CR06358-2020

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
   Manila, Philippines
4. SEC Identification Number
   22401
5. BIR Tax Identification Code
   000491007
6. Address of principal office
   16TH FLOOR CITIBANK TOWER, 8741 PASEO DE ROXAS MAKATI CITY
   Postal Code
   1227
7. Registrant's telephone number, including area code
   8314479
8. Date, time and place of the meeting of security holders
   30 October 2020, 2pm at 16F Citibank Tower, 8741 Paseo de Roxas, Makati City via Virtual Meeting/Video Conferencing/Remote Communication
9. Approximate date on which the Information Statement is first to be sent or given to security holders
   Oct 8, 2020
10. In case of Proxy Solicitations:

    Name of Person Filing the Statement/Solicitor
    N/A
    Address and Telephone No.
    N/A

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

(selected) Yes   No

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

PHILIPPINE STOCK EXCHANGE/ COMMON SHARES

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	Oct 30, 2020
Type (Annual or Special)	ANNUAL
Time	2 P.M.
Venue	16F Citibank Tower, 8741 Paseo de Roxas, Makati City via Virtual Meeting/Video Conferencing/Remote Communication
Record Date	Sep 9, 2020

Inclusive Dates of Closing of Stock Transfer Books

Start Date	N/A
End date	N/A

Other Relevant Information
Please see attached.

Filed on behalf by:

Name	Maila Lourdes De Castro
Designation	Corporate Secretary, Compliance Officer and Data Privacy Officer

COVER SHEET

0	0	0	0	0	2	2	4	0	1

SEC Registration Number

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

(Company's Full Name)

16th Floor Citibank Tower, 8741 Pase o de Roxas Makati City Metro Manila

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

Maila G. De Castro
(Contract Person)

(632) 8831-4479
(Company Telephone Number)

1 2 **3 1**
Month *Day*
(Fiscal Year)

2 0 - I S
(Form Type)

Month *Day*
(Annual Meeting)

DEFINITIVE INFORMATION STATEMENT 2020
Secondary License Type, If Applicable)

Corporation Finance Department
Dept. Requiring this Doc.

N/A
Amended Articles Number/Section

Total Amount of Borrowings

1,589
Total No. of Stockholders

Domestic	Foreign
	N/A

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

S T A M P S

Remarks: Please use BLACK ink for scanning purposes.

Ref. No. PRIM_LEG_OC2020_009

September 30, 2020

SECURITIES AND EXCHANGE COMMISSION
Market and Securities Regulation Department
Secretariat Building, PICC Complex
Roxas Boulevard, Manila

Attention: Dir. Vicente Graciano P. Felizmenio, Jr.

Re: **2020 Definitive Information Statement**

Gentlemen:

We respectfully submit the Definitive Information Statement of PRIME MEDIA HOLDINGS INC. ("PRIM") in relation to its annual stockholders' meeting to be held virtually on October 30, 2020 at 2:00 p.m., at 4th Floor, Citibank Center, 8741 Paseo de Roxas, Makati City, via a remote communication. Summarized below are the changes we included to address comments of the Securities and Exchange Commission on PRIM' s Preliminary Information Statement:

Checklist of Requirements	SEC Remarks	PRIM' s Actions
COVER SHEET 7. Registrant's telephone number, including area code	Please reflect the latest phone number.	Phone number was updated. Please see cover sheet
11. Securities registered pursuant to Sections 8 and 12 of the Code (information on number of shares and amount of debt is applicable only to corporate registrants):	Please disclose information not earlier than 90 days from date of meeting or latest practicable date.	Please see page 3 of the Definitive Information Statement reflecting information as of 31 August 2020.
A. General Information ITEM 1. DATE, TIME AND PLACE OF MEETING	Mailing address is different from the business address.	Please see page 7 of the Definitive Information Statement as revised.
B. Control and Compensation Information ITEM4.VOTING SECURITIES & PRINCIPAL HOLDERS	Please provide information not earlier than 90 days from date of meeting or latest practicable trading date.	Please see page 8 of the Definitive Information Statement reflecting information as of 31 August 2020.
ITEM 5. DIRECTORS & EXECUTIVE OFFICERS If action is with respect to election of directors	Please disclose.	Please see page 14 of the Definitive Information Statement with an additional statement that no director or executive officer has been involved in any proceeding or events in the past 5 years

		that may materially affect their ability or integrity.
(A)(1) Identify Directors, including Independent Directors and Executive Officers -certification that no directors or officers are connected with any government agencies or its instrumentalities.	Please submit.	Please refer to attached Certificate executed by PRIM's Corporate Secretary, Atty. Maila G. De Castro, that none of the Corporation's Regular Directors, Independent Directors and Officers are appointed to or employed in any government agency.
Certification on Qualification and Disqualification of Independent Directors.	Please submit.	Please refer to attached Certificates executed by Atty. Johnny Y. Aruego, Jr. and Mr. Francisco L. Layug, III.
(b) List of positions and offices such persons held or will hold;	Positions currently held by Manolito A. Manalo and Bernadeth A. Lim in the PIS is different from that reported in the PSE Edge.	Please see report in PSE Edge regarding Amended Results of Organizational Meeting of Board of Directors. The report in the PSE Edge inadvertently stated that Ms. Bernadeth A. Lim is the elected President when it should be Manolito A. Manalo.
ITEM 6. COMPENSATION OF DIRECTORS & EXECUTIVE OFFICERS (4) Description of the Terms and Condition of each of the following: c) information on all Outstanding Warrants or Options held by Directors, Officers	Please disclose if any	Please see page 15-16 of the DIS which states that directors only receive nominal per diem
(5) If Price or Stock Warrants or Options are Adjusted or Amended: a) Explanation in Reasonable Detail b) Basis for each repricing	Please disclose if applicable	Please see page 16 of the DIS which states that the Company has no stock warrants or options
C. Issuance and Exchange of Securities C Information for the registrant & for the other person		Please see page 20 – 21 of the DIS

A Description of Business (1) BUSINESS DEVELOPMENT (b) Any Bankruptcy, Receivership, or Similar Proceedings	Please disclose if any	
(c)Any Material Reclassification, Merger, Consolidation or Purchase or Sale of a significant amount of assets	Please disclose	Please see page 20 – 21 of the DIS
(2) BUSINESS OF ISSUER (a) DESCRIPTION OF THE BUSINESS OF REGISTRANT AND ITS SIGNIFICANT SUBSIDIARIES	Please disclose	Please see page 20 – 22 of the DIS stating that the Company has limited activities and has no ongoing business operations
II. Information required by Part II(A) of "Annex C, as amended" **A Market Price of and Dividends**		
(3) Dividends (a) Discussion of any Cash Dividends Declared (two most recent years)	Please discuss for the two most recent years.	Please see page 22 of the DIS stating that the Company has not declared dividends for the relevant years
(b) Decryption of any Restriction that Limit the Payment of Dividend on Common Shares	Please discuss if any	Please see page 22 of the DIS stating that the Company has not declared dividends for the relevant years
(4)Recent Sales of Unregistered or Exempt Securities including Recent Issuance of Securities Constituting an Exempt Transaction	Please discuss if any	Please see page 22 of the DIS stating that there is no issuance of such securities
(1) Discussion of the Registrant's Financial Condition, Changes in Financial Condition and Results of Operations for each of the last 3 fiscal years	Representation expenses and other expenses for 2019 vs 2018 did not increase but decreased per AFS. Please make corrections in the MD&A.	Please see page 26 of the Definitive Information Statement as corrected.
(2) If FS shows losses from operation, explain the causes	Please disclose.	Please see page 29 of the Definitive Information

underlying these losses and the steps the registrant has taken or is taking to address these cause.		Statement stating that the losses are attributable to the fact that the Company has no on-going business operations.
MANAGEMENT REPORT (1) Discussion of the Registrant's Financial Condition, Changes in Financial Condition and Results of Operations for each of the last 3 fiscal years.	Representation expenses and other expenses for 2019 vs 2018 did not increase but decreased per AFS. Please make corrections in the MD&A.	Please see page 26-27 of the Definitive Information Statement as corrected.
3. EXTERNAL AUDIT FEES (SEC MC No. 14, Series of 2004)	Please disclose if any.	Please see page 22 of the Definitive Information Statement stating that all fees pertain to audit and audit-related services only.
5 Market Price of and Dividends required by Part V of Annex C, as amended **3** Dividends (a) Discussion of any Cash Dividends Declared (two most recent years) (b) Description of any Restriction that Limit the Payment of Dividend on Common Shares	Please disclose if any	Please see page 29 of the DIS stating that no dividends were declared in 2019, 2018, 2017
4 Recent Sales of Unregistered or Exempt Securities including Recent Issuance of Securities Constituting an Exempt Transaction	Please disclose if any	Please see Page 37 of the Definitive Information Statement that are no recent issuance of such securities
6 Discussion on Compliance with leading practice on Corporate Governance C Any deviation from the company's Manual of Corporate Governance including a disclosure of the name and position of the person/s involved and	Please disclose, if any	Please see page 34 of the Definitive Information Statement stating that the Company has exerted efforts to comply with the Manual on Corporate Governance despite its limited operations

sanction/s imposed on said individual		
d. any plan to improve corporate governance	Please disclose, if any	Please see page 35 of the Definitive Information Statement stating that the company has adopted a new manual on corporate governance
AUDITED FINANCIAL STATEMENTS 4. Please provide interest rate coverage ratio. ADDITIONAL REQUIREMENTS (SRC Rule 68, as amended October 2011)	Please provide interest rate coverage ratio.	Please see page 34 of the Definitive Information Statement.

Kindly let us know in case of further concerns. Thank you very much,

Very truly yours,

Maila G. De Castro
Corporate Secretary

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

SECRETARY'S CERTIFICATE

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

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

2. I hereby certify that, during the special meeting of the Board of Directors held on 25 August 2020 at the 16th Floor Citibank Center, 8741 Paseo de Roxas, Makati City, wherein a quorum was present and acting throughout, the following Resolutions were unanimously approved:

> "**WHEREAS**, during the meeting on 8 April 2020, the Board previously authorized the President of the Company to reschedule the ASM to 13 August 2020 or to any indicative date he deems proper.
>
> "**WHEREAS**, the Board affirms the continuing effectivity of such power as delegated to the President who further postponed the ASM to 9 October 2020.
>
> "**RESOLVED**, that the record date for the ASM as scheduled on 9 October 2020 will be 9 September 2020."
>
> "**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 2020 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 30th day of September 2020, Makati City.

MAILA LOURDES G. DE CASTRO
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 30th day of September 2020 at Makati City, affiant exhibited to me her Driver's License No. N02-95-296472 expiring on 2021/10/18.

Doc. No. 146;
Page No. 31;
Book No. I ;
Series of 2020.

MARJORIE A. SAN JUAN
Notary Public for Makati City
Appt. No. M-135 Until 31 Dec. 2021
Roll of Attorneys No. 71296
IBP Membership No. 100790; 01/03/2020
PTR No. MKT-8116380MG; 01/03/2020
MCLE Compliance No. VI -0013795; 10/12/2018
4F Citi Center, Paseo de Roxas, Makati City

SEC Number
File Number <u>22401</u>

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

16th Floor Citibank Tower,
8741 Paseo de Roxas, Makati City

---

31 December 2019	**30 October 2020**
(Fiscal Year Ending)	(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
   [**X**] Definitive Information Statement

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

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

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

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

6. Address of principal office:
   16F 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

   30 October 2020, 2pm at 16F Citibank Tower, 8741 Paseo de Roxas, Makati City via Virtual Meeting/Video Conferencing/Remote Communication

9. Approximate date on which the Information Statement is first to be sent or given to security holders: **8 October 2020**

10. In case of Proxy Solicitations

    Name of the Person Filing the Statement/ Solicitor: NA
    Address and Telephone No.: NA

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

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

[*1] Reported by the stock transfer agent as of **31 August 2020**.

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 **30 October 2020 (Friday) at 2:00 p.m**. Due to the Covid-19 pandemic, there will be no physical conduct of the meeting. The meeting will be held virtually via remote communication at (https://agm.conveneagm.org/primemedia), with the Chairman of the meeting presiding from Makati City.

The Agenda of the meeting is as follows:

1. Call to Order
2. Proof of Notice and Certification of Quorum
3. Approval of Minutes of Previous Stockholders' Meeting
4. Approval of the Management Report and Audited Financial Statements
5. Ratification of All Acts of the Board of Directors and Management
6. Election of Directors
7. Appointment of the Independent External Auditor
8. Other Matters
9. Adjournment

For purposes of the meeting, stockholders of record as of September 09, 2020 are entitled to receive notice and to vote at the said meeting. Stockholders intending to participate by remote communication should pre-register at (https://agm.conveneagm.org/primemedia) on or before (October 20, 2020). Please refer to the **Requirements and Procedure for Participation and Voting at the 2020 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 April 20, 2020, a copy of the Notice of the meeting, Definitive Information Statement, minutes of the previous meeting of the stockholders, and other documents related to the meeting may be accessed through the Company's website www.primemediaholdingsinc.com**.**

For any question about the conduct of the virtual meeting, you may refer to the Frequently Asked Questions in the Company's website www.primemediaholdingsinc.com or email mdc.prim@gmail.com.

Makati City, ____________.

MAILA G. DE CASTRO
Corporate Secretary

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

SAMPLE PROXY FORM

The undersigned stockholder of **PRIME MEDIA HOLDINGS INC.** (the "Company") 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 Company scheduled on 30 October 2020, 2:00 PM, at the 16th Floor Citibank Tower, 8741 Paseo de Roxas, Makati City *via* a virtual meeting, 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:

<table>
<tr><th rowspan="2">PROPOSAL</th><th colspan="4">ACTION</th></tr>
<tr><th>FOR</th><th>AGAINST</th><th>ABSTAIN</th><th></th></tr>
<tr><td>1. Approval of Minutes of the previous meeting</td><td></td><td></td><td></td><td></td></tr>
<tr><td>2. Approval of Management Report and Audited Financial Statements</td><td></td><td></td><td></td><td></td></tr>
<tr><td>3. Ratification of Management's Acts</td><td></td><td></td><td></td><td></td></tr>
<tr><td>4. Election of Directors:</td><td>FOR ALL</td><td>AGAINST ALL</td><td>ABSTAIN FOR</td><td>FULL DISCRETION OF PROXY</td></tr>
<tr><td>The nominees are:

Manolito A. Manalo
Bernadeth A. Lim
Juan Victor S. Valdez
Rolando S. Santos
Antonio L. Tiu

Nominees for independent directors:

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

Instruction: To withhold authority to vote for any nominee, please mark "Abstain" box and list the name(s) under.</td><td></td><td></td><td></td><td></td></tr>
<tr><td>5. Election of Reyes Tacandong & Co. as external auditor</td><td></td><td></td><td></td><td></td></tr>
<tr><td>6. Other Matters</td><td></td><td></td><td></td><td></td></tr>
</table>

Signed this ____ day of __________ 2020 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 20 October 2020, 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 _____________ 2020 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 _________________, 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 2020.

