

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 17.1(b) OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

- ☐ Preliminary Information Statement
- ☒ Definitive Information Statement

2. Name of Registrant as specified in its charter

PRIME MEDIA HOLDINGS, INC.

3. Province, country or other jurisdiction of incorporation or organization

Metro Manila, Philippines

4. SEC Identification Number

22401

5. BIR Tax Identification Code

000491007

6. Address of principal office

16F BDO Towers Valero (formerly Citibank Tower), 8741 Paseo de Roxas, Makati City
Postal Code
1227

7. Registrant's telephone number, including area code

(632) 8831-4479

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

23 September 2022, 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

Sep 2, 2022

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. Reuben Carlo
O. General

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 and Amount of Debt Outstanding	
COMMON	700,298,616	
PREFERRED	14,366,260	

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

☒ Yes ☐ No

If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange. Common Shares

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

Prime Media Holdings, Inc.

PRIM

**PSE Disclosure Form 17-5 - Information Statement for Annual or
Special Stockholders' Meeting
References: SRC Rule 20 and
Section 17.10 of the Revised Disclosure Rules**

Date of Stockholders' Meeting	Sep 23, 2022
Type (Annual or Special)	ANNUAL
Time	2:00 P.M.
Venue	16F BDO Towers Valero (formerly Citibank Tower) 8741 Paseo de Roxas, Makati City via Virtual Meeting/Video Conferencing/Remote Communication
Record Date	Sep 2, 2022

Inclusive Dates of Closing of Stock Transfer Books

Start Date	N/A
End date	N/A

Other Relevant Information

PLEASE SEE ATTACHED DEFINITIVE INFORMATION STATEMENT 2022.

Filed on behalf by:

Name	Reuben Carlo General
Designation	Corporate Secretary

COVER SHEET

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SEC Registration Number

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(Company's Full Name)

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

Reuben Carlo O. General

(Contact Person)

(02) 8831-4479

(Company Telephone Number)

1	2	3	1
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Month Day
(Fiscal Year)

2	0	-	I	S
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(Form Type)

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Month Day
(Annual Meeting)

2022 DEFINITIVE INFORMATION STATEMENT

Secondary License Type, If Applicable)

Corporation Finance Department

Dept. Requiring this Doc.

N/A

Amended Articles Number/Section

1,587

Total No. of Stockholders

Total Amount of Borrowings	
	N/A
Domestic	Foreign

To be accomplished by SEC Personnel concerned

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File Number

LCU

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Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

SEC Number

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

SECRETARY'S CERTIFICATE

I, **REUBEN CARLO O. GENERAL**, of legal age, Filipino, with office address at 4th Floor BDO Towers Paseo, 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 16th Floor BDO Towers Valero, 8741 Paseo de Roxas, Makati City.

2. I hereby certify that, during the regular meeting of the Board of Directors held on August 15, 2022, at the 16th Floor BDO Towers Valero, 8741 Paseo de Roxas, Makati City, wherein a quorum was present and acting throughout, the following Resolutions were unanimously approved:

"RESOLVED, that the Board of Directors of **PRIME MEDIA HOLDINGS, INC.** authorizes, as it hereby authorizes, the holding of the Annual Stockholders' Meeting on **23 September 2022** with a Record Date on **2 September**;

RESOLVED FURTHER, that the President, Atty. Manolito A. Manalo, be authorized and empowered, as he is hereby, authorized and empowered to: (1) postpone and reset the meeting date and record date; (2) amend, revise and/or finalize the Agenda.

"RESOLVED FURTHER, 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 2022 Annual Stockholders' Meeting;

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."

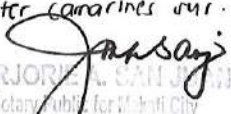
IN WITNESS WHEREOF, I have hereunto set my hand this 23rd day of August 2022, Makati City.


REUBEN CARLO O. GENERAL
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 23rd day of August 2022 in Makati City, affiant exhibited to me his Driver's License No. E04-05-002022 expiring on 2022/08/21.

IBP Roll of Attorneys No. 59087 IBP Chapter Camarines Sur.

Doc. No. 205;
Page No. 42;
Book No. II;
Series of 2022.


MARJORIE A. SAN JUAN
Notary Public for Makati City
Appl. No. M-435 until 6/30/2022 per B.A. No. 3765, 9/23/2021
Roll of Attorneys No. 71235
IBP Membership No. 17112-0587/2022
PTR No. MAK-055763444; 04/07/2012 - Makati City;
MCLE Compliance No. 100717053, 10/12/2016;
Pasig City; V.A. I and II 4/1/2022
41 EDO Towers (formerly Citi Tower), Pasco de Roxas, Makati City

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 2021
(Fiscal Year Ending)

23 September 2022
(Annual Meeting)

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
☒ **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

23 September 2022, 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: **02 September 2022**
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. Reuben Carlo O. General
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 **30 June 2022**.

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 **23 September 2022 (Friday) 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/prime>, 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, 2021
5. Amendment of the Articles of Incorporation (AOI) to reduce the par value of all Series A Preferred Shares from Php1.00 to Php0.04 per share
6. Approval to convert all Series A Preferred Shares into Common Shares at the conversion rate of 25:1
7. Amendment of the AOI to create a new class of Preferred Shares which shall be referred to as Series C Preferred Shares and to authorize the conversion of the remaining foreign-owned shares to Series C Preferred Shares subsequent to the conversion of all Series A Preferred Shares, with said foreign-owned shares approximately numbering Three Hundred Forty Thousand Six Hundred Sixty Four(340,664) based from records as of 30 July 2022,
8. Amendment of the AOI to reclassify all Series B Preferred Shares into Common Shares
9. Approval to redeem all Series C Preferred Shares with redemption price set at its par value per shares and payable in cash
10. Amendment of the AOI to reclassify Series A and Series C shares into Common Shares
11. Approval of the amended Memorandum of Agreement with Atty. Hermogene H. Real and Ms. Michelle F. Ayangco (as "Golden Peregrine Shareholders") for issuance of 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 for Three Hundred Forty Nine Thousand Nine Hundred Ninety Three (349,993) shares of stock of Golden Peregrine.
12. Amendment of the Articles of Incorporation to increase the authorized capital stock up to Seven Billion Pesos (Php 7,000,000,000.00);
13. Waiver by the minority stockholders of the rights or public offer requirement under the PSE Additional Listing Rule

14. Ratification of Management Acts.
15. Election of Board of Directors.
16. Appointment of External Auditor.
17. Other Matters.
18. Adjournment.

For purposes of the meeting, stockholders of record as of **02 September 2022** 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/prime> on or before **13 September 2022**. Please refer to the **Procedure for Participation and Voting at the 2022 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/prime> or email mdc.prim@gmail.com

Makati City, 01 September 2022.


REUBEN CARLO O. GENERAL
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 **23 September 2022, 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, 2021.				
3. Amendment of the Articles of Incorporation to:				
(i) Reduce the par value of all Series A Preferred Shares from Php1.00 to Php0.04 per share				
(ii) Convert all Series A Preferred Shares into Common Shares at the conversion rate of 25:1				
(iii) Amendment of the AOI to create a new class of Preferred Shares which shall be referred to as Series C Preferred Shares and to authorize the conversion of the remaining foreign-owned shares to Series C Preferred Shares subsequent to the conversion of all Series A Preferred Shares, with said foreign-owned shares approximately numbering Three Hundred Forty Thousand Six Hundred Sixty Four (340,664) based from records as of 30 July 2022				

(iv) Reclassify all Series B Preferred Shares into Common Shares				
4. Approval to redeem all Series C Preferred Shares with redemption price set at its par value per share and payable in cash				
5. Amendment of the AOI to reclassify Series A and Series C shares into Common Shares				
6. Approval of the amended Memorandum of Agreement with Atty. Hermogene H. Real and Ms. Michelle F. Ayangco (as “Golden Peregrine Shareholders”) for issuance of 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 for Three Hundred Forty Nine Thousand Nine Hundred Ninety Three (349,993) shares of stock of Golden Peregrine				
7. Amendment of the Articles of Incorporation to increase the authorized capital stock up to Seven Billion Pesos (Php 7,000,000,000.00)				
8. Waiver by the minority stockholders of the rights or public offer requirement under the PSE Additional Listing Rule				
9. Ratification of Management’s Acts				
10. Election of Board of Directors:	FOR ALL	AGAINST ALL	ABSTAIN FOR	FULL DISCRETION OF PROXY
<p>The nominees are:</p> <p>Manolito A. Manalo Bernadeth A. Lim Rolando S. Santos Hermogene H. Real Michelle F. Ayangco</p> <p>Nominees for independent directors:</p>				

Johnny Y. Aruego, Jr. Francisco L. Layug III <i>Instruction: To withhold authority to vote for any nominee, please mark "Abstain" box and list the name(s) under.</i>				
11. Appointment of Reyes Tacandong & Co. as external auditor				
12. 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, 2021.

FOR Amendment of the Articles of Incorporation (AOI) to reduce the par value of all Series A Preferred Shares from Php1.00 to Php0.04 per share

FOR Approval of the Amendment of the AOI to convert all Series A Preferred Shares into Common Shares at the conversion rate of 25:1

FOR Approval of the Amendment of the AOI to create a new class of Preferred Shares which shall be referred to as Series C Preferred Shares and to authorize the conversion of the remaining foreign-owned shares to Series C Preferred Shares subsequent to the conversion of all Series A Preferred Shares, with said foreign-owned shares approximately numbering Three Hundred Forty Thousand Six Hundred Sixty Four (340,664) based from records as of 30 July 2022

FOR Approval of the Amendment of the AOI to reclassify all Series B Preferred Shares into Common Shares.

FOR Approval is the redemption of all Series C Preferred Shares with redemption price set at its par value per share and payable in cash

FOR Approval is Amendment of the AOI to reclassify Series A and Series C shares into Common Shares.

FOR Approval of the amended Memorandum of Agreement with Atty. Hermogene H. Real and Ms. Michelle F. Ayangco (as "Golden Peregrine Shareholders") for issuance of 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 for Three Hundred Fifty Thousand (350,000) shares of stock of Golden Peregrine

For APPROVAL of the amendment of the Articles of Incorporation to increase the authorized capital stock up to Seven Billion Pesos (Php 7,000,000,000.00)

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

FOR Ratification of Management's Acts

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 13 September 2022. Beneficial owners whose shares are lodged with Philippine Depository & Trust Corporation (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 18 September 2022 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 Corporation. 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 Corporation will also solicit proxies in person or by telephone.

The estimated amount to be spent by the Corporation to solicit proxies is PhP20,000.00. 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 re-election as director of the Corporation, is 50% owner of Golden Peregrine Holdings, Inc. ("GPHI") which now owns 100% of the outstanding capital stock of PCMC. Pursuant to proposed amendments 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 GPHI 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 statements, 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.

There is no transaction during the last two years or proposed transactions, to which the Corporation was or is to be a party, in which any of the following person had or is to have a direct or indirect material interest:

- a) Any director or executive officer of the registrant
- b) Any nominee for election as a director
- c) Any security holder
- d) Any member of the immediate family
- e) Any arrangement or understanding with the participant, or any associate of the participant
 - i. With respect to any future employment by the registrant or its affiliates; or
 - ii. With respect to any future transaction to which the registrant or any of its affiliates will or may be a party.

Signed this ____ day of _____ 2022 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 13 September 2022, 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 _____ 2022 at the _____, the following resolution was approved:

“RESOLVED, that the Board of Directors of _____ (the “Corporation”) hereby authorize, _____ and/or _____ 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 23 September 2022, and any adjournments or postponements thereof.

“RESOLVED, FURTHER, that the Board of Directors of the Corporation authorize _____ and/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 2022.

INFORMATION STATEMENT AND MANAGEMENT REPORT

INFORMATION STATEMENT

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

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 **13 September 2022**, at 5:00 p.m., a sample of which is attached to this report. On the day of the annual stockholders' meeting on 23 September 2022, 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 **23 September 2022**, at 2:00 PM, by video conferencing or remote communication as 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. Reuben Carlo O. General.

This Information Statement will be first sent or given to security holders on or around **02 September 2022**.

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. Amendment of the Articles of Incorporation (AOI) to reduce the par value of all Series A Preferred Shares from Php1.00 to PhP0.04 per share
- b. Amendment of the AOI to convert all Series A Preferred Shares into Common Shares at the conversion rate of 25:1
- c. Amendment of the AOI to create a new class of Preferred Shares which shall be referred to as Series C Preferred Shares and to authorize the conversion of the remaining foreign-owned shares to Series C Preferred Shares subsequent to the conversion of all Series A Preferred Shares, with said foreign-owned shares approximately numbering Three Hundred Forty Thousand Six Hundred Sixty Four (340,664) based from records as of 30 July 2022
- d. Amendment of the AOI to reclassify all Series B Preferred Shares into Common Shares
- e. Approval to redeem all Series C Preferred Shares with redemption price set at its par value per share and payable in cash
- f. Amendment of the AOI to reclassify Series A and Series C shares into Common Shares.
- g. Approval of the amended Memorandum of Agreement with Atty. Hermogene H. Real and Ms. Michelle F. Ayangco (as “Golden Peregrine Shareholders”) for issuance of 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 for Three Hundred Fifty Thousand (350,000) shares of stock of Golden Peregrine
- h. Amendment of the Articles of Incorporation to increase the authorized capital stock up to Seven Billion Pesos (Php 7,000,000,000.00)

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 H. Real, a nominee for election as director of the Corporation, is 50% owner of Golden Peregrine Holdings, Inc. (GPHI) which now owns 100% of the outstanding capital stock of PCMC. Pursuant to the proposed amendment 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 GPHI to the Corporation. She is the President and majority shareholder of Mairete Asset Holdings Inc., which owns 11% of the Corporation. Please refer to Item 12 for a brief write-up on GPHI Transaction.

Rolando S. Santos is a director and an officer of Mairete Asset Holdings Inc. and the Corporation.

Other than the above statements, 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 **30 June 2022**, the following shares of common and preferred stock of the Corporation were outstanding:

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

As of **30 June 2022**, the foreign equity ownership on a per class basis is as follows:

<u>Class</u>	<u>Number of Outstanding Shares</u>
Common	343,278
Preferred	109,650

All registered owners of the Corporation's common stock at the close of business on 02 September 2022 will be entitled to notice and vote at its Annual Stockholders' Meeting on **23 September 2022**.

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 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.

Both the Series A and Series B preferred shares are non-voting.

There is no change in control that has occurred since the last financial year.

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

As of **30 June 2022**, 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 Transfer Agent)	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%
		Mairete Asset Holdings, Inc. 16 th Floor Citibank Tower, Paseo de Roxas, Makati Stockholder	Filipino	Mairete Asset Holdings, Inc. is the beneficial owner of the shares.	77,178,901	11%

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.

Security Ownership of Management as of 30 June 2022

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	Hermogene H. Real	2000 Direct	Filipino	0.0%
Common	Michelle F. Ayangco	2000 Direct	Filipino	0.0%
Common	Johnny Y. Aruego, Jr.	1 Direct	Filipino	0.0%
Common	Francisco L. Layug III	1 Direct	Filipino	0.0%
	Aggregate for above named officers and directors	5,004		

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 for the acquisition of PCMC, which is now fully owned by Golden Peregrine Holdings, Inc. will result to change of control.

On 15 August 2022, the Board of Directors of the Corporation authorized the amendment of the Memorandum of Agreement) (“MOA”) between the Corporation on one side, and Michelle Ayangco and Hermogene Real (“Golden Peregrine Shareholders”) on the other. The Golden Peregrine Shareholders are the majority stockholders Golden Peregrine Holdings, Inc., which in turns owns 100% owner of PCMC.

Previously under the MOA, Ms. Ayangco and Atty. Real, owners of 100% of PCMC, will transfer all of their shares in PCMC to the Corporation in exchange for shares of the Corporation. However, after the execution of the MOA, the Golden Peregrine Shareholders assigned all of their shares in PCMC in exchange for one hundred percent (100%) of the outstanding capital stock of GPHI. As such, PCMC became a wholly-owned subsidiary of GPHI, while the Golden Peregrine Shareholders owns one hundred percent (100%) of the outstanding capital stock of GPHI. In view of the foregoing, there is a need to amend the MOA to reflect the foregoing changes to the corporate structure of PCMC.

Under the proposed amendment to the MOA, the Golden Peregrine 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 Corporation to be issued from an increase in authorized capital stock which shall be paid in the form of Golden Peregrine 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 Golden Peregrine Shareholders will gain control and majority ownership of approximately 70% of outstanding capital stock of the Corporation. On the other hand, PCMC will become an indirect subsidiary of the Corporation with GPHI as intermediary and direct subsidiary of the Corporation

The contemplated transaction, as amended, aims to transform the Corporation 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 GPHI, which owns 100% of PCMC, into the Corporation thereby making PCMC an indirect subsidiary of the Corporation. With the national franchise of PCMC, the Corporation 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.

Please refer to Item 12 for a brief write-up on PCMC Transaction involving GPHI.

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 **30 June 2022**:

Name	Age	Citizenship	Period during which individual has served as such
Manolito A. Manalo	53	Filipino	May 2013 to the present
Bernadeth A. Lim	41	Filipino	May 2013 to the present
Hermogene H. Real	66	Filipino	October 2021 to the present
Michelle F. Ayangco	50	Filipino	October 2021 to the present
Rolando S. Santos	72	Filipino	August 2017 to the present
Johnny Y. Aruego, Jr. (Independent Director)	53	Filipino	May 2013 to the present
Francisco L. Layug III (independent director)	67	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.

Ms. Michelle F. Ayangco was elected as Director in October 2021. 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 was elected as Director in October 2021. 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.

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 Lorzana 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 **30 June 2022**, the following are the names, ages, positions, citizenship, and periods of service of the incumbent officers of the Corporation:

	Age			Period during which
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Name		Position	Citizenship	individual has served as such
Manolito A. Manalo	53	President & CEO	Filipino	May 2013 up to present
Bernadeth A. Lim	41	Vice President	Filipino	May 2013 to present
Reuben Carlo O. General	36	Corporate Secretary, Compliance Officer and Data Privacy Officer	Filipino	October 2021 to present
Rolando S. Santos	72	Treasurer	Filipino	October 2013 up to present
Dale A. Tongco	57	Risk Management Officer	Filipino	October 2021 to present

Reuben Carlo O. General was initially appointed as the Company's Co-Assistant Corporate Secretary in December 2020 and became the Corporate Secretary, Compliance Officer, and Data Privacy Officer in October 2021. He also acts as Senior Legal Counsel and Co-Assistant Corporate Secretary of Marcventures Mining and Development Corp. He is also a Director and Corporate Secretary of OnlyfoodsPH Corporation. He has more than eleven (11) years of accumulated experience as a general legal practitioner cultivated from law firm and in-house settings including Bernas Law Offices, Batuhan Blando Concepcion & Trillana Law Office, Ocampo & Manalo Law Firm, and a local subsidiary of Korea Electric Power Corporation (KEPCO) .

Dale A. Tongco was appointed as Risk Management Officer on 13 October 2021. He was also the Vice-President Risk Management/ Chief Risk Officer of Bright Kindle Resources & Investments, Inc and also Vice-President and Controller of Marcventures Holdings Inc. He is a Certified Public Accountant with extensive experience in Public Accounting Firms as External Auditor and with Corporations as an Internal Auditor and Risk Management Officer specifically in the areas of Fraud Management; ISO 9001 and 14001 Audit and Management; Process and Control Review; Policies and Procedures Documentation; Corporate Governance; and Finance and Treasury. His professional experience over 13 years includes stints in KPMG, Deloitte, Phil-Am-AIA, CP de Guzman & Co.-CPAs and currently with Benguet Corporation as Head of Internal Audit and Risk Management.

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 **23 September 2022**. 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. Ayagco

Nominees for Independent Director

Johnny Y. Aruego, Jr.
Francisco L. Layug III

All nominations for regular and independent director have been reviewed and approved by the Corporation's Nomination and Compensation Committee. No director has resigned or declined to stand for re-election to the board of directors since the date of the last annual meeting and there has been no disagreement on the Corporation's operations, policies, or practices.

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 Hermogene H. Real and Johnny Y. Aruego, Jr. As members.

In accordance with SEC Memorandum Circular No. 4 Series of 2017, Francisco L. Layug III as an Independent Director (ID) has not exceeded the maximum cumulative term of nine (9) years while Johnny Y. Aruego, Jr. Is in his ninth year as an ID . 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.

Atty. Aruego was elected to his first term as ID in March 2013 and has been elected to, and served, for nine consecutive years ending in 2022. The Board of Directors received the nomination of Atty. Aruego as ID from the Chairman, Atty. Manolito A. Manalo, with a favorable assessment of his performance during his term. After a discussion on the background and qualifications of Atty. Aruego and his valuable contributions to the Company, the Board of Directors found meritorious justification to unanimously approve the nomination of Atty. Aruego as ID beyond the nine (9)-year term. The Board has favorably endorsed the nomination of Atty. Aruego for re-election as ID at the Annual Stockholders' Meeting.

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 employee 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.

The Company is a party to certain lawsuits or claims arising from its previous bank operations in the ordinary course of business. However, the Company's management 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 in light of the available legal defenses to the Company. The Corporation is not aware of any material pending legal proceedings to which the Corporation is a party.

