COVER SHEET

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SEC Registration Number

PRIME MEDIA HOLDINGS, INC. (A Subsidiary of RYM BUsiness MAnagement Corp.)

(Company's Full Name)

16th FlOOr BDO TOwers VaLEro, (formerly CITibank TOwer) 8741 Paseo de RoxaS MakatI City

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

Maila G. De Castro	**(02) 8831-4479**
(Contact Person)	(Company Telephone Number)

1 2 / 3 1	20-IS	
Month *Day* (Fiscal Year)	(Form Type)	*Month* *Day* (Annual Meeting)

2021 AMENDED DEFINITIVE INFORMATION STATEMENT

Secondary License Type, If Applicable)

Corporation Finance Department	**N/A**
Dept. Requiring this Doc.	Amended Articles Number/Section

1,587

Total No. of Stockholders

Total Amount of Borrowings

Domestic	Foreign
	N/A

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

Ref. No. PRIM_LEG_SC2021_011

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

SECRETARY'S CERTIFICATE

I, **MAILA LOURDES G. DE CASTRO,** of legal age, Filipino, with office address at 4th Floor BDO Towers Paseo (formerly Citibank Center), 8741 Paseo de Roxas, Makati City, after having been duly sworn to in accordance with law, do hereby depose and state that:

1. I am the duly appointed and qualified Corporate Secretary of **PRIME MEDIA HOLDINGS INC.** (the "Corporation"), a corporation duly organized and existing under the laws of the Philippines with office address at 4th Floor BDO Towers Paseo (formerly Citibank Center), 8741 Paseo de Roxas, Makati City.

2. I hereby certify that, during the special meeting of the Board of Directors held on **28 July 2021** at the 4th Floor BDO Towers Paseo (formerly Citibank Center), 8741 Paseo de Roxas, Makati City, wherein a quorum was present and acting throughout, the following Resolutions were unanimously approved:

> "**RESOLVED**, that pursuant to Sections 49 and 57 of the Revised Corporation Code and SEC Memorandum Circular No. 6 (Series of 2020), the Board of Directors of **PRIME MEDIA HOLDINGS INC.** (the "Corporation") authorize, as it hereby authorizes, the holding and conduct by remote communication or in absentia of the Corporation's 2021 Annual Stockholders' Meeting and any postponements or adjournments thereof as may be determined by the President of the Company;
>
> **RESOLVED FURTHER**, that the stockholders of the Corporation be, as they are hereby, authorized to cast their votes by proxy, remote communication or in absentia, in accordance with the mechanisms and procedures to be issued by the Corporate Secretary;
>
> **RESOLVED FINALLY**, that management and the proper officers of the Corporation be, as they are hereby, authorized to perform all acts, and to sign, execute, file and deliver, for and on behalf of the Company, any and all documents which may be required by the Securities and Exchange Commission in relation to the Annual Stockholders' Meeting."

JUL 2 9 2021

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of __________________ 2021, Makati City.

MAILA LOURDES G. DE CASTRO
Corporate Secretary

SUBSCRIBED AND SWORN to before me this JUL 2 9 2021 2021 in Makati City, affiant exhibited to me her Driver License No. NO2-95-296472 valid until 18 October 2021.

Doc. No. 318 ;
Page No. 81 ;
Book No. 1 ;
Series of 2021.

MARJCKIE A. SAN JUAN
Notary Public for Makati City
Appt. No. M-135 Until 31 Dec. 2021
Roll of Attorneys No. 71296
IBP Membership No. 153408; 01/18/2021
PTR No. MKT-8547468ME; 01/15/2021; Makati City;
MCLE Compliance No. VI -0013795; 10/12/2018;
4F BDO Towers (formerly Citi Center),
3741 Paseo de Roxas, Makati City

SEC Number
File Number 22401

PRIME MEDIA HOLDINGS, INC.
(formerly: First E-bank Corp.)

16th Floor BDO Towers Valero (formerly: Citibank Tower),
8741 Paseo de Roxas, Makati City

31 December 2020	**13 October 2021**
(Fiscal Year Ending)	(Annual Meeting)

Amended Definitive Information Statement
SEC Form 20 - IS

Form Type

Not Applicable

Amendment Designation (if applicable)

Not Applicable

(Secondary License Type and File Number)

LCU

DTU

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

**INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE**

1. Check the appropriate box:

   [ ] Preliminary Information Statement
   [**X**] Definitive Information Statement

2. Name of Registrant as specified in its charter: **PRIME MEDIA HOLDINGS, INC.**

3. Province, country or other jurisdiction of incorporation or organization
   Metro Manila, Philippines

4. SEC Identification Number: **Reg. No. 22401**

5. BIR Tax Identification Code: **TIN 000-491-007**

6. Address of principal office:
   16F BDO Towers Valero (formerly Citibank Tower), 8741 Paseo de Roxas, Makati City
   Postal Code **1226**

7. Registrant's telephone number, including area code, Tel. Nos.: **(632) 8831-4479**

8. Date, time, and place of the meeting of security holders

   13 October 2021, 2pm via Virtual Meeting/Video Conferencing/Remote Communication hosted at 16F BDO Towers Valero (formerly Citibank Tower), 8741 Paseo de Roxas, Makati City

9. Approximate date on which the Information Statement is first to be sent or given to security holders: **22 September 2021**

10. In case of Proxy Solicitations

    Name of Person Filing the Statement/Solicitor: **PRIME MEDIA HOLDINGS INC.**

    Address and Telephone No.: **16th Floor BDO Towers Valero**
    (formerly Citibank Tower)
    8741 Paseo de Roxas, Makati City
    Metro Manila, Philippines
    Tel. (632) 8831-4479
    Attn: Atty. Maila de Castro

11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
Common Shares	**700,298,616**
Preferred Shares	**14,366,260**

[*1] Reported by the stock transfer agent as of **31 July 2021.**

12. Are any or all of registrant's securities listed in a Stock Exchange?
Yes [**X**]   No [   ]

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:
Philippine Stock Exchange. Common Shares

PRIME MEDIA HOLDINGS, INC.

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

To All Stockholders:

Please be advised that the annual meeting of stockholders of **PRIME MEDIA HOLDINGS, INC.** (the "**Corporation**") will be held virtually on **13 October 2021 (Wednesday) at 2:00 p.m**. To ensure and safeguard everyone's health and safety during the COVID-19 pandemic, there will be no physical venue for the meeting. The meeting will be held virtually via remote communication at https://conveneagm.com/ph/primemedia, with the Chairman of the meeting presiding from Makati City.

The agenda of the meeting is as follows:

1. Call to Order.

2. Proof of Notice and Certification of Quorum.

3. Approval of Minutes of Previous Stockholders' Meeting.

4. Approval of the Annual Report and the Audited Financial Statements for the year ending December 31, 2020.

5. Ratification of Management Acts.

6. Amendment of the Articles of Incorporation to:
   (i) Reclassify the Preferred Class A and B Shares with par value of One Peso (Php 1.00) per share, to Common Shares with par value of One Peso (Php 1.00) per share, and delete all provisions relating to the Preferred Class A and B Shares;
   (ii) Increase the authorized capital stock to Seven Billion Pesos (Php 7,000,000,000.00) divided into Seven Billion (7,000,000,000) Common Shares with a par value of One Peso (Php 1.00) per share;
   (iii) Delete all provisions relating to banking operations; and
   (iv) Include a provision prohibiting foreign ownership of shares.

7. Amendment of the By-laws to:
   (i) delete all provisions relating to banking operations, and
   (ii) to authorize the holding of virtual meetings by the stockholders, Board of Directors and Board Committees.

8. Approval of the subscription by the major shareholders of Philippine CollectiveMedia Corp. ("PCMC Shareholders") to One Billion Six Hundred Seventy Nine Million Nine Hundred Sixty Six Thousand Four Hundred (1,679,966,400) common shares to be issued out of the proposed increase in authorized capital stock, in consideration of the assignment and transfer of PCMC shares representing 99.9% of the outstanding capital stock of PCMC.

9. Waiver by the minority stockholders of the rights or public offer requirement under the PSE Additional Listing Rule.

10. Authority to accept private placements for up to 300,000,000 common shares to be issued at a price equivalent to the par value of PhP 1.00 per share.

11. Election of Board of Directors.

12. Appointment of External Auditor.

13. Other Matters.

14. Adjournment.

For purposes of the meeting, stockholders of record as of **12 August 2021** are entitled to receive notice and to vote at the said meeting. Stockholders intending to participate by remote communication should pre-register at https://conveneagm.com/ph/primemedia on or before **03 October 2021**. Please refer to the **Procedure for Participation and Voting at the 2021 Annual Stockholders' Meeting** (attached to the Definitive Information Statement) for detailed information on participation by remote communication and voting *in absentia* (electronic voting) or by proxy.

Pursuant to SEC's Notice dated 16 March 2021, a copy of the Notice of the meeting, Definitive Information Statement, Management Report, minutes of the previous meeting of the stockholders, and other documents related to the meeting may be accessed through the Corporation's website https://www.primemediaholdingsinc.com/ and PSE Edge**.**

For any question about the conduct of the virtual meeting, you may refer to the Frequently Asked Questions at **https://conveneagm.com/ph/primemedia** or email mdc.prim@gmail.com

Makati City, 21 September 2021.

MAILA LOURDES G. DE CASTRO
Corporate Secretary

*All proxies which have been previously submitted shall remain valid unless revoked.

SAMPLE PROXY FORM

The undersigned stockholder of **PRIME MEDIA HOLDINGS INC.** (the "Corporation") hereby appoints ________________________________ or in his/her/its absence, the Chairman of the meeting, as attorney-in-fact and proxy, to represent and vote all the shares registered in his/her/its name at the annual meeting of the stockholders of the Corporation scheduled on **13 October 2021**, 2:00 PM, *via* a virtual meeting hosted at the 16th Floor BDO Towers Valero, 8741 Paseo de Roxas, Makati City, and any of its adjournment(s), as fully as the undersigned can do if present and voting in person, ratifying all action taken on matters that may properly come before such meeting or its adjournment(s). The undersigned directs the proxy to vote on the agenda items which have been expressly indicated with "X" below:

PROPOSAL	ACTION			
	FOR	AGAINST	ABSTAIN	
1. Approval of Minutes of Previous Stockholders' Meeting				
2. Approval of the Annual Report and the Audited Financial Statements for the year ending December 31, 2020.				
3. Ratification of Management's Acts				
4. Amendment of the Articles of Incorporation to: (i) Reclassify the Preferred Class A and B Shares with par value of One Peso (Php 1.00) per share, to Common Shares with par value of One Peso (Php 1.00) per share, and delete all provisions relating to the Preferred Class A and B Shares; (ii) Increase the authorized capital stock to Seven Billion Pesos (Php 7,000,000,000.00) divided into Seven Billion (7,000,000,000) Common Shares with a par value of One Peso (Php 1.00) per share; (iii) Delete all provisions relating to banking operations; and (iv) Include a provision prohibiting foreign ownership of shares.				
5. Amendment of the By-laws to:				

(i) delete all provisions relating to banking operations, and (ii) to authorize the holding of virtual meetings by the stockholders, Board of Directors and Board Committees.				
6. Approval of the subscription by the major shareholders of Philippine CollectiveMedia Corp. ("PCMC Shareholders") to One Billion Six Hundred Seventy Nine Million Nine Hundred Sixty Six Thousand Four Hundred (1,679,966,400) common shares to be issued out of the proposed increase in authorized capital stock, in consideration of the assignment and transfer of PCMC shares representing 99.9% of the outstanding capital stock of PCMC.				
7. Waiver by the minority stockholders of the rights or public offer requirement under the PSE Additional Listing Rule.				
8. Authority to accept private placements for up to 300,000,000 common shares to be issued at a price equivalent to the par value of PhP 1.00 per share.				
9. Election of Board of Directors:	FOR ALL	AGAINST ALL	ABSTAIN FOR	FULL DISCRETION OF PROXY
The nominees are: Manolito A. Manalo Bernadeth A. Lim Rolando S. Santos Hermogene H. Real Michelle F. Ayangco Nominees for independent directors: Johnny Y. Aruego, Jr. Francisco L. Layug III				

Instruction: To withhold authority to vote for any nominee, please mark "Abstain" box and list the name(s) under.				
10. Appointment of Reyes Tacandong & Co. as external auditor				
11. Other Matters				

Identification

This proxy is solicited by the Board of Directors and Management of Prime Media Holdings Inc. The solicited proxy shall be exercised by the Chairman or the stockholder's authorized representative.

Instruction

a. For all agenda items other than "Call to Order", "Proof of Notice and Certification of Quorum", the proxy form shall be accomplished by marking in the appropriate box either "FOR", "AGAINST" or "ABSTAIN" according to the stockholder's/proxy's preference.

If no instructions are indicated on a returned and duly signed proxy, the shares represented by the proxy will be voted in favor of the:

FOR Approval of Minutes of Previous Stockholders' Meeting.

FOR Approval of the Annual Report and the Audited Financial Statements for the year ending December 31, 2020.

FOR Ratification of Management Acts.

FOR Amendment of the Articles of Incorporation to:

(i) Decrease the authorized capital stock to eliminate any converted Preferred Class A Shares;

(ii) Reclassify the Preferred Class A and B Shares with par value of One Peso (Php 1.00) per share, to Common Shares with par value of One Peso (Php 1.00) per share, and delete all provisions relating to the Preferred Class A and B Shares;

(iii) increase the authorized capital stock to Seven Billion Pesos (PhP 7,000,000,000.00) divided into Seven Billion (7,000,000,000) Common Shares with a par value of One Peso (Php 1.00) per share;

(iii) Delete all provisions relating to banking operations; and

(iv) Include a provision prohibiting foreign ownership of shares.

FOR Approval of the subscription by the majority shareholders of Philippine CollectiveMedia Corp. ("PCMC Shareholders") to One Billion Six Hundred Seventy Nine Million Nine Hundred Sixty Six Thousand Four Hundred (1,679,966,400) common shares to be issued out of the proposed increase in authorized capital stock, in consideration of the assignment and transfer of PCMC shares representing 99.9% of the outstanding capital stock of PCMC.

FOR Waiver by the minority stockholders of the rights or public offer requirement under the PSE Additional Listing Rule.

FOR Amendment of the By-laws to:
- (i) delete all provisions relating to banking operations, and
- (ii) to authorize the holding of virtual meetings by the stockholders, Board of Directors and Board Committees.

FOR Authority to accept private placements for up to 300,000,000 common shares to be issued at a price equivalent to the par value of PhP 1.00 per share.

FOR Election of the following directors:

Regular Directors:

Manolito A. Manalo
Bernadeth A. Lim
Rolando S. Santos
Hermogene H. Real
Michelle F. Ayangco

Independent directors:
Johnny Y. Aruego, Jr.
Francisco L. Layug III

FOR the approval of the appointment of Reyes Tacandong & Co. as the Company's external auditor; and to authorize the Proxy to vote according to discretion of the Company's Chairman of the Meeting on any matter that may be discussed under "Other Matters".

b. A Proxy Form that is returned without a signature shall not be valid.

c. The matters to be taken up in the meeting are enumerated opposite the boxes on the accompanying Proxy Form. The names of the nominee directors are likewise enumerated opposite an appropriate space.

d. If a stockholder will not be able to attend the meeting but would like to be represented thereat, he may submit his Proxy Form, duly signed and accomplished, to the Office of the Corporate Secretary at 16th Floor BDO Towers Valero, 8741 Paseo de Roxas, Makati City, on or before 03 October 2021. Beneficial owners whose shares are lodged with PDTC or registered under the name of a broker, bank or other fiduciary allowed by law must, in addition to the required I.D., present a notarized certification from the owner of record (i.e. the broker, bank or other fiduciary) that he is the beneficial owner, indicating thereon the number of shares. Corporate shareholders shall likewise be required to present a notarized secretary's certificate attesting to the authority of its representative to attend and vote at the stockholders' meeting.

Validation of proxies will take place on 8 October 2021 at the office of the principal office of the Company.

Revocability of Proxy

A shareholder may revoke his proxy on or before the date of the Annual Meeting. The proxy may be revoked by the shareholder's written notice to the Corporate Secretary advising the latter of the revocation of the proxy, or by a shareholder's personal attendance during the meeting and appropriate advice to the Corporate Secretary of such revocation.

Persons Making the Solicitation

This solicitation is made by the Company. No director has informed the Company in writing or otherwise of his intention to oppose any action intended to be taken up at the meeting.

Solicitation of proxies will be done mainly by mail. Certain personnel of the Company will also solicit proxies in person or by telephone.

The estimated amount to be spent by the Company to solicit proxies is PhP 20,000. The cost of solicitation will be borne by the Company.

Interest of Certain Persons in Matters to be Acted Upon

Atty. Hermogene Real, a nominee for election as director of the Corporation, is 50% owner of PCMC. Pursuant to the MOA, she will subscribe to 839,980,800 shares of the Corporation. As consideration for her subscription, Atty. Real shall assign and transfer her 50% ownership in PCMC to the Corporation. She is the President and majority shareholder of Mairete Asset Holdings Inc., who owns 11% of the Corporation. Rolando S. Santos is a director and officer of Mairete Asset Holdings Inc. and the Corporation.

Other than the above statement, no director or officer of the Corporation or any other nominee for election as director of the Corporation or any associate of the foregoing, has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon, other than election to office as director of the Corporation. None of the officers or directors or any of their associates has any substantial interest, direct or indirect, in any of the matters to be acted upon in the stockholders' meeting.

Signed this ____ day of __________ 2021 at _____________

________________________ ____________________________

PRINTED NAME OF THE STOCKHOLDER

SIGNATURE OF THE STOCKHOLDER/AUTHORIZED REPRESENTATIVE

This proxy must be acknowledged before a notary public and must be submitted to the Corporate Secretary on or before 03 October 2021, at 5:00 p.m. The stockholder giving a proxy has the power to revoke it either in an instrument in writing duly presented for recording with the Corporate Secretary at least five (5) days prior to the meeting or by personal attendance at the stockholders' meeting. For corporations, the proxy must be accompanied by a Secretary's Certificate authorizing an authorized representative to represent the corporation in the meeting.

SAMPLE SECRETARY'S CERTIFICATE

I, ____________________, of legal age, with address at _________________________, being the Corporate Secretary of ______________________________, do hereby certify that:

1. In the regular/special meeting of the Board of Directors of the Corporation held on _____________ 2021 at the ______________________________, the following resolution was approved:

> "RESOLVED, that the Board of Directors of _____________ (the "Corporation") hereby authorize, ____________ or in his/her/its absence, the Chairman of the meeting, as attorney-in-fact and proxy, to represent the Corporation and to vote all of the Corporation's shares registered in the books of the PRIME MEDIA HOLDINGS INC. (PRIM) at any annual stockholders' meeting of PRIM, particularly, the annual stockholders' meeting to be held on 13 October 2021, and any adjournments or postponements thereof.
>
> "RESOLVED, FURTHER, that the Board of Directors of the Corporation authorize _________ or ________ to sign, execute and deliver nominations and proxies in relation to said annual stockholders' meeting of PRIM."

2. This resolution has not been suspended, revoked nor amended.

_______________*(date of execution)*, ________________*(place of execution)*.

____
Corporate Secretary

SUBSCRIBED AND SWORN to before me on ______________ at Makati, Metro Manila, affiant exhibiting to me his/her valid proof of identification __________ issued at ____________ on ____________.

Doc. No. ______
Page No.______
Book No.______
Series of 2021.

INFORMATION STATEMENT AND MANAGEMENT REPORT

INFORMATION STATEMENT

WE ARE ASKING FOR YOUR PROXY AND YOU ARE REQUESTED TO SEND US A DULY-SIGNED PROXY FORM

However, if you cannot attend and you wish to send a representative/proxy, please send your proxy letter to the Office of the Corporate Secretary on or before 03 October 2021, at 5:00 p.m., a sample of which is attached to this report. On the day of the annual stockholders' meeting on 13 **October 2021**, your representative should bring the proxy letter and present valid proof of identification (e.g. passport, driver's license, company ID or TIN card).

A. GENERAL INFORMATION

Item 1. Date, Time and Place of Annual Meeting of Security Holders

The Annual Meeting of the stockholders of **PRIME MEDIA HOLDINGS, INC.** will be held on 13 **October 2021**, at 2:00 PM, hosted at 16th Floor BDO Towers Valero, 8741 Paseo de Roxas, Makati City. However, due to safety and health precautions for the COVID-19 pandemic, the meeting will be conducted **virtually**. All security holders and attendees are to be present via video conferencing/remote communication.

The mailing address of the Corporation is at **16th Floor BDO Towers Valero, 8741 Paseo de Roxas, Makati City**. Please address the letters to the corporate secretary of the Corporation, Atty. Maila Lourdes G. De Castro.

This Information Statement will be first sent or given to security holders on or around 22 September 2021.

Item 2. Dissenters' Right of Appraisal

The Revised Corporation Code limits the exercise of the appraisal right by any dissenting stockholder to the following instances:

a. In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence (Section 80);

b. In case of the sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets (Section 80);

c. In case of merger or consolidation (Section 80);

d. In case of investments in another corporation, business or purpose (Section 41).

The following proposed actions will be taken up during the Annual Stockholders' Meeting which give rise to the exercise of appraisal right by the dissenting stockholders subject to the availability of unrestricted retained earnings:

a. Reclassification of the Preferred Class A and B Shares with par value of One Peso (Php 1.00) per share, to Common Shares with par value of One Peso (Php 1.00) per share, and deletion of provisions relating to the Preferred Class A and B Shares;

b. Amendment of the Articles of Incorporation to increase the authorized capital stock to Seven Billion Pesos (Php 7,000,000,000.00) divided into Seven Billion (7,000,000,000) Common Shares with a par value of One Peso (Php 1.00) per share ("Increase");

c. Approval of the subscription by the majority shareholders of Philippine CollectiveMedia Corp. ("PCMC Shareholders") to One Billion Six Hundred Seventy Nine Million Nine Hundred Sixty Six Thousand Four Hundred (1,679,966,400) common shares to be issued out of the proposed increase in authorized capital stock, in consideration of the assignment and transfer of PCMC shares representing 99.9% of the outstanding capital stock of PCMC;

d. Including a provision prohibiting foreign ownership of shares.

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

If within a period of sixty (60) days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the corporation, and the third by the two thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after such award is made; Provided, That no payment shall be made to any dissenting stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment; and Provided, further, That upon payment by the corporation of the agreed or awarded price, the stockholders shall forthwith transfer his shares to the corporation.

The appraisal right shall be exercised in accordance with Title X of the Revised Corporation Code.

Based on the latest audited financial statements and interim financial statements, the Corporation has no unrestricted retained earnings. Accordingly, no payment shall be made to any dissenting stockholder exercising his appraisal right.

Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

Atty. Hermogene Real, a nominee for election as director of the Corporation, is 50% owner of PCMC. Pursuant to the MOA, she will subscribe to 839,980,800 shares of the Corporation. As consideration for her subscription, Atty. Real shall assign and transfer her 50% ownership in PCMC to the Corporation. She is the President and majority shareholder of Mairete Asset Holdings Inc., who owns 11% of the Corporation. Rolando S. Santos is a director and officer of Mairete Asset Holdings Inc. and the Corporation.

Other than the above statement, no director or officer of the Corporation or any other nominee for election as director of the Corporation or any associate of the foregoing, has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon, other than election to office as director of the Corporation. None of the officers or directors or any of their associates has any substantial interest, direct or indirect, in any of the matters to be acted upon in the stockholders' meeting.

None of the directors of the Corporation has informed the Corporation that he intends to oppose any action to be taken by the Corporation at the stockholders' meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

As of **31 July 2021**, the following shares of common and preferred stock of the Corporation were outstanding:

Class	Number of Outstanding Shares
Common	700,298,616
Preferred	
Series A	14,366,260
Series B	Nil

As of **31 July 2021**, the foreign equity ownership on a per class basis is as follows:

Class	Number of Outstanding Shares
Common	15,892,225
Preferred	109,650

All registered owners of the Corporation's common stock at the close of business on **12 August 2021** (the "**Record Date**") will be entitled to notice and vote at its Annual Stockholders' Meeting on **13 October 2021**.

Each common share is entitled to one (1) vote on all matters to be taken up during the Annual Meeting except in the case of electing directors where one (1) share is entitled to Seven (7) votes, *i.e.* each share is entitled to as many votes as there are Board seats to be filled up.

Each common stockholder is entitled to cumulate his votes and cast the same in favor of one or several nominees of his choice in such proportion as he shall deem fit, provided that, the total votes cast do not exceed the number of his shares multiplied by the number of directors to be elected. There is no condition precedent to the exercise by the stockholders of their cumulative voting right.

Security Ownership of Persons Owning More Than 5% of the Corporation's Outstanding Common Stock

As of **31 July 2021**, the Corporation knows of no one who is directly or indirectly the record or beneficial owner of more than five percent (5%) of the Corporation's capital stock except as set forth below:

Type of Class	Name and address of record owner and relationship with Issuer	Name and address of beneficial owner and relationship with Issuer	Citizenship	Name of Beneficial Owner & Relationship with Record Owner	No. of Shares Held	Percent of class
Common	PCD Nominee Corporation (Registered Owner in the Books of the	RYM Business Management Corp./ 106 Paseo de Roxas Ave. Makati City Stockholder	Filipino	RYM is the beneficial owner of the shares.	463,555,085	66.20%

	Transfer Agent)	Mairete Asset Holdings, Inc. 16th Floor Citibank Tower, Paseo de Roxas, Makati Stockholder	Filipino	Mairete Asset Holdings, Inc. is the beneficial owner of the shares.	77,178,901	11%
		Caulfield Heights, Inc. 6 Ozamis St. Alabang Hills, Muntinlupa City Stockholder	Filipino	Isidro C. Alcantara, Jr. and Lelanie Veronica F. Alcantara are the beneficial owners of the Company. Lelanie Veronica F. Alcantara is a direct shareholder, Chairperson, and the President. Isidro C. Alcantara is a direct shareholder, director and Corporate Secretary of the Company	35,000,000	5%

RYM Business Management Corp. and Mairete Asset Holdings Inc. have authorized and/or appointed by way of proxy, the Chairman of the Board of Prime Media Holdings Inc. to represent and vote their shares in the Annual Stockholders' Meeting. The Company has not yet received the proxy form appointing the attorney-in-fact who shall represent the shares of Caulfield Heights, Inc. in the Annual Stockholders' Meeting. In the previous meetings, the authorized proxy was Isidro C. Alcantara, Jr.

***Security Ownership of Management as of* 31 July 2021**

Type of Class	**Name and Address of Owner**	**Amount and nature of Beneficial ownership**	**Citizenship**	**Percent of class**
Common	Manolito Manalo	1 Direct	Filipino	0.0%
Common	Rolando S. Santos	1000 Direct	Filipino	0.0%
Common	Bernadeth A. Lim	1 Direct	Filipino	0.0%
Common	Juan Victor S. Valdez	1 Direct	Filipino	0.0%
Common	Johnny Y. Aruego, Jr.	1 Direct	Filipino	0.0%
Common	Francisco L. Layug III	1 Direct	Filipino	0.0%
Common	Antonio L. Tiu *(resigned effective February 23, 2021)*	1000 Direct	Filipino	0.0%
	Aggregate for above named officers and directors	**2,005**		

Voting Trust Holders of 5% or More

The Corporation is not aware of the existence of persons holding five percent (5%) or more of the Corporation's shares of common stock under a voting trust or similar agreement.

Changes in Control

The transaction with PCMC will result to change of control.

On July 30, 2021, the Company and the majority stockholders of PCMC, namely, Michelle Ayangco and Hermogene Real ("PCMC Shareholders"), entered into a Memorandum of Agreement wherein the PCMC Shareholders shall jointly subscribe to One Billion Six Hundred Seventy Nine Million Nine Hundred Sixty Six Thousand Four Hundred (1,679,966,400) common shares of the Company to be issued from an increase in authorized capital stock which shall be paid in the form of PCMC shares based on third-party appraisal, subject to confirmation by a third-party fairness opinion and other closing conditions, in order to obtain the business, assets and ownership of PCMC. After the transaction, the PCMC Shareholders will gain control and majority ownership of approximately 70% of outstanding capital stock of the Company. On the other hand, PCMC will become a subsidiary of PRIM.

The contemplated transaction aims to transform the Company into a viable and operational business entity and address its capital deficiency, negative equity, and non-operation. The transaction will result to folding-in of PCMC into the Company thereby making PCMC a subsidiary of the Company. With the national franchise of PCMC, the Company can engage in an active business of mass media and further leverage its franchise and network for use by existing content providers in need of broadcasting rights.

Item 5. Directors and Executive Officers

Directors

The following are the names, ages, citizenship, periods of service of the incumbent directors of the Corporation as of **31 July 2021**:

Name	Age	Citizenship	Period during which individual has served as such
Manolito A. Manalo	54	Filipino	May 2013 to the present
Juan Victor S. Valdez	50	Filipino	May 2013 to the present
Bernadeth A. Lim	41	Filipino	May 2013 to the present
Rolando S. Santos	70	Filipino	August 2017 to the present
Antonio L. Tiu *(resigned effective February 23, 2021)*	44	Filipino	December 2019 to present
Johnny Y. Aruego, Jr. (Independent Director)	53	Filipino	May 2013 to the present
Francisco L. Layug III (independent director)	69	Filipino	December 2017 to the present

The business experience of each of the incumbent directors of the Corporation for the last five (5) years is as follows:

Manolito A. Manalo was elected as President and Director in May 2013. He is the co-founder and managing partner of Ocampo and Manalo Law Firm. He is a Director of Panalpina World Transport (Phils.), Inc. He also sits as a Director and the Corporate Secretary in Kajima Philippines Inc. He began his law practice as an associate in Leovillo C. Agustin Law Offices from 1995 to 1996 and Britanico Consunji and Sarmiento from 1996 to 1997. He later headed the Legal Division of Air Philippines from 1997 to 1999. He is also the resident agent of Air Seoul and Chailease Finance Co. Ltd from 2017 to present, and of Turkish Airlines from 2014 to present.

Bernadeth A. Lim was elected as Vice President and Director in May 2013. She is a partner of Ocampo and Manalo Law Firm. She is a Director of Morrison Express Philippines Corp from January 2017 to present. She is a Director Imoney Comparison Philippines, Inc. from June 2015 to present. She is a Director and the Resident Agent of Proline AG Services, Inc. She is the Resident Agent of New Northeast Electric Group High Voltage Switchgear Co., Ltd from November 2017 to May 2018 and of V Air Corporation from October 2016 to November 2017. She also sits as a Director of HB Leisure. She is also a resident agent of Tigerair Taiwan Co. Ltd. starting the year of 2018.

Juan Victor S. Valdez was elected as a Director in May 2013. He is a Partner in Ocampo and Manalo Law Firm. He is a Director, the Vice–President for Legal Affairs and Corporate Secretary of PATTS College of Aeronautics, one of the country's leading aeronautic schools. He serves as a director and Treasurer in Morrison Express Philippines, Inc. He also sits as director in Segundo Travel & Tours Inc., Hafti Tours Inc., and Kajima Philippines Incorporated.

Rolando S. Santos was elected as Director in August 2017. He was elected as Assistant Treasurer in October 2013. He serves as Vice President and Treasurer of Bright Kindle Resources & Investments Inc. and as Treasurer of Marcventures Holdings Inc. and Marcventures Mining and Development Corp. He was previously the Branch Head/ Cluster Head for Makati Branches of Equitable PCI Bank which was eventually acquired by BDO from 2001 to 2013.

Francisco L. Layug III was elected as an Independent Director in December 2017. He is the President of Rotary Club of Pasay. He was the President of Electronic Security System Corp. (ESSCOR) from 1992-2015. He is currently a Consultant of ESSCOR.

Johnny Y. Aruego, Jr. was elected as an Independent Director in May 2013. He is a partner in Aruego Bite and Associates. He is a director of Excel Unified Land Resources Corporation. He is the Corporate Secretary and Legal Counsel for Agility, Inc. and A. V. Ocampo-ATR Kimeng Insurance Broker, Inc. He is a Legal Consultant of Loranzana Food Corporation, National Steel Corporation and Margarita Land and Management Co., Inc. He is the assistant rehabilitation receiver for Pacific Activated Carbon, Inc., Pet Plans, Inc., Bacnotan Steel Industries, Inc. and All Asia Capital and Trust Corporation. He is an assistant liquidator of East Asia Capital Corporation, Reynolds Philippines Corporation.

Officers

As of **31 July 2021**, the following are the names, ages, positions, citizenship, and periods of service of the incumbent officers of the Corporation:

Name	Age	Position	Citizenship	Period during which individual has served as such
Manolito A. Manalo	54	President & CEO	Filipino	May 2013 up to present
Bernadeth A. Lim	41	Vice President	Filipino	May 2013 to present
Maila Lourdes G. De Castro	45	Corporate Secretary, Compliance Officer and Data Privacy Officer	Filipino	September 2019 to present
Rolando S. Santos	70	Treasurer	Filipino	October 2013 up to present
Christopher Sam S. Salvador	38	Asst. Corporate Secretary/ Corporate Information Officer	Filipino	May 2014 up to present
Reuben Carlo O. General	35	Co-Asst. Corporate Secretary	Filipino	October 2020 to present

Christopher Sam S. Salvador was initially appointed as Corporate Information Officer in 2014 and on 22 August 2017, he was elected Assistant Corporate Secretary of the Corporation. He is a junior partner of Ocampo and Manalo Law Firm. He is the Corporate Secretary of New Choice Lending Corporation and Timebound Trading, Inc. and Assistant Corporate Secretary for AirSWIFT Transport, Inc. (formerly Island Transvoyager, Inc.), Bacuit Airholdings, Inc., and SWIFT Aerodrome Services, Inc.

Maila Lourdes G. De Castro was appointed Corporate Secretary on September 3, 2019. She also serves as the Vice President and Head of Legal, Co-Assistant Corporate Secretary, Co-Compliance Officer, Co-Corporate Information Officer and Data Privacy Officer of Marcventures Holdings, Inc and Corporate Secretary of Marcventures Mining and Development Corp.

Reuben Carlo O. General was elected Co-Assistant Corporate Secretary in December 2020. He is a Senior Legal Counsel of Marcventures Mining and Development Corp. He has almost ten (10) years of accumulated experience as a practicing lawyer cultivated from law firm and in-house settings.

Nomination Committee and Nominees for Election as Members of the Board of Directors

The Nominations Committee has screened the following nominees for election or re-election on 13 October 2021. The Nominations Committee determined that the candidates possess all the qualifications and none the disqualifications as director or independent director.

Nominees for Regular Directors
Manolito A. Manalo
Bernadeth A. Lim
Rolando S. Santos
Hermogene H. Real
Michelle F. Ayangco

Nominees for Independent Director
Johnny Y. Aruego, Jr.
Francisco L. Layug III

Please refer to the above biographical details of current directors that have been re-nominated.

The biographical details on Ms. Michelle Ayangco and Atty. Hermogene H. Real are provided below.

Ms. Michelle F. Ayangco is Filipino, 48 years old. She graduated from Rizal Technological University with a degree in BS Accountancy. She is the current President and Chairman of Sequioa Business Management Corporation and Nieva Realty and Development Corporation. She is also a Director and Corporate Secretary of Trans Middle East Philippine Equities Inc. She operates her own business as a proprietor of BZPEP Launderette Shop.

Atty. Hermogene H. Real is Filipino, 65 years old. She graduated from the University of the Philippines with a degree in Bachelor of Laws. She was admitted to the Philippine Bar in 1998. She is the President of Mairete Asset Holdings Inc. and Southern Estates Integrated Park Inc. She serves as Director to Bright Kindle Resources and Investments Inc., Brightgreen Resources Corp., Southern Alluvial Minerals and Alumina Resources Inc., Benguetcorp. Laboratories Inc. She holds the position of Corporate Secretary in Benguet Corporation, and Benguetcorp. Nickel Mines Inc. She is likewise the Assistant Corporate Secretary of Doña Remedios Trinidad Romualdez Medical Foundation Inc. She is a practicing lawyer and an associate of D.S. Tantuico and Associates.

All nominations for regular and independent director have been reviewed and approved by the Corporation's Nomination and Compensation Committee.

The independent directors were both nominated by Manolito A. Manalo. The nominator is not related to the persons he has nominated for independent directors.

The procedure and selection of the independent directors were made in accordance with Section 38 of the Code and the Corporation's By-laws. In compliance with the provisions of Rule 38 of the Amended Implementing Rules and Regulations of the Securities Regulation Code, the Corporation's By-laws was amended on 30 September 2004.

The qualifications of all nominated directors including the nominated independent directors have been pre-screened in accordance with the rules of the Corporation. Only the nominees whose names appear on the Final List of Candidates are eligible for election as directors (independent or otherwise). No other nominations were entertained after the preparation of the Final List of Candidates and no further nominations shall be entertained or allowed during the annual stockholders' meeting.

The Corporation undertakes to submit the updated Certifications of Qualification for the Independent Directors within 30 days from their election in compliance with SEC Memorandum Circular No.5 Series of 2017.

The nomination and election of independent director shall be in accordance with Section 38, as amended of Republic Act 8799 or the Securities Regulation Code and article II, Section 3 of the Corporation's By-Laws as amended by the Board of Directors on 29 September 2004 and the Stockholders on 30 September 2004.

The Nomination Committee is composed of Francisco L. Layug III as Chairman, and Juan Victor S. Valdez and Johnny Y. Aruego, Jr. as members.

In accordance with SEC Memorandum Circular No. 4 Series of 2017, both Independent Directors (ID) have not exceeded the maximum cumulative term of nine (9) years. Furthermore, the Corporation understands that after a term of (9) years, the independent director shall be perpetually barred from re-election as such in the same company but may continue to qualify as a non-independent director. At the instance that a company wants to retain an independent director who has served for nine (9) years, the Board should provide meritorious justification/s and seek shareholders' approval during the annual shareholders' meeting; and Reckoning of the cumulative nine-year is from 2012.

Period in Which Directors and Executive Officers Should Serve

The directors and executive officers should serve for a period of one (1) year.

Term of Office of a Director

The seven (7) directors shall be stockholders and shall be elected annually by the stockholders owning majority of the outstanding capital stock for a term of one (1) year and shall serve until the election and qualification of their successors.

Any vacancy in the board of directors other than removal or expiration of term may be filled by a majority vote of the remaining members thereof at a meeting called for that purpose if they still constitute a quorum, and the director or directors so chosen shall serve for the unexpired term.

Significant Employees

The business of the Corporation is not highly dependent on the services of certain key personnel. There is no personnel who, while not being an executive officer, is expected by the Corporation to make a significant contribution to the business.

Family Relationships

There are no family relationships either by consanguinity or affinity up to the fourth civil degree among directors, executive officers, and nominees for election as directors.

Involvement in Certain Legal Proceedings

The Corporation is not aware that any one of the incumbent directors and officers and persons nominated to become director/s and officer/s has been the subject of a bankruptcy petition or a conviction by final judgment in criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses, or has been by judgment or decree found to have violated securities or commodities law and enjoined from engaging in any business, securities, commodities or banking activities for the past five (5) years until the date of this Information Sheet.

Further, to the best of its knowledge and/or information, the Company is not aware of: (a) any bankruptcy petition filed by or against any business of which a director or executive officer or person nominated to become a director or executive officer was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time; (b) any conviction by final judgment, including the nature of the offense, in a criminal proceeding, excluding traffic violations and other minor offenses; (c) being 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; and (d) being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation and the judgment has not been reversed, suspended, or vacated.