INFORMATION STATEMENT AND MANAGEMENT REPORT

INFORMATION STATEMENT

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A 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 20 October 2020, 5:00 p.m., a sample of which is attached to this report. On the day of the annual stockholders' meeting on 30 October 2020, 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.** ("Company") will be held on 30 October 2020, at 2:00 PM, at 16th Floor Citibank Tower, 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 Company is **at 16F Citibank Tower, 8741 Paseo de Roxas, Makati City**. Please address the letters to the corporate secretary of the Company, Atty. Maila Lourdes G. De Castro.

This Information Statement will be first sent or given to security holders on or around the 8 October 2020.

Item 2. Dissenters' Right of Appraisal

There is no proposed corporate action or matter to be taken up at the Annual Stockholders' Meeting that will give rise to the exercise of appraisal right by the dissenting stockholders.

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 appraisal right may be exercised by making a written demand on the Company within thirty (30) days after the date on which the vote was taken for payment of the fair value of his shares; provided, that failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented or effected, the Company shall pay to such stockholder, upon surrender of the certificate(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 Company, 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 Company 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 Company 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.

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

No director or officer of the Company or any nominee for election as director of the Company 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 Company. 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 Company has informed the Company that he intends to oppose any action to be taken by the Company at the stockholders' meeting.

3. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

As of **31 August 2020**, the following shares of common and preferred stock of the Company were outstanding:

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

As of **31 August 2020**, the foreign equity ownership on a per class basis is as follows:

Class	Number of Outstanding Shares
Common	3,702,225
Preferred	109,650

All registered owners of the Company's common stock at the close of business on 20 October 2020 will be entitled to notice and vote at its Annual Stockholders' Meeting on 30 October 2020.

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.

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

As of **31 August 2020**, the Company knows of no one who is directly or indirectly the record or beneficial owner of more than five percent (5%) of the Company'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 beneficial owner of the shares.	463,555,085	66.20%
		Mairete Asset Holdings, Inc. 16th Floor Citibank Tower, Paseo de Roxas, Makati Stockholder	Filipino	Mairete Asset Holdings, Inc. is beneficial owner of the shares.	77,178,901	11%
		Caulfield Heights, Inc. 6 Ozamis St. Alabang Hills, Muntinlupa City Stockholder	Filipino	Caulfield Heights, Inc. is the beneficial owner of the shares.	35,000,000	5%

RYM Business Management Corp. and Mairete Asset Holdings Inc. have authorized and/or appointed by way of proxy, the Chairman of the Board of the Company to represent and vote their shares in the Annual Stockholders' Meeting. On the other hand, Caulfield Heights Inc. has authorized and/or appointed by way of proxy, Isidro C. Alcantara, Jr. or its duly authorized representative to attend and vote on its behalf.

***Security Ownership of Management as of* 31 August 2020**

Type of Class	Name and Address of Owner	Amount and nature of Beneficial ownership	Citizenship	Percent of class
Common	Manolito Manalo	1 Direct	Filipino	0.0%
Common	Rolando S. Santos	1000 Direct	Filipino	0.0%
Common	Bernadeth A. Lim	1 Direct	Filipino	0.0%
Common	Juan Victor S. Valdez	1 Direct	Filipino	0.0%
Common	Johnny Y. Aruego, Jr.	1 Direct	Filipino	0.0%

Common	Francisco L. Layug III	1 Direct	Filipino	0.0%
Common	Antonio L. Tiu	1000 Direct	Filipino	0.0%
	Aggregate for above named officers and directors	**2,005**		

Voting Trust Holders of 5% or More

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

Changes in Control

There were no changes in control of the management of the Corporation.

Notwithstanding the foregoing, please note that on 17 July 2019, the Company was notified by its parent company, RYM Business Management Corporation ("RYM"), that it entered into an agreement ("Subject Agreement") with Greenergy Holdings Incorporated and its related entities (collectively, "Investors"), whereby the Investors proposed the possible investment, infusion and contribution of various assets ("Investment Properties") into the Company in exchange for shares of the Company. The proposed investment may require the increase of the authorized capital stock of the Company for the infusion of said assets. The proposed investment is subject to the conduct of due diligence audit on the assets that will be transferred to the Company, as well as to confirmation of valuation of the same in accordance with the valuation rules of the Securities and Exchange Commission. The proposed transaction is subject to the execution of definitive agreements, issuance of the appropriate approvals by the Board of Directors and Stockholders of the companies, and compliance with the requirements of the Revised Corporation Code, the Securities Regulations Code, and other applicable laws

As disclosed with the PSE on 15 October 2019, the following relevant periods under the Subject Agreement, were extended to give additional time to finalize the due diligence audit on the Investment Properties, as follows:

a. An additional period of one hundred forty (140) days from 15 October 2019 for the validation and verification of titles and the issuance of the appraisal reports and compliance with the regulatory requirements, including, but not limited to, securing a ruling from the Bureau of Internal Revenue that the transaction is considered a tax-free exchange;

b. An additional period of one hundred forty (140) days from 15 October 2019 to execute the first (1^{st}) tranche of the Investment; and

c. An additional period of two hundred ten (210) days from 15 October 2019 to execute the (2^{nd}) tranche of the Investment".

From a disclosure on 2 July 2020 with the PSE, the relevant periods under the Subject Agreement were further extended in view of the imposition of community quarantine to address the COVID-19 pandemic, as follows:

1. An additional period of one hundred eighty (180) days from 02 July 2020 for the validation and verification of titles of the Properties and the issuance of the appraisal reports pertaining to the Properties;
2. An additional period of Two Hundred Ten (210) days from 02 July 2020 for the implementation of the first (1st) tranche of the Investment; and
3. An additional period of Two Hundred Forty (240) days from 02 July 2020 for the implementation of the second (2nd) tranche of the Investment.

Item 5. Directors and Executive Officers

Directors

The following are the names, ages, citizenship, periods of service of the nominees for election to the board of directors of the Company:

Name	Age	Citizenship	Period during which individual has served as such
Manolito A. Manalo	53	Filipino	May 2013 to the present
Juan Victor S. Valdez	49	Filipino	May 2013 to the present
Bernadeth A. Lim	40	Filipino	May 2013 to the present
Rolando S. Santos	70	Filipino	August 2017 to the present
Antonio L. Tiu	43	Filipino	December 2019 to present
Johnny Y. Aruego, Jr. (Independent Director)	52	Filipino	May 2013 to the present
Francisco L. Layug III (independent director)	68	Filipino	December 2017 to the present

The business experience of each of the nominees for the board of directors of the Company 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 2017.

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 the President and a Director of Morrison Express Philippines Corp from January 2017 to present. She is also a Director and the Corporate Secretary of Solen Innovations Holdings Inc. from November 2016 to Present. She is a Director Imoney Comparison Philippines, Inc. from June 2015 to present. She is also a Director and the Corporate Secretary of Bounce Electronic Music Production and DJ School from October 2014 to Present and Tone Def Music Group, Inc. from June 2014 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 2016. She is a Director and the Assistant Corporate Secretary of Kajima Philippines Incorporated, Ripple Mobile Technology Solutions Inc., and Anawhan Realty Inc. She also sits as a Director in Ayannah Information Solutions Inc. and HB Leisure She is also a resident agent of Tigerair Taiwan Co. Ltd. starting the year of 2018.

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

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

Antonio L. Tiu was elected as Director in December 2019. Mr. Tiu is the President and CEO of Philippine Infradev Holdings Inc., Chairman, President and CEO of Agrinurture, Inc. ("ANI"), and President and CEO of Greenergy Holdings Incorporated. He is likewise a Director of Jiangsu Rizal Infradev Co., Ltd., Makati City Subway, Inc. and Agricultural Bank of the Philippines Inc. He is the President/CEO and Chairman of Earthright Holdings, Inc., President and Chairman of Sunchamp Real Estate Development Corp., and Chairman and President/CEO of Winsun Green Ventures, Inc. Mr. Tiu is also the Chairman and CEO of the following companies under the ANI Group: M2000 IMEX Company, Inc., First Class Agriculture Corporation, Fresh and Green Harvest Agricultural Corporation, Lucky Fruit and Vegetable Products, Inc., Best Choice Harvest Agricultural Corporation, Fresh & Green Palawan Agriventures, Inc., Ocean Biochemistry Technology Research, Inc., Fruitilicious Company, Inc., Farmville Farming Co., Inc. and The Big Chill, Inc. Mr. Tiu was a part-time lecturer in International Finance at DLSU Graduate School from 1999 to 2001. He was awarded the Ernst and Young Emerging Entrepreneur of the Year in 2009, the Overseas Chinese Entrepreneur of the Year in 2010 and Ten Outstanding Young Men of the Philippines in 2011. Mr. Tiu has a Master's Degree in Commerce, specializing in International Finance, from the University of New South Wales, Sydney, Australia, and a Bachelor's Degree in Commerce, major in Management, from the De La Salle University - Manila.

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

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

Officers

As of August 31, 2020, the following are the names, ages, positions, citizenship, and periods of service of the incumbent officers of the Company:

Name	Age	Position	Citizenship	Period during which individual has served as such
Manolito A. Manalo	53	Chairman/President	Filipino	May 2013 up to present
Bernadeth A. Lim	40	Vice President	Filipino	May 2013 to present
Maila Lourdes G. De Castro	44	Corporate Secretary, Compliance Officer and Data Privacy Officer	Filipino	September 2019 to present
Rolando S. Santos	70	Treasurer	Filipino	October 2013 up to present
Christopher Sam S. Salvador	37	Asst. Corporate Secretary/ Corporate Information Officer	Filipino	May 2014 up to present

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

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

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 09 October 2020. 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
Juan Victor S. Valdez
Bernadeth A. Lim
Antonio L. Tiu
Rolando S. Santos

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

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

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

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

The procedure and selection of the independent directors were made in accordance with Section 38 of the Code and the Company's By-laws. In compliance with the provisions of Rule 38 of the Amended Implementing Rules and Regulations of the Securities Regulation Code, the Company'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 Company. 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 Company 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 Company's By-Laws as amended by the Board of Directors on September 29, 2004 and the Stockholders on September 30, 2004.

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

To the best of the Corporation's knowledge, as of the date of this report, there has been no occurrence during the past five (5) years of any of the following events which are material to an evaluation of the ability or integrity of any director, nominee for election as director, or executive officer of the Corporation:

- Any bankruptcy petition filed by or against any business of which a director, person nominated to become a director, or executive officer of the Corporation, was a general partner or executive officer either at the time of the bankruptcy or within two (2) years prior to that time;
- Any conviction by final judgment in a criminal proceeding, domestic or foreign, or any pending criminal proceeding, domestic or foreign (excluding traffic violations and other minor offenses).
- Any order, judgment or decree not subsequently reversed, suspended or vacated, by any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of a director, person nominated to become a director, or executive officer, in any type of business, securities, commodities or banking activities; or
- Any finding by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, that any director, person nominated to become a director, or executive officer, has violated a securities or commodities law.

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

Period in Which Directors and Executive Officers Should Serve

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

Term of Office of a Director

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

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

Significant Employees

The business of the Company 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 Company 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 Company 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.

Certain Relationships and Related Transactions

There were no significant transactions entered into by the Company in the normal course of business with related parties except as discussed in note 14 to the Audited Financial Statements.

Resignation/Disagreement

There was no resignation by any director or officer for year 2020.

Item 6. Compensation of Directors and Executive Officers

a) The aggregate compensation paid in 2018, 2019 and estimated to be paid in 2020, (1) to the Chief Executive Officer and four (4) most highly compensated officers of the Company, as a group; and (2) to all key officers, other officers, and directors as a group, is set out below:

Names	*Position*	*Year*	*Salary*	*Bonus*	*Others*
Manolito A. Manalo	*Chairman/ President*		*0*	*0*	
Bernadeth A. Lim	*Vice President*		*0*	*0*	
Juan Victor Valdez	*Director*		*0*	*0*	
Rolando S. Santos	*Treasurer*		*0*	*0*	
Diane Madelyn C. Ching	*Corporate Secretary* (resigned as of September 2919)		*0*	*0*	
Maila G. de Castro	*Corporate Secretary (Effective as of September 2019)*		*0*	*0*	
Aggregate for above named officers		*2018* *2019* *2020(est)*	*0* *0* *0*	*0* *0* *0*	*35,000* *20,000* *25,000*
All Directors and Officers as a group unnamed		*2018* *2019* *2020(est)*			*25,000* *30,000* *40,000*

b) Nominal Per Diem

The directors are entitled to nominal per diem amounting to P10,000.00 for attending board meetings and PhP 5,000.00 for attending committee meetings.

c) No Special Employment Contracts

There are no special employment contracts between the Company and its directors and officers. The Company does not have any compensatory plan or arrangement that results or will result from the resignation, retirement, or termination of an executive officer’s employment with the Company or its subsidiaries, or from a change in control of the company, or a change in an executive officer’s responsibilities following a change in control, except for such rights as may have already vested under the Company’s Retirement Plan.

d) Outstanding Warrants and Options

There is no Executive Stock Option Plan in place.

Item 7. Independent Public Accountants

a) Independent Public Accountants, Reyes Tacandong & Co. (RTC) will stand for re-election as the Company's external auditors for the year 2019 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 Company'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 Company 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 Company's Annual financial statements and services provided in connection with statutory and regulatory filings or engagements, the aggregate amounts to be billed or already billed excluding VAT and out of pocket expenses (OPE) by RTC amounts/amounted to ₱390,000.00 and ₱370,000.00 for 2019 and 2018, respectively.