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 Golden Peregrine Holdings, Inc. (GPHI) for the acquisition of an interest in 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 Golden Peregrine Holdings, Inc. to the Corporation. Atty. Real is the President and majority shareholder of Mairete Asset Holdings Inc., which 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 12 to the Audited Financial Statements for the period ending December 31, 2021, there are no significant transactions entered into by the Corporation in the normal course of business with related parties.

The proposed transaction with the Golden Peregrine Shareholders, who are the majority shareholders of GPHI, which in turn owns 100% of the outstanding shares of PCMC, 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 12 for a brief write-up on PCMC.] The transaction will involve the folding into the Corporation of GPHI, which will make PCMC an indirect subsidiary of the Corporation. With the national franchise of PCMC, the Corporation 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.

Golden Peregrine 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 Corporation (the "**PRIM Shares**"), which will be issued from an increase in authorized capital stock, shall be paid through the assignment of all outstanding shares of Golden Peregrine Holdings, Inc. 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 Golden Peregrine Shareholders other than causing the fulfillment of the stipulated closing conditions.

Please refer to Item 12 for a brief write-up on PCMC involving GPHI.

Resignation/Disagreement

On 16 June 2022, the Board of Directors accepted the resignation of Atty. Christopher Sam S. Salvador as Assistant Corporate Secretary/ Co-Compliance Officer and Corporate Information Officer for personal reasons.

Item 6. Compensation of Directors and Executive Officers

The aggregate compensation paid in 2020, 2021 and estimated to be paid in 2022, (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, is set out below:

<i>Names</i>	<i>Position</i>	<i>Year</i>	<i>Salary</i>	<i>Bonus</i>	<i>Others</i>
<i>Manolito A. Manalo</i>	<i>Chairman & President</i>		<i>0</i>	<i>0</i>	
<i>Bernadeth A. Lim</i>	<i>Vice President</i>		<i>0</i>	<i>0</i>	
<i>Rolando S. Santos</i>	<i>Treasurer</i>		<i>0</i>	<i>0</i>	
<i>Reuben Carlo O. General</i>	<i>Corporate Secretary</i>		<i>0</i>	<i>0</i>	
<i>Aggregate for above named officers</i>		<i>2020</i>	<i>0</i>	<i>0</i>	<i>27,000</i>
		<i>2021</i>	<i>0</i>	<i>0</i>	<i>59,500</i>
		<i>2022(est)</i>	<i>0</i>	<i>0</i>	<i>132,000</i>
<i>All Directors and Officers as a group unnamed</i>		<i>2020</i>			<i>54,000</i>
		<i>2021</i>			<i>76,500</i>
		<i>2022(est)</i>			<i>81,000</i>

There are no special employment contracts between the Corporation and its directors and officers. The directors are entitled to nominal per diem amounting to ₱10,000.00 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 2022 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 ₱410,000.00 and ₱390,000.00 for the years 2021 and 2020, respectively.

The 2021 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.

At present, RTC account partner handling the Corporation is Pamela Ann Escudro. 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 Johnny Y. Aruego, Jr as Chairman, and Bernadeth A. Lim and Francisco L. Layug III as members. 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) Share Swap with Golden Peregrine Holdings, Inc. as 100% owner of PCMC

[Please refer to Item 12 for a brief write-up on PCMC.]

The subscriptions of the Golden Peregrine 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 Golden Peregrine 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 Golden Peregrine 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.

The shares to be issued to and to be subscribed by the Golden Peregrine Shareholders are all common voting shares, without no preference as to dividend entitlement. In accordance with the Seventh Article of its Articles of Incorporation, the issuance of additional common shares shall not be subject to right of pre-emption.

For and in consideration of their subscriptions to the PRIM Shares, the Golden Peregrine Shareholders shall assign, transfer and deliver to the Company a total of Three Hundred Fifty Thousand (350,000) Golden Peregrine common shares (the “Golden Peregrine 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.

The purpose of this share swap transaction is to enable the acquisition of the Corporation’s interest in PCMC through GPHI. After the execution of the original MOA on 30 July 2021, the Golden Peregrine Shareholders assigned all of their shares in PCMC in exchange for one hundred percent (100%) of the outstanding capital stock of GPHI. As such, PCMC became a wholly-owned subsidiary of GPHI, while the Golden Peregrine Shareholders owns one hundred percent (100%) of the outstanding capital stock of GPHI.

As a result, the Golden Peregrine Shareholders will gain control and majority ownership of approximately 70% of outstanding capital stock of the Company. On the other hand, PCMC will become an indirect subsidiary of the Corporation while Golden Peregrine Holdings, Inc. will become a direct subsidiary of the Company.

As PCMC has a franchise to operate certain broadcasting frequencies, the transaction for the acquisition of PCMC will require restrictions on the Corporation’s foreign ownership to comply with the nationality requirement for ownership and management of mass media.

Item 10. MODIFICATION/EXCHANGE OF SECURITIES

On 24 November 2021, the Securities and Exchange Commission approved the amendment of the Company’s Articles of Incorporation restricting share ownership to 100% Filipino. In order for the Company to eliminate its remaining miniscule foreign-held shares, the following proposed actions are to be taken up:

- (a) Reduction of the par value of Series “A” Preferred Shares from PhP1.00 to PhP0.04.
- (b) Conversion of all Series A Preferred Shares into Common Shares at the conversion rate of 25:1
- (c) Creation of a new class of Preferred Shares which shall be referred to as Series C Preferred Shares and to authorize the conversion of the remaining foreign-owned shares to Series C Preferred Shares subsequent to the conversion of all Series A Preferred Shares, with said foreign-owned shares approximately numbering Three Hundred Forty Thousand Six Hundred Sixty Four (340,664) based from records as of 30 July 2022.
- (d) Amendment of the AOI to reclassify all Series B Preferred Shares into Common Shares
- (e) Redemption of all Series C Preferred Shares with redemption price set at its par value per shares and payable in cash .
- (f) Amendment of the AOI to reclassify Series A and Series C shares into Common Shares.

The above process is being taken in order for the Corporation to address difficulties in reaching out to the remaining foreign shareholders who may have already changed their address or have already passed away.

As of 31 July 2022 which is the latest applicable date of this disclosure, there are 336,278 Common Shares and 109,650 Series A Preferred Shares that are held by foreign shareholders. The Series A Preferred Shares will result to the issuance of Common Shares using a conversion rate of 25:1 of 4,386

Common Shares, which will bring the total number of foreign-held Common Shares to 340,664. The Corporation will create and issue an equivalent number of Series C Shares which will have a mandatory redemption feature.

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 not only Series A Preferred Shares but also Series B and Series C Preferred Shares, through conversion and reclassification to common shares for Series A and Series B, respectively and redemption for Series C. This will be undertaken so that the Corporation will only have one class of shares. Any outstanding Preferred Class A Shares will be converted into Common Shares at the conversion rate of 25:1 without prejudice to vested rights and with the par value to be reduced first from PhP1.00 to PhP0.04. As of 31 July 2021, there are 14,366,260 outstanding Series A Preferred 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 number of common shares shall be reduced by the equivalent number of all foreign-held Common Shares, after all the Series A Preferred Shares have already been converted to Common. Based from records as of 30 July 2022, there are 336,278 Common Shares and 109,650 Series A Preferred Shares that are held by foreign shareholders. The Series A Preferred Shares will result to the issuance of Common Shares using a conversion rate of 25:1 of 4,386 Common Shares, which will bring the total number of foreign-held Common Shares to 340,664. The Company intends to issue 340,664 Series C Redeemable Preferred Shares, which may be redeemed at par value at the instance of the Corporation by payment of cash.

After the conversion of all Series A, reclassification of Series B Preferred Shares to Common shares and redemption of all Series C Preferred Shares, all provisions in the AOI related to Preferred Shares shall be deleted.

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 Corporation will have equal rights and footing.

The Series A Preferred Shares are not listed on any stock exchange. The underlying common shares for the conversion of the Series A Preferred Shares has prior listing approval from the Philippine Stock Exchange last 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 Golden Peregrine Shareholders.

Attached herewith as Annex A is a table on the changes to the shareholding or capital structure of the Corporation given the series of proposed amendments above.

Item 11. FINANCIAL AND OTHER INFORMATION

Copies of the Management Report, the Audited Financial Statements for the year ended 31 December 2021, 17Q or the Interim Quarterly Financial Statement as of 30 June 2022 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 Corporation has not made any changes in and has not had any disagreements with its external auditor on accounting and financial disclosures.

Representatives of the Corporation'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 Corporation's stockholders the subscriptions of the Golden Peregrine 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 Golden Peregrine Shareholders shall assign, transfer and deliver to the Company a total of Three Hundred Fifty Thousand (350,000) Golden Peregrine 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 Golden Peregrine Shareholders will gain control and majority ownership of approximately 70% of outstanding capital stock of the Company. On the other hand, Golden Peregrine will become a direct subsidiary of the Corporation while its subsidiary, PCMC shall become an indirect subsidiary of the Corporation (the "GPHI Transaction").

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

PCMC

Name	Position	Office Address	Telephone No
Safonias Gabonada, Jr.	President	6 th Floor Universal Re Bldg., 106 Paseo de Roxas, Makati City	02-8831-4484
Ma. Fe Siscar	Vice President	6 th Floor Universal Re Bldg., 106 Paseo de Roxas, Makati City	02-8831-4479
Cheryl L. Chu	Treasurer	6 th Floor Universal Re Bldg., 106 Paseo de Roxas, Makati City	02-8831-4479
Jane Sioson	Corporate Secretary	6 th Floor Universal Re Bldg., 106 Paseo de Roxas, Makati City	02-8831-4479

GPHI

Name	Position	Office Address	Telephone No
Michelle Ayangco	President	106 3 rd Floor Universal Re Bldg., 106 Paseo de Roxas, Makati City	09667625393
Hermogene Real	Treasurer	106 3 rd Floor Universal Re Bldg., 106 Paseo de Roxas, Makati City	09667625393
Jane Sioson	Corporate Secretary	106 3 rd Floor Universal Re Bldg., 106 Paseo de Roxas, Makati City	09667625393

- (2) PCMC is a corporation duly organized and existing under the laws of the Philippines. It was incorporated on 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).

GPHI, which wholly owns PCMC, is a corporation duly organized and existing under the laws of the Philippines. It was incorporated on 26 January 2022 with principal business address at 3rd Floor Universal Re Bldg., 106 Paseo de Roxas, Makati City.

- (3) Below is a summary of the material features of the GPHI transaction:
- (A) The Golden Peregrine 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 Golden Peregrine Shareholders shall assign, transfer and deliver to the Company a total of Three Hundred Fifty Thousand (350,000) Golden Peregrine 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 Golden Peregrine Shareholders will gain control and majority ownership of approximately 70% of outstanding capital stock of the Company. On the other hand, Golden Peregrine will become a direct subsidiary of the Corporation while its subsidiary, PCMC shall become an indirect subsidiary of the Corporation

- (B) The proposed transaction with the Golden Peregrine 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 GPHI, which is the 100% owner of PCMC thereby making PCMC an indirect 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%. The Golden Peregrine Shareholders 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. GPHI Shareholders) of the Company.
- (D) The transaction will be recorded as investment in subsidiaries since the Company will gain of 100% of GPHI directly, and, 100% of PCMC, indirectly.

(4) Dividends Payable in the amount of PhP10,985,443 as at 31 December 2021 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 Corporation 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	2019	2020	2021
PRIM	₱—	₱—	₱—
PCMC	₱4,812,983	₱5,060,129	₱11,565,044

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

Registrant	2019	2020	2021
PRIM	(₱992,120)	(₱2,976,624)	(₱1,708,466)
PCMC	(₱3,333,344)	(₱1,391,601)	(₱16,546,506)

- (C) long-term obligations and redeemable preferred stock

Registrant	2019	2020	2021
PRIM	₱14,366,260	₱14,366,260	₱14,366,260
PCMC	₱—	₱—	₱1,426,322

- (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	2019	2020	2021
PRIM	(₱0.22)	(₱0.23)	(₱0.23)
PCMC	(₱22.66)	(₱26.64)	(₱73.92)
GPHI	--	-	-

- (B) cash dividends declared per share

Registrant	2019	2020	2021
PRIM	P=	P=	P=
PCMC	P=	P=	P=

(7) The transaction is subject to (a) approval of PRIM shareholders, (b) approval of the increase in capital stock by the Securities and Exchange Commission, (c) issuance of the Certificate Authorizing Registration by the Bureau of Internal Revenue for transfer of Golden Peregrine shares to the Corporation; (d) 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. (ACCI) conducted the valuation of PCMC's media franchise and its net asset.

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

ACCI 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, the wholly-owned subsidiary of GPHI
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 knowledgeably, 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 GPHI Transaction is not subject to a Mandatory Tender Offer requirement as the shares to be issued to the Golden Peregrine 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 GPHI or their affiliates, on one hand, and the Company or its affiliates, on the other hand;
- (10) On 26 August 2022, the Corporation disclosed the approval by the Board of the amended PCMC Transaction. The high and low prices of PRIM common shares on the date preceding such disclosure are 2.45 and 2.31, respectively
- (11) The effect of the GPHI 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 Transaction
RYM	463,555,085	66.19%	19.47%
Mairete	77,178,901	11.02%	3.24%

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

A. Directors

Name	Number of Shares	Current Percentage	Percentages after PCMC Transaction
Manolito A. Manalo	1	0	0%
Bernadeth A. Lim	1	0	0%
Rolando S. Santos	1,000	0	0%
Hermogene H. Real	2,000	0	35%
Michelle F. Ayangco	2,000	0	35%
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 Transaction
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Reuben Carlo O. General	0	0	0%
Dale A. Tongco	0	0	0%

After the GPHI transaction, 839,985,600 PMHI shares will be subscribed by Michelle Ayangco while 839,980,800 PMHI shares will be subscribed by Atty. Hermogene Real

Neither the Corporation, GPHI nor PCMC is involved in any bankruptcy, receivership or similar proceedings.

Aside from the GPHI Transaction, and the amendments subject of this disclosure, the Corporation, GPHI or PCMC is not involved in any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets (not in the ordinary course of business).

The Corporation has no Patents, Trademarks, Licenses, Franchises, Concessions, Royalty Agreement, or labor contracts.

As the Corporation is currently non-operational, existing or probable governmental regulations, including tax laws and laws in relation to the COVID-19 pandemic, has no foreseen effect or impact on the Corporation.

The Corporation has no estimated amount to be expended for Research and Development Activities. Likewise, the Corporation has no major risks in terms of any business as the Corporation is currently non-operational.

Item 13. ACQUISITION OR DISPOSITION OF PROPERTY

The Corporation is not involved in any bankruptcy, receivership, or similar proceedings. Nor is the Corporation engaged in any material reclassification, merger, consolidation or purchase or sale of a significant amount of assets. The Corporation is a holding company and is not engaged in any business and has no principal products or services. The Corporation currently has no employees (regular or non-regular), but with the impending acquisition of GPHI and 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 GPHI Transaction, the Corporation will acquire GPHI as a direct subsidiary and PCMC as an indirect 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 by Two Billion Pesos (PhP 2,000,000,000.00), covering Two Billion (2,000,000,000) common shares, thereby increasing the

authorized capital stock to Seven Billion Pesos (Php 7,000,000,000.00). Out of the increase in authorized capital stock, 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 by Golden Peregrine Shareholders 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 12 on Mergers, Consolidations, Acquisitions and Similar Matters for a more detailed discussion on the foregoing matter.

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, 2021.
3. Amendment of the Articles of Incorporation (AOI) to reduce the par value of all Series A Preferred Shares from Php1.00 to Php0.04 per share
4. Amendment of the AOI to convert all Series A Preferred Shares into Common Shares at the conversion rate of 25:1
5. Amendment of the AOI to create a new class of Preferred Shares which shall be referred to as Series C Preferred Shares and to authorize the conversion of the remaining foreign-owned shares to Series C Preferred Shares subsequent to the conversion of all Series A Preferred Shares, with said foreign-owned shares approximately numbering Three Hundred Forty Thousand Six Hundred Sixty Four (340,664) based from records as of 30 July 2022
6. Amendment of the AOI to reclassify all Series B Preferred Shares into Common Shares
7. Approval to redeem all Series C Preferred Shares with redemption price set at its par value per share and payable in cash
8. Amendment of the AOI to reclassify Series A and Series C shares into Common Shares .
9. Approval of the amended Memorandum of Agreement with Atty. Hermogene H. Real and Ms. Michelle F. Ayangco (as “Golden Peregrine Shareholders”) for issuance of 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 for Three Hundred Fifty Thousand (350,000) shares of stock of Golden Peregrine
10. Amendment of the Articles of Incorporation to increase the authorized capital stock up to Seven Billion Pesos (Php 7,000,000,000.00);
11. Waiver by the minority stockholders of the rights or public offer requirement under the PSE Additional Listing Rule
12. Ratification of Management Acts.
13. Election of Board of Directors.
14. Appointment of External Auditor.
15. Other Matters.

Action is to be taken on the approval of the Minutes of the previous stockholders’ meeting held on 13 October 2021. 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 30 October 2020.
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 2020.

3. The stockholders ratified all acts of the Board of Directors and Management for the previous year up to even date.
4. The stockholders approved the 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. The stockholders approved the 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. The stockholders approved the approved the subscription by the major shareholders of Philippine CollectiveMedia Corp. (“PCMC Shareholders”) of up to One Billion Six Hundred Seventy Nine Million Nine Hundred Sixty Six Thousand Four Hundred (1,679,966,400) common shares at the minimum subscription price of PhP 1.00 per share, to be issued out of the proposed increase in authorized capital stock, in consideration of the assignment and transfer to the Corporation of Three Hundred Forty Nine Thousand Nine Hundred Ninety Three (349,993) PCMC shares representing 99.9% of the outstanding capital stock of PCMC. The Board of Directors were authorized to determine and approve the final number of the Corporation’s shares to be issued, the final subscription price and the other terms and conditions of the foregoing transaction”.
7. Minority stockholders waived their rights or public offer requirement under the PSE Additional Listing Rule.
8. The Stockholders authorized the acceptance of 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. The stockholders elected the following as directors of the Corporation to serve for the period 2021-2022 and until their successors shall have been duly elected as qualified, to wit:

For Regular Directors:

- a. Manolito A. Manalo
- b. Michelle F. Ayangco
- c. Bernadeth A. Lim
- d. Hermogene H. Real
- e. Rolando S. Santos

For Independent Directors:

- a. Johnny Y. Aruego, Jr.
- b. Francisco L. Layug III

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 13 October 2021, 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 13 October 2021 is uploaded in PRIM's website thru the following hyperlink; <https://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 renew license with Optical Media Board
- Confirmation of Financial Proposals referred via Referendum on 31 March 2022
- Approval of the 2021 Audited Financial Statements
- Approval of the 2021 Sustainability Report
- Approval of the Adoption of the Board Assessment Policy
- Creation of/Conversion to Redeemable Shares to Address Remaining Foreign-Held Shares
- Postponement of the Annual Stockholders' Meeting to be held via remote communication and Delegation of Authority to Set Meeting Date to the President
- Authority to transfer Tax Declaratons of Properties registered under Villa Crista Monte Realty and Development Corporation to Philippine Deposit Insurance Corporation (PDIC)
- Amendment of the Articles of Incorporation (AOI) to reduce the par value of all Series A Preferred Shares from Php1.00 to Php0.04 per share
- Amendment of the AOI to convert all Series A Preferred Shares into Common Shares at the conversion rate of 25:1
- Amendment of the AOI to create a new class of Preferred Shares which shall be referred to as Series C Preferred Shares and to authorize the conversion of the remaining foreign-owned shares to Series C Preferred Shares subsequent to the conversion of all Series A Preferred Shares, with said foreign-owned shares approximately numbering Three Hundred Forty Thousand Six Hundred Sixty Four (340,664) based from records as of 30 July 2022.
- Amendment of the AOI to reclassify all Series B Preferred Shares into Common
- Approval to redeem all outstanding Series C Preferred Shares with redemption price set at its par value per shares and payable in cash
- Amendment of the AOI to reclassify Series A and Series C shares into Common Shares
- Amendment of the Articles of Incorporation to increase the authorized capital stock up to Seven Billion Pesos (Php 7,000,000,000.00)
- Approval of the amended Memorandum of Agreement with Atty. Hermogene H. Real and Ms. Michelle F. Ayangco (as "Golden Peregrine Shareholders") for issuance of 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 for Three Hundred Fifty Thousand (350,000) shares of stock of Golden Peregrine
- Waiver by the minority stockholders of the rights or public offer requirement under the PSE Additional Listing Rule
- Termination of the Memorandum of Understanding (MOU) with New Era Empire Realty Corp.
- Resignation of Atty. Christopher Sam S. Salvador as accepted by the BOD on 16 June 2022
- Issuance of Consent for Interlocking Directorship of Atty. Johnny Y. Aruego as approved on 14 July 2022
- Renomination of Atty. Johnny Y. Aruego, Jr. as Independent Director beyond the 9-year term limit
- Authorization for Mr. Rolando S. Santos, Attys. Reuben Carlo O. General, Kenneth Peter D. Molave, and Marjorie A. San Juan to consolidate titles to be under the name of the Company and to apply, process, sign, execute, secure, submit, file and to cause the delivery of such consolidated titles to the Philippine Deposit Insurance Corporation (PDIC)
- Authority for Attys. Reuben Carlo O. General, Kenneth Peter D. Molave, and Marjorie A. San Juan to appear in a case filed by Philippine Deposit Insurance Corporation (PDIC) entitled "In Re: Ex-Parte Petition to Issue Writ of Possession over a Property covered by