Certain Relationships and Related Transactions

The transaction with PCMC involves the subscription of Atty. Hermogene Real to 839,980,800 common shares of the Corporation. As consideration for her subscription, Atty. Real shall assign and transfer her 50% ownership in PCMC to the Corporation. Atty. Real is the President and majority shareholder of Mairete Asset Holdings Inc., that owns 11% of the Corporation. Notably, Rolando S. Santos is a director and officer of Mairete Asset Holdings Inc. and the Corporation.

Other than the above statement and as discussed in note 14 to the Audited Financial Statements., there are no significant transactions entered into by the Corporation in the normal course of business with related parties.

The proposed transaction with the majority shareholders of Philippine CollectiveMedia Corporation (or "**PCMC Shareholders**"), namely Michelle Ayangco and Hermogene Real, is intended to transform the Company into a viable and operational business entity and address its capital deficiency, negative equity, and non-operation. [Please refer to Item 11 for a brief write-up on PCMC.] The transaction will involve the folding into the Company of PCMC thereby making PCMC a subsidiary of the Company. With the national franchise of PCMC, the Company can engage in an active business of mass media and further leverage its franchise and network for use by existing content providers in need of broadcasting rights.

The PCMC Shareholders' subscriptions to a total of One Billion Six Hundred Seventy Nine Million Nine Hundred Sixty Six Thousand Four Hundred (1,679,966,400) common shares of the Company (the "**PRIM Shares**"), which will be issued from an increase in authorized capital stock, shall be paid through the assignment of PCMC shares at a price based on a third-party appraisal and subject to confirmation by a third-party fairness opinion.

Asian Appraisal Co. Inc., the third party appraiser, used the multi-period excess-earning method under the income approach. This method determines the value of an intangible asset as the present value of the cash flows attributable to the subject intangible asset after excluding the proportion of the cash flows that are attributable to other assets. It is often used for valuations where there is a requirement for the acquirer to allocate the overall price paid for a business between tangible assets, identifiable intangible assets and goodwill.

There are no ongoing contractual or other commitments as a result of the arrangement with the PCMC Shareholders other than causing the fulfillment of the stipulated closing conditions.

Resignation/Disagreement

There was no resignation by any director or officer for year 2020. As of 23 February 2021, Mr. Tiu resigned from his seat as a Director for personal reasons.

Mr. Juan Victor V. Valdez did not decline to stand for re-election.

Item 6. Compensation of Directors and Executive Officers

The aggregate compensation paid in 2019 and 2020, and estimated to be paid in 2021, (1) to the Chief Executive Officer and four (4) most highly compensated officers of the Corporation, as a group; and (2) to all key officers, other officers, and directors as a group, are set out below:

Names	*Position*	*Year*	*Salary*	*Bonus*	*Others*
Manolito A. Manalo	*Chairman & President*		*0*	*0*	
Bernadeth A. Lim	*Vice President*		*0*	*0*	
Juan Victor Valdez	*Director*		*0*	*0*	
Rolando S. Santos	*Treasurer*		*0*	*0*	
Maila G. de Castro	*Corporate Secretary*		*0*	*0*	
Aggregate for above named officers		*2019* *2020* *2021(est)*	*0* *0* *0*	*0* *0* *0*	*20,000* *27,000* *25,000*
All Directors and Officers as a group unnamed		*2019* *2020* *2021(est)*			*30,000* *45,000* *40,000*

There are no special employment contracts or other arrangements between the Corporation and its directors and officers. The directors are entitled to nominal per diem amounting to ₱5,000.00 for attending board meetings and ₱5,000.00 for attending committee meetings. There are no outstanding warrants or options granted to directors and officers.

Item 7. Independent Public Accountants

a) Independent Public Accountants, Reyes Tacandong & Co. (RTC) will stand for re-election as the Corporation's external auditors for the year 2021 which shall be subject to shareholders' approval during the Annual Meeting in compliance with SRC Rule 68, Paragraph 3(b)(iv) which provides that the external auditor should be rotated every five (5) years or earlier or the handling partner shall be changed.

b) RTC was first elected as the Corporation's Independent Public Accountant in December 2014. Representatives of RTC will be present during the annual meeting and will be given the opportunity to make a statement if they desire to do so. They are also expected to respond to appropriate questions if needed. There was no event where RTC and the Corporation had any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosure or auditing scope or procedure. Except as stated in the report of independent auditors, the Corporation has no disagreements with its auditors.

c) For the audit of the Corporation's Annual financial statements and services provided in connection with statutory and regulatory filings or engagements, the aggregate amounts to be billed or already billed excluding VAT and out of pocket expenses (OPE) by RTC amounts/amounted to ₱390,000.00 for the years 2020 and 2019.

The 2020 audit of the Corporation is in compliance with Rule 68, paragraph (3)(b)(ix) of the Amended Securities Regulation Code Rule 68, which provides that the external auditor should be rotated, or the handling partner changed, every five (5) years or earlier and that a two-year cooling off period should be observed in the re-engagement of the same signing partner or individual auditor. No tax fees were paid and no tax services were sought by the Corporation in the last two fiscal years.

At present, RTC account partner handling the Corporation is Pamela Ann Escuadro. She replaced Belinda B. Fernando who was the handling partner starting in 2014. A five-year cooling off period shall be observed in the re-engagement of the same signing partner or individual.

The Corporation created an Audit Committee composed of the following members: Bernadeth A. Lim, Juan Francisco L. Layug III and Johnny Y. Aruego, Jr (Chairman). As provided for in its charter, the objective of the Audit Committee is to assist the board of directors in fulfilling its oversight responsibilities by reviewing the financial reporting process, the system of internal control, risk management, governance processes, the audit process and the Corporation's process for monitoring compliance with laws and regulations and its own code of business conduct.

Item 8. COMPENSATION PLANS

No action is proposed to be taken during the stockholders' meeting with regard to any bonus, profit sharing, pension/retirement plan, granting of any extension of options, warrants or rights to purchase any securities. The Corporation has no compensatory plans, warrants or options held by directors or officers.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. AUTHORIZATION OR ISSUANCE OF SECURITIES OTHER THAN FOR EXCHANGE

(a) Private Placements

The Shareholders will take up an action providing authority to the Board to accept private placements of up to PhP 300,000,000.00 or issuance of 300,000,000 common shares at a par value of PhP 1.00 to cover for operational expenses and capital expenditures of PCMC.

The authority granted to the Board will facilitate raising of funds through equity capital instead of through debt. The existing stockholders will be diluted to the extent that shares are issued for the private placements.

(b) PCMC Share Swap

[Please refer to Item 10 for a brief write-up on PCMC.]

The subscriptions of the PCMC Shareholders to a total of One Billion Six Hundred Seventy Nine Million Nine Hundred Sixty Six Thousand Four Hundred (1,679,966,400) PRIM Shares, which will be issued from an increase in authorized capital stock, shall be paid through the assignment of PCMC shares at a price based on a third-party appraisal and subject to confirmation by a third-party fairness opinion. The new common shares to be issued to the PCMC Shareholders shall be on equal footing as all outstanding common shares and shall similarly be entitled to dividends, have voting rights, have no preemptive rights.

For and in consideration of their subscriptions to the PRIM Shares, the PCMC Shareholders shall assign, transfer and deliver to the Company a total of Three Hundred Forty Nine Thousand Nine Hundred Ninety Three (349,993) PCMC shares (the "PCMC Shares) at an agreed value of One Billion Six Hundred Seventy Nine Million Nine Hundred Sixty Six Thousand Four Hundred Pesos (Php 1,679,966,400.00) as supported by a third-party appraisal report, subject to confirmation by a third-party fairness opinion and other closing conditions. After the transaction, the PCMC Shareholders will gain control and majority ownership of approximately 70% of outstanding capital stock of the Company. On the other hand, PCMC will become a subsidiary of PRIM.

As PCMC has a franchise to operate certain broadcasting frequencies, the transaction with PCMC will require restrictions on the Company's foreign ownership to comply with the nationality requirement for ownership and management of mass media. After shareholders' approval of the transaction, the Company intends to request trading restrictions on foreign buying and request all foreign shareholders to sell or assign their respective shares to qualified Filipino citizen. The Company's majority shareholder, RYM Business Management Corporation together with the incoming shareholders intend to conduct a voluntary tender offer to acquire the remaining shares held by foreigners.

Item 10. MODIFICATION/EXCHANGE OF SECURITIES

There is no modification or exchange of outstanding securities involved on the matter relating to the proposed waiver by the minority shareholders of the PSE minority rights/public offer requirement. Under Section 1, of the PSE Rule on Additional Listing, the PSE shall not permit the listing of new voting shares issued to a related party representing at least 10% of the resulting total outstanding capital stock unless a minority rights/public offer is first undertaken, or has been waived by a majority vote representing the outstanding shares held by the minority stockholders present or represented at the meeting where the matter is taken up.

There is a proposal to remove Preferred Class A and B Shares in order to have one class composed of Common Shares only. Any outstanding Preferred Class A Shares will be converted into Common Shares at the conversion rate to be approved by the Board of Directors, without prejudice to vested rights. As of 31 July 2021, there are 14,366,260 outstanding Preferred Class A Shares, which have the following salient features:

- cumulative, nonparticipating, nonvoting, redeemable and convertible at the option of the Company;
- Cash dividend rate initially at 4.5% per annum based on par value, which shall be automatically adjusted to 11.00% per annum upon full payment of the subscription price
- The Company may, at any time at its option, wholly or partially redeem the outstanding preferred stock plus accrued dividends thereon. When such call for redemption is made, the holders of the preferred stock may opt to convert the preferred stock to common stock.

Upon conversion, the new common shares shall have the same rights and standing as all outstanding common shares including the right to dividends and voting rights, and shall have no preemptive rights. There are no outstanding Preferred Class B Shares.

The amendments are pursuant to the cleaning-up efforts of management arising out of its previous banking operations. With the removal of the preferred shares, all present and future shareholders of the Company will have equal rights and footing.

The proposed amendment to prohibit the foreign ownership of the Company's shares proceeds is in relation to the Company's proposed acquisition of Philippine CollectiveMedia Corporation (PCMC) via a share swap transaction. The ownership of PCMC is subject to Section 11, Article XVI of the Philippine Constitution, which mandates that ownership and management of mass media shall be limited to Filipino citizens or to corporations, cooperatives or associations that are wholly-owned and managed by Filipinos. As of 31 July 2021, there are 15,892,225 foreign-owned common shares and 109,650 foreign-owned Preferred Class A Shares. After shareholders' approval of the transaction, the Company intends to request trading restrictions on foreign buying and request all foreign shareholders to sell or assign their respective shares to qualified Filipino citizen. The Company's majority shareholder, RYM Business Management Corporation intends to conduct a voluntary tender offer to acquire the remaining shares held by foreigners.

The Preferred Class A Shares are not listed on any stock exchange. The common shares underlying the Preferred Class A Shares were approved for listing by the Philippine Stock Exchange on November 17, 1997, subject to the submission of post-approval compliance requirements. The Company will also apply for listing of the new One Billion Six Hundred Seventy Nine Million Nine Hundred Sixty Six Thousand Four Hundred (1,679,966,400) PRIM Shares to be issued to the PCMC Shareholders.

Item 11. FINANCIAL AND OTHER INFORMATION

Copies of the Management Report, the Audited Financial Statements for the year ended 31 December 2020, 17Q or the Quarterly Financial Statement as of 30 June 2021 are attached herewith.

The Management's Discussion and Analysis of Financial Condition and Result of the Operations are stated in pages 32-36 of the attached Management Report. The notes to the Consolidated Financial Statements are incorporated hereto by reference.

The Company has not made any changes in and has not had any disagreements with its external auditor on accounting and financial disclosures.

Representatives of the Company's external auditor, Reyes Tacandong & Co., are expected to be present at the shareholders' meeting. They will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

Item 12. MERGERS, CONSOLIDATIONS, ACQUISITIONS AND SIMILAR MATTERS

The Board will submit for approval of the Company's stockholders the subscriptions of the PCMC Shareholders to a total of One Billion Six Hundred Seventy Nine Million Nine Hundred Sixty Six Thousand Four Hundred (1,679,966,400) PRIM Shares out of an increase in authorized capital stock (See related discussion under Item 15 on Increase in Authorized Capital Stock) of the Company, at the subscription price equivalent to the par value of One Peso (Php 1.00) per share or total subscription price of One Billion Six Hundred Seventy Nine Million Nine Hundred Sixty Six Thousand Four Hundred Pesos (Php 1,679,966,400.00). For and in consideration of the said subscription to PRIM Shares, the PCMC Shareholders shall assign, transfer and deliver to the Company a total of Three Hundred Forty Nine Thousand Nine Hundred Ninety Three (349,993) PCMC Shares at an agreed value of One Billion Six Hundred Seventy Nine Million Nine Hundred Sixty Six Thousand Four Hundred Pesos (Php 1,679,966,400.00) as supported by a third-party appraisal report, subject to confirmation by a third-party fairness opinion and other closing conditions. After the transaction, the PCMC Shareholders will gain control and majority ownership of approximately 70% of outstanding capital stock of the Company. On the other hand, PCMC will become a subsidiary of PRIM. (the "**PCMC Transaction**")

(1) The name, address and telephone number of the principal executive office of PCMC.

Name	Office Address	Telephone No
Michelle Ayangco	6th Floor Universal Re Bldg., 106 Paseo de Roxas, Makati City	02-8831-4484
Hermogene Real	6th Floor Universal Re Bldg., 106 Paseo de Roxas, Makati City	02-8831-4479

(2) PCMC is a corporation duly organized and existing under the laws of the Philippines. It was incorporated in May 21, 2008 with a primary purpose of establishing and engaging in the business of radio and television broadcasting. It was granted a legislative franchise by virtue of Republic Act No. 9773 to cover Region VIII (Eastern Visayas). In 2020, its legislative franchise was amended by Republic Act No. 11508 to expand to digital tv and national coverage.

PCMC currently operates PRTV in Tacloban and 18 radio stations under FMR (Favorite Music Radio).

(3) Below is a summary of the material features of the PCMC transaction:

(A) The PCMC Shareholders shall subscribe to a total of One Billion Six Hundred Seventy Nine Million Nine Hundred Sixty Six Thousand Four Hundred (1,679,966,400) PRIM Shares out of an increase in authorized capital stock of the Company at the subscription price and par value of One Peso (Php 1.00) per share or total subscription price of One Billion Six Hundred Seventy Nine Million Nine Hundred Sixty Six Thousand Four Hundred Pesos (Php 1,679,966,400.00). For and in consideration of the said subscription to PRIM Shares, the PCMC Shareholders shall assign, transfer and deliver to the Company a total of Three Hundred Forty Nine Thousand Nine Hundred Ninety Three (349,993) PCMC Shares at an agreed value of One Billion Six Hundred Seventy Nine Million Nine Hundred Sixty Six Thousand Four Hundred Pesos (Php 1,679,966,400.00) as supported by a third-party appraisal report, subject to confirmation by a third-party fairness opinion and other closing conditions. After the transaction, the PCMC Shareholders will gain control and majority ownership of approximately 70% of outstanding capital stock of the Company. On the other hand, PCMC will become a subsidiary of PRIM.

(B) The proposed transaction with the PCMC Shareholders is intended to transform the Company into a viable and operational business entity and address its capital deficiency, negative equity, and non-operation. The transaction will involve the folding into the Company of PCMC thereby making PCMC a subsidiary of the Company. With the national franchise of PCMC, the Company can engage in an active business of mass media and further leverage its franchise and network for use by existing content providers in need of broadcasting rights.

(C) The transaction shall result in the dilution of the existing shareholders of PRIM by 70%. Ms. Michelle Ayangco and Atty. Hermogene Real shall jointly obtain 70% of PRIM. There will be no differences between the rights of the present security holders and the incoming shareholders (i.e. PCMC Shareholders) of the Company.

(D) The transaction will be recorded as investment in subsidiaries since the Company will gain of 100% of PCMC as a result of the PCMC Transaction

(4) Dividends Payable in the amount of PhP10,985,443 as at 31 December 2020 pertains to the Company's dividend for cumulative, nonparticipating, nonvoting, redeemable and convertible preferred stock that were declared prior to the Company's incurrence of deficit. The transaction has no effect to the dividends in arrears of the existing shareholders. For the past years, the Company has no retained earnings due to non-operation. It did not generate any income for payment of its dividends in arrears

(5) Below is the comparative columnar form of the following information for the registrant and PCMC for the last two fiscal years:

(A) net sales or operating revenues;

Registrant	2018	2019	2020
PRIM	₱–	₱–	₱–
PCMC	₱5,367,803	₱4,812,983	₱5,060,129

(B) income (loss) from continuing operations; and

Registrant	2018	2019	2020
PRIM	(₱24,573,027)	(₱992,120)	(₱2,976,624)
PCMC	(₱3,460,594)	(₱3,333,344)	(₱1,858,798)

(C) long-term obligations and redeemable preferred stock

Registrant	2018	2019	2020
PRIM	₱14,366,260	₱14,366,260	₱14,366,260
PCMC	₱24,770,866	₱25,691,957	₱30,405,821

(6) In comparative columnar form, historical and pro forma per share data of the registrant and historical and equivalent pro forma per share data of the other person for the following items for the last two fiscal years:

(A) book value per share

Registrant	2018	2019	2020
PRIM	(₱0.22)	(₱0.22)	(₱0.23)
PCMC	(₱6.40)	(₱15.92)	(₱21.23)

(B) cash dividends declared per share

Registrant	2018	2019	2020
PRIM	₱–	₱–	₱–
PCMC	₱–	₱–	₱–

(7) The transaction is subject to (a) approval of PRIM shareholders, (b) approval by Congress for change of controlling interest in PCMC as required in Republic Act No. 9773 as amended by Republic Act No. 11508, (c) approval of the increase in capital stock by the Securities and Exchange Commission, (d) issuance of the Certificate Authorizing Registration by the Bureau of Internal Revenue for transfer of PCMC shares to the Company; (e) approval by the PSE of the listing of the subscribed shares. Aside from the abovementioned, there are no other applicable regulatory requirements with regards to the transaction. Considering its transaction value, the transaction with the PCMC shareholders is not subject to the approval of or the notification requirements of the Philippine Competition Commission.

(8) The value of PCMC and its franchise asset is supported by a Third-Party Valuation Report.

(A) Identify the outside party;

Asian Appraisal Company, Inc. conducted the valuation of PCMC's media franchise and its net asset.

(B) Briefly describe the qualifications of such outside party;

Asian Appraisal Company, Inc. is an independent appraisal company accredited with the Securities and Exchange Commission (SEC), Philippine Stock Exchange (PSE) and Bangko Sentral ng Pilipinas (BSP), private and government banks, government agencies and private companies among others. It has been in the Valuation business for 60 years now starting way back in 1961 and is the pioneer in the appraisal industry both in the Philippines and throughout the Asia Pacific Region. Backed-up by qualified and competent management and staffs, AACI provides valuation services for corporate and individual requirements for the purposes of initial public offering, sales, mergers and acquisitions, joint ventures, financing, accounting, insurance, rate increase application at the Energy Regulatory Board, just compensation for expropriation proceedings, audit of completed/ work in-progress of projects, business valuation, REIT purposes, providing fairness opinion and other valuation related works.

(C) Describe the method of selection of such outside party;

The selection criteria is mainly based on relative experience on real estate and business valuation, qualification and competence of management and staff, accreditations on various regulatory boards, timely delivery of appraisal report and competitive fee for the services rendered.

(D) Describe any material relationship between the outside party or its affiliates and the issuer or its affiliates which existed during the past two years or is mutually understood to be contemplated and any compensation received or to be received as a result of such relationship;

AACI (the outside party) and any of its affiliates has no material relationship with PRIM or PCMC during the past two years. The compensation or contractor's fee received by the outside party was based on the total time consumed for completing the specifications of the service and on the required disposition of resources to complete the engagement. They have no present nor contemplated future interest in the property, nor is the appraisal fee contingent upon the final estimate of value.

(E) If such report, opinion or appraisal relates to the fairness of the consideration, state whether the issuer or affiliate determined the amount of consideration to be paid or whether the outside party recommended the amount of consideration to be paid; and

AACI (the outside party) recommended the value of PCMC's media franchise and the company's net asset

(F) Furnish a summary concerning such negotiation report, opinion or appraisal which shall include, but not limited to, the procedures followed; the findings and recommendations; the bases for and methods of arriving at such findings and recommendations; instruction received from the issuer or affiliate; and any limitation imposed by the issuer or affiliate on the scope of the investigation.

INSTRUCTIONS FROM THE ISSUER		Determine the Market Value of Philippine CollectiveMedia Corporation (PCMC) Franchise and the Net Asset Value of PCMC.
COMPANY SUBJECT OF VALUATION		Philippine CollectiveMedia Corporation (PCMC)
ASSETS UNDER APPRAISAL		Media Franchise and Assets of the Company
EFFECTIVE VALUATION DATE		April 30, 2021
BASIS OF VALUE		Market Value - defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgably, prudently and without compulsion.
VALUATION METHODOLOGY		For the Media Franchise, the multi-period excess-earning method under the income approach was used. This method determines the value of an intangible asset as the present value of the cash flows attributable to the subject intangible asset after excluding the proportion of the cash flows that are attributable to other assets. It is often used for valuations where there is a requirement for the acquirer to allocate the overall price paid for a business between tangible assets, identifiable intangible assets and goodwill.
		For the Net Asset Value, PCMC's audited financial statement as of 31 December 2020 was used and added to it are the intangible asset / media franchise / franchise right in the balance sheet account to arrive at the adjusted net asset value.
LIMITATION IMPOSED BY PCMC AND/OR THE COMPANY		The valuation report has no limitations or restrictions
VALUE CONCLUSION / RECOMMENDATION		
Net Asset Value		PhP 1,680,268,884.00
Value per share		PhP 4,800.77

(9) The PCMC Transaction is not subject to a Mandatory Tender Offer requirement as the shares to be issued to the PCMC Shareholders are from an increase in authorized capital stock. There is no past, present or proposed material contract, arrangement, understanding, relationship, negotiation or transaction during the past two (2) fiscal years between PCMC or its affiliates and the Company or its affiliates;

(10) On July 28, 2021, the Company disclosed the approval by the Board of the PCMC Transaction. The high and low prices of PRIM common shares on the date preceding such disclosure are 2.74 and 2.46, respectively.

(11) The effect of the PCMC Transaction on the amount and percentage holdings of the Company's common equity owners are as follows:

	Number of Shares	**Current Percentages**	**Percentages after PCMC**
RYM	463,555,085	66.19%	19.47%
Mairete	77,178,901	11.02%	3.24%
Caulfield	34,999,000	5.00%	1.47%

Directors and officers of the Company only have nominal shareholdings as seen below:

A. Directors

Name	**Number of Shares**	**Current Percentage**	**Percentages after PCMC**
Manolito A. Manalo	1	0	0%
Bernadeth A. Lim	1	0	0%
Juan Victor S. Valdez	1	0	0%
Rolando S. Santos	1,000	0	0%
Francisco L. Layug	1	0	0%
Johnny Y. Aruego, Jr.	1	0	0%
	1,005		0%

B. Officers

Name	**Number of Shares**	**Current Percentage**	**Percentages after PCMC**
Maila Lourdes G. de Castro	0	0	0%
Christopher Sam S. Salvador	0	0	0%
Reuben Carlo O. General	0	0	0%

Item 13. ACQUISITION OR DISPOSITION OF PROPERTY

The Company is not involved in any bankruptcy, receivership, or similar proceedings. Nor is the Company engaged in any material reclassification, merger, consolidation or purchase or sale of a significant amount of assets. The Company is a holding company and is not engaged in any business and has no principal products or services. The Company currently has no employees (regular or non-regular), but with the impending acquisition of PCMC, the Company will be determining the number of employees to be hired in the next 12 months. With its limited activities, the Corporation incurred no costs compliance with environmental laws. The Company is not affected by the COVID-19 pandemic due to its minimal operations.

As a result of the PCMC Transaction, the Company will acquire PCMC as a subsidiary.

Please refer to the "Management's Discussion and Analysis" portion of the accompanying Management Report for a discussion of the Company's financial condition, results of operations or plan of operations **prior** to the acquisition of PCMC.

PCMC's current operations satisfy its operating cash requirements. The business plan for its expansion and capital expenditure requirements are currently under study to determine the fundraising activity that will be needed by way of capital or debt.

A collectible from a related party, due and demandable, will be a source to cover future expenditures. Please refer to the discussion on "*Business Transactions with Related Parties"* of the Management Report as attached in page 44 of this DIS.

Item 14. INCREASE IN AUTHORIZED CAPITAL STOCK

Management has proposed to increase the authorized capital stock to Php 7,000,000,000 divided into 7,000,000,000 common shares with a par value of One Peso (Php 1.00) per share. A total of One Billion Six Hundred Seventy Nine Million Nine Hundred Sixty Six Thousand Four Hundred (1,679,966,400) shares will be subscribed out of the increase in authorized capital stock of the Company at the subscription price equivalent to the par value of One Peso (Php 1.00) per share (the "Price Per Share") or total subscription price of One Billion Six Hundred Seventy Nine Million Nine Hundred Sixty Six Thousand Four Hundred Pesos (Php 1,679,966,400.00).

Please refer to the related discussion under Item 11 on Mergers, Consolidations, Acquisitions and Similar Matters.

D. OTHER MATTERS

Item 15. ACTION WITH RESPECT TO REPORTS & OTHER PROPOSED ACTION/S

The following matters shall be submitted to the vote of stockholders of the Corporation during the stockholders' meeting.

1. Approval of Minutes of Previous Stockholders' Meeting.
2. Approval of the Annual Report and the Audited Financial Statements for the year ending December 31, 2020.
3. Ratification of Management Acts.
4. Amendment of the Articles of Incorporation to:
   - (i) Reclassify the Preferred Class A and B Shares with par value of One Peso (Php 1.00) per share, to Common Shares with par value of One Peso (Php 1.00) per share, and delete all provisions relating to the Preferred Class A and B Shares;
   - (ii) Increase the authorized capital stock to Seven Billion Pesos (Php 7,000,000,000.00) divided into Seven Billion (7,000,000,000) Common Shares with a par value of One Peso (Php 1.00) per share;
   - (iii) Delete all provisions relating to banking operations; and
   - (iv) Include a provision prohibiting foreign ownership of shares.
5. Amendment of the By-laws to:
   - (i) delete all provisions relating to banking operations, and
   - (ii) to authorize the holding of virtual meetings by the stockholders, Board of Directors and Board Committees.
6. Approval of the subscription by the major shareholders of Philippine CollectiveMedia Corp. ("PCMC Shareholders") to One Billion Six Hundred Seventy Nine Million Nine Hundred Sixty Six Thousand Four Hundred (1,679,966,400) common shares to be issued out of the proposed increase in authorized capital stock, in consideration of the assignment and transfer of PCMC shares representing 99.9% of the outstanding capital stock of PCMC.

7. Waiver by the minority stockholders of the rights or public offer requirement under the PSE Additional Listing Rule.
8. Authority to accept private placements for up to 300,000,000 common shares to be issued at a price equivalent to the par value of PhP 1.00 per share.
9. Election of Board of Directors.
10. Appointment of External Auditor.
11. Other Matters.

Action is to be taken on the approval of the Minutes of the previous stockholders' meeting held on 30 October 2020. The following are the highlights of the minutes:

1. The stockholders approved the minutes of the meeting of the last Annual General Meeting of the stockholders held last 12 December 2019.

2. The stockholders approved the Management/President's Report and the Annual Report for the year 2020 including the Corporation's Audited Financial Statement for the year ended 31 December 2019.

3. The stockholders ratified all acts of the Board of Directors and Management for the previous year up to even date.

4. The stockholders elected the following as directors of the Corporation to serve for the period 2020-2021 and until their successors shall have been duly elected as qualified, to wit:

   a. Manolito A. Manalo
   b. Juan Victor S. Valdez
   c. Bernadeth A. Lim
   d. Rolando S. Santos
   e. Antonio L. Tiu
   f. Johnny Y. Aruego, Jr. as independent director
   g. Francisco Layug, as independent director

5. The stockholders approved the appointment of Reyes Tacandong & Co., as the External Auditor of the Corporation for the ensuing year.

The Annual Meeting of Stockholders was held on 30 October 2020, and was attended by shareholders, the Board of Directors, and various officers of the Corporation. The shareholders were allowed to cast their votes on each agenda item presented to them for approval, with the number of votes approving each agenda item indicated in their respective sections in the Minutes. The shareholders were also given the opportunity to ask questions, express an opinion, and make suggestions on various issues related to the Corporation. A copy of the Minutes of the Annual Meeting of Stockholders held on 30 October 2020 is uploaded in PRIM's website thru the following hyperlink; http://www.primemediaholdingsinc.com/company-disclosures/minutes-of-all-general-special-stockholders-meetings/

The stockholders are requested to ratify, confirm and approve Management's actions, including the following:

- Authority to File Monthly Remittance Returns of Value-Added Tax Withheld with the Bureau of Internal Revenue
- Approval of Authority to Atty. Diane Madelyn C. Ching to get information from STSI
- Approval of the SEC Online Submission Tool Authorized Filers
- Approval of the execution of the MOU with New Era Empire Realty Corp.
- Approval of the 2020 Audited Financial Statements
- Approval of the Sustainability Report 2020
- Postponement of 2021 Annual Stockholders Meeting

- Authority to Secure Tax Clearance Certificate
- Approval of the execution of the MOU with majority shareholders of Philippine Collective Media Corporation
- Authority to File, Change and Update business address for BIR Certificate of Registration
- Approval of the execution of the Memorandum of Agreement (MOA) with Philippine Collective Media Corporation (PCMC) and Engagement of Unicapital, Inc. (Unicap) to prepare A Fairness Opinion
- Approval of the amendment of the Articles on Incorporation to:
    - Reclassify the Preferred Class A and B Shares with par value of One Peso (Php 1.00) per share, to Common Shares with par value of One Peso (Php 1.00) per share, and delete all provisions relating to the Preferred Class A and B Shares;
    - delete all provisions relating to the preferred shares and previous banking operations; and
    - increase the authorized capital stock to Seven Billion Pesos (PhP 7,000,000,000.00) and issue One Billion Six Hundred Seventy Nine Million Nine Hundred Sixty Six Thousand Four Hundred (1,679,966,400) to PCMC Shareholders.
- Approval of the amendment of the By-laws to delete all provisions relating to the previous banking operations of the Corporation
- Segregation by spin-off or earmarking all current assets under the management or custody of the Corporation as of 30 June 2021
- Amendment of the Memorandum of Understanding (MOU) with RYM Business Management Corporation and New Era Empire Realty corporation, and the signing of a Memorandum of Agreement
- Approval to accept private placements of up to PhP 300 Million at par value of Php 1.00 per share
- Authorization to secure waiver of rights or public offering by the minority stockholders
- Setting of the annual stockholders' meeting on 22 September 2020 with record date on 12 August 2021
- Change of the Authorized Filers for the SEC Online Submission Tool
- Authority to Liaise with the Philippine Depository & Trust Corporation (PDTC)

Item 16. MATTERS NOT REQUIRED TO BE SUBMITTED

All corporate actions to be taken up at the annual stockholders' meeting will be submitted to the stockholders of the Registrant for their approval in accordance with the requirements of the Corporation Code.

Matters not required to be submitted are the Call to Order and Certification of Notice and Quorum.

Item 17. Amendment of Charter, By-laws or other documents

1. The following amendments of the Articles of Incorporation are sought:

Nature of Amendment	Purpose
Reclassification of the Preferred Class A and B Shares with par value of One Peso (Php 1.00) per share, to Common Shares with par value of One Peso (Php 1.00) per share, and deletion of all provisions relating to the Preferred Class A and B Shares	Amendments are pursuant to the cleaning-up efforts of management to remove liabilities arising out of its previous banking operations. With the removal of the preferred shares, all present and future shareholders of the Company will have equal rights and standing
Increase of the authorized capital stock to Seven Billion Pesos (Php 7,000,000,000.00) divided into Seven Billion (7,000,000,000) Common	Amendment is to allow additional shares subscriptions and other equity fundraising activities in the future. Out of the increase in authorized capital stock, One Billion Six

Shares with a par value of One Peso (Php 1.00) per share	Hundred Seventy Nine Million Nine Hundred Sixty Six Thousand Four Hundred (1,679,966,400) common shares at a subscription price equivalent to the par value of Php 1.00 per share, will be issued to the PCMC Shareholders. The subscriptions of the PCMC shareholders shall be paid through the assignment of PCMC shares at a price based on a third-party appraisal and subject to confirmation by a third-party fairness opinion,thereby allowing the Company to obtain the business, assets and ownership of PCMC. After the transaction, the PCMC Shareholders will gain majority control of the Company, who, in turn, will acquire PCMC as a subsidiary.
Deletion all provisions relating to banking operations	The provisions on compliance with the General Banking Act are no longer relevant and applicable to the current business of the Company.
Inclusion of a provision prohibiting foreign ownership of shares	The amendment is pursuant to the Company's acquisition of Philippine CollectiveMedia Corporation (PCMC) via the share swap transaction, wherein PCMC, which is engaged in mass media operations, will be a subsidiary of the Company. The additional amendment to restrict foreign corporation is in keeping with Section 11, Article XVI of the Philippine Constitution, which mandates that ownership and management of mass media are limited to Filipino citizens or to corporations, cooperatives or associations that are wholly-owned and managed by Fili

2. The following amendment of the By-laws are sought:

Nature of Amendment	Purpose
Deletion of all provisions relating to the previous banking operations	The provisions on compliance with the General Banking Act are no longer relevant and applicable to the current business of the Company.
Authorization to hold of virtual meetings by the stockholders, Board of Directors and Board Committees	The amendment recognizes the technological advancements that can enhance participation in shareholder, board and committee meetings, and considers primacy of safety and health in view of the ongoing COVID-19 pandemic

(Attached herewith are copies of the PSE disclosures particularly describing the sections to be amended.)

Item 18. Other Proposed Action

There are no other proposed actions to be taken up.

Item 19. Voting Procedures

In the election of directors, the seven (7) nominees garnering the highest number of votes will be elected as members of the board of directors, provided that there shall always be at least two (2) members who are independent directors.

For the approval of the proposed amendments to the Articles of Incorporation, the affirmative vote of the shareholders representing at least two-thirds (2/3) of the outstanding common capital stock will be needed for approval.

For all other matters proposed to be acted upon including the amendment of the By-laws, the affirmative vote of the shareholders representing at least a majority of the outstanding common capital stock will be needed for approval.

Under Section 5(b) of the PSE Rule on Additional Listing, the vote required for the waiver of the minority rights/public offer requirement over the shares subscribed in a related party transaction, is a "majority vote representing the outstanding shares held by the minority stockholders present or represented at the meeting."

Manner of Voting

Each common share entitles the person in whose name it is registered in the books of the Corporation to one vote with respect to all matters to be taken up during the annual meeting of stockholders.

In the election of directors, each stockholder may vote such number of shares for as many persons as there are directors to be elected or may cumulate said shares and give one nominee as many votes as the number of directors to be elected multiplied by the number of his share shall equal, or he may distribute them on the same principle among as many nominees as he shall see fit, provided, that the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by the number of directors to be elected.

Due to safety and health precautions in view of the COVID-19 pandemic, voting shall only be *in absentia* or by proxy in accordance with the Corporation's Rules and Procedure to Vote and Participate in PRIM's 2021 Annual General Meeting, hereto attached as ***Annex "A".***

The Corporate Secretary will be responsible for counting votes based on the number of shares entitled to vote owned by the stockholders who are present or represented by proxies at the Annual Meeting of the Stockholders.

<u>PART II: INFORMATION REQUIRED IN A PROXY FORM</u>

<u>PLEASE USE THE ATTACHED PROXY FORM</u>

Item 1. Identification

This proxy is solicited by the Board of Directors and Management of Prime Media Holdings Inc. The solicited proxy shall be exercised by the Chairman or the stockholder's authorized representative.

Item 2. Instruction

b. For all agenda items other than "Call to Order", "Proof of Notice and Certification of Quorum", the proxy form shall be accomplished by marking in the appropriate box either "FOR", "AGAINST" or "ABSTAIN" according to the stockholder's/proxy's preference.

   If no instructions are indicated on a returned and duly signed proxy, the shares represented by the proxy will be voted in favor of the:

      FOR Approval of Minutes of Previous Stockholders' Meeting.

FOR Approval of the Annual Report and the Audited Financial Statements for the year ending December 31, 2020.

FOR Ratification of Management Acts.

FOR Amendment of the Articles of Incorporation to:

(iv) Decrease the authorized capital stock to eliminate any converted Preferred Class A Shares;

(v) Reclassify the Preferred Class A and B Shares with par value of One Peso (Php 1.00) per share, to Common Shares with par value of One Peso (Php 1.00) per share, and delete all provisions relating to the Preferred Class A and B Shares;

(vi) increase the authorized capital stock to Seven Billion Pesos (PhP 7,000,000,000.00) divided into Seven Billion (7,000,000,000) Common Shares with a par value of One Peso (Php 1.00) per share;

(iii) Delete all provisions relating to banking operations; and

(iv) Include a provision prohibiting foreign ownership of shares.

FOR Approval of the subscription by the majority shareholders of Philippine CollectiveMedia Corp. ("PCMC Shareholders") to One Billion Six Hundred Seventy Nine Million Nine Hundred Sixty Six Thousand Four Hundred (1,679,966,400) common shares to be issued out of the proposed increase in authorized capital stock, in consideration of the assignment and transfer of PCMC shares representing 99.9% of the outstanding capital stock of PCMC.

FOR Waiver by the minority stockholders of the rights or public offer requirement under the PSE Additional Listing Rule.

FOR Amendment of the By-laws to:

(iii) delete all provisions relating to banking operations, and
(iv) to authorize the holding of virtual meetings by the stockholders, Board of Directors and Board Committees.

FOR Authority to accept private placements for up to 300,000,000 common shares to be issued at a price equivalent to the par value of PhP 1.00 per share.

FOR Election of the following directors:

<u>Regular Directors:</u>

Manolito A. Manalo
Bernadeth A. Lim
Rolando S. Santos
Hermogene H. Real
Michelle F. Ayangco

<u>Independent directors:</u>
Johnny Y. Aruego, Jr.
Francisco L. Layug III

FOR the approval of the appointment of Reyes Tacandong & Co. as the Company's external auditor; and to authorize the Proxy to vote according to discretion of the Company's Chairman of the Meeting on any matter that may be discussed under "Other Matters".

b. A Proxy Form that is returned without a signature shall not be valid.

c. The matters to be taken up in the meeting are enumerated opposite the boxes on the accompanying Proxy Form. The names of the nominee directors are likewise enumerated opposite an appropriate space.

d. If a stockholder will not be able to attend the meeting but would like to be represented thereat, he may submit his Proxy Form, duly signed and accomplished, to the Office of the Corporate Secretary at 16th Floor BDO Towers Valero, 8741 Paseo de Roxas, Makati City, on or before 03 October 2021. Beneficial owners whose shares are lodged with PDTC or registered under the name of a broker, bank or other fiduciary allowed by law must, in addition to the required I.D., present a notarized certification from the owner of record (i.e. the broker, bank or other fiduciary) that he is the beneficial owner, indicating thereon the number of shares. Corporate shareholders shall likewise be required to present a notarized secretary's certificate attesting to the authority of its representative to attend and vote at the stockholders' meeting.

Validation of proxies will take place on 8 October 2021 at the office of the principal office of the Company.