The 2019 audit of the Company 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 Belinda B. Fernando and she has been the handling partner since 2014. She is due for rotation in 2021. A five-year cooling off period shall be observed in the re-engagement of the same signing partner or individual.

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

Item 8. <u>COMPENSATION PLANS</u>

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.

<u>C. ISSUANCE AND EXCHANGE OF SECURITIES</u>

No matter will be taken up involving any issuance or exchange of securities.

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

There is nothing to disclose with respect to authorization or issuance of securities.

Item 10. MODIFICATION OR EXCHANGE OF SECURITIES

Pursuant to the previous approvals of the Board of Directors and Stockholders of the Company sometime in the year 1997 which was duly approved by the Securities and Exchange Commission and duly disclosed to the Exchange, the Company issued 1,289,279 additional shares on May 30, 2016 arising from the conversion of 32,231,970 preferred shares at the conversion rate of 25 preferred shares to 1 common share.

As of 31 August 2020, Change(s) in Number of Issued and Outstanding Shares are as follows:

	Before	**After**
Common Shares/ PRIM (Foreign)	1,217,859	3,774,225
Common Shares/ PRIM (Local)	699,002,326	696,524,391
Total	**700,220,185**	**700,298,616**
Preferred Shares/ PRIM (Foreign)	109,650	109,650
Preferred Shares/ PRIM (Local)	16,217,380	14,256,610
Total	**16,327,030**	**14,366,260**

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 Company during the stockholders' meeting.

1. Approval of Minutes of the previous meeting
2. Approval of Management Report and Audited Financial Statements
3. Ratification of Management's Act
4. Election of Directors
5. Appointment of External Auditor

Action is to be taken on the approval of the Minutes of the previous stockholders' meeting. The Summary of the minutes therefor is provided below:

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

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

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

4. The stockholders approved and/or ratified the executed management agreement between the Corporation and RYM Business Management Corporation.

5. The stockholders elected the following as directors of the Corporation to serve for the period 2019-2020 and until their successors shall have been duly elected as qualified, to wit:

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

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

On the approval of the management agreement between the Company and RYM, the board seeks the ratification by the stockholders of the execution of the said agreement in accordance with Section 44 of the Corporation Code. Under Section 44 of the Corporation Code, a corporation is allowed to execute a management agreement with another corporation, provided the same is approved by the board of directors and stockholders owning at least two-thirds (2/3) of the total outstanding capital stock entitled to vote in the event that a stockholder representing the same interest of both the managing and the managed corporations owns or control more than one-third (1/3) of the total outstanding capital stock entitled to vote of the managing corporation.

The Annual Meeting of Stockholders was held on 12 December 2019, and was attended by shareholders, the Board of Directors, and various officers of the Company 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 Company. The Minutes of the Annual Meeting of Stockholders held on 12 December 2019 is uploaded in PRIM's website thru the following hyperlink; http://www.primemediaholdingsinc.com/company-disclosures/minutes-of-all-general-special-stockholders-meetings/

Summary of the Minutes of the Board Meetings for the year 2020 for ratification of management's actions.

Meetings of the Board of Directors were held on the following dates:

a. 14 January 2020
b. 8 April 2020
c. 26 June 2020
d. 25 August 2020

At these meetings, operational and financial reports were discussed. In addition, the following matters were taken up:

1. 14 January 2020

- Authority to apply for a license and/or permit with the Optical Media Board to allow distribution and replication of data disc which will contain materials for the Annual Stockholders' Meeting

2. 8 April 2020

- Postponement of the Corporation's 2020 Annual Stockholders' Meeting

3. 26 June 2020

- Approval of the Corporation's Audited Financial Statements for the year ending 31 December 2019
- Approval of 2020 Manual of Corporate Governance

4. 25 August 2020

- Setting of Annual Stockholders Meeting on 9 October 2020 with Record Date on 9 September 2020

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. 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 all other matters proposed to be acted upon, the affirmative vote of the shareholders representing a majority of the outstanding common capital stock will be needed for approval.

Manner of Voting

Each common share entitles the person in whose name it is registered in the books of the Company 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.

Voting Requirements

(a) With respect to the election of directors, candidates who received the highest number of votes shall be declared elected as directors of the Company.

(b) All other matters presented for approval of the stockholders of the Company require the affirmative vote of the stockholders representing a majority of the outstanding stock of the Company

Method by which Votes will be Counted

As safety and health precautions in view of the Covid-19 pandem, voting shall only be *in absentia* or by proxy in accordance with the Company's Rules and Procedure to Vote and Participate in PRIM's 2020 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.

MANAGEMENT REPORT
MANAGEMENT DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

1. Business Development

(a) Form and year of organization

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.

In 2002, Banco de Oro Unibank, Inc. assumed the servicing of the Company's deposit liabilities and other banking functions. On December 6, 2002, the Board of the Company approved the amendment of its Articles of Incorporation (AOI) to change to primary purpose from a development bank to a holding company, which would hold investments in the media industry.

On January 26, 2013, the Board of Directors (BOD) approved the amendment of its AOI extending the corporate life of the Company by another 50 years up to February 6, 2063. The stockholders of the Company approved and ratified the amendment in a special stockholders' meeting on February 4, 2013. On February 5, 2013, the Company filed the amended AOI with the Securities and Exchange Commission (SEC), which approved such amendment of the AOI on March 4, 2013.

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.

In view of its very minimal operations, the Company gradually retired all its employees by 2010 and engaged consultants/service providers to service its requirements.

(b) Any bankruptcy, receivership, or similar proceeding?

There are no bankruptcy, receivership or similar proceedings involving the Company.

(c) Any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets not in the ordinary course of business?

There is no other material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets not in the ordinary course of business, except the Subject Agreement entered into by RYM with Greenergy Holdings Incorporated and its related entities, for the possible investment, infusion and contribution of various assets into the Company in exchange for shares of the Company

2. Business of Issuer

(a) Description of Business of Registrant

As a holding entity, the Company does not offer any products or services. The Company’s limited operations consists of continuously pursuing 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. These remaining obligations pertain to the Memorandum of Agreement (MOA) entered into on September 12, 2002 where the Company agreed to transfer certain assets and liabilities arising from its development bank operations to Banco de Oro Unibank, Inc. (BDO) and Philippine Deposit Insurance Corporation (PDIC). The Company also has no subsidiaries.

(1) Principal Products or Services.

None.

(2) Foreign Sales

None.

(3) Distribution methods of the products or services

None.

(4) Status of any publicly-announced new product or service

None.

(5) Competition

None.

***(6)* Source of Raw Materials & Principal Supplier**

None.

***(7)* Major Customers**

None.

***(8)* Transactions with or Dependence with Related Parties**

None.

***(9)* Intellectual Property, Franchises, Concessions, Royalty Agreements, and Labor Contracts**

None.

***(10)* Need for Governmental Approvals**

None.

***(11)* Effect of Governmental Regulations**

None.

***(12)* Amount Spent for Research and Development**

None.

***(13)* Cost of Compliance with Environmental Laws**

None.

***(14)* Total Number of employees and the number of employees it anticipates to have within the ensuing twelve (12) months**

The Company has no regular employees and does not anticipate hiring any in the ensuing 12 months

(15) **Major risk/s involved in each of the business of the company and subsidiaries**

None.

Dividends

The Company has not declared dividend for the years 2019, 2018, and 2017. There are no restrictions that limits the payment of dividends on common shares.

Recent Sales of Unregistered or Exempt Securities, Including Recent Issuance of Securities Constituting an Exempt Transaction

None.

I. Financial Statements

The Audited Financial Statements of the Company for the year ended as of 31 December 2019 are attached to this report.

II. Information on Independent Accountants and other Related Matters

The Company's financial statements for the years ended 31 December 2019 and 2018 have been audited by RTC, independent auditors, as stated in their reports appearing herein.

Ms. Belinda B. Fernando is the Company's current audit partner. We have not had any disagreements on accounting and financial disclosures with our current external auditors for the periods or any subsequent 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, 2019 and 2018 for professional services rendered by RTC, which only covers Audit and Audit-Related Services to the exclusion of any form of tax services:

	2019	2018
Audit and Audit-Related Services	**₱390,000**	₱370,000

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 Company'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 is based on the audited financial statements as at 31 December 2019 and 2018, prepared in conformity with Philippine Financial Reporting Standards (PFRS) and accompanying Notes to the Financial Statements and should be read in conjunction with the audited consolidated financial statements.

Summary Financial Information

The Financial Statements as at 31 December 2019 and 2018 and for the years ended 31 December 2018 and 2017 are hereto attached.

The following table sets forth the summary financial information for the years ended 31 December 2019 and 2018:

Summary of Statements of Comprehensive Income

	Years Ended December 31		
	2019	2018	2017
INCOME	**₱3,577,349**	₱1,819,791	₱2,201,162
EXPENSES	**(4,498,109)**	(35,774,296)	(30,105,614)
LOSS BEFORE INCOME TAX	**(920,760)**	(33,954,505)	(27,904,452)
PROVISION FOR INCOME TAX	**71,360**	(9,381,478)	531,234
NET INCOME (LOSS)	**(992,120)**	(24,573,027)	(28,435,686)
OTHER COMPREHENSIVE INCOME (LOSS)	**400,000**	200,000	60,000
TOTAL COMPREHENSIVE INCOME (LOSS)	**(₱592,120)**	(₱24,373,027)	(₱28,375,686)
BASIC AND DILUTED LOSS PER SHARE	**(₱0.004)**	(₱0.04)	(₱0.04)

Summary of Statements of Financial Position

	December 31	
	2019	2018
ASSETS		
Current Assets	**₱52,351,710**	₱44,822,195
Noncurrent Assets	**1,814,758**	1,758,193
	₱54,166,468	₱46,580,388
LIABILITIES AND CAPITAL DEFICIENCY		
Current Liabilities	**₱195,481,280**	₱187,303,080
Noncurrent Liability	–	–
	195,481,280	187,303,080
Capital Deficiency	**(141,314,812)**	(140,722,692)
	₱54,166,468	₱46,580,388

Summary of Statements of Cash Flows

	Years Ended December 31		
	2019	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES	**₱4,420,070**	(₱54,922,599)	₱595,268
CASH FLOWS FROM INVESTING ACTIVITIES	–	44,925,331	(1,577,000)
CASH FLOWS FROM FINANCING ACTIVITIES	–	13,880,000	–
NET INCREASE (DECREASE) IN CASH	**4,420,070**	3,882,732	(981,732)
CASH AT BEGINNING OF YEAR	**5,602,963**	1,720,231	2,701,963
CASH AT END OF YEAR	**₱10,023,033**	₱5,602,963	₱1,720,231

2019 vs. 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 decrease 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.

2018 vs. 2017

Statement of Financial Position

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

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

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

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

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

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

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

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

Results of Operations

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

- Interest income on loans receivable increased by ₱0.43 million brought by the Loan agreement with Marcventures Mining and Development Corporation.

- Rental income increased by ₱0.85 million this period or equivalent to 303%.

- Recovery of asset previously written off is ₱0.25 million this period compared to ₱0.17 million last year or an increase of ₱.08 million or equivalent to 47.73%.

- Loss resulted from the sale of the company's Legaspi Property in favor of Pacific Mall Corporation for ₱51.82 million. The sale resulted to a loss of ₱24.9 million representing the difference between the selling price as well as taxes paid by the company and the fair market value of the Legaspi property as recognized in the books.

- Professional fee increased by ₱0.80 million or equivalent to 44.25%. The increase pertains to payment of legal fees and PSE Listing fees.

- Association dues for the period is ₱2.55 million as compared to nil for 2017. The 100% increase is mainly due to payment of arrears on associations dues to Landco Business Park as well as penalties from years 2011 to September 2018 concerning the Legaspi Property.

- Outside Services increased by ₱0.14 million or 10.60% for payment of services for asset management, transfer and registration.

- Taxes and licenses increased from ₱0.46 million in 2017 to ₱1.45 million in 2018 or ₱.99 million higher, due to the increase in payment of Documentary stamp tax and Real property taxes for the current year.

- Representation expenses decreased by ₱0.9 million that is due to payment of representation fees to legal counsels on pending cases involving the company.

- Depreciation increased by ₱0.24 million due to the depreciation of a new purchased transportation equipment.

- Other expenses increased by ₱0.43 million due to recognize of other miscellaneous expense and representation expenses.

2017 vs. 2016

Statement of Financial Position

The total Assets of the Company decreased by ₱27.95 Million or equivalent to 23.99% from ₱116.46 Million in 2016 to ₱88.52 Million in 2017. The significant changes were mainly due to the following:

- Cash decreased significantly from ₱2.70 million as of December 31, 2016 to ₱1.72 million as of December 31, 2017, a decrease of ₱0.97 million or equivalent to 36.06% pertains mainly to the payment of administrative expenses.

- Receivable decreased by ₱2.07 million or equivalent to 45.80% due to set up of allowance for doubtful accounts on cash advances.

- Other current assets decreased due to reversal of interest receivable amounting to ₱0.60 million or equivalent to 74.29%.

- Due from Parent Company decreased significantly by ₱27.58 million or equivalent to 68.95% pertains to the collection on advances made to RYM Business Management Corporation.

- Equipment increased pertains to purchase of Toyota Hilux amounting to ₱1.58 million.

Liabilities increased by ₱0.43 million mainly due to increase in deferred tax liability.

The company incurred a net loss of ₱28.32 million in 2017 which resulted to decrease in the total stockholder's equity.

Results of Operations

Operating results reflected a net loss of ₱28.44 million in 2017, equivalent to 8.24% or ₱2.16 million higher as compared to 2016 reported net loss of ₱26.27 million. The significant changes were mainly due to the following:

- Recovery of accounts written-off decreased by ₱0.58 million or 77.66% due to lower collected this year.

- Provision for impairment loss increased by ₱2.13 million due to set up of allowance for doubtful accounts on cash advances made to the previously engaged for processing the transfer and registrations.

- Professional fees decreased by ₱1.04 million or equivalent to 36.58% due to lower legal fees in 2017.