TCT No. 002-2011001598 of the Registry of Deeds for the City of Manila” pending before Branch 4, Regional Trial Court of the City of Manila and docketed as P-20-0023

- Authority for Attys. Reuben Carlo O. General, Kenneth Peter D. Molave, and Marjorie A. San Juan to appear in a case entitled “Juanito Loyola v. Prime Media Holdings, Inc., Philippine Deposit Insurance, Inc. (PDIC), and Register of Deeds of Davao City” pending before Branch 14, Regional Trial Court of Davao City and docketed as SP. PROC. No. R-DVO-22-00173-LR
- Authority for any of the lawyers of Andres Padernal and Paras Law Offices (APP) to appear as counsel in a case entitled “Philippine Public School Teachers Association v. Jesusa Dela Cruz and Panay Commercial and PDCP Development Bank, Inc.” pending before the Court of Appeals and docketed as CA-G.R. CV No. 117924
- Setting of Record date for the Annual Stockholders’ Meeting on September 23, 2022

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
Amendment of the Articles of Incorporation (AOI) to reduce the par value of all Series A Preferred Shares from Php1.00 to Php0.04 per share	<p>The amendment is to be taken as a preparatory step and part of the process to eliminate foreign-held shares.</p> <p>The reduction in par value is consistent with the 25:1 ratio used for previous conversions of Preferred Shares to Common Shares as exercised by certain shareholders. As the current par value of both Preferred and Common Shares is at Php1.00, the reduction in par value of the Preferred Shares is only logical to reflect the correct amount of paid up capital.</p>
Amendment of the AOI to convert all Series A Preferred Shares into Common Shares at the conversion rate of 25:1	<p>The amendment is to be taken as part of the process to eliminate foreign-held shares.</p> <p>The amendment is also 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.</p>
Amendment of the AOI to create a new class of Preferred Shares which shall be referred to as Series C Preferred Shares and to authorize the conversion of the remaining foreign-owned shares to Series C Preferred Shares subsequent to the conversion of all Series A Preferred Shares, with said foreign-owned shares approximately numbering Three Hundred Forty Thousand Six	The amendment is part of the process to eliminate foreign-held shares.to comply with Article VII of the Amended Articles of Incorporation on Filipino ownership

Hundred Sixty Four (340,664) based from records as of 30 July 2022	
Amendment of the AOI to reclassify all Series B Preferred Shares into Common Shares	<p>The amendment is to be taken as part of the process to eliminate foreign-held shares.</p> <p>The amendment is also 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.</p>
Approval to redeem all Series C Preferred Shares with redemption price set at its par value per shares and payable in cash	The amendment is to be taken as part of the process to eliminate foreign-held shares.
Amendment of the AOI to reclassify Series A and Series C shares into Common Shares	This amendment is to ensure that the Corporation shall be fully-Filipino owned in compliance with foreign ownership restrictions
Amendment of the Articles of Incorporation to increase the authorized capital stock up to Seven Billion Pesos (Php 7,000,000,000.00)	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 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 Golden Peregrine Shareholders. The subscriptions of the Golden Peregrine shareholders shall be paid through the assignment of GPHI 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 Golden Peregrine Shareholders will gain majority control of the Company, who, in turn, will acquire GPHI as a direct subsidiary and PCMC as an indirect subsidiary.

(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 and preferred capital stock will be needed for approval. For other matters, the affirmative vote of shareholders representing majority of the outstanding common shares shall suffice.

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 2022 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.

PART II: INFORMATION REQUIRED IN A PROXY FORM

PLEASE USE THE ATTACHED PROXY FORM

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

- 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, 2021.

FOR Amendment of the Articles of Incorporation (AOI) to reduce the par value of all Series A Preferred Shares from Php1.00 to Php0.04 per share

FOR Approval of the Amendment of the AOI to convert all Series A Preferred Shares into Common Shares at the conversion rate of 25:1

FOR Amendment of the AOI to create a new class of Preferred Shares which shall be referred to as Series C Preferred Shares and to authorize the conversion of the remaining

foreign-owned shares to Series C Preferred Shares subsequent to the conversion of all Series A Preferred Shares, with said foreign-owned shares approximately numbering Three Hundred Forty Thousand Six Hundred Sixty Four(340,664) based from records as of 30 July 2022.

FOR Approval of the Amendment of the AOI to reclassify all Series B Preferred Shares into Common Shares.

FOR Approval to redeem all Series C Preferred Shares with redemption price set at its par value per shares and payable in cash.

FOR Amendment of the AOI to reclassify Series A and Series C shares into Common Shares.

FOR Approval of the amended Memorandum of Agreement with Atty. Hermogene H. Real and Ms. Michelle F. Ayangco (as “Golden Peregrine Shareholders”) for issuance of 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 for Three Hundred Forty Nine Thousand Nine Hundred Ninety Three (349,993) shares of stock of Golden Peregrine

FOR Amendment of the Articles of Incorporation to increase the authorized capital stock up to Seven Billion Pesos (Php 7,000,000,000.00)

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

FOR Ratification of Management’s Acts

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 13 September 2022. 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 18 September 2022 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 Corporation. No director has informed the Corporation 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 Corporation will also solicit proxies in person or by telephone.

The estimated amount to be spent by the Corporation to solicit proxies is PhP 20,000.00. The cost of solicitation will be borne by the Corporation.

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 GPHI which in turn, is the 100% owner of PCMC. Pursuant to the proposed amendments 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 GPHI 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 statements, 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.

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 2021 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 2021 and 2020 have been audited by RTC, independent auditors, as stated in their reports appearing herein.

Ms. Pamela Ann Escudro is the Corporation's current audit partner. The Company has not had any disagreements on accounting and financial disclosures with our current external auditors for the periods or any subsequent interim period.

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, 2021 and 2020 for professional services rendered by RTC:

	2021	2020
Audit and Audit-Related Services	₱410,000	₱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 2022 and audited financial statements as at 31 December 2021 and 2020, 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 2022, 31 December 2021 and 2020 and for the period ended 30 June 2022, 31 December 2021 and 2020 are hereto attached.

The following table sets forth the summarized financial information for the period ended 30 June 2022 and years ended 31 December 2021 and 2020:

Summary of Statements of Comprehensive Income

	Unaudited 30 June 2022	Audited 31 December 2021	Audited 31 December 2020
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Income	₱1,746	₱9,176,109	₱2,665,187
Expenses and Other Charges	(2,478,707)	(10,792,886)	(5,588,811)
Loss before Income Tax	(2,476,961)	(1,616,777)	(2,923,624)
Provision for Income Tax	–	91,689	53,000
Net Loss	(2,476,961)	(1,708,466)	(2,976,624)
Other Comprehensive Income	–	750,000	100,000
Total Comprehensive Income (Loss)	(₱2,476,961)	(₱958,466)	(₱2,876,624)
Basic and Diluted Loss Per Share	(₱0.004)	(₱0.005)	(₱0.007)

Summary of Statements of Financial Position

	Unaudited 30 June 2022	Audited 31 December 2021
ASSETS		
Current Assets	₱43,265,519	₱46,743,192
Noncurrent Assets	1,870,540	2,006,488
	₱45,136,059	₱48,749,680
LIABILITIES AND CAPITAL DEFICIENCY		
Current Liabilities	₱192,762,922	₱193,899,582
Capital Deficiency	(147,626,863)	(145,149,902)
	₱45,136,059	₱48,749,680

Summary of Statements of Cash Flows

	Unaudited 30 June 2022	Audited 31 December 2021	Audited 31 December 2020
Cash Flows from Operating Activities	(₱4,274,710)	(₱1,122,173)	(₱1,789,929)
Cash Flows from Investing Activities	–	–	–
Cash Flows from Financing Activities	–	–	–
Net Decrease In Cash	(4,274,710)	(1,122,173)	(1,789,929)
Cash at Beginning of Year	7,110,931	8,233,104	10,023,033
Cash at End of Year	₱2,836,221	₱7,110,931	₱8,233,104

June 30, 2022 vs. December 31, 2021

Statement of Financial Position

The Corporation's total Assets of ₱45.14 million declined by ₱3.61 million or 7.41% compared with last year. The movement in total Assets is attributable to the following:

- Cash balance of ₱2.84 million is lower by ₱4.27 million compared with last year. The significant decrease is mainly attributable to payments of the Company's general and administrative expenses.
- Decrease in equipment of ₱0.14 million is attributed to the depreciation recognized for the period. No addition and/or disposal was made during the year.

Cash receipts during the period totaling ₱1.20 million from Bulaong Enterprises, Inc. pursuant to the compromise agreement for a legal case, resulted to the increase in Liabilities arising from the MOA account. 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 ₱2.48 million compared last year. The Company incurred a net loss of ₱2.48 million which movement resulted to the increase in capital deficiency.

Results of Operations

The Company's operating results reflected a net loss of ₱2.48 million and ₱1.71 million in 2022 and 2021, respectively. Comparing with last year, there is a huge jump of ₱0.77 million or 44.98%. The significant changes were mainly due to the following:

- The reversal of long-outstanding payables that will no longer be settled amounting to ₱9.17 million recognized last year resulted to decline in income by ₱9.17 million or 99.98%.
- Professional fee decreased by ₱1.74 million or equivalent to 47.04%, primarily due to decrease in payments of consultancy services.
- Taxes and licenses for the year amounting to ₱0.90 million is lower by ₱0.03 million compared with last year.
- Director's fees of ₱0.10 million for the period is due to the audit committee during the period.

December 31, 2021 vs. December 31, 2020

Statement of Financial Position

The Corporation's total Assets of ₱48.75 million declined by ₱6.12 million or 11.15% compared with the same period last year. The movement in total Assets is attributable to the following:

- Cash balance of ₱7.11 million is lower by ₱1.12 million compared with the same period last year. The significant decrease is mainly attributable to payments of the Company's general and administrative expenses.
- Waiver of interest receivable on loans from Marcventures Mining and Development Corporation (MMDC), an affiliated company, amounting to ₱5.14 million during the year, resulted to the decrease in receivables by ₱5.52 million. The loan agreement bears an interest of 10% per annum.
- Increase in Investment in a club share is mainly due to recognition of the fair value changes amounting to ₱0.75 million during the year.
- Decrease in equipment of ₱0.33 million is attributed to the depreciation recognized for the period. No addition and/or disposal was made during the year.

The Company's total Liabilities of ₱193.90 million declined by ₱5.16 million or 2.59% compared with the same period last year. The movement in total Liabilities is attributable to the following:

- Reversal of long-outstanding payables amounting to ₱9.17 million during the year. These payables were assessed that will no longer be settled.

- Cash receipts during the year totaling ₱2.40 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.
- Accrual and subsequent billings from Ocampo & Manalo Law Firm and Andres Padernal & Paras Law Firm amounting to ₱1.53 million and ₱0.01 million, respectively, were recognized.

Capital deficiency is higher by ₱0.96 million compared with same period last year. The Company incurred a net loss of ₱1.71 million and recognized ₱0.75 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

The Company's operating results reflected a net loss of ₱1.71 million and ₱2.98 million in 2021 and 2020, respectively. Comparing with the same period last year, there is a huge jump of ₱1.27 million or 42.60%. The significant changes were mainly due to the following:

- Reversal of long-outstanding payables that will no longer be settled amounting to ₱9.17 million resulted to the increase in income.
- Provision of impairment loss recognized during the year related to the waiver of interest receivable on loans from MMDC amounting to ₱5.14 million.
- Professional fee decreased by ₱0.61 million or equivalent to 17.67%, primarily due to decrease in payments of legal fees.
- Taxes and licenses for the year amounting to ₱0.12 million is higher by ₱0.02 million compared with same period last year.
- Director's fees increased by ₱0.55 million or 100.00% due to the board meetings held during the year.
- Decrease in Outside services by ₱0.16 million is due to the postponement of the publication of Annual Stockholder's Meeting.

December 31, 2020 vs. December 31, 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 ₱0.83 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.

December 31, 2019 vs. December 31, 2018

Statement of Financial Position

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. in relation to the compromise agreement related to a legal case, which as at December 31, 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, an affiliated company, 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 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 ₱.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 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 ₱24.9 million.

Key Performance Indicators

	<u>2020</u>	<u>2021</u>	<u>2022</u>
Return on Asset (%)	(5.46%)	(3.30%)	(5.28%)
Return on Equity (%)	2.09%	1.18%	1.69%
Current Ratio	0.27	0.24	0.22
Debt to equity ratio	(1.38)	(1.34)	(1.31)

Asset to equity ratio	(0.38)	(0.34)	(0.31)
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1. Return on assets (ROA) was computed based on the ratio of net income/ (net loss) to average assets.
2. Return on equity (ROE) was computed based on the ratio of net income/ (net loss) to average equity.
3. Current Ratio was computed based on the formula of current assets divided by current liabilities
4. Debt to equity ratio was computed based on the formula of Total liabilities divided by equity
5. Asset to Equity Ratio was computed based on the formula of Total assets divided by 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 that of 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 2021 and 2020, the Corporation has liabilities arising from the BDO-PDIC 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 2021 and 2020 and for the years ended 31 December 2021, 2020 and 2019 were approved and authorized for issuance by the Board of Directors (BOD) on 12 April 2022.

V. Description of Property

Nothing to disclose.

VI. Business Transactions with Related Parties

The Corporation as of 30 June 2022 and 31 December 2021 summary of related party transactions are as follows:

Parent Company and Other Related Party

Nature of Transaction	Amount of Transaction		Outstanding Balance	
	2022	2021	2022	2021
Receivables				
<i>Loans Receivables</i>				
Entity under common control	Loan	P=	P=	P26,000,000
	Interest income	–	–	5,541,667
<i>Rent Receivables</i>				

	Nature of Transaction	Amount of Transaction		Outstanding Balance	
		2022	2021	2022	2021
Entity under common control	Rent income	–	–	1,159,200	1,159,200
		–	–	32,700,867	32,700,867
Less: Allowance for impairment loss		–	5,541,667	5,541,667	5,541,667
				₱27,159,200	₱27,159,200
Due from related parties					
Entities under common control	Advances	(₱435,126)	(₱91,724)	₱7,246,778	₱7,681,904
Due to a related party					
Parent Company	Management fee	₱–	₱–	₱13,880,000	₱13,880,000

Employees

As of 30 June 2022, the Corporation has no regular employees.

VII. Plan of Operation

The Corporation has no significant operational activity since its primary purpose was changed from that of 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. The Board of Directors on 15 August 2022 approved the termination of the MOU with New Era as both parties no longer decided to proceed further with the prospective business ventures.

On 30 July 2021, the Corporation, RYM and the majority stockholders of PCMC executed a MOA which will allow the Corporation to obtain the assets, business, control and majority ownership of PCMC. The transaction will result to PCMC becoming a subsidiary of the Corporation. Upon completion of the transaction, the Corporation will be 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).

On 15 August 2022, the Board of Directors of the Corporation approved the amendment of the PCMC MOA to take into consideration the subsequent incorporation of Golden Peregrine Holdings, Inc. which now owns 100% of the outstanding capital stock of PCMC, and which is also owned 100% by the former PCMC Shareholders, Atty. Hermogene H. Real and Michelle F. Ayangco.

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 ₱147.63 million and ₱145.15 million as at 30 June 2022 and 31 December 2021, 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 2022, 2021 and 2020. There are no restrictions that limits the payment of dividends on common shares.

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 2022

The unaudited Financial Statements of the Corporation as at 30 June 2022 (with comparative audited Statements of Financial Position as at 31 December 2021), and for the three months and six months ended June 30, 2021 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 2022 and 31 December 2021:

	Unaudited 30 June 2022	Audited 31 December 2021	Increase (decrease)	
	(₱'000)	(₱'000)	Amount (₱'000)	Percentage
Current assets	₱43,265	₱46,743	(₱3,478)	(7.44%)
Noncurrent assets	1,871	2,007	(136)	(6.78%)
Total Assets	₱45,136	₱48,750	(₱3,614)	(7.41%)
Current Liabilities	₱192,763	₱193,900	(₱1,137)	(0.59%)
Capital Deficiency	(147,627)	(145,150)	2,477	1.71%
Total Liabilities and Capital Deficiency	₱45,136	₱48,750	(₱3,614)	(7.41%)

Summary of unaudited statements of comprehensive income for the three months and six months period ended June 30, 2022 and 2021:

	For three months ended June 30,		For six months ended June 30,	
	2022 (P'000)	2021 (P'000)	2022 (P'000)	2021 (P'000)
Revenues	P1	P1	P2	P3
Expenses	(1,422)	(584)	(2,479)	(1,215)
Loss before tax	(1,421)	(583)	(2,477)	(1,212)
Provision for income tax	—	—	—	—
Total comprehensive loss	(P1,421)	(P583)	(P2,477)	(P1,212)

Summary of unaudited statements of cash flows for the three months and six months period ended June 30, 2022 and 2021:

	For three months ended June 30,		For six months ended June 30,	
	2022 (P'000)	2021 (P'000)	2022 (P'000)	2021 (P'000)
Cash used in operating activities	(P4,450)	(P344)	(P4,275)	(P660)
Cash provided by investing activities	—	—	—	—
Decrease in cash	(4,450)	(344)	(4,275)	(660)
Cash at beginning of period	7,286	7,917	7,111	8,233
Cash at end of period	P2,836	P7,573	P2,836	P7,573

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, 2022 compared with six months ended June 30, 2021

Results of operation for the six months ended June 30, 2022 and 2021 were net loss of P2.48 million and P1.21 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, 2022 versus the same period last year are as follows:

Income

The Corporation's interest income from bank deposits for the current period in the amount of P0.002 million has dropped by P0.002 million or 46.49% compared with the same period last year.

Expenses

Total expenses during the period amounted to P2.48 million, higher by P1.26 million compared with the same period last year. This represents an increase of 103.94% compared with same period last year. The movement in expenses is attributable to the following:

- Professional fees increased by P0.78 million compared with the same period last year, primarily due to increase in payments of legal fees.

- b. Taxes and licenses for the period is higher by ₱0.01 million compared with the same period last year due to the renewal of attachment bond for a pending case.
- c. Director's fees increased by ₱0.06 million or 122.22% due to the audit committee and BOD meetings held for the discussion and approval of 2021 financial statements.

Three months ended June 30, 2022 compared with three months ended June 30, 2021

Results of operation for the three months ended June 30, 2022 and 2021 were net loss of ₱1.42 million and ₱0.58 million, respectively. Significant changes in the income statement accounts for the three months ended June 30, 2022 versus the same period last year are as follows:

Income

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

Expenses

Total expenses during the period amounted to ₱1.42 million, higher by ₱0.84 million or 143.97% compared with the same period last year. The movement in expenses is attributable to the following:

- a. Professional fees increased by ₱0.39 million or 4,149.44% compared with the same period last year, primarily due to increase in payments of legal fees.
- b. Taxes and licenses for the period is higher by ₱0.006 million compared with the same period last year due to the renewal of attachment bond for a pending case.
- c. Director's fees increased by ₱0.09 million due to the audit committee and BOD meetings held for the discussion and approval of 2021 financial statements.
- 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 Corporation as at June 30, 2022 of ₱45.14 million is lower by ₱3.61 million compared to the balance as at December 31, 2021, representing a decline of 7.41%. The change in Total Assets is attributed to the following:

- a. *Cash*
Cash decreased by ₱4.27 million or 60.11%. 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 ₱5.19 million have increased by ₱0.49 million or 10.45%. 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 ₱0.14 million is attributed to the depreciation recognized for the period. No addition and/or disposal was made during the period.

Cash receipts during the period totaling ₱1.20 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 ₱17.0 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 Corporation, PDIC and BDO, collections were accounted for as liability.

Capital deficiency is higher by ₱2.48 million compared with same period last year. The Corporation incurred a net loss of ₱2.48 million which movement resulted to the increase in capital deficiency.