Item 3. Revocability of Proxy

A shareholder may revoke his proxy on or before the date of the Annual Meeting. The proxy may be revoked by the shareholder's written notice to the Corporate Secretary advising the latter of the revocation of the proxy, or by a shareholder's personal attendance during the meeting and appropriate advice to the Corporate Secretary of such revocation.

Item 4. Persons Making the Solicitation

This solicitation is made by the Company. No director has informed the Company in writing or otherwise of his intention to oppose any action intended to be taken up at the meeting.

Solicitation of proxies will be done mainly by mail. Certain personnel of the Company will also solicit proxies in person or by telephone.

The estimated amount to be spent by the Company to solicit proxies is PhP 20,000. The cost of solicitation will be borne by the Company.

Item 5. Interest of Certain Persons in Matters to be Acted Upon

Atty. Hermogene Real, a nominee for election as director of the Corporation, is 50% owner of PCMC. Pursuant to the MOA, she will subscribe to 839,980,800 shares of the Corporation. As consideration for her subscription, Atty. Real shall assign and transfer her 50% ownership in PCMC to the Corporation. She is the President and majority shareholder of Mairete Asset Holdings Inc., who owns 11% of the Corporation. Rolando S. Santos is a director and officer of Mairete Asset Holdings Inc. and the Corporation.

Other than the above statement, no director or officer of the Corporation or any other nominee for election as director of the Corporation or any associate of the foregoing, has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon, other than election to office as director of the Corporation. None of the officers or directors or any of their associates has any substantial interest, direct or indirect, in any of the matters to be acted upon in the stockholders' meeting.

SIGNATURE PAGE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati on the 17 September 2021.

PRIME MEDIA HOLDINGS, INC.

By:

____

MAILA LOURDES G. DE CASTRO
Corporate Secretary

MANAGEMENT REPORT
MANAGEMENT DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

MANAGEMENT REPORT

I. Financial Statements

The Audited Financial Statements of the Corporation for the year ended as of 31 December 2020 are attached to this report.

II. Information on Independent Accountants and other Related Matters

The Corporation's financial statements for the years ended 31 December 2020 and 2019 have been audited by RTC, independent auditors, as stated in their reports appearing herein.

Ms. Pamela Ann Escuadro is the Corporation's current audit partner. We have not had any disagreements on accounting and financial disclosures with our current external auditors for the periods or any subsequent.

There were no disagreements with RTC on any matter of accounting and financial disclosure.

The following table sets out the aggregate fees incurred for the years ended December 31, 2020 and 2019 for professional services rendered by RTC:

	2020	2019
Audit and Audit-Related Services	**₱390,000**	₱390,000

The Audit Committee reviewed the nature of non-audit services rendered by RTC and the corresponding fees and concluded that these are not in conflict with the audit functions of the independent auditor. The Audit Committee has an existing policy to review and pre-approve the audit and non-audit services rendered by the Corporation's independent auditor. It does not allow the Corporation to engage the independent auditor for certain non-audit services expressly prohibited by regulations of the SEC to be performed by an independent auditor for its audit clients. This is to ensure that the independent auditor maintains the highest level of independence from the Corporation both in fact and appearance.

III. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis are based on the unaudited financial statement as at 30 June 2021 and unaudited financial statements as at 31 December 2020, 2019 and 2018, prepared in conformity with Philippine Financial Reporting Standards (PFRS) and accompanying Notes to the Financial Statements and should be read in conjunction with the audited consolidated financial statements.

Summary Financial Information
The Financial Statements as at 30 June 2021, 31 December 2020, 2019 and 2018 and for the period ended 30 June 2021, 31 December 2020, 2019 and 2018 are hereto attached.

The following table sets forth the summary financial information for the period ended 30 June 2021 and years ended 31 December 2020, 2019 and 2018:

Summary of Statements of Comprehensive Income

	Unaudited 30 June 2021	Audited 31 December 2020	Audited 31 December 2019	Audited 31 December 2018

Income	**₱3,263**	₱2,665,187	₱3,577,349	₱1,819,791
Expenses and Other Charges	**(1,215,384)**	(5,588,811)	(4,498,109)	(35,774,296)
Loss before Income Tax	**(1,212,121)**	(2,923,624)	(920,760)	(33,954,505)
Provision for Income Tax	–	53,000	71,360	(9,381,478)
Net Income (Loss)	**(1,212,121)**	(2,976,624)	(992,120)	(24,573,027)
Other Comprehensive Income (Loss)	–	100,000	400,000	200,000
Total Comprehensive Income (Loss)	**(₱1,212,121)**	(₱2,876,624)	(₱592,120)	(24,373,027)
Basic and Diluted Loss Per Share	**(₱0.002)**	(₱0.007)	(₱0.004)	(0.037)

Summary of Statements of Financial Position

	Unaudited 30 June 2021	Audited 31 December 2020	Audited 31 December 2019
ASSETS			
Current Assets	**₱53,084,685**	₱53,283,137	₱52,351,710
Noncurrent Assets	**1,419,625**	1,582,763	1,814,758
	₱54,504,310	₱54,865,900	₱54,166,468
LIABILITIES AND CAPITAL DEFICIENCY			
Current Liabilities	**₱199,907,867**	₱199,057,336	₱195,481,280
Capital Deficiency	**(145,403,557)**	(144,191,436)	(141,314,812)
	₱54,504,310	₱54,865,900	₱54,166,468

Summary of Statements of Cash Flows

	Unaudited 30 June 2021	Audited 31 December 2020	Audited 31 December 2019	Audited 31 December 2018
Cash Flows from (Used In) Operating Activities	**(₱660,319)**	(₱1,789,929)	₱4,420,070	(₱54,922,599)
Cash Flows from Investing Activities	–	–	–	44,925,331
Cash Flows from Financing Activities	–	–	–	13,880,000
Net Increase (Decrease) In Cash	**(660,319)**	(1,789,929)	4,420,070	3,882,732
Cash at Beginning of Year	**8,233,104**	10,023,033	5,602,963	1,720,231
Cash at End of Year	**₱7,572,785**	₱8,233,104	₱10,023,033	₱5,602,963

<u>2021 vs. 2020</u>

<u>Statement of Financial Position</u>

The Corporation's total Assets of ₱54.50 million declined by ₱0.36 million or 0.66% compared with the same period last year. The movement in total Assets is attributable to the following:

- Increase in other current assets of ₱0.03 million pertains to the additions in Input VAT associated with the purchase of goods/services, and payment of premium for the renewal of the attachment bond.

- Decrease in equipment of ₱0.16 million is attributed to the depreciation recognized for the period. No addition and/or disposal was made during the year.

Cash receipts during the year totaling ₱1.20 million from Bulaong Enterprises, Inc. in relation to the compromise agreement involving a legal case, resulted to the increase in Liabilities. This represents partial settlement out of the ₱17.0 million settlement fee (exclusive of ₱1.62 million interest), as indicated in the agreement. The subject property involved in the compromise agreement is included in the list of properties for transfer to Philippine Deposit Insurance Corporation (PDIC) pursuant to the 12 September 2002 Memorandum of Agreement among the Corporation, PDIC and BDO Unibank Inc. (BDO), hence, collections were accounted for as liability.

Capital deficiency is higher by ₱1.21 million compared with year ended last year. The Corporation incurred a net loss of ₱1.21 million which movement resulted to the increase in capital deficiency.

Results of Operations

The Corporation's operating results reflected a net loss of ₱1.21 million and ₱2.88 million in 2021 and 2020, respectively. The significant changes were mainly due to the following:

- Professional fee incurred was ₱0.30 primarily due to payment of annual listing maintenance fee.

- Insurance expense for the was ₱0.11 million and decreased by ₱0.34 million with the year ended last year.

- Director's fee of ₱0.05 million for the period is due to the audit committee and BOD meeting for the approval of 2020 audited financial statement.

2020 vs. 2019

Statement of Financial Position

The Corporation's total Assets of ₱54.87 million surged by ₱0.70 million or 1.29% compared with the same period last year. The movement in total Assets is attributable to the following:

- Accrual of interest income from an outstanding loans receivable from Marcventures Mining Development Corp (MMDC), an affiliated company, amounting to ₱2.61 million during the year, resulted to the increase in receivables. The loan agreement bears an interest of 10% per annum.

- Increase in other current assets of ₱0.51 million pertains to the Input Vat from the purchase of goods and services during the year.

- The increase in investment in a club share is mainly due to recognition of the fair value changes amounting to ₱0.10 million during the year.

- Decrease in equipment of ₱0.33 million is attributed to the depreciation recognized for the year. No addition and/or disposal was made during the year.

Cash receipts during the year totaling ₱10.8 million from Bulaong Enterprises, Inc. in relation to the compromise agreement involving a legal case, resulted to the increase in Liabilities. This represents partial settlement out of the ₱17.0 million settlement fee (exclusive of ₱1.62 million interest), as indicated in the agreement. The subject property involved in the compromise agreement is included in the list of properties for transfer to PDIC pursuant to the 12 September 2002 Memorandum of Agreement among the Corporation, PDIC and BDO, hence, collections were accounted for as liability.

Capital deficiency is higher by ₱2.88 million compared with same period last year. The Corporation incurred a net loss of ₱2.98 million and recognized ₱.10 million gain on fair value changes on its investment in a club share, which movement resulted to the increase in capital deficiency.

Results of Operations

The Corporation's operating results reflected a net loss of ₱2.98 million and ₱0.99 million in 2020 and 2019, respectively. Comparing with the same period last year, there is a surge of ₱1.99 million or 200.03%. The significant changes were mainly due to the following:

- The Corporation's lease agreement with MMDC, for the lease of the transportation equipment, had been expired last October 2019, which resulted to the decline in rental income by ₱0.91 million.

- Professional fee increased by ₱1.41 million or equivalent to 70.22%, primarily due to increase in payments of legal fees.

- Taxes and licenses for the year amounting to ₱0.10 million is lower by 76.58% or ₱0.33 million compared with same period last year.

- Lower insurance expense for the year by ₱0.28 million or 38.51% compared with same period of last year.

- Increase in Outside services by ₱0.44 million is due to the publication of the postponement of Annual Stockholder's Meeting.

2019 vs. 2018

Statement of Financial Position

The Corporation's total Assets of ₱54.17 million surged by ₱7.59 million or 16.29% compared with the same period last year. The movement in total Assets is attributable to the following:

- Cash balance of ₱10.02 million is higher by ₱4.42 million compared with the same period last year. The significant increase is mainly due to receipt of cash from Bulaong Enterprises, Inc. in relation to the compromise agreement related to a legal case, which as at 31 December 2019, totaled ₱8.2 million. Payments for general and administrative expenses offset the increase in cash.

- Accrual of interest income from an outstanding loans receivable from MMDC amounting to ₱2.6 million during the year, resulted to the increase in receivables by ₱2.77 million. The loan agreement bears an interest of 10% per annum.

- The increase in Investment in a club share is mainly due to recognition of the fair value changes amounting to ₱.40 million during the year.

- Decrease in equipment of ₱0.34 million is attributed to the depreciation recognized for the year. No addition and/or disposal was made during the year.

Cash receipts during the year totaling ₱8.2 million from Bulaong Enterprises, Inc. in relation to the compromise agreement involving a legal case, resulted to the increase in Liabilities. This represents partial settlement out of the ₱17.0 million settlement fee (exclusive of ₱1.62 million interest), as indicated in the agreement. The subject property involved in the compromise agreement is included in the list of properties for transfer to PDIC pursuant to the 12 September 2002 Memorandum of Agreement among the Corporation, PDIC and BDO, hence, collections were accounted for as liability.

Capital deficiency is higher by ₱0.59 million compared with same period last year. The Corporation incurred a net loss of ₱0.99 million and recognized ₱.40 million gain on fair value changes on its investment in a club share, which movement resulted to the increase in capital deficiency.

Results of Operations

The Corporation's operating results reflected a net loss of ₱0.99 million and ₱24.57 million in 2019 and 2018, respectively. Comparing with the same period last year, there is a huge drop of ₱23.58 million or 95.96%. The significant changes were mainly due to the following:

- The increase in income is mainly due to the interest accrued during the year, from the outstanding loans receivable from MMDC. The said loan bears an interest of 10% annually. On the other hand, the Corporation's lease agreement with MMDC, for the lease of the transportation equipment, has expired last October 2019, which resulted to the decline in rental income.

- Professional fee decreased by ₱0.58 million or equivalent to 22.44%, primarily due to decrease in payments of legal fees.

- Taxes and licenses for the year amounting to ₱0.43 million is lower by ₱1.02 million compared with same period last year. The Corporation paid real property taxes last year for its property located in Legazpi totalling ₱0.77 million, which caused last year's expense to be significantly higher compared with the current year.

- Association dues of ₱0.07 million is lower by ₱2.48 million compared with the same period last year. The Corporation paid its association dues (including those in arrears) to Landco Business Park last year, concerning the Legazpi property, which resulted to higher expense than the current year.

- The increase in Representation expenses by ₱0.91 million is due to payment of representation fees to legal counsels on

- pending cases involving the Corporation.

- Other expenses decreased by ₱1.08 million due to recognition of other miscellaneous expense and representation expenses.

- Last year's loss on sale of investment properties resulted from the sale of the Corporation's Legaspi Property in favor of Pacific Mall Corporation. The sale resulted to a loss of ₱24.9 million.

2018 vs. 2017

Statement of Financial Position

The total Assets of the Company decreased by ₱41.94 Million or equivalent to 47.38% from ₱88.52 Million in 2017 to ₱46.58 Million in 2018. The significant changes were mainly due to the following:

- Cash increased significantly from ₱1.72 million as of December 31, 2017 to ₱5.60 million as of December 31, 2018, an increase of ₱3.88 million was brought mainly by the proceeds of sale of the Investment property in Legaspi City, Albay sold to Pacific Mall Corporation.

- Receivable increased by ₱24.90 million due to the interest-bearing loan agreement entered into by the company with Marcventures Mining and Development Corporation.

- Increase in Other current asset of ₱3.67 million was brought by the payment of a prepaid insurance and a creditable withholding tax of ₱3.42 million representing a 6% tax withheld by Pacific Mall Corporation.

- Due from related party decreased significantly by ₱4.43 million or equivalent to 35.69% that pertains to the collection and offset on advances from RYM Business Management Corporation.

- Decrease in Non-Current assets of ₱69.96 million or equivalent to 97.55% resulted from the sale of investment property in Legazpi City, Albay amounting to ₱69.88 million.

Liabilities decreased by ₱15.33 million or equivalent to 7.56% which is mainly due to the reversal of deferred tax liability and a decrease in the accrued interest, taxes and registration expenses brought by the payment to BSP of a compromise fee amounting to ₱20 million.

The company incurred a net loss of ₱24.37 million in 2018 which resulted to decrease in the total stockholder's equity.

Results of Operations

Operating results reflected a net loss of ₱24.57 million in 2018, or equivalent to 13.58% lower as compared to 2017 reported net loss of ₱28.44 million. The significant changes were mainly due to the following:

- Interest income on loans receivable increased by ₱0.43 million brought by the Loan agreement with Marcventures Mining and Development Corporation.
- Rental income increased by ₱0.85 million this period or equivalent to 303%.
- Recovery of asset previously written off is ₱0.25 million this period compared to ₱0.17 million last year or an increase of ₱.08 million or equivalent to 47.73%.
- Loss resulted from the sale of the company's Legaspi Property in favor of Pacific Mall Corporation for ₱51.82 million. The sale resulted to a loss of ₱24.9 million representing the difference between the selling price as well as taxes paid by the company and the fair market value of the Legaspi property as recognized in the books.
- Professional fee increased by ₱0.80 million or equivalent to 44.25%. The increase pertains to payment of legal fees and PSE Listing fees.
- Association dues for the period is ₱2.55 million as compared to nil for 2017. The 100% increase is mainly due to payment of arrears on associations dues to Landco Business Park as well as penalties from years 2011 to September 2018 concerning the Legaspi Property.
- Outside Services increased by ₱0.14 million or 10.60% for payment of services for asset management, transfer and registration.
- Taxes and licenses increased from ₱0.46 million in 2017 to ₱1.45 million in 2018 or ₱.99 million higher, due to the increase in payment of Documentary stamp tax and Real property taxes for the current year.
- Representation expenses increased by ₱0.9 million that is due to payment of representation fees to legal counsels on pending cases involving the company.
- Depreciation increased by ₱0.24 million due to the depreciation of a new purchased transportation equipment.
- Other expenses increased by ₱0.43 million due to recognize of other miscellaneous expense and representation expenses.

Plan of Operations for Next Twelve Months

Although the Company has had net operating losses in the past two fiscal years, PRIM's current operations satisfy its operating cash requirements. The business plan for the expansion and capital expenditure requirements of PRIM and PCMC are currently under study to determine the fundraising activity that will be needed by way of capital or debt.

Description of Material Commitments for Capital Expenditures, General Purposes of such Commitments, Expected Sources of Funds for Such Expenditures

A collectible from a related party, due and demandable, will be a source of funds to cover future expenditures. Please refer to the discussion on "*Business Transactions with Related Parties"* in page 45 of this Management Report.

On 30 July 2021, PRIM, its parent company (RYM Business Management Corporation), and the PCMC Shareholders executed a Memorandum of Agreement ("MOA") whereby, subject to certain closing conditions, deliverables and execution of definitive agreements, PRIM shall acquire PCMC and its radio and television broadcasting franchise and active business for mass media, as previously disclosed. The PCMC Shareholders will also gain control and majority ownership of approximately 70% of the outstanding capital stock of PRIM. The transaction aims to usher the long-awaited transformation of the Company into a viable and operational business entity and address its capital deficiency, negative equity, and non-operation.

Key Performance Indicators

	2018	***2019***	***2020***	***2021***
Current Ratio (%)	23.93%	26.78%	26.77%	27.55%
Debt to Equity Ratio (%)	(138.33%)	(133.10%)	(138.05%)	(137.48%)
Asset to Equity Ratio (%)	(33.10%)	(38.33%)	(37.48%)	(37.64%)
Return on Asset (%)	(36.38%)	(1.97%)	(5.46%)	(2.22%)
Return on Equity (%)	19.29%	0.70%	2.02%	0.84%

1/ Current ratio was computed based on the ratio of current assets to current liabilities.
2/ Debt to equity ratio was computed based on the ratio of total liabilities to total equity.
3/ Asset to equity ratio was computed based on the ratio of total assets to total equity
4/ Return on assets was computed based on the ratio of net income/ (net loss) to average assets.
5/ Return on equity was computed based on the ratio of net income/ (net loss) to average equity

IV. Brief Description of the General Nature and Scope of the Business

The Corporation was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on 6 February 1963.

On 1 October 2003, the SEC approved the amendment of the Corporation's articles of incorporation, changing its primary purpose from a development bank to a holding company and to hold investments in the media industry. On March 4, 2013, the SEC approved the extension of the Corporation's corporate life for another 50 years.

On 9 July 1964, the Philippine Stock Exchange, Inc. ("PSE") approved the public listing of the Corporation's shares of stock. As at 31 December 2020, 663,713,458 of the Corporation's common shares are publicly listed.

On 12 September 2002, the Corporation agreed to transfer assets and liabilities arising from its development bank operations to BDO and PDIC under a MOA ("BDO-PDIC MOA"). As at 31 December 2020 and 2019, the Corporation has liabilities arising from the MOA which include the estimated transfer taxes and registration fees related to the transfer of assets to BDO and PDIC and other related liabilities. (see Note 10)

The financial statements of the Corporation as at 31 December 2020 and 2019 and for the years ended 31 December 2020, 2019 and 2018 were approved and authorized for issuance by the Board of Directors (BOD) on 31 March 2021.

Status of Operations

Its current activities comprise mainly of compliance with the BDO-PDIC MOA by transferring assets related to its previous development bank operations to BDO and PDIC. Thus, the Corporation has continued to incur losses resulting in a capital deficiency of ₱144.8 million and ₱144.8 million as at 30 June 2021 and 31 December 2020, respectively.

RYM, the majority stockholder, however, has continued to provide the necessary financial support to sustain the Corporation's operations. Certain stockholders converted their preferred stock amounting to ₱34.2 million into common stock in 2016, converted their advances amounting to ₱600.5 million to additional capital in 2014 and infused capital aggregating ₱179.0 million in 2014 and 2013 to reduce the Corporation's capital deficiency.

On March 23, 2018, the SEC approved the Corporation's equity restructuring to offset additional paid-in capital (APIC) of ₱2,114.9 million against deficit (see Note 11).

On 30 July 2021, the Corporation, RYM and the majority stockholders of PCMC executed a MOA which will allow the Company to obtain the assets, business, control and majority ownership of PCMC. The transaction will result to PCMC becoming a subsidiary of the Company. Upon completion of the transaction, the Company will able to operate the assets of PCMC including, but not limited to, the television station operating under PRTV in Tacloban and 13 radio stations operating under the brand FMR (Favorite Music Radio)..

V. Description of Property

Nothing to disclose.

VI. Business Transactions with Related Parties

The Corporation as of 31 March 2021 and 31 December 2020 summary of related party transactions are as follows:

<u>Parent Company and Other Related Party</u>

	Nature of Transaction	Amount of Transaction **2021**	Amount of Transaction 2020	Outstanding Balance **2021**	Outstanding Balance 2020
Receivables					
Loans Receivables					
Entity under common control	Loan	**₱–**	₱–	**₱26,000,000**	₱26,000,000
	Interest income	**–**	₱2,600,000	**5,541,667**	5,541,667
Rent Receivables					
Entity under common control	Rent income	**–**	–	**1,159,200**	1,159,200
				₱32,700,867	₱30,100,867
Due from related parties					
Entities under common control	Advances	**₱33,654**	₱41,646	**₱7,807,282**	₱7,773,628
Due to a related party					
Parent Company	Management fee	**₱–**	₱–	**₱13,880,000**	₱13,880,000

Employees

As of 30 June 2021, the Corporation has no regular employees.

VII. Plan of Operation

The Corporation has no significant operational activity since its primary purpose was changed from a development bank to a holding company in December 2002 other than those described in Item 1 above. There are no known trends, events or material commitments that are expected to have a material favorable or unfavorable impact on the financial condition or on income from continuing operations. The Corporation also signed subscription agreements with its major stockholders for total proceeds of ₱179 million, of which ₱70 million was received in April 2013 and the balance of ₱109 million was collected in May and June 2014. This further brought down the capital deficit and is the major source of funding for the expenses related to the transfer of the remaining assets to PDIC and BSP. Aside from the transfer of assets to PDIC and BSP, the Corporation continues to pursue the clean-up of its books and the settlement of its remaining obligations to pave the way for possible additional capital infusion from third party investors.

On 28 July 2021, the Board of the Corporation approved the amendment of the MOU with New Era for the parties to execute a more definitive agreement (such as a Memorandum of Agreement) to explore joint ventures in gaming and real estate development.

On 30 July 2021, the Corporation, RYM and the majority stockholders of PCMC executed a MOA which will allow the Company to obtain the assets, business, control and majority ownership of PCMC. The transaction will result to PCMC becoming a subsidiary of the Company. Upon completion of the transaction, the Company will able to operate the assets of PCMC including, but not limited to, the television station operating under PRTV in Tacloban and 13 radio stations operating under the brand FMR (Favorite Music Radio).

VIII. Status of Operations

Its current activities comprise mainly of compliance with the BDO-PDIC MOA by transferring assets related to its previous development bank operations to BDO and PDIC. Thus, the Corporation has continued to incur losses resulting in a capital deficiency of ₱144.8 million and ₱144.2 million as at 30 June 2021 and 31 December 2020, respectively.

RYM, the majority stockholder, however, has continued to provide the necessary financial support to sustain the Corporation's operations. Certain stockholders converted their preferred stock amounting to ₱34.2 million into common stock in 2016, converted their advances amounting to ₱600.5 million to additional capital in 2014 and infused capital aggregating ₱179.0 million in 2014 and 2013 to reduce the Corporation's capital deficiency.

On 23 March 2018, the SEC approved the Corporation's equity restructuring to offset additional paid-in capital (APIC) of ₱2,114.9 million against deficit.

IX. Dividends

The Corporation has not declared dividend for the years 2021, 2020 and 2019. There are no restrictions that limits the payment of dividends on common shares. The Company's policy on dividends observes Section 42 of the Revised Corporation Code. For the past years, the Company was in a non-operational status and did not generate any income for payment of its dividends in arrears.

X. Legal Proceedings

In the normal course of its erstwhile banking operations, the Corporation is named a defendant in various legal actions, but it is the opinion of Management, that the ultimate liability, if any, from these cases will not seriously affect the Corporation.

Management Report for the period ended 30 June 2021

The unaudited Financial Statements of the Corporation as at 30 June 2021 (with comparative audited Statements of Financial Position as at 31 December 2020), and for the three months ended June 30, 2020 is in compliance with generally accepted accounting principles and there were no changes made in accounting policies and methods of computation in the preparation of the interim financial statements.

Summary of statements of financial position as at 30 June 2021 and 31 December 2020:

	Unaudited 30 June 2021	Audited 31 December 2020	Increase (decrease)	
			Amount	
	(₱'000)	(₱'000)	(₱'000)	Percentage
Current assets	**₱53,084**	₱53,283	(₱199)	(0.37%)
Noncurrent assets	**1,420**	1,583	(163)	(10.30%)
Total Assets	**₱54,504**	₱54,866	(₱362)	(0.66%)
Current Liabilities	**₱199,908**	₱199,057	₱851	0.43%
Capital Deficiency	**(145,404)**	(144,191)	(1,213)	0.84%
Total Liabilities and Capital Deficiency	**₱54,504**	₱54,866	(₱362)	(0.66%)

Summary of unaudited statements of comprehensive income for the three months and six months period ended June 30, 2021 and 2020:

	For three months ended June 30,		For six months ended June 30,	
	2021 (₱'000)	2020 (₱'000)	**2021 (₱'000)**	2020 (₱'000)
Revenues	**₱1**	₱4	**₱3**	₱59
Expenses	**(584)**	(443)	**(1,215)**	(1,369)
Loss before tax	**(583)**	(439)	**(1,212)**	(1,310)
Provision for income tax	**–**	–	**–**	–
Total comprehensive loss	**(₱583)**	(₱439)	**(₱1,212)**	(₱1,310)

Summary of unaudited statements of cash flows for the three months and six months period ended June 30, 2021 and 2020:

	For three months ended June 30,		For six months ended June 30,	
	2021 (₱'000)	2020 (₱'000)	**2021 (₱'000)**	2020 (₱'000)
Cash provided by (used in) operating activities	**(₱344)**	₱786	**(₱660)**	(₱640)
Cash provided by investing activities	**–**	–	**–**	–
Increase (decrease) in cash	**(344)**	786	**(660)**	(640)
Cash at beginning of period	**7,917**	8,597	**8,233**	10,023
Cash at end of period	**₱7,573**	₱9,383	**₱7,573**	₱9,383

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operation

The Corporation has no active operations other than the activities connected with the transfer of assets, which are connected to its erstwhile banking operations, to the PDIC and the BSP. The Corporation also continues to pursue the cleanup of its books and the settlement of its remaining obligations to pave the way for possible additional capital infusion from third party investors.

FINANCIAL CONDITION AND RESULTS OF OPERATION

RESULTS OF OPERATIONS

Six months ended June 30, 2021 compared with six months ended June 30, 2020

Results of operation for the six months ended June 30, 2021 and 2020 were net loss of ₱1.21 million and ₱1.31 million, respectively. The Company's net loss position is expected considering that it has no active operations yet.

Significant changes in the income statement accounts for the six months ended June 30, 2021 versus the same period last year are as follows:

Income

The Company's income for the current period in the amount of ₱0.003 million has dropped by ₱0.06 million compared with the same period last year. Collections for the recovery of accounts previously written off amounted to ₱0.05 million in same period last year (nil for the current period).

Expenses

Total expenses during the period amounted to ₱1.22 million, lower by ₱0.15 million compared with the same period last year. This represents a decrease of 11% compared with same period last year. The movement in expenses is attributable to the following:

a. Professional fees dropped by ₱0.29 million compared with the same period last year, primarily due to a decrease in payments of legal fees.

b. Decrease in Insurance of ₱0.02 million or 9% represents amortization of the attachment bond during the period.

c. Taxes and licenses for the period is lower by ₱0.02 million compared with the same period last year. In connection with the sale of the Company's investment property in 2018, last year's payment for business taxes was significantly higher compared with the current period.

d. Director's fees increased by ₱0.02 million or 50% due to the audit committee and executive committee meetings held for the discussion and approval of 2020 financial statements.

e. Increase in Outside services of 150% or ₱0.21 million is due to the payment for the preparation of the annual stockholders meeting during the period.

Three months ended June 30, 2021 compared with three months ended June 30, 2020

Results of operation for the three months ended June 30, 2021 and 2020 were net loss of ₱0.58 million and ₱0.44 million, respectively. Significant changes in the income statement accounts for the three months ended June 30, 2021 versus the same period last year are as follows:

Income

The Company's income for the current period pertains solely to the interest income from bank deposits.

Expenses

Total expenses during the period amounted to ₱0.58 million, lower by ₱0.14 million or 31.97% compared with the same period last year. The movement in expenses is attributable to the following:

a. Professional fees dropped by ₱0.33 million compared with the same period last year, primarily due to a decrease in payments of legal fees.

b. Outside services during the period of ₱0.28 million increased by ₱0.22 million or 312.55% compared with the same period last year. Payment of various fees made this year, pertaining to the publication and platform to be used for the annual stockholder's meeting, resulted to higher expense, than last year.

c. Director's fee for the period amounting to nil decreased by ₱0.02 million compared with the same period last year. An audit committee meeting was held during the same period last year

d. Other expenses consist of meal allowances, notarial fees, office supplies, and training/seminar expenses, among others. Minimal expense was incurred during the period, resulting to the decline in this account.

STATEMENT OF FINANCIAL POSITION

Total Assets of the Company as at June 30, 2021 of ₱54.50 million is lower by ₱0.36 million compared to the balance as at December 31, 2020, representing a decline of 0.66%. The change in Total Assets is attributed to the following:

a. *Cash*
   Cash decreased by ₱0.66 million or 8.02%. The decrease is mainly attributable to payments of the Company's general and administrative expenses, and accruals (*see c. Accrued expenses and other current liabilities*).

b. *Other current assets*
   Other current assets of ₱4.88 million have increased by ₱0.37 million or 8.29%. Among the factors that contributed to the increase are additions in Input VAT associated with the purchase of goods/services, and payment of premium for the renewal of the attachment bond.

c. *Equipment*
   Decrease in equipment of ₱0.16 million is attributed to the depreciation recognized for the period. No addition and/or disposal was made during the period.

d. *Accrued expenses and other current liabilities*
   The account increased by ₱0.85 million or 0.46% during the period, due to the additional amounts payable to PDIC.

e. *Capital deficiency*
   The increase in capital deficiency of ₱1.21 million is mainly due to net loss during the period.

STATEMENT OF CASH FLOWS

Net cash used in operating activities for the six months ended June 30, 2021 and 2020 amounts to ₱0.66 million and ₱0.64 million, respectively. Decrease in cash for the current period is mainly due to payments of general and administrative expenses and accruals. There are no other significant movements in cash.

HORIZONTAL AND VERTICAL ANALYSIS

	June 31, 2021 (Unaudited)	December 31, 2020 (Audited)	Increase (Decrease) Amount	Percentage
ASSETS				
Current Assets				
Cash	**₱7,572,785**	₱8,233,104	(₱660,319)	(8.02%)
Receivables	**32,828,567**	32,773,567	55,000	0.17%
Due from related parties	**7,807,282**	7,773,628	33,654	0.43%
Other current assets	**4,876,051**	4,502,838	373,213	8.29%
Total Current Assets	**53,084,685**	53,283,137	(198,452)	(0.37%)
Noncurrent Assets				
Investment in a club share	**1,000,000**	1,000,000	–	0.00%
Equipment	**419,625**	582,763	(163,138)	(27.99%)
Total Noncurrent Assets	**1,419,625**	1,582,763	(163,138)	(10.31%)
	₱54,504,310	₱54,865,900	(₱361,590)	(0.66%)

LIABILITIES AND CAPITAL DEFICIENCY				
Current Liabilities				
Accrued expenses and other current liabilities	**₱186,027,867**	₱185,177,336	₱850,531	0.46%
Due to a related party	**13,880,000**	13,880,000	–	0.00%
Total Current Liabilities	**199,907,867**	199,057,336	850,531	0.43%
Capital Deficiency				
Capital stock	**714,664,876**	714,664,876	–	0.00%
Deficit	**(860,868,433)**	(859,656,312)	(1,212,121)	0.14%
Other comprehensive income	**800,000**	800,000	–	0.00%
Total Capital Deficiency	**(145,403,557)**	(144,191,436)	(1,212,121)	0.84%
	₱54,504,310	₱54,865,900	(₱361,590)	(0.66%)

Corporate Governance

On 26 June 2020, the Corporation adopted its 2020 Revised Manual on Corporate Governance, which details the standards by which it conducts sound corporate governance consistent with relevant laws and regulations and supersedes the Corporation's earlier 2016 Revised Manual on Corporate Governance.

Ultimate responsibility for the Corporation's adherence to its manual rests with its Board of Directors, and through three committees that are to be charged with oversight functions on specific areas of the Corporation's activities. The Audit Committee is charged with internal audit oversight over all of the Corporation's transactions. The Nomination Committee is charged with ensuring that those admitted as members of the Corporation's Board of Directors are qualified, as well as ensuring fair representation of independent directors in the Corporation's Board of Directors. Finally, the Compensation and Remuneration Committee is tasked to ensure that fair compensation practices are adhered throughout the organization.

In view however, of its current condition, the Corporation is not actively conducting business. Despite said absence of actual business operations, the Corporation is currently undergoing internal reorganization and is in the process of evaluating its compliance with its reporting obligations as a public company. As such, it is not in a position to fully comply with the provisions of the manual on corporate governance. There are no regular meetings conducted by the Committees. There is also no Compensation Committee, in view of the fact that the Corporation's directors and officers currently do not receive compensation for serving as such. Notwithstanding the foregoing, the Corporation continues to endeavor towards internally reorganizing and evaluating its compliances to the rules applicable to it as a public company. Despite the status of the business operations of the Corporation, it has submitted to the Securities and Exchange Commission current reports (SEC Form 17-C) and quarterly (SEC Form 17-Q) and annual (SEC Form 17-A) reports to update the investing public of its financial and operational condition.

Market Information

The Corporation's shares of stock are being traded at the Philippine Stock Exchange under Banks and Financial Institutions and classified as Financials.

	Price	
	Low	**High**
Q1 (2019)	1.12	1.36
Q2 (2019)	1.03	1.40
Q3 (2019)	1.21	1.98
Q4 (2019)	1.13	1.50
Q1 (2020)	0.68	1.29
Q2 (2020)	0.69	0.98
Q3 (2020)	0.68	0.96
Q4 (2020)	0.75	1.00
Q1 (2021)	0.81	4.25
Q2 (2021)	2.53	3.55

The high and low prices of the Corporation's share **as of the latest practicable trading date 16 September 2021 are Php 2.09 and Php 1.99 ,** respectively.

The shares of the Corporation are held by 1,587 shareholders of common shares and 267 shareholders of preferred shares.

The list of the top 20 stockholders of the Corporation as of 31 July 2021 is shown below :

	Name of Stockholders	No. of shares	% Age of ownership
1	PCD Nominee Corporation (Filipino)	656,903,697	93.80
2	PCD Nominee Corporation (Foreign)	15,737,701	02.25
3	First Producers Holdings, Corp. FAO Ray Burton Dev't Corporation	6,175,789	0.88
4	First Producers Holdings, Corp. FAO Producers Properties, Inc.	4,903,852	0.70
5	Ray Burton Development Corporation	3,213,293	0.46
6	Producers Properties, Inc.	3,013,701	0.43
7	Mercantile Investment Company, Inc.	1,585,989	0.23
8	Albert Del Rosario ITF Anthony Salim	1,289,279	0.18
9	Lucio W. Yan &/or Clara Yan	600,000	0.09
10	Joel B. Vargas	534,876	0.08
11	Merlene So &/or So Peng Kee	239,000	0.03
12	Maria T. Uy	211,200	0.03
13	Jose Yu Go, Jr.	210,000	0.03

14	Ponciano V. Cruz, Jr.	150,000	0.02
15	Jovy Lim Go	150,000	0.02
16	Qeu Lu Kiong	150,000	0.02
17	Rufino H. Abad	142,011	0.02
18	Luciano H. Tan	139,600	0.02
19	Leonardo Navalta	132,294	0.02
20	Lamberto C. Dizon &/or Erlinda V. Dizon	127,860	0.02

UPON THE WRITTEN REQUEST OF THE STOCKHOLDER(S), THE CORPORATION UNDERTAKES TO FURNISH SAID STOCKHOLDER(S) WITH A COPY OF SEC FORM 17-A, FREE OF CHARGE, EXCEPT FOR THE EXHIBIT ATTACHED THERETO, WHICH SHALL BE CHARGED AT A COST. ANY WRITTEN REQUEST FOR A COPY OF SEC FORM 17-A SHALL BE ADDRESSED TO Atty. Maila Lourdes G. De Castro, **16th Floor BDO Towers Valero (formerly: Citibank Tower), 8741 Paseo de Roxas, Makati City.**

ANNEX A

<u>Procedure for Registration, Participation and Voting in the 2021 Annual Stockholders' Meeting of PRIME MEDIA HOLDINGS, INC.</u>

As a safety and health measure due to the Corona Virus Disease 2019 (COVID-19) pandemic, Prime Media Holdings, Inc. (the "Company") will be conducting its Annual Stockholders' Meeting ("ASM") scheduled on 13 October 2021 at 2:00 PM, virtually via remote communication.

Only Stockholders of record as of 12 August 2021 are entitled to participate and vote in the 2021 ASM.

I. Registration and Participation/Attendance Procedure:

1. Stockholders who intend to participate in the virtual ASM may register at https://conveneagm.com/ph/primemedia with the following requirements for registration:
   a. For individual stockholders:
      i. Scanned copy of any valid government-issued ID;
      ii. Scanned copy of stock certificate in the name of the individual stockholder; and
      iii. Active contact number, either landline or mobile.
   b. For stockholders with joint accounts:
      i. Scanned copy of authorization letter signed by other stockholders indicating the person among them authorized to participate and/or vote in the 2021 ASM;
      ii. Documents required under items 1.a (i) and (iii) for the authorized stockholder;
      iii. Scanned copy of stock certificate in the name of the joint stockholders.
   c. For stockholders under PCD Participant / Brokers Account or "Scripless Shares":
      i. Coordinate with the broker and request for the full account name and reference number or account number;
      ii. Documents required under items 1.a (i) and (iii).
   d. For corporate stockholders:
      i. Secretary's Certificate attesting to the authority of the representative to participate and / or vote in the 2021 ASM;
      ii. Documents required under items 1.a (i) and (iii) for the authorized representative;
      iii. Scanned copy of stock certificate in the name of the corporate stockholder.

2. Upon successful registration and validation of the documents submitted through the portal https://conveneagm.com/ph/primemedia, the stockholder will receive an email confirmation and a unique link which can be used to log in and view the 2021 ASM.
3. Only those stockholders who have registered following the procedure above, and stockholders who have voted by providing their executed Proxy Form shall be included for purposes of determining the existence of a quorum.
4. For purposes of voting during the 2021 ASM, please see section on Voting Procedure below.
5. For the Question and Answer portion during the 2021 ASM, stockholders may send their questions related to the agenda at https://conveneagm.com/ph/primemedia. Due to limitations on technology and time, not all questions may be responded to during the 2021 ASM but the Company will endeavor to respond to all the questions through email.
6. The proceedings during the 2021 ASM will be recorded as required by the Securities and Exchange Commission.
7. Stockholders intending to participate by remote communication in the 2021 ASM are required to pre-register not later than 03 October 2021.
8. In compliance with the SEC Notice dated 16 March 2021, the Information Statement, the Management Report, SEC Form 17A and other pertinent documents may be accessed through the Company's website at www.primemediaholdingsinc.com and through PSE Edge.