- Outside services increased from ₱1.09 million in 2016 to ₱1.32 million in 2017, ₱0.22 million or equivalent to 20.38% primarily due to engagement of individual for court appearance.

- Taxes and licenses decreased from ₱0.65 million in 2016 to ₱0.46 million in 2017, 29.76% in due to payment of Documentary stamp tax on 2016.

- Rent decreased by ₱0.09 million or equivalent to 31.56% due lower association dues in 2017.

- Salaries and allowance decreased by ₱0.13 million or equivalent to 100.00% due to paid allowance on contractual employees in 2016 and none in 2017.

- Depreciation expense increased by ₱0.08 million due to the increased in transportation equipment.

- Other expenses increased by ₱0.53 million due to recognize of other miscellaneous expense from interest receivable.

Key Performance Indicators

	2017	***2018***	***2019***
Return on Asset (%)	(27.75%)	(36.38%)	(1.97%)
Return on Equity (%)	28.46%	19.29%	0.70%

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.

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

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

On 9 July 1964, the Philippine Stock Exchange, Inc. ("PSE") approved the public listing of the Company's shares of stock. As at 31 December 2018 and 2017, 663,713,458 Company shares are publicly listed.

On 12 September 2002, the Company's assets and liabilities arising from its development bank operations were transferred to and assumed by Banco de Oro Unibank, Inc. (BDO) and Philippine Deposit Insurance Corporation (PDIC) under a Memorandum of Agreement (MOA). As at December 31, 2016 and 2015, the Company has liabilities arising from the MOA which pertain mainly to the estimated transfer taxes and registration fees related to the transfer of assets to BDO/PDIC and other related liabilities (see Note 9).

As at December 31, 2015, the Company's shareholders are RYM Business Management Corp. (RYM or Parent Company) (43%), Metro Tagaytay Land Company, Inc. (MTLCI) (31%) and Neo Oracle Holdings, Inc. (NOHI) (13%). In 2016, RYM acquired the common stock owned by MTLCI and NOHI but disposed of 21% of its ownership shares. As at December 31, 2016, RYM effectively owns 66% of the Company's common stock.

The financial statements of the Company as at December 31, 2016 and 2015 and for the years ended December 31, 2016, 2015 and 2014 were approved and authorized for issuance by the Board of Directors (BOD) on April 10, 2017.

Status of Operations

The Company is still exploring new business matters. Its current activities comprise mainly of transferring assets related to its development bank operation to BDO and PDIC. Thus, the Company has continued to incur losses resulting to a capital deficiency of ₱140.72 million and ₱114.11 million as at 31 December 2018 and 2017, respectively. The stockholders, however, have continued to provide the necessary financial support to sustain Company operations. The stockholders converted their preferred stock of ₱34.2 million into common stock in 2016 and converted their advances of ₱600.5 million to additional capital in 2014 and infused capital aggregating ₱179.0 million in 2014 and 2013 to reduce the capital deficiency. The Company is also considering implementing a quasi-reorganization to reduce the capital deficiency.

Said losses is due to the fact that the Company is non-operational and Management is still in the process of looking into a new business venture that the Company can undertake including a potential capital infusion that will help the Company address the losses.

V. DESCRIPTION OF PROPERTY

Nothing to disclose.

VI. Business Transactions with Related Parties

The Company as of 31 December 2019 and 2018 summary of related party transactions are as follows:

Parent Company and Other Related Party

	Nature of Transaction	Amount of Transaction **2019**	Amount of Transaction 2018	Outstanding Balance **2019**	Outstanding Balance 2018
Receivables					
Loans Receivables					
Entity under common control	Loan	**₱–**	₱26,000,000	**₱26,000,000**	₱26,000,000
	Interest income	**2,600,000**	433,334	**2,941,667**	431,500
Rent Receivables					

	Nature of Transaction	Amount of Transaction 2019	Amount of Transaction 2018	Outstanding Balance 2019	Outstanding Balance 2018
Entity under common control	Rent income	**828,000**	828,000	**1,159,200**	809,518
				₱30,100,867	₱27,241,018
Due from related parties					
Entities under common control	Advances	**₱868,249**	₱8,500,000	**₱8,169,372**	₱7,940,000
Due to a related party					
Parent Company	Advances	**₱–**	₱–	**₱13,880,000**	₱13,880,000

VII. Employees

As of 31 December 2019, the Company has no regular employees.

VIII. Plan of Operation

The Company has no significant operational activity since its primary purpose was changed from a development bank to a holding company in December 2002 other than those described in Item 1 above. There are no known trends, events or material commitments that are expected to have a material favorable or unfavorable impact on the financial condition or on income from continuing operations. The Company 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 Company 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 17 July 2019, RYM, the principal stockholders of the Company entered into an agreement with a group of investors ("Investors") wherein the Investors will infuse investment properties into the Company in exchange for shares ("Investment"). The Investment is subject to compliance with conditions precedents and approvals as discussed above. The Company was informed by the Investors that it is proposed that the Company be used as the vehicle to raise new funds for the proposed project for a smart-farming agricultural area, smart-city commercial and/or mixed-use developments in the Province of Rizal with the possible integration of a mass transport hub to decongest Metro Manila traffic.

IX. Status of Operations

The Company has a capital deficiency of ₱142.62 million and ₱141.31 million as at June 30, 2020 and 31 December 2019, respectively. In April 2016, 34.19 million shares were converted to 1.37 million common shares at a rate of 25:1, which resulted to a decreased in preferred stock by ₱34.19 million and increase in common stock by ₱1.37 million, and increase in additional paid capital in excess of par by ₱32.82 million.

The Company is pursuing discussions with third party investors for additional capital. Please see discussions under item VIII (Plan of Operation).

X. Dividends

The Company has not declared dividend for the years 2019, 2018, and 2017. There are no restrictions that limits the payment of dividends on common shares.

XI. Legal Proceedings

In the normal course of operations, the Company 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 Company.

Management Report for the period June 30, 2020

The unaudited Financial Statements of the Company as at June 30, 2020 (with comparative audited Statements of Financial Position as at December 31, 2019), and for the three months and six months ended June 30, 2019 are 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, 2020 and December 31, 2019:

	Unaudited June 30, 2020	Audited December 31, 2019	Increase (decrease)	
			Amount	
	(₱'000)	(₱'000)	(₱'000)	Percentage
Current assets	**₱52,309**	₱52,352	(₱43)	(0.08%)
Noncurrent assets	**1,646**	1,814	(168)	(9.26%)
Total Assets	**₱53,955**	₱54,166	(₱211)	(0.39%)
Current Liabilities	**₱196,580**	₱195,481	₱1,099	0.56%
Noncurrent Liability	**–**	–	–	–
	196,580	195,481	1,099	0.56%
Capital Deficiency	**(142,625)**	(141,315)	(1,310)	0.93%
Total Liabilities and Capital Deficiency	**₱53,955**	₱54,166	(₱211)	(0.39%)

Summary of unaudited statements of comprehensive income for the three months and six months period ended June 30, 2020 and 2019:

	For three months ended June 30,		**For six months ended June 30,**	
	2020	2019	**2020**	2019
	(₱'000)	(₱'000)	**(₱'000)**	(₱'000)
Revenues	**₱4**	₱ 667	**₱59**	₱916
Expenses	**(442)**	(1,170)	**(1,369)**	(2,723)
Loss before tax	**(438)**	(503)	**(1,310)**	(1,807)
Provision for income tax	**–**	–	**–**	–
Total comprehensive loss	**(₱438)**	(₱503)	**(₱1,310)**	(₱1,807)

Summary of unaudited statements of cash flows for the three months and six months period ended June 30, 2020 and 2019:

	For three months ended June 30,		**For six months ended June 30,**	
	2020	2019	**2020**	2019
	(₱'000)	(₱'000)	**(₱'000)**	(₱'000)
Cash provided by (used in) operating activities	**₱786**	₱122	**(₱640)**	(₱2,777)
Cash provided by investing activities	**–**	–	**–**	–

Increase (decrease) in cash	**786**	122	**(640)**	(2,777)
Cash at beginning of period	**8,597**	2,704	**10,023**	5,603
Cash at end of period	**₱9,383**	₱2,826	**₱9,383**	₱2,826

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 the Company's remaining assets 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, 2020 compared with six months ended June 30, 2019

Results of operation for the six months ended June 30, 2020 and 2019 were net loss of ₱1.31 million and ₱1.81 million, respectively. Significant changes in the income statement accounts for the six months ended June 30, 2020 versus the same period last year are as follows:

Income

The Company's income for the current period in the amount of ₱0.06 million has significantly dropped by ₱0.86 million or 93.59% compared with the same period last year. The Company's rent income for the current period is nil, primarily due to the termination of its lease contract for transportation equipment with MMDC, last October 2019. Few collections during the period, pertaining to the recovery of accounts previously written off, also contributed to the decline in the income.

Expenses

Total expenses during the period amounted to ₱1.37 million, lower by ₱1.35 million or 49.74% compared with the same period last year. The movement in expenses is attributable to the following:

a. Professional fees dropped by ₱0.51 million compared with the same period last year, primarily due to a decrease in payments of legal fees.

b. Outside services during the period of ₱0.14 million decreased by ₱0.11 million or 44.65% compared with the same period last year. Payment of various fees made last year, relating to appraisal of the Company's real properties, resulted to higher expense, than the current year.

c. Taxes and licenses for the period amounting to ₱0.10 million is lower by ₱0.33 million compared with the same period last year. In connection with the sale of the Company's investment property in 2018, last year's payment for business taxes was significantly higher compared with the current period.

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

Three months ended June 30, 2020 compared with three months ended June 30, 2019

Results of operation for the three months ended June 30, 2020 and 2019 were net loss of ₱0.44 million and ₱0.50 million, respectively. Significant changes in the income statement accounts for the three months ended June 30, 2020 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. The termination of its lease contract for transportation equipment with MMDC, last October 2019, resulted to a nil balance in rent income during the period. There was also no collection during the period, pertaining to the recovery of accounts previously written off, which contributed to the decline in income.

Expenses

Total expenses during the period amounted to ₱0.44 million, lower by ₱0.73 million or 62.17% compared with the same period last year. The movement in expenses is attributable to the following:

a. Professional fees dropped by ₱0.25 million compared with the same period last year, primarily due to a decrease in payments of legal fees.

b. Outside services during the period of ₱0.07 million decreased by ₱0.08 million or 54.50% compared with the same period last year. Payment of various fees made last year, pertaining to appraisal of the Company's real properties, resulted to higher expense, than the current year.

c. Taxes and licenses for the period amounting to ₱0.07 million increased by ₱0.07 million compared with the same period last year. The documentary stamp taxes incurred relating to the payment for the renewal of the attachment bond, resulted to higher balance in taxes and licenses for the period, than of the same period last year.

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

STATEMENTS OF FINANCIAL POSITION

Total Assets of the Company as at June 30, 2020 of ₱53.95 million is slightly lower by ₱0.21 million or 0.39% compared to the balance as at December 31, 2019. The change in Total Assets is attributed to the following:

a. Cash
Cash has declined by ₱0.64 million or 6.38%. The decrease is mainly attributable to payments of the Company's general and administrative expenses, including accruals. The Company has also received an additional ₱1.40 million from Bulaong Enterprises, Inc. pursuant to the compromise agreement to settle a legal case for nullification of foreclosure proceedings (see *d. Accrued expenses and other current liabilities* below), which offset the decline in cash balance.

b. Other current assets
Other current assets of ₱4.59 million has increased by ₱0.59 million or 14.84%. Among the factors that contributed to the increase are payments made (down payment) in relation to appraisal of the property located in Rizal, initial payment to a third party in connection with the preparation of the Company's Sustainability report, additions in Input VAT associated with the purchase of goods/services, and lastly, payment of premium for the renewal of the attachment bond.

c. Equipment
Decrease in equipment of ₱0.17 million is attributed to the depreciation recognized for the period. No addition and/or disposal was made during the period.

d. Accrued expenses and other current liabilities
The ₱1.10 million increase in this account is mainly attributable to the additional receipt from Bulaong Enterprises, Inc. totalling ₱1.40 million during the period, pursuant to the compromise agreement to settle a legal case. As at June 30, 2020, total receipts already amounted to₱9.6

million. This represents partial settlement out of the ₱17.0 million settlement fee (exclusive of ₱1.62 million interest), as indicated in the agreement. Said settlement fee is in exchange for the real property involved in the compromise agreement, which 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. Payment of accrued legal fees and rental expenses has slightly offset the increase in the account.

e. *Capital deficiency*
The increase in capital deficiency of ₱1.31 million is mainly due to net loss during the period.

STATEMENTS OF CASH FLOWS

Net cash used in operating activities for the six months ended June 30, 2020 and 2019 amounts to ₱0.64 million and ₱2.78 million, respectively. The net movement in cash for the current period is mainly attributable to the following:

- Payment of accruals and general and administrative expenses during the period.
- Receipt of ₱1.4 million from Bulaong Enterprises, Inc.

