175.90
		2015	80,890.00	80,890.00	26,175.90
		2016	83,317.00	83,317.00	30,298.27
Eida C. Jugo	F & A Mngr.	2010	32,574.96	32,574.96	11,198.23
		2011	35,540.00	35,540.00	12,117.40
		2012	38,840.00	38,840.00	13,140.40
		2013	43,340.00	43,340.00	14,535.40
		2014	47,840.00	47,840.00	15,930.40
		2015	47,840.00	47,840.00	15,930.40
		2016	49,275.00	49,275.00	19,745.25
Michael B. Ongtangco	Engineering Dept. Manager	2012	30,000.00	30,000.00	10,400.00
		2013	34,500.00	34,500.00	11,795.00
		2014	39,000.00	39,000.00	12,285.00
		2015	39,000.00	39,000.00	12,285.00
		2016	40,170.00	40,170.00	16,922.70
Sigfried C. Arguelles	Clubhouse and External Aff. Manager	2014	30,000.00	30,000.00	10,400.00
		2015	30,000.00	30,000.00	10,400.00
		2016	30,900.00	30,900.00	14,049.00

Compensation of Directors

Valley Golf & Country Club's directors have not been and still are not compensated, directly or indirectly for any services provided as such pursuant to Article IV, Section 2 of the By-laws.

Employment contracts and termination of employment and change-in-control arrangements

The Board of Directors is composed of nine (9) members. Every year at the annual stockholders' meeting, three (3) directors are elected for a term of three (3) years. No director can serve consecutively for more than three (3) years.

The Club has no compensatory plan or arrangement with its directors and General Manager resulting from resignation, retirement or any other termination of their relationship with the company, or from a change in control of the company or a change of responsibilities following a change in control.

Warrants and Options Outstanding: Repricing

There are no warrants or options held by the company's CEO, the executive officers, and all officers and directors as a group.

Family Relationships

As of the filing of this report, management is not aware of any relationship (up to the fourth civil degree), either by consanguinity or affinity among the directors, executive officers or members nominated to be directors.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

1. There is no person or any group of persons who is the owner on record or the beneficial owner, directly or indirectly of more than five percent (5%) of the Club's voting securities.
2. All members of the Board are the owners on record of one share each which qualifies them for directorship, there is no director who is the beneficial owner of other shares of stocks.

Title of Class	Name of Beneficial Owner	Amount/Nature of Beneficial Ownership	Citizenship	Percent of Class
Common	Jaime F. Panganiban	1 share	Filipino	Negligible
Common	Michael T. Echavez	1 share	Filipino	Negligible
Common	Alexander S. Marquez	1 share	Filipino	Negligible
Common	Abraham C. Dela Cruz	1 share	Filipino	Negligible
Common	Pablito M. Gregore	1 share	Filipino	Negligible
Common	Lakan D. Fonacier	1 share	Filipino	Negligible
Common	Isauro V. San Pedro, Jr.	1 share	Filipino	Negligible
Common	Luis Manuel S. Polintan	1 share	Filipino	Negligible
Common	Luis G. Quiogue	1 share	Filipino	Negligible
Common	Ronald O. Solis	1 share	Filipino	Negligible

2. The Club is not aware of the existence of any voting trust holders of any proportion of the existing authorized capital stock.
3. There is no arrangement, which may result in a change in management control of registrant since the beginning of the last fiscal year.

ITEM 12 - CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

In line with the policy of Valley Golf of transparency and avoidance of conflict of interest situations by its directors/officers as provided in the By-Laws, it is hereby disclosed that Wall Street Courier Services of which the President is Dir. Michael T. Echavez has been doing business with the Valley Golf & Country Club, Inc by providing messengerial services since 2000. Wall Street Courier Services started doing business with Valley Golf & Country Club, Inc even before the incumbency of Dir. Michael T. Echavez as director, hence Dir. Echavez was not involved in the decision of Valley Golf management to enter into business with the said messengerial service.

Other than the disclosures stated above, Valley Golf does not have any transactions with or involving a company or any of its subsidiaries in which a director, executive officer, or stockholder owns ten percent (10%) or more of the total outstanding shares and members of their immediate family had or is to have a direct or indirect material interest.

Valley Golf did not have transactions with promoters.

Valley Golf does not have a parent company or a subsidiary company.

PART IV – CORPORATE GOVERNANCE

ITEM 13 – CORPORATE GOVERNANCE

PLEASE REFER TO ATTACHED ANNUAL CORPORATE GOVERNANCE REPORT (ACGR)

PART V - EXHIBITS AND SCHEDULES

ITEM 14. EXHIBITS AND REPORTS ON SEC FORM 17-C

1. Exhibits

- A. Amended Articles of Incorporation – 15 pages
- B. Amended By-Laws – 15 pages
- C. Annual Report to Security Holders – 72 pages
- D. Minutes of the September 27, 2015 Stockholders' Meeting

Valley Golf does not have Plan of Acquisition, Reorganization, Arrangement, Liquidation or Succession, Instruments defining rights of security holders, voting trust agreement, subsidiaries, power of attorney or other reports mentioned.

2. Reports on SEC Form 17 – C and Form 17 - Q

- a. On July 13, 2015, Valley Golf submitted the current report 17-C on the appointment of Atty. Francisco B. Figura as member of the Committee on Elections to replace Atty. Byron Sa Pedro.
- b. On Oct. 1, 2015, Valley Golf submitted the current report 17-C on the appointment of Mr. Luis Manuel S. Polintan as Chairman of the Audit Committee.
- c. On Oct. 1, 2015, Valley Golf submitted the current report 17-C on the election of the Board of Directors, board members who ceased to hold their positions and new officers elected by the Board of Directors in the organizational meeting on Sept. 27, 2015.
- d. On Oct. 1, 2015, Valley Golf submitted the Current Report 17-C on the appointment of Sycip Gorres Velayo & Co. as Valley Golf's external auditors or Independent Accountants during the Sept. 27, 2015 Stockholders' meeting.
- e. On Oct. 1, 2015, Valley Golf submitted the Current Report 17-C on the appointment of Atty. Ronald O. Solis as Corporate Secretary.
- f. On Oct. 9, 2015, Valley Golf submitted the General Form for Financial Statements for the fiscal year ending June 30, 2015.


- g. On Oct. 22, 2015, Valley Golf submitted the current report 17-C on the appointment of the members of the Audit Committee.
- h. On October 22, 2015, Valley Golf submitted the General Information Sheet for 2015.
- i. On Oct. 22, 2015, Valley Golf submitted the Current Report 17-C on the appointment of Independent Directors.
- j. On Oct. 1, 2015, Valley Golf submitted the Form 17-A, Annual Report for the fiscal year ending June 30, 2015.
- k. On Nov. 4, 2015, Valley Golf submitted 17-Q for the quarterly report for the first quarter.
- l. On Jan. 6, 2016, Valley Golf submitted the current report 17-C on compliance with the Manual of Corporate Governance for the year ended December 31, 2015.
- m. On Jan. 13, 2016, Valley Golf submitted the current report 17-C on the hiring of Cafirma, Ong & Co., CPAs as Internal Auditor of Valley Golf.
- n. On Jan. 29, 2016, Valley Golf submitted the current report 17-C on the attendance of Directors and employees on the seminar on Good Corporate Governance.
- o. On Feb 4, 2016, Valley Golf submitted 17-Q for the quarterly report for the second quarter.
- p. On March 22, 2016, Valley Golf submitted the current report 17-C on the appointment of the members of the Nominating Committee and the Committee on Elections.
- q. On April 15, 2016, Valley Golf submitted the current report 17-C on the proposed amendments of the By-laws.
- r. On May 11, 2016, Valley Golf submitted 17-Q for the quarterly report for the third quarter.
- s. On June 22, 2016, Valley Golf submitted current report 17-C on the appointment of Mr. Antonio Carlos S. Ocampo as General Manager and Compliance Officer effective July 1, 2016 and the term of office of Mr. Marquitos R. Pinga ceased on June 30, 2016.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Antipolo on October 1, 2016

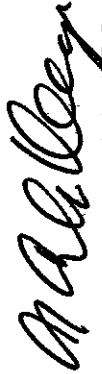
VALLEY GOLF & COUNTRY CLUB, INC.