II. Voting Procedure:

Stockholders may vote during the 2021 ASM either (1) by Proxy or (2) by voting *in absentia* through our Online Stockholder Voting System.

1. Voting by Proxy:
   a. Download and fill up the Proxy Form at https://conveneagm.com/ph/primemedia. The Chairman, or in his absence, the President or the Corporate Secretary is authorized to cast the votes pursuant to the instructions in the Proxy Form.
   b. Send a scanned copy of the executed proxy Form by email to mdc.prim@gmail.com
   c. The scanned copy of the executed Proxy Form should be emailed to the above not later than 03 October 2021.
   d. The hard copy of the signed Proxy Form should be delivered to:

      The Corporate Secretary, Prime Media Holdings, Inc.
      16th Floor BDO Towers Valero (formerly: Citibank Tower), 8741 Paseo de Roxas, Makati City

2. Voting in absentia through the Online Stockholder Voting System:
   a. Follow the Registration and Participation/Attendance Procedure set forth above.
   b. Stockholders may vote in absentia through the Online Stockholder Voting System not later than 03 October 2021 .
   c. Upon validation, the Company will send an email to the stockholder containing the link for the Online Stockholder Voting System and the instructions for casting votes in the Online Stockholder Voting System. Registered stockholders shall have until 5:00 PM of 03 October 2021 to cast their votes.
   d. All agenda items indicated in the Notice of Meeting will be included in the Online Stockholder Voting System and the registered stockholder may vote as follows:
      i. For items other than election of the Directors, the stockholder may vote: “For”, “Against”, or “Abstain”. The vote shall be considered as cast for all the stockholder’s shares.
      ii. For the election of Directors, the stockholder may vote for all the nominees, not vote for any of the nominees, or vote for some of the nominees only, in such number of shares as the stockholder may see fit, provided that the total number of votes cast shall not exceed the number of shares owned, multiplied by the number of Directors to be elected.
   e. Once voting is completed in the Online Stockholder Voting System, the stockholder shall proceed to click on the “Submit” button which shall complete the process. Once submitted, the stockholder may no longer change the votes cast. The votes cast *in absentia* will have equal effect as votes cast by proxy.

For any questions or clarification, you may contact us through:

- Email at mdc.prim@gmail.com ; or
- Telephone number at 8831-4479; or
- Our stock transfer agent, Stock Transfer Service, Inc. (STSI), through
  - ✓ Riel Revelar at rcrevelar@stocktransfer.com.ph or
  - ✓ Reynand Malayao at cmalayao@stocktransfer.com.ph, or
  - ✓ STSI’s telephone number at 8403-2410 or 8403-2412

Information Required by Section 49 of the RCC

Checklist of Requirements	SEC Remarks	PRIM's Actions
Sec. 49 of the Revised Corporation Code		
Present to Stockholders the following (previous meeting):		
a. The minutes of the most recent regular meeting which shall include, among others:		
5. List of directors, officers and stockholders who attended the meeting	Please submit the list of officers and stockholders who attended the meeting	Please see attached Minutes of the 2020 Annual Meeting (Annex B)
b. List of material information on the current stockholders and their voting rights	Please disclose.	Material information on the shareholders and their voting rights are as follows:
c. Detailed, descriptive, balanced, and comprehensive assessment of the corporation's performance, which shall include information on any material change in the corporation's business, strategy, and other affairs	Please disclose.	As stated in its 2021 ACGR: "Although the Company has not adopted a formal policy on performance management, the Board clearly identifies the Company's goals and objectives that are cascaded to all levels of the organization. Performance by the Management is gauged by the Board based on results." Further, the ACGR states:

Shareholder	Number of Common Shares	Percentage
RYM Business Management Corp.	463,555,085	66.19%
Mairete Asset Holdings, Inc.	771,178,901	11.02%
Caulfield Heights, Inc.	34,999,000	5%

		"The Company's practice with regard to shareholder communications to ensure effective communications with its shareholders are done in the following manner:- *(i) Dialogue between the Companies and Investors. The Company recognizes the importance of accountability to its shareholders and through proper and timely dissemination of information on the Company's performance and major developments via appropriate channel of communication. Dissemination of information includes the distribution of the Annual Report and relevant circulars, issuance of press releases inclusive of quarterly financial performance of the Company to SEC and PSE Edge and the public via the Company's website (www.primemediaholdings.com) which the shareholders can access for information.* *(ii) Annual Stockholders' Meeting ("ASM") The ASM is a platform for the Board and shareholders to communicate on the Company's performance. At the ASM, shareholders are encouraged to seek clarification on any matters pertaining to the business and financial performance of the Company. Any item of special business included in the notice of the meeting will be accompanied by a full explanation of the effect of the proposed resolution which is then separately voted on. The Shareholders are informed of their right to demand for poll prior to the commencement of each general meeting. Any enquiry regarding the Company and its group of companies may be conveyed to the following personnel:* *Atty. Christopher Sam S. Salvador* *Tel. No.: 7751-8889* *Email: css@omlawphil.com "*
e. An explanation of the dividend policy and the fact of payment of dividends or the reasons for non-payment thereof	Please provide the reason for non-payment of dividends. Please include in the DIS	The Corporation has not declared dividend for the years 2021, 2020 and 2019. There are no restrictions that limit the payment of dividends on common shares. The Company's policy on

	the reason why the dividends are unpaid.	dividends observes Section 42 of the Revised Corporation Code. For the past years, the Company was in a non-operational status and did not generate any income for payment of its dividends in arrears. Please see page 27 and 47 of the Definitive Information Statement
g. A director attendance report, indicating the attendance of each director at each of the meetings of the board and its committees and in regular or special stockholder meeting	Please submit.	Please see attached Attendance to 2020 Board Meetings (Annex C)
h. Appraisal and performance reports for the board and the criteria and procedure for assessment	Please submit.	As stated in the Company's 2021 ACGR: "*The Company is in the process of establishing a formal policy and processes for the conduct of an annual assessment of the performance of the Board as a body, of the Chairman, of each of the individual directors, the committees, and corporate officers for continual improvement and effective Board, Chairman, committee and individual performance.* *Although the assessment of Board performance is already contained in the Company's Manual of Corporate Governance, the Board has yet to review factors such as cost and available information and guidance on best practices. Nonetheless, The company's Board discloses all relevant information to its stakeholders and the Investing Public through regular and timely disclosures to the SEC and PSE which will enable them to gauge the performance of the Board. Lastly, it is a given that the directors and the Committees assess their performance and whether they are still qualified and value-adding to the Company as part of their respective duties and mandate."*
i. Director disclosures on self-dealings and related party transactions, and/or	Please submit.	None of the directors submitted disclosures on self-dealings and related party transactions

MINUTES OF THE ANNUAL MEETING
OF THE STOCKHOLDERS
OF
PRIME MEDIA HOLDINGS, INC.

Held on 30 October 2020 at 2:00 P.M.
at the Corporation's principal office in Makati City
and by remote communication

The 2020 Annual Stockholders' Meeting of Prime Media Holdings, Inc. ("**PRIM**" or the "**Company**") was conducted by remote communication or *in absentia* at:

https://agm.conveneagm.org/primemedia/#/admin

Prior to the start of the meeting proper, a video of the Philippine National Anthem was shown, after which it was announced by the host, Ms. Theresa Defensor, that the meeting would be recorded in accordance with Securities and Exchange Commission ("SEC") Memorandum Circular No. 6, Series of 2020.

I. CALL TO ORDER

The Chairman, Mr. Manolito A. Manalo, presiding from Makati City, called the meeting to order and presided over the same. He announced that due to the COVID-19 pandemic, the Annual Stockholders' Meeting was being conducted via remote communication for the first time in the Company's history. He thanked all those joining the live webcast and those who participated in the meeting by remote communication, by voting *in absentia* or appointed proxies for the meeting.

The Chairman then acknowledged the presence of the following members of the Board of Directors at the meeting:

Manolito A. Manalo	Director/ President / Chairman of the Board
Bernadeth A. Lim	Director/ Vice President
Rolando S. Santos	Director/ Treasurer
Juan Victor S. Valdez	Director
Antonio L. Tiu	Director
Francisco L. Layug, III	Director
Johnny Y. Aruego, Jr.	Director

II. PROOF OF NOTICE AND CERTIFICATION OF QUORUM

The Corporate Secretary, Maila G. De Castro, reported that pursuant to SEC Notice dated 20 April 2020, the notice (or "**Notice**") of the meeting was published in print and online format in the business section of the Philippine Daily Inquirer and Manila Standard, both newspapers of general circulation, for 2 consecutive days at least 21 days before the meeting. A copy of the Notice, together with the Definitive Information Statement, minutes of the previous meeting, and other documents related to this meeting were also made accessible through the Company's website and the meeting portal.

Qualified stockholders who successfully registered within the prescribed period were included in the determination of quorum. By voting *in absentia* or by proxy or by participating remotely in this meeting, a stockholder was deemed present for purposes of determining quorum.

Based on this, the Corporate Secretary certified that there were present at the meeting stockholders owning at least 587,902,886 shares representing at least 83.95% of the outstanding capital stock of the Company. Therefore, there was a quorum for the transaction of business.

The Chairman then said that while the Company was holding the meeting virtually, the Company had taken steps to ensure that the stockholders would have an opportunity to participate in the meeting to the same extent as they would have had the meeting been done in person. In this regard, the Corporate Secretary explained the participation and voting procedures adopted for the meeting. She stated that under the Company's By-Laws, every stockholder shall be entitled to one vote for each share of stock standing in his/her name in the books of the Company. For the election of directors, each stockholder may cumulate his/her votes.

Stockholders who successfully registered for the meeting were given the opportunity to cast their votes by voting *in absentia* or by proxy. There were five (5) items for approval excluding the adjournment, as indicated in the agenda set out in the Notice. The proposed resolutions for each of these items would be read out and flashed on the screen during the meeting when the proposal to approve the resolution was presented.

For all items in the agenda to be approved in the meeting other than the election of directors, the stockholders had the option to either vote in favor of or against a matter for approval, or to abstain. For the election of directors, the stockholders had the option to vote their shares for each of the nominees, not vote for any nominee, or vote for one or some nominees only, in such number of shares as the stockholders prefer; provided that the total number of votes cast did not exceed the number of shares owned by them multiplied by the number of directors to be elected.

Votes received through ballots or by proxy forms were validated by Stock Transfer and Services, Inc., the Company's Stock and Transfer Agent. The results of the voting, with full details of the affirmative and negative votes, as well as abstentions, were set out in Annex "A" of these Minutes.

For all items in the agenda approved at the meeting other than the election of directors, the vote of the stockholders representing at least a majority of the outstanding capital stock was sufficient to approve the matter. For the election of directors, the seven (7) nominees receiving the highest number of votes would be declared the duly elected members of the Board of Directors for the current term.

Finally, the Corporate Secretary explained that stockholders, once successfully registered, were also given an opportunity to raise questions or express comments limited to the agenda items by submitting the same through the meeting portal or by e-mail. She stated that Management would endeavor to reply to these questions or address these comments at the end of the meeting. Questions not answered would be answered by email.

The Corporate Secretary announced that out of the issued and outstanding capital stock, there were present, in person and by proxy, stockholders owning at least 587,902,886 shares representing at least 83.95% of the outstanding capital stock. She then certified that there was a quorum for the transaction of business.

III. APPROVAL OF THE MINUTES OF PREVIOUS ANNUAL STOCKHOLDERS' MEETING

The next item of business was the approval of the minutes of the previous meeting of the stockholders held on 12 December 2019, an electronic copy of which was made available at the Company's website.

The Corporate Secretary presented Management's proposal to adopt the following resolution approving the minutes of the annual stockholders' meeting held on 12 December 2019:

> "**RESOLVED**, that the minutes of the Annual Stockholders' Meeting of the Corporation held on 12 December 2019 be, as it is hereby, approved."

Thereafter, the Corporate Secretary announced that stockholders owning at least 587,902,886 shares representing at least 83.95% of the outstanding capital stock approved the resolution while zero shares voted against and zero shares abstained on the motion. It was noted that the affirmative votes were sufficient to approve the resolution.

IV. MANAGEMENT REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

The next matter on the agenda was the approval of the Management Report and Audited Financial Statements. The President, Mr. Manolito A. Manalo reported on the Company's operational highlights and financial results, the Audited Financial Statements for the year ended 31 December 2019, and interim period financial report.

After the report, the Corporate Secretary presented management's proposal to adopt the following resolution, approving the annual report of management as presented by the President and the Audited Financial Statements for the year ended 31 December 2019:

> "**RESOLVED**, that the Management Report as presented by the President and the Corporation's Audited Financial Statements for year ended December 31, 2019 be, as it is hereby, approved."

Thereafter, the Corporate Secretary announced that stockholders owning at least at least 587,902,886 shares representing at least 83.95% of the outstanding capital stock voted in favor of approving the resolution while zero shares voted against and zero shares abstained on the motion. It was noted that the affirmative votes were sufficient to approve the resolution.

V. RATIFICATION OF MANAGEMENT'S ACTS

The next item was the ratification and approval of the acts of Management and Directors of the Corporation undertaken from the date of the last stockholders' meeting to date. The Chairman stated that a summary of the acts of the Board and management for ratification was flashed on the screen.

Thereafter, the Corporate Secretary presented Management's proposal to adopt the following resolution, ratifying all acts, contracts, resolutions, and deeds authorized and entered into by the Management and the Board of Directors from the last annual stockholders' meeting up to the present:

> "**RESOLVED,** that all acts, proceedings, transactions, contracts, agreements, resolutions and deeds, authorized and entered into by the Board of Directors, Management and/or Officers of Prime Media Holdings, Inc. from the date of the last annual stockholders' meeting up to the present, be as they are hereby, ratified, confirmed and approved."

Thereafter, the Corporate Secretary announced that stockholders owning at least 587,902,886 shares representing at least 83.95% of the outstanding capital stock voted in favor of the resolution while zero shares voted against and zero shares abstained on the motion. It was noted that the affirmative votes were sufficient to approve the resolution.

VI. ELECTION OF DIRECTORS

The next matter on the agenda was the election of the members of the Board of Directors.

The Corporate Secretary stated that under the SIXTH Article of the Company's Articles of Incorporation, as amended, there are seven (7) seats in the Board of Directors. She explained that under existing SEC rules, the Corporation is required to have at least two (2) independent directors. The SEC rules provided that all nominations for director shall be submitted to and evaluated by the Nominations and Compensation Committee, the powers of which are exercised by the Company's Nominations and Corporate Governance Committee. Nominations for Independent Directors shall appear in the Final List of Candidates set forth in the Definitive Information Statement, and no other nominations shall be entertained.

The Corporate Secretary noted that the Company received a total of five (5) nominations for Regular Directors, and two (2) for Independent Directors. She explained that nominees receiving the highest number of votes for the 5 available seats for Regular Director, and for the 2 available seats for Independent Director, would be declared as the duly elected members of the Board of Directors for 2020-2021.

She announced the names of the following nominees for regular and independent directors and that full details of the background and qualifications of the nominees were disclosed in the Company's Definitive Information Statement:

<u>For Regular Directors</u>:

1. MANOLITO A. MANALO
2. BERNADETH A. LIM
3. JUAN VICTOR S. VALDEZ
4. ROLANDO S. SANTOS
5. ANTONIO L. TIU

<u>and as Independent Directors</u>:

6. FRANCISCO L. LAYUG, III
7. JOHNNY Y. ARUEGO, JR.

At the Chairman's request, the Corporate Secretary announced that based on the tabulation and validation by the Company's stock and transfer agent, stockholders owning at least 587,902,886 shares representing at least 83.95% of the outstanding capital stock, voted to elect all the seven (7) candidates to the Board of Directors. The above eleven (11) candidates were therefore declared as the duly elected members of the Board of Directors of the Company for the term 2020-2021 to act as such until their successors are duly elected and qualified.

VII. APPOINTMENT OF EXTERNAL AUDITOR

The Chairman stated that the next item in the Agenda is the appointment of the Company's external auditor for the current year.

The Chairman of the Audit Committee, Independent Director Johnny Y. Aruego, Jr., informed the stockholders that the Audit Committee reviewed the qualifications and performance of the Company's current external auditor, Reyes Tacandong & Company, and endorsed its reappointment for the current year.

The Corporate Secretary presented Management's proposal to adopt the following resolution, reappointing Reyes Tacandong & Company as the Company's external auditor for the current year:

> "**RESOLVED**, that the accounting firm of Reyes Tacandong & Company be re-appointed external auditors of the Corporation for the year 2020-2021."

Thereafter, she announced that that stockholders owning at least 587,902,886 shares representing at least 83.95% of the outstanding capital stock, voted in favor of approving the resolution while zero shares voted against and zero shares abstained on the motion. It was noted that the affirmative votes were sufficient to approve the resolution.

VIII. OTHER MATTERS

The Chairman inquired whether any questions were raised or comments made on the Agenda, by email or through the meeting portal.

The Corporate Secretary replied that no questions or comments were received by email through the meeting portal prior to and during the meeting.

IX. ADJOURNMENT

There being no other matters on the agenda, the Chairman adjourned the meeting. He then conveyed his wishes for the safety and good health of the stockholders and their families.

Prepared by:

ATTY. MAILA G. DE CASTRO

ANNEX "A"
(VOTING RESULTS)

AGENDA ITEMS	ACTION			
Item 1. Call to Order	No action necessary.			
Item 2. Proof of Notice and Certification of Quorum	No action necessary.			
	FOR	**%**	**AGAINST**	**ABSTAIN**
Item 3. Approval of the Minutes of the Previous Annual Stockholders' Meeting	587,902,886	83.95%	0	0
Item 4. Approval of the Management Report and Audited Financial Statements for the year ended December 31, 2019	587,902,886	83.95%	0	0
Item 5. Ratification of Previous Management Acts	587,902,886	83.95%	0	0
Item 6. Election of Directors	Votes per nominee shown below			
For Regular Director:				
1. MANOLITO A. MANALO	587,902,886	83.95%	0	0
2. BERNADETH A. LIM	587,902,886	83.95%	0	0
3. JUAN VICTOR S. VALDEZ	587,902,886	83.95%	0	0
4. ROLANDO S. SANTOS	587,902,886	83.95%	0	0
5. ANTONIO L. TIU	587,902,886	83.95%	0	0
For Independent Director:				
10. FRANCISCO L. LAYUG, III	587,902,886	83.95%		
11. JOHNNY Y. ARUEGO, JR.	587,902,886	83.95%	0	0
Item 7. Approval of appointment of Reyes & Tacandong as the Company's external auditor	587,902,886	83.95%	0	0
Item 8. Adjournment	587,902,886	83.95%	0	0

* Percentage is based on total outstanding voting shares of PRIM at 700,298,616 common shares.

ANNEX "C"

COVER SHEET

2 2 4 0 1

S.E.C. Registration Number

P R I M E M E D I A H O L D I N G S , I N C .

(f o r m e r l y F i r s t e - B a n k C o r p .)

(Company's Full Name)

1 6 t h F l o o r C i t i b a n k T o w e r ,

8 7 4 1 P a s e o d e R o x a s ,

M a k a t i C i t y

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

MAILA G. DE CASTRO

Contact Person

8831-4479

Company Telephone Number

1	2	3	1

Month *Day*

Fiscal Year

(Report on Attendance of Directors at 2020 Board Meetings)

FORM TYPE

0	5		

Month *Day*

Annual Meeting

N/A

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

nil

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

PRIME MEDIA Holdings, Inc.

January 12, 2021

Securities and Exchange Commission
Secretariat Building, PICC Complex
Roxas Boulevard, Manila 1307

Attention: **Atty. Rachel Esther Gumtang-Remalante**
Officer-in-Charge
Office of the Director
Corporate Governance and Finance Department

Re: **Report on Attendance of Directors at 2020 Board Meetings**

Gentlemen:

In compliance with SEC Memorandum Circular No. 1, series of 2014, we hereby formally advise the Commission of the following:

1. The following table summarizes the attendance of the directors of **Prime Media Holdings Inc.** (the "Corporation") in board meetings held by the Corporation during the calendar year 2020.

	Name	**Number of Meetings Held During the Year**	**Number of Meetings Attended**	**Percentage**
Chairman	Manolito A. Manalo	5	5	100%
Board Member	Bernadeth A. Lim	5	5	100%
Board Member	Juan Victor S. Valdez	5	5	100%
Board Member	Rolando S. Santos	5	5	100%
Board Member	Antonio L. Tiu	5	5	100%
Independent Director	Francisco L. Layug III	5	5	100%
Independent Director	Johnny Y. Aruego, Jr.	5	5	100%

2. The Board of Directors of the Company held its meetings in the year 2020, specifically on the following dates:

Date of Meeting	**Nature of Meetings**
January 14, 2020	Special Meeting
April 8, 2020	Special Meeting
June 26, 2020	Special Meeting
August 25, 2020	Special Meeting
October 30, 2020	Organizational Meeting

December 1, 2020	Special Meeting

3. Based on the records of the minutes of the above meetings of the Corporation, no director has absented himself for more than fifty percent (50%) from all meetings of the Board of Directors, both regular and special, during his incumbency or any twelve (12) month period during said incumbency. Attached as Annex "A" hereof is a summary of the attendance of the directors.

4. The Corporation held its annual stockholders' meeting on October 30, 2020. The Chairman of the Board, President and all the directors of the Corporation likewise attended the said annual stockholders' meeting of the Corporation on October 30, 2020.

We trust that the foregoing is sufficient. Should you require any further information, please let us know.

Very truly yours,

Atty. Maila G. De Castro
Corporate Secretary

Annex "A"

Meetings of the Board of Directors for the Year 2020

Name of Directors	01.14.20 SM	04.08.20 SM	06.26.20 SM	08.25.20 SM	10.30.20 OM	12.01.20 SM
Manolito A. Manalo	√	√	√	√	√	√
Bernadeth A. Lim	√	√	√	√	√	√
Juan Victor S. Valdez	√	√	√	√	√	√
Rolando S. Santos	√	√	√	√	√	√
Antonio L. Tiu	√	√	√	√	√	X
Francisco L. Layug III	√	√	√	√	√	√
Johnny Y. Aruego, Jr.	√	√	√	√	√	√

Legend:

√	-	Present
X	-	Absent
RM	-	Regular Board Meeting
SM	-	Special Board Meeting
OM	-	Organizational Board Meeting
NA	-	Not Applicable

PRIME MEDIA Holdings, Inc.

Ref. No. PRIM_LEG2021_CERT005

CERTIFICATION

I, **Maila G. de Castro**, Corporate Secretary of Prime Media Holdings Inc. (the "Corporation") with SEC Registration Number 000022401, and with principal office at 16th Floor, Citi Center, 8741 Paseo de Roxas, Makati City, Philippines, on oath state:

1. That upon instructions of the Corporation's Management, I have caused this Report on Attendance of Directors at 2020 Board Meetings to be prepared;

2. That I read and understood its contents which are true and correct to the best of my personal knowledge and/or based on records;

3. That the Corporation will comply with the requirements set forth in SEC Notice dated 24 June 2020 for a complete and official submission of reports and/or documents through electronic mail; and,

4. That I am fully aware that the documents filed online which require pre-evaluation and/or processing fee shall be considered complete and officially received only upon payment of a filing fee.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of JAN 14 2021, 2021.

Maila G. de Castro
Corporate Secretary

SUBSCRIBED AND SWORN to before me this ______ day of JAN 14 2021, 2021, affiant exhibiting to me her valid identification, as follows:

NAME	VALID IDENTIFICATION	DATE and/or PLACE OF ISSUE
Maila G. de Castro	N02-296472 expiring on October 21, 2021	

Notary Public

Doc. No. 219;
Page No. 45;
Book No. I;
Series of 2021.

ATTY. KENNETH PETER D. MOLAVE
Notary Public for Makati City
Appt. No. M-38 Until 31 Dec. 2021
Roll of Atty. No. 70029
MCLE Compliance No. VI-0027998; 5/22/2019
IBP Membership No. 100788; 01/03/2020
PTR No. MKT-8116377MG; 01/03/2020
4F CITI CENTER, PASEO DE ROXAS, MAKATI CITY

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **Francisco L. Layug, III**, Filipino, of legal age and a resident of 12 F. Bernabe St., Merville Park Subdivision, Paranaque City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am elected for Independent Director of **PRIME MEDIA HOLDINGS INC. ("PRIM")** and have been its independent director since December 2017 (where applicable).

2. I am affiliated with the following companies or organizations (including Government Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Rotary Club of Pasay	President	2017-2018
University of the Philippines Electronics and Electrical Engineering Alumni Association, Inc. (UPEEEAAI)	President	2010-2011
Alay-Lakad Foundation	Vice President	2009-2010

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

4. I am related to the following director/officer/substantial shareholder of (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code, (where applicable)

NAME OF DIRECTOR/OFFICER/ SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
NA	NA	NA

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding / I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be):

OFFENSE CHARGED/INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
NA	NA	NA

6. (For those in government service/affiliated with a government agency or GOCC) I have the required written permission or consent from the (head of the agency/department) to be an independent director in , pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.

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

8. I shall inform the Corporate Secretary of any changes in the above mentioned information within five days from its occurrence.

Done, this AUG 1 0 2021 day of ________ at Makati City

FRANCISCO L. LAYUG, III
Affiant

SUBSCRIBED AND SWORN to before me this AUG 1 0 2021 day of ________ at Makati City affiant personally appeared before me and exhibited to me his Tax Identification Number 112-818-166.

Doc. No. 368 ;
Page No. 75 ;
Book No. 1 ;
Series of 2021.

KENNETH PETER D. MOLAVE
Notary Public for Makati City
Appt. No. M-38 Until 31 Dec. 2021
Roll of Atty. No. 70029
MCLE Compliance No. VI -0027998; 5/22/2019
IBP Membership No. 121652; 01/04/2021
PTR No. MKT-8547467ME; 01/15/2021
4F BDO Towers, 8741 Paseo de Roxas, Makati City

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **Johnny Y. Aruego, Jr**., Filipino, of legal age and a resident of No. 167 Libra Street, Cinco Hermanos Subdivision, Marikina City, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am elected for Independent Director of **PRIME MEDIA HOLDINGS, INC.** and have been an independent director since May 2013.

2. I am affiliated with the following companies or organizations (including Government Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Aruego Bite and Associates	Partner	Since 2001
Life Savings Bank	Independent Director	Since 2019
PETNET, Inc.	Legal Counsel	Since 2017
A.V. Ocampo-ATR Kimeng Insurance Broker, Inc.	Corporate Secretary and Legal Counsel	Since 2011
East Offices Realty and Management Co., Inc.	Legal Counsel	Since 2012
East Asia (AEA) Capital Corporation	Assistant Liquidator	Since 2009
National Steel Corporation	Legal Consultant	Since 2006
PET Plans, Inc.	Assistant Rehabilitation Receiver	Since 2006
Reynolds Philippines Corporation	Assistant Liquidator	Since 2005
Bacnotan Steel Industries, Inc.	Assistant Liquidator	Since 2003
Advent Capital and Finance Corporation	Assistant Liquidator	Since 2001

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of PRIME MEDIA HOLDINGS, INC., as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other Securities and Exchange Commission (SEC) issuances.

4. Other than as disclosed in Item no. 2 above, I am not in any way related to any director, officer and/or substantial shareholder of PRIME MEDIA HOLDINGS, INC. and its subsidiaries and affiliates.

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

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

7. I shall inform the Corporate Secretary of PRIME MEDIA HOLDINGS, INC. of any changes in the abovementioned information within five (5) days from its occurrence.

Done this AUG 05 2021 day of July 2021, at Makati City.

JOHNNY Y. ARUEGO, JR.
Affiant

SUBSCRIBED AND SWORN to before me this AUG 05 2021 day of July 2021 at Makati City, affiant personally appeared before me and exhibited to me his Driver's License No. NO1-87-048565, expiring on 03 February 2024.

Doc. No. 364;
Page No. 74;
Book No. 1;
Series of 2021.

KENNETH PETER D. MOLAVE
Notary Public for Makati City
Appt. No. M-38 Until 31 Dec. 2021
Roll of Atty. No. 70029
MCLE Compliance No. VI -0027998; 5/22/2019
IBP Membership No. 121652; 01/04/2021
PTR No. MKT-8547467ME; 01/15/2021
15 EDO Towers, 8741 Paseo de Roxas, Makati City

Ref. No. PRIM_LEG2021_CERT_025

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

SECRETARY'S CERTIFICATE

I, **MAILA LOURDES G. DE CASTRO**, of legal age, Filipino, with office address at 4th Floor BDO Towers Paseo (formerly Citibank Center), 8741 Paseo de Roxas, Makati City, after having been duly sworn to in accordance with law, do hereby depose and state that:

1. I am the duly elected and qualified Corporate Secretary of **PRIME MEDIA HOLDINGS INC.** ("PRIM" or the "Corporation"), a corporation duly organized and existing under the laws of the Philippines, with principal office address at 16th Floor BDO Towers Valero (formerly Citibank Tower), 8741 Paseo de Roxas, Makati City.

2. I hereby certify that none of the Corporation's Regular Directors, Independent Directors and Officers are appointed or employed in any government agency.

IN WITNESS WHEREOF, I have hereunto set my hand this ~~JUL 2 9 2021~~ 2021 at Makati City.

MAILA LOURDES G. DE CASTRO
Corporate Secretary

SUBSCRIBED AND SWORN to before me this JUL 2 9 2021 2021 in Makati City, affiant exhibited to me her Driver License No. NO2-95-296472 valid until 18 October 2021.

NOTARY PUBLIC

Doc. No.: 399
Page No.: 81
Book No.: 1
Series of 2021.

MARJORIE A. SAN JUAN
Notary Public for Makati City
Appt. No. M-135 Until 31 Dec. 2021
Roll of Attorneys No. 71296
IBP Membership No. 153408; 01/18/2021
PTR No. MKT-8547468ME; 01/15/2021; Makati City
MCLE Compliance No. VI -0013795; 10/12/2018
4F BDO Towers (formerly Citi Center),
8741 Paseo de Roxas, Makati City

COVER SHEET

2 2 4 0 1

S.E.C. Registration Number

PRIME MEDIA HOLDINGS, INC.
(A Subsidiary of RYM Business Management Corp.)

(Company's Full Name)

16th Floor BDO Towers Valero 8741 Paseo de Roxas Makati City

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

ROLANDO S. SANTOS	**8831-4479**
Contact Person	Company Telephone Number

1 2 / **3 1**	**SEC FORM 17-Q (June 30, 2021)**	
Month *Day*	FORM TYPE	*Month* *Day*
Fiscal Year		Annual Meeting

N/A

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

1,587	**nil**	
Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. Use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q
QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2) (b) THEREUNDER

1. For the quarterly period ended **JUNE 30, 2021**

2. Commission identification number **22401**

3. BIR Tax Identification No. **000-491-007**

4. Exact name of issuer as specified in its charter **PRIME MEDIA HOLDINGS, INC.**

5. Province, country or other jurisdiction of incorporation or organization **PHILIPPINES**

6. Industry Classification Co (SEC Use Only)

7. Address of issuer's principal office Postal Code
16TH FLOOR BDO TOWERS VALERO (FORMERLY: CITIBANK TOWER), 8741 PASEO DE ROXAS MAKATI CITY 1227

8. Issuer's telephone number, including area code **8831-4479**

9. Former name, former address and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the Code, 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 Stock, P1 par value	700,298,616
Preferred Stock, P1 par value	14,366,260

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

Yes [x] No [ ]

Philippine Stock Exchange **Common Shares**

12. Indicate by check mark whether the registrant:

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

Yes [x] No [ ]

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

Yes [x] No [ ]

Table of Contents

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

The unaudited Financial Statements of Prime Media Holdings, Inc. ("Company") as at June 30, 2021 (with comparative audited Statements of Financial Position as at December 31, 2020), and for the three months and six months ended June 30, 2020 is in compliance with generally accepted accounting principles and there were no changes made in accounting policies and methods of computation in the preparation of the interim financial statements.

Summary of statements of financial position as at June 30, 2021 and December 31, 2020:

	Unaudited June 30, 2021	Audited December 31, 2020	Increase (decrease)	
			Amount	
	(₱'000)	(₱'000)	(₱'000)	Percentage
Current assets	**₱53,084**	₱53,283	(₱199)	(0.37%)
Noncurrent assets	**1,420**	1,583	(163)	(10.30%)
Total Assets	**₱54,504**	₱54,866	(₱362)	(0.66%)
Current Liabilities	**₱199,908**	₱199,057	₱851	0.43%
Capital Deficiency	**(145,404)**	(144,191)	(1,213)	0.84%
Total Liabilities and Capital Deficiency	**₱54,504**	₱54,866	(₱362)	(0.66%)

Summary of unaudited statements of comprehensive income for the three months and six months period ended June 30, 2021 and 2020:

	For three months ended June 30,		**For six months ended June 30,**	
	2021	2020	**2021**	2020
	(₱'000)	(₱'000)	**(₱'000)**	(₱'000)
Revenues	**₱1**	₱4	**₱3**	₱59
Expenses	**(584)**	(443)	**(1,215)**	(1,369)
Loss before tax	**(583)**	(439)	**(1,212)**	(1,310)
Provision for income tax	**–**	–	**–**	–
Total comprehensive loss	**(₱583)**	(₱439)	**(₱1,212)**	(₱1,310)

Summary of unaudited statements of cash flows for the three months and six months period ended June 30, 2021 and 2020:

	For three months ended June 30,		**For six months ended June 30,**	
	2021	2020	**2021**	2020
	(₱'000)	(₱'000)	**(₱'000)**	(₱'000)
Cash provided by (used in) operating activities	**(₱344)**	₱786	**(₱660)**	(₱640)
Cash provided by investing activities	**–**	–	**–**	–
Increase (decrease) in cash	**(344)**	786	**(660)**	(640)
Cash at beginning of period	**7,917**	8,597	**8,233**	10,023
Cash at end of period	**₱7,573**	₱9,383	**₱7,573**	₱9,383

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operation

The Company has no active operations other than the activities for the transfer of assets, which are connected to its erstwhile banking operations, to the Philippine Depositary Insurance Corporation (PDIC) and the Bangko Sentral ng Pilipinas (BSP). The Company also continues to pursue the cleanup of its books and the settlement of its remaining obligations to facilitate possible additional capital infusion from third party investors.

FINANCIAL CONDITION AND RESULTS OF OPERATION

Six months ended June 30, 2021 compared with six months ended June 30, 2020

Results of operation for the six months ended June 30, 2021 and 2020 were net loss of ₱1.21 million and ₱1.31 million, respectively. The Company's net loss position is expected considering that it has no active operations yet.

Significant changes in the income statement accounts for the six months ended June 30, 2021 versus the same period last year are as follows:

Income

The Company's income for the current period in the amount of ₱0.003 million has dropped by ₱0.06 million compared with the same period last year. Collections for the recovery of accounts previously written off amounted to ₱0.05 million in same period last year (nil for the current period).

Expenses

Total expenses during the period amounted to ₱1.22 million, lower by ₱0.15 million compared with the same period last year. This represents a decrease of 11% compared with same period last year. The movement in expenses is attributable to the following:

a. Professional fees dropped by ₱0.29 million compared with the same period last year, primarily due to a decrease in payments of legal fees.

b. Decrease in Insurance of ₱0.02 million or 9% represents amortization of the attachment bond during the period.

c. Taxes and licenses for the period is lower by ₱0.02 million compared with the same period last year. In connection with the sale of the Company's investment property in 2018, last year's payment for business taxes was significantly higher compared with the current period.

d. Director's fees increased by ₱0.02 million or 50% due to the audit committee and executive committee meetings held for the discussion and approval of 2020 financial statements.

e. Increase in Outside services of 150% or ₱0.21 million is due to the payment for the preparation of the annual stockholders meeting during the period.

Three months ended June 30, 2021 compared with three months ended June 30, 2020

Results of operation for the three months ended June 30, 2021 and 2020 were net loss of ₱0.58 million and ₱0.44 million, respectively. Significant changes in the income statement accounts for the three months ended June 30, 2021 versus the same period last year are as follows:

Income

The Company's income for the current period pertains solely to the interest income from bank deposits.

Expenses

Total expenses during the period amounted to ₱0.58 million, lower by ₱0.14 million or 31.97% compared with the same period last year. The movement in expenses is attributable to the following:

a. Professional fees dropped by ₱0.33 million compared with the same period last year, primarily due to a decrease in payments of legal fees.

b. Outside services during the period of ₱0.28 million increased by ₱0.22 million or 312.55% compared with the same period last year. Payment of various fees made this year, pertaining to the publication and platform to be used for the annual stockholder's meeting, resulted to higher expense, than last year.

c. Director's fee for the period decreased by ₱0.02 million compared with the same period last year. An audit committee meeting was held during the same period last year.

d. Other expenses consist of meal allowances, notarial fees, office supplies, and training/seminar expenses, among others. Minimal expense was incurred during the period, resulting to the decline in this account.

STATEMENT OF FINANCIAL POSITION

Total Assets of the Company as at June 30, 2021 of ₱54.50 million is lower by ₱0.36 million compared to the balance as at December 31, 2020, representing a decline of 0.66%. The change in Total Assets is attributed to the following:

a. *Cash*
Cash decreased by ₱0.66 million or 8.02%. The decrease is mainly attributable to payments of the Company's general and administrative expenses, and accruals (*see c. Accrued expenses and other current liabilities*).

b. *Other current assets*
Other current assets of ₱4.88 million have increased by ₱0.37 million or 8.29%. Among the factors that contributed to the increase are additions in Input VAT associated with the purchase of goods/services, and payment of premium for the renewal of the attachment bond.

c. *Equipment*
Decrease in equipment of ₱0.16 million is attributed to the depreciation recognized for the period. No addition and/or disposal was made during the period.

d. *Accrued expenses and other current liabilities*
The account increased by ₱0.85 million or 0.46% during the period, due to the additional amounts payable to PDIC.

e. *Capital deficiency*
The increase in capital deficiency of ₱1.21 million is mainly due to net loss during the period.

STATEMENT OF CASH FLOWS

Net cash used in operating activities for the six months ended June 30, 2021 and 2020 amounts to ₱0.66 million and ₱0.64 million, respectively. Decrease in cash for the current period is mainly due to payments of general and administrative expenses and accruals. There are no other significant movements in cash.