STATEMENT OF CASH FLOWS

Net cash used in operating activities for the six months ended June 30, 2022 and 2021 amounts to ₱4.27 million and ₱0.66 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 30, 2022 (Unaudited)	December 31, 2021 (Audited)	Increase (Decrease)	
			Amount	Percentage
ASSETS				
Current Assets				
Cash	₱2,836,221	₱7,110,931	(₱4,274,710)	(60.11%)
Receivables	27,530,360	27,252,360	278,000	1.02%
Due from related parties	7,709,904	7,681,904	28,000	0.36%
Other current assets	5,189,034	4,697,997	491,037	10.45%
Total Current Assets	43,265,519	46,743,192	(3,477,673)	(7.44%)
Noncurrent Assets				
Investment in a club share	1,750,000	1,750,000	–	0.00%
Equipment	120,540	256,488	(135,948)	(53.00%)
Total Noncurrent Assets	1,870,540	2,006,488	(135,948)	(6.78%)
	₱45,136,059	₱48,749,680	(₱3,613,621)	(7.41%)

LIABILITIES AND CAPITAL DEFICIENCY

Current Liabilities

Accrued expenses and other current liabilities	₱178,419,796	₱180,019,582	(₱1,599,786)	(0.89%)
Due to a related party	14,343,126	13,880,000	463,126	3.23%
Total Current Liabilities	192,762,922	193,899,582	(1,136,660)	(0.59%)

Capital Deficiency

Capital stock	714,664,876	714,664,876	–	0.00%
Deficit	(863,841,739)	(861,364,778)	(2,476,961)	0.29%
Other comprehensive income	1,550,000	1,550,000	–	0.00%
Total Capital Deficiency	(147,626,863)	(145,149,902)	(2,476,961)	1.71%
	₱45,136,059	₱48,749,680	(₱3,613,621)	(7.41%)

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. There are no other definitive plans yet to improve the corporate governance of the Company aside from the recently implemented company policy for Board Assessment Policy which was approved by the Board of Directors on 12 April 2022. The Board Assessment Policy adopts a primarily self-evaluation approach to measure the performance of the Board, and the Committee Members.

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 (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
Q3 (2021)	1.76	3.10
Q4 (2021)	1.10	1.89
Q1 (2022)	1.10	1.88
Q2 (2022)	1.21	3.48

The high and low prices of the Corporation's share as of the latest practicable trading date **31 August 2022 are Php 2.18 and Php 1.92**, 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 30 June 2022 is shown below :

	Name of Stockholders	No. of shares	% Age of ownership
1	PCD Nominee Corporation (Filipino)	672,308,424	96.00
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	Ray Burton Development Corporation	3,213,293	0.46
5	Producers Properties, Inc.	3,013,701	0.43
6	Mercantile Investment Company, Inc.	1,585,989	0.23
7	Albert Del Rosario ITF Anthony Salim	1,289,279	0.18
8	Lucio W. Yan &/or Clara Yan	600,000	0.09
9	Joel B. Vargas	534,876	0.08
10	PCD Nominee Corporation (Foreign)	292,001	0.04
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	Solar Securities, Inc.	200,000	0.03
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

Other than the conversion of preferred shares to common shares as stated in page 16, the Corporation has no recent sales of unregistered or exempt securities or recent issuance of securities constituting an exempt transaction.

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. Rueben Carlo O. General, **16th Floor BDO Towers Valero (formerly: Citibank Tower), 8741 Paseo de Roxas, Makati City.**

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 01 September 2022.

PRIME MEDIA HOLDINGS, INC.

By:


REUBEN CARLO O. GENERAL
Corporate Secretary

			1st Filing: That the capital stock of said Corporation is Five Billion Pesos (P5,000,000,000.00), divided into Three Bllion Nine Hundred Ninety Nine Million Six Hundred Fifty Nine Thousand Three HUndred Thirty Six (3,999,659,336) Common Shares), One Billion (1,000,000,000) Series A Preferred Shared with a par value of PhP 0.04 per share and Three Hundred Forty Thousand Six Hundred Sixty Four (340,664) Series "C" Redeemable Preferred Shares with par value of One Peso (PhP 1.00) per share.													
			Series B		Series A					Series C			2nd Filing	3rd Filing		
	As of 30 July 2022	Amount	Reclassification of Series B Shares	Amount	Par Down of Series A Preferred Shares (1.00 to 0.04) as to number of shares	Amount (based on par down)	Additional Common Shares to be issued After Conversion of Series A	After Conversion of All Parred Down Series A Preferred (Par@0.04) to Common(Par@1.00)	Amount	Issuance of Series C Shares	Creation of Series C Shares (Par@1.00) & Conversion of Foreign shares to Series C Preferred (Par@1.00)	Amount	Redemption of Series C and Reclassification of Series A and C Shares	Additional Issuance of Common Shares	Increase of Capital (additional Subscription of Shares not included)	Amount
Authorized Capital Stock	5,000,000,000	5,000,000,000.00	5,000,000,000.00	5,000,000,000.00	5,000,000,000	5,000,000,000.00	0	5,000,000,000	5,000,000,000.00	0.00	5,000,000,000	5,000,000,000.00	5,000,000,000.00	2,000,000,000.00	7,000,000,000	7,000,000,000.00
Common Shares (Authorized)	3,000,000,000	3,000,000,000.00	4,000,000,000.00	4,000,000,000.00	4,000,000,000	4,000,000,000.00	0	4,000,000,000	4,000,000,000.00	0.00	3,999,659,336	3,999,659,336.00	5,000,000,000	2,000,000,000	7,000,000,000	7,000,000,000.00
Outstanding Common Stock (TOTAL)	700,298,616	700,298,616.00	700,298,616.00	700,298,616.00	700,298,616	700,298,616.00	574,651	700,873,267	700,873,267.00	0.00	700,532,603	700,532,603.00	700,532,603.00		700,532,603	700,532,603.00
Outstanding Common Stock – Filipino	699,962,338	699,962,338.00	699,962,338.00	699,962,338.00	699,962,338	699,962,338.00	570,265	700,532,603	700,532,603.00	0.00	700,532,603	700,532,603.00	700,532,603.00		700,532,603	700,532,603.00
Outstanding Common Stock – Foreign	336,278	336,278.00	336,278.00	336,278.00	336,278	336,278.00	4,386	340,664	340,664.00	0.00	0	-	-	-	-	-
Preferred Shares (Authorized)	2,000,000,000	2,000,000,000.00	2,000,000,000.00	2,000,000,000.00	2,000,000,000	2,000,000,000.00	0	-	0.00	0.00	0	-	-	-	-	-
Series A Preferred Stock	1,000,000,000	1,000,000,000.00	1,000,000,000.00	1,000,000,000.00	1,000,000,000	1,000,000,000.00	0	1,000,000,000	1,000,000,000.00	0.00	1,000,000,000	1,000,000,000.00	-		-	-
Outstanding Series A Preferred (TOTAL)	14,366,260	14,366,260.00	14,366,260.00	14,366,260.00	14,366,260	574,650.40	0	0	0.00	0.00	0	-	-	-	-	-
Outstanding Series A Preferred – Filipino	14,256,610	14,256,610.00	14,256,610.00	14,256,610.00	14,256,610	570,264.40	0	0	0.00	0.00	0	-	-	-	-	-
Outstanding Preferred Stock – Foreign	109,650	109,650.00	109,650.00	109,650.00	109,650	4,386.00	0.00	0	0.00	0.00	0	-	-	-	-	-
APIC						13,791,609.60				0.00						
Series B Preferred Stock	1,000,000,000	1,000,000,000.00	0.00	0.00	-	0.00	0.00	-	0.00	0.00			-		-	-
Outstanding Series B Preferred (TOTAL)	0	0.00	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	-	-	-	-	-
Outstanding Series B Preferred – Filipino	0	0.00	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	-	-	-	-	-
Outstanding Series B Preferred – Foreign	0	0.00	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	-	-	-	-	-
Series C Preferred Shares	0	0.00	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	-	-	-	-	-
Outstanding Series C Preferred- Foreign	-	-	-	-	-	-	-	-	-	340,664	340,664	340,664.00				

Note:
Foreign Shares
Number of Current Foreign Common 336,278
Number of Current Foreign Preferred (to be converted into 25:1) 109,650

ANNEX A

Procedure for Registration, Participation and Voting in the 2022 Annual Stockholders' Meeting of PRIME MEDIA HOLDINGS, INC.

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 **23 September 2022** at 2:00 PM, virtually via remote communication.

Only Stockholders of record as of **02 September 2022** are entitled to participate and vote in the 2022 ASM.

I. Registration and Participation/Attendance Procedure:

1. Stockholders who intend to participate in the virtual ASM may register at <https://conveneagm.com/ph/prime> 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 2022 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 2022 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/prime>, the stockholder will receive an email confirmation and a unique link which can be used to log in and view the 2022 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 2022 ASM, please see section on Voting Procedure below.
5. For the Question and Answer portion during the 2022 ASM, stockholders may send their questions related to the agenda at <https://conveneagm.com/ph/prime>. Due to limitations on technology and time, not all questions may be responded to during the 2022 ASM but the Company will endeavor to respond to all the questions through email.
6. The proceedings during the 2022 ASM will be recorded as required by the Securities and Exchange Commission.
7. Stockholders intending to participate by remote communication in the 2022 ASM are required to pre-register not later than **13 September 2022**.
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 2022 ASM by Proxy.

1. Voting by Proxy:

- a. Download and fill up the Proxy Form at <https://conveneagm.com/ph/prime>. 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 **13 September 2022**.
- 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

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

- Email at reuben.general@marcventures.com.ph; or
- Telephone number at 8831-4479; or
- Our stock transfer agent, Stock Transfer Service, Inc. (STSI), through
 - ✓ Richard Regala at rdregala@stocktransfer.com.ph or
 - ✓ Jomar M. Lucinario at jmlucinario@stocktransfer.com.ph, or
 - ✓ STSI's telephone number at 8403-2410 or 8403-2412

ANNEX A

Procedure for Registration, Participation and Voting in the 2022 Annual Stockholders' Meeting of PRIME MEDIA HOLDINGS, INC.

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 **23 September 2022** at 2:00 PM, virtually via remote communication.

Only Stockholders of record as of **02 September 2022** are entitled to participate and vote in the 2022 ASM.

I. Registration and Participation/Attendance Procedure:

1. Stockholders who intend to participate in the virtual ASM may register at <https://conveneagm.com/ph/prime> 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 2022 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 2022 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/prime>, the stockholder will receive an email confirmation and a unique link which can be used to log in and view the 2022 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 2022 ASM, please see section on Voting Procedure below.
5. For the Question and Answer portion during the 2022 ASM, stockholders may send their questions related to the agenda at <https://conveneagm.com/ph/prime>. Due to limitations on technology and time, not all questions may be responded to during the 2022 ASM but the Company will endeavor to respond to all the questions through email.
6. The proceedings during the 2022 ASM will be recorded as required by the Securities and Exchange Commission.
7. Stockholders intending to participate by remote communication in the 2022 ASM are required to pre-register not later than **13 September 2022**.
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 2022 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/prime>. 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 **13 September 2022**.
- 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

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

- Email at reuben.general@marcventures.com.ph; or
- Telephone number at 8831-4479; or
- Our stock transfer agent, Stock Transfer Service, Inc. (STSI), through
 - ✓ Richard Regala at rdregala@stocktransfer.com.ph or
 - ✓ Jomar M. Lucinario at jmlucinario@stocktransfer.com.ph, or
 - ✓ STSI's telephone number at 8403-2410 or 8403-2412

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 24 day of August 2022, at Makati City.

JOHNNY Y. ARUEGO, JR.
Affiant

SUBSCRIBED AND SWORN to before me this AUG 24 day of August 2022 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. 72
Page No. 16
Book No. II
Series of 2022.

ATTY. PETER D. MOLAVE
Notary Public for Makati City
Appl. No. 2019-00022 par. BM3795, 9/29/21
Roll of Atty. No. 70028
MCLE Compliance No. 21-0027998, 5/22/2019
IBP Membership No. 198951, 6/13/2012
PTR No. 827895M, 07/14/2012
4F Old Center, Paredes de Arce, 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 24 2022 day of MAKATI CITY


FRANCISCO L. LAYUG, III
Affiant

SUBSCRIBED AND SWORN to before me this AUG 24 2022 day of AUG at MAKATI CITY affiant personally appeared me and exhibited to me his Tax Identification Number 112-818-166.

Doc. No. 73;
Page No. 16;
Book No. II;
Series of 2022.


ATTY. KENNETH PETER D. MELAVE
Notary Public for Makati City
Appt. No. M-38 until 6/30/22 per No. 43795, 9/28/21
Roll of Atty. No. 2029
MCLE Compliance No. VI 0027998; 5/22/2019
IBP Membership No. 198992; 01/13/2022
PTR No. MKT 8857895MJ; 01/14/2022
4F Citi Center/BDO Towers, Pasay Rd. Roxas, Makati City

[illegible]



Joanna Manzano <joanna.manzano@marcventures.com.ph>

PRIME MEDIA HOLDINGS INC._SEC FORM 17-Q_15 AUGUST 2022

MSRD COVID19 <msrd_covid19@sec.gov.ph>

Mon, Aug 15, 2022 at 1:18 PM

To: Joanna Manzano <joanna.manzano@marcventures.com.ph>

Cc: "VARELLIE C. VARGAS" <vcvargas@sec.gov.ph>

Dear Sir/Madam,

Acknowledging receipt of your email below with its attachments.

Thank you.

Regards,

MARKETS AND SECURITIES REGULATION DEPARTMENT
PHILIPPINE SECURITIES AND EXCHANGE COMMISSION

[Quoted text hidden]

DISCLAIMER AND WARNING:

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**PRIM_SEC Form 17Q 2nd June 2022_Final_15 Aug 2022.pdf**

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(Company's Full Name)

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M	a	k	a	t	i		C	i	t	y															

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

ROLANDO S. SANTOS

Contact Person

8831-4479

Company Telephone Number

1	2	3	1
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Month Day
Fiscal Year

SEC FORM 17-Q (Quarterly Report for the period ended June 30, 2022)
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FORM TYPE

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Month Day
Annual Meeting

N/A

Secondary License Type, If Applicable

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Dept. Requiring this
Doc.

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Amended Articles
Number/Section

Total Amount of Borrowings

1,587

Total No. of
Stockholders

nil

Domestic

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Foreign

To be accomplished by SEC Personnel concerned

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File Number

LCU

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STAMPS

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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, 2022**
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 ☒ 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 ☒ No ☐

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

Yes ☒ No ☐

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

The unaudited Financial Statements of Prime Media Holdings, Inc. (“Company”) as at June 30, 2022 (with comparative audited Statements of Financial Position as at December 31, 2021), and for the three months and six months ended June 30, 2021 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, 2022 and December 31, 2021:

	Unaudited June 30, 2022	Audited December 31, 2021	Increase (decrease)	
	(P'000)	(P'000)	Amount (P'000)	Percentage
Current assets	P43,265	P46,743	(P3,478)	(7.44%)
Noncurrent assets	1,871	2,007	(136)	(6.78%)
Total Assets	P45,136	P48,750	(P3,614)	(7.41%)
Current Liabilities	P192,763	P193,900	(P1,137)	(0.59%)
Capital Deficiency	(147,627)	(145,150)	2,477	1.71%
Total Liabilities and Capital Deficiency	P45,136	P48,750	(P3,614)	(7.41%)

Summary of unaudited statements of comprehensive income for the three months and six months period ended June 30, 2022 and 2021:

	For three months ended June 30, 2022	June 30, 2021	For six months ended June 30, 2022	June 30, 2021
	(P'000)	(P'000)	(P'000)	(P'000)
Revenues	P1	P1	P2	P3
Expenses	(1,422)	(584)	(2,479)	(1,215)
Loss before tax	(1,421)	(583)	(2,477)	(1,212)
Provision for income tax	–	–	–	–
Total comprehensive loss	(P1,421)	(P583)	(P2,477)	(P1,212)

Summary of unaudited statements of cash flows for the three months and six months period ended June 30, 2022 and 2021:

	For three months ended June 30, 2022	June 30, 2021	For six months ended June 30, 2022	June 30, 2021
	(P'000)	(P'000)	(P'000)	(P'000)
Cash used in operating activities	(P4,450)	(P344)	(P4,275)	(P660)
Cash provided by investing activities	–	–	–	–
Decrease in cash	(4,450)	(344)	(4,275)	(660)
Cash at beginning of period	7,286	7,917	7,111	8,233
Cash at end of period	P2,836	P7,573	P2,836	P7,573

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

The Company has no active operations other than the activities connected with 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 pave the way for possible additional capital infusion from third party investors.

FINANCIAL CONDITION AND RESULTS OF OPERATION

Six months ended June 30, 2022 compared with six months ended June 30, 2021

Results of operation for the six months ended June 30, 2022 and 2021 were net loss of ₱2.48 million and ₱1.21 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, 2022 versus the same period last year are as follows:

Income

The Company's interest income from bank deposits for the current period in the amount of ₱0.002 million has dropped by ₱0.002 million or 46.49% compared with the same period last year.

Expenses

Total expenses during the period amounted to ₱2.48 million, higher by ₱1.26 million compared with the same period last year. This represents an increase of 103.94% compared with same period last year. The movement in expenses is attributable to the following:

- a. Professional fees increased by ₱0.78 million compared with the same period last year, primarily due to increase in payments of legal fees.
- b. Taxes and licenses for the period is higher by ₱0.01 million compared with the same period last year, as attributed to the renewal of attachment bond for a case arising from the Company's former activities as a bank.
- c. Director's fees increased by ₱0.06 million or 122.22% due to the audit committee and BOD meetings held for the discussion and approval of 2021 financial statements.

Three months ended June 30, 2022 compared with three months ended June 30, 2021

Results of operation for the three months ended June 30, 2022 and 2021 were net loss of ₱1.42 million and ₱0.58 million, respectively. Significant changes in the income statement accounts for the three months ended June 30, 2022 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 ₱1.42 million, higher by ₱0.84 million or 143.97% compared with the same period last year. The movement in expenses is attributable to the following:

- a. Professional fees increased by ₱0.39 million or 4,149.44% compared with the same period last year, primarily due to increase in payment of legal services.
- b. Taxes and licenses for the period is higher by ₱0.006 million compared with the same period last year as attributed to the renewal of attachment bond for a case arising from the Company's former activities as a bank.
- c. Director's fees increased by ₱0.09 million due to the audit committee and BOD meetings held for the discussion and approval of 2021 financial statements.
- 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 of ₱45.14 million as at June 30, 2022 is lower by ₱3.61 million compared to the balance as at December 31, 2021, representing a decline of 7.41%. The change in Total Assets is attributed to the following:

- a. *Cash*
Cash decreased by ₱4.27 million or 60.11%. 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 ₱5.19 million have increased by ₱0.49 million or 10.45%. 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 ₱0.14 million is attributed to the depreciation recognized for the period. No addition and/or disposal was made during the period.

Cash receipts during the period totaling ₱1.20 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 ₱17.0 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 ₱2.48 million compared with same period last year. The Company incurred a net loss of ₱2.48 million which movement resulted to the increase in capital deficiency.