By:


JAIMÉ F. PANGANIBAN
Principal Executive Officer/
President


ALEXANDER S. MARQUEZ
Principal Financial Officer/
Treasurer


RONALD O. SOLIS
Corporate Secretary


ANTONIO CARLOS S. OCAMPO
General Manager/
Compliance Officer


ROSANNA R. ARGUELLES
Comptroller/Head Controllers'
Division


ELDA C. JUGO
Principal Accounting Officer/
Finance & Accounting Manager

SUBSCRIBED AND SWORN to before me this 27 SEP 2016 day of 2016, 2016
affiants exhibiting to me their valid ID's, as follows:

Name	TIN No.
Jaime F. Panganiban	TIN No. 165-047-183
Alexander S. Marquez	TIN No. 132-047-576
Ronald O. Solis	TIN No. 123-010-727
Antonio Carlos S. Ocampo	TIN No. 122-342-174
Rosanna R. Arguelles	PRC ID No. 069065
Elda C. Jugo	TIN No. 102-778-591

ATTY. ANNA TERESA C. CRUZ
Notary Public

Until December 31, 2017
Appointed by **NOTARY PUBLIC** (17)

PTR No. 6071651 / 01-04-2016 / Marikina City
IBP No. 1012990 / 12-15-2015 / RSM
Roll No. 52694

MCLE No. IV - 0014002 / 03-24-2013
No. 6 Mariano Arcade, Gungah Street
Midtown San Roque, Marikina City
Tel. No. 404-86-06 / 579-27-91

Doc. No. 300
Page No. 60
Book No. 107
Series of 2016

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REPUBLIC OF THE PHILIPPINES
SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA, Greenhills
City of Mandaluyong, Metro Manila

Company Reg. No. 13951

CERTIFICATE OF FILING
OF
AMENDED ARTICLES OF INCORPORATION

KNOW ALL PERSONS BY THESE PRESENTS:

THIS IS TO CERTIFY that the amended articles of incorporation of the

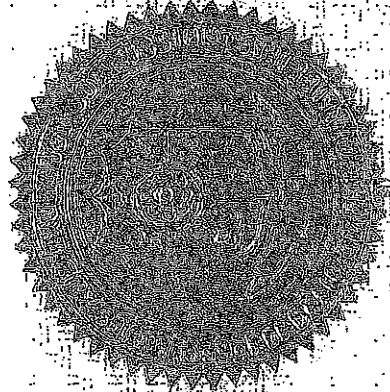
VALLEY GOLF & COUNTRY CLUB, INC.

[Amending Article IV by extending the term of its existence thereof.]

copy annexed, adopted on July 29, 2006, by a majority vote of the Board of Directors and on November 18, 2007 by the vote of the stockholders owning or representing at least two-thirds of the outstanding capital stock, and certified under oath by the Secretary and a majority of the Board of Directors of the corporation was approved by the Commission on this date pursuant to the provision of Section 16 of the Corporation Code of the Philippines, Batas Pambansa Big. 68, approved on May 1, 1980 and copies thereof are filed with the Commission.

Unless this corporation obtains or already has obtained the appropriate Secondary License from this Commission, this Certificate does not authorize it to undertake business activities requiring a Secondary License from this Commission such as, but not limited to acting as: broker or dealer in securities, government securities eligible dealer (GSED), investment adviser of an investment company, close-end or open-end investment company, investment house, transfer agent, commodity/financial futures exchange/broker/merchant, financing company, pre-need plan issuer, general agent in pre-need plans and time shares/club shares/membership certificates issuers or selling agents thereof. Neither does this Certificate constitute as permit to undertake activities for which other government agencies require a license or permit.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of this Commission to be affixed at Mandaluyong City, Metro Manila, Philippines, this 07 day of April, Two Thousand Eight.



Benito A. Cataran
BENITO A. CATARAN
Director
Company Registration and Monitoring Department



COVER SHEET

1 3 9 5 1

S.E.C. Registration Number

V A L L E Y G O L F & C O U N T R Y
C L U B I N C

(Company's Full Name)

D O N C E L S O S T U A S O N A V E N U E
V I C T O R I A V A L L E Y A N T I P O L O C I T Y

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

TESS GAN 634-5692/93
Company Telephone Number

Contact Person

0 6 3 0
Month Day

Fiscal Year

Amended Articles of
Incorporation

FORM TYPE

Second License Type, if Applicable

Dept. Requiring this Doc.

Total No. of Stockholders

Domestic

Foreign

Amended Articles Number/Section

Total Amount of Borrowings

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

AMENDED

ARTICLES OF INCORPORATION

OF

**VALLEY GOLF & COUNTRY CLUB,
INC.**

(Amended as of September 10, 1989)
(Formerly Valley Golf Club, Inc.)

KNOW ALL MEN BY THESE PRESENTS:

That we, all of whom are of legal age and residents of the Philippines, have this day voluntarily associated ourselves together for the purpose of forming a corporation under the laws of the Philippines.

AND WE HEREBY CERTIFY:

FIRST. That the name of said corporation shall be "VALLEY GOLF & COUNTRY CLUB, INC." (As amended on September 10, 1989).

SECOND. That the purposes for which the said corporation is formed are:

PRIMARY PURPOSE

To foster and promote the game of golf and operate and maintain a golf course and country club.

SECONDARY PURPOSE

To buy, lease or otherwise acquire, own, hold and dispose of, such real and personal property as may be necessary, advantageous or convenient in the conduct of its business; to develop, improve, and subdivide any properties owned by the corporation; and, generally, to do and perform all such acts and things, and to

exercise such powers as are ordinarily done, performed and exercised by social and athletic clubs and associations.

THIRD. That the place where the principal office of the corporation is to be established or located is Antipolo, Rizal, Philippines.

FOURTH. That the term for which said corporation is to exist for another **FIFTY (50) YEARS** from May 15, 2008. (as amended on November 18, 2007).

FIFTH. That the names, residence and nationality of the incorporators of said corporation are as follows:

<u>Name</u>	<u>Nationality</u>	<u>Residence</u>
Celso Tuason	Filipino	Wilson St., San Juan, Rizal
Aurelio Montinola, Sr.	Filipino	Mahogany Rd., Forbes Park Makati, Rizal
Ernest Kahn	Filipino	Russell Ave., Pasay City
Henry Belden	American	13 th St., New Manila, Q. C.
J. Antonio Araneta	Filipino	Mckinley Rd., Forbes Park Makati, Rizal

SIXTH. That the number of Directors of said corporation shall be nine (9) and the names and residences of the Directors of the corporation who are to serve until their successors are elected and qualified as provided by the By-Laws are as follows:

<u>Name</u>	<u>Nationality</u>	<u>Residence</u>
Celso Tuason	Filipino	Wilson St., San Juan, Rizal
Aurelio Montinola, Sr.	Filipino	Mahogany Rd. Forbes Park, Makati, Rizal
Ernest Kahn	Filipino	Russell Ave., Pasay City
Henry Belden	American	13 th St., New Manila, Q. C.

J. Antonio Aranefa

Filipino

Mckinley Rd., Forbes Park, Makati,
Rizal

Francisco Ortigas, Jr.

Filipino

R. Alunan St., Manila

Jaime Velasquez

Filipino

Easy St., San Juan, Rizal

SEVENTH. That the capital stock of said corporation is Sixteen Million Two Hundred Thousand Pesos (PhP16,200,000.00) divided into One Thousand Eight Hundred (1,800) shares of the par value of Nine Thousand Pesos (PhP9,000) each. (as amended on September 13, 1981).

Said shares of stock shall be owned by and the interest thereof accrue only to the registered owner thereof, who, aside from his rights as shareholder, may in addition, and subject to such rules and regulations as may be promulgated by, and to screening and approval of the Board of Directors, be issued a regular membership card that would entitle him to all the rights and privileges that are extended to all holders of regular membership cards for the use and enjoyment of the facilities and premises of the Club.

Any person who owns or buys a share in the company must apply for membership within thirty (30) days from date of registration of sale. This condition shall appear in the stock certificates.

EIGHTH. That the amount of said capital stock which has been actually subscribed is ONE MILLION PESOS (PhP1,000,000.00) and the following persons have subscribed for the number of shares and amount of capital stock set out after their respective names.