HORIZONTAL AND VERTICAL ANALYSIS

	June 31, 2021 (Unaudited)	December 31, 2020 (Audited)	Increase (Decrease) Amount	Increase (Decrease) Percentage
ASSETS				
Current Assets				
Cash	**₱7,572,785**	₱8,233,104	(₱660,319)	(8.02%)
Receivables	**32,828,567**	32,773,567	55,000	0.17%
Due from related parties	**7,807,282**	7,773,628	33,654	0.43%
Other current assets	**4,876,051**	4,502,838	373,213	8.29%
Total Current Assets	**53,084,685**	53,283,137	(198,452)	(0.37%)
Noncurrent Assets				
Investment in a club share	**1,000,000**	1,000,000	–	0.00%
Equipment	**419,625**	582,763	(163,138)	(27.99%)
Total Noncurrent Assets	**1,419,625**	1,582,763	(163,138)	(10.31%)
	₱54,504,310	₱54,865,900	(₱361,590)	(0.66%)

LIABILITIES AND CAPITAL DEFICIENCY

Current Liabilities				
Accrued expenses and other current liabilities	**₱186,027,867**	₱185,177,336	₱850,531	0.46%
Due to a related party	**13,880,000**	13,880,000	–	0.00%
Total Current Liabilities	**199,907,867**	199,057,336	850,531	0.43%
Capital Deficiency				
Capital stock	**714,664,876**	714,664,876	–	0.00%
Deficit	**(860,868,433)**	(859,656,312)	(1,212,121)	0.14%
Other comprehensive income	**800,000**	800,000	–	0.00%
Total Capital Deficiency	**(145,403,557)**	(144,191,436)	(1,212,121)	0.84%
	₱54,504,310	₱54,865,900	(₱361,590)	(0.66%)

FINANCIAL INDICATORS

	As of June 30, 2021	As of June 30, 2020
Net loss	**(₱629,471)**	(₱1,310,101)
Quick assets	**14,880,105**	13,746,269
Current assets	**53,024,564**	52,309,018
Total assets	**54,525,758**	53,954,918
Current liabilities	**199,346,665**	196,579,831
Total liabilities	**199,346,665**	196,579,831
Stockholders 'equity	**(144,820,907)**	(142,624,913)
Preferred stock	**14,366,260**	14,366,260
Number of common shares outstanding	**700,298,616**	700,298,616
Number of preferred shares outstanding	**14,366,260**	14,366,260

Current Ratio[1]/	**0.27**	0.27
Debt to Equity Ratio[2]/	**(1.37)**	(1.38)
Asset to Equity Ratio[3]/	**(0.38)**	(0.38)
Return on Assets[4]/	**(0.02)**	(0.02)
Return on Equity[5]/	**0.01**	0.01
Book Value per share	**(0.23) per share**	(0.22) per share
Earnings/Loss per share (basic) trailing 12 months	**(0.004)**	(0.001)

1/ *Current assets divided by current liabilities*
2/ *Total liabilities divided by equity*
3/ *Total assets divided by equity*
4/ *Net income divided by average assets*
5/ *Net income divided by average equity*
Total common stockholder's equity divided
Trailing 12 months Net income/(loss) less dividends paid on preferred stock / weighted ave. no. of common shares outstanding

OTHER INFORMATION

a. There are no known trends, demands, commitments, events or uncertainties that have a material impact on the Company's liquidity.

b. There are no events that will trigger direct or contingent financial obligation that is material to the Company.

c. There are no material off-balance sheet transactions, arrangements, obligations, and other relationships of the Company with unconsolidated entities, or other persons were created during the interim period.

d. There are no material commitments for capital expenditures during the interim period.

e. There are no known trends, events or uncertainties that have or are reasonably expected to have a material impact on net sales/ revenues/ income from continuing operations.

f. There is no significant income or expense that did not arise from the Company's continuing operations.

g. There is no seasonal aspect that had a material effect on the financial condition or results of operation.

PART II - OTHER INFORMATION

The Company may, at its option, report under this item any information not previously reported in a report on SEC Form 17-C. If disclosure of such information is made under this Part II, it need not be repeated in a report on Form 17-C which would otherwise be required to be filed with respect to such information or in a subsequent report on Form 17-Q.

PART III - FINANCIAL SOUNDNESS INDICATORS

Liquidity Ratio

a. Current Ratio
   Total Current Assets/ Total Current Liabilities = 0.27

b. Quick Ratio
   Quick asset / Total Current Liabilities = 0.07

Solvency Ratio

a. Debt Ratio
   Total liabilities / Total assets = 3.67

b. Debt to Equity Ratio
   Total liabilities / Shareholder's Equity = (1.37)

Profitability Ratio

a. Return on Equity Ratio
   Net loss / Average shareholder's equity = 0.01

b. Return on Assets
   Net loss / Average Total assets = (0.02)

c. Asset to Equity Ratio:
   Total Assets / Ave. Stockholders' Equity = (0.38)

d. Asset Turnover
   Revenue/Total Assets = 0.0001

e. Book value per share
   Stockholder's equity - preferred stock/No. of common shares outstanding = (0.23)

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the Company has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer: **PRIME MEDIA HOLDINGS, INC.**

Date: **August 11, 2021**

By:

Signature: ______________________

ROLANDO S. SANTOS

Title: Treasurer

Signature: ______________________

FRANKLIN G. FUENTES

Title: Accountant

PRIME MEDIA HOLDINGS, INC.
(A Subsidiary of RYM Business Management Corp.)

STATEMENTS OF FINANCIAL POSITION

	Note	**June 30, 2021 (Unaudited)**	December 31, 2020 (Audited)
ASSETS			
Current Assets			
Cash	4	**₱7,572,785**	₱8,233,104
Receivables	5	**32,828,567**	32,773,567
Due from related parties	13	**7,807,282**	7,773,628
Other current assets	6	**4,876,051**	4,502,838
Total Current Assets		**53,084,685**	53,283,137
Noncurrent Assets			
Investment in a club share	8	**1,000,000**	1,000,000
Equipment	9	**419,625**	582,763
Total Noncurrent Assets		**1,419,625**	1,582,763
		₱54,504,310	₱54,865,900
LIABILITY AND CAPITAL DEFICIENCY			
Current Liabilities			
Accrued expenses and other current liabilities	10	**₱186,027,867**	₱185,177,336
Due to a related party	13	**13,880,000**	13,880,000
Total Current Liabilities		**199,907,867**	199,057,336
Capital Deficiency			
Capital stock	11	**714,664,876**	714,664,876
Deficit		**(860,868,433)**	(859,656,312)
Other comprehensive income	8	**800,000**	800,000
Total Capital Deficiency		**(145,403,557)**	(144,191,436)
		₱54,504,310	₱54,865,900

See accompanying Notes to Financial Statements.

PRIME MEDIA HOLDINGS, INC.
(A Subsidiary of RYM Business Management Corp.)

UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME

	Note	Three Months Ended June 30,		Six Months Ended June 30,	
		2021	2020	**2021**	2020
INCOME					
Recovery of accounts written-off		**–**	–	**–**	50,000
Interest income	4	**1,319**	4,292	**3,263**	8,736
		1,319	4,292	**3,263**	58,736
EXPENSES					
Professional fees		**9,293**	42,134	**300,754**	589,580
Outside services		**284,659**	69,000	**346,731**	138,500
Taxes and licenses		**72,155**	72,155	**80,969**	99,273
Insurance		**110,310**	107,260	**220,621**	241,338
Transportation and travel		**–**	–	**839**	3,519
Director's fee		**–**	15,000	**45,000**	30,000
Depreciation	9	**81,569**	82,999	**163,137**	168,858
Association dues	12	**15,344**	35,799	**37,426**	55,703
Others		**10,638**	18,158	**19,907**	42,066
		583,968	442,505	**1,215,384**	1,368,837
NET LOSS		**(₱582,649)**	(₱438,213)	**(₱1,212,121)**	(₱1,310,101)
Basic and Diluted Loss Per Share	15	**(₱0.001)**	(₱0.001)	**(₱0.002)**	(₱0.002)

See accompanying Notes to Financial Statements.

PRIME MEDIA HOLDINGS, INC.
(A Subsidiary of RYM Business Management Corp.)

UNAUDITED STATEMENTS OF CHANGES IN EQUITY

	Note	Six Months Ended June 30,	
		2021	2020
CAPITAL STOCK	11		
Common stock - ₱1 par value		**₱700,298,616**	₱ 700,298,616
Preferred stock - ₱1 par value		**14,366,260**	14,366,260
		714,664,876	714,664,876
DEFICIT			
Balance at beginning of period		**(859,656,312)**	(856,679,688)
Net loss		**(1,212,121)**	(1,310,101)
Balance at end of period		**(860,868,433)**	(857,989,789)
OTHER COMPREHENSIVE INCOME	8	**800,000**	700,000
		(₱145,403,557)	(₱142,624,913)

See accompanying Notes to Financial Statements

PRIME MEDIA HOLDINGS, INC.

(A Subsidiary of RYM Business Management Corp.)

UNAUDITED STATEMENTS OF CASH FLOWS

	Note	Three Months Ended June 30,	
		2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax		**(₱582,649)**	(₱438,213)
Adjustments for:			
Interest income	4	**(1,319)**	(4,292)
Depreciation	9	**81,569**	82,999
Operating loss before working capital changes		**(502,399)**	(359,506)
Decrease (increase) in:			
Receivables		–	–
Due from related parties		–	–
Other current assets		**(404,643)**	(391,236)
Decrease in accrued expenses and other current liabilities		**561,202**	1,532,623
Net cash generated from (used for) operations		**(345,840)**	781,881
Interest received		**1,319**	4,292
NET INCREASE (DECREASE) IN CASH		**(344,521)**	786,173
CASH AT BEGINNING OF PERIOD		**7,917,306**	8,597,297
CASH AT END OF PERIOD		**₱7,572,785**	₱9,383,470

See accompanying Notes to Financial Statements.

PRIME MEDIA HOLDINGS, INC.
(A Subsidiary of RYM Business Management Corp.)

UNAUDITED STATEMENTS OF CASH FLOWS

	Note	Six Months Ended June 30,	
		2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax		**(₱1,212,121)**	(₱1,310,101)
Adjustments for:			
Interest income	4	**(3,263)**	(8,736)
Depreciation	9	**163,137**	168,858
Operating loss before working capital changes		**(1,052,247)**	(1,149,979)
Decrease (increase) in:			
Receivables		(55,000)	(4,000)
Due from related parties		(33,654)	–
Other current assets		**(373,212)**	(592,871)
Decrease in accrued expenses and other current liabilities		**850,531**	1,098,551
Net cash generated from (used for) operations		**(663,582)**	(648,299)
Interest received		**3,263**	8,736
NET INCREASE (DECREASE) IN CASH		**(660,319)**	(639,563)
CASH AT BEGINNING OF PERIOD		**8,233,104**	10,023,033
CASH AT END OF PERIOD		**₱7,572,785**	₱9,383,470

See accompanying Notes to Financial Statements.

1. **Corporate Information**

Prime Media Holdings, Inc. (the Company) was originally incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on February 6, 1963 as Private Development Corporation of the Philippines. On October 2003, the SEC approved the amendment of the Company's Articles of Incorporation, changing its primary purpose from a development bank to a holding company. On March 4, 2013, the SEC approved the extension of the Company's corporate life for another 50 years. However, with the effectivity of the Revised Corporation Code of the Philippines on February 23, 2019, the Company was automatically accorded perpetual existence as it did not elect to retain its specific extended corporate term.

On July 9, 1964, the Philippine Stock Exchange, Inc. approved the public listing of the Company's shares of stock. As at June 30, 2021, there are 663,713,458 Company shares that are publicly listed.

The Company is a subsidiary of RYM Business Management Corp. (RYM or the Parent Company), a holding company registered and domiciled in the Philippines.

On September 12, 2002, the Company agreed to transfer assets and liabilities arising from its development bank operations to Banco de Oro Unibank, Inc. (BDO) and Philippine Deposit Insurance Corporation (PDIC) under a Memorandum of Agreement (2002 MOA). As at June 30, 2021 and December 31, 2020, the Company has liabilities arising from the 2002 MOA which include estimated transfer taxes and registration fees to effect the transfer of assets to BDO and/or PDIC, and other related liabilities (see Note 10).

The Company's registered office and principal place of business is at 16th Floor, BDO Towers Valero (formerly: Citibank Tower), 8741 Paseo de Roxas, Makati City.

Status of Operations

The Company's current activities comprise mainly of compliance with the 2002 MOA by transferring assets related to its erstwhile development bank operations, to BDO and/or PDIC. Thus, the Company continued to incur losses resulting in a capital deficiency of ₱145.4 million and ₱144.2 million as at June 30, 2021 and December 31, 2020, respectively.

RYM, the Company's majority stockholder, continues to provide the necessary financial support to sustain the Company's operations. In order to reduce capital deficiency, the Company allowed certain stockholders to (i) convert preferred stock amounting to ₱34.2 million into common stock in 2016, (ii) convert advances amounting to ₱600.5 million to additional capital in 2014 and (iii) infuse capital aggregating ₱179.0 million in 2014 and 2013. The Company implemented an equity restructuring to offset additional paid-in capital (APIC) of ₱2,114.9 million against deficit which was approved by the SEC on March 23, 2018 (see Note 11).

The Company is exploring new business opportunities. In 2019, RYM entered into a Memorandum of Agreement with potential investors for the transfer of investment properties to the Company in exchange for shares. On December 28, 2020, however, RYM and the potential investors mutually agreed to terminate the MOA because of the slowdown in the real estate property businesses arising from the COVID-19 pandemic and the resulting prolonged lockdown. The Company continues to pursue similar prospective transactions in order for the Company not only to fulfill its obligations under the MOA and address its capital deficiency, but more importantly, to maintain its going concern status.

Event after the Reporting Period

Transaction with New Era Empire Realty Corp.

On March 17, 2021, the Company, along with RYM, entered into a Memorandum of Understanding (MOU) with New Era Empire Realty Corp. ("New Era") to pursue a business arrangement which would revitalize the Company through potential ventures into real estate development, leasing, tourism, media and entertainment, provision of allied services to offshore gaming operators, e-gaming operations, and development of or investment in technology providing financial services (Transaction).

Under the MOU, the parties are given a period of ninety (90) days to conduct their respective due diligence. Subject to the execution of a definitive agreement after the due diligence period and compliance with certain terms and conditions under the MOU, New Era shall become the majority shareholder of the Company through subscription to the unissued portion of the authorized capital stock of the Company by way of a merger, cash subscription and/or infusion of businesses or assets necessary to operate the New Businesses.

The signing of the MOU has no financial impact and is considered a non-adjusting subsequent event to the Financial Statement as at June 30, 2021 since the Transaction is still exploratory in nature. Management believes that the effect on the Company's operations and financial performance is not yet significant until definitive agreements are executed.

On July 28, 2021, the Board unanimously approved to amend the MOU with New Era and proceed with the execution of a more definitive agreement, *i.e.* Memorandum of Agreement to jointly explore business in gaming and real estate development. While the Company anticipates folding-in the business of Philippine CollectiveMedia Corporation (PCMC), which is primarily engaged in media, it is to the best interest of the Company to diversify its business and explore with New Era profitable opportunities on gaming and real estate development. To date, the Company and New Era are yet to execute a Memorandum of Agreement.

Transaction with Philippine CollectiveMedia Corporation

As disclosed on 25 May 2021, the Corporation, the Corporation's parent company, RYM, and Atty. Hermogene Real and Michelle Ayangco, the majority shareholders of Philippine CollectiveMedia Corporation ("PCMC Shareholders") have executed a Memorandum of Understanding ("PCMC MOU") whereby the PCMC Shareholders will transfer all of their shares in PCMC to the Corporation in exchange for shares of the Corporation. PCMC is a domestic corporation currently engaged in the business of radio and television broadcasting with active radio stations, frequencies and permits as well as a national franchise granted through Republic Act No. 9773, as amended by Republic Act No. 11508

On 30 July 2021, parties proceeded to sign a Memorandum of Agreement, wherein the PCMC Shareholders shall jointly subscribe to One Billion Six Hundred Seventy Nine Million Nine Hundred Sixty Six Thousand Four Hundred (1,679,966,400) common shares of the Company arising from an increase in authorized capital stock, to be paid in the form of PCMC shares based on third-party appraisal valuation in order to obtain the business, assets and ownership of PCMC. After the transaction, the PCMC Shareholders will jointly gain control and majority ownership of approximately 70% of outstanding capital stock of the Company.

The contemplated transaction aims to transform the Company into a viable and operational business entity and address its capital deficiency, negative equity, and non-operation. The transaction will result to folding-in of PCMC into the Company thereby making PCMC a subsidiary of the Company. With the national franchise of PCMC, the Company can engage in an active business of mass media and further leverage its franchise and network for use by existing content providers in need of broadcasting rights.

The Shareholders of PCMC have no objections to the prospective joint venture with New Era inasmuch as New Era will not take any equity stake in the Company that will affect their prospective shareholding.

2. Summary of Significant Accounting Policies

Basis of Preparation

The financial statements have been prepared in compliance with the Philippine Financial Reporting Standards (PFRS) issued by the Philippine Financial Reporting Standards Council and adopted by the SEC, including SEC pronouncements. This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC).

Measurement Bases

The financial statements are presented in Philippine Peso, which is also the Company's functional currency. All amounts represent absolute values unless otherwise stated.

The financial statements have been prepared on a historical cost basis, except for investment in a club share which was designated and recognized at fair value through other comprehensive income (FVOCI). Historical cost is generally based on the fair value of the consideration given in exchange for an asset and the fair value of the consideration received in exchange for incurring liability.

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 transaction date. The Company 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.

The Company uses observable market data to a possible extent when measuring the fair value of an asset or a liability. Fair values are categorized into different levels in a fair value hierarchy based on inputs used in the valuation techniques as follows:

- Level 1 - Quoted (unadjusted) market prices in active market 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 Company 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 Company 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.

Further information about the assumptions made in measuring fair values is included in Notes 7, 8 and 17.

Adoption of Amended PFRS

The accounting policies adopted are consistent with those of the previous financial year, except for the following amended PFRS which the Company adopted effective for annual periods beginning on or after January 1, 2020:

- Amendments to References to the Conceptual Framework in PFRS – The amendments include a new chapter on measurement; guidance on reporting financial performance; improved definitions and guidance-in particular the definition of a liability; and clarifications in important areas, such as the roles of stewardship, prudence and measurements uncertainty in financial reporting. The amendments should be applied retrospectively unless retrospective application would be impracticable or involve undue cost or effort.

- Amendments to PFRS 3 - *Definition of a Business* – This amendment provides a new definition of a "business" which emphasizes that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. To be considered a business, 'an integrated set of activities and assets' must now include 'an input and a substantive process that together significantly contribute to the ability to create an output'. The distinction is important because an acquirer may recognize goodwill (or a bargain purchase) when acquiring a business but not a group of assets. An optional simplified assessment (the concentration test) has been introduced to help companies determine whether an acquisition is of a business or a group of assets.

- Amendments to PAS 1, *Presentation of Financial Statements* and PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material* – The amendments clarify the definition of "material" and how it should be applied by companies in making materiality judgments. The amendments ensure that the new definition is consistent across all PFRS standards. Based on the new definition, an information is "material" if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The adoption of the foregoing amended PFRS did not have any material effect on the financial statements of the Company. Necessary disclosures were included in the financial statements.

Amended PFRS Issued But Not Yet Effective

Relevant amended PFRS which are not yet effective for the period ended June 30, 2021 and have not been applied in preparing the financial statements are summarized below.

Effective for annual periods beginning on or after January 1, 2022:

- Amendments to PAS 16, *Property, Plant and Equipment - Proceeds Before Intended Use* – The amendments prohibit deducting from the cost of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for its intended use. Instead, the proceeds and related costs from such items shall be recognized in profit or loss. The amendments must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when an entity first applies the amendment.

- Amendments to PAS 37, *Onerous Contracts - Cost of Fulfilling a Contract* – The amendments clarify that for the purpose of assessing whether a contract is onerous, the cost of fulfilling a contract comprises both the incremental costs of fulfilling that contract and an allocation of costs directly related to contract activities. The amendments apply to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments is recognized as an opening balance adjustment to retained earnings or other components of equity. Accordingly, the comparatives are not restated. Earlier application is permitted.

- Annual Improvements to PFRS 2018 to 2020 Cycle:

  - Amendments to PFRS 9, *Financial Instruments - Fees in the '10 per cent' Test for Derecognition of Financial Liabilities* – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognize a financial liability (i.e. whether the terms of a new or modified financial liability is substantially different from the terms of the original financial liability). These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or the lender on the other's behalf. The amendments apply to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendments. Earlier application is permitted.

  - Amendments to PFRS 16, *Leases - Lease Incentives* – The amendment removes from the Illustrative Example 13 the illustration of the reimbursement of leasehold improvements by the lessor. The objective of the amendment is to avoid any potential confusion regarding the treatment of lease incentives because of how the requirements for lease incentives are illustrated.

Effective for annual periods beginning on or after January 1, 2023 -

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current* – The amendments clarify the requirements for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments also specify and clarify the following: (i) an entity's right to defer settlement must exist at the end of the reporting period, (ii) the classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement, (iii) how lending conditions affect classification, and (iv) requirements for classifying liabilities where an entity will or may settle by issuing its own equity instruments. The amendments must be applied retrospectively. Earlier application is permitted.

Under prevailing circumstances, the adoption of the foregoing amended PFRS is not expected to have any material effect on the financial statements of the Company. Additional disclosures will be included in the financial statements, as applicable.

Financial Assets and Liabilities

Date of Recognition. The Company recognizes a financial asset or a financial liability in the statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable is done using settlement date accounting.

Initial Recognition and Measurement. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at fair value through profit or loss (FVPL), includes transaction cost.

"Day 1" Difference. Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss. In cases where there is no observable data on inception, the Company deems the transaction price as the best estimate of fair value and recognizes "Day 1" difference in profit or

loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the "Day 1" difference.

Classification. The Company classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost, and (c) financial assets at FVOCI. Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or other financial liabilities at amortized cost. The classification of a financial instrument largely depends on the Company's business model.

As at June 30, 2021 and December 31, 2020, the Company does not have financial assets and liabilities at FVPL.

Financial Assets at Amortized Cost. A financial asset shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized and through amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

As at June 30, 2021 and December 31, 2020, the Company's cash, receivables (excluding advances to officers, employees and service providers) and due from related parties are classified under this category.

Financial Assets at FVOCI. Equity securities which are not held for trading may be irrevocably designated at initial recognition under the FVOCI category.

Financial assets at FVOCI are initially measured at fair value plus transaction costs. After initial recognition, financial assets at FVOCI are measured at fair value with unrealized gains or losses recognized in other comprehensive income (OCI) and are included under "Other comprehensive income" account in the equity section of the statements of financial position. These fair value changes are recognized in equity and are not reclassified to profit or loss in subsequent periods. On disposal of these equity securities, any cumulative unrealized valuation gains will be reclassified to retained earnings.

As at June 30, 2021 and December 31, 2020, the Company's investment in a club share of Valley Golf & Country Club is classified under this category.

Financial Liabilities at Amortized Cost. Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Company having an obligation either 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 its own equity instruments.

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate.

As at June 30, 2021 and December 31, 2020, the Company's accrued expenses and other current liabilities (excluding statutory payable) and due to a related party are classified under this category.

Reclassification of Financial Assets

The Company reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date). For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVPL, any gain or loss arising from the difference between the previous amortized cost of the financial asset and fair value is recognized in the statements of comprehensive income.

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVOCI, any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in OCI.

Impairment of Financial Assets at Amortized Cost

The Company records an allowance for expected credit loss based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The difference is then discounted at an approximation to the asset's original effective interest rate.

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 by the Company when:

- the right to receive cash flows from the asset has expired;

- the Company 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 Company has transferred its right to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the assets, or (b) has neither transferred nor retained substantially all the risk and rewards of the assets, but has transferred control over the asset.

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, 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 Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset, if any, is measured at the lower of original carrying amount of the asset and the maximum amount of consideration that the Company could be required to pay.

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 the new liability, and the difference in the respective carrying amount is recognized in profit or loss.

Offsetting Financial Assets and Liabilities
Financial assets and liabilities are offset. The net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statements of financial position.

Classification of Financial Instrument between Liability and Equity
A financial instrument is classified as liability if it provides for a contractual obligation to:

- Deliver cash or another financial asset to another entity;
- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company; or
- Satisfy 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.

If the Company does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

Other Current Assets
This account mainly consists of creditable withholding taxes (CWT), excess of input value-added tax (VAT) over output VAT and prepayments.

CWT. CWT represents the amount withheld by the Company's customers in relation to its income. CWT can be utilized as payment for income taxes provided that these are properly supported by certificates of creditable tax withheld at source subject to the rules on Philippine income taxation. CWT is stated at estimated net realizable value.

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

- where the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and

- receivables and payables that are stated with the amount of tax included.

The net amount of VAT recoverable from the taxation authority is included as part of "Other current assets" account in the statements of financial position.

Prepayments. Prepayments are expenses not yet incurred but paid in advance. Prepayments are apportioned over the period covered by the payment and charged to the appropriate account in profit or loss when incurred. Prepayments that are expected to be realized for no more than 12 months after the reporting period are classified as current asset. Otherwise, these are classified as noncurrent asset.

Investment Properties
Investment properties, which were sold in 2018 (see Note 7), were accounted for under the fair value model. Fair value gains or losses determined by an independent appraiser were included in profit or loss in the past. Loss on sale of investment properties was recognized in profit or loss in 2018.

Equipment
Equipment is stated at cost less accumulated depreciation and impairment in value, if any.

The initial cost of equipment comprises of its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditures incurred after the equipment have been put into operation, such as repairs, maintenance and overhaul costs, are normally charged to operations in the year 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 equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of equipment. The cost of replacing a component of an item of equipment is recognized if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized.

Depreciation is calculated on a straight-line basis over the estimated useful lives of five (5) years for computer and transportation equipment.

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

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and any impairment in value are removed from the accounts. Any resulting gain or loss is credited to or charged against current operations.

Impairment of Nonfinancial Assets

The Company assesses at each reporting date whether there is an indication that nonfinancial assets may be impaired when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists and if the carrying amount exceeds the estimated recoverable amount, nonfinancial assets are written down to its recoverable amount, which is the greater of fair value less cost to sell and value in use. The fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable and willing parties less cost of disposal. In assessing value in use, the estimated future cash flows are discounted to present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in profit or loss.

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 asset's recoverable amount since the last impairment loss was recognized. In such instance, the carrying amount of the asset is increased to its recoverable amount. However, 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 profit or loss.

Equity

Capital Stock. Capital stock is measured at par value for all shares issued and outstanding.

Deficit. Deficit represents the cumulative balance of the Company's results of operations.

OCI. OCI comprises items of income and expense that are not recognized in profit or loss for the year in accordance with PFRS. This includes cumulative unrealized valuation gain on investment in a club share.

Revenue Recognition
Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the amount of revenue can be measured reliably.

Revenue from contract with customers is recognized when the performance obligation in the contract has been satisfied at a point in time or over time.

The Company also assesses its revenue arrangements to determine if it is acting as a principal or as an agent. The Company has assessed that it acts as a principal in all of its revenue source.

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

Interest Income. Interest income is recognized in profit or loss as it accrues, taking into account the effective yield on the asset.

Recovery of Accounts Written-off. Income from recovery of accounts written-off is recognized when the amount is actually received.

Rent. Rent income is recognized using the straight-line method over the term of the lease.

Expense Recognition
Expenses constitute cost of administering the business. These costs are expensed upon receipt of goods, utilization of services, or when the expense is incurred.

Income Taxes

Current Tax. Current tax assets and liabilities 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 is the one that has been enacted or substantively enacted at the reporting date.

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

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of any unused tax credits from the excess of minimum corporate income tax (MCIT) over the regular corporate income tax and any unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carryforward benefits of unused MCIT and unused NOLCO can be utilized. Deferred tax, however, is not recognized when it 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 profit or loss.

Deferred tax is recognized in profit or loss except to the extent that it relates to a business combination, or items directly recognized in equity as OCI.

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

Deferred tax assets and liabilities are measured at the tax rates and tax laws that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rate that has been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Basic and Diluted Income (Loss) per Share

The Company computes its basic income (loss) per share by dividing net income (loss) for the period attributable to ordinary equity holders of the Company by the weighted average number of common shares outstanding during the period.

Diluted income per share is computed in the same manner, adjusted for the dilutive effect of any potential common shares. There is no such information in 2021and 2020 because the Company has no dilutive potential common shares and is in a net loss position.

Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Company's other components. The Company has only one segment which is for a holding company.

Related Parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control 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.

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Related party transactions are considered material and/or significant if these transactions amount to 10% or higher of the Company's total assets or if there are several transactions or a series of transactions over a twelve-month period with the same related party amounting to 10% or higher of the Company's total assets.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are made using the best estimates of the amount required to settle the obligation and are discounted to present values using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Changes in estimates are reflected in profit or loss in the period these arise.

Contingencies
Contingent liabilities are not recognized in the financial statements. They 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 when an inflow of economic benefits is probable.

Events after the Reporting Date
Post year-end events that provide additional information about the Company's financial position at the end of reporting period (adjusting events) are reflected in the financial statements. Post year-end events that are non-adjusting are disclosed in the notes to financial statements when material.

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3. Significant Judgment, Accounting Estimates and Assumptions

The preparation of financial statements in accordance with PFRS requires management to exercise judgment, make estimates and assumptions that affect the amounts reported in the financial statements. The judgment and estimates used in the financial statements are based on management's evaluation of relevant facts and circumstances as at the reporting date. While the Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgment
In the process of applying the Company's accounting policies, management has made the following judgment, apart from those involving estimates, which have the most significant effect on the amounts recognized in the financial statements.

Assessing the Company's Ability to Continue as a Going Concern. The Company has incurred continuous losses resulting in a capital deficiency of ₱145.4 million and ₱144.2 million as at June 30, 2021 and December 31, 2020, respectively. Management believes this trend to continue for twelve months after reporting date. As discussed in Note 1, the stockholders provide continuing necessary financial support to the Company while new business opportunities are not yet available. Based on this, the financial statements are prepared on a going concern basis of accounting.

Classifying Financial Instruments. The Company exercises judgment in classifying a financial instrument 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 statements of financial position.

The Company classified its investment in a club share of Valley Golf & Country Club as financial asset at FVOCI (see Note 8).

Accounting for Lease Commitments - Company as a Lessor. Management exercises judgment in determining whether substantially all the significant risks and benefits of ownership of the assets held for lease are retained by the Company. Lease contracts where the Company retains substantially all the risks and benefits incidental to ownership of the leased item are accounted for as operating leases. Otherwise, these are considered as finance leases.

The Company, as a lessor, has entered into property subleases and transportation equipment lease agreements where it has determined that it retains all the significant risks and benefits of ownership on those properties. As such, the lease agreements are accounted for as operating leases.

Evaluating Contingencies. The Company is a party to certain lawsuits or claims arising from the ordinary course of business. However, the Company's management and legal counsel believe that eventual liabilities under these lawsuits or claims, if any, will not have a material effect on the Company's financial statements.

<u>Estimates and Assumptions</u>

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

Estimating Liabilities Related to Previous Development Bank Operations. The estimated liabilities related to previous development bank operations of the Company is based on the management's best estimate of the amount expected to be incurred to settle the obligation.

Liabilities arising from the 2002 MOA amounted to ₱163.1 million and ₱161.9 million as at June 30, 2021 and December 31, 2020, respectively (see Note 10).

Assessing Expected Credit Losses on Financial Assets at Amortized Cost. The Company applies the simplified approach on its rent receivables and the general approach on all its other financial assets at amortized cost in measuring the expected credit loss. The Company estimates the expected credit loss on its rent receivables using a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company assessed that cash are deposited with reputable counterparty banks that possess good credit ratings. For related party transactions and other receivables, the Company considered the available liquid assets of the related parties and letter of guarantee from the stockholders.

The Company assesses that a financial asset is considered credit impaired when one or more events that have a detrimental effect on the estimated future cash flows of the asset have occurred such as significant financial difficulty and cessation of operations of the debtor.

No impairment losses were recognized in 2021 and 2020.

The aggregate carrying amount of cash in banks, receivables (excluding advances to officers, employees and service providers) and due from related parties amounted to ₱48.1 million and ₱48.7 million as at June 30, 2021 and December 31, 2020, respectively (see Notes 4, 5 and 13).

Assessing the Impairment of Nonfinancial Assets. The Company assesses impairment on nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Company considers important which could trigger an impairment review include the following:

- significant underperformance relative to expected historical or projected future operating results;

- significant changes in the manner of use of the acquired assets or the strategy for overall business; or

- significant negative industry or economic trends.

No impairment losses were recognized in 2021 and 2020.

The carrying amounts of the Company's nonfinancial assets are as follows:

	Note	**June 30, 2021 (Unaudited)**	December31, 2020 (Audited)
Other current assets	6	**₱4,876,051**	₱4,502,838
Equipment	9	**419,625**	582,763
Advances to officers, employees and service providers	5	**103,700**	48,700

Assessing the Realizability of Deferred Tax Assets. The Company reviews its deferred tax assets at each reporting date and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized in the future. The amount of deferred income tax assets that are recognized is based upon the likely timing and level of future taxable profits together with future tax planning strategies to which the deferred income tax assets can be utilized.

The Company's unrecognized deferred tax assets amounted to ₱21.2 million as at June 30, 2021 and December 31, 2020. Management believes that there will be no sufficient future taxable profits against which these deferred tax assets can be utilized (see Note 13).

4. Cash

This account consists of:

	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)
Cash on hand	**₱4,759**	₱5,277
Cash in banks	**7,568,026**	8,227,827
	₱7,572,785	₱8,233,104

Cash in banks earn interest at prevailing bank deposit rates. Interest income from cash in banks amounted to ₱3,263 and ₱8,736 in 2021 and 2020, respectively.

5. Receivables

This account consists of:

	Note	**June 30, 2021 (Unaudited)**	December 31, 2020 (Audited)
Loans receivable:			
Third parties		**₱62,277,740**	₱62,277,740
Related party	13	**26,000,000**	26,000,000
Interest receivable	13	**5,541,667**	5,541,667
Advances to officers, employees and service providers		**2,230,035**	2,175,035

	Note	**June 30, 2021 (Unaudited)**	December 31, 2020 (Audited)
Rent receivables:			
Related party	13	**1,159,200**	1,159,200
Third parties		**261,932**	261,932
		97,470,574	97,415,574
Less allowance for impairment losses		**64,642,007**	64,642,007
		₱32,828,567	₱32,773,567

Loans receivable from third parties are related to the Company's previous bank operations and are fully provided with allowance for impairment loss. Loans receivable from a related party are from loan agreements entered in 2018 with Marcventures Mining and Development Corporation (MMDC), a related party under common control.

Advances to officers, employees and service providers represent unliquidated, noninterest-bearing advances for processing the transfer of title of properties to BDO and PDIC. These are liquidated upon the accomplishment of the purposes for which the advances were granted.

Breakdown of allowance for impairment losses as at June 30, 2021 and December 31, 2020 are as follows:

	Loans receivables	Advances to officers, employees and service providers	Rent receivables	Total
Balance at beginning and end of year	₱62,277,740	₱2,126,335	₱237,932	₱64,642,007

The Company recovered some accounts written-off in prior years amounting to nil and ₱50,000 in June 30, 2021 and December 31, 2020, respectively.

6. Other Current Assets

This account consists of:

	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)
CWT	**₱3,177,989**	₱3,177,989
Net input VAT	**1,079,328**	926,066
Prepayments	**618,734**	398,783
	₱4,876,051	₱4,502,838

Prepayments mainly pertain to prepaid insurance and taxes.

7. Investment Properties

In 2018, the Company sold its investment properties located in Legazpi City, Albay for a total consideration of ₱45.0 million, resulting to a loss on sale of ₱24.9 million. In concluding the sale transaction, management took into account the cost of maintaining the property as well as other expenses and liabilities which the Company needs to defray.

8. Investment in a Club Share

The Company's investment consists of a club share in Valley Golf & Country Club. The fair value of the club share is determined by reference to published price quotations in an active market.

Movements in this account are as follows:

	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)
Cost	**₱200,000**	₱200,000
Unrealized gain on fair value changes		
Balance at beginning of year	**800,000**	700,000
Fair value changes	**–**	100,000
Balance at end of year	**800,000**	800,000
	₱1,000,000	₱1,000,000

9. Equipment

Movements in this account are as follows:

	June 30, 2021 (Unaudited)		
	Computer Equipment	**Transportation Equipment**	**Total**
Cost			
Balance at beginning and end of period	**₱85,800**	**₱1,631,375**	**₱1,717,175**
Accumulated Depreciation			
Balance at beginning of period	**85,800**	**1,048,612**	**1,134,412**
Depreciation	**–**	**163,138**	**163,138**
Balance at end of period	**85,800**	**1,211,750**	**1,297,550**
Carrying Amount	**₱–**	**₱419,625**	**₱419,625**

	December 31, 2020 (Audited)		
	Computer Equipment	Transportation Equipment	Total
Cost			
Balance at beginning and end of year	₱85,800	₱1,631,375	₱1,717,175
Accumulated Depreciation			
Balance at beginning of year	80,080	722,337	802,417
Depreciation	5,720	326,275	331,995
Balance at end of year	85,800	1,048,612	1,134,412
Carrying Amount	₱–	₱582,763	₱582,763

On February 8, 2018, the Company entered into an operating lease agreement with MMDC for the lease of transportation equipment until October 7, 2019 (see Note 12).

10. Accrued Expenses and Other Current Liabilities

This account consists of:

	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)
Liabilities arising from the MOA	**₱163,104,972**	₱161,904,972
Dividends payable	**10,985,443**	10,985,443
Rental deposits	**5,972,642**	5,972,642
Accrued expenses	**2,758,995**	3,112,379
Statutory payable	**9,404**	5,690
Others	**3,196,209**	3,196,210
	₱186,027,665	₱185,177,336

Liabilities arising from the MOA pertain to the estimated transfer taxes and registration fees to affect the transfer of assets in relation to the Company's previous development bank operations to BDO and PDIC and other related liabilities, primarily from unremitted collection of assigned receivables and sale of foreclosed properties for the account of PDIC (see Note 1). This account also includes provision for probable losses to cover estimated losses from claims. As allowed under PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, certain information is not disclosed until final settlement as it might prejudice the Company's position on the matter.

Dividends payable pertains to the Company's dividend for cumulative, nonparticipating, nonvoting, redeemable and convertible preferred stock that were declared prior to the Company's incurrence of deficit.

Rental deposits represent long-outstanding rental deposits that have not been claimed by the Company's previous tenants.

Accrued expenses pertain to accrual of outside services, professional fees and association dues, among others. These are normally settled in the next financial year.

Statutory payable is normally settled within the following month.

Other current liabilities include statutory payable and refunds of tenants related to the Company's previous operations. These are noninterest-bearing and unsecured. Other current liabilities are normally settled in the next financial year.

11. **Equity**

Capital Stock

Movements in this account are as follows:

	June 30, 2021 (Unaudited)		December 31, 2020 (Audited)	
	Number of Shares	**Amount**	Number of Shares	Amount
Common stock - ₱1 par value				
Authorized	**3,000,000,000**	**₱3,000,000,000**	3,000,000,000	₱3,000,000,000
Subscribed:				
Balance at beginning and end of period	**700,298,616**	**700,298,616**	700,298,616	700,298,616
Preferred stock - ₱1 par value				
Authorized	**2,000,000,000**	**₱2,000,000,000**	2,000,000,000	₱2,000,000,000
Issued and outstanding:				
Balance at beginning and end of period	**14,366,260**	**14,366,260**	14,366,260	14,366,260
	714,664,876	**₱714,664,876**	714,664,876	₱714,664,876

The Company has 1,587 and 1,589 stockholders as at June 30, 2021 and December 31, 2020, respectively.

