

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)
Jul 19, 2019
2. SEC Identification Number
22401
3. BIR Tax Identification No.
000491007
4. Exact name of issuer as specified in its charter
PRIME MEDIA HOLDINGS, INC
5. Province, country or other jurisdiction of incorporation
Metro Manila, Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office
16F Citibank Tower, Paseo de Roxas, Makati City
Postal Code
1226
8. Issuer's telephone number, including area code
(632) 831-4479
9. Former name or former address, if changed since last report
N.A.
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
common share	700,298,616
preferred share	14,366,260

11. Indicate the item numbers reported herein

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The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.

Prime Media Holdings, Inc.
PRIM

PSE Disclosure Form 4-32 - Reply to Exchange's Query

Subject of the Disclosure

Reply to Exchange's Query

Description of the Disclosure

Additional information regarding the Memorandum of Agreement.

Information Requested

Please see attached letter.

Filed on behalf by:

Name	Joanna Manzano
Designation	Junior Compliance Officer



19 July 2019

Philippine Stock Exchange
PSE Tower, 5th Avenue corner 28th Street,
Bonifacio Global City, Taguig City

Attention: Ms. Janet A. Encarnacion
Head, Disclosure Department

Subject: **Reply to the Philippine Stock Exchange's
Correspondence dated 17 July 2019**

Gentlemen:

We write in response to the correspondence sent by the Philippine Stock Exchange (the "PSE") to Prime Media Holdings, Inc. (the "Company") on 17 July 2019 directing the Company to provide additional information regarding the Memorandum of Agreement ("MOA") executed by RYM Business Management Corp. ("RYM"), the primary stockholder of the Company and Greenergy Holdings, Incorporated ("GHI") and certain landowners (collectively "Investors"), including, but not limited to, the following:

1. Description and nature of the transaction, including the pertinent terms and conditions of the MOA, the timetable for implementation and related regulatory requirements, if any;
2. Rationale for the transaction, including the benefits which are expected to be accrued to the Company as a result of the transaction;
3. Amount of investment and/or interest by the parties involved, as well as any other relevant arrangements under the MOA;
4. Conditions precedent to closing of transaction, if any;
5. Identity and/or corporate background of the parties to the transaction;
6. Effect(s) on the business, financial condition and operations of the Company;
and
7. Any other information relevant to the transaction.

In compliance therewith, please find below response

1. **Description and nature of the transaction, including the pertinent terms and conditions of the MOA, the timetable for implementation and related regulatory requirements, if any**

The following are the material terms and conditions of the MOA:

- a. The Company shall issue such number of primary common shares at an issue price equal to the par value in exchange for the investment, infusion and contribution by the investors of some or all of the parcels of land with a total area of approximately four



hundred (400) hectares that the latter own in the Province of Rizal (the “**Properties**”) (the “**Investment**”).

- The basis for determining the actual number of common shares to be issued in exchange for the Properties shall be the latter’s Appraised Value. The “Appraised Value” shall mean the average value of the Properties based on the two (2) appraisal reports to be prepared by the appraisal companies respectively nominated by RYM and the GHI.
 - The Investment is subject to the validation and verification of the titles and/or the real and enforceable rights of the investors over the Properties.
- b. The authorized capital stock of the Company may be increased in order to accommodate the Investment.
- c. The Investment shall be made in such tranches, and in such amount or size per Tranche as may be mutually agreed upon by the parties, provided that:
- The first (1st) tranche of the Investment shall be made within ninety (90) days from execution of the MOA; and
 - The second (2nd) tranche of the Investment shall be made within one hundred eighty (180) days from execution of the MOA.
- d. The Investors may thereafter invest, infuse and contribute additional Properties in succeeding tranches.

The timetable for the full implementation of the MOA can only be determined after the validation and verification of titles and the issuance of the appraisal reports, which must be completed within ninety (90) days from execution of the MOA. Said period may be extended as agreed by the parties. The parties agree that the Investment shall be subject to compliance with all the requirements and approval under the Revised Corporation Code, Securities Regulations Code, rules implemented by the Securities and Exchange Commission (“**SEC**”) and PSE and other applicable laws and regulations. Thus, if necessary, the timetable for the implementation of the Investment will be adjusted.

The following regulatory requirements must be complied with:

- a. Compliance with the requirements of a Tax-free Exchange under the National Internal Revenue Code of the Philippines with the Bureau of Internal Revenue;
- b. Approval by the SEC of the amendment of Prime’s Articles of Incorporation to increase its authorized capital stock, if necessary;
- c. Transfer of registration of the properties from the investors to the Company with the Land Registration Authority.

Based on the MOA, RYM, as the primary shareholder of the Company, undertakes to cause the Company to implement the MOA, which shall include securing all the necessary approvals, compliance with the regulatory requirements mentioned above,



and ensure that the conditions precedent for the Investment under the MOA are complied with. As the primary shareholder of Company, RYM is in the best position to cause the Company to implement the MOA. The proposed Investment is being considered by RYM for the purpose of infusing additional capital in the Company which is intended to improve its balance sheet and address its capital deficiency.