HORIZONTAL AND VERTICAL ANALYSIS

	June 30, 2020 (Unaudited)	December 31, 2019 (Audited)	Increase (Decrease) Amount	Percentage
ASSETS				
Current Assets				
Cash	**₱9,383,470**	₱10,023,033	(₱639,563)	(6.38%)
Receivables	**30,168,567**	30,164,567	4,000	0.01%
Due from related parties	**8,169,372**	8,169,372	−	0.00%
Other current assets	**4,587,609**	3,994,738	592,871	14.84%
Total Current Assets	**52,309,018**	52,351,710	(42,692)	(0.08%)
Noncurrent Assets				
Investment in a club share	**900,000**	900,000	−	0.00%
Equipment	**745,900**	914,758	(168,858)	(18.46%)
Total Noncurrent Assets	**1,645,900**	1,814,758	(168,858)	(9.30%)
	₱53,954,918	₱54,166,468	(₱211,550)	(0.39%)
LIABILITIES AND CAPITAL DEFICIENCY				
Current Liabilities				
Accrued expenses and other current liabilities	**₱182,699,831**	₱181,601,280	₱1,098,551	0.60%
Due to a related party	**13,880,000**	13,880,000	−	0.00%
Total Current Liabilities	**196,579,831**	195,481,280	1,098,551	0.56%
Capital Deficiency				
Capital stock	**714,664,876**	714,664,876	−	0.00%
Deficit	**(857,989,789)**	(856,679,688)	(1,310,101)	0.15%
Other comprehensive income	**700,000**	700,000	−	0.00%
Total Capital Deficiency	**(142,624,913)**	(141,314,812)	(1,310,101)	0.93%
	₱53,954,918	₱54,166,468	(₱211,550)	(0.39%)

Key Performance Indicators (KPI's)

Comparative figures of the key performance indicators (KPI) for the six months ended June 30, 2020 and June 30, 2019:

FINANCIAL INDICATORS

	As of June 30, 2020	As of June 30, 2019
Net loss	**(₱1,310,101)**	(₱1,806,504)
Quick assets	**13,746,269**	4,257,743
Current assets	**52,309,018**	42,743,816
Total assets	**53,954,918**	44,330,291
Current liabilities	**196,579,831**	186,859,487
Total liabilities	**196,579,831**	186,859,487
Stockholders 'equity	**(142,624,913)**	(142,529,196)
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 Ratio1/	**0.27**	0.23
Debt to Equity Ratio2/	**(1.38)**	(1.31)
Asset to Equity Ratio3/	**(0.38)**	(0.31)
Return on Assets4/	**(0.02)**	(0.04)
Return on Equity5/	**0.01**	0.01
Book Value per share	**(0.22) per share**	(0.22) per share
Earnings/Loss per share (basic) trailing 12 months	**(0.001)**	(0.03)

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

Corporate Governance

The Company adopted a manual on corporate governance, which details the standards by which it conducts sound corporate governance consistent with relevant laws and regulations.

Ultimate responsibility for the Company'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 Company's activities. The Audit Committee is charged with internal audit oversight over all of the Company's transactions. The Nomination Committee is charged with ensuring that those admitted as members of the Company's Board of Directors are qualified, as well as ensuring fair representation of independent directors in the Company'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 Company is not actively conducting business. Despite said absence of actual business operations, the Company 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. Notwithstanding the foregoing, the Company 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 Company, 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.

The Company has complied with SEC Memorandum Circular No. 24, Series of 2019, which requires all public companies to submit a new Manual on Corporate Governance.

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 (2018)	1.08	1.68
Q2 (2018)	1.09	1.62
Q3 (2018)	1.15	1.66
Q4 (2018)	1.10	1.26
Q1 (2019)	1.12	1.36
Q2 (2019)	1.03	1.40
Q3 (2019)	1.21	1.98
Q4 (2019)	1.13	1.50
Q1 (2020)	0.68	1.29
Q2 (2020)	0.69	0.98

The high and low prices of the Company's share **as of the latest practicable trading date of 25 August 2020 are PhP 0.80 and PhP 0.77,** respectively.

The common shares of the Company is held by 1,589 shareholders of common shares and 267 shareholders of preferred shares.

The list of the top 20 stockholders of the Company as of June 2020 is shown below :

1.	PCD Nominee Corporation (Filipino)	669,083,656	95.54%
2.	First Producers Holdings Corp. FAO Ray Burton	6,175,789	00.88%
3.	First Producers Holdings Corp. FAO Producers Properties Inc.	4,903,852	00.70%
4.	PCD Nominee Corporation (Foreign)	3,547,701	00.51%
5.	Ray Burton Development Corp.	3,213,293	00.46%
6.	Producers Properties, Inc.	3,013,701	00.43%
7.	Mercantile Investment Company Inc.	1,585,989	00.23%
8.	Del Rosario, Albert ITF Anthony Salim	1,289,279	00.18%
9.	Yan, Lucio W. &/or Clara Yan	600,000	00.09%
10.	Vargas, Joel B.	534,876	00.08%
11.	So, Merlene, &/or So Peng Kee	239,000	00.03%
12.	Uy, Maria T.	211,200	00.03%
13.	Go, Jr., Jose Yu	210,000	00.03%
14.	Go, Jovy Lim	150,000	00.02%
15.	Que Lu Kiong	150,000	00.02%

16.	CRUZ, Ponciano Jr. V.	150,000	00.02%
17.	Abad, Rufino H.	142,011	00.02%
18.	Tan, Luciano H.	139,600	00.02%
19.	Navalta, Leonardo	132,294	00.02%
20.	Dizon, Lamberto C., &/or Erlinda V. Dizon	127,860	00.02%

Other than the conversion of preferred shares to common shares as stated in page 16, the Company 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. Maila Lourdes G. De Castro at c/o Marcventures, 4th Floor Citibank Center Bldg., 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 30 September 2020.

PRIME MEDIA HOLDINGS, INC.

By:

____

MAILA G. DE CASTRO
Corporate Secretary

ANNEX A

Procedure for Registration, Participation and Voting in the 2020 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 30 October 2020 at 2:00 PM, virtually via remote communication.

Only Stockholders of record as of 9 September 2020 are entitled to participate and vote in the 2020 ASM.

I. Registration and Participation/Attendance Procedure:

1. Stockholders who intend to participate in the virtual ASM may register at https://agm.conveneagm.org/primemedia with the following requirements for registration:

    a. *For individual stockholders:*

        i. Scanned copy of any valid government-issued ID;
        ii. Scanned copy of stock certificate in the name of the individual stockholder; and
        iii. Active contact number, either landline or mobile.

    b. *For stockholders with joint accounts:*

        i. Scanned copy of authorization letter signed by other stockholders indicating the person among them authorized to participate and/or vote in the 2020 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 2020 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://agm.conveneagm.org/primemedia, the stockholder will receive an email confirmation and a unique link which can be used to log in and view the 2020 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 2020 ASM, please see section on Voting Procedure below.
5. For the Question and Answer portion during the 2020 ASM, stockholders may send their questions related to the agenda at https://agm.conveneagm.org/primemedia. Due to limitations on technology and time, not all questions may be responded to during the 2020 ASM but the Company will endeavor to respond to all the questions through email.

6. The proceedings during the 2020 ASM will be recorded as required by the Securities and Exchange Commission.
7. Stockholders intending to participate by remote communication in the 2020 ASM are required to pre-register not later than ten (10) calendar days before the scheduled ASM, or not later than 20 October 2020.
8. In compliance with the SEC Notice dated 2020 April 2020, 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.

II. Voting Procedure:

Stockholders may vote during the 2020 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://agm.conveneagm.org/primemedia. The Chairman, or in his absence, the President or the Corporate Secretary is authorized to cast the votes pursuant to the instructions in the Proxy Form.
   b. Send a scanned copy of the executed proxy Form by email to mdc.prim@gmail.com.
   c. The scanned copy of the executed Proxy Form should be emailed to the above not less than ten (10) calendar days prior to the scheduled ASM, or not later than 20 October 2020.
   d. The hard copy of the signed Proxy Form should be delivered to:

      The Corporate Secretary, Prime Media Holdings, Inc.
      Unit 4-3, 4th Floor Citibank Center, 8741 Paseo de Roxas, Makati City

2. Voting in absentia through the Online Stockholder Voting System:

   a. Follow the Registration and Participation/Attendance Procedure set forth above.
   b. Stockholders may vote in absentia through the Online Stockholder Voting System not later than ten (10) calendar days before the scheduled 2020 ASM, or not later than 20 October 2020.
   c. Upon validation, the Company will send an email to the stockholder containing the link for the Online Stockholder Voting System and the instructions for casting votes in the Online Stockholder Voting System. Registered stockholders shall have until 5:00 PM of 20 October 2020 to cast their votes.
   d. All agenda items indicated in the Notice of Meeting will be included in the Online Stockholder Voting System and the registered stockholder may vote as follows:
      i. For items other than election of the Directors, the stockholder may vote: "For", "Against", or "Abstain". The vote shall be considered as cast for all the stockholder's shares.
      ii. For the election of Directors, the stockholder may vote for all the nominees, not vote for any of the nominees, or vote for some of the nominees only, in such number of shares as the stockholder may see fit, provided that the total number of votes cast shall not exceed the number of shares owned, multiplied by the number of Directors to be elected.
   e. Once voting is completed in the Online Stockholder Voting System, the stockholder shall proceed to click on the "Submit" button which shall complete the process. Once submitted, the stockholder may no longer change the votes cast. The votes cast *in absentia* will have equal effect as votes cast by proxy.

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

- Email at [Email]; or

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

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
Lorenzana Food Corporation	Legal Counsel	Since 2012
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
National Steel Corporation	Legal Consultant	Since 2006
East Asia (AEA) Capital Corporation	Assistant Liquidator	Since 2009
PET Plans, Inc.	Assistant Liquidator	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 3rd day of September 2020, at Makati City.

JOHNNY Y. ARUEGO, JR.
Affiant

SUBSCRIBED AND SWORN to before me this 3rd day of September 2020 at ________________, affiant personally appeared before me and exhibited to me his Driver's License No. NO1-87-048565, expiring on 03 February 2024.

Doc. No. 240;
Page No. 49;
Book No. I;
Series of 2020.

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. 100789;01/03/2020
PTR No. MKT-8116378MG;01/03/2020
MCLE Compliance No. VI-0021476;03/26/2019
4F Citibank Center, 8741 Paseo de Roxas, Makati City

CERTIFICATION OF INDEPENDENT DIRECTOR

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

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

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

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

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

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

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

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

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

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

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

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

Done, this SEP 3 0 2020 day of ______ at ____

FRANCISCO L. LAYUG, III
Affiant

SUBSCRIBED AND SWORN to before me this SEP 3 0 2020 day of ______ at MAKATI CITY affiant personally appeared before me and exhibited to me his Tax Identification Number 112-818-166.

Doc. No. 397;
Page No. 61;
Book No. 181;
Series of 2020.

ATTY. JOSHUA P. LAPUZ
Notary Public for and in Makati City
Appointment No. M-66 until 12/31/2021
PTR No. 8116016, Jan. 2, 2020, Makati City
Roll No. 45790, IBP Lifetime N. 04897
MCLE No.VI-0016565 / Jan. 14, 2019
G/F Fedman Suites, 199 Salcedo Street,
Legaspi Village, Makati City

Ref. No. PRIM_LEG2020_SC_008

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

SECRETARY'S CERTIFICATE

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

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

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

IN WITNESS WHEREOF**,** I have hereunto set my hand this 30th day of September 2020 at Makati City.

MAILA G. DE CASTRO
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 30th day of September 2020 in Makati City, affiant exhibited to me her Driver License No. NO2-95-296472 valid until 18 October 2021.

NOTARY PUBLIC

Doc. No.: 145;
Page No.: 30;
Book No.: I;
Series of 2020.

MARJORIE A. SAN JUAN
Notary Public for Makati City
Appt. No. M-135 Until 31 Dec. 2021
Roll of Attorneys No. 71296
IBP Membership No. 100790; 01/03/2020
PTR No. MKT-8116380MG; 01/03/2020
MCLE Compliance No. VI -0013795; 10/12/2018
4F Citi Center, Paseo de Roxas, Makati City

COVER SHEET

2	2	4	0	1					

S.E.C. Registration Number

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

(Company's Full Name)

16th Floor Citibank Tower, 8741 Paseo de Roxas, Makati City

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

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

Fiscal Year (Month)	Fiscal Year (Day)	FORM TYPE	Annual Meeting (Month)	Annual Meeting (Day)
12	**31**	**SEC 17-Q**		

Secondary License Type, If Applicable: **N/A**

Dept. Requiring this Doc.:

Amended Articles Number/Section:

Total Amount of Borrowings

Total No. of Stockholders	Domestic	Foreign
1,589	**nil**	

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. Use black ink for scanning purposes

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

1. For the quarterly period ended **JUNE 30, 2020**

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 Code: (SEC Use Only)

7. Address of issuer's principal office Postal Code
16TH FLOOR CITIBANK TOWER, 8741 PASEO DE ROXAS, MAKATI CITY **1227**

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

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

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common Stock, P1 par value	700,298,616
Preferred Stock, P1 par value	14,366,260

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

Yes [x] No [ ]

Philippine Stock Exchange **Common Shares**

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)
Yes [x] No [ ]

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

Yes [x] No [ ]

Table of Contents

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

The unaudited Financial Statements of Prime Media Holdings, Inc. ("Company") as at June 30, 2020 (with comparative audited Statements of Financial Position as at December 31, 2019), and for the three months and six months ended June 30, 2019 are 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, 2020 and December 31, 2019:

	Unaudited June 30, 2020 (₱'000)	Audited December 31, 2019 (₱'000)	Increase (decrease) Amount (₱'000)	Percentage
Current assets	**₱52,309**	₱52,352	(₱43)	(0.08%)
Noncurrent assets	**1,646**	1,814	(168)	(9.26%)
Total Assets	**₱53,955**	₱54,166	(₱211)	(0.39%)
Current Liabilities	**₱196,580**	₱195,481	₱1,099	0.56%
Noncurrent Liability	**–**	–	–	–
	196,580	195,481	1,099	0.56%
Capital Deficiency	**(142,625)**	(141,315)	(1,310)	0.93%
Total Liabilities and Capital Deficiency	**₱53,955**	₱54,166	(₱211)	(0.39%)

Summary of unaudited statements of comprehensive income for the three months and six months period ended June 30, 2020 and 2019:

	For three months ended June 30,		**For six months ended June 30,**	
	2020 (₱'000)	2019 (₱'000)	**2020 (₱'000)**	2019 (₱'000)
Revenues	**₱4**	₱ 667	**₱59**	₱916
Expenses	**(442)**	(1,170)	**(1,369)**	(2,723)
Loss before tax	**(438)**	(503)	**(1,310)**	(1,807)
Provision for income tax	**–**	–	**–**	–
Total comprehensive loss	**(₱438)**	(₱503)	**(₱1,310)**	(₱1,807)

Summary of unaudited statements of cash flows for the three months and six months period ended June 30, 2020 and 2019:

	For three months ended June 30,		**For six months ended June 30,**	
	2020 (₱'000)	2019 (₱'000)	**2020 (₱'000)**	2019 (₱'000)
Cash provided by (used in) operating activities	**₱786**	₱122	**(₱640)**	(₱2,777)
Cash provided by investing activities	**–**	–	**–**	–
Increase (decrease) in cash	**786**	122	**(640)**	(2,777)
Cash at beginning of period	**8,597**	2,704	**10,023**	5,603
Cash at end of period	**₱9,383**	₱2,826	**₱9,383**	₱2,826

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 the Company's remaining assets 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, 2020 compared with six months ended June 30, 2019

Results of operation for the six months ended June 30, 2020 and 2019 were net loss of ₱1.31 million and ₱1.81 million, respectively. Significant changes in the income statement accounts for the six months ended June 30, 2020 versus the same period last year are as follows:

Income

The Company's income for the current period in the amount of ₱0.06 million has significantly dropped by ₱0.86 million or 93.59% compared with the same period last year. The Company's rent income for the current period is nil, primarily due to the termination of its lease contract for transportation equipment with MMDC, last October 2019. Few collections during the period, pertaining to the recovery of accounts previously written off, also contributed to the decline in the income.