The following summarizes the information on the Company's issued and subscribed shares as at June 30, 2021:

	Number of shares issued and subscribed	Percentage of shares
Non-public shareholdings:		
a. Related parties	575,732,986	82.21%
b. Affiliates, directors and officers	1,005	0.00%
Public shareholdings	124,564,625	17.79%
Total	**700,298,616**	**100.00%**

The high and low trading prices of the Company's stock are as follows:

Quarter	High	Low
January to June 2021		
First	**₱4.25**	**₱0.81**
Second	**₱3.55**	**₱2.53**
January to December 2020		
First	₱1.29	₱0.68
Second	0.98	0.69
Third	0.96	0.68
Fourth	1.00	0.76

The preferred stock has the following salient features:

a. Cumulative, nonparticipating, nonvoting, redeemable and convertible at the option of the Company.

b. Cash dividend rate initially at 4.50% per annum based on par value, which shall be automatically adjusted to 11.00% per annum upon full payment of the subscription price.

c. The Company may, at any time at its option, wholly or partially redeem the outstanding preferred stock plus accrued dividends thereon. When such call for redemption is made, the holders of the preferred stock may opt to convert the preferred stock to common stock.

Equity Restructuring
As discussed in Note 1, on March 23, 2018, the SEC approved the Company's equity restructuring to apply APIC of ₱2,114.9 million against deficit.

12. **Leases**

Operating Lease Commitments

- On February 8, 2018, the Company entered into an operating lease agreement with MMDC for the lease of the transportation equipment until October 7, 2019 (see Note 9).

  Rent receivables amounted to ₱1.4 million as at June 30, 2021 and December 31, 2020, respectively (see Note 5).

- The Company entered into cancellable lease agreements covering condominium units for a period ranging from one to thirteen years renewable upon mutual agreement of the parties and subleased the properties under the same terms. In July 2018, these agreements were terminated upon mutual consent of the contracting parties.

13. **Related Party Transactions**

Outstanding balances and transactions with related parties are as follows:

		Amount of Transaction		Outstanding Balance	
	Nature of Transaction	**2021 (Unaudited)**	2020 (Audited)	**June 30, 2021 (Unaudited)**	December 31, 2020 (Audited)
Receivables					
Loans Receivables					
Entity under common control	Loan	**₱–**	₱–	**₱26,000,000**	₱26,000,000
	Interest income	**–**	2,600,000	**5,541,667**	5,541,667
Rent Receivables					
Entity under common control	Rent income	**–**	–	**1,159,200**	1,159,200
				₱30,100,867	₱32,700,867
Due from related parties					
Entities under common control	Advances	**₱33,654**	₱41,646	**₱7,807,282**	₱7,773,628
Due to a related party					
Parent Company	Advances	**₱–**	₱–	**₱13,880,000**	₱13,880,000

The Company has no material and/or significant transactions with its related parties in 2021.

Terms and Conditions of Transactions with Related Parties

Loans Receivable
In 2018, the Company entered into a one-year unsecured loan agreements with MMDC with 10% per annum interest due in 2019. As at June 30, 2021, the loans receivable are due and demandable.

Rent Receivables
On February 8, 2018, the Company entered into an operating lease agreement with MMDC for the lease of transportation equipment until October 7, 2019 (see Note 9). As at June 30, 2021, the rent receivable is due and demandable.

Due to and from Related Parties
Outstanding balances are unsecured, noninterest-bearing, collectible and, payable in cash upon demand. The Company has not made any provision for impairment losses relating to the amounts

owed by the related parties. This assessment is undertaken at each reporting date by taking into consideration the financial position of the related parties and the market at which the related parties operate.

Management Fee
On December 3, 2018, the Company obtained approval from its stockholders to enter into a new management agreement with the Parent Company. As at June 30, 2021 and December 31, 2020, no management fee was recognized since the Company has yet to finalize the agreement with RYM.

Compensation of Key Management Personnel
The Company has no compensation of key management personnel in 2021 and 2020. Its managerial, accounting and administrative functions are provided by a related party at no cost to the Company.

14. Commitments and Contingencies

a. In the normal course of its prior operations, the Company has outstanding commitments, pending litigations and contingent liabilities which are not reflected in the financial statements. Management and legal counsel believe that the ultimate outcome of these matters will not have a material impact in the financial statements.

b. As discussed in Note 1, under the MOA dated September 12, 2002 between the Company and BDO and PDIC, the Company agreed to transfer its assets and liabilities from its development bank operations to BDO and PDIC. Under the terms of the 2002 MOA, the Company holds BDO free from any contingent claims, labor and minority issues and concerns arising from related assets and liabilities still managed by the Company until these are assumed by BDO.

   The Company has accounted for separately, assets from its development bank operations pursuant to the MOA. It still has in its possession titles of real estate properties from its development bank operations with an aggregate value of ₱499.1 million as at June 30, 2021 and December 31, 2020. Moreover, the Company has cash of ₱13.9 million as at June 30, 2021 and December 31, 2020 arising from the proceeds of the sale of one of its properties.

15. Basic Loss Per Share

The basic loss per share is computed as follows:

	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)
Net loss	**(₱1,212,121)**	(₱2,976,624)
Less dividend rights of preferred stockholders for the period	**1,581,671**	1,581,671
Loss attributable to common stockholders	**(2,793,792)**	(4,558,295)
Divided by weighted average number of common stock	**700,298,616**	700,298,616
Basic loss per share	**(₱0.004)**	(₱0.007)

The convertible feature of the Company's preferred stock has potential antidilutive effect. The Company has no diluted income per share in 2021 and 2020 because the Company is in a net loss position.

16. Financial Risk Management Objectives and Policies

The Company's principal financial instruments comprise of cash, receivables (excluding advances to officers, employees and service providers), due from related parties, investment in a club share, accrued expenses and other current liabilities (excluding statutory payable) and due to a related party.

The main risks arising from the financial instruments of the Company are credit risk and liquidity risk. The BOD reviews and approves policies for managing the risks.

Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligation. The Company's exposure to credit risk arises primarily from cash in banks, receivables (excluding advances to officers, employees and service providers) and due from related parties and investment in a club share. The carrying amounts of the financial assets represent the Company's gross maximum exposure to credit risk in relation to financial assets.

The aging analyses of financial assets as at June 30, 2021 and December 31, 2020 are as follows:

	June 30, 2021 (Unaudited)				
	Neither Past Due Nor Impaired	**Past Due But Not Impaired**		**Past Due and Impaired**	**Total**
		Less Than 30 Days	**31-60 Days**		
Financial Assets at Amortized Cost					
Cash in banks	**₱7,568,026**	**₱–**	**₱–**	**₱–**	**₱7,568,026**
Receivables*	**32,724,867**	**–**	**–**	**62,515,672**	**95,240,539**
Due from related parties	**7,807,282**	**–**	**–**	**–**	**7,807,282**
	48,100,175	**–**	**–**	**62,515,672**	**110,615,847**
Financial Assets at FVOCI					
Investment in a club share	**1,000,000**	**–**	**–**	**–**	**1,000,000**
	₱49,100,175	**₱–**	**₱–**	**₱62,515,672**	**₱111,615,847**

**Excluding advances to officers, employees and service providers amounting to ₱2.2 million.*

	December 31, 2020 (Audited)				
	Neither Past Due Nor Impaired	Past Due But Not Impaired		Past Due and Impaired	Total
		Less Than 30 Days	31-60 Days		
Financial Assets at Amortized Cost					
Cash in banks	₱8,227,827	₱–	₱–	₱–	₱8,227,827
Receivables*	32,724,867	–	–	62,515,672	95,240,539
Due from related parties	7,773,628	–	–	–	7,773,628
	48,726,322	–	–	62,515,672	111,241,994
Financial Assets at FVOCI					
Investment in a club share	1,000,000	–	–	–	1,00,000
	₱49,726,322	₱–	₱–	₱62,515,672	₱111,241,995

**Excluding advances to officers, employees and service providers amounting to ₱2.2 million.*

Credit Quality of Financial Assets. The credit quality of the Company's financial assets is being managed by using internal credit ratings such as high grade and standard grade.

High grade - pertains to counterparty who is not expected by the Company to default in settling its obligations, thus credit risk exposure is minimal.

Standard grade - include financial assets that are considered moderately realizable and some accounts which would require some reminder follow-ups to obtain settlement from the counterparty.

The Company has assessed the credit quality of financial assets that are neither past due nor impaired as high grade.

Liquidity Risk
Liquidity risk is the risk that the Company will not be able to settle or meet its financial obligations when they fall due. The Company aims to maintain flexibility by maintaining sufficient cash to meet all foreseeable cash needs.

The Company also maintains a balance between continuity of funding and flexibility. The policy of the Company is to first exhaust lines available from affiliated companies before local bank lines are availed of. The Company seeks to manage its liquid funds through cash planning on a weekly basis. The Company uses historical figures and experiences and forecasts from its cash receipts and disbursements. As part of its liquidity risk management, the Company regularly evaluates its projected and actual cash flows.

As at June 30, 2021 and December 31, 2020, accrued expenses and other current liabilities (excluding statutory payable) and due to a related party aggregating ₱199.9 million and ₱199.1 million, respectively, are generally due and demandable.

Fair Values
The following table presents the carrying amounts and fair values of the Company's assets and liabilities measured at fair value and the corresponding fair value hierarchy:

	June 30, 2021 (Unaudited)		December 31, 2020 (Audited)	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Assets				
Cash	**₱7,572,785**	**₱7,572,785**	₱8,233,104	₱8,233,104
Receivables*	**32,828,567**	**32,828,567**	30,124,867	30,124,867
Due from related parties	**7,807,282**	**7,807,282**	7,773,628	7,773,628
Investment in a club share	**1,000,000**	**1,000,000**	1,000,000	1,000,000
	₱49,208,634	**₱49,208,634**	₱47,131,599	₱47,131,599
Financial Liabilities				
Accrued expenses and other current liabilities**	**₱186,018,261**	**₱186,018,261**	₱185,171,646	₱185,171,646
Due to a related party	**13,880,000**	**13,880,000**	13,880,000	13,880,000
	₱199,898,261	**₱199,898,261**	₱199,051,646	₱199,051,646

**Excluding advances to officers, employees and service providers amounting to ₱2.2 million as at June 30, 2020 and December 31, 2020.*
***Excluding statutory payable amounting to ₱9,606 and ₱5,690 as at June 30, 2021 and December 31, 2020, respectively.*

Current Financial Assets and Liabilities. The carrying amounts of cash, receivables (excluding advances from officers, employees and service providers), due from related parties and accrued expenses and other current liabilities (excluding statutory payable) and due to a related party approximate their fair values due to the short-term nature and maturities of the transactions. The fair value measurement of current financial assets and liabilities is classified as Level 3 (Significant unobservable inputs

Investment in a Club Share. The fair value of this financial asset was determined based on the current selling price to third parties. The fair value measurement of equity securities designated as FVOCI is classified as Level 2 (Significant observable inputs).

Capital Management
The primary objective of the Company's capital management is to safeguard the Company's ability to continue its operations as a going concern and to maximize shareholder value. The Company manages its capital structure and adjusts the same when there are changes in the economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payment to shareholders, return capital to shareholders, or issue new stock. No changes were made in the objectives, policies or processes for the period and year ended June 30, 2021 and December 31, 2020.

PRIME MEDIA Holdings, Inc.

Ref. No. PRIM_LEG2021_CERT_035

CERTIFICATION

I, **Maila G. de Castro**, Corporate Secretary of Prime Media Holdings Inc. (the "Corporation") with SEC Registration Number 000022401, and with principal office at 16th Floor BDO Towers Valero (formerly Citibank Tower), 8741 Paseo de Roxas, Makati City, Philippines, on oath state:

1. That upon instructions of the Corporation's Management, I have caused this SEC Form 17Q- Quarterly Report for the period ended June 30, 2021 to be prepared;

2. That I read and understood its contents which are true and correct to the best of my personal knowledge and/or based on records;

3. That the Corporation will comply with the requirements set forth in SEC Notice dated 24 June 2020 for a complete and official submission of reports and/or documents through electronic mail; and,

4. That I am fully aware that the documents filed online which require pre-evaluation and/or processing fee shall be considered complete and officially received only upon payment of a filing fee.

5. That the e-mail account designated by the company pursuant to SEC Memorandum Circular No. 28, s.2020 shall be used by the company in its online submissions to CGFD.

IN WITNESS WHEREOF, I have hereunto set my hand this AUG 1 0 2021 day of ______________, 2021.

Maila G. de Castro
Corporate Secretary

SUBSCRIBED AND SWORN to before me this AUG 1 0 2021 day of ______________, 2021, affiant exhibiting to me her valid identification, as follows:

NAME	VALID IDENTIFICATION	DATE and/or PLACE OF ISSUE
Maila G. de Castro	Driver's License No. N02-95-296472 expiring on October 21, 2021	

Notary Public

Doc. No. 344;
Page No. 75;
Book No. 1;
Series of 2021.

KENNETH PETER D. MOLAVE
Notary Public for Makati City
Appt. No. M-38 Until 31 Dec. 2021
Roll of Atty. No. 70029
MCLE Compliance No. VI -0027998; 5/22/2019
IBP Membership No. 121652; 01/04/2021
PTR No. MKT-8547467ME; 01/15/2021
4F BDO Towers, 8741 Paseo de Roxas, Makati City

File copy

COVER SHEET

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S.E.C. Registration Number

PRIME MEDIA HOLDINGS, INC. (A Subsidiary of RYM Business Management Corp.)

(Company's Full Name)

16th Floor BDO TOWERS VALERO 8741 PASEO DE ROXAS, MAKATI CITY

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

ROLANDO S. SANTOS	**8831-4479**
Contact Person	Company Telephone Number

1 2 / 3 1	**SEC 17-A**	0 5 /
Month *Day* Fiscal Year	FORM TYPE	*Month* *Day* Annual Meeting

N/A

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

1,589	**nil**	
Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. Use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

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

1. For the fiscal year ended **December 31, 2020**

2. SEC Identification Number **22401**

3. BIR Tax Identification No. **000-491-007**

4. Exact name of issuer as specified in its charter **PRIME MEDIA HOLDINGS, INC. (Formerly: First e-Bank Corporation)**

5. **Manila**
Province, Country or other jurisdiction of incorporation or organization

6. (SEC Use Only)
Industry Classification Code:

7. **16th Floor BDO Towers Valero (Formerly: Citibank Tower)**
8741 Paseo de Roxas, Makati City
Address of principal office

1227
Postal Code

8. **(632) 8831-4479**
Issuer's telephone number, including area code

9. **Not applicable**
Former name, former address, and former fiscal year, if changed since last report.

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Preferred stock, PHP 1.00 par value	**14,366,260**
Common Stock, Php 1.00 par value	**700,298,616**

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

Yes [X] No [ ]

Philippine Stock Exchange

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [X] No [ ]

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

Yes [X] No [ ]

13. The aggregate market value of the voting stock held by non-affiliates is 105,879,081 computed on the basis of 124,563,625 representing 17.79% of the outstanding common shares at the closing price as of January 11, 2021 of Pesos 0.85 per share.

Table of Contents

PART I - BUSINESS AND GENERAL INFORMATION

(A) Description of Business

Item 1. Business Development

Prime Media Holdings, Inc. (PRIM or the Company) was originally incorporated on February 6, 1963 as Private Development Corporation of the Philippines and then changed to PDCP Development Bank, Inc. that same year. On June 6, 2000, the Company changed its name to First e-Bank Corporation and then eventually shifted to its current name on October 20, 2003.

Through a Memorandum of Agreement (MOA) executed in 2002, Banco de Oro Unibank, Inc. assumed the servicing of PRIM's deposit liabilities and other banking functions. On December 6, 2002, the Board of PRIM approved the amendment of its Articles of Incorporation (AOI) to change to primary purpose from a development bank to a holding company, which would hold investments in the media industry.

On January 26, 2013, the Board of Directors (BOD) approved the amendment of its AOI extending the corporate life of PRIM by another 50 years up to February 6, 2063. The stockholders of the Company approved and ratified the amendment in a special stockholders' meeting on February 4, 2013. On February 5, 2013, the Company filed the amended AOI with the Securities and Exchange Commission (SEC), which approved such amendment of the AOI on March 4, 2013. However, in accordance with the Revised Corporation Code of the Philippines, effective February 23, 2019, the Company was automatically accorded perpetual existence.

On March 2, 2015, the SEC approved the Corporation's change of principal office address from 3 San Antonio Street, Barrio Kapitolyo, Pasig City to 16th Floor Citibank Tower, 8741 Paseo de Roxas, Makati City.

The Company's current activities comprise mainly of compliance with the MOA by transferring remaining assets related to its previous banking operations, to BDO and PDIC. In view of its very minimal operations, the Company gradually retired all its employees by 2010 and engaged consultants/service providers to service its requirements.

Item 2. Properties

Practically all of the Company's properties, which consisted of bank premises (land, buildings and leasehold rights) and real estate acquired through dacion and foreclosure while it was still a bank, were conveyed to BDO/PDIC. The investment properties with market value of ₱69.88 million in 2017 was sold last September 21, 2018 for ₱51.82 million, inclusive of VAT, in order to use the funds to pay the Company's liabilities and defray its expenses. Please refer to Note 7 of the 2020 Audited Financial Statements (AFS).

Item 3. Legal Proceedings

The Company is a party to certain lawsuits or claims arising from from its previous bank operations in the ordinary course of business. However, the Company's management and legal counsel believe that eventual liabilities under these lawsuits or claims, if any, will not have a material effect on the Company's financial status and general corporate standing.

Please see Note 15 of the attached 2020 AFS.

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

During the Annual Shareholders' Meeting held last 30 October 2020, the following were submitted for approval of the shareholders:

1. Call to order
2. Certification of Quorum
3. Approval of Minutes of the Previous Meeting
4. Approval of Management Report and Audited Financial Statements
5. Ratification of Management's Act
6. Election of Directors
7. Appointment of External Auditor
8. Other Matters
9. Adjournment

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

(1) Market information

The total number of outstanding shares of record as of December 31, 2020 is 700,298,616 of which 663,713,458 is actively being traded in the Philippine Stock Exchange. The high and low stock prices in pesos for each quarter within the last three fiscal years 2018 to 2020 are given below:

Year	Quarter	High	Low
2018	1st	1.68	1.08
	2nd	1.62	1.09
	3rd	1.66	1.15
	4th	1.26	1.10
2019	1st	1.36	1.12
	2nd	1.40	1.03
	3rd	1.98	1.21
	4th	1.50	1.13
2020	1st	1.29	0.68
	2nd	0.98	0.69
	3rd	0.96	0.68
	4th	1.00	0.76

(2) Holders of Securities

Common Shareholders

The number of common shareholders on record as of December 31, 2020 is 1,589. The list of the top twenty common shareholders as of December 31, 2020 is provided below:

	Name of Stockholders	No. of shares	%age of ownership
1	PCD Nominee Corporation (Filipino)	668,915,656	95.52
2	First Producers Holdings, Corp. FAO Ray Burton Dev't Corporation	6,175,789	0.88
3	First Producers Holdings, Corp. FAO Producers Properties, Inc.	4,903,852	0.70
4	PCD Nominee Corporation (Foreign)	3,715,701	0.53
5	Ray Burton Development Corporation	3,213,293	0.46
6	Producers Properties, Inc.	3,013,701	0.43
7	Mercantile Investment Company, Inc.	1,585,989	0.23
8	Albert Del Rosario ITF Anthony Salim	1,289,279	0.18
9	Lucio W. Yan &/or Clara Yan	600,000	0.09
10	Joel B. Vargas	534,876	0.08
11	Merlene So &/or So Peng Kee	239,000	0.03
12	Maria T. Uy	211,200	0.03
13	Jose Yu Go, Jr.	210,000	0.03
14	Ponciano V. Cruz, Jr.	150,000	0.02
15	Jovy Lim Go	150,000	0.02
16	Qeu Lu Kiong	150,000	0.02
17	Rufino H. Abad	142,011	0.02
18	Luciano H. Tan	139,600	0.02
19	Leonardo Navalta	132,294	0.02
20	Lamberto C. Dizon &/or Erlinda V. Dizon	127,860	0.02

Preferred Shareholders

The number of preferred shareholders of record as of December 31, 2020 was 267. Preferred shares outstanding as of December 31, 2020 were 14,366,260. The top twenty shareholders are as follows:

No.	Name of Stockholders	No. of shares	%age of ownership
1	Florentino L. Martinez	907,340	6.32%
2	Carlos Torres	800,000	5.57%
3	MDI Employees Retirement Plan	610,450	4.25%
4	Metrolab Employees Retirement Plan	545,040	3.79%
5	Helena Llereza	529,810	3.69%
6	Virginia U. Ng	527,600	3.67%
7	HPPI Employees Retirement Plan	500,000	3.48%
8	E. Chua Chiaco Sec., Inc.	449,640	3.13%
9	Citi Securities Inc.	403,000	2.81%
10	Wealth Securities, Inc.	402,000	2.80%
11	PNB Securities Inc.	300,280	2.09%

12	Tato A. Johan	300,000	2.09%
13	BDO Trust Banking Group Fao Miriam College Foundation Inc. Employees	280,000	1.95%
14	Antonio R. Samson	250,000	1.74%
15	Segundo Seangio	244,000	1.70%
16	Diversified Sec., Inc.	218,080	1.52%
17	Antonio Alipio	218,000	1.52%
18	Teresita C. Cometa	210,000	1.46%
19	Eastern Securities Devt. Corp.	196,340	1.37%
20	Juan B. Umipig Jr.	180,000	1.25%

(3) Dividends

There were no dividends declared.

Item 6. Management's Discussion and Analysis or Plan of Operation.

The Company has not been actively operating since its primary purpose was changed from a development bank to a holding company in December 2002 other than the continuing activities described in Part I A (1). There are no known trends, events or material commitments that are expected to have a material favorable or unfavorable impact on the financial condition or on income from continuing operations. The Company also signed subscription agreements with its major stockholders for total proceeds of ₱179.00 million, of which ₱70.00 million was received in April 2013 and the balance of ₱109.00 million was collected in May and June 2014. This further bring down the capital deficit and will be the major source of funding for the expenses related to the transfer of the remaining assets to PDIC and BSP. Aside from the transfer of assets to PDIC and BSP, the Company continues to pursue the clean-up of its books and the settlement of its remaining obligations to facilitate possible additional capital infusion from third party investors.

The Company is still exploring for a new business. Its current activities comprise mainly of transferring asset related to its development bank operation to BDO & PDIC. Thus, the company has continued to incur losses resulting to a capital deficiency of ₱144.19 million and ₱141.31 million as at December 31, 2020 and 2019, respectively. The Stockholders, however, have continued to provide the necessary financial support to sustain company operations. The stockholders converted their preferred stock of ₱48.60 million into common stock in 2016 and converted their advances of ₱600.50 million to additional capital in 2014 and infused capital aggregate ₱119.00 million in 2014 and 2013 to reduce capital deficiency.

The Company undergone an equity restructuring to reduce capital deficiency.

Explanations for the material changes in the Company's accounts between 2020 and 2019 are as follows:

Statement of Financial Position

	Audited		Increase (Decrease)	
	2020	**2019**	**Amount**	**%**
	(in PhP Millions)			
Assets	**₱54.87**	₱54.17	₱0.70	1.29%
Liabilities	**199.06**	195.48	3.58	1.83%
Stockholders' Equity	**(144.19)**	(141.31)	(2.88)	2.04%

The Company's total Assets of ₱54.87 million surged by ₱0.70 million or 1.29% compared with the same period last year. The movement in total Assets is attributable to the following:

- Cash balance of ₱8.23 million is lower by ₱1.80 million compared with the same period last year. The significant decrease is mainly attributable to payments of the Company's general and administrative expenses.
- Accrual of interest income from an outstanding loans receivable from MMDC, an affiliated company, amounting to ₱2.60 million during the year, resulted to the increase in receivables by ₱2.61 million. The loan agreement bears an interest of 10% per annum.
- The increase in Investment in a club share is mainly due to recognition of the fair value changes amounting to ₱0.10 million during the year.
- Decrease in equipment of ₱0.33 million is attributed to the depreciation recognized for the year. No addition and/or disposal was made during the year.

Cash receipts during the year totaling ₱10.80 million from Bulaong Enterprises, Inc. pursuant to the compromise agreement for a legal case, resulted to the increase in Liabilities. This represents partial settlement out of the ₱17.0 million settlement fee (exclusive of ₱1.62 million interest), as indicated in the agreement. As the subject property involved in the compromise agreement is included in the list of properties for transfer to PDIC pursuant to the 12 September 2002 Memorandum of Agreement among the Company, PDIC and BDO, collections were accounted for as liability.

Capital deficiency is higher by ₱2.88 million compared with same period last year. The Company incurred a net loss of ₱2.98 million and recognized ₱0.10 million gain on fair value changes on its investment in a club share, which net movement resulted to the increase in capital deficiency.

Results of Operations

	Audited		Increase (Decrease)	
	2020	**2019**	Amount	%
	(in PhP Millions)			
Income	**₱2.67**	₱3.58	(₱0.91)	(25.50%
Expenses	**5.59**	4.50	1.09	24.25%

The Company's operating results reflected a net loss of ₱2.98 million and ₱0.99 million in 2020 and 2019, respectively. Comparing with the same period last year, there is a huge jump of ₱1.99 million or 200.03%. The significant changes were mainly due to the following:

- The Company's lease agreement with MMDC, for the lease of the transportation equipment, had been expired last October 2019, which resulted to the decline in rental income by ₱0.91 million.
- Professional fee decreased by ₱1.41 million or equivalent to 70.22%, primarily due to increase in payments of legal fees.
- Taxes and licenses for the year amounting to ₱0.10 million is lower by ₱0.33 million compared with same period last year.
- Lower insurance expense for the year by ₱0.28 million or 38.51% compared with same period of last year.

- Increase in Outside services by ₱0.44 million is due to the postponement of the publication of Annual Stockholder's Meeting.

Explanations for the material changes in the Company's accounts between 2019 and 2018 are as follows:

Statement of Financial Position

	Audited		Increase (Decrease)	
	2019	2018	Amount	%
	(in PhP Millions)			
Assets	**₱54.17**	**₱46.58**	₱7.59	16.29%
Liabilities	**195.48**	**187.30**	8.18	4.37%
Stockholders' Equity	**(141.31)**	**(140.70)**	(0.59)	0.42%

The Company's total Assets of ₱54.17 million surged by ₱7.59 million or 16.29% compared with the same period last year. The movement in total Assets is attributable to the following:

- Cash balance of ₱10.02 million is higher by ₱4.42 million compared with the same period last year. The significant increase is mainly due to receipt of cash from Bulaong Enterprises, Inc. pursuant to the compromise agreement for a legal case, which as at December 31, 2019, totaled ₱8.20 million. Payments for general and administrative expenses offset the increase in cash.

- Accrual of interest income from an outstanding loans receivable from MMDC, an affiliated company, amounting to ₱2.60 million during the year, resulted to the increase in receivables by ₱2.77 million. The loan agreement bears an interest of 10% per annum.

- The increase in Investment in a club share is mainly due to recognition of the fair value changes amounting to ₱0.40 million during the year.

- Decrease in equipment of ₱0.34 million is attributed to the depreciation recognized for the year. No addition and/or disposal was made during the year.

Cash receipts during the year totaling ₱8.20 million from Bulaong Enterprises, Inc. pursuant to the compromise agreement for a legal case, resulted to the increase in Liabilities. This represents partial settlement out of the ₱17.00 million settlement fee (exclusive of ₱1.62 million interest), as indicated in the agreement. The subject property involved in the compromise agreement is included in the list of properties for transfer to PDIC pursuant to the 12 September 2002 Memorandum of Agreement among the Company, PDIC and BDO, hence, collections were accounted for as liability.

Capital deficiency is higher by ₱0.59 million compared with same period last year. The company incurred a net loss of ₱0.99 million and recognized ₱0.40 million gain on fair value changes on its investment in a club share, which movement resulted to the increase in capital deficiency.

Results of Operations

	Audited		Increase (Decrease)	
	2019	**2018**	Amount	%
	(in PhP Millions)			
Income	**₱3.58**	₱1.82	₱1.76	96.58%
Expenses	**4.50**	35.77	(31.28)	(87.43%)

The Company's operating results reflected a net loss of ₱0.99 million and ₱24.57 million in 2019 and 2018, respectively. Comparing with the same period last year, there is a huge drop of ₱23.58 million or 95.96%. The significant changes were mainly due to the following:

- The increase in income is mainly due to the interest accrued during the year, from the outstanding loans receivable from MMDC. The said loan bears an interest of 10% annually. On the other hand, the Company's lease agreement with MMDC, for the lease of the transportation equipment, has expired last October 2019, which resulted to the decline in rental income.

- Professional fee decreased by ₱0.58 million or equivalent to 22.44%, primarily due to decrease in payments of legal fees.

- Taxes and licenses for the year amounting to ₱0.43 million is lower by ₱1.02 million compared with same period last year. The Company paid real property taxes last year for its property located in Legazpi totalling ₱0.77 million, which caused last year's expense to be significantly higher compared with the current year.

- Association dues of ₱0.07 million is lower by ₱2.48 million compared with the same period last year. The Company paid its association dues (including those in arrears) to Landco Business Park last year, concerning the Legazpi property, which resulted to higher expense than the current year.

- The increase in Representation expenses by ₱0.91 million is due to payment of representation fees to legal counsels on pending cases involving the company.

- Other expenses increased by ₱1.08 million due to recognition of other miscellaneous expense and representation expenses.

  Last year's loss on sale of investment properties resulted from the sale of the Company's Legaspi Property in favor of Pacific Mall Corporation. The sale resulted to a loss of ₱24.90 million.

Explanations for the material changes in the Company's accounts between 2018 and 2017 are as follows:

Statement of Financial Position

	Audited		**Increase (Decrease)**	
	2018	**2017**	**Amount**	**%**
	(in PhP Millions)			
Assets	**₱46.58**	**₱88.52**	(41.94)	(47.38%)
Liabilities	**187.30**	**202.63**	(15.33)	(7.56%)
Stockholders' Equity	**(140.70)**	**(114.11)**	(26.61)	23.32%

The total Assets of the Company decreased by ₱41.94 Million or equivalent to 47.38% from ₱88.52 Million in 2017 to ₱46.58 Million in 2018. The significant changes were mainly due to the following:

- Cash increased significantly from ₱1.72 million as of December 31, 2017 to ₱5.60 million as of December 31, 2018, an increase of ₱3.88 million was brought mainly by the proceeds of sale of the Investment property in Legaspi City, Albay sold to Pacific Mall Corporation.

- Receivable increased by ₱24.90 million due to the interest-bearing loan agreement entered into by the Company with Marcventures Mining and Development Corporation.

- Increase in Other current asset of ₱3.67 million was brought by the payment of a prepaid insurance and a creditable withholding tax of ₱3.42 million representing a 6% tax withheld by Pacific Mall Corporation.

- Due from related party decreased significantly by ₱4.43 million or equivalent to 35.69% that pertains to the collection and offset on advances from RYM Business Management Corporation.

- Decrease in Non-Current assets of ₱69.96 million or equivalent to 97.55% resulted from the sale of investment property in Legazpi City, Albay amounting to ₱69.88 million.

Liabilities decreased by ₱15.33 million or equivalent to 7.56% which is mainly due to the reversal of deferred tax liability and a decrease in the accrued interest, taxes and registration expenses brought by the payment to BSP of a compromise fee amounting to ₱20.00 million.

The company incurred a net loss of ₱24.37 million in 2018 which resulted to decrease in the total stockholder's equity.

Results of Operations

	Audited		Increase (Decrease)	
	2018	2017	Amount	%
	(in PhP Millions)			
Income	**₱1.82**	₱2.20	(0.38)	(17.27%)
Expenses	**35.77**	30.11	(5.66)	18.80%

Operating results reflected a net loss of ₱24.57 million in 2018, or equivalent to 13.58% lower as compared to 2017 reported net loss of ₱28.44 million. The significant changes were mainly due to the following:

- Interest income on loans receivable increased by ₱0.43 million brought by the Loan agreement with Marcventures Mining and Development Corporation.

- Rental income increased by ₱0.85 million this period or equivalent to 303%.

- Recovery of asset previously written off is ₱0.25 million this period compared to ₱0.17 million last year or an increase of ₱.08 million or equivalent to 47.73%.

- Loss resulted from the sale of the company's Legaspi Property in favor of Pacific Mall Corporation for ₱51.82 million. The sale resulted to a loss of ₱24.90 million representing the difference between the selling price as well as taxes paid by the company and the fair market value of the Legaspi property as recognized in the books.

- Professional fee increased by ₱0.80 million or equivalent to 44.25%. The increase pertains to payment of legal fees and PSE Listing fees.

- Association dues for the period is ₱2.55 million as compared to nil for 2017. The 100% increase is mainly due to payment of arrears on associations dues to Landco Business Park as well as penalties from years 2011 to September 2018 concerning the Legaspi Property.

- Outside Services increased by ₱0.14 million or 10.60% for payment of services for asset management, transfer and registration.

- Taxes and licenses increased from ₱0.46 million in 2017 to ₱1.45 million in 2018 or ₱.99 million higher, due to the increase in payment of Documentary stamp tax and Real property taxes for the current year.

- Representation expenses increased by ₱0.90 million that is due to payment of representation fees to legal counsels on pending cases involving the company.

- Depreciation increased by ₱0.24 million due to the depreciation of a new purchased transportation equipment.

- Other expenses increased by ₱0.43 million due to recognize of other miscellaneous expense and representation expenses.

Performance Indicators

Key Performance Indicators (KPI's)

Comparative figures of the key performance indicators (KPI) for the fiscal years ended December 31, 2020 and December 31, 2019:

	2020	2019
Net Loss	**(₱2,976,624)**	(₱992,120)
Current assets	**53,283,137**	52,351,710
Total assets	**54,865,900**	54,166,468
Current liabilities	**199,057,336**	195,481,280
Total liabilities	**199,057,336**	195,481,280
Stockholders' Equity	**(144,191,436)**	(141,314,812)
No. of common shares outstanding	**700,298,616**	700,298,616

	2020	2019
Current ratio [1]	**0.27**	0.27
Book value per share [2]	**(0.21)**	(0.20)
Debt ratio [3]	**(1.38)**	(1.38)
Profit (loss) per share [4]	**(0.004)**	(0.001)
Return on assets [5]	**(0.05)**	(0.02)

Note:

1. Current assets / current liabilities
2. Stockholder's Equity / Total outstanding number of shares
3. Total Liabilities / Stockholder's Equity
4. Net Income (Loss) / Total outstanding number of shares
5. Net income (Loss) / average total assets

Item 7. Financial Statements

The 2020 Audited Financial Statements and schedules are filed as part of Form 17-A.

Item 8. Information on Independent Accountant and other Related Matters

External Audit Fees and Services

	Year Ended December 31	
	2020	2019
Audit Fees	**₱390,000**	₱390,000

Audit Fees. Represents professional fees of the external auditor for the audit services rendered on Company's Annual Financial Statements for the year 2020 and 2019.

Audit services provided to the Company by external auditor have been pre-approved by the Audit Committee. The Audit Committee has reviewed the magnitude and nature of these services to ensure that they are compatible with maintaining the independence of the external auditor.

Changes in and disagreements with Accountants on Accounting and financial Disclosure

There was no event in the past years where the external auditor and the Registrant had any disagreements with regard to any matter relating to 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

Directors

The following are the names, ages, citizenship and periods of service of the past and the incumbent directors/independent directors of the Company:

Name	Age	Citizenship	Period during which individual has served as such
Manolito A. Manalo	55	Filipino	May 28 2013 to present
Bernadeth A. Lim	40	Filipino	May 28 2013 to present
Juan Victor S. Valdez	47	Filipino	May 28 2013 to present
Antonio L. Tiu	44	Filipino	December 12 2019 to February 22 2021
Rolando S. Santos	70	Filipino	January 06 2017 to present
Johnny Y. Aruego Jr. (independent director)	49	Filipino	May 28 2013 to present

Francisco L. Layug III (independent director)	66	Filipino	December 21 2017 to present

Officers

The following are the names, ages, positions, citizenship and periods of service of the past and incumbent officers and advisors of the Company:

Name	Age	Position	Citizenship	Period during which individual has served as such
Manolito A. Manalo	55	President & CEO	Filipino	May 2013 to present
Bernadeth A. Lim	40	Vice President	Filipino	May 2013 to present
Rolando S. Santos	70	Treasurer	Filipino	January 06 2017 to present
Maila G. De Castro	45	Corporate Secretary	Filipino	Sept 2019 to present
Christopher Sam S. Salvador	38	Asst. Corporate Secretary/Co-Compliance Officer/Corporate Information Officer	Filipino	December 2014 to present
Reuben Carlo O. General	35	Co-Asst. Corporate Secretary	Filipino	October 2020 to present

Business Experience and Other Directorships

Directors

The business experience of each of the past and incumbent directors of the Company for the last five (5) years is as follows.

Directors

Manolito A. Manalo was elected as President and Director in May 2013. He is a co-founder and the Managing Partner of Ocampo and Manalo Law Firm. He is a Director and the President of Panalpina World Transport (Phils.), Inc. He also sits as Director in Kajima Philippines Inc. He began his law practice as an Associate in Leovillo C. Agustin Law Offices from 1995 to 1996 and Britanico Consunji and Sarmiento from 1996 to 1997. He later headed the Legal Division of Air Philippines from 1997 to 1999.

Bernadeth A. Lim was elected as Vice President and Director in May 2013. She is a Junior Partner of Ocampo and Manalo Law Firm. She is a Director and the Corporate Secretary of Kajima Philippines Incorporated, Ripple Mobile Technology Solutions Inc., Anawhan Realty Inc. and Bryaric Holdings Corp. She also sits as a Director in Veripay Mobile Systems Inc.

Juan Victor S. Valdez was elected as Director in May 2013. He is a Junior Partner of Ocampo and Manalo Law Firm. He is a Director, and the Vice–President for Legal Affairs and Corporate Secretary of PATTS College of Aeronautics, one of the country's leading aeronautic schools. He also sits as Director in Segundo Travel & Tours Inc., Hafti Tours Inc., and Kajima Philippines Incorporated.

Johnny Y. Aruego, Jr. was elected as an Independent Director in May 2013. He is a Partner in Aruego Bite and Associates. He is a Director of Excel Unified Land Resources Corporation. He is the Corporate Secretary and Legal Counsel for Agility, Inc. and A. V. Ocampo-ATR Kimeng Insurance Broker, Inc. He is a Legal Consultant of Loranzana Food Corporation, National Steel Corporation, and Margarita Land and Management Co., Inc. He is the assistant rehabilitation receiver for Pacific Activated Carbon, Inc., Pet Plans, Inc., Bacnotan Steel Industries, Inc. and All Asia Capital and Trust Corporation. He is an assistant liquidator of East Asia Capital Corporation, and Reynolds Philippines Corporation.

Francisco L. Layug III was elected as an Independent Director in December 2017. He is the President of Rotary Club of Pasay. He served as President of University of the Philippines Electronics and Electrical Engineering Alumni Association, Inc. (UPEEEAAI) from 2010-2011. He was also a Vice President of Alay-Lakad Foundation from 2009-2010.

Antonio L. Tiu was elected as a Director in December 2019. He is the President and CEO of Philippine Infradev Holdings Inc.; Chairman, President and CEO of Agrinurture, Inc. ("ANI"); and President and CEO of Greenergy Holdings Incorporated. He is likewise a Director of Jiangsu Rizal Infradev Co., Ltd., Makati City Subway, Inc. and Agricultural Bank of the Philippines Inc. He is the President/CEO and Chairman of Earthright Holdings, Inc.; President and Chairman of Sunchamp Real Estate Development Corp.; and Chairman and President/CEO of Winsun Green Ventures, Inc. Mr. Tiu is also the Chairman and CEO of the following companies under the ANI Group: M2000 IMEX Company, Inc., First Class Agriculture Corporation, Fresh and Green Harvest Agricultural Corporation, Lucky Fruit and Vegetable Products, Inc., Best Choice Harvest Agricultural Corporation, Fresh & Green Palawan Agriventures, Inc., Ocean Biochemistry Technology Research, Inc., Fruitilicious Company, Inc., Farmville Farming Co., Inc. and The Big Chill, Inc.