STATEMENT OF CASH FLOWS

Net cash used in operating activities for the six months ended June 30, 2022 and 2021 amounts to ₱4.27 million and ₱0.66 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, 2022 (Unaudited)	December 31, 2021 (Audited)	Increase (Decrease)	
			Amount	Percentage
ASSETS				
Current Assets				
Cash	₱2,836,221	₱7,110,931	(₱4,274,710)	(60.11%)
Receivables	27,530,360	27,252,360	278,000	1.02%
Due from related parties	7,709,904	7,681,904	28,000	0.36%
Other current assets	5,189,034	4,697,997	491,037	10.45%
Total Current Assets	43,265,519	46,743,192	(3,477,673)	(7.44%)
Noncurrent Assets				
Investment in a club share	1,750,000	1,750,000	—	0.00%
Equipment	120,540	256,488	(135,948)	(53.00%)
Total Noncurrent Assets	1,870,540	2,006,488	(135,948)	(6.78%)
	₱45,136,059	₱48,749,680	(₱3,613,621)	(7.41%)

LIABILITIES AND CAPITAL DEFICIENCY

Current Liabilities

Accrued expenses and other current liabilities	₱178,419,796	₱180,019,582	(₱1,599,786)	(0.89%)
Due to a related party	14,343,126	13,880,000	463,126	3.23%
Total Current Liabilities	192,762,922	193,899,582	(1,136,660)	(0.59%)

Capital Deficiency

Capital stock	714,664,876	714,664,876	—	0.00%
Deficit	(863,841,739)	(861,364,778)	(2,476,961)	0.29%
Other comprehensive income	1,550,000	1,550,000	—	0.00%
Total Capital Deficiency	(147,626,863)	(145,149,902)	(2,476,961)	1.71%
	₱45,136,059	₱48,749,680	(₱3,613,621)	(7.41%)

FINANCIAL INDICATORS

	As of June 30, 2022	As of June 30, 2021
Net loss	(₱2,476,961)	(₱1,212,121)
Quick assets	9,799,020	14,535,584
Current assets	43,265,519	53,084,685
Total assets	45,136,059	54,504,310
Current liabilities	192,762,922	199,907,867
Total liabilities	192,762,922	199,907,867
Stockholders' equity	(147,626,863)	(145,403,557)
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/}	0.22	0.27
Debt to Equity Ratio ^{2/}	(1.31)	(1.37)
Asset to Equity Ratio ^{3/}	(0.31)	(0.38)
Return on Assets ^{4/}	(0.05)	(0.02)

Return on Equity ^{5/}	0.02	0.01
Book Value per share	(0.23) per share	(0.23) per share
Earnings/Loss per share (basic) trailing 12 months	(0.004)	(0.004)

- 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 = 0.22
- b. Quick Ratio
Quick asset / Total Current Liabilities = 0.05

Solvency Ratio

- a. Debt Ratio
 $\text{Total liabilities} / \text{Total assets} = 4.27$
- b. Debt to Equity Ratio
 $\text{Total liabilities} / \text{Shareholder's Equity} = (1.31)$

Profitability Ratio

- a. Return on Equity Ratio
 $\text{Net loss} / \text{Average shareholder's equity} = 0.02$
- b. Return on Assets
 $\text{Net loss} / \text{Average Total assets} = (0.05)$
- c. Asset to Equity Ratio:
 $\text{Total Assets} / \text{Ave. Stockholders' Equity} = (0.31)$
- d. Asset Turnover
 $\text{Revenue} / \text{Total Assets} = 0.00004$
- e. Book value per share
 $\text{Stockholder's equity} - \text{preferred stock} / \text{No. of common shares outstanding} = (0.23)$

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 15, 2022**

By:

Signature:



ROLANDO S. SANTOS

Title:

Treasurer

Signature:



RALPH JORDAN A. BAJAMONDE

Title:

Accountant

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

STATEMENTS OF FINANCIAL POSITION

	Note	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
ASSETS			
Current Assets			
Cash	4	₱2,836,221	₱7,110,931
Receivables	5	27,530,360	27,252,360
Due from related parties	12	7,709,904	7,681,904
Other current assets	6	5,189,034	4,697,997
Total Current Assets		43,265,519	46,743,192
Noncurrent Assets			
Investment in a club share	7	1,750,000	1,750,000
Equipment	8	120,540	256,488
Total Noncurrent Assets		1,870,540	2,006,488
		₱45,136,059	₱48,749,680
LIABILITY AND CAPITAL DEFICIENCY			
Current Liabilities			
Accrued expenses and other current liabilities	9	₱178,419,796	₱180,019,582
Due to a related party	12	14,343,126	13,880,000
Total Current Liabilities		192,762,922	193,899,582
Capital Deficiency			
Capital stock	10	714,664,876	714,664,876
Deficit		(863,841,739)	(861,364,778)
Other comprehensive income	7	1,550,000	1,550,000
Total Capital Deficiency		(147,626,863)	(145,149,902)
		₱45,136,059	₱48,749,680

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,	
		2022	2021	2022	2021
INCOME					
Recovery of accounts written-off		—	—	—	—
Interest income	4	887	1,319	1,746	3,263
		887	1,319	1,746	3,263
EXPENSES					
Professional fees		394,900	9,293	1,083,794	300,754
Outside services		245,355	284,659	332,495	346,731
Taxes and licenses		77,986	72,155	90,637	80,969
Insurance		110,143	110,310	220,286	220,621
Penalties		326,855	—	326,855	—
Director's fee		85,000	—	100,000	45,000
Depreciation	8	54,379	81,569	135,948	163,137
Association dues		13,749	15,344	33,915	37,426
Others		114,031	10,638	154,777	20,746
		1,422,398	583,968	2,478,707	1,215,384
NET LOSS		(P1,421,511)	(P582,649)	(P2,476,961)	(P1,212,121)
Basic and Diluted Loss Per Share	14	(P0.002)	(P0.001)	(P0.004)	(P0.002)

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,	
		2022	2021
CAPITAL STOCK	10		
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		(861,364,778)	(859,656,312)
Net loss		(2,476,961)	(1,212,121)
Balance at end of period		(863,841,739)	(860,868,433)
OTHER COMPREHENSIVE INCOME	7	1,550,000	800,000
		(₱147,626,863)	(₱145,403,557)

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,	
		2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax		(P1,421,511)	(P582,649)
Adjustments for:			
Interest income	4	(887)	(1,319)
Depreciation	8	54,379	81,569
Operating loss before working capital changes		(1,368,019)	(502,399)
Increase in:			
Receivables		(133,000)	—
Due from related parties		(28,000)	—
Other current assets		(505,152)	(404,643)
Increase (decrease) in accrued expenses and other current liabilities		(2,416,856)	561,202
Net cash used for operations		(4,451,027)	(345,840)
Interest received		887	1,319
NET DECREASE IN CASH		(4,450,140)	(344,521)
CASH AT BEGINNING OF PERIOD		7,286,361	7,917,306
CASH AT END OF PERIOD	4	P2,836,221	P7,572,785

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,	
		2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax		(₱2,476,961)	(₱1,212,121)
Adjustments for:			
Interest income	4	(1,746)	(3,263)
Depreciation	8	135,948	163,137
Operating loss before working capital changes		(2,342,759)	(1,052,247)
Increase in:			
Receivables		(278,000)	(55,000)
Due from related parties		(28,000)	(33,654)
Other current assets		(491,037)	(373,212)
Increase (decrease) in accrued expenses and other current liabilities		(1,599,786)	850,531
Net cash used for operations		(4,276,456)	(663,582)
Interest received		1,746	3,263
NET DECREASE IN CASH		(4,274,710)	(660,319)
CASH AT BEGINNING OF PERIOD		7,110,931	8,233,104
CASH AT END OF PERIOD	4	₱2,836,221	₱7,572,785

See accompanying Notes to Financial Statements.

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

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. In October 2003, the SEC approved the amendment of the Company's Articles of Incorporation, changing its primary purpose from that of 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 deemed to automatically acquired perpetual existence.

On November 24, 2021 the SEC approved the amendment of the Company's Articles of Incorporation covering the following:

- Deletion of all provisions relating to banking operations; and
- Inclusion of a provision prohibiting foreign ownership

On July 28, 2021 the Board of Directors (BOD) approved the amendment of the Company's Articles of Incorporation covering the following:

- Reclassification of the Preferred Class A and B Shares at ₱1 par value a share, to Common Shares with ₱1 par value share, and deletion of all provisions relating to Preferred Class A and B Shares; and
- Increase in authorized capital stock to ₱7.0 billion divided into 7,000,000 Common Shares at ₱1 par value a share

The stockholders approved the amendment on October 13, 2021. As at April 12, 2022, the application for the amendment of Articles of Incorporation for the reclassification of Preferred Class A and B Shares has been submitted to the SEC. The Company is currently in coordination with the SEC to determine the necessary steps in order to proceed with the reclassification of its shares and the increase in its authorized capital stock.

On July 9, 1964, the Philippine Stock Exchange, Inc. (PSE) approved the public listing of the Company's shares of stock. As at December 31, 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 its 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 June 30, 2022 and December 31, 2021, the Company has liabilities amounting to ₱165.5 million and ₱164.3 million, respectively, 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 9).

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

The financial statements of the Company as at December 31, 2021 and 2020 and for the years ended December 31, 2021, 2020 and 2019 were approved and authorized for issuance by the BOD on April 12, 2022.

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 ₱147.6 million and ₱145.1 million as at June 30, 2022 and December 31, 2021, 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.

In 2021, the Company carried on with its efforts to pursue prospective transactions that could revitalize the Company, revert to an operating status, and reduce its capital deficiency.

Transaction with New Era Empire Realty Corp.

On March 17, 2021, the Company initially signed a Memorandum of Understanding with New Era Empire Realty Corp. with the objective of working together to revitalize the Company by engaging in new businesses that may include commercial and residential real estate, hospitality; (b) media and entertainment, (c) gaming, Philippine Offshore Gaming Operators (POGO) allied services, and Fintech.

On July 28, 2021, the parties eventually decided to amend the MOU to proceed with a more definite memorandum of agreement to jointly explore businesses in gaming and real estate development.

Transaction with Philippine Collective Media Corporation

On July 30, 2021, the Company likewise entered into a Memorandum of Agreement with the majority stockholders of a mass media entity, Philippine Collective Media Corporation ("PCMC Shareholders"), wherein the PCMC Shareholders shall jointly subscribe to 1,679,966,400 common shares of the Company to be paid in the form of PCMC shares in order to obtain the business, assets and ownership of PCMC. Upon the execution of the transaction, the PCMC Shareholders will jointly gain control and majority ownership of approximately 70% of the Company's outstanding capital stock.

With PCMC's national franchise, the Company may use this as a leverage to provide other content providers an avenue to broadcast their contents, regionally and nationwide, for profit. Aside from venturing into the active business of mass media, the Company likewise intends to sell its remaining assets in order to address the Company's capital deficiency and negative equity, and non-operation status.

On October 13, 2021, the stockholders approved the subscriptions by the major stockholders of PCMC to 1,679,966,400 common shares to be issued out of the proposed increase in authorized capital stock of the Company, in consideration of the assignment and transfer of PCMC shares representing 99.9% of the outstanding capital stock of PCMC.

The parties are currently pursuing actions to meet the closing conditions of the agreement.

Management believes that with these actions taken, the Company can continue as a going concern. Accordingly, the financial statements were prepared on a going concern basis.

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 and 17.

Amended PFRS Issued But Not Yet Effective

Relevant amended PFRS which are not yet effective for the period ended June 30, 2022 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 PFRS 3, *Reference to Conceptual Framework* – The amendments will replace the reference of PFRS 3 from the 1989 Framework to the current 2018 Conceptual Framework. The amendments include an exception that specifies that, for some types of liabilities and contingent liabilities, an entity applying PFRS 3 should refer to PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, or IFRIC 21, *Levies*, instead of the Conceptual Framework. The requirement will ensure that the liabilities recognized in a business combination will remain the same as those recognized applying the current requirements in PFRS 3. The amendments also clarified that an acquirer shall not recognize contingent assets acquired in a business combination. The amendments should be applied prospectively.
- 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:
 - Amendment to PFRS 1, *First-time Adoption of Philippine Financial Reporting Standards - Subsidiary as a First-time Adopter* – The amendment permits a subsidiary that becomes a first-time adopter later than its parent and measures its assets and liabilities in accordance with paragraph D16 (a) of PFRS 1 to measure cumulative translation differences for all foreign operations using the amounts reported by its parent, based on the parent's date of transition to PFRS. Earlier application of the amendment is permitted.
 - 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.

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.
- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure Initiative – Accounting Policies* – The amendments require an entity to disclose its material accounting policies, instead of its significant accounting policies and provide guidance on how an entity applies the concept of materiality in making decisions about accounting policy disclosures. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and its nature. The amendments clarify (1) that accounting policy information may be material because of its nature, even if the related amounts are immaterial, (2) that accounting policy information is material if users of an entity’s financial statements would need it to understand other material information in the financial statements, and (3) if an entity discloses immaterial accounting policy information, such information should not obscure material accounting policy information. In addition, PFRS Practice Statement 2, *Making Materiality Judgements*, is amended by adding guidance and examples to explain and demonstrate the application of the ‘four-step materiality process’ to accounting policy information. The amendments should be applied prospectively. Earlier application is permitted.
- Amendments to PAS 8, *Definition of Accounting Estimates* – The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies, and the correction of errors. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. An entity develops an accounting estimate if an accounting policy requires an item in the financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not a correction of an error, and that the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. A change in an accounting estimate may affect only the profit or loss in the current period, or the profit or loss of both the current and future periods. Earlier application is permitted.
- Amendments to PAS 12, *Deferred Tax Related Assets and Liabilities from a Single Transaction* – The amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. 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, 2022 and December 31, 2021, 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, 2022 and December 31, 2021, 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, 2022 and December 31, 2021, 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, 2022 and December 31, 2021, 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.

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.

Cumulative unrealized gain on fair value changes on investment in a club share. The account comprises of unrealized fair value gain or loss that is not recognized in profit or loss for the year in accordance with PFRS.

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.

Reversal of long-outstanding payables. Reversal of payables pertain to financial obligations arising from transactions that are not expected to be settled as the same is either discharged by the creditor or discontinued or cancelled, and is recognized in the statement of comprehensive income.

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 2022, 2021 and 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.

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 ₱147.6 million and ₱145.1 million as at June 30, 2022 and December 31, 2021, 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 7).

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. The lease agreement is outstanding from February 8, 2018 to 2019.

Rent income amounted to ₱0.8 million in 2019. No rent income was recognized in 2022 and 2010. (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 2002 MOA amounted to ₱165.5 million and ₱164.3 million as at June 30, 2022 and December 31, 2021, respectively (see Note 9).

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.

Impairment loss amounting to ₱5.5 million was recognized in 2021 (see Note 5).

The aggregate carrying amount of cash in banks, receivables (excluding advances to officers, employees and service providers) and due from related parties amounted to ₱37.7 million and ₱42.0 million as at June 30, 2022 and December 31, 2021, respectively (see Notes 4, 5 and 12).

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 2022, 2021 and 2020.

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

	Note	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Other current assets	6	₱5,189,034	₱4,697,997
Equipment	8	120,540	256,488
Advances to officers, employees and service providers	5	347,160	69,160

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 ₱13.3 million as at June 30, 2022 and December 31, 2021. Management believes that there will be no sufficient future taxable profits against which these deferred tax assets can be utilized (see Note 11).

4. Cash

This account consists of:

	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Cash on hand	₱4,759	₱4,759
Cash in banks	2,831,464	7,106,172
	₱2,836,223	₱7,110,931

Cash in banks earn interest at prevailing bank deposit rates.

The sources of interest income are as follows:

	Note	2022	2021	2020
Cash in banks		₱1,746	₱7,257	₱15,187
Loans receivable	12	–	–	2,600,000
		₱1,746	₱7,257	₱2,615,187

5. Receivables

This account consists of:

	Note	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Loans receivable:			
Third parties		₱62,277,740	₱62,277,740
Related party	12	26,000,000	26,000,000
Interest receivable	12	5,541,667	5,541,667
Advances to officers, employees and service providers		2,473,495	2,195,495

	Note	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Rent receivables:			
Related party	12	1,159,200	1,159,200
Third parties		261,932	261,932
		97,714,034	97,436,034
Less allowance for impairment losses		70,183,674	70,183,674
		₱27,530,360	₱27,252,360

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 is covered by a loan agreement executed in 2019 with Marcventures Mining and Development Corporation (MMDC), a related party under common control, bears fixed interest of 10% per annum and is due and demandable. Management has assessed that interest receivables are impaired as at December 31, 2021. Impairment loss recognized in 2021 amounted to ₱5.5 million. On April 12, 2022, the Company's BOD approved to waive the interest from MMDC as at December 31, 2021 (see Note 12).

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, 2022 and December 31, 2021 are as follows:

	Note	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Loans receivable		₱62,277,740	₱62,277,740
Interest receivable	12	5,541,667	5,541,667
Advances to officers, employees and service Providers		2,126,335	2,126,335
Rent receivables		237,932	237,932
		₱70,183,674	₱70,183,674

The Company recovered some accounts written-off in prior years amounting to nil in June 30, 2022 and December 31, 2021, respectively.

6. Other Current Assets

This account consists of:

	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
CWT	₱3,086,300	₱3,086,300
Net input VAT	1,481,523	1,210,773
Prepayments	621,211	400,924
	₱5,189,034	₱4,697,997

Prepayments mainly pertain to prepaid insurance and taxes.

7. 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, 2022 (Unaudited)	December 31, 2021 (Audited)
Cost	₱200,000	₱200,000
Unrealized gain on fair value changes		
Balance at beginning of year	1,550,000	800,000
Fair value changes	—	750,000
Balance at end of year	1,550,000	1,550,000
	₱1,750,000	₱1,750,000

The fair value of the investment in a club share was determined based on the current selling price to third parties which falls under Level 2 of the fair value hierarchy.

8. Equipment

Movements in this account are as follows:

	June 30, 2022 (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	1,374,887	1,460,687
Depreciation	—	135,948	135,948
Balance at end of period	85,800	1,510,835	1,596,635
Carrying Amount	₱—	₱120,540	₱120,540

	December 31, 2021 (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	85,800	1,048,612	1,134,412
Depreciation	—	326,275	326,275
Balance at end of year	85,800	1,374,887	1,460,687
Carrying Amount	₱—	₱256,488	₱256,488

Rent income from the lease of transportation equipment amounted to ₱0.8 million in 2019 (see Note 12).

9. Accrued Expenses and Other Current Liabilities

This account consists of:

	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Liabilities arising from the MOA	₱165,504,972	₱164,304,972
Dividends payable	10,985,443	10,985,443

Accrued expenses	1,907,137	4,713,640
Statutory payable	22,189	15,527
Rental deposits	—	—
Others	55	—
	P178,419,796	P180,019,582

Liabilities arising from the MOA pertain to the estimated transfer taxes and registration fees to effect 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.

On April 12, 2022, the Company's BOD approved the reversals of long-outstanding payables related to rental deposits and other payables amounting to P9.2 million.

10. Equity

Capital Stock

Movements in this account are as follows:

	June 30, 2022 (Unaudited)		December 31, 2021 (Audited)	
	Number of Shares	Amount	Number of Shares	Amount
Common stock - P1 par value				
Authorized	3,000,000,000	P3,000,000,000	3,000,000,000	P3,000,000,000
Subscribed:				
Balance at beginning and end of period	700,298,616	700,298,616	700,298,616	700,298,616
Preferred stock - P1 par value				
Authorized	2,000,000,000	P2,000,000,000	2,000,000,000	P2,000,000,000
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	P714,664,876	714,664,876	P714,664,876

The preferred stock has the following salient features:

- 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.

As at December 31, 2021 and 2020, there is no accrued and unpaid preferential dividend.

11. Income Tax

The provision for current income tax represents MCIT in 2021, 2020 and 2019.

On March 26, 2021, the “Corporate Recovery and Tax Incentives for Enterprise” (CREATE) was approved and signed into law by the country’s President. Under the CREATE, the 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 years. The changes in the income tax rates shall retrospectively become effective beginning July 1, 2020.

The income tax rates used in preparing the financial statements for 2020, however, are stated at 30% and 2% for RCIT and MCIT, respectively.

The reconciliation of provision for current income tax at the statutory income tax rate to the provision for current income tax shown in the statements of comprehensive income are as follows:

	2021	2020
Income tax computed at statutory tax rate	(P323,355)	(P877,087)
Changes in unrecognized deferred tax assets	(7,916,007)	(7,331,958)
Change in statutory income tax rate	6,972,347	—
Tax effects of:		
Nondeductible expenses	1,184,833	300
Expired MCIT	175,322	8,266,301
Interest income already subjected to final tax	(1,451)	(4,556)
	P91,689	P53,000

The components of the Company’s unrecognized deferred tax assets are as follows:

	2021	2020
Allowance for impairment losses on receivables	P12,928,401	P19,392,602
MCIT	216,049	299,682
NOLCO	156,267	1,524,440
	P13,300,717	P21,216,724

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 June 30, 2022, unused NOLCO that can be claimed as deduction from future taxable income are as follows:

Year Incurred	Beginning Balance	Incurred	Applied	Ending Balance	Expiry Date
2020	P2,937,811	P—	(P2,156,477)	P781,334	2025
2019	930,109	—	(930,109)	—	2022
2018	1,213,547	—	(1,213,547)	—	2021
	P5,081,467	P—	(P4,300,133)	P781,334	

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 P2.9 million are allowed as deduction from future taxable income until 2025.

As at June 30, 2022, 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
2021	P—	P91,689	P—	P91,689	2024
2020	53,000	—	—	53,000	2023
2019	71,360	—	—	71,360	2022
2018	175,322	—	(175,322)	—	2021
	P299,682	P91,689	(P175,322)	P216,049	

12. Related Party Transactions

Outstanding balances and transactions with related parties are as follows:

		Amount of Transaction			Outstanding Balance
	Nature of Transaction	2022 (Unaudited)	2021 (Audited)	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Receivables					
<i>Loans Receivables</i>					
Entity under common control	Loan	₱–	₱–	₱26,000,000	₱26,000,000
	Interest income	–	–	5,541,667	5,541,667
<i>Rent Receivables</i>					
Entity under common control	Rent income	–	–	1,159,200	1,159,200
Less: Allowance for impairment loss					
		–	5,541,667	5,541,667	5,541,667
				₱27,159,200	₱27,159,200
Due from related parties					
Entities under common control	Advances	₱28,000	(₱91,724)	₱7,709,904	₱7,681,904
Due to a related party					
Parent Company	Advances	₱463,126	₱–	₱14,343,126	₱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, 2022, the loans receivable are due and demandable.

Management has assessed that interest receivables are impaired as at December 31, 2021. Impairment loss recognized in 2021 for the waived interest receivable amounted to ₱5.5 million. No interest income was recognized in 2021. On April 12, 2022, the Company's BOD approved to waive the interest from MMDC as at December 31, 2021.

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 8). As at June 30, 2022, the rent receivable is due and demandable. Rent income recognized amounted to ₱0.8 million in 2019.

Due to and from Related Parties

Outstanding balances are unsecured, noninterest-bearing, collectible or payable in cash upon demand. The Company has no provision for impairment loss relating to the amounts due from related parties as at June 30, 2022 and December 31, 2021. 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.

Compensation of Key Management Personnel

The Company's accounting and administrative functions are provided by a related party at no cost to the Company.

13. 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, 2021 and 2020. Moreover, the Company has cash of ₱13.9 million as at June 30, 2022 and December 31, 2021 arising from the proceeds of the sale of one of the properties.

14. Earnings Per Share (EPS)

The basic and diluted loss per share is computed as follows:

	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Net loss	(P2,476,961)	(P1,708,466)
Less dividend rights of preferred stockholders for the period	1,581,671	1,581,671
Loss attributable to common stockholders	(4,058,632)	(3,290,137)
Divided by weighted average number of common stock	700,298,616	700,298,616
Basic/diluted loss per share	(P0.006)	(P0.005)

The convertible feature of the Company's preferred stock has potential antidilutive effect. The Company has no diluted income per share in 2022 and 2021 because the Company is in a net loss position.