<u>Name</u>	<u>Residence</u>	<u>No. of Shares</u>	<u>Amount Subscribed</u>
Aguinaldo, Francisco R.	Quezon City	1	P10,000.00
Aguirre, Tomas B.	Pasay City	1	10,000.00
Alefris, Arturo A.	Pasay City	1	10,000.00
Araneta, J. Antonio	Makati, Rizal	1	10,000.00
Araneta, Luis M.	Manila	1	10,000.00
Babat, Chester	Quezon City	1	10,000.00
Balcoff, Charles I.	Manila	1	10,000.00
Barredo, Manuel	Manila	1	10,000.00
Bautista, Constantino	Quezon City	1	10,000.00
Beiden, Henry	Quezon City	1	10,000.00
Bennett, Henry E.	San Juan, Rizal	1	10,000.00
Brias, Enrique	Makati, Rizal	1	10,000.00
Brias, Jaime	Manila	1	10,000.00
Cacho, Francisco	Mandaluyong, Rizal	1	10,000.00
Cacho, Jose A.	Manila	1	10,000.00
Chua, Antonio Roxas	Manila	1	10,000.00
Cojuangco, Pedro	Manila	1	10,000.00
Consunji, Ricardo	Mandaluyong, Rizal	1	10,000.00
Cortes, Jose Ma.	Quezon City	1	10,000.00
Cortes, Felix	Quezon City	1	10,000.00
Cruz, Bienvenido	Pasay City	1	10,000.00
Cu Unjieng, Benito	Manila	1	10,000.00
Dampierre, Alfonso R. de	Manila	1	10,000.00
Diaz, Pompeyo	Manila	1	10,000.00
Feria, Jose	Manila	1	10,000.00
Fernandez, Jose	Manila	1	10,000.00
Frieder, Robert	Quezon City	1	10,000.00
Gabaldon, Isauro	Manila	1	10,000.00
Gamboa, Regino D.	Manila	1	10,000.00
Gonzales, Antonio	Quezon City	1	10,000.00
Gonzales, Rafael	Quezon City	1	10,000.00
Guerrero, Oscar E.	S. Juan, Rizal	1	10,000.00
Halling, F. R.	Makati, Rizal	1	10,000.00
Huang, Frank	S. Juan, Rizal	1	10,000.00
Jalbuena, L. P.	Pasay City	1	10,000.00
Kahn, Ernest	Pasay City	1	10,000.00
Klar, Jose	Quezon City	1	10,000.00
Liboro, Andres	Quezon City	1	10,000.00
Licaros, Gregorio, Sr.	Manila	1	10,000.00
Licaros, Gregorio, B. Jr.	Manila	1	10,000.00
Lim, P. L.	S. Juan, Rizal	1	10,000.00
Lim, Peter	Makati, Rizal	1	10,000.00
Locsin, Jose	Manila	1	10,000.00
Lopa, Manuel	Pasay City	1	10,000.00
Lopez, Honrado C.	Manila	1	10,000.00
Lovell, G. H.	Pasig, Rizal	1	10,000.00
Luz, Alfredo J.	Manila	1	10,000.00
Madrigal, Antonio P.	Quezon City	1	10,000.00
Madrigal, Jose P.	Quezon City	1	10,000.00
Manahan, Constantino P.	Quezon City	1	10,000.00
Manlapus, Raul	San Juan, Rizal	1	10,000.00
Mancioc, Ricardo S.	Quezon City	1	10,000.00

Matilla, Faustino	Quezon City	1	10,000.00
Miranda, Antonio	Pasay City	1	10,000.00
Montinola, Aurelio Sr.	Makati, Rizal	1	10,000.00
Montinola, Aurelio Jr.	Makati, Rizal	1	10,000.00
Montinola, Sergio	Bacolod City	1	10,000.00
Nathan, Karl	Quezon City	1	10,000.00
Norton, J. E.	Quezon City	1	10,000.00
Olives, Sebastian	Quezon City	1	10,000.00
Ortigas, Eduardo	Quezon City	1	10,000.00
Ortigas, Francisco	Quezon City	1	10,000.00
Ortigas, Rafael	Manila	1	10,000.00
Perez Rubio, Miguel	Manila	1	10,000.00
Picazo, Evaristo	Makati, Rizal	1	10,000.00
Picornell, Santiago	Makati, Rizal	1	10,000.00
Preysler, J. B.	Manila	1	10,000.00
Quirino, Carlos	Makati, Rizal	1	10,000.00
Recto, Alfonso	Makati, Rizal	1	10,000.00
Reyes, Narciso Jr.	Manila	1	10,000.00
Reyes, Victor	Manila	1	10,000.00
Roco, Fernando S.	Quezon City	1	10,000.00
Roxas, Antonio	Pasay City	1	10,000.00
Roxas, Eduardo	Makati, Rizal	1	10,000.00
Rufino, Ernesto D.	Pasay City	1	10,000.00
Santayana, Luis S.	Makati, Rizal	1	10,000.00
Soriano, Andres	Pasay City	1	10,000.00
Soriano, Andres Jr.	Makati, Rizal	1	10,000.00
Soriano, Jose Maria	Pasay City	1	10,000.00
Sycip, Washington	Makati, Rizal	1	10,000.00
Tuason, Celso A.	San Juan, Rizal	1	10,000.00
Tuason, Juan E.	Manila	1	10,000.00
Tuason, Severo A.	Manila	1	10,000.00
Unson, Miguel R.	Pasay City	1	10,000.00
Uy, James	Makati, Rizal	1	10,000.00
Velasquez, Jaime	San Juan, Rizal	1	10,000.00
Velayo, Alfredo	Makati, Rizal	1	10,000.00
Velguth, Alfred C.	Parañaque, Rizal	1	10,000.00
Villa-Abrille, Alfredo	Makati, Rizal	1	10,000.00
Villareal, Fernando Sr.	Quezon City	1	10,000.00
Wilkinson, Gerald	Quezon City	1	10,000.00
Wilson, Calude M., Jr.	Mandaluyong City	1	10,000.00
Young, Walter Au	San Juan, Rizal	1	10,000.00
Ysmael, Carlos	Quezon City	1	10,000.00
Ysmael, Felipe	Quezon City	1	10,000.00
Yu Kho Siong	Manila	1	10,000.00
Yu Kho Thai	Pasay City	1	10,000.00
Yujico, Alejandro S.	Quezon City	1	10,000.00
Yujico, Jesus S.	Quezon City	1	10,000.00
Zulueta, Cesar de	Makati City	1	10,000.00
		<u>100</u>	<u>P1,000,000</u>

NINTH. That the following persons have paid on the shares of capital stock for which they have subscribed the amounts set out after their respective names.

<u>Name</u>	<u>Residence</u>	<u>Amount Subscribed</u>
Aguinaldo, Francisco R.	Quezon City	P 3,500.00
Aguirre, Tomas B.	Pasay City	3,500.00
Alafins, Arturo A.	Pasay City	3,500.00
Araneta, J. Antonio	Makati, Rizal	3,500.00
Araneta, Luis Ma.	Manila	3,500.00
Balcoff, Chester	Quezon City	3,500.00
Blacoff, Charles T.	Manila	3,500.00
Barredo, Manuel	Manila	3,500.00
Bautista, Constantino	Quezon City	3,500.00
Belden, Henry	Quezon City	3,500.00
Benrrett, Henry E.	San Juan, Rizal	3,500.00
Brias, Enrique	Makati, Rizal	3,500.00
Brias, Jaime	Manila	3,500.00
Cacho, Francisco	Mandaluyong, Rizal	3,500.00
Cacho, Jose A.	Manila	3,500.00
Chua, Antonio Roxas	Manila	3,500.00
Cojuangco, Pedro	Manila	3,500.00
Consunji, Ricardo	Mandaluyong, Rizal	3,500.00
Cortes, Jose Ma.	Quezon City	3,500.00
Cortes, Felix	Quezon City	3,500.00
Cruz, Bienvenido	Pasay City	3,500.00
Cu Unjieng, Benito	Manila	3,500.00
Dampierre, Alfonso R.de	Manila	3,500.00
Diaz, Pompeyo	Manila	3,500.00
Feria, Jose	Manila	3,500.00
Fernandez, Jose	Manila	3,500.00
Frieder, Robert	Manila	3,500.00
Gabaldon, Isauro	Quezon City	3,500.00
Garnboa, Regino D.	Manila	3,500.00
Gonzales, Rafael	Manila	3,500.00
Guerrero, Oscar E.	Quezon City	3,500.00
Halling, F. R.	S. Juan, Rizal	3,500.00
Huang, Frank	Makati, Rizal	3,500.00
Jaibueno, L.P.	S. Juan, Rizal	3,500.00
Kahn, Ernest	Pasay City	3,500.00
Klar, Jose	Pasay City	3,500.00
Liboro, Andres	Quezon City	3,500.00
Licaros, Gregorio, Sr.	Quezon City	3,500.00
Licaros, Gregorio, B. Jr.	Manila	3,500.00
Lim, P. L.	Manila	3,500.00
Lim, Peter	S. Juan, Rizal	3,500.00
Locsin, Jose	Makati, Rizal	3,500.00
Lopa, Manuel	Manila	3,500.00
Lopez, Honrado G.	Pasay City	3,500.00
Loveil, G. H.	Manila	3,500.00
Luz, Alfredo J.	Pasig, Rizal	3,500.00
Madrigal, Antonio P.	Manila	3,500.00
	Quezon City	3,500.00