Mr. Tiu was a part-time lecturer in International Finance at DLSU Graduate School from 1999 to 2001. He was awarded the Ernst and Young Emerging Entrepreneur of the Year in 2009, the Overseas Chinese Entrepreneur of the Year in 2010 and Ten Outstanding Young Men of the Philippines in 2011.

Other Officers

The business experience of each of the incumbent officers of the Company for the last five (5) years is as follows:

Rolando S. Santos was elected as Treasurer in October 2013 and Director in August 22, 2017. He serves as Vice President and Treasurer of Bright Kindle Resources & Investments Inc. and as Treasurer of Marcventures Holdings Inc. and Marcventures Mining and Development Corp. He was previously the Branch Head/ Cluster Head for Makati Branches of Equitable PCI Bank which was eventually acquired by BDO from 2001 to 2013.

Maila Lourdes G. De Castro was appointed in September 2019 as Corporate Secretary, Compliance Officer and Data Privacy Officer. She is currently the Co-Assistant Corporate Secretary of Marcventures Holdings, Inc. and Corporate Secretary of Marcventures Mining & Development Corp. She is likewise the Corporate Secretary, Compliance Officer and Data Privacy Officer of Bright Kindle Resources & Investments, Inc. She worked with the Belo Gozon Elma Parel Law as Legal Associate and Special Projects Counsel from 2000-2006. She was also the Corporate Counsel and Vice President/ Head of Legal and Corporate Planning of UNITEL from 2006-2013, subsequently went to private practice in the last six (6) years and concurrently the Chairperson of the Philippine Electricity City Market Corporation.

Christopher Sam S. Salvador was re-elected as Co-Corporate Information Officer in December 2017. He is a Junior Partner of Ocampo & Manalo Law Firm. He is a Director and the Treasurer of Pureholdings, Inc., Corporate Secretary of Timebound Trading Inc., and Associate Corporate Secretary for Island Tranvoyager, Inc. and Bacuit Airholdings, Inc.

Reuben Carlo O. General was elected Co-Assistant Corporate Secretary in December 2020. He is currently a Senior Legal Counsel of Marcventures Mining and Development Corp. He has almost ten (10) years of accumulated experience as a general legal practitioner cultivated from law firm and in-house settings including Bernas Law Offices, Ocampo & Manalo Law Firm, and a local subsidiary of Korea Electric Power Corporation (KEPCO).

Item 10. Executive Compensation

The aggregate compensation paid in 2019 and 2020 and estimated to be paid in 2021, to the officers of the Company is set out below:

Names	Position	Year	Salary	Bonus	Others
Manolito A. Manalo	Chairman & President				
Bernadeth A. Lim	Vice President				
Diane Madelyn C. Ching	Corporate Secretary (resigned Sept 2019)				
Maila G. De Castro	Corporate Secretary (effective Sept 2019)				
Rolando S. Santos	Treasurer				
Aggregate for above named officers		2019 2020 2021 (Est.)			₱20,000 27,000 25,000
All Directors and Officers as a group unnamed		2019 2020 2021 (Est.)			₱30,000 45,000 40,000

Item 11. Security Ownership of Certain Beneficial Owners and Management

Security Ownership of Record and Beneficial Owners of at least 5% of the Company's Securities as of 31 December 2020:

Type of Class	Name and address of record owner and relationship with Issuer	Citizenship	Name of Beneficial Owner & Relationship with Record Owner	No. of Shares Held	Percent of class
Common Shares	PCD Nominee	Filipino	RYM Business Management Corp./ Client	463,555,085	66.19%
Common Shares	PCD Nominee	Filipino	Mairete Asset Holdings,Inc.	77,178,901	11.00%

On December 18, 2015, the Company disclosed that it received information from RYM Business Management Corp. that the latter acquired through foreclosure sale 93,685,410 and 218,099,360 common shares owned by NOHI and MTLCI, respectively, resulting to 87.38% ownership in the Company.

Other than the abovementioned transaction, the Company has no knowledge of any person who, as of December 31, 2020, was directly or indirectly the beneficial owner of, or who has voting power or investment power (pursuant to a voting trust or other similar agreement) with respect to, shares comprising more than five percent (5%) of the Company's outstanding common shares of stock.

Security Ownership of Management as of December 31, 2020

Type of Class	Name and Address of Owner	Amount and nature of Beneficial ownership	Citizenship	Percent of class
Common	Manolito Manalo	1	Filipino	0.0%
Common	Bernadeth A. Lim	1	Filipino	0.0%
Common	Antonio L. Tiu	1,000	Filipino	0.0%
Common	Juan Victor S. Valdez	1	Filipino	0.0%
Common	Johnny Y. Aruego Jr.	1	Filipino	0.0%
Common	Rolando S. Santos	1,000	Filipino	0.0%
Common	Francisco L. Layug III	1	Filipino	0.0%
TOTAL		2,005		

Changes in Control

The Company is not aware of any voting trust agreements or any other similar agreements which may result in a change in control of the Company. As reported to the SEC and PSE, on December 18, 2015, RYM Business Management Corp. acquired through foreclosure sale 93,685,410 and 218,099,360 common shares owned by NOHI and MTLCI, respectively, resulting to 87.38% ownership in the Company.

Item 12. Certain Relationships and Related Transactions

Part IV-Corporate Governance

Item 13. Corporate Governance

This portion has been deleted pursuant to SEC Memorandum Circular No. 05 Series of 2013.

Part V – Exhibits and Schedules

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

(a) Exhibits

See accompanying Index to Exhibits.

The following exhibits are filed as a separate section of this report

(b) Reports on SEC Form 17-C

Items reported under SEC Form 17-C during the last six months covered by this report:

Date of Disclosure	Subject

July 2, 2020	Additional Extension of the relevant periods under the Memorandum of Agreement between RYM Business Management Corporation and Greenergy Holdings Incorporated and related entities for the proposed acquisition of Investment Properties by Prime Media Holdings, Inc. (PRIM) in exchange for Shares
August 14, 2020	Postponement of 2020 Annual Stockholders' Meeting
August 26, 2020	Notice of 2020 Annual Stockholders' Meeting
September 25, 2020	Postponement of 2020 Annual Stockholders' Meeting
October 1, 2020	Amended Results of the 2019 Organizational Meeting of BOD
October 1, 2020	Amended Notice of the 2020 Annual Stockholders' Meeting
November 3, 2020	Appointment of Atty. Reuben Carlo O. General
November 3, 2020	Results of the 2020 Annual Stockholders' Meeting
November 3, 2020	Results of the 2020 Organizational Meeting of BOD
December 29, 2020	Termination of Agreement between RYM Business Management Corporation ("RYM"), Greenergy Holdings Incorporated and certain landowners.

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 Makati on 20 April, 2021.

By:

MANOLITO A. MANALO
President

ROLANDO S. SANTOS
Treasurer

MAILA G. DE CASTRO
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 20th day of April 2021 affiant(s) exhibiting to me their IDs, as follows:

NAMES	IDs Presented	Expiry date
Manolito A. Manalo	195-562-309 TIN	
Rolando S. Santos	127-551-054 TIN	
Maila G. De Castro	209-980-102 TIN	

Notary Public

MARJORIE A. SAN JUAN
Notary Public for Makati City
Appt. No. M-135 Until 31 Dec. 2021
Roll of Attorneys No. 71296
IBP Membership No. 153408; 01/18/2021
PTR No. MKT-8547468ME; 01/15/2021; Makati City
MCLE Compliance No. VI-0013795; 10/12/2018
4F BDO Towers (formerly Citi Center),
8741 Paseo de Roxas, Makati City

Doc. No. 333
Page No. 68
Book No. I
Series of 2021.

Gmail Jacky-Lyn Valenzuela <jacky.valenzuela@marcventures.com.ph>

Your BIR AFS eSubmission uploads were received

eafs@bir.gov.ph <eafs@bir.gov.ph> Mon, Apr 12, 2021 at 4:12 PM
To: JOANNA.MANZANO@marcventures.com.ph
Cc: JACKY.VALENZUELA@marcventures.com.ph

Hi PRIMEMEDIA,

Valid files

- EAFS000491007OTHTY122020.pdf
- EAFS000491007ITRTY122020.pdf
- EAFS000491007AFSTY122020.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-67A5FJ5H06DC96A9NY13SR2Y03TSSZYR1**
Submission Date/Time: **Apr 12, 2021 04:11 PM**
Company TIN: **000-491-007**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

This is a system-generated e-mail. Please do not reply.

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number: 2 2 4 0 1

COMPANY NAME

PRIME MEDIA HOLDINGS, INC. (A Subsidiary of RYM Business Management Corp.)

PRINCIPAL OFFICE *(No./Street/Barangay/City/Town/Province)*

16th Floor, Citibank Tower, 8741 Paseo de Roxas, Makati City

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	CRMD	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
maila.decastro@marcventures.com.ph	(02) 8 831-4479	0919-993-7231

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
1,589	3rd Tuesday of May	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Mr. Rolando S. Santos	rolly.santos@marcventures.com.ph	8 826-8609/8 856-7976	0998-985-0229

OFFICE ADDRESS

16th Floor, BDO Towers Valero (formerly Citibank Tower), 8741 Paseo de Roxas, Makati City

NOTE 1: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2: *All boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt shall not excuse the corporation from liability for its deficiencies.*

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of **Prime Media Holdings, Inc.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein for the years ended **December 31, 2020 and 2019**, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible in overseeing the Company's financial reporting process.

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

Reyes Tacandong & Co., the independent auditor appointed by the stockholders for the years ended **December 31, 2020 and 2019**, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

MANOLITO A. MANALO
Chairman and President

ROLANDO S. SANTOS
Treasurer

Signed this MAR 3 0 day of 2021

PRIME MEDIA Holdings, Inc.

SUBSCRIBED AND SWORN to before me this 26th day of April 2021 affiant(s) exhibiting to their evidence of identity, as follows:

NAMES	Competent Evidence of Identity (TIN)	DATE OF ISSUE	PLACE OF ISSUE
Manolito A. Manalo	195-562-309		
Rolando S. Santos	127-551-054		

Notary Public

Doc. No. 332;
Page No. 68;
Book No. I;
Series of 2021.

MARJORIE A. SAN JUAN
Notary Public for Makati City
Appt. No. M-135 Until 31 Dec. 2021
Roll of Attorneys No. 71296
IBP Membership No. 153408; 01/18/2021
PTR No. MKT-8547468ME; 01/15/2021; Makati City;
MCLE Compliance No. VI -0013795; 10/12/2018
4F BDO Towers (formerly Citi Center),
8741 Paseo de Roxas, Makati City

BOA/PRC Accreditation No. 4782
October 4, 2018, valid until August 15, 2021
SEC Accreditation No. 0207-FR-3 (Group A)
August 29, 2019, valid until August 28, 2022

BDO Towers Valero (formerly Citibank Tower)
8741 Paseo de Roxas
Makati City 1226 Philippines
Phone : +632 8 982 9100
Fax : +632 8 982 9111
Website : www.reyestacandong.com

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Prime Media Holdings, Inc.
16th Floor, Citibank Tower
8741 Paseo de Roxas
Makati City

Opinion

We have audited the accompanying financial statements of Prime Media Holdings, Inc. (the Company), a subsidiary of RYM Business Management Corp., which comprise the statements of financial position as at December 31, 2020 and 2019, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the three years ended December 31, 2020, 2019 and 2018, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and 2019, and its financial performance and its cash flows for the three years ended December 31, 2020, 2019 and 2018 in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements which indicates that the Company is still exploring for new business opportunities. Its current activities comprise mainly of transferring assets related to its previous development bank operation to Banco de Oro Unibank, Inc. (BDO) and Philippine Deposit Insurance Corporation (PDIC). Thus, the Company has continued to incur losses resulting in a capital deficiency of ₱144.2 million and ₱141.3 million as at December 31, 2020 and 2019, respectively. These events indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The actions being taken by the Company to address this matter are also discussed in Note 1. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements as at and for the year ended December 31, 2020. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Stockholders' Commitment to Support the Company
The Company relies on its stockholders to sustain its operations and settle its liabilities. The ability of the Company to continue as a going concern depends primarily on the financial capacity and commitment of the stockholders. Hence, this is of significance to our audit. We obtained a letter of financial support from the Parent Company and reviewed management's disclosures on actions being taken by the stockholders and underlying documents. Further disclosures are included in Note 1 to the financial statements.

Estimated Liabilities
As discussed in Note 1, the Company has estimated liabilities primarily related to its previous development banking operations. This matter is of significance to our audit because it involves the use of estimates. We have reviewed the reasonableness of management's estimates. Further disclosures are included in Note 10.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A (Annual Report) and Annual Report distributed to stockholders for the year ended December 31, 2020, but does not include the financial statements and our auditors' report thereon. The SEC Form 20-IS, SEC Form 17-A and Annual Report distributed to stockholders for the year ended December 31, 2020 are expected to be made available to us after the date of this auditors' report.

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Belinda B. Fernando.

REYES TACANDONG & CO.

Belinda B. Fernando

BELINDA B. FERNANDO
Partner
CPA Certificate No. 81207
Tax Identification No. 102-086-538-000
BOA Accreditation No. 4782; Valid until August 15, 2021
SEC Accreditation No. 81207-SEC Group A
Issued January 30, 2020
Valid for Financial Periods 2019 to 2023
BIR Accreditation No. 08-005144-004-2019
Valid until October 16, 2022
PTR No. 8534275
Issued January 5, 2021, Makati City

March 30, 2021
Makati City, Metro Manila

PRIME MEDIA HOLDINGS, INC.
(A Subsidiary of RYM Business Management Corp.)

STATEMENTS OF FINANCIAL POSITION

	Note	December 31 2020	2019
ASSETS			
Current Assets			
Cash	4	**₱8,233,104**	₱10,023,033
Receivables	5	**32,773,567**	30,164,567
Due from related parties	14	**7,773,628**	8,169,372
Other current assets	6	**4,502,838**	3,994,738
Total Current Assets		**53,283,137**	52,351,710
Noncurrent Assets			
Investment in a club share	8	**1,000,000**	900,000
Equipment	9	**582,763**	914,758
Total Noncurrent Assets		**1,582,763**	1,814,758
		₱54,865,900	₱54,166,468
LIABILITIES AND CAPITAL DEFICIENCY			
Current Liabilities			
Accrued expenses and other current liabilities	10	**₱185,177,336**	₱181,601,280
Due to a related party	14	**13,880,000**	13,880,000
Total Current Liabilities		**199,057,336**	195,481,280
Capital Deficiency			
Capital stock	11	**714,664,876**	714,664,876
Deficit		**(859,656,312)**	(856,679,688)
Other comprehensive income	8	**800,000**	700,000
Total Capital Deficiency		**(144,191,436)**	(141,314,812)
		₱54,865,900	₱54,166,468

See accompanying Notes to Financial Statements.

PRIME MEDIA HOLDINGS, INC.
(A Subsidiary of RYM Business Management Corp.)

STATEMENTS OF COMPREHENSIVE INCOME

	Note	2020	2019	2018
		Years Ended December 31		
INCOME				
Interest income	4	**₱2,615,187**	₱2,609,349	₱446,732
Recovery of accounts written-off	5	**50,000**	140,000	247,202
Rent	12	**–**	828,000	1,125,857
		2,665,187	3,577,349	1,819,791
EXPENSES AND OTHER CHARGES				
Professional fees		**3,426,238**	2,012,822	2,595,114
Outside services		**1,038,872**	603,544	1,456,005
Insurance		**445,910**	725,214	27,120
Depreciation	9	**331,995**	343,435	334,372
Taxes and licenses		**100,704**	429,940	1,453,072
Association dues		**74,407**	70,319	2,553,793
Directors' fee		**55,000**	45,000	60,000
Transportation and travel		**3,519**	66,635	76,593
Rent	12	**–**	–	125,488
Representation		**–**	1,500	912,087
Loss on sale of investment properties	7	**–**	–	24,896,294
Others		**112,166**	199,700	1,284,358
		5,588,811	4,498,109	35,774,296
LOSS BEFORE INCOME TAX		**(2,923,624)**	(920,760)	(33,954,505)
PROVISION FOR (BENEFIT FROM) INCOME TAX	13			
Current		**53,000**	71,360	175,322
Deferred		**–**	–	(9,556,800)
		53,000	71,360	(9,381,478)
NET LOSS		**(2,976,624)**	(992,120)	(24,573,027)
OTHER COMPREHENSIVE INCOME	8			
Item that will not be reclassified to profit or loss				
Unrealized valuation gain on investment in a club share		**100,000**	400,000	200,000
TOTAL COMPREHENSIVE LOSS		**(₱2,876,624)**	(₱592,120)	(₱24,373,027)
Basic Loss Per Share	16	**(₱0.007)**	(₱0.004)	(₱0.037)

See accompanying Notes to Financial Statements.

PRIME MEDIA HOLDINGS, INC.
(A Subsidiary of RYM Business Management Corp.)

STATEMENTS OF CHANGES IN EQUITY

		Years Ended December 31		
	Note	2020	2019	2018
CAPITAL STOCK	11			
Common stock - ₱1 par value				
Balance at beginning and end of year		**₱700,298,616**	₱700,298,616	₱700,298,616
Preferred stock - ₱1 par value				
Balance at beginning and end of year		**14,366,260**	14,366,260	14,366,260
		714,664,876	714,664,876	714,664,876
ADDITIONAL PAID-IN CAPITAL				
Balance at beginning of year		**–**	–	2,114,921,869
Effect of equity restructuring	11	**–**	–	(2,114,921,869)
Balance at end of year		**–**	–	–
DEFICIT				
Balance at beginning of year		**(856,679,688)**	(855,687,568)	(2,943,798,478)
Net loss		**(2,976,624)**	(992,120)	(24,573,027)
Effect of equity restructuring	11	**–**	–	2,114,921,869
Effect of initial application of Philippine Financial Reporting Standards 9, *Financial Instruments*		**–**	–	(2,237,932)
Balance at end of year		**(859,656,312)**	(856,679,688)	(855,687,568)
OTHER COMPREHENSIVE INCOME	8			
Balance at beginning of year		**700,000**	300,000	100,000
Unrealized valuation gain on investment in a club share		**100,000**	400,000	200,000
Balance at end of year		**800,000**	700,000	300,000
		(₱144,191,436)	(₱141,314,812)	(₱140,722,692)

See accompanying Notes to Financial Statements.

PRIME MEDIA HOLDINGS, INC.
(A Subsidiary of RYM Business Management Corp.)

STATEMENTS OF CASH FLOWS

	Note	Years Ended December 31 2020	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before income tax		**(₱2,923,624)**	(₱920,760)	(₱33,954,505)
Adjustments for:				
Interest income	4	**(2,615,187)**	(2,609,349)	(446,732)
Depreciation	9	**331,995**	343,435	334,372
Recovery of accounts written-off	5	**(50,000)**	(140,000)	(247,202)
Loss on sale of investment properties	7	**–**	–	24,896,294
Operating loss before working capital changes		**(5,256,816)**	(3,326,674)	(9,417,773)
Decrease (increase) in:				
Receivables		**41,000**	(117,956)	(26,933,242)
Due from related parties		**395,744**	(229,372)	4,480,000
Other current assets		**(561,100)**	(183,310)	(3,674,429)
Increase (decrease) in accrued expenses and other current liabilities		**3,576,056**	8,178,200	(19,648,565)
Net cash generated from (used for) operations		**(1,805,116)**	4,320,888	(55,194,009)
Interest received		**15,187**	99,182	446,732
Income tax paid		**–**	–	(175,322)
Net cash provided by (used in) operating activities		**(1,789,929)**	4,420,070	(54,922,599)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of investment properties	7	**–**	–	44,979,706
Acquisition of equipment		**–**	–	(54,375)
Net cash provided by investing activities		**–**	–	44,925,331
CASH FLOW FROM A FINANCING ACTIVITY				
Increase in due to a related party		**–**	–	13,880,000
NET INCREASE (DECREASE) IN CASH		**(1,789,929)**	4,420,070	3,882,732
CASH AT BEGINNING OF YEAR		**10,023,033**	5,602,963	1,720,231
CASH AT END OF YEAR		**₱8,233,104**	₱10,023,033	₱5,602,963

See accompanying Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

Prime Media Holdings, Inc. (the Company) was originally incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on February 6, 1963 as Private Development Corporation of the Philippines. On October 2003, the SEC approved the amendment of the Company's Articles of incorporation, changing its primary purpose from a development bank to a holding company. On March 4, 2013, the SEC approved the extension of the Company's corporate life for another 50 years. However, in accordance with the Revised Corporation Code of the Philippines, effective February 23, 2019, the Company was automatically accorded perpetual existence.

On July 9, 1964, the Philippine Stock Exchange, Inc. approved the public listing of the Company's shares of stock. As at December 31, 2020, there are 663,713,458 Company shares that are publicly listed.

The Company is a subsidiary of RYM Business Management Corp. (RYM or the Parent Company), a holding company registered and domiciled in the Philippines.

On September 12, 2002, the Company agreed to transfer assets and liabilities arising from its development bank operations to Banco de Oro Unibank, Inc. (BDO) and Philippine Deposit Insurance Corporation (PDIC) under a Memorandum of Agreement (MOA). As at December 31, 2020 and 2019, the Company has liabilities arising from the MOA which includes estimated transfer taxes and registration fees related to the transfer of assets to BDO and PDIC and other related liabilities (see Note 10).

The Company's registered office and principal place of business is at 16th Floor, BDO Towers Valero (formerly Citibank Tower), 8741 Paseo de Roxas, Makati City.

The financial statements of the Company as at December 31, 2020 and 2019 and for the years ended December 31, 2020, 2019 and 2018 were approved and authorized for issuance by the Board of Directors (BOD) on March 30, 2021.

Status of Operations

The Company's current activities comprise mainly of compliance with the MOA by transferring assets related to its previous development bank operations, to BDO and PDIC. Thus, the Company continued to incur losses resulting in a capital deficiency of ₱144.2 million and ₱141.3 million as at December 31, 2020 and 2019, respectively.

RYM, the Company's majority stockholder, continues to provide the necessary financial support to sustain the Company's operations. In order to reduce capital deficiency, the Company allowed certain stockholders to (i) convert preferred stock amounting to ₱34.2 million into common stock in 2016, (ii) convert advances amounting to ₱600.5 million to additional capital in 2014 and (iii) infuse capital aggregating ₱179.0 million in 2014 and 2013. The Company implemented an equity restructuring to offset additional paid-in capital (APIC) of ₱2,114.9 million against deficit which was approved by the SEC on March 23, 2018 (see Note 11).

The Company is exploring new business opportunities. In 2019, RYM entered into a MOA with potential investors for the transfer of investment properties to the Company in exchange for shares. On December 28, 2020, however, RYM and the potential investors mutually agreed to terminate the MOA because of the slowdown in the real estate property businesses arising from the COVID-19 pandemic and the corresponding prolonged lockdown. The Company continues to pursue similar prospective transactions in order for the Company not only to fulfill its obligations under the MOA and address its capital deficiency, but more importantly, to maintain its going concern status.

Event after the Reporting Period

On March 17, 2021, the Company, along with RYM, entered into a Memorandum of Understanding (MOU) with New Era Empire Realty Corp. ("New Era") to pursue a business arrangement which would revitalize the Company through potential ventures into real estate development, leasing, tourism, media and entertainment, provision of allied services to offshore gaming operators, e-gaming operations, and development of or investment in technology providing financial services (Transaction).

Under the MOU, the parties are given a period of ninety (90) days to conduct their respective due diligence. Subject to the execution of a definitive agreement after the due diligence period and compliance with certain terms and conditions under the MOU, New Era shall become the majority shareholder of the Company through subscription to the unissued portion of the authorized capital stock of the Company by way of a merger, cash subscription and/or infusion of businesses or assets necessary to operate the New Businesses.

The signing of the MOU has no financial impact and is considered a non-adjusting subsequent event to the Financial Statement as at December 31, 2020 since the Transaction is still exploratory in nature. Management believes that the effect on the Company's operations and financial performance is not yet significant until definitive agreements are executed.

2. Summary of Significant Accounting Policies

Basis of Preparation

The financial statements have been prepared in compliance with the Philippine Financial Reporting Standards (PFRS) issued by the Philippine Financial Reporting Standards Council and adopted by the SEC, including SEC pronouncements. This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC).

Measurement Bases

The financial statements are presented in Philippine Peso, which is also the Company's functional currency. All amounts represent absolute values unless otherwise stated.

The financial statements have been prepared on a historical cost basis, except for investment in a club share which was designated and recognized at fair value through other comprehensive income (FVOCI). Historical cost is generally based on the fair value of the consideration given in exchange for an asset and the fair value of the consideration received in exchange for incurring liability.

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 transaction date. The Company 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.

The Company uses observable market data to a possible extent when measuring the fair value of an asset or a liability. Fair values are categorized into different levels in a fair value hierarchy based on inputs used in the valuation techniques as follows:

- Level 1 - Quoted (unadjusted) market prices in active market 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 Company 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 Company 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.

Further information about the assumptions made in measuring fair values is included in Notes 7, 8 and 17.

Adoption of Amended PFRS

The accounting policies adopted are consistent with those of the previous financial year, except for the following amended PFRS which the Company adopted effective for annual periods beginning on or after January 1, 2020:

- Amendments to References to the Conceptual Framework in PFRS – The amendments include a new chapter on measurement; guidance on reporting financial performance; improved definitions and guidance-in particular the definition of a liability; and clarifications in important areas, such as the roles of stewardship, prudence and measurements uncertainty in financial reporting. The amendments should be applied retrospectively unless retrospective application would be impracticable or involve undue cost or effort.

- Amendments to PFRS 3 - *Definition of a Business* – This amendment provides a new definition of a "business" which emphasizes that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. To be considered a business, 'an integrated set of activities and assets' must now include 'an input and a substantive process that together significantly contribute to the ability to create an output'. The distinction is important because an acquirer may recognize goodwill (or a bargain purchase) when acquiring a business but not a group of assets. An optional simplified assessment (the concentration test) has been introduced to help companies determine whether an acquisition is of a business or a group of assets.

- Amendments to PAS 1, *Presentation of Financial Statements* and PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material* – The amendments clarify the definition of "material" and how it should be applied by companies in making materiality judgments. The amendments ensure that the new definition is consistent across all PFRS standards. Based on the new definition, an information is "material" if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The adoption of the foregoing amended PFRS did not have any material effect on the financial statements of the Company. Necessary disclosures were included in the financial statements.

Amended PFRS Issued But Not Yet Effective

Relevant amended PFRS which are not yet effective for the year ended December 31, 2020 and have not been applied in preparing the financial statements are summarized below.

Effective for annual periods beginning on or after January 1, 2022:

- Amendments to PAS 16, *Property, Plant and Equipment - Proceeds Before Intended Use* – The amendments prohibit deducting from the cost of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for its intended use. Instead, the proceeds and related costs from such items shall be recognized in profit or loss. The amendments must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when an entity first applies the amendment.

- Amendments to PAS 37, *Onerous Contracts - Cost of Fulfilling a Contract* – The amendments clarify that for the purpose of assessing whether a contract is onerous, the cost of fulfilling a contract comprises both the incremental costs of fulfilling that contract and an allocation of costs directly related to contract activities. The amendments apply to contracts existing at the date when the amendments are fist applied. At the date of initial application, the cumulative effect of applying the amendments is recognized as an opening balance adjustment to retained earnings or other components of equity. Accordingly, the comparatives are not restated. Earlier application is permitted.

- Annual Improvements to PFRS 2018 to 2020 Cycle:

  - Amendments to PFRS 9, *Financial Instruments - Fees in the '10 per cent' Test for Derecognition of Financial Liabilities* – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognize a financial liability (i.e. whether the terms of a new or modified financial liability is substantially different from the terms of the original financial liability). These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or the lender on the other's behalf. The amendments apply to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendments. Earlier application is permitted.

- Amendments to PFRS 16, *Leases - Lease Incentives* – The amendment removes from the Illustrative Example 13 the illustration of the reimbursement of leasehold improvements by the lessor. The objective of the amendment is to avoid any potential confusion regarding the treatment of lease incentives because of how the requirements for lease incentives are illustrated.

Effective for annual periods beginning on or after January 1, 2023 -

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current* – The amendments clarify the requirements for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments also specify and clarify the following: (i) an entity's right to defer settlement must exist at the end of the reporting period, (ii) the classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement, (iii) how lending conditions affect classification, and (iv) requirements for classifying liabilities where an entity will or may settle by issuing its own equity instruments. The amendments must be applied retrospectively. Earlier application is permitted.

Under prevailing circumstances, the adoption of the foregoing amended PFRS is not expected to have any material effect on the financial statements of the Company. Additional disclosures will be included in the financial statements, as applicable.

Financial Assets and Liabilities

Date of Recognition. The Company recognizes a financial asset or a financial liability in the statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable is done using settlement date accounting.

Initial Recognition and Measurement. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at fair value through profit or loss (FVPL), includes transaction cost.

"Day 1" Difference. Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss. In cases where there is no observable data on inception, the Company deems the transaction price as the best estimate of fair value and recognizes "Day 1" difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the "Day 1" difference.

Classification. The Company classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost, and (c) financial assets at FVOCI. Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or other financial liabilities at amortized cost. The classification of a financial instrument largely depends on the Company's business model.

As at December 31, 2020 and 2019, the Company does not have financial assets and liabilities at FVPL.

Financial Assets at Amortized Cost. A financial asset shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized and through amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

As at December 31, 2020 and 2019, the Company's cash, receivables (excluding advances to officers, employees and service providers) and due from related parties are classified under this category.

Financial Assets at FVOCI. Equity securities which are not held for trading may be irrevocably designated at initial recognition under the FVOCI category.

Financial assets at FVOCI are initially measured at fair value plus transaction costs. After initial recognition, financial assets at FVOCI are measured at fair value with unrealized gains or losses recognized in other comprehensive income (OCI) and are included under "Other comprehensive income" account in the equity section of the statements of financial position. These fair value changes are recognized in equity and are not reclassified to profit or loss in subsequent periods. On disposal of these equity securities, any cumulative unrealized valuation gains will be reclassified to retained earnings.

As at December 31, 2020 and 2019, the Company's investment in a club share of Valley Golf & Country Club is classified under this category.

Financial Liabilities at Amortized Cost. Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Company having an obligation either 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 its own equity instruments.

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate.

As at December 31, 2020 and 2019, the Company's accrued expenses and other current liabilities (excluding statutory payable) and due to a related party are classified under this category.

Reclassification of Financial Assets

The Company reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date).

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVPL, any gain or loss arising from the difference between the previous amortized cost of the financial asset and fair value is recognized in the statements of comprehensive income.

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVOCI, any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in OCI.

Impairment of Financial Assets at Amortized Cost
The Company records an allowance for expected credit loss based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The difference is then discounted at an approximation to the asset's original effective interest rate.

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 by the Company when:

- the right to receive cash flows from the asset has expired;

- the Company 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 Company has transferred its right to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the assets, or (b) has neither transferred nor retained substantially all the risk and rewards of the assets, but has transferred control over the asset.

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, 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 Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset, if any, is measured at the lower of original carrying amount of the asset and the maximum amount of consideration that the Company could be required to pay.

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 the new liability, and the difference in the respective carrying amount is recognized in profit or loss.

Offsetting Financial Assets and Liabilities
Financial assets and liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statements of financial position.

Classification of Financial Instrument between Liability and Equity
A financial instrument is classified as liability if it provides for a contractual obligation to:

- Deliver cash or another financial asset to another entity;
- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company; or
- Satisfy 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.

If the Company does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

Other Current Assets
This account mainly consists of creditable withholding taxes (CWT), excess of input value-added tax (VAT) over output VAT and prepayments.

CWT. CWT represents the amount withheld by the Company's customers in relation to its income. CWT can be utilized as payment for income taxes provided that these are properly supported by certificates of creditable tax withheld at source subject to the rules on Philippine income taxation. CWT is stated at estimated net realizable value.

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

- where the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and

- receivables and payables that are stated with the amount of tax included.

The net amount of VAT recoverable from the taxation authority is included as part of "Other current assets" account in the statements of financial position.

Prepayments. Prepayments are expenses not yet incurred but paid in advance. Prepayments are apportioned over the period covered by the payment and charged to the appropriate account in profit or loss when incurred. Prepayments that are expected to be realized for no more than 12 months after the reporting period are classified as current asset. Otherwise, these are classified as noncurrent asset.

Investment Properties
Investment properties, which were sold in 2018 (see Note 7), were accounted for under the fair value model. Fair value gains or losses determined by an independent appraiser were included in profit or loss in the past. Loss on sale of investment properties was recognized in profit or loss in 2018.

Equipment
Equipment are stated at cost less accumulated depreciation and impairment in value, if any.

The initial cost of equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditures incurred after the equipment have been put into operation, such as repairs, maintenance and overhaul costs, are normally charged to operations in the year 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 equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of equipment. The cost of replacing a component of an item of equipment is recognized if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized.

Depreciation is calculated on a straight-line basis over the estimated useful lives of five (5) years for computer and transportation equipment.

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

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and any impairment in value are removed from the accounts. Any resulting gain or loss is credited to or charged against current operations.

Impairment of Nonfinancial Assets

The Company assesses at each reporting date whether there is an indication that nonfinancial assets may be impaired when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists and if the carrying amount exceeds the estimated recoverable amount, nonfinancial assets are written down to its recoverable amount, which is the greater of fair value less cost to sell and value in use. The fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable and willing parties less cost of disposal. In assessing value in use, the estimated future cash flows are discounted to present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in profit or loss.

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 asset's recoverable amount since the last impairment loss was recognized. In such instance, the carrying amount of the asset is increased to its recoverable amount. However, 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 profit or loss.

Equity

Capital Stock. Capital stock is measured at par value for all shares issued and outstanding.

Deficit. Deficit represents the cumulative balance of the Company's results of operations.

OCI. OCI comprises items of income and expense that are not recognized in profit or loss for the year in accordance with PFRS. This includes cumulative unrealized valuation gain on investment in a club share.

Revenue Recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the amount of revenue can be measured reliably.

Revenue from contract with customers is recognized when the performance obligation in the contract has been satisfied at a point in time or over time.

The Company also assesses its revenue arrangements to determine if it is acting as a principal or as an agent. The Company has assessed that it acts as a principal in all of its revenue source.

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

Interest Income. Interest income is recognized in profit or loss as it accrues, taking into account the effective yield on the asset.

Recovery of Accounts Written-off. Income from recovery of accounts written-off is recognized when the amount is actually received.

Rent. Rent income is recognized using the straight-line method over the term of the lease.

Expense Recognition

Expenses constitute cost of administering the business. These costs are expensed upon receipt of goods, utilization of services, or when the expense is incurred.

Income Taxes

Current Tax. Current tax assets and liabilities 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 is the one that has been enacted or substantively enacted at the reporting date.

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

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of any unused tax credits from the excess of minimum corporate income tax (MCIT) over the regular corporate income tax and any unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carryforward benefits of unused MCIT and unused NOLCO can be utilized. Deferred tax, however, is not recognized when it 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 profit or loss.

Deferred tax is recognized in profit or loss except to the extent that it relates to a business combination, or items directly recognized in equity as OCI.

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

Deferred tax assets and liabilities are measured at the tax rates and tax laws that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rate that has been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Basic and Diluted Income (Loss) per Share

The Company computes its basic income (loss) per share by dividing net income (loss) for the period attributable to ordinary equity holders of the Company by the weighted average number of common shares outstanding during the period.

Diluted income per share amounts are computed in the same manner, adjusted for the dilutive effect of any potential common shares. There is no such information in 2020, 2019 and 2018 because the Company has no dilutive potential common shares and is in a net loss position.

Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Company's other components. The Company has only one segment which is as a holding company.

Related Parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control 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.

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Related party transactions are considered material and/or significant if these transactions amount to 10% or higher of the Company's total assets or if there are several transactions or a series of transactions over a twelve-month period with the same related party amounting to 10% or higher of the Company's total assets.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are made using the best estimates of the amount required to settle the obligation and are discounted to present values using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Changes in estimates are reflected in profit or loss in the period these arise.

Contingencies
Contingent liabilities are not recognized in the financial statements. They 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 when an inflow of economic benefits is probable.

Events after the Reporting Date
Post year-end events that provide additional information about the Company's financial position at the end of reporting period (adjusting events) are reflected in the financial statements. Post year-end events that are non-adjusting are disclosed in the notes to financial statements when material.

3. Significant Judgment, Accounting Estimates and Assumptions

The preparation of financial statements in accordance with PFRS requires management to exercise judgment, make estimates and assumptions that affect the amounts reported in the financial statements. The judgment and estimates used in the financial statements are based on management's evaluation of relevant facts and circumstances as at the reporting date. While the Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgment
In the process of applying the Company's accounting policies, management has made the following judgment, apart from those involving estimates, which have the most significant effect on the amounts recognized in the financial statements.

Assessing the Company's Ability to Continue as a Going Concern. The Company has incurred continuous losses resulting in a capital deficiency of ₱144.2 million and ₱141.3 million as at December 31, 2020 and 2019, respectively. Management believes this trend to continue for twelve months after reporting date. As discussed in Note 1, the stockholders provide continuing necessary financial support to the Company while new business opportunities are not yet available. Based on this, the financial statements are prepared on a going concern basis of accounting.

Classifying Financial Instruments. The Company exercises judgment in classifying a financial instrument 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 statements of financial position.

The Company classified its investment in a club share of Valley Golf & Country Club as financial asset at FVOCI (see Note 8).

Accounting for Lease Commitments - Company as a Lessor. Management exercises judgment in determining whether substantially all the significant risks and benefits of ownership of the assets held for lease are retained by the Company. Lease contracts where the Company retains substantially all the risks and benefits incidental to ownership of the leased item are accounted for as operating leases. Otherwise, these are considered as finance leases.

The Company, as a lessor, has entered into property subleases and transportation equipment lease agreements where it has determined that it retains all the significant risks and benefits of ownership on those properties. As such, the lease agreements are accounted for as operating leases.

Rent income amounted to nil, ₱0.8 million and ₱1.1 million in 2020, 2019 and 2018, respectively (see Note 12).

Evaluating Contingencies. The Company is a party to certain lawsuits or claims arising from the ordinary course of business. However, the Company's management and legal counsel believe that eventual liabilities under these lawsuits or claims, if any, will not have a material effect on the Company's financial statements.

Estimates and Assumptions

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

Estimating Liabilities Related to Previous Development Bank Operations. The estimated liabilities related to previous development bank operations of the Company is based on the management's best estimate of the amount expected to be incurred to settle the obligation.

Liabilities arising from the MOA amounted to ₱161.9 million and ₱159.3 million as at December 31, 2020 and 2019, respectively (see Note 10).

Assessing Expected Credit Losses on Financial Assets at Amortized Cost. The Company applies the simplified approach on its rent receivables and the general approach on all its other financial assets at amortized cost in measuring the expected credit loss. The Company estimates the expected credit loss on its rent receivables using a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company assessed that cash are deposited with reputable counterparty banks that possess good credit ratings. For related party transactions and other receivables, the Company considered the available liquid assets of the related parties and letter of guarantee from the stockholders.