15. 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, 2022 and December 31, 2021 are as follows:

	June 30, 2022 (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	P2,831,462	P-	P-	P-	P2,831,462
Receivables*	28,183,200	-	-	68,057,339	95,240,539
Due from related parties	7,709,904	-	-	-	7,709,904
	37,724,566	-	-	68,057,339	105,781,905
Financial Assets at FVOCI					
Investment in a club share	1,750,000	-	-	-	1,750,000
	P39,474,566	P-	P-	P68,057,339	P107,531,905

*Excluding advances to officers, employees and service providers amounting to P2.2 million.

	December 31, 2021 (Audited)		
	Neither Past Due Nor	Past Due But Not Impaired Less Than	Past Due and

	Impaired	30 Days	31-60 Days	Impaired	Total
Financial Assets at Amortized Cost					
Cash in banks	P7,106,172	P–	P–	P–	P7,106,172
Receivables*	27,183,200	–	–	68,057,339	95,240,539
Due from related parties	7,681,904	–	–	–	7,681,904
	41,971,276	–	–	68,057,339	110,028,615
Financial Assets at FVOCI					
Investment in a club share	1,750,000	–	–	–	1,750,000
	P43,721,276	P–	P–	P68,057,339	P111,778,615

*Excluding advances to officers, employees and service providers amounting to P2.2 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, 2022 and December 31, 2021, accrued expenses and other current liabilities (excluding statutory payable) and due to a related party aggregating P192.7 million and P193.9 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, 2022 (Unaudited)		December 31, 2021 (Audited)	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash	P2,836,221	P2,836,221	P7,110,931	P7,110,931
Receivables*	27,530,360	27,530,360	27,183,200	27,183,200
Due from related parties	7,709,904	7,709,904	7,681,904	7,681,904
Investment in a club share	1,750,000	1,750,000	1,750,000	1,750,000
	P39,826,485	P39,826,485	P47,131,599	P47,131,599
Financial Liabilities				
Accrued expenses and other current liabilities**	P178,397,608	P178,397,608	P180,004,055	P180,004,055
Due to a related party	14,343,126	14,343,126	13,880,000	13,880,000

June 30, 2022 (Unaudited)		December 31, 2021 (Audited)	
Carrying Amount	Fair Value	Carrying Amount	Fair Value
₱192,740,734	₱192,740,734	₱193,884,055	₱193,884,055

*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).

There has been no transfer between levels of fair value hierarchy as at June 30, 2022 and December 31, 2021.

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, 2022 and December 31, 2021.

CERTIFICATION

I, **Reuben Carlo O. General**, 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, 2022 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 15 day of 2022 , 2022.

MAKATI CITY




Reuben Carlo O. General
Corporate Secretary

SUBSCRIBED AND SWORN to before me this AUG 15 day of 2022 , 2022, affiant exhibiting to me her valid identification, as follows:

NAME	VALID IDENTIFICATION	DATE and/or PLACE OF ISSUE
Reuben Carlo O. General	Driver's License No. E04-05-002022	expiring on 08/21/2022.

Notary Public

Doc. No. 199 ;
Page No. 41 ;
Book No. II ;
Series of 2022.



Notary Public Seal and Signature



Joanna Manzano <joanna.manzano@marcventures.com.ph>

PRIME MEDIA HOLDINGS INC._SEC FORM 17-A 13 MAY 2022

MSRD COVID19 <msrd_covid19@sec.gov.ph>

Fri, May 13, 2022 at 7:17 PM

To: Joanna Manzano <joanna.manzano@marcventures.com.ph>

Dear Sir/Madam,

Acknowledging receipt of your email below with its attachments.

Thank you.

Regards,

MARKETS AND SECURITIES REGULATION DEPARTMENT
PHILIPPINE SECURITIES AND EXCHANGE COMMISSION

[Quoted text hidden]

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PRIM_SEC Form 17-A for the year ended December 31, 2021.pdf

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COVER SHEET

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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		B	D	O		T	o	w	e	r	s							
V	a	l	e	r	o		(f	o	r	m	e	r	l	y		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)

REUBEN CARLO O. GENERAL

Contact Person

8831-4479

Company Telephone Number

1	2	3	1
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Month Day
Fiscal Year

SEC FORM 17-A (ANNUAL REPORT 2021)

FORM TYPE

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Month Day
Annual Meeting

N/A

Secondary License Type, If Applicable

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Dept. Requiring this
Doc.

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Amended Articles
Number/Section

Total Amount of Borrowings

--

Total No. of
Stockholders

nil

Domestic

--

Foreign

To be accomplished by SEC Personnel concerned

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File Number

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Document I.D.

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Cashier

STAMPS

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, 2021**
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. **Metro 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 1227**
Address of principal office 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 ☒ 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 ☒ No ☐

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

Yes ☒ No ☐

13. The aggregate market value of the voting stock held by non-affiliates is 145,739,441 computed on the basis of 124,563,625 representing 17.79% of the outstanding common shares at the closing price as of December 31, 2021 of Pesos 1.17 per share.

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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 Directors of PRIM (BOD) approved the amendment of its Articles of Incorporation (AOI) to change its primary purpose from that of a development bank to a holding company, which would hold investments in the media industry.

On January 26, 2013, the BOD approved the amendment of its AOI extending the corporate life of PRIM by another 50 years or until 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, which took effect on 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 Memorandum of Agreement (MOA) by transferring certain 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 instead engages 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 pursuant to the MOA. 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 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 13 October 2021, 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 for the year ending December 31, 2021
5. Ratification of Management's 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") of up to One Billion Six Hundred Seventy Nine Million Nine Hundred Sixty Six Thousand Four Hundred (1,679,966,400) common shares at the minimum subscription price of PhP 1.00 per share, to be issued out of the proposed increase in authorized capital stock, in consideration of the assignment and transfer to the Corporation of Three Hundred Forty Nine Thousand Nine Hundred Ninety Three (349,993) PCMC shares representing 99.9% of the outstanding capital stock of PCMC. The Board of Directors were authorized to determine and approve the final number of the Corporation's shares to be issued, the final subscription price and the other terms and conditions of the foregoing transaction".
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 Directors
12. Appointment of External Auditor
13. Other Matters
14. 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, 2021 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 2019 to 2021 are given below:

Year	Quarter	High	Low
2019	1 st	1.36	1.12
	2 nd	1.40	1.03
	3 rd	1.98	1.21
	4 th	1.50	1.13
2020	1 st	1.29	0.68
	2 nd	0.98	0.69
	3 rd	0.96	0.68
	4 th	1.00	0.76
2021	1 st	4.25	0.81
	2 nd	3.55	2.53
	3 rd	3.10	1.76
	4 th	1.89	1.10

(2) Holders of Securities

Common Shareholders

The number of common shareholders on record as of December 31, 2021 is 1,590. The list of the top twenty common shareholders as of December 31, 2021 is provided below:

	Name of Stockholders	No. of shares	%age of ownership
1	PCD Nominee Corporation (Filipino)	670,647,197	95.77
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	Ray Burton Development Corporation	3,213,293	0.46
5	Producers Properties, Inc.	3,013,701	0.43
6	PCD Nominee Corporation (Foreign)	1,980,201	0.28
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	Jovy Lim Go	150,000	0.02
15	Qeu Lu Kiong	150,000	0.02
16	Ponciano V. Cruz, Jr.	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, 2021 was 267. Preferred shares outstanding as of December 31, 2021 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.

While the Company is still non-operational, it is looking to close an acquisition. 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.

In 2021, the Company carried on with its efforts to pursue prospective transactions that could revitalize the Company and revert to an operating status. The Company initially signed a Memorandum of Understanding with New Era Empire Realty Corp. with the objective of working together to revitalize the Corporation by engaging in new businesses that may include commercial and residential real estate, hospitality; media and entertainment, gaming, Philippine Offshore Gaming Operators (POGO) allied services, and Fintech. The parties eventually decided to amend the MOU to proceed with a more definite memorandum of agreement to jointly explore businesses in gaming and real estate development.

In addition, the Company likewise entered into a Memorandum of Agreement (2022 MOA) with the majority stockholders of a mass media entity, Philippine CollectiveMedia Corporation (“PCMC Shareholders”), wherein the PCMC Shareholders shall jointly subscribe to 1,679,966,400 common shares of the Company to be paid in the form of PCMC shares 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 parties are currently pursuing actions to meet the closing conditions under the 2022 MOA. With PCMC’s national franchise, the Company may use this as leverage to provide other content providers an avenue to broadcast their contents regionally and nationwide for profit.

Explanations for the material changes in the Company’s accounts between 2021 and 2020 are as follows:

Statement of Financial Position

	Audited		Increase (Decrease)	
	2021	2020	Amount	%
	<i>(in PhP Millions)</i>			
Assets	₱48.75	₱54.87	(₱6.12)	(11.15%)
Liabilities	193.90	199.06	(5.16)	(2.59%)
Stockholders’ Equity	(145.15)	(144.19)	(0.96)	(0.66%)

The Company’s total Assets of ₱48.75 million declined by ₱6.12 million or 11.15% compared with the same period last year. The movement in total Assets is attributable to the following:

- Cash balance of ₱7.11 million is lower by ₱1.12 million compared with the same period last year. The significant decrease is mainly attributable to payments of the Company’s general and administrative expenses.
- Waiver of interest receivable on loans from Marcventures Mining and Development Corporation (MMDC), an affiliated company, amounting to ₱5.14 million during the year, resulted to the decrease in receivables by ₱5.52 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 ₱0.75 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.

The Company's total Liabilities of ₱193.90 million declined by ₱5.16 million or 2.59% compared with the same period last year. The movement in total Liabilities is attributable to the following:

- Reversal of long-outstanding payables amounting to ₱9.17 million during the year. These payables were assessed that will no longer be settled.
- Cash receipts during the year totaling ₱2.40 million from Bulaong Enterprises, Inc. pursuant to the compromise agreement for a legal case. 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.
- Accrual and subsequent billings from Ocampo & Manalo Law Firm and Andres Padernal & Paras Law Firm amounting to ₱1.53 million and ₱0.01 million, respectively, were recognized.

Capital deficiency is higher by ₱0.96 million compared with same period last year. The Company incurred a net loss of ₱1.71 million and recognized ₱0.75 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)	
	2021	2020	Amount	%
	<i>(in PhP Millions)</i>			
Income	₱9.18	₱2.67	₱6.51	244.30%
Expenses	10.79	5.59	5.20	93.12%

The Company's operating results reflected a net loss of ₱1.71 million and ₱2.98 million in 2021 and 2020, respectively. Comparing with the same period last year, there is a huge jump of ₱1.27 million or 42.60%. The significant changes were mainly due to the following:

- Reversal of long-outstanding payables that will no longer be settled amounting to ₱9.17 million resulted to the increase in income.
- Provision of impairment loss recognized during the year related to the waiver of interest receivable on loans from MMDC amounting to ₱5.14 million.
- Professional fee decreased by ₱0.61 million or equivalent to 17.67%, primarily due to decrease in payments of legal fees.
- Taxes and licenses for the year amounting to ₱0.17 million is lower by ₱0.10 million compared with same period last year.
- Director's fees increased by ₱0.55 million or 100.00% due to the board meetings held during the year.

- Decrease in Outside services by ₱0.16 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 2020 and 2019 are as follows:

Statement of Financial Position

	Audited 2020 2019 (in PhP Millions)		Increase (Decrease) Amount %	
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 increased 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 2020 2019 (in PhP Millions)		Increase (Decrease) Amount %	
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 transportation equipment, had 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	%
	<i>(in PhP Millions)</i>			
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 the 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 the 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	%
	<i>(in PhP Millions)</i>			
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 for 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.

Performance Indicators

Key Performance Indicators (KPI's)

Comparative figures of the key performance indicators (KPI) for the fiscal years ended December 31, 2021 and December 31, 2020:

	2021	2020
Net Loss	(P1,708,466)	(P2,976,624)
Current assets	46,743,192	53,283,137
Total assets	48,749,680	54,865,900
Current liabilities	193,899,582	199,057,336
Total liabilities	193,899,582	199,057,336
Stockholders' Equity	(145,149,902)	(144,191,436)
No. of common shares outstanding	700,298,616	700,298,616
	2021	2020
Current ratio ¹	0.24	0.27
Book value per share ²	(0.23)	(0.23)
Debt ratio ³	(1.34)	(1.38)
Profit (loss) per share ⁴	(0.002)	(0.004)
Return on assets ⁵	(0.03)	(0.05)

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 2021 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	
	2021	2020
Audit Fees	P410,000	P390,000

Audit Fees. Represent professional fees of the external auditor for the audit services rendered on Company's Annual Financial Statements for the year 2021 and 2020.

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 Company 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	53	Filipino	May 28, 2013 to present
Bernadeth A. Lim	41	Filipino	May 28, 2013 to present
Michelle F. Ayangco	50	Filipino	October 13, 2021 to present
Hermogene H. Real	66	Filipino	October 13, 2021 to present
Rolando S. Santos	71	Filipino	January 06, 2017 to present
Johnny Y. Aruego Jr. (independent director)	50	Filipino	May 28, 2013 to present
Francisco L. Layug III (independent director)	67	Filipino	December 21, 2017 to present
Juan Victor S. Valdez	48	Filipino	May 28, 2013 to October 13, 2021
Antonio L. Tiu	45	Filipino	December 12, 2019 to February 23, 2021

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	53	President & CEO	Filipino	May 2013 to present
Bernadeth A. Lim	41	Vice President	Filipino	May 2013 to present
Rolando S. Santos	71	Treasurer	Filipino	January 06, 2017 to present
Maila G. De Castro	45	Corporate Secretary/Compliance Officer/Data Privacy Officer	Filipino	Sept 2019 to October 13, 2021
Reuben Carlo O. General	36	Corporate Secretary/Compliance Officer/Data Privacy Officer	Filipino	October 2020 to October 13, 2021 as Co-Asst. Corporate Secretary; October 13, 2021 to present as

				Corporate Secretary/ Compliance Officer/ Data Privacy Officer
Christopher Sam S. Salvador	39	Asst. Corporate Secretary/Co-Compliance Officer/Corporate Information Officer	Filipino	December 2014 to present
Dale A. Tongco	57	Risk Management Officer	Filipino	October 13 2021 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.

Michelle F. Ayangco was elected as Director in October 2021. 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.

Hermogene H. Real was elected as Director in October 2021. 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 of 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.

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 Lorzana 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 became Director in December 2019 until February 2021. He is the President and CEO of Philippine Infradev Holdings Inc.; Chairman, President and CEO of Agrinulture, 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.

Juan Victor S. Valdez became Director in May 2013 until October 2021. 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.

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 until October 13, 2021. 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 Travoyager, Inc. and Bacuit Airholdings, Inc.

Reuben Carlo O. General was elected Co-Assistant Corporate Secretary in December 2020 and appointed as Corporate Secretary, Compliance Officer and Data Privacy Officer in October 2021. 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).

Dale A. Tongco was elected Risk Management Officer in October 2021. He was also appointed as the Vice-President for Risk Management / Chief Risk Officer of Bright Kindle Resources & Investments Inc. in October 2020. He concurrently serves as Vice President for Controllershship of Marcventures Holdings, Inc. He is a Certified Public Accountant with extensive experience in Public Accounting Firms as External Auditor and with Corporations as an Internal Auditor and Risk Management Officer specifically in the areas of Fraud Management; ISO 9001 and 14001 Audit and Management; Process and Control Review; Policies and Procedures Documentation; Corporate Governance; and Finance and Treasury. His professional experience over 13 years includes stints in KPMG, Deloitte, Phil-Am-AIA, CP de Guzman & Co.-CPAs and Benguet Corporation.

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 2021:

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, 2021

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	Rolando S. Santos	1,000	Filipino	0.0%
Common	Hermogene H. Real	2,000	Filipino	0.0%
Common	Michelle F. Ayangco	2,000	Filipino	0.0%
Common	Johnny Y. Aruego Jr.	1	Filipino	0.0%
Common	Francisco L. Layug III	1	Filipino	0.0%
TOTAL		5,004		

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 29, 2021	<ul style="list-style-type: none"> Results of the Special Meeting of the Board of Directors held on July 28, 2021 Update on Material Transaction Disclosure: (with New Era) Notice of 2021 Annual Stockholders' Meeting Amendments to Articles of Incorporation Amendments to By-Laws Amended Results of the Special Meeting of the Board of Directors held on July 28, 2021
August 2, 2021	<ul style="list-style-type: none"> Signing of the Memorandum of Agreement Amended- Amendments to Articles of Incorporation
August 6, 2021	Comprehensive Corporate Disclosure on Backdoor Listing in relation to the Memorandum of Agreement between Prime Media Holdings Inc. ("PRIM" or the "Company") and Michelle Ayangco and Hermogene Real ("PCMC Shareholders"), the majority stockholders of Philippine CollectiveMedia Corporation ("PCMC")
August 13, 2021	Amended-1- Notice of 2021 Annual Stockholders' Meeting
September 6, 2021	Postponement of Annual Stockholders' Meeting
September 8, 2021	Amended-2- Notice of 2021 Annual Stockholders' Meeting
October 14, 2021	<ul style="list-style-type: none"> Results of Annual Stockholders' Meeting held on 13 October 2021 Results of Organizational Meeting held on 13 October 2021 Non-re-election of Atty. Juan Victor S. Valdez, Expiration of term of Atty. Maila Lourdes G. De Castro, Election of Atty. Hermogene H. Real and Ms. Michelle F. Ayangco, Appointment of Mr. Dale A. Tongco and Change in Designation of Atty. Reuben Carlo O. General FURTHER AMENDMENT OF BY-LAWS TO AUTHORIZE HOLDING OF VIRTUAL MEETINGS BY THE STOCKHOLDERS, BOARD OF DIRECTORS AND BOARD COMMITTEES
October 15, 2021	<ul style="list-style-type: none"> Amend-1- Amendments to By-Laws Amend-2- Amendments to Articles of Incorporation Amend-1- Results of Organizational Meeting held on 13 October 2021
October 26, 2021	Company Announcement for Foreign Shareholders
December 10, 2021	SEC Approval of the Amendment to the Articles of Incorporation to Include a Provision Limiting Share Ownership to 100% Filipino
December 14, 2021	SEC Approval of the Amendment of the Articles of Incorporation to Limit Share Ownership to 100% Filipino

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 CITY MAY 13 2022, 2022.

By:


MANOLITO A. MANALO
President


ROLANDO S. SANTOS
Treasurer



REUBEN CARLO O. GENERAL
Corporate Secretary

SUBSCRIBED AND SWORN to before me this MAY 13 2022 day of MAY 2022 affiant(s) exhibiting to me their IDs, as follows:

NAMES	IDs Presented	Expiry date
Manolito A. Manalo	195-562-309	
Rolando S. Santos	127-551-054	
Reuben Carlo O. General	408-105-822	

Notary Public

Doc. No. 89
Page No. 18
Book No. #
Series of 2022.


MARJORIE A. SAN JUAN
Notary Public for Makati City
Appl. No. M-135 until 6/30/2022 per B.M. No. 3795, 9/28/2021
Roll of Attorneys No. 71296
IBP Membership No. 177402; 02/08/2022
PTR No. MKT-8857894MJ; 01/14/2022; Makati City;
MCLE Compliance No. VI-0013795; 10/12/2018;
Pasig City; Valid until 4/14/2022
4f BDO Towers (formerly Citi Center), Paseo de Roxas, Makati City



Joanna Manzano <joanna.manzano@marcventures.com.ph>

Your BIR AFS eSubmission uploads were received

1 message

eafs@bir.gov.ph <eafs@bir.gov.ph>
To: JOANNA.MANZANO@marcventures.com.ph
Cc: JACKY.VALENZUELA@marcventures.com.ph

Fri, May 13, 2022 at 1:52 PM

Hi PRIME MEDIA HOLDINGS, INC.,

Valid files

- EAFS000491007ITRTY122021.pdf
- EAFS000491007OTHTY122021.pdf
- EAFS000491007RPTTY122021.pdf
- EAFS000491007AFSTY122021.pdf

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- <None>

Transaction Code: **AFS-0-MVXV4QMY0PSXVXWZQRPZZNNW0BDBLC5GF**
Submission Date/Time: **May 13, 2022 01:52 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.

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for
AUDITED FINANCIAL STATEMENTS

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COMPANY INFORMATION

maila.decastro@marcventures.com.ph

(02) 8 831-4479

0919-993-7231

1,590

October 13

December 31

CONTACT PERSON INFORMATION	
NAME	
PHONE	
EMAIL	
ADDRESS	
CITY	
STATE	
ZIP	

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

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

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, 2021 and 2020**, 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, 2021 and 2020**, 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.

A handwritten signature in black ink, appearing to read 'Manolito A. Manalo', is written over a horizontal line.

MANOLITO A. MANALO
Chairman and President

A handwritten signature in black ink, appearing to read 'Rolando S. Santos', is written over a horizontal line.

ROLANDO S. SANTOS
Treasurer

Signed this APR 12 day of 2022




SUBSCRIBED AND SWORN to before me this MAY 13 2022 day of _____
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		

Doc. No. 330;
Page No. 67;
Book No. II;
Series of 2022.