Expenses

Total expenses during the period amounted to ₱1.37 million, lower by ₱1.35 million or 49.74% compared with the same period last year. The movement in expenses is attributable to the following:

a. Professional fees dropped by ₱0.51 million compared with the same period last year, primarily due to a decrease in payments of legal fees.

b. Outside services during the period of ₱0.14 million decreased by ₱0.11 million or 44.65% compared with the same period last year. Payment of various fees made last year, relating to appraisal of the Company's real properties, resulted to higher expense, than the current year.

c. Taxes and licenses for the period amounting to ₱0.10 million is lower by ₱0.33 million compared with the same period last year. In connection with the sale of the Company's investment property in 2018, last year's payment for business taxes was significantly higher compared with the current period.

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

Three months ended June 30, 2020 compared with three months ended June 30, 2019

Results of operation for the three months ended June 30, 2020 and 2019 were net loss of ₱0.44 million and ₱0.50 million, respectively. Significant changes in the income statement accounts for the three months ended June 30, 2020 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. The termination of its lease contract for transportation equipment with MMDC, last October 2019, resulted to a nil balance in rent income during the period. There was also no collection during the period, pertaining to the recovery of accounts previously written off, which contributed to the decline in income.

Expenses

Total expenses during the period amounted to ₱0.44 million, lower by ₱0.73 million or 62.17% compared with the same period last year. The movement in expenses is attributable to the following:

a. Professional fees dropped by ₱0.25 million compared with the same period last year, primarily due to a decrease in payments of legal fees.

b. Outside services during the period of ₱0.07 million decreased by ₱0.08 million or 54.50% compared with the same period last year. Payment of various fees made last year, pertaining to appraisal of the Company's real properties, resulted to higher expense, than the current year.

c. Taxes and licenses for the period amounting to ₱0.07 million increased by ₱0.07 million compared with the same period last year. The documentary stamp taxes incurred relating to the payment for the renewal of the attachment bond, resulted to higher balance in taxes and licenses for the period, than of the same period last year.

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

STATEMENT OF FINANCIAL POSITION

Total Assets of the Company as at June 30, 2020 of ₱53.95 million is slightly lower by ₱0.21 million or 0.39% compared to the balance as at December 31, 2019. The change in Total Assets is attributed to the following:

a. Cash
Cash has declined by ₱0.64 million or 6.38%. The decrease is mainly attributable to payments of the Company's general and administrative expenses, including accruals. The Company has also received an additional ₱1.40 million from Bulaong Enterprises, Inc. pursuant to the compromise agreement to settle a legal case for nullification of foreclosure proceedings (see *d. Accrued expenses and other current liabilities* below), which offset the decline in cash balance.

b. Other current assets
Other current assets of ₱4.59 million has increased by ₱0.59 million or 14.84%. Among the factors that contributed to the increase are payments made (down payment) in relation to appraisal of the property located in Rizal, initial payment to a third party in connection with the preparation of the Company's Sustainability report, additions in Input VAT associated with the purchase of goods/services, and lastly, payment of premium for the renewal of the attachment bond.

c. Equipment
Decrease in equipment of ₱0.17 million is attributed to the depreciation recognized for the period. No addition and/or disposal was made during the period.

d. Accrued expenses and other current liabilities
The ₱1.10 million increase in this account is mainly attributable to the additional receipt from Bulaong Enterprises, Inc. totalling ₱1.40 million during the period, pursuant to the compromise agreement to settle a legal case. As at June 30, 2020, total receipts already amounted to₱9.6 million. This represents partial settlement out of the ₱17.0 million settlement fee (exclusive of ₱1.62 million interest), as indicated in the agreement. Said settlement fee is in exchange for the real property involved in the compromise agreement, which 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. Payment of accrued legal fees and rental expenses has slightly offset the increase in the account.

e. *Capital deficiency*
   The increase in capital deficiency of ₱1.31 million is mainly due to net loss during the period.

STATEMENT OF CASH FLOWS

Net cash used in operating activities for the six months ended June 30, 2020 and 2019 amounts to ₱0.64 million and ₱2.78 million, respectively. The net movement in cash for the current period is mainly attributable to the following:

- Payment of accruals and general and administrative expenses during the period.
- Receipt of ₱1.4 million from Bulaong Enterprises, Inc.

HORIZONTAL AND VERTICAL ANALYSIS

	June 30, 2020 (Unaudited)	December 31, 2019 (Audited)	Increase (Decrease) Amount	Percentage
ASSETS				
Current Assets				
Cash	**₱9,383,470**	₱10,023,033	(₱639,563)	(6.38%)
Receivables	**30,168,567**	30,164,567	4,000	0.01%
Due from related parties	**8,169,372**	8,169,372	–	0.00%
Other current assets	**4,587,609**	3,994,738	592,871	14.84%
Total Current Assets	**52,309,018**	52,351,710	(42,692)	(0.08%)
Noncurrent Assets				
Investment in a club share	**900,000**	900,000	–	0.00%
Equipment	**745,900**	914,758	(168,858)	(18.46%)
Total Noncurrent Assets	**1,645,900**	1,814,758	(168,858)	(9.30%)
	₱53,954,918	₱54,166,468	(₱211,550)	(0.39%)

LIABILITIES AND CAPITAL DEFICIENCY

Current Liabilities				
Accrued expenses and other current liabilities	**₱182,699,831**	₱181,601,280	₱1,098,551	0.60%
Due to a related party	**13,880,000**	13,880,000	–	0.00%
Total Current Liabilities	**196,579,831**	195,481,280	1,098,551	0.56%
Capital Deficiency				
Capital stock	**714,664,876**	714,664,876	–	0.00%
Deficit	**(857,989,789)**	(856,679,688)	(1,310,101)	0.15%
Other comprehensive income	**700,000**	700,000	–	0.00%
Total Capital Deficiency	**(142,624,913)**	(141,314,812)	(1,310,101)	0.93%
	₱53,954,918	₱54,166,468	(₱211,550)	(0.39%)

FINANCIAL INDICATORS

	As of June 30, 2020	As of June 30, 2019
Net loss	**(₱1,310,101)**	(₱1,806,504)
Quick assets	**13,746,269**	4,257,743
Current assets	**52,309,018**	42,743,816
Total assets	**53,954,918**	44,330,291
Current liabilities	**196,579,831**	186,859,487
Total liabilities	**196,579,831**	186,859,487
Stockholders 'equity	**(142,624,913)**	(142,529,196)
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 Ratio1/	**0.27**	0.23
Debt to Equity Ratio2/	**(1.38)**	(1.31)
Asset to Equity Ratio3/	**(0.38)**	(0.31)
Return on Assets4/	**(0.02)**	(0.04)
Return on Equity5/	**0.01**	0.01
Book Value per share	**(0.22) per share**	(0.22) per share
Earnings/Loss per share (basic) trailing 12 months	**(0.001)**	(0.03)

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

OTHER INFORMATION

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

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

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

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

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

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

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

PART II - OTHER INFORMATION

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

PART III - FINANCIAL SOUNDNESS INDICATORS

Liquidity Ratio

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

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

Solvency Ratio

a. Debt Ratio
   Total liabilities / Total assets = 3.64

b. Debt to Equity Ratio
   Total liabilities / Shareholder's Equity = -1.38

Profitability Ratio

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

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

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

d. Asset Turnover
   Revenue/Total Assets = 0.001

e. Book value per share
   Stockholder's equity - preferred stock/No. of common shares outstanding = -0.22

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 13, 2020

By:

Signature: ______________________

ROLANDO S. SANTOS

Title: Treasurer

Signature: ______________________

JACKY-LYN S. VALENZUELA

Title: Accountant

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

STATEMENTS OF FINANCIAL POSITION

	Note	**June 30, 2020 (Unaudited)**	December 31, 2019 (Audited)
ASSETS			
Current Assets			
Cash	4	**₱9,383,470**	₱10,023,033
Receivables	5	**30,168,567**	30,164,567
Due from related parties	13	**8,169,372**	8,169,372
Other current assets	6	**4,587,609**	3,994,738
Total Current Assets		**52,309,018**	52,351,710
Noncurrent Assets			
Investment in a club share	8	**900,000**	900,000
Equipment	9	**745,900**	914,758
Total Noncurrent Assets		**1,645,900**	1,814,758
		₱53,954,918	₱54,166,468
LIABILITY AND CAPITAL DEFICIENCY			
Current Liabilities			
Accrued expenses and other current liabilities	10	**₱182,699,831**	₱181,601,280
Due to a related party	13	**13,880,000**	13,880,000
Total Current Liabilities		**196,579,831**	195,481,280
Capital Deficiency			
Capital stock	11	**714,664,876**	714,664,876
Deficit		**(857,989,789)**	(856,679,688)
Other comprehensive income	8	**700,000**	700,000
Total Capital Deficiency		**(142,624,913)**	(141,314,812)
		₱53,954,918	₱54,166,468

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,	
		2020	2019	**2020**	2019
INCOME					
Rental	12	**₱–**	₱248,400	**₱–**	₱496,800
Recovery of accounts written-off		–	375,000	**50,000**	375,000
Interest income	4	**4,292**	1,181	**8,736**	2,997
Other Income		–	42,000	–	42,000
		4,292	666,581	**58,736**	916,797
EXPENSES					
Professional fees		**42,134**	291,140	**589,580**	1,101,943
Outside services		**69,000**	151,647	**138,500**	250,248
Taxes and licenses		**72,155**	7,096	**99,273**	431,635
Insurance		**107,260**	504,996	**241,338**	506,118
Transportation and travel		–	8,102	**3,519**	38,087
Director’s fee		**15,000**	10,000	**30,000**	25,000
Depreciation	9	**82,999**	85,859	**168,858**	171,718
Association dues	12	**35,799**	36,594	**55,703**	51,994
Others		**18,158**	74,353	**42,066**	146,558
		442,505	1,169,787	**1,368,837**	2,723,301
NET LOSS		**(₱438,213)**	(₱503,206)	**(₱1,310,101)**	(₱1,806,504)
Basic and Diluted Loss Per Share	15	**(₱0.001)**	(₱0.001)	**(₱0.002)**	(₱0.003)

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,	
		2020	2019
CAPITAL STOCK	11		
Common stock - ₱1 par value		**₱700,298,616**	₱700,298,616
Preferred stock - ₱1 par value		**14,366,260**	14,366,260
		714,664,876	714,664,876
DEFICIT			
Balance at beginning of period		**(856,679,688)**	(855,687,568)
Net loss		**(1,310,101)**	(1,806,504)
Balance at end of period		**(857,989,789)**	(857,494,072)
OTHER COMPREHENSIVE INCOME	8	**700,000**	300,000
		(₱142,624,913)	(₱142,529,196)

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,**	
		2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax		**(₱438,213)**	(₱503,206)
Adjustments for:			
Interest income	4	**(4,292)**	(1,181)
Depreciation	9	**82,999**	85,859
Operating loss before working capital changes		**(359,506)**	(418,528)
Decrease (increase) in:			
Receivables		–	(24,049)
Due from related parties		–	669,705
Other current assets		**(391,236)**	(117,951)
Increase in accrued expenses and other current liabilities		**1,532,623**	12,063
Net cash generated from operations		**781,881**	121,240
Interest received		**4,292**	1,181
INCREASE IN CASH		**786,173**	122,421
CASH AT BEGINNING OF PERIOD		**8,597,297**	2,703,723
CASH AT END OF PERIOD		**₱9,383,470**	₱2,826,144

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,	
		2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax		**(₱1,310,101)**	(₱1,806,504)
Adjustments for:			
Interest income	4	**(8,736)**	(2,997)
Depreciation	9	**168,858**	171,718
Operating loss before working capital changes		**(1,149,979)**	(1,637,783)
Decrease (increase) in:			
Receivables		**(4,000)**	(181,223)
Due from related parties		**–**	(243,264)
Other current assets		**(592,871)**	(273,953)
Increase (decrease) in accrued expenses and other current liabilities		**1,098,551**	(443,593)
Net cash used for operations		**(648,299)**	(2,779,816)
Interest received		**8,736**	2,997
DECREASE IN CASH		**(639,563)**	(2,776,819)
CASH AT BEGINNING OF PERIOD		**10,023,033**	5,602,963
CASH AT END OF PERIOD		**₱9,383,470**	₱2,826,144

See accompanying Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

1. **Corporate Information**

Prime Media Holdings, Inc. (the "Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on February 6, 1963. On October 1, 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, to hold investments in the media industry. On March 4, 2013, the SEC approved the extension of the Company's corporate life for another 50 years.

On July 29, 1964, the Philippine Stock Exchange, Inc. approved the public listing of the Company's shares of stock. As at December 31, 2019 and 2018, 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 certain 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, 2019 and 2018, the Company has liabilities arising from the MOA which pertain mainly to 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 Company's registered office and principal place of business is at 16th Floor, Citibank Tower, 8741 Paseo de Roxas, Makati City.

Status of Operations

The Company is still exploring for new business opportunities. Its current activities comprise mainly of transferring assets related to its previous development bank operations to BDO and PDIC. Thus, the Company has continued to incur losses resulting in a capital deficiency of ₱141.3 million and ₱140.7 million as at December 31, 2019 and 2018, respectively. RYM, the majority stockholder, however, has continued to provide the necessary financial support to sustain the Company'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 Company's capital deficiency.

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

In July 2019, RYM entered into a MOA with potential investors for the transfer of investment properties to the Company in exchange for shares. As at December 31, 2019, the due diligence process on the proposed investments is still ongoing.