The Company assesses that a financial asset is considered credit impaired when one or more events that have a detrimental effect on the estimated future cash flows of the asset have occurred such as significant financial difficulty and cessation of operations of the debtor.

No impairment losses were recognized in 2020, 2019, and 2018.

The aggregate carrying amount of cash in banks, receivables (excluding advances to officers, employees and service providers) and due from related parties amounted to ₱48.7 million and ₱48.3 million as at December 31, 2020 and 2019, respectively (see Notes 4, 5 and 14).

Assessing the Impairment of Nonfinancial Assets. The Company assesses impairment on nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Company considers important which could trigger an impairment review include the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; or
- significant negative industry or economic trends.

No impairment losses were recognized in 2020, 2019 and 2018.

The carrying amounts of the Company's nonfinancial assets are as follows:

	Note	2020	2019
Other current assets	6	**₱4,502,838**	₱3,994,738
Equipment	9	**582,763**	914,758
Advances to officers, employees and service providers	5	**48,700**	39,700

Assessing the Realizability of Deferred Tax Assets. The Company reviews its deferred tax assets at each reporting date and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized in the future. The amount of deferred income tax assets that are recognized is based upon the likely timing and level of future taxable profits together with future tax planning strategies to which the deferred income tax assets can be utilized.

The Company's unrecognized deferred tax assets amounted to ₱21.2 million and ₱28.5 million as at December 31, 2020 and 2019, respectively. Management believes that there will be no sufficient future taxable profits against which these deferred tax assets can be utilized (see Note 13).

4. Cash

This account consists of:

	2020	2019
Cash on hand	**₱5,277**	₱5,277
Cash in banks	**8,227,827**	10,017,756
	₱8,233,104	₱10,023,033

Cash in banks earn interest at prevailing bank deposit rates.

The sources of interest income are as follows:

	Note	2020	2019	2018
Cash in banks		**₱15,187**	₱9,349	₱13,398
Loans receivable	14	**2,600,000**	2,600,000	433,334
		₱2,615,187	₱2,609,349	₱446,732

5. Receivables

This account consists of:

	Note	2020	2019
Loans receivable:			
Third parties		**₱62,277,740**	₱62,277,740
Related party	14	**26,000,000**	26,000,000
Interest receivable	14	**5,541,667**	2,941,667
Advances to officers, employees and service providers		**2,175,035**	2,166,035
Rent receivables:			
Related party	14	**1,159,200**	1,159,200
Third parties		**261,932**	261,932
		97,415,574	94,806,574
Less allowance for impairment losses		**64,642,007**	64,642,007
		₱32,773,567	₱30,164,567

Loans receivable from third parties are related to the Company's previous bank operations and are fully provided with allowance for impairment loss. Loans receivable from a related party are from loan agreements entered in 2018 with Marcventures Mining and Development Corporation (MMDC), a related party under common control.

Advances to officers, employees and service providers represent unliquidated, noninterest-bearing advances for processing the transfer of title of properties to BDO and PDIC. These are liquidated upon the accomplishment of the purposes for which the advances were granted.

Breakdown of allowance for impairment losses as at December 31, 2020 and 2019 are as follows:

	Loans receivables	Advances to officers, employees and service providers	Rent receivables	Total
Balance at beginning and end of year	₱62,277,740	₱2,126,335	₱237,932	₱64,642,007

The Company recovered some accounts written-off in prior years amounting to ₱50,000 and ₱140,000 in 2020 and 2019, respectively.

6. Other Current Assets

This account consists of:

	2020	2019
CWT	**₱3,177,989**	₱3,230,989
Net input VAT	**926,066**	442,338
Prepayments	**398,783**	321,411
	₱4,502,838	₱3,994,738

Prepayments mainly pertain to prepaid insurance and taxes.

7. Investment Properties

In 2018, the Company sold its investment properties located in Legazpi City, Albay for a total consideration of ₱45.0 million, resulting to a loss on sale of ₱24.9 million. In concluding the sale transaction, management took into account the cost of maintaining the property as well as other expenses and liabilities which the Company needs to defray.

8. Investment in a Club Share

The Company's investment consists of a club share in Valley Golf & Country Club. The fair value of the club share is determined by reference to published price quotations in an active market.

Movements in this account are as follows:

	2020	2019
Cost	**₱200,000**	₱200,000
Unrealized gain on fair value changes		
Balance at beginning of year	**700,000**	300,000
Fair value changes	**100,000**	400,000
Balance at end of year	**800,000**	700,000
	₱1,000,000	₱900,000

9. Equipment

Movements in this account are as follows:

	2020		
	Computer Equipment	**Transportation Equipment**	**Total**
Cost			
Balance at beginning and end of year	**₱85,800**	**₱1,631,375**	**₱1,717,175**
Accumulated Depreciation			
Balance at beginning of year	**80,080**	**722,337**	**802,417**
Depreciation	**5,720**	**326,275**	**331,995**
Balance at end of year	**85,800**	**1,048,612**	**1,134,412**
Carrying Amount	**₱–**	**₱582,763**	**₱582,763**

	2019		
	Computer Equipment	Transportation Equipment	Total
Cost			
Balance at beginning of year	₱85,800	₱1,631,375	₱1,717,175
Accumulated Depreciation			
Balance at beginning of year	62,920	396,062	458,982
Depreciation	17,160	326,275	343,435
Balance at end of year	80,080	722,337	802,417
Carrying Amount	₱5,720	₱909,038	₱914,758

On February 8, 2018, the Company entered into an operating lease agreement with MMDC for the lease of transportation equipment until October 7, 2019 (see Note 12).

Rent income from the lease of transportation equipment amounted to ₱0.8 in 2019 and 2018 (see Note 14).

10. Accrued Expenses and Other Current Liabilities

This account consists of:

	2020	2019
Liabilities arising from the MOA	**₱161,904,972**	₱159,304,972
Dividends payable	**10,985,443**	10,985,443
Rental deposits	**5,972,642**	5,972,642
Accrued expenses	**3,112,379**	2,136,616
Statutory payable	**5,690**	5,397
Others	**3,196,210**	3,196,210
	₱185,177,336	₱181,601,280

Liabilities arising from the MOA pertain to the estimated transfer taxes and registration fees related to the transfer of assets from the Company's previous development bank operations to BDO and PDIC and other related liabilities, primarily from unremitted collection of assigned receivables and sale of foreclosed properties for the account of PDIC (see Note 1). This account also includes provision for probable losses to cover estimated losses from claims. As allowed under PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, certain information is not disclosed until final settlement as it might prejudice the Company's position on the matter.

Dividends payable pertains to the Company's dividend for cumulative, nonparticipating, nonvoting, redeemable and convertible preferred stock that were declared prior to the Company's incurrence of deficit.

Rental deposits represent long-outstanding rental deposits that have not been claimed by the Company's previous tenants.

Accrued expenses pertain to accrual of outside services, professional fees and association dues, among others. These are normally settled in the next financial year.

Statutory payable is normally settled within the following month.

Other current liabilities include statutory payable and refunds of tenants related to the Company's previous operations. These are noninterest-bearing and unsecured. Other current liabilities are normally settled in the next financial year.

11. Equity

Capital Stock

Movements in this account are as follows:

	2020		2019		2018	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
Common stock - ₱1 par value						
Authorized	3,000,000,000	₱3,000,000,000	3,000,000,000	₱3,000,000,000	3,000,000,000	₱3,000,000,000
Subscribed:						
Balance at beginning and end of year	700,298,616	700,298,616	700,298,616	700,298,616	700,298,616	700,298,616
Preferred stock - ₱1 par value						
Authorized	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000
Issued and outstanding:						
Balance at beginning and end of year	14,366,260	14,366,260	14,366,260	14,366,260	14,366,260	14,366,260
	714,664,876	₱714,664,876	714,664,876	₱714,664,876	714,664,876	₱714,664,876

The preferred stock has the following salient features:

a. Cumulative, nonparticipating, nonvoting, redeemable and convertible at the option of the Company.

b. Cash dividend rate initially at 4.50% per annum based on par value, which shall be automatically adjusted to 11.00% per annum upon full payment of the subscription price.

c. The Company may, at any time at its option, wholly or partially redeem the outstanding preferred stock plus accrued dividends thereon. When such call for redemption is made, the holders of the preferred stock may opt to convert the preferred stock to common stock.

Under the MOU, the Company shall endeavor, on a best efforts basis, to convert Series "A" Preferred Shares into common shares for listing with the PSE.

Equity Restructuring

As discussed in Note 1, on March 23, 2018, the SEC approved the Company's equity restructuring to apply APIC of ₱2,114.9 million against deficit.

12. Leases

Operating Lease Commitments

- On February 8, 2018, the Company entered into an operating lease agreement with MMDC for the lease of the transportation equipment until October 7, 2019 (see Note 9).

  Rent income amounted to nil, ₱0.8 million and ₱1.1 million in 2020, 2019 and 2018, respectively. Rent receivables amounted to ₱1.4 million as at December 31, 2020 and 2019, respectively (see Note 5).

- The Company entered into cancellable lease agreements covering condominium units for a period ranging from one to thirteen years renewable upon mutual agreement of the parties and subleased the properties under the same terms. In July 2018, these agreements were terminated upon mutual consent of the contracting parties.

  Rent expense amounted to ₱0.1 million in 2018.

13. Income Tax

The provision for current income tax represents MCIT in 2020, 2019 and 2018.

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

	2020	2019	2018
Income tax computed at statutory tax rate	**(₱877,087)**	(₱276,228)	(₱10,186,352)
Change in unrecognized deferred tax assets	**(7,331,958)**	(7,957,729)	(8,758,083)
Tax effects of:			
Expired NOLCO and MCIT	**8,266,301**	8,308,122	9,297,469
Interest income already subjected to final tax	**(4,556)**	(2,805)	(4,019)
Nondeductible expense	**300**	–	269,507
	₱53,000	₱71,360	(₱9,381,478)

The components of the Company's unrecognized deferred tax assets are as follows:

	2020	2019
Allowance for impairment losses on receivables	**₱19,392,602**	₱19,392,602
NOLCO	**1,524,440**	8,900,464
MCIT	**299,682**	255,616
	₱21,216,724	₱28,548,682

No deferred tax assets were recognized as it is not probable that sufficient taxable profit will be available against which the deferred tax assets can be utilized as at December 31, 2020 and 2019.

As at December 31, 2020, unused NOLCO that can be claimed as deduction from future taxable income are as follows:

Year Incurred	Beginning Balance	Incurred	Expired	Ending Balance	Expiry Date
2020	₱–	₱2,937,811	₱–	₱2,937,811	2025
2019	930,109	–	–	930,109	2022
2018	1,213,547	–	–	1,213,547	2021
2017	27,524,558	–	(27,524,558)	–	2020
	₱29,668,214	₱2,937,811	(₱27,524,558)	₱5,081,467	

On September 30, 2020, the BIR issued RR No. 25-2020 to implement Section 4 (bbbb) of Republic Act No. 11494 (Bayanihan to Recover as One Act), allowing the Company's net operating losses for the taxable years 2020 and 2021 to be carried over for the next five (5) consecutive taxable years immediately following the year of such loss. Consequently, NOLCO incurred in 2020 amounting to ₱2.9 million are allowed as deduction from future taxable income until 2025.

As at December 31, 2020, unused MCIT that can be claimed as deduction from future income tax liability are as follows:

Year Incurred	Beginning Balance	Incurred	Expired	Ending Balance	Expiry Date
2020	₱–	₱53,000	₱–	₱53,000	2023
2019	71,360	–	–	71,360	2022
2018	175,322	–	–	175,322	2021
2017	8,934	–	(8,394)	–	2020
	₱255,616	₱53,000	(₱8,394)	₱299,682	

On March 26, 2021, the Corporate Recovery and Tax Incentives for Enterprises ("CREATE") was approved and signed into law by the country's President. Under the CREATE, the regular corporate income tax (RCIT) of domestic corporations was revised from 30% to 25% or 20% depending on the amount of total assets or total amount of taxable income. In addition, the minimum corporate income tax (MCIT) was changed from 2% to 1% of gross income for a period of three (3) years. The changes in the income tax rates shall retrospectively become effective beginning July 1, 2020.

However, the income tax rates used in preparing the financial statements as at and for the year ended December 31, 2020 are 30% and 2% for RCIT and MCIT, respectively.

The table below summarizes the financial impact of the change in income tax rate to the Company's financial statements had the CREATE been substantively enacted as at December 31, 2020:

	Audited Balances (Based on Old Income Tax Rate)	Balances Using Revised Income Tax Rate	Differences
Creditable withholding tax	₱3,177,989	₱3,191,239	₱13,250
Deficit	(859,656,312)	(859,643,062)	13,250
Provision for current income tax	53,000	39,750	(13,250)
Net loss	(2,976,624)	(2,963,374)	13,250

14. Related Party Transactions

Outstanding balances and transactions with related parties are as follows:

	Nature of Transaction	Amount of Transaction 2020	Amount of Transaction 2019	Outstanding Balance 2020	Outstanding Balance 2019
Receivables					
Loans Receivable					
Entity under common control	Loan	**₱–**	₱–	**₱26,000,000**	₱26,000,000
	Interest income	**2,600,000**	2,600,000	**5,541,667**	2,941,667
Rent Receivables					
Entity under common control	Rent income	**–**	828,000	**1,159,200**	1,159,200
				₱32,700,867	₱30,100,867

	Nature of Transaction	Amount of Transaction 2020	Amount of Transaction 2019	Outstanding Balance 2020	Outstanding Balance 2019
Due from related parties					
Entities under common control	Advances	₱41,646	₱868,249	₱7,773,628	₱8,169,372
Due to a related party					
Parent Company	Management fee	₱–	₱–	₱13,880,000	₱13,880,000

The Company has no material and/or significant transactions with its related parties in 2020.

Terms and Conditions of Transactions with Related Parties

Loans Receivable
In 2018, the Company entered into a one-year unsecured loan agreements with MMDC with 10% per annum interest due in 2019. As at December 31, 2020, the loans receivable are due and demandable.

Rent Receivables
On February 8, 2018, the Company entered into an operating lease agreement with MMDC for the lease of transportation equipment until October 7, 2019 (see Note 9). As at December 31, 2020, the rent receivable is due and demandable. Interest income recognized amounted to ₱0.8 in 2019 and 2018 (see Note 9)

Due to and from Related Parties
Outstanding balances are unsecured, noninterest-bearing, collectible and, payable in cash upon demand. The Company has not made any provision for impairment losses relating to the amounts owed by the related parties. This assessment is undertaken at each reporting date by taking into consideration the financial position of the related parties and the market at which the related parties operates.

Management Fee
On December 3, 2018, the Company obtained approval from its stockholders to enter into a new management agreement with the Parent Company. As at December 31, 2020 and 2019, no management fee was recognized since the Company has yet to finalize the agreement with RYM.

Compensation of Key Management Personnel
The Company has no compensation of key management personnel in 2020, 2019 and 2018. Its accounting and administrative functions are provided by a related party at no cost to the Company.

15. Commitments and Contingencies

a. In the normal course of its prior operations, the Company has outstanding commitments, pending litigations and contingent liabilities which are not reflected in the financial statements. Management believes that the ultimate outcome of these matters will not have a material impact in the financial statements.

b. As discussed in Note 1, under the MOA dated September 12, 2002 between the Company and BDO and PDIC, the Company agreed to transfer its assets and liabilities from its development bank operations to BDO and PDIC. Under the terms of the MOA, the Company holds BDO free from any contingent claims, labor and minority issues and concerns arising from related assets and liabilities still managed by the Company until these are assumed by BDO.

The Company has accounted for separately, assets from its development bank operations pursuant to the MOA. It still has in its possession titles of real estate properties from its development bank operations with an aggregate value of ₱499.1 million as at December 31, 2020 and 2019. Moreover, the Company has cash of ₱13.9 million as at December 31, 2020 and 2019 arising from the proceeds of the sale of one of its properties.

16. Basic Loss Per Share

The basic loss per share is computed as follows:

	2020	2019	2018
Net loss	**(₱2,976,624)**	(₱992,120)	(₱24,573,027)
Less dividend rights of preferred stockholders for the year	**1,581,671**	1,581,671	1,581,671
Loss attributable to common stockholders	**(4,558,295)**	(2,573,791)	(26,154,698)
Divided by weighted average number of common stock	**700,298,616**	700,298,616	700,298,616
Basic loss per share	**(₱0.007)**	(₱0.004)	(₱0.037)

The convertible feature of the Company's preferred stock has potential antidilutive effect. The Company has no diluted income per share in 2020, 2019 and 2018 because the Company is in a net loss position.

17. Financial Risk Management Objectives and Policies

The Company's principal financial instruments comprise of cash, receivables (excluding advances to officers, employees and service providers), due from related parties, investment in a club share, accrued expenses and other current liabilities (excluding statutory payable) and due to a related party.

The main risks arising from the financial instruments of the Company are credit risk and liquidity risk. The BOD reviews and approves policies for managing the risks.

Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligation. The Company's exposure to credit risk arises primarily from cash in banks, receivables (excluding advances to officers, employees and service providers) and due from related parties and investment in a club share. The carrying amounts of the financial assets represent the Company's gross maximum exposure to credit risk in relation to financial assets.

The aging analyses of financial assets as at December 31, 2020 and 2019 are as follows:

	2020				
	Neither Past Due Nor Impaired	Past Due But Not Impaired		Past Due and Impaired	Total
		Less Than 30 Days	31-60 Days		
Financial Assets at Amortized Cost					
Cash in banks	₱8,227,827	₱–	₱–	₱–	₱8,227,827
Receivables*	32,724,867	–	–	62,515,672	95,240,539
Due from related parties	7,773,628	–	–	–	7,773,628
	48,726,322	–	–	62,515,672	111,241,994
Financial Assets at FVOCI					
Investment in a club share	1,000,000	–	–	–	1,000,000
	₱49,726,322	₱–	₱–	₱62,515,672	₱112,241,994

**Excluding advances to officers, employees and service providers amounting to ₱2.2 million.*

	2019				
	Neither Past Due Nor Impaired	Past Due But Not Impaired		Past Due and Impaired	Total
		Less Than 30 Days	31-60 Days		
Financial Assets at Amortized Cost					
Cash in banks	₱10,017,756	₱–	₱–	₱–	₱10,017,756
Receivables*	30,124,867	–	–	62,515,672	92,640,539
Due from related parties	8,169,372	–	–	–	8,169,372
	48,311,995	–	–	62,515,672	110,827,667
Financial Assets at FVOCI					
Investment in a club share	900,000	–	–	–	900,000
	₱49,211,995	₱–	₱–	₱62,515,672	₱111,727,667

**Excluding advances to officers, employees and service providers amounting to ₱2.2 million.*

Credit Quality of Financial Assets. The credit quality of the Company's financial assets are being managed by using internal credit ratings such as high grade and standard grade.

High grade - pertains to counterparty who is not expected by the Company to default in settling its obligations, thus credit risk exposure is minimal.

Standard grade - include financial assets that are considered moderately realizable and some accounts which would require some reminder follow-ups to obtain settlement from the counterparty.

The Company has assessed the credit quality of financial assets that are neither past due nor impaired as high grade.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to settle or meet its financial obligations when they fall due. The Company aims to maintain flexibility by maintaining sufficient cash to meet all foreseeable cash needs.

The Company also maintains a balance between continuity of funding and flexibility. The policy of the Company is to first exhaust lines available from affiliated companies before local bank lines are availed of. The Company seeks to manage its liquid funds through cash planning on a weekly basis. The Company uses historical figures and experiences and forecasts from its cash receipts and disbursements. As part of its liquidity risk management, the Company regularly evaluates its projected and actual cash flows.

As at December 31, 2020 and 2019, accrued expenses and other current liabilities (excluding statutory payable) and due to a related party aggregating ₱198.9 million and ₱195.5 million, respectively, are generally due and demandable.

Fair Values

The following table presents the carrying amounts and fair values of the Company's assets and liabilities measured at fair value and the corresponding fair value hierarchy:

	2020		2019	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Assets				
Cash	**₱8,233,104**	**₱8,233,104**	₱10,023,033	₱10,023,033
Receivables*	**30,124,867**	**30,124,867**	30,164,567	30,164,567
Due from related parties	**7,773,628**	**7,773,628**	8,169,372	8,169,372
Investment in a club share	**1,000,000**	**1,000,000**	900,000	900,000
	₱47,131,599	**₱47,131,599**	₱49,256,972	₱49,256,972
Financial Liabilities				
Accrued expenses and other current liabilities**	**₱185,171,646**	**₱185,171,646**	₱181,595,883	₱173,420,473
Due to a related party	**13,880,000**	**13,880,000**	13,880,000	13,880,000
	₱199,051,646	**₱199,051,646**	₱195,475,883	₱187,300,473

**Excluding advances to officers, employees and service providers amounting to ₱2.2 million as at December 31, 2020 and 2019.*
***Excluding statutory payable amounting to ₱5,690 and ₱5,397 as at December 31, 2020 and 2019, respectively.*

Current Financial Assets and Liabilities. The carrying amounts of cash, receivables (excluding advances from officers, employees and service providers), due from related parties and accrued expenses and other current liabilities (excluding statutory payable) and due to a related party approximate their fair values due to the short-term nature and maturities of the transactions. The fair value measurement of current financial assets and liabilities is classified as Level 3 (Significant unobservable inputs).

Investment in a Club Share. The fair value of this financial asset was determined based on the current selling price to third parties. The fair value measurement of equity securities designated as FVOCI is classified as Level 2 (Significant observable inputs).

Capital Management

The primary objective of the Company's capital management is to safeguard the Company's ability to continue its operations as a going concern and to maximize shareholder value. The Company manages its capital structure and makes adjustments to it, when there are changes in the economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payment to shareholders, return capital to shareholders, or issue new stock. No changes were made in the objectives, policies or processes for the years ended December 31, 2020, 2019 and 2018.

BOA/PRC Accreditation No. 4782
October 4, 2018, valid until August 15, 2021
SEC Accreditation No. 0207-FR-3 (Group A)
August 29, 2019, valid until August 28, 2022

BDO Towers Valero (formerly Citibank Tower)
8741 Paseo de Roxas
Makati City 1226 Philippines
Phone +632 8 982 9100
Fax +632 8 982 9111
Website www.reyestacandong.com

**REPORT OF INDEPENDENT AUDITORS
TO ACCOMPANY FINANCIAL STATEMENTS FOR FILING WITH THE
SECURITIES AND EXCHANGE COMMISSION**

The Stockholders and the Board of Directors
Prime Media Holdings, Inc.
16th Floor, Citibank Tower
8741 Paseo de Roxas
Makati City

We have audited the accompanying financial statements of Prime Media Holdings, Inc. (the Company), a subsidiary of RYM Business Management Corp., as at December 31, 2020 and 2019 and for the years ended December 31, 2020, 2019 and 2018, on which we have rendered our report dated March 30, 2021.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the Company has 1,234 common stockholders and 265 preferred stockholders owning one hundred (100) or more shares each.

REYES TACANDONG & CO.

Belinda B. Fernando

BELINDA B. FERNANDO
Partner
CPA Certificate No. 81207
Tax Identification No. 102-086-538-000
BOA Accreditation No. 4782; Valid until August 15, 2021
SEC Accreditation No. 81207-SEC Group A
Issued January 30, 2020
Valid for Financial Periods 2019 to 2023
BIR Accreditation No. 08-005144-004-2019
Valid until October 16, 2022
PTR No. 8534275
Issued January 5, 2021, Makati City

March 30, 2021
Makati City, Metro Manila

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REPORT OF INDEPENDENT AUDITORS
ON SUPPLEMENTARY SCHEDULES FOR FILING WITH THE
SECURITIES AND EXCHANGE COMMISSION

The Stockholders and the Board of Directors
Prime Media Holdings, Inc.
16th Floor, Citibank Tower
8741 Paseo de Roxas
Makati City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Prime Media Holdings, Inc. (the Company), a subsidiary of RYM Business Management Corp., as at December 31, 2020 and 2019 and for each of the three years ended December 31, 2020, 2019 and 2018, and have issued our report thereon dated March 30, 2021. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary schedules as at December 31, 2020 are the responsibility of the Company's management. These supplementary schedules include the following:

- Reconciliation of Retained Earnings Available for Dividend Declaration
- Schedules required by Part II of the Revised Securities Regulation Code (SRC) Rule 68
- Conglomerate Map

These schedules are presented for purposes of complying with Revised Securities Regulation Code Rule No. 68 Part II, and are not part of the basic financial statements. The supplementary schedules have been subjected to the audit procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

REYES TACANDONG & CO.

Belinda B. Fernando

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**REPORT OF INDEPENDENT AUDITORS
ON SUPPLEMENTARY SCHEDULES FOR FILING WITH THE
SECURITIES AND EXCHANGE COMMISSION**

The Stockholders and the Board of Directors
Prime Media Holdings, Inc.
16th Floor, Citibank Tower
8741 Paseo de Roxas
Makati City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Prime Media Holdings, Inc. (the Company), a subsidiary of RYM Business Management Corp., as at December 31, 2020 and 2019 and for the years ended December 31, 2020, 2019, and 2018, and have issued our report thereon dated March 30, 2021. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for purposes of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Company's financial statements as at December 31, 2020 and 2019 and for the years ended December 31, 2020 and 2019 and no material exceptions were noted.

REYES TACANDONG & CO.

Belinda B. Fernando

BELINDA B. FERNANDO
Partner
CPA Certificate No. 81207
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March 30, 2021
Makati City, Metro Manila

PRIME MEDIA HOLDINGS, INC.
(A Subsidiary of RYM Business Management Corp.)

SUPPLEMENTARY SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
DECEMBER 31, 2020 AND 2019

Below is a schedule showing financial soundness indicators for the years ended December 31, 2020 and 2019:

Ratio	Formula	2020	2019
Current Ratio			
	Total current assets	**₱53,283,137**	₱52,351,710
	Divided by: Total current liabilities	**199,057,336**	195,481,280
	Current Ratio	**0.27**	0.27
Acid Test Ratio			
	Total current assets	**₱53,283,137**	₱52,351,710
	Less: Other current assets	**4,502,838**	3,994,738
	Quick assets	**48,780,299**	48,356,972
	Divide by: Total current liabilities	**199,057,336**	195,481,280
	Acid Test Ratio	**0.25**	0.25
Solvency Ratio			
	Loss before depreciation	**(₱2,644,629)**	(₱577,325)
	Divide by: Total liabilities	**199,057,336**	195,481,280
	Solvency Ratio	**(0.01)**	–
Debt-to-Equity Ratio			
	Total liabilities	**₱199,057,336**	₱195,481,280
	Divide by: Total equity	**(144,191,436)**	(141,314,812)
	Debt-to-Equity Ratio	**(1.38)**	(1.38)
Asset-to-Equity Ratio			
	Total assets	**₱54,865,900**	₱54,166,468
	Divide by: Total equity	**(144,191,436)**	(141,314,812)
	Asset-to-Equity Ratio	**(0.38)**	(0.38)
Profitability Ratio			
	Net loss	**(₱2,976,624)**	(₱992,120)
	Divide by: Total capital deficiency	**(144,191,436)**	(141,314,812)
	Profitability Ratio	**0.02**	0.01

PRIME MEDIA HOLDINGS, INC.

(A Subsidiary of RYM Business Management Corp.)

SUPPLEMENTARY SCHEDULE OF RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

DECEMBER 31, 2020

	Amount
Unappropriated retained earnings (deficit) available for dividend declaration at beginning of year	(₱856,679,688)
Net loss during the year closed to retained earnings	(2,976,624)
Total retained earnings (deficit) available for dividend declaration at end of year	(₱859,656,312)

PRIME MEDIA HOLDINGS, INC.
(A Subsidiary of RYM Business Management Corp.)

SEC SUPPLEMENTARY SCHEDULES AS REQUIRED BY PAR. 6 PART II OF REVISED SRC RULE 68

DECEMBER 31, 2020

Table of Contents

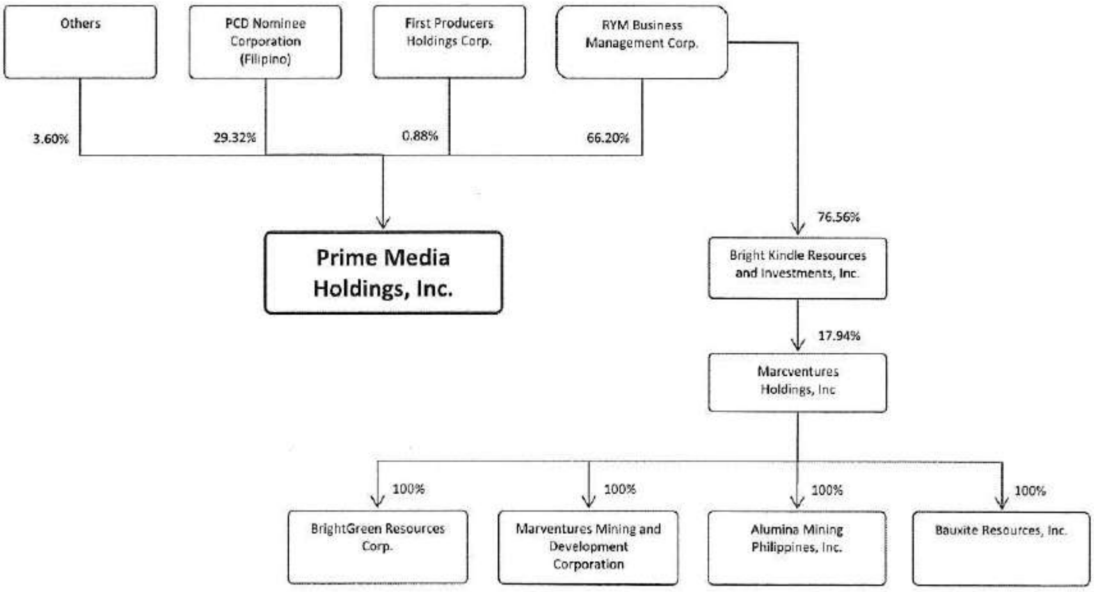
PRIME MEDIA HOLDINGS, INC.
(A Subsidiary of RYM Business Management Corp.)

SCHEDULE G - CAPITAL STOCK
DECEMBER 31, 2020

Title of issue	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 related parties	Directors, officers and employees	Others
Common Stock	3,000,000,000	700,298,616	–	575,732,986	2,005	124,563,625
Preferred Stock	2,000,000,000	14,366,260	–	–	–	14,366,269
	5,000,000,000	714,664,876	–	575,732,986	2,005	138,929,894

PRIME MEDIA HOLDINGS, INC.
(A Subsidiary of RYM Business Management Corp.)

CONGLOMERATE MAP
DECEMBER 31, 2020



2020 SUSTAINABILITY REPORT

PRIME MEDIA
Holdings, Inc.

TABLE OF CONTENTS

With an economy that has yet to see some light amid the global pandemic, Prime Media Holdings Inc. is in the process of assessing its strategic investment options and business model.

CONTEXTUAL INFORMATION

Name of the Organization	Prime Media Holdings, Inc. (PMHI or the "Company")
Principal Office	16th Floor BDO Towers (formerly Citibank Center), 8741 Paseo de Roxas, Makati City
Business Model	Holding company listed in the Philippine Stock Exchange (PSE)
Activity	Engaged in the purchase, exchange, assignment, and holding of shares or equity in the media industry
Reporting Period	January 1 to December 31, 2020

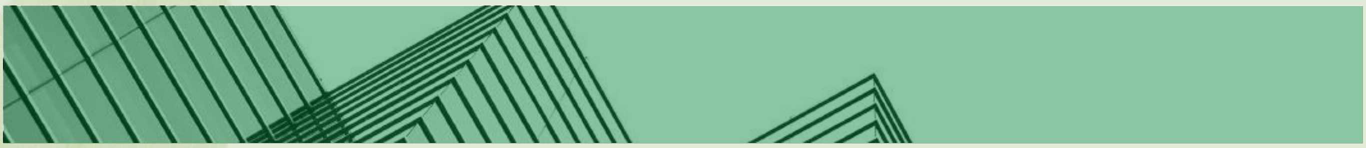
COMPANY HISTORY AND BUSINESS CONTEXT

PMHI was originally incorporated as the Private Development Corporation of the Philippines (PDCP) in 1963. In 2000, the Company changed its name to First e-Bank Corporation and later on in 2003, the Company adopted its current name. The Company’s Board of Directors approved an amendment to its Articles of Incorporation in 2002 changing its primary purpose to a holding company with investments in the media industry.

With an economy that has yet to see some light amid the global pandemic, PMHI is in the process of assessing whether it will continue to pursue its approved purpose of strategically entering the media industry or adopt another business model altogether.

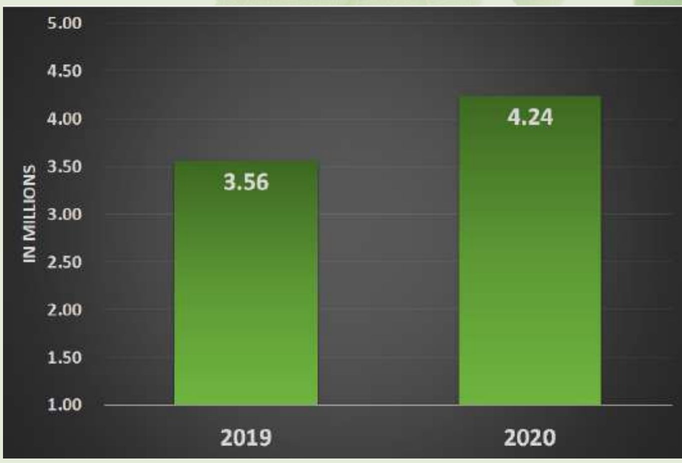
In 2010, in view of its minimal operations and the company's plans to reorganize and to further assess its business model, PMHI gradually retired all its employees and outsourced its administration and operations to consultants and service providers

While PMHI is currently non-operational, its seeks to align its transition process with the UN Sustainable Development Goal on Economic Growth. This report swas prepared in accordance with Principle 10 of the Code of Corporate Governance for Publicly Listed Companies (PLCs) stating that companies should ensure that material and reportable non-financial and sustainability issues are disclosed. This signifies of the Company's commitment to good corporate governance and demonstrates that PMHI's reporting process is in place, not only on the financial aspect but on sustainability as well. PMHI full affirms that its economic growth should also be based on sustainable grounds.



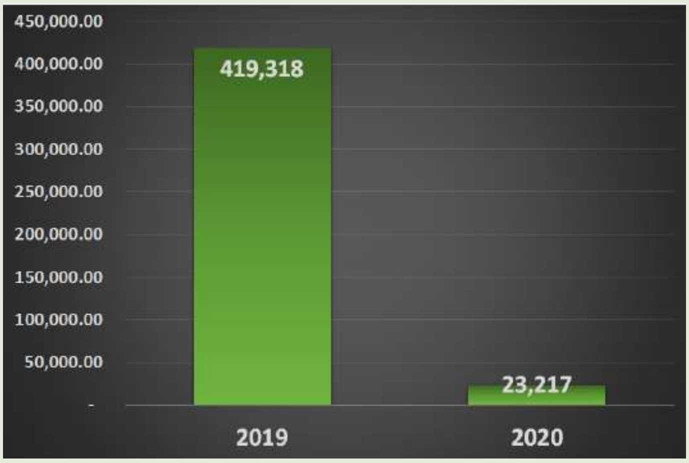
REINVENTION TOWARDS A SUSTAINABLE BUSINESS MODEL

Despite the economic challenges brought about by the Corona Virus 2019 (COVID-19) global pandemic, PMHI is moving forward towards adopting a sustainable business model, not just for its shareholders but for society as a whole.



ECONOMIC VALUES GENERATED

It supports the sustainable goal for economic growth as the Company is engaged in significant exploratory talks with interested parties in order to relaunch its activities as a going concern. Once it is formalized, the Company should be able to provide a direct contribution through its business activities, asset allocation, and investment decisions.



TAX REMITTANCE

PMHI fully promotes Good Corporate Governance as it moves towards its revitalization and reinventions plans.

In 2020, PMHI generated direct economic value of Php 4.24 Million and remitted taxes to the Philippine government in the amount of Php 23,217.00.

The figures may not be deemed substantial from a business standpoint, but it is an indication of PMHI's commitment to the Philippine government and the local economy.

CORPORATE GOVERNANCE CONFIRMATION STATEMENT

As a publicly-listed corporation, PMHI seeks to ensure continuous adherence to corporate governance rules, regulations, and requirements imposed by the Philippine Securities and Exchange Commission (SEC) and the PSE.

TRANSPARENCY

Likewise, PMHI continues to practice transparency and accountability to the public and its institutional stakeholders.

PMHI holds regular stockholders' meetings to keep its stockholders informed of the current condition and future standing of the Company. The Company's audited financial performance was presented to its shareholders during the virtual annual stockholders' meeting held on 30 October 2020. The meeting via remote communication format aims to further safeguard everyone's safety and health due to the on-going threat of the COVID-19 pandemic.

Company information is also freely accessible via the Company website, which also includes its current Annual Report and Sustainability Reports.

DATA SECURITY

Data security is a vital material topic relative to the Company's plans to lay the groundwork to revitalize its operations in the future. PMHI has a duly appointed Data Privacy Officer to ensure strict implementation of confidentiality measures that comply with Philippine data privacy laws.

In summary, PMHI demonstrates good corporate governance as it focuses on pursuing strategic investments for its future growth and reversion to a going concern status.

MATERIALITY ASSESSMENT AND SUSTAINABILITY REPORTING PROCESS

The report was prepared in accordance with the Sustainability Reporting Guidelines for Publicly Listed companies of the Philippines, released by the Securities and Exchange Commission.

PMHI expects to further develop its materiality assessment and sustainability reporting process once it completes its corporate reorganization, determines the optimal business model, and resumes operations.

In 2019, the Company, for its first Sustainability Report, engaged the services of Atty. Teodoro Kalaw IV, who is certified both as a sustainability trainer by the Global Reporting Initiative and a sustainability report assurer by the Institute of Certified Sustainable Practitioners. Atty. Kalaw facilitated an extensive sustainability orientation and materiality assessment workshop for key officers and staff of the Firm. The same key officers and staff are tasked to provide continuity in preparing Y2020 Sustainability Report.

In light of PMHI's dormancy, it was determined that most of the prospective material topics in the economic, environmental, and social domains described in SEC Memorandum Circular No. 4 s. of 2019 are presently not relevant to our stakeholders.

As it moves toward restarting its business operations, PMHI expects to be able to specifically demonstrate its contributions to the Sustainable Development Goals promoted by the United Nations. The transition would support sustainable economic growth and increase employment opportunities.

For Y2020, results of the materiality assessment are substantially the similar to the previous year as the Company remains in the process of determining the optimal business model to embark on.

Ultimately, the real benefit of this initial process is in preparing the Company for robust sustainable operations and reporting in future fiscal years. Thus, providing a foundation for more accountability and transparency in its future disclosures and other reporting processes.

INDEX OF MATERIAL TOPICS

Pursuant to Annexes A (Reporting Template) and B (Topic Guide) of the SEC Memorandum Circular No. 4 (Sustainability Reporting Guidelines for Publicly-listed Companies), the following are the topics PMHI has identified as material for the reporting period and which were addressed in this report:

TOPIC	PAGE NUMBER IN ANNEX A OF THE SEC GUIDELINES	PAGE NUMBER IN THIS REPORT
Economic Performance	**19**	**3**
Data Privacy and Security Protection	**41**	**5**