Notary Public


REUBEN CARLO O. GENERAL
Notary Public for Makati City
Appt. No. M-136 Until 31 Dec. 2021
Roll of Attorneys No. 59087
IBP Membership No. 178054; 02/14/2022
PTR No. MKT-8857892MJ; 01/14/2022
MCLE Compliance No. VI-0021476; 3/26/2019;
4f BDO Towers Paseo, 8741 Paseo de Roxas, Makati



INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Prime Media Holdings, Inc.
16th Floor, BDO Towers Valero
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, 2021 and 2020, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years ended December 31, 2021, 2020, and 2019, 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, 2021 and 2020, and its financial performance and its cash flows for the years ended December 31, 2021, 2020, and 2019 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 exploring new business opportunities. Its current activities comprise mainly of transferring assets related to its previous development bank operations to Banco de Oro Unibank, Inc. (BDO) and Philippine Deposit Insurance Corporation (PDIC) in accordance with the Memorandum of Agreement (MOA) among the parties. Thus, the Company continuously incurs losses resulting in a capital deficiency amounting to ₱145.1 million and ₱144.2 million as at December 31, 2021 and 2020, 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 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, 2021. 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 assessed its financial capacity, 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 9, the Company has estimated liabilities amounting to ₱164.3 million and ₱161.9 million as at December 31, 2021 and 2020, respectively, 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 by doing independent calculations of the estimated costs to be incurred in the future and the related terms of the MOA. Further disclosures are included in Note 9.

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, 2021, 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, 2021 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 Pamela Ann P. Escudro.

REYES TACANDONG & Co.

PAMELA ANN P. ESCUDRO

Partner

CPA Certificate No. 128829

Tax Identification No. 216-321-918-000

BOA Accreditation No. 4782; Valid until April 13, 2024

SEC Accreditation No. 128829-SEC Group A

Issued March 23, 2021

Valid for Financial Periods 2020 to 2024

BIR Accreditation No. 08-005144-013-2020

Valid until January 1, 2023

PTR No. 8851713

Issued January 3, 2022, Makati City

April 12, 2022

Makati City, Metro Manila

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

STATEMENTS OF FINANCIAL POSITION

		December 31	
	Note	2021	2020
ASSETS			
Current Assets			
Cash	4	₱7,110,931	₱8,233,104
Receivables	5	27,252,360	32,773,567
Due from related parties	12	7,681,904	7,773,628
Other current assets	6	4,697,997	4,502,838
Total Current Assets		46,743,192	53,283,137
Noncurrent Assets			
Investment in a club share	7	1,750,000	1,000,000
Equipment	8	256,488	582,763
Total Noncurrent Assets		2,006,488	1,582,763
		₱48,749,680	₱54,865,900
LIABILITIES AND CAPITAL DEFICIENCY			
Current Liabilities			
Accrued expenses and other current liabilities	9	₱180,019,582	₱185,177,336
Due to a related party	12	13,880,000	13,880,000
Total Current Liabilities		193,899,582	199,057,336
Capital Deficiency			
Capital stock	10	714,664,876	714,664,876
Deficit		(861,364,778)	(859,656,312)
Cumulative unrealized gain on fair value changes	7	1,550,000	800,000
Total Capital Deficiency		(145,149,902)	(144,191,436)
		₱48,749,680	₱54,865,900

See accompanying Notes to Financial Statements.

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

STATEMENTS OF COMPREHENSIVE INCOME

		Years Ended December 31		
	Note	2021	2020	2019
INCOME				
Reversal of long-outstanding payables	9	₱9,168,852	₱—	₱—
Interest income	4	7,257	2,615,187	2,609,349
Recovery of accounts written-off	5	—	50,000	140,000
Rent	12	—	—	828,000
		9,176,109	2,665,187	3,577,349
EXPENSES AND OTHER CHARGES				
Impairment loss on receivables	5	5,541,667	—	—
Professional fees		2,820,853	3,426,238	2,012,822
Outside services		874,759	1,038,872	603,544
Insurance		442,300	445,910	725,214
Penalties		379,500	—	—
Depreciation	8	326,275	331,995	343,435
Taxes and licenses		117,276	100,704	429,940
Directors' fee		110,000	55,000	45,000
Association dues		58,985	74,407	70,319
Others		121,271	115,685	267,835
		10,792,886	5,588,811	4,498,109
LOSS BEFORE INCOME TAX		(1,616,777)	(2,923,624)	(920,760)
PROVISION FOR CURRENT INCOME TAX	11	91,689	53,000	71,360
NET LOSS		(1,708,466)	(2,976,624)	(992,120)
OTHER COMPREHENSIVE INCOME				
<i>Item that will not be reclassified to profit or loss</i>				
Unrealized fair value gain on investment in a club share	7	750,000	100,000	400,000
TOTAL COMPREHENSIVE LOSS		(₱958,466)	(₱2,876,624)	(₱592,120)
Basic/Diluted Loss Per Share	14	(₱0.005)	(₱0.007)	(₱0.004)

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	2021	2020	2019
CAPITAL STOCK	10			
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
DEFICIT				
Balance at beginning of year		(859,656,312)	(856,679,688)	(855,687,568)
Net loss		(1,708,466)	(2,976,624)	(992,120)
Balance at end of year		(861,364,778)	(859,656,312)	(856,679,688)
CUMULATIVE UNREALIZED GAIN ON FAIR VALUE CHANGES	7			
Balance at beginning of year		800,000	700,000	300,000
Unrealized fair value gain		750,000	100,000	400,000
Balance at end of year		1,550,000	800,000	700,000
		(₱145,149,902)	(₱144,191,436)	(₱141,314,812)

See accompanying Notes to Financial Statements.

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

STATEMENTS OF CASH FLOWS

		Years Ended December 31		
	Note	2021	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before income tax		(₱1,616,777)	(₱2,923,624)	(₱920,760)
Adjustments for:				
Reversal of long-outstanding payables	9	(9,168,852)	–	–
Impairment loss on receivables	5	5,541,667	–	–
Depreciation	8	326,275	331,995	343,435
Interest income	4	(7,257)	(2,615,187)	(2,609,349)
Recovery of receivables written-off	5	–	(50,000)	(140,000)
Operating loss before working capital changes		(4,924,944)	(5,256,816)	(3,326,674)
Decrease (increase) in:				
Receivables		(20,460)	41,000	(117,956)
Due from related parties		91,724	395,744	(229,372)
Other current assets		(286,848)	(561,100)	(183,310)
Increase in accrued expenses and other current liabilities		4,011,098	3,576,056	8,178,200
Net cash generated from (used for) operations		(1,129,430)	(1,805,116)	4,320,888
Interest received		7,257	15,187	99,182
Net cash provided by (used in) operating activities		(1,122,173)	(1,789,929)	4,420,070
NET INCREASE (DECREASE) IN CASH		(1,122,173)	(1,789,929)	4,420,070
CASH AT BEGINNING OF YEAR		8,233,104	10,023,033	5,602,963
CASH AT END OF YEAR	4	₱7,110,931	₱8,233,104	₱10,023,033

See accompanying Notes to Financial Statements.

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

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. In 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 November 24, 2021 the SEC approved the amendment of the Company's Articles of Incorporation covering the following:

- Deletion of all provisions relating to banking operations; and
- Inclusion of a provision prohibiting foreign ownership

On July 28, 2021 the Board of Directors (BOD) approved the amendment of the Company's Articles of Incorporation covering the following:

- Reclassification of the Preferred Class A and B Shares at ₱1 par value a share, to Common Shares with ₱1 par value share, and deletion of all provisions relating to Preferred Class A and B Shares; and
- Increase in authorized capital stock to ₱7.0 billion divided into 7,000,000 Common Shares at ₱1 par value a share

The stockholders approved the amendment on October 13, 2021. As at April 12, 2022, the application for the amendment of Articles of Incorporation for the reclassification of Preferred Class A and B Shares has been submitted to the SEC.

On July 9, 1964, the Philippine Stock Exchange, Inc. (PSE) approved the public listing of the Company's shares of stock. As at December 31, 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 its 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, 2021 and 2020, the Company has liabilities amounting to ₱164.3 million and ₱161.9 million, respectively, 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 9).

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

The financial statements of the Company as at December 31, 2021 and 2020 and for the years ended December 31, 2021, 2020 and 2019 were approved and authorized for issuance by the BOD on April 12, 2022.

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 ₱145.1 million and ₱144.2 million as at December 31, 2021 and 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.

In 2021, the Company carried on with its efforts to pursue prospective transactions that could revitalize the Company, revert to an operating status, and reduce its capital deficiency.

Transaction with New Era Empire Realty Corp.

On March 17, 2021, the Company initially signed a Memorandum of Understanding with New Era Empire Realty Corp. with the objective of working together to revitalize the Company by engaging in new businesses that may include commercial and residential real estate, hospitality; (b) media and entertainment, (c) gaming, Philippine Offshore Gaming Operators (POGO) allied services, and Fintech.

On July 28, 2021, the parties eventually decided to amend the MOU to proceed with a more definite memorandum of agreement to jointly explore businesses in gaming and real estate development.

Transaction with Philippine CollectiveMedia Corporation

On July 30, 2021, the Company likewise entered into a Memorandum of Agreement with the majority stockholders of a mass media entity, Philippine CollectiveMedia Corporation ("PCMC Shareholders"), wherein the PCMC Shareholders shall jointly subscribe to 1,679,966,400 common shares of the Company to be paid in the form of PCMC shares in order to obtain the business, assets and ownership of PCMC. Upon the execution of the transaction, the PCMC Shareholders will jointly gain control and majority ownership of approximately 70% of the Company's outstanding capital stock.

With PCMC's national franchise, the Company may use this as a leverage to provide other content providers an avenue to broadcast their contents, regionally and nationwide, for profit. Aside from venturing into the active business of mass media, the Company likewise intends to sell its remaining assets in order to address the Company's capital deficiency and negative equity, and non-operation status.

On October 13, 2021, the stockholders approved the subscriptions by the major stockholders of PCMC to 1,679,966,400 common shares to be issued out of the proposed increase in authorized capital stock of the Company, in consideration of the assignment and transfer of PCMC shares representing 99.9% of the outstanding capital stock of PCMC.

The parties are currently pursuing actions to meet the closing conditions of the agreement.

Management believes that with these actions taken, the Company can continue as a going concern. Accordingly, the financial statements were prepared on a going concern basis.

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).

The accounting policies adopted are consistent with those of the previous financial year.

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 classified as financial asset 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 and 15.

Amended PFRS Issued But Not Yet Effective

Relevant amended PFRS which are not yet effective for the year ended December 31, 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 PFRS 3, *Reference to Conceptual Framework* – The amendments will replace the reference of PFRS 3 from the 1989 Framework to the current 2018 Conceptual Framework. The amendments include an exception that specifies that, for some types of liabilities and contingent liabilities, an entity applying PFRS 3 should refer to PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, or IFRIC 21, *Levies*, instead of the Conceptual Framework. The requirement will ensure that the liabilities recognized in a business combination will remain the same as those recognized applying the current requirements in PFRS 3. The amendments also clarified that an acquirer shall not recognize contingent assets acquired in a business combination. The amendments should be applied prospectively.
- 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 amendments.
- 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 component of equity, as applicable. Accordingly, the comparatives are not restated. Earlier application is permitted.
- Annual Improvements to PFRS 2018 to 2020 Cycle:
 - Amendment to PFRS 1, *First-time Adoption of Philippine Financial Reporting Standards - Subsidiary as a First-time Adopter* – The amendment permits a subsidiary that becomes a first-time adopter later than its parent and measures its assets and liabilities in accordance with paragraph D16 (a) of PFRS 1 to measure cumulative translation differences for all

foreign operations using the amounts reported by its parent, based on the parent's date of transition to PFRS. Earlier application of the amendment is permitted.

- 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 shall include 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 amendment applies to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applied the amendments. Earlier application is permitted.

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.
- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure Initiative – Accounting Policies* – The amendments require an entity to disclose its material accounting policies, instead of its significant accounting policies and provide guidance on how an entity applies the concept of materiality in making decisions about accounting policy disclosures. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and its nature. The amendments clarify (1) that accounting policy information may be material because of its nature, even if the related amounts are immaterial, (2) that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements, and (3) if an entity discloses immaterial accounting policy information, such information should not obscure material accounting policy information. In addition, PFRS Practice Statement 2, *Making Materiality Judgements*, is amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information. The amendments should be applied prospectively. Earlier application is permitted.
- Amendments to PAS 8, *Definition of Accounting Estimates* – The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies, and the correction of errors. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". An entity develops an accounting estimate if an accounting policy requires an item in the financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not a correction of an error, and that the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. A change in an

accounting estimate may affect only the profit or loss in the current period, or the profit or loss of both the current and future periods. Earlier application is permitted.

- Amendments to PAS 12, *Deferred Tax Related Assets and Liabilities from a Single Transaction* – The amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. 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, 2021 and 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 December 31, 2021 and 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 December 31, 2021 and 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 December 31, 2021 and 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 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.

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.

Cumulative unrealized gain on fair value changes on investment in a club share. The account comprises of unrealized fair value gain or loss that is not recognized in profit or loss for the year in accordance with PFRS.

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 previously written off is collected and actually received.

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

Reversal of long-outstanding payables. Reversal of payables pertain to financial obligations arising from transactions that are not expected to be settled as the same is either discharged by the creditor or discontinued or cancelled, and is recognized in the statement of comprehensive income.

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 2021, 2020 and 2019 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 ₱145.1 million and ₱144.2 million as at December 31, 2021 and 2020, respectively. As discussed in Note 1, the stockholders provide continuing financial support as the Company continues to explore new business opportunities. Accordingly, the financial statements are prepared on a going concern basis of accounting.

Classifying the 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 as financial asset at FVOCI (see Note 7).

Accounting for the 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. The lease agreement is outstanding from February 8, 2018 to 2019.

Rent income amounted to ₱0.8 million in 2019. No rent income was recognized in 2021 and 2020. (see Note 12).

Evaluating the 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 the 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 ₱164.3 million and ₱161.9 million as at December 31, 2021 and 2020, respectively (see Note 9).

Assessing the 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.

Impairment loss amounting to ₱5.5 million was recognized in 2021 (see Note 5).

The aggregate carrying amount of cash in banks, receivables (excluding advances to officers, employees and service providers) and due from related parties amounted to ₱42.0 million and ₱46.6 million as at December 31, 2021 and 2020, respectively (see Note 4, 5 and 12).

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, 2020 and 2019.

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

	Note	2021	2020
Advances to officers, employees and service providers	5	₱69,160	₱48,700
Other current assets	6	4,697,997	4,502,838
Equipment	8	256,488	582,763

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 ₱13.3 million and ₱21.2 million as at December 31, 2021 and 2020, respectively. Management believes that there will be no sufficient future taxable profits against which these deferred tax assets can be utilized (see Note 11).

4. Cash

This account consists of:

	2021	2020
Cash on hand	₱4,759	₱5,277
Cash in banks	7,106,172	8,227,827
	₱7,110,931	₱8,233,104

Cash in banks earn interest at prevailing bank deposit rates.

The sources of interest income are as follows:

	Note	2021	2020	2019
Cash in banks		₱7,257	₱15,187	₱9,349
Loans receivable	12	—	2,600,000	2,600,000
		₱7,257	₱2,615,187	₱2,609,349

5. Receivables

This account consists of:

	Note	2021	2020
Loans receivable:			
Third parties		₱62,277,740	₱62,277,740
Related party	12	26,000,000	26,000,000
Interest receivable	12	5,541,667	5,541,667
Advances to officers, employees and service providers		2,195,495	2,175,035
Rent receivables:			
Related party	12	1,159,200	1,159,200
Third parties		261,932	261,932
		97,436,034	97,415,574
Less allowance for impairment losses		70,183,674	64,642,007
		₱27,252,360	₱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 is covered by a loan agreement executed in 2019 with Marcventures Mining and Development Corporation (MMDC), a related party under common control, bears fixed interest of 10% per annum and is due and demandable. Management has assessed that interest receivables are impaired as at December 31, 2021. Impairment loss recognized in 2021 amounted to ₱5.5 million. On April 12, 2022, the Company's BOD approved to waive the interest from MMDC as at December 31, 2021 (see Note 12).

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, 2021 and 2020 are as follows:

	Note	2021	2020
Loans receivable		₱62,277,740	₱62,277,740
Interest receivable	12	5,541,667	—
Advances to officers, employees and service providers		2,126,335	2,126,335
Rent receivables		237,932	237,932
		₱70,183,674	₱64,642,007

Movements of allowance for impairment loss in 2021 and 2020 are as follows:

	Note	2021	2020
Balance as at beginning of year		₱64,642,007	₱64,642,007
Impairment	12	5,541,667	—
Balance as at end of year		₱70,183,674	₱64,642,007

The Company recovered some accounts written-off in prior years amounting to nil, ₱50,000 and ₱140,000 in 2021, 2020 and 2019, respectively.

6. Other Current Assets

This account consists of:

	2021	2020
CWT	₱3,086,300	₱3,177,989
Net input VAT	1,210,773	926,066
Prepayments	400,924	398,783
	₱4,697,997	₱4,502,838

Prepayments mainly pertain to prepaid insurance and taxes.

7. 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:

	2021	2020
Cost	₱200,000	₱200,000
Cumulative unrealized gain on fair value changes		
Balance at beginning of year	800,000	700,000
Fair value changes	750,000	100,000
Balance at end of year	1,550,000	800,000
	₱1,750,000	₱1,000,000

The fair value of the investment in a club share was determined based on the current selling price to third parties which falls under Level 2 of the fair value hierarchy.

8. Equipment

Movements in this account are as follows:

	2021		
	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	85,800	1,048,612	1,134,412
Depreciation	—	326,275	326,275
Balance at end of year	85,800	1,374,887	1,460,687
Carrying Amount	₱—	₱256,488	₱256,488

	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

Rent income from the lease of transportation equipment amounted to ₱0.8 million in 2019 (see Note 12).

9. Accrued Expenses and Other Current Liabilities

This account consists of:

	2021	2020
Liabilities arising from the MOA	₱164,304,972	₱161,904,972
Dividends payable	10,985,443	10,985,443
Accrued expenses	4,713,640	3,112,379
Statutory payable	15,527	5,690
Rental deposits	—	5,972,642
Others	—	3,196,210
	₱180,019,582	₱185,177,336

Liabilities arising from the MOA pertain mainly 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). Additions in liabilities arising from MOA in 2021 and 2020 amounted to ₱2.4 million and ₱2.6 million, respectively. 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 pertain 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.

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.

Rental deposits represent long-outstanding rental deposits that have not been claimed by the Company's previous tenants.

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.

On April 12, 2022, the Company's BOD approved the reversals of long-outstanding payables related to rental deposits and other payables amounting to ₱9.2 million.

10. Equity

Capital Stock

Details of capital stock as at December 31, 2021 and 2020 account are as follows:

	Number of Shares	Amount
Common stock - ₱1 par value		
Authorized	3,000,000,000	₱3,000,000,000
<i>Subscribed:</i>		
Balance at beginning and end of year	700,298,616	700,298,616
Preferred stock - ₱1 par value		
Authorized	2,000,000,000	2,000,000,000
<i>Issued and outstanding:</i>		
Balance at beginning and end of year	14,366,260	14,366,260
	714,664,876	₱714,664,876

The preferred stock has the following salient features:

- Cumulative, nonparticipating, nonvoting, redeemable and convertible at the option of the Company.
- 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.
- 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. As discussed in Note 1, in 2021, the BOD and shareholders approved the reclassification of the Preferred Class A and B Shares at ₱1 par value a share, to Common Shares with ₱1 par value share, and deletion of all provisions relating to Preferred Class A and B Shares. As at April 12, 2022, application for the amendment of Articles of Incorporation has been submitted to the SEC.

As at December 31, 2021 and 2020, there is no accrued and unpaid preferential dividend.

11. Income Tax

The provision for current income tax represents MCIT in 2021, 2020 and 2019.

On March 26, 2021, the “Corporate Recovery and Tax Incentives for Enterprise” (CREATE) was approved and signed into law by the country’s President. Under the CREATE, the 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 years. The changes in the income tax rates shall retrospectively become effective beginning July 1, 2020.

The income tax rates used in preparing the financial statements for 2020, however, are stated at 30% and 2% for RCIT and MCIT, respectively.