Madrigal, Jose P.	Quezon City	3,500.00
Manahan, Constantino P.	Quezon City	3,500.00
Manglapus, Raul	San Juan, Rizal	3,500.00
Manotoc, Ricardo S.	Quezon City	3,500.00
Matilla, Faustino	Quezon City	3,500.00
Miranda, Antonio	Pasay City	3,500.00
Montinola, Aurelio Sr.	Makati, Rizal	3,500.00
Montinola, Aurelio Jr.	Makati, Rizal	3,500.00
Montinola, Sergio	Bacolod City	3,500.00
Nathan, Karl	Quezon City	3,500.00
Norton, J. E.	Quezon City	3,500.00
Olives, Sebastian	Quezon City	3,500.00
Ortigas, Eduardo	Quezon City	3,500.00
Ortigas, Francisco	Manila	3,500.00
Ortigas, Rafael	Manila	3,500.00
Perez Rubio, Miguel	Makati, Rizal	3,500.00
Picazo, Evaristo	Makati, Rizal	3,500.00
Pirconelli, Santiago	Manila	3,500.00
Preysler, J. B.	Makati, Rizal	3,500.00
Quirino, Carlos	Manila	3,500.00
Alfonso, Recto	Makati, Rizal	3,500.00
Reyes, Narciso Jr.	Manila	3,500.00
Reyes, Victor	Manila	3,500.00
Roco, Fernando S.	Quezon City	3,500.00
Roxas, Antonio	Pasay City	3,500.00
Roxas, Eduardo	Makati, Rizal	3,500.00
Rufino, Ernesto D.	Pasay City	3,500.00
Santayana, Luis S.	Makati, Rizal	3,500.00
Soriano, Andres	Pasay City	3,500.00
Soriano, Andres Jr.	Makati, Rizal	3,500.00
Soriano, Jose Maria	Pasay City	3,500.00
Sycip, Washington	Makati, Rizal	3,500.00
Tuason, Celso A.	San Juan, Rizal	3,500.00
Tuason, Juan E.	Manila	3,500.00
Tuason, Severo A.	Manila	3,500.00
Unson, Miguel R.	Pasay City	3,500.00
Uy, James	Makati, Rizal	3,500.00
Velasquez, Jaime	San Juan, Rizal	3,500.00
Velayo, Alfredo	Makati, Rizal	3,500.00
Velcurth, Alfred C.	Parafiaque, Rizal	3,500.00
Villa-Abrille, Alfredo	Makati, Rizal	3,500.00
Villareal, Fernando Sr.	Quezon City	3,500.00
Wilkinson, Gerald	Quezon City	3,500.00
Wilson, Calude M., Jr.	Mandaluyong City	3,500.00
Young, Walter Au	San Juan, Rizal	3,500.00
Ysmael, Carlos	Quezon City	3,500.00
Ysmael, Felipe	Quezon City	3,500.00
Siong, Yu Khe	Manila	3,500.00
Tai, Yu Khe	Pasay City	3,500.00
Yujunico, Alejandro S.	Quezon City	3,500.00
Yujunico, Jesus S.	Quezon City	3,500.00
Zullreta, Cesar de	Makati City	3,500.00

P 350,000

TENTH. That ERNEST KAHN has been elected by the subscribers as Treasurer of the Corporation to act as such until his successor is duly elected and qualified in accordance with the By Laws, and that no such Treasurer he has been authorized to receive for the corporation and to receipt in its name for all subscriptions paid in by said subscribers.

IN WITNESS WHEREOF, we have hereunto set our hands in the City of Manila, Philippines, this 14th day of May, 1958.

(Sgd.) Celso Tuason
CELSON TUASON

(Sgd.) Aurelio Montinola
AURELIO MONTINOLA

(Sgd.) Ernest Kahn
ERNEST KAHN

(Sgd.) Henry T. Belden
HENRY T. BELDEN

(Sgd.) J. Antonio Araneta
J. ANTONIO ARANETA

Signed in the presence of:

(Sgd.) Illegible

(Sgd.) Illegible

REPUBLIC OF THE PHILIPPINES)
CITY OF MANILA) S. S.

Before me, a Notary Public in and for the City of Manila, Philippines, this 14th day of May, 1958, personally appeared the following persons with their respective residence certificates, to wit:

Name	Residence Cert. No.	Date and Place of Issue
Celson Tuason	A-0204962	Jan. 22, 1958 - Manila
Aurelio Montinola, Sr.	A-0023051	Jan. 6, 1958 - Manila
Ernest Kahn	A-0006403	Jan. 2, 1958 - Manila
Henry Belden	A-0067620	Jan. 13, 1958 - Manila
J. Antonio Araneta	A-0120887	Jan. 17, 1958 - Manila

all known to me and to me known to be the same persons who executed the foregoing Articles of Incorporation of Valley Golf Club, Inc., and acknowledged to me that the same is of their free and voluntary act and deed.

WITNESS my hand and seal at the place and on the date first above written.

(Sgd.) Mariano B. Pineda, Jr.
MARIANO B. PINEDA, JR.
Notary Public
Until December 31, 1958

Doc. No. 186
Page No. 52
Book No. II
Series of 1958.

DIRECTOR'S CERTIFICATE

WE, the Chairman, Secretary and majority of the elected and qualified members of the Board of Directors of VALLEY GOLF CLUB, INC., a stock corporation organized and existing under the laws of the Philippines do hereby certify:

That as an Annual Meeting of the Stockholders and members of the Board of Directors held on September 10, 1989 at 4:20 p.m. at the principal office of the corporation and following resolution was duly approved, adopted and recorded in the minutes:

"RESOLVED, as it is hereby received that Article I of the Articles of Incorporation of VALLEY GOLF CLUB, INC. be amended by changing the corporate name to VALLEY GOLF AND COUNTRY CLUB, INC."

That the above resolution was confirmed, approved and ratified by the vote of the stockholders owning/representing at least two-thirds (2/3) of the entire outstanding capital stock at a special stockholders and directors meeting held on the same date and place;

That the attached articles of Incorporation is a true and correct copy of the present Articles of Incorporation, as amended, reflecting its new corporate name.

IN WITNESS WHEREOF, we have hereunto subscribed our names this 25th day of September 1989 at Makati, Metro Manila.

PEDRO H. YAP
Director
Res. Cert. No. 764301-A
Issued at: Manila
on: Feb. 2, 1989

(Sgd.)
ROMEO M. LIAMZON
Director
Res. Cert. No.
Issued at: Antipolo
on: March 4, 1989

(Sgd.)
MARCELINO L. GO
Director
Res. Cert. No. 000006435
Issued at: Manila
on: 1-31-1989

(Sgd.)
EMMANUEL CASTAÑEDA
Director
Res. Cert. No. 025367
Issued at: Antipolo
on: 1-18-89

(Sgd.)
LUIS SICAT
Director
Res. Cert. No. 214630-E
Issued at: Q. C.
on: 3-21-1989

(Sgd.)
JOHNNY SARMENTA
Director
Res. Cert. No. 09538558J
Issued at: Q. C.
on: 3-20-89

(Sgd.)
JOSE VILCHEZ, JR.
Director
Res. Cert. No. 1158001G
Issued at: Antipolo
on: 4-1-1989

FEDERICO CARANDANG
Director
Res. Cert. No.
Issued at:
on:

(Sgd.)
CRISMEL VERANO
Director
Res. Cert. No. 4925502
Issued at: Q. C.
on: 2-23-1989

ATTESTED:

(Sgd.)
PEDRO H. YAP
President

(Sgd.)
ORLANDO C. PARAY
Secretary

SUBSCRIBED AND SWORN to before me this 25th day of September 1989,
affiants exhibiting to me their Res. Cert. No. printed below their respective name.

Doc. No. 439;
Page No. 89;
Book No. II;
Series of 1989.

Sgd.
EDGAR A. PACIS
NOTARY PUBLIC
Until: December 31, 1990
PTR No. 566199, Makati
Jan. 3, 1989

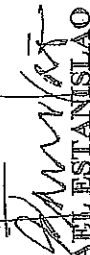
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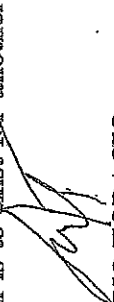
APR 17 2008
RECORDS DIVISION
OFFICE OF THE SECRETARY OF VALLEY


DIRECTORS' CERTIFICATE


We, the undersigned majority of the Directors and Corporate Secretary of VALLEY GOLF & COUNTRY CLUB, INC., do hereby certify that the Articles of Incorporation of said corporation was amended by a majority vote of the directors on July 29, 2006 and the vote of stockholders representing at least two-thirds (2/3) of the outstanding capital stock at a meeting held on November 18, 2007 at the principal office of the corporation.


The amended provisions of the attached Amended Articles of Incorporation refer to Article 4 "That the Term for which said corporation is to exist for another Fifty (50) years from May 15, 2008."



RAFAEL ESTANISLAO
President/Director
TIN No. 100-143-443
Res. Cert. No. 12450200
Issued at Antipolo City
on January 4, 2008



LINO TOPACIO
Vice President/Director
TIN No. 110-062-048
Res. Cert. No. 07594500
Issued at Quezon City
on January 3, 2008



BONIFACIO SUMBILLA
Treasurer/Director
TIN No. 150-146-618
Res. Cert. No. 14723842
Issued at Cainta, Rizal
on January 3, 2008


TEODORO PAPA
Asst. Treasurer/Director
TIN No. 111-924-493
Res. Cert. No. 24199012
Issued at Quezon City
on April 4, 2008


JAIME LARDIZABAL
Director
TIN No. 103-405-178
Res. Cert. No. 23742105
Issued at Pasig City
on February 23, 2008


FRANCISCO BEN REYES
Director
TIN No. 115-808-073
Res. Cert. No. 07649077
Issued at Quezon City
on January 10, 2008


BERNARDO P. CRUZ
Director
TIN No. 128-282-687
Res. Cert. No. 11562615
Issued at Marikina City
on January 3, 2008


ROBERTO ROXAS
Director
TIN No. 106-207-376
Res. Cert. No. 19475836
Issued at Makati City
on January 11, 2008


JOSE FERLU SUDARIO

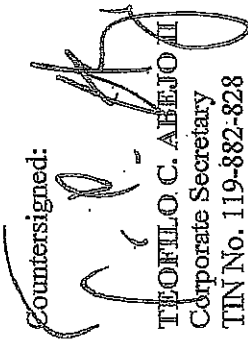
Director

TIN No. 125-972-748

Res. Cert. No. 12465301

Issued at Antipolo City
on January 2, 2008

Countersigned:



TEOFILO C. ABEJO II

Corporate Secretary

TIN No. 119-882-828

Res. Cert. No. 11875770

Issued at Mandaluyong City
on January 4, 2008

SUBSCRIBED AND SWORN to before me this APR 16 2008 day of _____, 2008 at CITY OF PASIG by the above-named persons who exhibited to me their Community Tax Certificates.