2. Rationale for the transaction, including the benefits which are expected to be accrued to the Company as a result of the transaction

The proposed Investment is being undertaken to infuse capital and assets into the Company thereby addressing its capital deficiency. This endeavor will enable it to venture into new business. It is proposed that the Company be used as the vehicle to raise new funds for the proposed project of GHI for a smart-farming agricultural area, smart-city commercial and/or mixed-use developments in the Province of Rizal with the possible integration of a mass transport hub to decongest Metro Manila traffic.

Other than what is provided in the MOA and the statement in this item 2, the Company is not privy to any other information in relation to the proposed Investment.

3. Amount of investment and/or interest by the parties involved, as well as any other relevant arrangements under the MOA

As mentioned above, the basis for determining the actual number of common shares to be issued by the Company shall be the appraised value of the Properties, which is the average value of the Properties based on the two (2) appraisal reports to be prepared by the appraisal companies respectively nominated by RYM and the GHI.

The total area of the Properties to be invested, infused and contributed to the Company shall be based on the verification and confirmation of the titles over the Properties as well as the appraised value of the Properties based on two (2) appraisal reports by the appraisal companies respectively nominated by RYM and GHI. It is understood that this is subject to confirmation by SEC as provided in the Revised Corporation Code.

4. Conditions precedent to closing of transaction, if any

The Investment is subject to the following conditions:

- a. Validation and verification of the titles and/or the real and enforceable rights of the landowners over the Properties to be invested, infused and contributed; and
- b. Determination of the appraised value of the Properties based on two (2) appraisal reports by the appraisal companies respectively nominated by RYM and GHI.

It is understood that the proposed Investment is subject to compliance with all the requirements and approval under the Revised Corporation Code, Securities Regulations Code, rules implemented by the SEC and PSE, and other applicable laws and regulations.

5. Identity and/or corporate background of the parties to the transaction

RYM was incorporated and registered with the SEC on 19 March 2010. Its primary purpose is *"to engage in, carry on with, and/or assist private as well as government entities in the management, establishment, operation, expansion and/or reorganization of all kinds of*



productive enterprises and business undertakings; facilitate formation of capital; debt settlement, mobilize manpower pool, information gathering and distribution to effectively service the demands of its investors and business clients; render sound economic and other technical advice, consultancy and services and within this frame of reference the Corporation shall, within the Republic of the Philippines or elsewhere, shall engage in other incidental activities except management of funds, securities, portfolios or similar assets of the managed entity and except to act as financial, investment company and investment house advisor.”

Apart from being the majority and controlling beneficial shareholder of the Company, it is also the majority and controlling shareholder of Bright Kindle Resources and a shareholder of Benguet Corporation.

On the other hand, the Investors consists of GHI and certain landowners.

The GHI was registered and incorporated with the SEC on 29 January 1992 as MUSX Corporation to primarily engage in the manufacturing and sale of semiconductor products and was listed in the PSE on 26 September 1996. In 2011, the SEC approved the amendment of its Articles of Incorporation to change its registered name to its current name.

Based on the MOA, the Investors, led by GHI, propose to transfer Properties to the Company in exchange for shares. It is provided under the MOA that the Investment shall be undertaken in tranches, with the first tranche estimated to be worth PhP 2,280,000,000.00. For this, GHI and a number of the individual, shall, collectively, transfer Properties with an estimated appraised value of PhP 2,280,000,000.00 in exchange for 2,280,000,000 shares. The final identities of the group of individual investors - as well as the share of GHI in the first tranche, have yet to be finalized as this is subject to the due diligence audit and appraisal report to be conducted by the Company. Under the MOA, the Investors also propose to make subsequent Investments in the Company in tranches, the details of which have yet to be finalized.

Other than what is provided in the MOA, the Company is not privy to any other information related to the proposed Investment.

GHI's primary purpose is to invest in, purchase, or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, or otherwise dispose of real or personal property of every kind and description, including shares of stocks, bonds, debentures, notes, evidence of indebtedness, marketable securities, deposit substitutes in any valid currency, and other securities or obligations of any corporation or corporations, association or associations, domestic or foreign, for whatever lawful purpose or purposes the same may have been organized and to pay therefor in money or by exchanging therefor stocks, bonds, or other evidence of indebtedness or securities of this or any other corporation, stocks, bonds, debentures, contracts, or obligations, to receive, collect, and dispose of the interest, dividends, proceeds, and income arising from such property, and to possess and exercise in respect therefor all voting powers of any stock so owned, provided that the Company shall not engage as stock broker or dealer in securities.

Among GHI's subsidiaries are Sunchamp Real Estate Development Corp. (SREDC), Winsun Green Ventures Inc. (WGVI), Total Waste Management Recovery System, Inc. (TWMRSI), AgriNurture Development Holdings, Inc. (ADHI) and Lite Speed Technologies, Inc. (LSTI).



PRIME MEDIA
Holdings, Inc.

6. **Effect(s) on the business, financial condition and operations of the Company**

As mentioned earlier, the proposed Investment is being undertaken to infuse capital and assets into the Company, and to address its capital deficiency which will enable it to venture into new business.

7. **Any other information relevant to the transaction**

There are no other pieces of information relevant to the MOA.

We trust that you will find the foregoing in order.

Very truly yours,


Christopher Sam S. Salvador
Assistant Corporate Secretary