The reconciliation of provision for current income tax at the statutory income tax rate to the provision for current income tax shown in the statements of comprehensive income are as follows:

	2021	2020	2019
Income tax computed at statutory tax rate	(P323,355)	(P877,087)	(P276,228)
Changes in unrecognized deferred tax assets	(7,916,007)	(7,331,958)	(7,957,729)
Change in statutory income tax rate	6,972,347	—	—
Tax effects of:			
Nondeductible expenses	1,184,833	300	—
Expired MCIT	175,322	8,266,301	8,308,122
Interest income already subjected to final tax	(1,451)	(4,556)	(2,805)
	P91,689	P53,000	P71,360

The components of the Company’s unrecognized deferred tax assets are as follows:

	2021	2020
Allowance for impairment losses on receivables	P12,928,401	P19,392,602
MCIT	216,049	299,682
NOLCO	156,267	1,524,440
	P13,300,717	P21,216,724

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, 2021, unused NOLCO that can be claimed as deduction from future taxable income are as follows:

Year Incurred	Beginning Balance	Incurred	Applied	Ending Balance	Expiry Date
2020	P2,937,811	P—	(P2,156,477)	P781,334	2025
2019	930,109	—	(930,109)	—	2022
2018	1,213,547	—	(1,213,547)	—	2021
	P5,081,467	P—	(P4,300,133)	P781,334	

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, 2021, 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
2021	₱—	₱91,689	₱—	₱91,689	2024
2020	53,000	—	—	53,000	2023
2019	71,360	—	—	71,360	2022
2018	175,322	—	(175,322)	—	2021
	₱299,682	₱91,689	(₱175,322)	₱216,049	

12. Related Party Transactions

Outstanding balances and transactions with related parties are as follows:

		Amount of Transaction		Outstanding Balance	
Nature of Transaction		2021	2020	2021	2020
Receivables					
Loans Receivable					
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	32,700,867
Less: Allowance for impairment loss		5,541,667	—	5,541,667	—
				₱27,159,200	₱32,700,867
Due from related parties					
Entities under common control	Advances	(₱91,724)	₱41,646	₱7,681,904	₱7,773,628
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 2021.

Terms and Conditions of Transactions with Related Parties

Loans Receivable

In 2018, the Company entered into an unsecured loan agreement with MMDC at 10% a year. As at December 31, 2021, the loans receivable are due and demandable.

Management has assessed that interest receivables are impaired as at December 31, 2021. Impairment loss recognized in 2021 for the waived interest receivable amounted to ₱5.5 million. No interest income was recognized in 2021. On April 12, 2022, the Company's BOD approved to waive the interest from MMDC as at December 31, 2021.

Rent Receivables

On February 8, 2018, the Company entered into an operating lease agreement with MMDC for the lease of a transportation equipment until October 7, 2019 (see Note 8). As at December 31, 2021, the rent receivable is due and demandable. Rent income recognized amounted to ₱0.8 million in 2019.

Due to and from Related Parties

Outstanding balances are unsecured, noninterest-bearing, collectible or payable in cash upon demand. The Company has no provision for impairment loss relating to the amounts due from related parties as at December 31, 2021 and 2020. 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.

Compensation of Key Management Personnel

The Company's accounting and administrative functions are provided by a related party at no cost to the Company.

13. 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, 2021 and 2020. Moreover, the Company has cash of ₱13.9 million as at December 31, 2021 and 2020 arising from the proceeds of the sale of one of the properties.

14. Earnings Per Share (EPS)

The basic and diluted loss per share is computed as follows:

	2021	2020	2019
Net loss	(₱1,708,466)	(₱2,976,624)	(₱992,120)
Less dividend rights of preferred stockholders for the year	1,581,671	1,581,671	1,581,671
Loss attributable to common stockholders	(3,290,137)	(4,558,295)	(2,573,791)
Divided by weighted average number of common stock	700,298,616	700,298,616	700,298,616
Basic/diluted loss per share	(₱0.005)	(₱0.007)	(₱0.004)

The convertible feature of the Company's preferred stock has potential antidilutive effect. The Company has no diluted income per share in 2021, 2020 and 2019 because the Company is in a net loss position.

15. 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, 2021 and 2020 are as follows:

	2021				
	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	₱7,106,172	₱—	₱—	₱—	₱7,106,172
Receivables*	27,183,200	—	—	68,057,339	95,240,539
Due from related parties	7,681,904	—	—	—	7,681,904
	41,971,276	—	—	68,057,339	110,028,615
Financial Assets at FVOCI					
Investment in a club share	1,750,000	—	—	—	1,750,000
	₱43,721,276	₱—	₱—	₱68,057,339	₱111,778,615

*Excluding advances to officers, employees and service providers amounting to ₱2.2 million.

	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.

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, 2021 and 2020, accrued expenses and other current liabilities (excluding statutory payable) and due to a related party aggregating ₱193.9 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:

	2021		2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash	₱7,110,931	₱7,110,931	₱8,233,104	₱8,233,104
Receivables*	27,183,200	27,183,200	32,724,867	32,724,867
Due from related parties	7,681,904	7,681,904	7,773,628	7,773,628
Investment in a club share	1,750,000	1,750,000	1,000,000	1,000,000
	₱43,726,035	₱43,726,035	₱49,731,599	₱49,731,599
Financial Liabilities				
Accrued expenses and other current liabilities**	₱180,004,055	₱180,004,055	₱185,171,646	₱185,171,646
Due to a related party	13,880,000	13,880,000	13,880,000	13,880,000
	₱193,884,055	₱193,884,055	₱199,051,646	₱199,051,646

*Excluding advances to officers, employees and service providers amounting to ₱2.2 million as at December 31, 2021 and 2020.

**Excluding statutory payable amounting to ₱15,527 and ₱5,690 as at December 31, 2021 and 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).

There has been no transfer between levels of fair value hierarchy as at December 31, 2021 and 2020.

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, 2021 and 2020.



**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, BDO Towers Valero
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, 2021 and 2020 and for the years ended December 31, 2021, 2020 and 2019, on which we have rendered our report dated April 12, 2022.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the Company has 1,236 common stockholders and 265 preferred stockholders owning one hundred (100) or more shares each.

REYES TACANDONG & Co.

PAMELA ANN P. ESCUADRO

Partner

CPA Certificate No. 128829

Tax Identification No. 216-321-918-000

BOA Accreditation No. 4782; Valid until April 13, 2024

SEC Accreditation No. 128829-SEC Group A

Issued March 23, 2021

Valid for Financial Periods 2020 to 2024

BIR Accreditation No. 08-005144-013-2020

Valid until January 1, 2023

PTR No. 8851713

Issued January 3, 2022, Makati City

April 12, 2022
Makati City, Metro Manila



**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, BDO Towers Valero
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, 2021 and 2020 and for the years ended December 31, 2021, 2020 and 2019, and have issued our report thereon dated April 12, 2022. 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, 2021 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.

PAMELA ANN P. ESCUADRO

Partner

CPA Certificate No. 128829

Tax Identification No. 216-321-918-000

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PTR No. 8851713

Issued January 3, 2022, Makati City

April 12, 2022
Makati City, Metro Manila

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

SUPPLEMENTARY SCHEDULE OF RECONCILIATION OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
DECEMBER 31, 2021

	Amount
Deficit available for dividend declaration at beginning of year	(P859,656,312)
Net loss during the year closed to retained earnings	(1,708,466)
Deficit available for dividend declaration at end of year	(P861,364,778)

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, 2021

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<i>Schedule</i>	<i>Description</i>	<i>Page</i>
A	Financial Assets	<u>N/A</u>
B	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)	<u>N/A</u>
C	Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements	<u>N/A</u>
D	Long-Term Debt	<u>N/A</u>
E	Indebtedness to Related Parties	<u>N/A</u>
F	Guarantees of Securities of Other Issuers	<u>N/A</u>
G	Capital Stock	<u>1</u>

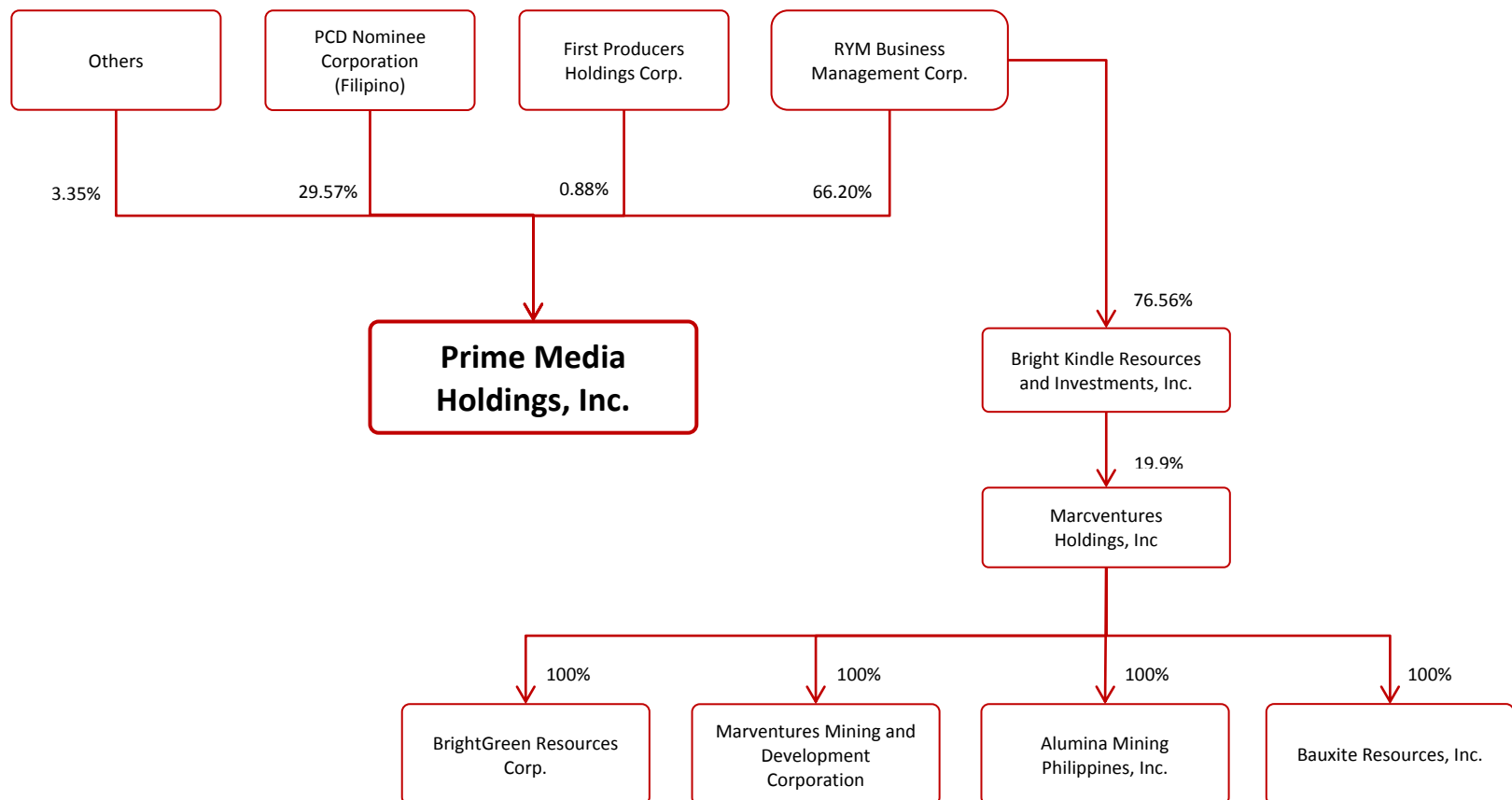
PRIME MEDIA HOLDINGS, INC.
(A Subsidiary of RYM Business Management Corp.)

SCHEDULE G - CAPITAL STOCK
DECEMBER 31, 2021

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	—	540,733,986	5,004	159,559,626
Preferred Stock	2,000,000,000	14,366,260	—	—	—	14,366,269
	5,000,000,000	714,664,876	—	540,733,986	5,004	173,925,895

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

CONGLOMERATE MAP
DECEMBER 31, 2021





**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, BDO Towers Valero
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, 2021 and 2020 and for the years ended December 31, 2021, 2020 and 2019, and have issued our report thereon dated April 12, 2022. 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, 2021 and 2020 and for the years ended December 31, 2021 and 2020 and no material exceptions were noted.

REYES TACANDONG & Co.

Pamela Ann P. Escudro
PAMELA ANN P. ESCUADRO

Partner

CPA Certificate No. 128829

Tax Identification No. 216-321-918-000

BOA Accreditation No. 4782; Valid until April 13, 2024

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April 12, 2022
Makati City, Metro Manila

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

SUPPLEMENTARY SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
DECEMBER 31, 2021 AND 2020

Below is a schedule showing financial soundness indicators for the years ended December 31, 2021 and 2020:

Ratio	Formula	2021	2020
Current Ratio			
	Total current assets	₱46,743,192	₱53,283,137
	Divided by: Total current liabilities	193,899,582	199,057,336
	Current Ratio	0.24	0.27
Acid Test Ratio			
	Total current assets	₱46,743,192	₱53,283,137
	Less: Other current assets	4,697,997	4,502,838
	Quick assets	42,045,195	48,780,299
	Divide by: Total current liabilities	193,899,582	199,057,336
	Acid Test Ratio	0.22	0.25
Solvency Ratio			
	Loss before depreciation	(₱1,290,502)	(₱2,644,629)
	Divide by: Total liabilities	193,899,582	199,057,336
	Solvency Ratio	(0.01)	(0.01)
Debt-to-Equity Ratio			
	Total liabilities	₱193,899,582	₱199,057,336
	Divide by: Total equity	(145,149,902)	(144,191,436)
	Debt-to-Equity Ratio	(1.34)	(1.38)
Asset-to-Equity Ratio			
	Total assets	₱48,749,680	₱54,865,900
	Divide by: Total equity	(145,149,902)	(144,191,436)
	Asset-to-Equity Ratio	(0.34)	(0.38)
Profitability Ratio			
	Net loss	(₱1,708,466)	(₱2,976,624)
	Divide by: Total capital deficiency	(145,149,902)	(144,191,436)
	Profitability Ratio	0.01	0.02



PRIME MEDIA
Holdings, Inc.

2021

SUSTAINABILITY REPORT

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Contextual Information

Prime Media Holdings Inc. (PMHI) continued to pursue its goal of revival and relevance in 2021. It supports the sustainable goal for economic growth with potential new businesses and promotes Good Corporate Governance as it moves towards its revitalization and reinventions plans.

Name of Organization	Prime Media Holdings, Inc. (PMHI)
Principal Office	16th Floor BDO Towers Valero (formerly Citibank Center), 8741 Paseo de Roxas, Makati City
Business Model	<p>Holding company listed in the Philippine Stock Exchange (PSE)</p> <p>Activity: Engaged in the purchase, exchange, assignment, and holding of shares or equity. It is currently pursuing the acquisition closing of an interest in a mass media company, considering the sale of its remaining assets in order to revert to an operating or going concern status.</p>
Reporting Period	January 1 to December 31, 2021

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 and stockholders approved an amendment to its Articles of Incorporation in 2002 changing its primary purpose to a holding and investment company with investments in the media industry. Since then, its activities are focused on cleaning-up efforts covering its erstwhile operations as a banking entity.

With an economy that has yet to see Lucent light amid the global pandemic, PMHI carries on with the process of assessing the best possible avenues in its pursuit of strategically entering the media industry and adopting a business model that will attain sustainability.

In 2010, given 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 still currently non-operational, it seeks to align its transition process with the UN Sustainable Development Goal on Economic Growth. This report was prepared following 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 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 fully affirms that its economic growth should also be based on sustainable grounds.

Supports sustainable goal for economic growth



While the challenges of the Covid-19 pandemic may still be in the midst, yet encouraging hints of recovery were most evident, especially during the last quarter of the previous year.

The United Nations (UN) called for mobilized action for a resilient recovery guided by the Sustainable Development Goals (SDGs). It called for accelerated action towards global access to vaccines, basic universal health coverage; universal social protection; new food systems that reduce poverty and hunger; reversing deforestation, biodiversity loss, and pollution; sustainable and inclusive growth paths; women's empowerment; transparent and accountable institutions; an inclusive digital transformation; and a stronger focus on the most vulnerable.

In the Philippines, the glimmer of hope came in the form of the country's vaccination program, which allowed more sectors to open. According to the NEDA Report on the Philippine Economic Performance for 2021, the Philippine economy grew by 7.7 percent year-on-year in the fourth quarter.

The expansion brought a GDP growth of 5.6 percent exceeding the Development Budget Coordination Committee's target of 5.0 to 5.5 percent.

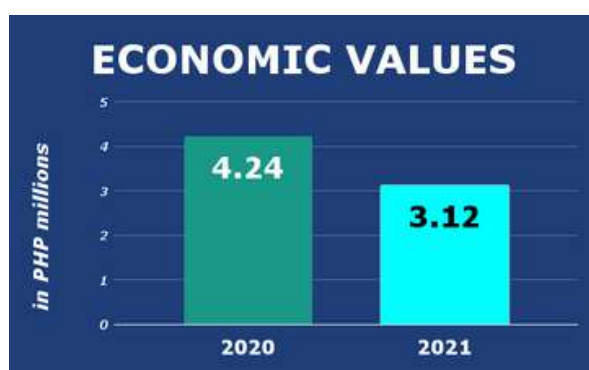
Socioeconomic Planning Secretary Karl Chua explained that the sustained growth was driven by the successful management of risks, targeting high-risk areas while allowing the rest of the economy to open. As quoted from Mr. Chua "The numbers for 2021 show an economy primed to break out."

Seeking New & Viable Businesses

Even with the pandemic, Prime Media Holdings Inc. (PMHI) continued to pursue its goal of revival and relevance in 2021. It supports the sustainable goal for economic growth in seeking potential new and viable businesses. In 2021 it signed a Memorandum of Understanding (MOU) with New Era Empire Realty Corp, for possible ventures in commercial and residential real estate leasing, hospitality; media and entertainment, gaming, Philippine Offshore Gaming Operators (POGO) allied services, and Fintech. In the same year 2021 the Company entered into Memorandum of Understanding and subsequently , a definitive Memorandum of Agreement (MOA) with the shareholders of Philippine Collective Media Corporation (PCMC). Said MOA will mark PMHI's entry into the broadcast communications and mass media sector subject to the satisfaction of all the closing conditions for the transaction, which the parties are currently endeavoring to complete.

PMHI looks to shape a sustainable business model, not just for its shareholders but for society as a whole.

The recent developments have laid the groundwork for a very promising investment opportunity. In time the Company should be able to provide a direct and more tangible contribution through its business activities, asset allocation, and investment decisions. Despite its non-operational status for the time being, PMHI likewise, fully promotes Good Corporate Governance as it moves towards its revitalization and reinventions plans.



In 2021, the company paid a total of Php 3,128,297 to suppliers and other operating expenses.

It also remitted taxes to the Philippine government in the amount of Php 168,276.

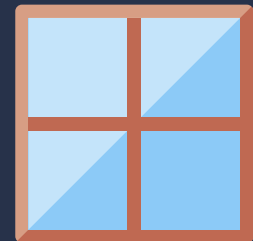
The figures may not be deemed substantial from a business standpoint, but it is an indication of PMHI's commitment to contribute and comply with its obligation to the Philippine government and the local economy.

Corporate Governance Confirmation Statement



As a publicly-listed corporation, and despite its limited size, personnel and activities, PMHI seeks to ensure continuous adherence to and compliance with 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 its annual stockholders' meetings and timely submits its reportorial requirements and/or disclosures with the PSE and SEC, to keep its stockholders informed of the current condition, plans 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 October 13, 2021. In line with with SEC's regulations the meeting via remote communication format aims to further safeguard everyone's safety and health due to the ongoing threat of the COVID-19 pandemic.

Vital information on the Company is also freely accessible via its website, which also includes its current Annual Report, Information Statement and Sustainability Reports.

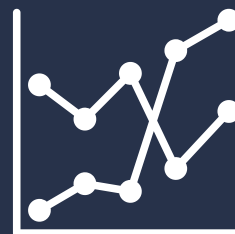
Data Security



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. More stringent measures will be adopted in order to be attuned with future plans and business expansion goals.

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 & Reporting Process



The report was prepared following 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, 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 for the time being.

As it moves toward pursuing a more active 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 2021, the results of the materiality assessment are substantially 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 to prepare the Company for a more robust sustainable operations and reporting in future fiscal years. This will provide a foundation for more accountability and transparency in its future disclosures and other reporting processes.

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 2021, the results of the materiality assessment are substantially 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



According 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 which were addressed in this report.

TOPIC	PAGE NUMBER IN ANNEX A OF SEC GUIDELINES	PAGE NUMBER IN THIS REPORT
Data Privacy and Security Protection	41	8
Economic Performance	19	4
UN SDG 8: Decent Work and Economic Growth	14	xx

CERTIFICATION

I, **Reuben Carlo O. General**, 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 17-A- Annual Report for the year ended 31 December 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 MAY 13 2022 day of MAY, 2022.




Reuben Carlo O. General
Corporate Secretary

SUBSCRIBED AND SWORN to before me this MAY 13 2022 day of MAY, 2022, affiant exhibiting to me her valid identification, as follows:

NAME	VALID IDENTIFICATION	DATE and/or PLACE OF ISSUE
Reuben Carlo O. General	Driver's License No. E04-05-002022	expiring on 08/21/2022.

Doc. No. 65;
Page No. 19;
Book No. II;
Series of 2022.

Notary Public



MARJORIE A. SAN JUAN
Notary Public for Makati City
Appt. No. M-135 until 6/30/2022 per B.M. No. 3795, 9/28/2021
Roll of Attorneys No. 71296
IBP Membership No. 177402; 02/08/2022
PTR No. MKT-8857894MJ; 01/14/2022; Makati City;
MCLE Compliance No. VI-0013795; 10/12/2018;
Pasig City; Valid until 4/14/2022
4f BDO Towers (formerly Citi Center), Paseo de Roxas, Makati City