Event after the Reporting Period

Impact of COVID-19 (Coronavirus Disease 2019). The ongoing global COVID-19 pandemic has resulted in a slowdown of the Philippine economy because of mandated lockdowns and other restrictions all over the country. While the financial impact is considered a non-adjusting subsequent event as at December 31, 2019, management believes that the effect on the Company's operations and financial performance is insignificant.

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

- Level 1 - Quoted (unadjusted) market prices in active market for identical assets or liabilities.

- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

Further information about the assumptions made in measuring fair values is included in Notes 7, 8 and 16.

Adoption of New and Amended PFRS
The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended PFRS which the Company adopted effective for annual periods beginning on or after January 1, 2019:

- PFRS 16, *Leases* – This standard replaced PAS 17, *Leases*, IFRIC 4, *Determining whether an Arrangement contains a Lease*, SIC-15, *Operating Leases-Incentives,* and SIC-27, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. PFRS 16 requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under PAS 17 and sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard provides two recognition exemptions for lessees from this PFRS – leases of low-value assets and short-term leases (i.e., leases with a lease term of 12 months or less).

  At the commencement date of a lease, the lessee shall recognize a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. The lessee is required to recognize the interest on the lease liability and to depreciate the right-of-use (ROU) asset.

  The lease liability shall be reviewed when there are changes in the lease term and other events affecting the lease, such as future lease payments resulting from a change in the index or rate used to determine those payments. The remeasurement of the lease liability should be recognized as an adjustment to the ROU asset.

  Lessor accounting under PFRS 16 is substantially unchanged from accounting under PAS 17. The lessor shall continue to classify leases using the same classification principle as in PAS 17 to distinguish the two types of leases: operating and finance leases.

- Philippine Interpretation IFRIC 23, *Uncertainty Over Income Tax Treatments* – The interpretation provides guidance on how to reflect the effects of uncertainty in accounting for income taxes under PAS 12, *Income Taxes,* in particular (i) matters to be considered in accounting for uncertain tax treatments separately, (ii) assumptions for taxation authorities' examinations, (iii) determinants of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, and (iv) effect of changes in facts and circumstances.

- Amendments to PFRS 9, *Financial Instruments - Prepayment Features with Negative Compensation* – The amendments clarify that a financial asset passes the "solely payments of principal and interest" criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. Consequently, financial assets with termination provisions can now be measured at amortized cost [or, depending on the business model, at fair value through other comprehensive income (FVOCI)]

- Annual Improvements to PFRS 2015 to 2017 Cycle:

  - Amendments to PAS 12, *Income Taxes - Income Tax Consequences of Payments on Financial Instruments Classified as Equity* – The amendments require entities to recognize the income tax consequences of dividends as defined in PFRS 9 when the liability to pay dividends are recognized. The income tax consequences of dividends are recognized either in profit or loss, other comprehensive income or equity, consistently with the transactions that generated the distributable profits. This requirement applies to all income tax consequences of dividends, such as withholding taxes.

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

New and Amended PFRS Issued But Not Yet Effective
Relevant new and amended PFRS which are not yet effective for the year ended December 31, 2019 and have not been applied in preparing the financial statements are summarized below.

Effective for annual periods beginning on or after January 1, 2020:

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

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

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

Under prevailing circumstances, the adoption of the foregoing new and 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, 2020 and December 31, 2019, the Company does not have financial assets and liabilities at FVPL.

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

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

As at June 30, 2020 and December 31, 2019, the Company's cash, receivables (excluding advances to officers, employees and service providers) and due from related parties are classified under this category.

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

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

As at June 30, 2020 and December 31, 2019, the Company's investment in a club share of Valley Golf & Country Club is classified under this category.

Financial Liabilities at Amortized Cost. Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

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

As at June 30, 2020 and December 31, 2019, the Company's accrued expenses and other current liabilities (excluding statutory payable) and due to a related party are classified under this category.

Reclassification of Financial Assets
The Company reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date).

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

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

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

Derecognition of Financial Assets and Liabilities

Financial Assets. A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized by the Company when:

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

- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or

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

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset, if any, is measured at the lower of original carrying amount of the asset and the maximum amount of consideration that the Company could be required to pay.

Financial Liabilities. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of the new liability, and the difference in the respective carrying amount is recognized in profit or loss.

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

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

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.

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.

VAT. Revenues, expenses and assets are 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.

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

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

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

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

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

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

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

Impairment of Nonfinancial Assets

The Company assesses at each reporting date whether there is an indication that nonfinancial assets may be impaired when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists and if the carrying amount exceeds the estimated recoverable amount, nonfinancial assets are written down to its recoverable amount, which is the greater of fair value less cost to sell and value in use. The fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's length transaction. 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. Impairment losses are recognized in profit or loss.

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

Equity

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

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

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

Revenue Recognition

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

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

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

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

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

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

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

Other Income. Other income is recognized when earned.

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.

Operating Lease

a. Accounting policies beginning January 1, 2019

The Company assesses whether the contracts is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified assets for a period of time, the Company assesses whether, throughout the period of use, it has both of the following:

i. the right to obtain substantially all of the economic benefits from the use of the identified asset; and

ii. the right to direct the use of the identified asset.

If the Company has the right to control the use of an identified asset for only a portion of the term of the contract, the contract contains a lease for that portion of the term.

Company as a Lessee. At the commencement date, the Company recognizes ROU assets and lease liabilities for all leases, except for leases with lease terms of 12 months or less (short-term leases) and leases for which the underlying asset is of low value in which case the lease payments associated with those leases are recognized as an expense on a straight-line basis.

Company as a Lessor. Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as rent income. Contingent rents are recognized as revenue in the period in which these are earned.

b. Accounting policies prior to January 1, 2019

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

A reassessment is made after inception of the lease only if one of the following applies:

i. there is a change in contractual terms, other than a renewal or extension of the arrangement;

ii. a renewal option is exercised or extension granted, unless the term of the renewal or extension was initially included in the lease term;

iii. there is a change in the determination of whether fulfillment is dependent on a specified asset; or

iv. there is a substantial change to the asset.

Where reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios (i), (ii) or (iv) and at the date of renewal or extension period for scenario (ii).

Company as a Lessee. Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognized in profit or loss on a straight-line basis over the lease term.

Company as a Lessor. Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as rent income. Contingent rents are recognized as revenue in the period in which these are earned.

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 2019, 2018 and 2017 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 Judgments, 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 ₱142.6 million and ₱141.3 million as at June 30, 2020 and December 31, 2019, respectively. Management believes this trend to continue for twelve months after reporting date. As discussed in Note 1, the stockholders provide continuing necessary financial support to the Company while new business opportunities have not yet been determined. 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 assets at FVOCI (see Note 8).

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

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

Rent income amounted to nil and ₱0.5 million in 2020 and 2019, respectively (see Note 12).

Evaluating Contingencies. The Company is a party to certain lawsuits or claims arising from the ordinary course of business or from its former operations as a bank. 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 obligations.

Liabilities arising from the MOA amounted to ₱160.7 million and ₱159.3 as at June 30, 2020 and December 31, 2019, respectively (see Note 10).

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

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

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

No impairment losses were recognized in 2020 and 2019.

The aggregate carrying amount of cash in banks, receivables (excluding advances to officers, employees and service providers) and due from related parties amounted to ₱47.7 million and ₱48.3 million as at June 30, 2020 and December 31, 2019, respectively (see Notes 5 and 13).

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

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; or
- significant negative industry or economic trends.

No impairment losses were recognized in 2020 and 2019 except for impairment losses recognized on advances to officers, employees and service providers amounting to ₱2.1 million in 2017 (see Note 5).

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

	Note	**June 30, 2020 (Unaudited)**	December31, 2019 (Audited)
Other current assets	6	**₱4,587,609**	₱3,994,738
Equipment	9	**745,900**	914,758
Advances to officers, employees and service providers	5	**43,700**	39,700

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

The Company's unrecognized deferred tax assets amounted to ₱28.5 million and ₱36.5 million as at December 31, 2019 and 2018, respectively. Management believes that there will be no sufficient future taxable profits against which these deferred tax assets can be utilized.

4. Cash

This account consists of:

	June 30, 2020 (Unaudited)	December 31, 2019 (Audited)
Cash on hand	**₱5,277**	₱5,277
Cash in banks	**9,378,193**	10,017,756
	₱9,383,470	₱10,023,033

Cash in banks earn interest at prevailing bank deposit rates. Interest income from cash in banks amounted to ₱8,736 and ₱2,997 in 2020 and 2019, respectively.

5. Receivables

This account consists of:

	Note	June 30, 2020 (Unaudited)	December 31, 2019 (Audited)
Loans receivables:			
Third parties		**₱62,277,740**	₱62,277,740
Related party	13	**26,000,000**	26,000,000
Interest receivable	13	**2,941,667**	2,941,667
Advances to officers, employees and service providers		**2,170,035**	2,166,035
Rent receivables:	12		
Related party	13	**1,159,200**	1,159,200
Third parties		**261,932**	261,932
		94,810,574	94,806,574
Less allowance for impairment losses		**64,642,007**	64,642,007
		₱30,168,567	₱30,164,567

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

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

Breakdown of allowance for impairment losses as at June 30, 2020 and December 31, 2019 are as follows:

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

The Company recovered some accounts written-off in prior years amounting to ₱0.1 million in 2019 and ₱0.2 million in 2018 and 2017. In 2017, the Company recognized impairment losses on advances to officers, employees and service providers amounting to ₱2.1 million.

6. Other Current Assets

This account consists of:

	June 30, 2020 (Unaudited)	December 31, 2019 (Audited)
CWT	**₱3,230,989**	₱3,230,989
Prepayments	**717,685**	321,411
Net input VAT	**638,935**	442,338
	₱4,587,609	₱3,994,738

Prepayments mainly pertain to prepaid insurance and taxes.

7. Investment Properties

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

Gain on fair value changes of investment properties amounting to ₱1.7 million in 2017 was based on valuations performed by an accredited independent appraiser using the market data approach.

Market Data Approach involves the comparison of the land to those that are more or less located within the vicinity of the appraised property and are subject of recent sales and offerings. Adjustments were made to arrive at the market value by considering the location, size, shape, utility, desirability and time element. In this approach, the value of the land was based on sales and listings of comparable property registered within the vicinity. This requires the adjustments of comparable property by reducing reasonable comparative sales and listings to a common denominator. This was done by adjusting the differences between the subject property and those actual sales and listings regarded as comparable. The properties used as bases of comparison are situated within the vicinity of the subject property. The comparison was premised on the factors of location, size, and shape of the lot, time element and others.

The significant unobservable inputs to fair valuation are as follows:

Price per square meter	₱20,000-₱22,857
Value adjustments	-5% to 75%

Price per Square Meter: estimated value prevailing in the real estate market depending on the location, area, shape and time element.

Value Adjustments: adjustments are made to bring the comparative values in approximation to the investment property taking into account the location, size, architectural features and etc.

Sensitivity Analysis. The factors considered in determining the fair value of the property are the (a) location of the property with reference to quality neighborhood, (b) size, (c) physical characteristics such as shape, topography and road frontage; and (d) time element. Significant increase (decrease) in price per square meter would result in a significantly higher (lower) fair value measurement. Significant increase (decrease) in value adjustments would result in a lower (higher) fair value measurement.

8. Investment in a Club share

The Company's investment consist 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, 2020 (Unaudited)	December 31, 2019 (Audited)
Cost	**₱200,000**	₱200,000
Unrealized gain on fair value changes		
Balance at beginning of period	**700,000**	300,000
Fair value change	**–**	400,000
Balance at end of period	**700,000**	700,000
	₱900,000	₱900,000

In 2017, the Company's gain on fair value changes amounted to ₱60,000 resulting to a cumulative unrealized gain on fair value changes amounting to ₱0.1 million.

9. Equipment

Movements in this account are as follows:

	June 30, 2020 (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	**80,080**	**722,337**	**802,417**
Depreciation	**5,720**	**163,138**	**168,858**
Balance at end of period	**85,800**	**885,475**	**971,275**
Carrying Amount	**₱–**	**₱745,900**	**₱745,900**

	December 31, 2019 (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	62,920	396,062	458,982
Depreciation	17,160	326,275	343,435
Balance at end of year	80,080	722,337	802,417
Carrying Amount	₱5,720	₱909,038	₱914,758

In 2017, the Company recognized depreciation amounting to ₱96,010.

On February 8, 2018, the Company entered into an operating lease agreement with MMDC for the lease of transportation equipment until October 7, 2019 (see Note 12).

Rent income from the lease of transportation equipment amounted to nil and ₱0.5 million in 2020 and 2019 (see Note 13).

10. Accrued Expenses and Other Current Liabilities

This account consists of:

	June 30, 2020 (Unaudited)	December 31, 2019 (Audited)
Liabilities arising from the MOA	**₱160,704,972**	₱159,304,972
Dividends payable	**10,985,443**	10,985,443
Rental deposits	**5,972,642**	5,972,642
Accrued expenses	**1,830,252**	2,136,616
Statutory payables	**10,311**	5,397
Others	**3,196,211**	3,196,210
	₱182,699,831	₱181,601,280

Liabilities arising from the MOA pertain to the estimated transfer taxes and registration fees related to the transfer of assets from its 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.

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 except for statutory payable which is normally settled within the succeeding month.

11. **Equity**

Capital Stock

Movements in this account are as follows:

	June 30, 2020 (Unaudited)		December 31, 2019 (Audited)	
	Number of Shares	**Amount**	Number of Shares	Amount
Common stock - ₱1 par value				
Authorized	**3,000,000,000**	**₱3,000,000,000**	3,000,000,000	₱3,000,000,000
Subscribed:				
Balance at beginning and end of period	**700,298,616**	**700,298,616**	700,298,616	700,298,616
Preferred stock - ₱1 par value				
Authorized	**2,000,000,000**	**₱2,000,000,000**	2,000,000,000	₱2,000,000,000
Issued and outstanding:				
Balance at beginning and end of period	**14,366,260**	**14,366,260**	14,366,260	14,366,260
	714,664,876	**₱714,664,876**	714,664,876	₱714,664,876

The Company has 1,589 and 1,591 stockholders as at June 30, 2020 and December 31, 2019, respectively.