Doc. No. 1166 ;
Page No. 35 ;
Book No. I ;
Series of 2008.



AMADO DANILLO G. YAYAG
Notary Public for Pasig City

Until December 31, 2009

PTR No. 4919254; 01/03/06; Rizal

IBP No. 732659; 01/03/06; Rizal

San Juan - Mandaluyong

Roll No. 43175



REPUBLIC OF THE PHILIPPINES
SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA, Greenhills
City of Mandaluyong, Metro Manila

Company Reg. No. 13951

CERTIFICATE OF FILING
OF
AMENDED BY-LAWS

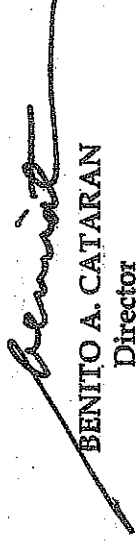
KNOW ALL PERSONS BY THESE PRESENTS:

THIS IS TO CERTIFY that the Amended By-Laws of

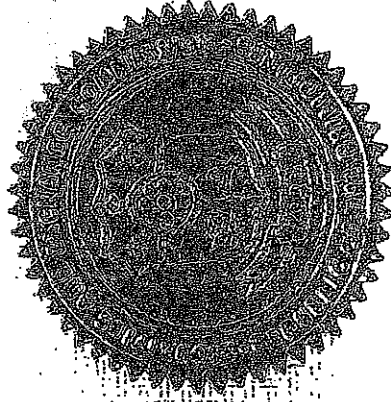
VALLEY GOLF & COUNTRY CLUB, INC.

copy annexed, adopted on August 21, 2010 by a majority vote of the Board of Directors and on September 26, 2010 by the vote of the stockholders owning or representing at least majority of the outstanding capital stock, and certified under oath by the Corporate Secretary and majority of the said Board was approved by the Commission on this date pursuant to the provisions of Section 48 of the Corporation Code of the Philippines Batas Pambansa Blg. 68, approved on May 1, 1980, and copies thereof are filed with the Commission.

IN WITNESS WHEREOF, I have set my hand and caused the seal of this Commission to be affixed to this Certificate at Mandaluyong City, Metro Manila, Philippines, this 31 day of November, Twenty Ten.


BENITO A. CATARAN
Director

Company Registration and Monitoring Department



COVER SHEET

1 3 9 5 1

S.E.C. Registration Number

V A L L E Y G O L F & C O U N T R Y
C L U B I N C.

(Company's Full Name)

D O N C E L S O S T U A S O N A V E N U E

V I C T O R I A V A L L E Y A N T I P O L O C I T Y

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

TESS GAN

Contact Person

638-04-00

Company Telephone Number

0 6 3 0
Month Day Fiscal Year

Amended By-Laws
FORM TYPE

0 9
Month 4th Day Sun. Annual Meeting

Fiscal Year

Second License Type, if Applicable

Annual Meeting

Dept. Requiring this Doc.

Second License Type, if Applicable

Dept. Requiring this Doc.

Second License Type, if Applicable

Total No. of Stockholders

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

RECORDS
100 10-24-6

File Number

File Number

Document I.D.

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

**AMENDED BY-LAWS OF
VALLEY GOLF & COUNTRY CLUB**

ARTICLE I - OFFICE

The Principal office of the Club shall be located at Antipolo City, Rizal Philippines.

ARTICLE II - SEAL

The Board of Directors is authorized to design and to adopt a seal for the Club.

ARTICLE III - MEETING

Section 1. Annual Meetings - The annual meetings of stockholders shall be held at the Clubhouse on the Fourth Sunday of September of each year at 4:00 o'clock in the afternoon.

Section 2. Special Meetings - Special meetings of stockholders may be called at anytime by resolution of the Board of directors or by order of the President, or upon written request of ten percent (10%) of stockholders. No action will be taken at such special meeting except for the purpose(s) specified in the call.

Section 3. Notice of Meetings - Written notice of meetings for every regular or special meeting of stockholders shall be given to stockholders at least (10) days prior to the date of the meeting. Any failure or irregularity of notice of any meeting shall be deemed cured where the complaining stockholders appear at the meeting.

Section 4. Quorum - A quorum at any meeting shall consist of a majority of the stockholders, represented in person or by proxy, and a majority of such quorum shall decide any question that may come before the meeting, except in cases where a different number of votes is required by law.

Section 5. Proxies - Every stockholder is entitled to vote at any meeting of stockholders and may so vote by proxy, provided that the proxy shall have been appointed by the stockholder himself or by his duly authorized attorney-in-fact in an official numbered proxy form issued by the Club. No other proxy form shall be recognized by the Club.

Section 6. Election of Directors - The election of Directors shall be held at the annual meeting of stockholders and shall be conducted in the manner provided for in the Corporation Law, and with such formalities as the officer presiding at the meeting shall then and there determine and provided.

The external auditor or auditors shall likewise be elected by the stockholders either in the annual stockholder's meeting or in a special stockholders' meeting called for the purpose.

Section 7. Order of Business – The order of the business of the annual meeting and, as far as possible, at all other meetings of stockholders, shall be as follows:

- a) Calling the roll.
- b) Secretary's proof of due notice of the meeting.
- c) Reading and disposal of the unapproved minutes.
- d) Report of officers, annual and otherwise.
- e) Unfinished business.
- f) New business.
- g) Election of Directors.
- h) Adjournment.

Section 8. Eligibility to vote and be voted

- a) Only stockholders in good standing shall have the right to vote and be voted upon at any meeting of the stockholders.

b) Qualifications of Nominees for the Election of Directors:

- i. Has one (1) share recorded in his/her name for at least three (3) years at the time of nomination and shall continue to own a share during his/her term of office. If the nominee has been a member of a standing committee for at least one (1) year or a playing guest or corporate representative for at least two (2) years, the three-year requirement will be reduced to one (1) year.
- ii. Is an active proprietary member who has not assigned the playing right of his/her share of stock upon his/her nomination, has committed in writing not to assign said playing right during his/her incumbency if elected, and is in good standing with no delinquent account/s.
- iii. Shall have sufficient time and willing to share his/her professional and executive expertise; and
- iv. Has no official record of grave and serious misconduct that merited Club membership suspension and has not been convicted in any criminal case. (As amended by the stockholders on September 26, 2010 and by the Board of Directors on August 21, 2010).

Section 9. Stockholder's Consent - The consent of 2/3 of the outstanding capital stock shall be required in the following instances:

- a) A substantial change in the present layout in the 36 holes golf course.
- b) Any expenditure of the funds of the Club for alteration covered by the preceding paragraph.
- c) Any capital expenditure for new projects other than any those approved at previous stockholders' meeting which requires special assessment against the stockholders, or an increase in the number of authorized shares of Club.

For the purpose of this section, the consent of stockholders may be obtained by referendum.

Section 10. Committee on Election - Members of the Committee on Election shall be appointed by the Board of Directors, composed of three (3) proprietary members in good standing. Such proprietary members shall be of unquestionable integrity and occupy the highest esteem of his peers. For purposes of the Comelec, a playing representative of a corporate proprietary member may be appointed as member of the Comelec provided that said designated playing representative shall be the incumbent President or Chairman of the Corporation and should own equity in the said Corporation and subject to such other requirements and/or limitations that the Board may impose."

The Club General Manager, Comptroller and Internal Auditor shall form part of the Comelec Secretariat.

ARTICLE IV - DIRECTORS

Section 1. Board of Directors - The business and property of the Club shall be managed by a Board of nine (9) Directors. At the next annual stockholders' meeting, nine (9) Directors shall be elected, the first three (3) Directors receiving the highest number of votes shall serve for a term of three (3) years; the three (3) other Directors receiving the next highest number of votes shall serve for a term of two (2) years; and the remaining three (3) Directors shall serve for a term of one (1) year. Every year thereafter, at the annual stockholders' meeting, there shall be three (3) elected Directors who shall serve for a term of three (3) years. No Directors can serve consecutively for more than three (3) years.

No more than sixty (60) days prior to the annual meeting of stockholders, the President with the approval of the Board of Directors, shall appoint a nominating Committee of five (5) stockholders, three (3) of whom are not Directors. The said nominating committee shall prepare, sign and post at least fifteen (15) days before the annual meeting, a list of not less than four (4) nor more than six (6) candidates for the Board of Directors for the ensuing year. Any five (5) stockholders may nominate additional candidates for the Board by posting a signed list not later than ten (10) days before the Annual Meeting.

The nominating Committee shall evaluate all candidates to ensure compliance with the required qualifications. A list of the qualified candidates nominated shall be included in the notice of the annual meeting that is sent out to each stockholder. (As amended by the stockholders on September 26, 2010 and by the Board of Directors on August 21, 2010)

Section 2. Directors to act as of Board – The Board of Directors shall act only as a board and no power is vested in the individual director as such. A majority of the Board shall constitute a quorum for the transaction of business, except for the filling of vacancies in the Board, in which case majority of the remaining Directors shall constitute a quorum. Directors shall receive no salaries or fees as such.

Section 3. Board Meeting – The regular meeting of the Board of Directors shall be held once a month at such time and place as shall be determined by the Board. Special meetings of the Board may be called by the President, or upon written petition of three (3) members. Notice of Board Meetings shall be served on each director at least three (3) days before the meeting, unless notice is waived by all the Directors present.

Section 4. Order of Business – The order of business at any regular or special meeting of the Board of Directors shall be:

- a) Calling the roll.
- b) Secretary's proof of due notice of the meeting.
- c) Reading and disposal of unapproved minutes in the case of regular meetings of the Board.
- d) Report of officers.
- e) Unfinished business.
- f) New business.
- g) Adjournment.

Section 5. A director must have at least one (1) share registered in his name during his term of office otherwise, he shall be automatically disqualified from the position. The stockholders holding 2/3 of the outstanding capital stock in the books of the corporation may remove a director who has absented himself for three (3) consecutive regular meetings of the Board unless such absences be executed by reason of sickness, physical disability or other justifiable reason(s) acceptable to the Board of Directors.

Section 6. The immediately preceding five (5) past President of the Club shall become ex-officio members of the Board without the right to vote.

ARTICLE V - OFFICERS

Section 1. Designation – Majority of all the Board of Directors at its first meeting shall elect as Executive Officers of the Club a President, Vice-President, a Treasurer, a Secretary and such other administrative officers as it may deem proper.

Section 2. Qualification – All Executive Officers of the Club must be incumbent directors, with the exception on the Secretary who must, however, be a resident and citizen of the Philippines.

Section 3. Every executive officers shall be elected by the Board for a term of one (1) year, unless sooner removed by the Board of Directors, and all vacancies occurring among such officers however arising shall be filled by the Board.

Section 4. Compensation – The compensation and working conditions of officers of the Club who are not directors shall be fixed by the Board, Directors acting as such, or as officers of the Club including members of standing or special committees, shall receive no salaries or fees, whatsoever for their services.

Section 5. Duties and Responsibilities – The duties and responsibilities of the different officers of the Club are as follows:

a) **The President** – The President shall preside at all meetings and shall sign the membership certificate of the Club. He shall be the chief executive officer of the Club and have general supervision of the business affairs and property of the Club and over its several agents and employees, with authority to hire said employee, and dispenses with their services subject to confirmation by the Board of Directors. He shall sign contracts on behalf of the Club and shall see that all orders and resolutions of the Board are carried into effect. In addition to the above duties expressly vested in him by these By-Laws he shall do and perform such acts and duties as from the time to time may be assigned to him by the Board of Directors.

b) **The Vice-President** – In the absence or disability of the President, the Vice-President shall exercise all the powers and discharge all the duties of the President. The Vice-President shall, in addition, have such powers and duties as may, from time to time be conferred on him by the Board.

c) **The Treasurer** – The Treasurer, except as otherwise provided by the Board of Directors, shall have the custody of all moneys, securities and values of the Club that come into his possession, and shall keep regular books of accounts. He shall deposit said moneys, securities and values in such banking institutions as may be designated, from time to time by the Board of Directors, subject to withdrawal therefrom on the signature of such officers of the Club as the Board may, by resolution, designate. He shall perform all other duties incident to his office and all that are properly required on him by the Board of Directors. He shall furnish a bond conditioned upon the faithful performance of his duties, if and when required so to do by the Board of Directors; the amount of said bond to be determined and fixed by the said Board.

d) **The Secretary** – The Secretary shall issue notices of all meetings, shall keep their minutes, shall have charge of the seal and corporate books;

shall countersign the certificate of stock and sign such other instruments as required such signature, and shall make such reports and perform such other duties as are incident to his office or are properly required of him by the Board of Directors.

ARTICLE VI - COMMITTEES

Section 1. Standing Committee - The President with the approval of the Board of Directors, shall appoint the chairman and members (who must all be non-delinquent members) of the different standing committees of the Club and prescribed their respective duties and responsibilities, as well as, create new committees as may be necessary for the different handling of club affairs. The standing committees are as follows.

- | | |
|---------------------|-------------------|
| a) House | e) Finance |
| b) Grounds | f) Administration |
| c) Sports and Games | g) Engineering |
| d) Membership | |

Section 2. Trust Fund Committee - The Trust Fund Committee, consisting of five (5) members, created pursuant to the resolutions passed by the stockholders last September 12, 1982, and empowered only to invest the "THE VALLEY GOLF TRUST FUND" in accordance with law shall meet at least once a year or anytime upon request of the Board of Directors. Three (3) members shall constitute a quorum and the unanimous consent of three (3) members shall be necessary to constitute a decision of the Committees. Any vacancy in the Committee for any reason whatsoever shall be filed by the Board of Directors.

The Board of Directors shall also determine the amount of the fund to be administered by the Trust Committee which shall not be less than the original amount of P3.5 Million.

ARTICLE VII - MEMBERSHIP

Section 1. Classification - Membership in the Club shall be classified into (a) Proprietary (b) Playing Guest (c) Honorary and (d) Social

a) A proprietary Member is any person who is the registered stockholder of at least one (1) share of stock of the Club whose membership had been previously approved as hereinafter provided. In case the proprietary member is a juridical person it shall be entitled to designate its representative who shall exercise all the rights and privileges of membership including the right to vote.

b) An Honorary Member is any person who has been conferred playing rights by the Board of Directors under terms and conditions specified for such membership.

c) A playing Guest is any person who is the assignee of the playing rights of a share of stock registered in the name of another person.

d) A *Social Member* is a *natural person* who has been granted the privilege of using the facilities of the Club, except the golf course.

Section 2. Membership in the Club shall be subject for approval by the Board of Directors upon the favorable recommendation of the Membership Committee. All members shall pay the stipulated monthly dues and other assessments of the Club.

Section 3. A stockholder, whether a member or not shall nevertheless be obligated to pay the regular monthly dues and special assessments effective from the date of issuance of their respective certificate of stock.

Section 4. Stockholders who subscribed to the additional increase in capital stock of P8.1 Million last August 1981 shall be excluded from paying the regular monthly dues and special assessments corresponding to such additional shares until they decide to sell the same, or to assign the playing rights corresponding thereto.

ARTICLE VII - CLUB ACCOUNTS

Section 1. Lien - The Club has the first lien on the share of the stockholder who has, in his/her/its name, or in the name of an assignee, outstanding accounts and liabilities in favor of the Club to secure the payment thereof.

Section 2. No sale, or transfer of a share of stock, shall be registered in the books of the Club until and unless the lien established under Section 1 and the requirements of Article VII, Section 2, shall have been first fully satisfied.

Section 3. The account of any member shall be presented to such member every month. If any statement of accounts remained unpaid for a period of forty-five (45) days after cut-off date, said member may be posted as delinquent. No delinquent member shall be entitled to *enjoy the privileges* of such membership for the duration of the delinquency. After the member shall have been posted as delinquent, the Board may order his/her/its share sold to satisfy the claims of the Club; pursuant to such rules and procedures which the Board of Directors may promulgate to govern the conduct of sale/auction of shares of delinquent members; after which the member loses *his/her/its* rights and privileges permanently. No Member can be indebted to the Club at any time any amount in excess of the credit limit set by the Board of Directors from time to time. The unpaid account referred to here includes non-payment of dues, charges and other assessments and non-payment for subscriptions.

ARTICLE IX - FISCAL YEAR

The Fiscal Year of the Club shall commence on the first day of July of each year and shall close on the 30th day of June of the following year.

ARTICLE X - AMENDMENT

Section 1. *These By-Laws may be altered, amended or repealed at any meeting of stockholders by a majority of the subscribed capital stock. The Board of Directors, by resolution, may likewise amend these By-Laws, as however, shall be circularized to all stockholders.*

ARTICLE XI - TRANSITORY PROVISIONS

These By-Laws shall be deemed to be complete and shall repeal the By-Laws, including amendments adopted prior to this date. Adopted June 6, 1958, at Manila, Philippines.

(Sgd.) Francisco R. Aguinaldo	(Sgd.) Tomas B. Aguirre
(Sgd.) Arturo A. Alariz	(Sgd.) J. Antonio Araneta
(Sgd.) Luis Ma. Araneta	(Sgd.) Chest Babst
(Sgd.) Charles T. Blacoff	(Sgd.) Manuel Barredo
(Sgd.) Constantino Bautista	(Sgd.) Henry Beiden
(Sgd.) Henry E. Bennett	(Sgd.) Enrique Brias
(Sgd.) Jaime Brias	(Sgd.) Francisco Cacho
(Sgd.) Jose A. Cacho	(Sgd.) Antonio Roxas Chua
(Sgd.) Pedro Cojuangco	(Sgd.) Ricardo Consunji
(Sgd.) Jose Ma. Cortes	(Sgd.) Felix Cortes
(Sgd.) Bienvenido Cruz	(Sgd.) Benito Cu Unjieng
(Sgd.) Alfonso R. de Dampierre	(Sgd.) Pompeyo Diaz
(Sgd.) Jose Feria	(Sgd.) Jose Fernandez
(Sgd.) Robert Fieder	(Sgd.) Isaura Cabaldon
(Sgd.) Regino D. Gamboa	(Sgd.) Antonio Gonzales
(Sgd.) Rafael Gonzales	(Sgd.) Oscar E. Guerrero
(Sgd.) F.R. Halling	(Sgd.) Frank Huang
(Sgd.) B.R. Jaibueno	(Sgd.) Ernest Kahn
(Sgd.) Jose Klar	(Sgd.) Andres Liboro
(Sgd.) P.L. Lim	(Sgd.) Peter Lim
(Sgd.) Jose Locsin	(Sgd.) Manuel Lopa
(Sgd.) Honrado G. Lopez	(Sgd.) G.H. Lovell
(Sgd.) Alfredo Luz	(Sgd.) Antonio P. Madrigal
(Sgd.) Jose P. Madrigal	(Sgd.) Constantino P. Manahan
(Sgd.) Raul Manglapus	(Sgd.) Ricardo S. Manotoc
(Sgd.) Faustino Matilla	(Sgd.) Antonio Miranda
(Sgd.) Sergio Montinola, Sr.	(Sgd.) Aurelio Montinola, Jr.
(Sgd.) Sergio Montinola	(Sgd.) Karl Nathan
(Sgd.) J.E. Norton	(Sgd.) Sebastian Oliveros
(Sgd.) Eduardo Ortigas	(Sgd.) Francisco Ortigas
(Sgd.) Rafael Ortigas	(Sgd.) Miguel Perez
(Sgd.) Evaristo Picazo	(Sgd.) Santiago Pirconell
(Sgd.) J.B. Preysler	(Sgd.) Carlos Quirino
(Sgd.) Alfonso Recto	(Sgd.) Narciso Reyes, Jr.
(Sgd.) Victor Reyes	(Sgd.) Fernando S. Roco

(Sgd.) Antonio Roxas
(Sgd.) Ernesto D. Rufino
(Sgd.) Andres Soriano
(Sgd.) Jose Maria Soriano
(Sgd.) Celso A. Tuason
(Sgd.) James Uy
(Sgd.) Alfredo Velayo
(Sgd.) Alfredo Villa Abrille
(Sgd.) Gerald Wilkinson
(Sgd.) Felipe Ysmael
(Sgd.) Walter Euyang
(Sgd.) Yu Khe Tai
(Sgd.) Jesus S. Yujunico

(Sgd.) Eduardo Roxas
(Sgd.) Luis S. Santayana
(Sgd.) Andres Soriano, Jr.
(Sgd.) Washington Sycip
(Sgd.) Juan E. Tuason
(Sgd.) Miguel R. Unson
(Sgd.) Jaime Velasquez
(Sgd.) Alfred C. Velcuth
(Sgd.) Fernando Villareal, Sr.
(Sgd.) Claude M. Wilson, Jr.
(Sgd.) Yu Khe Siong
(Sgd.) Alejandro S. Yujunico
(Sgd.) Cesar de Zulueta

DIRECTORS' CERTIFICATE

We, the undersigned representing the majority members of the Board of Directors and the Corporate Secretary of VALLEY GOLF & COUNTRY CLUB, INC. do hereby certify that the attached By-Laws of said corporation was amended by the vote of the stockholders representing at least a majority of the outstanding capital stock at a meeting held on September 26, 2010, at the principal office of the corporation.

The amendment was likewise approved by majority of the directors at a meeting held at the principal office of the corporation, on August 21, 2010.

The amended provisions of the attached Amended By-laws refer to Article III, Section 8 and Article IV of the By-Laws, to wit:

Article III, Section 8. Eligibility to vote and be voted --

a) Only stockholders in good standing shall have the right to vote and be voted upon at any meeting of the stockholders.

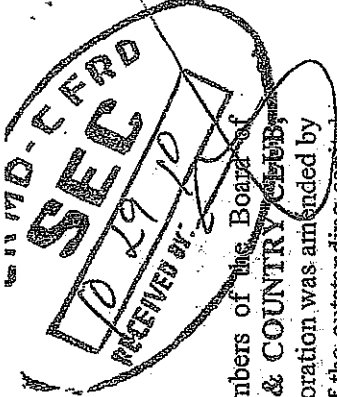
b) Qualifications of Nominees for the Election of Directors:

i. Has one (1) share recorded in his/her name for at least three (3) years at the time of nomination and shall continue to own a share during his/her term of office. If the nominee has been a member of a standing committee for at least one (1) year, or a playing guest or corporate representative for at least two (2) years, the three-year requirement will be reduced to one (1) year.

ii. Is an active proprietary member who has not assigned the playing right of his/her share of stock upon his/her nomination, has committed in writing not to assign said playing right during his/her incumbency if elected, and is in good standing, with no delinquent account/s.

iii. Shall have sufficient time and willing to share his/her professional and executive expertise; and,

iv. Has no official record of grave and serious misconduct that merited Club membership suspension and has not been convicted in any criminal case. (As amended by the stockholders on September 26, 2010 and by the Board of Directors on August 21, 2010).



Article IV – Directors

Section 1. Board of Directors – The business and property of the Club shall be managed by a Board of nine (9) Directors. At the next annual stockholders' meeting, nine (9) Directors shall be elected, the first three (3) Directors receiving the highest number of votes shall serve for a term of three (3) years; the three (3) other Directors receiving the next highest number of votes shall serve for a term of two (2) years; and the remaining three (3) Directors shall serve for a term of one (1) year. Every year thereafter, at the annual stockholders' meeting, there shall be three (3) elected Directors who shall serve for a term of three (3) years. No Directors can serve consecutively for more than three (3) years.

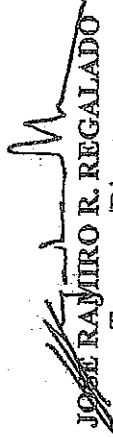
No more than sixty (60) days prior to the annual meeting of stockholders, the President with the approval of the Board of Directors, shall appoint a nominating Committee of five (5) stockholders, three (3) of whom are not Directors. The said nominating Committee shall prepare, sign and post at least fifteen (15) days before the annual meeting, a list of not less than four (4) nor more than six (6) candidates for the Board of Directors for the ensuing year. Any five (5) stockholders may nominate additional candidates for the Board by posting a signed list not later than ten (10) days before the Annual Meeting. The nominating Committee shall evaluate all candidates to ensure compliance with the required qualifications A list of the qualified candidates nominated shall be included in the notice of the annual meeting that is sent out to each stockholder. *(As amended by the stockholders on September 26, 2010 and by the Board of Directors on August 21, 2010)*

IN WITNESS WHEREOF, we hereby set our hands this 15th day of October, 2010, at Makati City, Philippines.

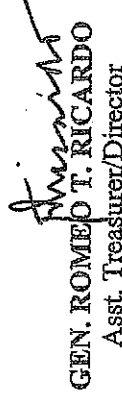


BENIGNO P. CRUZ
President/Director
TIN: 128-282-687

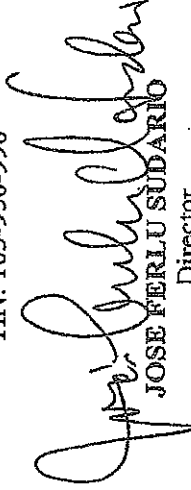
ROBERTO ROXAS
Vice President/Director
TIN No. 106-207-376



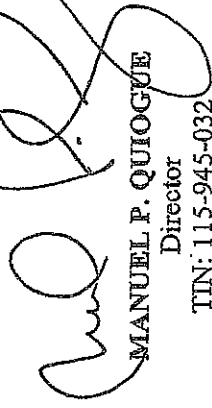
JOSE RAMIRO R. REGALADO
Treasurer/Director
TIN: 103-950-996



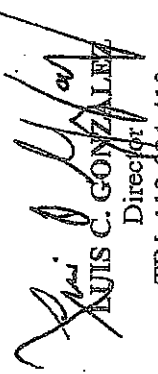
GEN. ROMEO T. RICARDO
Asst. Treasurer/Director
TIN: 146-293-895



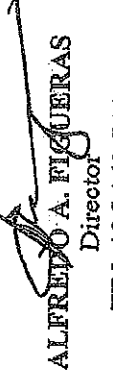
JOSE FERLU SUDARIO
Director
TIN: 125-972-748



MANUEL P. QUIOGUE
Director
TIN: 115-945-032


LUIS C. GONZALEZ
Director

TIN: 113-024-410



ALFREDO A. FIGUERAS
Director

TIN: 106-169-744

VISAURO SAN PEDRO, JR.
Director


TIN: 115-968-382

Certified Correct by:


PEDRO H. MANIEGO, JR.
Corporate Secretary
TIN: 130-488-850

SUBSCRIBED AND SWORN to before me this 8 OCT 2010 day of October, 2010, at Makati City, by the above-named persons who exhibited to me their Competent Identification.

Doc. No. 96
Page No. 21
Book No. 111
Series of 2010.


TEOFILO C. ABEJO II
Notary Public for Makati City
Until December 31, 2010
PTR No. 5447349 01/06/09; Rizal
SEP No. 768880; 01/06/09; Makati City
Roll No. 36031

**MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING
OF VALLEY GOLF AND COUNTRY CLUB, INC.**

Held at the Main Clubhouse, Valley Golf and Country Club
Antipolo City on 27 September 2015

I. Call to Order

Valley Golf and Country Club's Chairman, Jose B. Tayawa (Chairman Tayawa), called the meeting to order at 4:21 p.m., and presided over the same. The Corporate Secretary, Atty. Ronald O. Solis (Atty. Solis), recorded the minutes of the meeting.

II. Determination of Quorum

Director Jaime F. Panganiban moved for the appointment of General Manager (GM) Marquitos Pinga as Secretary of the Stockholders' meeting. Upon motion duly seconded, GM Pinga was temporarily appointed as Secretary of the Stockholders' Meeting until the arrival of the Corporate Secretary. Atty. Solis arrived a few minutes after the determination of quorum.

Chairman Tayawa inquired from the Secretary of the Meeting whether a quorum was present. GM Pinga replied in the affirmative. According to GM Pinga, the total attendance was Eight Hundred Seventy (870) members/shares, which were either personally present or represented by valid proxies. Hence, a quorum existed since the number already exceeded Seven Hundred Ninety Five (795) shares, which was only needed for purposes of having a quorum.

Upon inquiry as to how many shares were represented by proxies *vis a vis* the members who were personally present. It was determined that Eight Hundred Fifty Eight (858) shares were represented by proxies, and Twelve (12) members were personally present.

III. Proof of Due Notice of the Meeting

Chairman Tayawa asked whether there was proof of due notice of the meeting. GM Pinga replied in the affirmative. The pertinent registry return cards and/or delivery receipts are on file with the Club's secretariat as evidence of transmission and receipt of the said notices and other necessary documents to all stockholders of record. The said documents are present and available for inspection by any member who might wish to do so.

IV. Approval of the Minutes of the Annual Meeting Held on 28 September 2014

Chairman Tayawa proceeded with the next item on the agenda, which was the approval of the previous year's minutes. The stockholders were also provided with copies of the minutes of the previous year's annual stockholders' meeting and were given sufficient time to read the same. Samuel M. Paler moved for the approval of the minutes of the annual stockholders' meeting held on 28 September 2014, which motion was duly seconded by Gerardo B. Marcelo. There were no objections. Hence:

RESOLVED, that the minutes of the annual stockholders' meeting held on 28 September 2014 are hereby approved and adopted.

V. Matters Arising From the Minutes

Chairman Tayawa opened the floor for any inquiries relative to the previous year's minutes. After a moment, considering that there were no questions relative thereto, the Chairman proceeded with the next item on the agenda.

VI. Chairman's and Treasurer's Report

Chairman Tayawa manifested that all stockholders were provided copies of the Club's Annual Report. He inquired whether there were any questions relative thereto. Considering that there were no questions, Mr. Paler moved for the approval of the Chairman's and Treasurer's Report for the fiscal year 2014-2015, which motion was duly seconded by Luis G. Quiogue. There were no objections. Hence:

RESOLVED, that the Chairman's Report, as well as the Treasurer's Report, for the fiscal year 2014 to 2015, as presented, are both hereby approved and adopted.

VII. Ratification of Prior Acts of the Board of Directors and Management

Chairman Tayawa stated that all stockholders were similarly furnished with copies of all the resolutions of the Board of Directors, and had more than sufficient time to peruse the same. Thus, Mr. Paler moved for the ratification of the prior acts of the Board of Directors and Management for the period 01 July 2014 to 30 June 2015, including the disposal of non-performing assets and settlement of cases which involve disposal of some properties of the Club, which motion was duly seconded to by Mr. Marcelo. There were no objections. Hence:

RESOLVED, that the acts of the Board of Directors and Management for the period 01 July 2014 up to 30 June 2015, including the disposal of non-performing assets and settlement of cases which involve disposal of some properties of the Club, are hereby ratified.

VIII. Appointment of External Auditor

Chairman Tayawa opened the floor for the election of the Club's external auditor. Mr. Paler moved to retain the services of Sycip Gorres Velayo & Co. as the Club's external auditor, which motion was duly seconded to by Mr. Quiogue. There were no objections. Hence:

RESOLVED, that Sycip Gorres Velayo & Co. is hereby retained as the independent external auditor of Valley Golf & Country Club, Inc.

IX. Other Matters

At this juncture, Mr. Jose Ferlu O. Sudario inquired why the Club was incurring losses of up to PhP 14 Million. Dir. Panganiban explained that starting December 2014, the Club engaged the services of MJ Carr, an independent contractor, so they had to terminate the services of 25 employees. Consequently, the Club had to extend severance pay amounting to PhP 4.7 Million and separation loss amounting to PhP 2.4 Million. There were also losses in revenue amounting to PhP 2.3 Million and also PhP 2.8 Million as a result of the reduction of transfer fees. Chairman Tayawa also mentioned that the revenue amounting to PhP 6 Million in the previous year was considered as Retained Earnings. He also explained that the income of PhP 6 Million was treated by SGV as Book Entries.

Ms. Evangeline R. Apuhin moved that a representative from Valley Ladies be appointed as an ex-officio member of the Board of Directors. Chairman Tayawa noted the proposal and stated that this will be discussed by the next Board of Directors.

Mr. Renato C. Balibag, a member of the Board of Trustees of Senior members, moved that the President of the Valley Golf Seniors Association, Inc. be appointed also as an ex-officio member of the Board of Directors. Chairman Tayawa also noted the proposal and stated that this will also be discussed by the next Board of Directors.

At this juncture, plaques of appreciation were awarded to outgoing directors Messrs. Wilfredo G. Manahan, Servien S. Gatapia and Jose B. Tayawa.

Atty. Solis then called on the Chairman of the Administration Committee, Isauro V. San Pedro, for the awarding of plaques of appreciation to outgoing members and past presidents.

X. Election of Directors

Chairman Tayawa called on the Chairman of the Commission on Elections (Comelec), Atty. Jeremy Z. Parulan, to preside over the election of the new Directors and the canvassing of votes for the amendment of the By-Laws. The other members of the Comelec were Atty. Francisco B. Figura and Atty. Ben A. Delos Reyes. The following were the official nominees:

Luis S. Polintan
Luis G. Quiogue
Abraham C. Dela Cruz
Leslie Agoncillo.

GM Pinga then proceeded with the canvassing of the votes. After the canvassing, Atty. Parulan announced the results of the elections:

Candidates for Election:

Leslie Agoncillo - 1 in person /75 by proxy
Abraham C. Dela Cruz - 14 in person /840 by proxy
Luis S. Polintan - 6 votes in person / 796 by proxy
Luis G. Quiogue - 15 in person /645 by proxy

Amendment to By-Laws:

Article IV, Sec. 1, 2nd Paragraph - not approved
In Favor - 7 in person/772 by proxy
Not In Favor - 2 in person/10 by proxy
Abstain - 2 in person/6 by proxy

Article VIII, Sec. 3 – not approved
In Favor - 6 in person/306 by proxy
Not In Favor - 3 in person/477 by proxy
Abstain - 1 in person/6 by proxy

Article VIII, Sec. 4 – not approved
In Favor - 9 in person/729 by proxy
Not In Favor - 2 in person/53 by proxy
Abstain - 0 in person/6 by proxy

Thereafter, Atty. Parulan, together with the members of the Comelec, proclaimed the following as the newly elected Directors of Valley Golf & Country Club:

Abraham C. Dela Cruz
Luis S. Polintan
Luis G. Quiogue

Messrs. Dela Cruz, Polintan and Quiogue were called upon, and all of them gave a short acceptance message to their fellow members.

Chairman Tayawa thereafter congratulated the winning Directors.

XI. Adjournment

There being no other matters to be discussed, upon motion by Mr. Marcelo and duly seconded by Atty. Delos Reyes the meeting was adjourned at 6 p.m.

Prepared by:

ATTY. RONALD O. SOLIS
Corporate Secretary