The following summarizes the information on the Company's issued and subscribed shares as at June 30, 2020:

	Number of shares issued and subscribed	Percentage of shares
Non-public shareholdings:		
a. Related parties	575,732,986	82.21%
b. Affiliates, directors and officers	2,005	0.00%
Public shareholdings	124,563,625	17.79%
Total	**700,298,616**	**100.00%**

The high and low trading prices of the Company's stock are as follows:

Quarter	High	Low
January to June 2020		
First	**₱1.29**	**₱0.68**
Second	**0.98**	**0.69**
January to December 2019		
First	₱1.36	₱1.12
Second	1.40	1.03
Third	1.98	1.21
Fourth	1.50	1.13

The preferred stock has the following salient features:

a. Cumulative, nonparticipating, nonvoting, redeemable and convertible at the option of the Company.

b. Cash dividend rate initially at 4.50% per annum based on par value, which shall be automatically adjusted to 11.00% per annum upon full payment of the subscription price.

c. The Company may, at any time at its option, wholly or partially redeem the outstanding preferred stock plus accrued dividends thereon. When such call for redemption is made, the holders of the preferred stock may opt to convert the preferred stock to common stock.

Equity Restructuring
As discussed in Note 1, on March 23, 2018, the SEC approved the Company's equity restructuring to apply APIC of ₱2,114.9 million against deficit.

12. Leases

Operating Lease Commitments

- The Company entered into cancellable lease agreements for a period ranging from one to thirteen years renewable upon mutual agreement of the parties and subleased the properties under the same terms. In July 2018, these agreements were terminated upon mutual consent of the contracting parties.

- On February 8, 2018, the Company entered into an operating lease agreement with MMDC for the lease of the transportation equipment until October 7, 2019 (see Note 9).

  Rent income amounted to nil and ₱0.50 million in 2020 and 2019, respectively. Rent receivables amounted to ₱1.4 million as at June 30, 2020 and December 31, 2019 (see Note 5).

  Rent expense amounted to nil in 2020 and 2019.

13. Related Party Transactions

Outstanding balances and transactions with related parties are as follows:

	Nature of Transaction	Amount of Transaction 2020 (Unaudited)	2019 (Audited)	Outstanding Balance June 30, 2020 (Unaudited)	December 31, 2019 (Audited)
Receivables					
Loans Receivables					
Entity under common control	Loan	**₱–**	₱–	**₱26,000,000**	₱26,000,000
	Interest income	–	2,600,000	**2,941,667**	2,941,667
Rent Receivables					
Entity under common control	Rent income	–	828,000	**1,159,200**	1,159,200
				₱30,100,867	₱30,100,867
Due from related parties					
Entities under common control	Advances	**₱–**	₱868,249	**₱8,169,372**	₱8,169,372
Due to a related party					
Parent Company	Advances	**₱–**	₱–	**₱13,880,000**	₱13,880,000

The Company has no material and/or significant transactions with its related parties in 2019.

Terms and Conditions of Transactions with Related Parties

Loans Receivable
In 2018, the Company entered into a one-year unsecured loan agreements with MMDC with 10% per annum interest due in 2019. As at December 31, 2019, the loans receivable are due and demandable.

Rent Receivables
On February 8, 2018, the Company entered into an operating lease agreement with MMDC for the lease of transportation equipment until October 7, 2019 (see Note 9). As at December 31, 2019, the rent receivable is due and demandable.

Due to and from Related Parties
Outstanding balances are unsecured, noninterest-bearing collectible and, payable in cash upon demand. The Company has not made any provision for impairment losses relating to the amounts owed by the related parties. This assessment is undertaken at each reporting date by taking into consideration the financial position of the related parties and the market at which the related parties operates.

Management Fee
On December 22, 2015, the Company entered into a management agreement with the Parent Company for overseeing and supervision of the Company's business matters until December 31, 2017. Management fee amounted to ₱23.1 million in 2017.

On December 3, 2018, the Company obtained approval from its stockholders to enter into a new management agreement with the Parent Company. As at December 31, 2019 and 2018, no management fee was recognized since the Company has yet to finalize the agreement with RYM.

Key Management Personnel
The Company has no key management personnel in 2019, 2018 and 2017. Its accounting and administrative functions are provided by a related party at no cost to the Company.

14. Commitments and Contingencies

a. In the normal course of the Company's prior operations, there are outstanding commitments, pending litigations and contingent liabilities which are not reflected in the financial statements. The Company does not anticipate significant losses as a result of these transactions.

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 certain assets and its liabilities from its development bank operations to BDO and PDIC. The Company agreed to hold 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. Further, the Company agreed to indemnify BDO against losses, claims and damages BDO may suffer in the event such contingent claims, labor and minority issues affect BDO's rights under the MOA.

   The Company has accounted for separately, assets from its development bank operations for transfer to PDIC and BDO pursuant to the MOA. It still has in its possession titles of real estate properties from its development bank operations with an aggregate fair value of ₱527.8 million as at December 31, 2019 and 2018. Moreover, the Company has cash of ₱13.9 million as at December 31, 2019 and 2018, respectively, arising from the proceeds of sale of a property.

15. Basic Loss Per Share

The basic loss per share is computed as follows:

	June 30, 2020 (Unaudited)	December 31, 2019 (Audited)
Net loss	**(₱1,310,101)**	(₱992,120)
Less dividend rights of preferred stockholders for the period	–	1,581,671
Loss attributable to common stockholders	**(1,310,101)**	(2,573,791)
Divided by weighted average number of common stock	**700,298,616**	700,298,616
Basic loss per share	**(₱0.002)**	(₱0.004)

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

16. **Financial Risk Management Objectives and Policies**

The Company's principal financial instruments comprise of cash, receivables (excluding advances to officers, employees and service providers), due from related parties, investment in a club share, accrued expenses and other current liabilities (excluding statutory payable) and due to a related party.

The main risks arising from the financial instruments of the Company are credit risk and liquidity risk. The BOD reviews and approves policies for managing the risks.

Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligation. The Company's exposure to credit risk arises primarily from cash in banks, receivables (excluding advances to officers, employees and service providers) and due from related parties and investment in a club share. The carrying amounts of the financial assets represent the Company's gross maximum exposure to credit risk in relation to financial assets.

The aging analyses of financial assets as at June 30, 2020 and December 31, 2019 are as follows:

	June 30, 2020 (Unaudited)				
	Neither Past Due Nor Impaired	**Past Due But Not Impaired**			
		Less Than 30 Days	**31-60 Days**	**Past Due and Impaired**	**Total**
Financial Assets at Amortized Cost					
Cash in banks	**₱9,378,193**	**₱–**	**₱–**	**₱–**	**₱9,378,193**
Receivables*	**30,124,867**	**–**	**–**	**62,515,672**	**92,640,539**
Due from related parties	**8,169,372**	**–**	**–**	**–**	**8,169,372**
	47,672,432	**–**	**–**	**62,515,672**	**110,188,104**
Financial Assets at FVOCI					
Investment in a club share	**900,000**	**–**	**–**	**–**	**900,000**
	₱48,572,432	**₱–**	**₱–**	**₱62,515,672**	**₱111,088,104**

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

	December 31, 2019 (Audited)				
	Neither Past Due Nor Impaired	Past Due But Not Impaired			
		Less Than 30 Days	31-60 Days	Past Due and Impaired	Total
Financial Assets at Amortized Cost					
Cash in banks	₱10,017,756	₱–	₱–	₱–	₱10,017,756
Receivables*	30,124,867	–	–	62,515,672	92,640,539
Due from related parties	8,169,372	–	–	–	8,169,372
	48,311,995	–	–	62,515,672	110,827,667
Financial Assets at FVOCI					
Investment in a club share	900,000	–	–	–	900,000
	₱49,211,995	₱–	₱–	₱62,515,672	₱111,727,667

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

Credit Quality of Financial Assets. The credit quality of the Company's financial assets 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, 2020 and December 31, 2019, accrued expenses and other current liabilities (excluding statutory payable) and due to a related party aggregating ₱196.6 million and ₱195.5 million, respectively, are generally due and demandable.

Fair Values

The following table presents the carrying amounts and fair values of the Company's assets and liabilities measured at fair value and the corresponding fair value hierarchy:

	June 30, 2020 (Unaudited)		December 31, 2019 (Audited)	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Assets				
Cash	**₱9,383,470**	**₱9,383,470**	₱10,023,033	₱10,023,033
Receivables*	**30,168,567**	**30,168,567**	30,164,567	30,164,567
Due from related parties	**8,169,372**	**8,169,372**	8,169,372	8,169,372
Investment in a club share	**900,000**	**900,000**	900,000	900,000
	₱48,621,409	**₱48,621,409**	₱49,256,972	₱49,256,972
Financial Liabilities				
Accrued expenses and other current liabilities**	**₱182,689,520**	**₱182,689,520**	₱181,595,883	₱181,595,883
Due to a related party	**13,880,000**	**13,880,000**	13,880,000	13,880,000
	₱196,569,520	**₱196,569,520**	₱195,475,883	₱195,475,883

**Excluding advances to officers, employees and service providers amounting to ₱2.2 million as at June 30, 2020 and December 31, 2019.*
***Excluding statutory payable amounting to ₱10,311 and ₱5,397 as at June 30, 2020 and December 31, 2019, respectively.*

Current Financial Assets and Liabilities. The carrying amounts of cash, receivables (excluding advances from officers, employees and service providers), due from related parties and accrued expenses and other current liabilities (excluding statutory payable) and due to a related party approximate their fair values due to the short-term nature and maturities of the transactions. The fair value measurement of current financial assets and liabilities is classified as Level 3 (Significant unobservable inputs).

Investment in a Club Share. The fair value of this financial asset was determined based on the current selling price to third parties. The fair value measurement of equity securities designated as FVOCI is classified as Level 2 (Significant observable inputs).

Capital Management

The primary objective of the Company's capital management is to safeguard the Company's ability to continue its operations as a going concern and to maximize shareholder value. The Company manages its capital structure and makes adjustments to it, when there are changes in the economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payment to shareholders, return capital to shareholders, or issue new stock. No changes were made in the objectives, policies or processes for 2020 and 2019.

COVER SHEET

2 2 4 0 1

S.E.C. Registration Number

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

(Company's Full Name)

16th Floor Citibank Tower, 8741 Paseo de Roxas, Makati City

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

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

Fiscal Year	FORM TYPE	Annual Meeting
Month: 12 Day: 31	SEC 17-A	Month: 05 Day:

N/A

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders	Domestic	Foreign
1,591	nil	

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. Use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SECTION 141 OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended December 31, 2019

2. SEC Identification Number 22401

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

4. Exact name of issuer as specified in its charter PRIME MEDIA HOLDINGS, INC. (Formerly: First e-Bank Corporation)

5. Manila
Province, Country or other jurisdiction of incorporation or organization

6. (SEC Use Only)
Industry Classification Code:

7. 16th Floor 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 [X] No [ ]

Philippine Stock Exchange

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);
Yes [X] No [ ]

(b) Has been subject to such filing requirements for the past ninety (90) days.
Yes [X] No [ ]

13. The aggregate market value of the voting stock held by non-affiliates is 104,633,445 computed on the basis of 124,563,625 representing 17.79% of the outstanding common shares at the closing price as of June 15, 2020 of Pesos 0.84 per share.

Table of Contents

PART I - BUSINESS AND GENERAL INFORMATION

(A) Description of Business

Item 1. Business Development

Prime Media Holdings, Inc. (PRIM) 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.

In 2002, Banco de Oro Unibank, Inc. assumed the servicing of PRIM's deposit liabilities and other banking functions. On December 6, 2002, the Board of PRIM approved the amendment of its Articles of Incorporation (AOI) to change to primary purpose from a development bank to a holding company, which would hold investments in the media industry.

On January 26, 2013, the Board of Directors (BOD) approved the amendment of itsAOI extending the corporate life of PRIM by another 50 years up to February 6, 2063. The stockholders of the Company approved and ratified the amendment in a special stockholders' meeting on February 4, 2013. On February 5, 2013, the Company filed the amended AOI with the Securities and Exchange Commission (SEC), which approved such amendment of the AOI on March 4, 2013.

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.

In view of its very minimal operations, the Company gradually retired all its employees by 2010 and engaged consultants/service providers to service its requirements.

Item 2. Properties

Practically all the properties of the Company while it was still a bank, consisting of bank premises (land, buildings and leasehold rights) and real estate acquired through dacion and foreclosure, were conveyed to BDO/PDIC. The investment properties with market value of ₱69.88 million in 2017 was sold last September 21, 2018 for ₱51,823,306 in order to use the funds to pay the Company's liabilities and defray its expenses. Please refer to Note 7 of the 2019 Audited Financial Statements (AFS)

Item 3. Legal Proceedings

The Company is a party to certain lawsuits or claims arising from the ordinary course of business, and from its previous bank operations. 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 2019 AFS.

Item 4. Submission of Matters to a Vote of Security Holders

During the Annual Shareholders' Meeting held last 12 December 2019, the following were submitted for approval of the shareholders:

1. Call to order
2. Certification of Quorum
3. Approval of Minutes of the Previous Meeting
4. Approval of Management Report and Audited Financial Statements
5. Ratification of Management's Act
6. Election of Directors
7. Appointment of External Auditor
8. Other Matters
9. Adjournment

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

(1) Market information

The total number of outstanding shares of record as of December 31, 2019 is 700,298,616 of which 663,713,458 is actively being traded in the Philippine Stock Exchange. The high and low sales prices in pesos for each quarter within the last three fiscal years 2017 to 2019 are given below:

Year	Quarter	High	Low
2017	1st	1.26	1.01
	2nd	1.17	0.76
	3rd	1.65	0.92
	4th	1.98	1.02
2018	1st	1.68	1.08
	2nd	1.62	1.09
	3rd	1.66	1.15
	4th	1.26	1.10
2019	1st	1.36	1.12
	2nd	1.40	1.03
	3rd	1.98	1.21
	4th	1.50	1.13

(2) Holders of Securities

Common Shareholders

The number of common shareholders on record as of December 31, 2019 is 1,591. The list of the top twenty common shareholders as of December 31, 2019 is provided below:

	Name of Stockholders	No. of shares	%age of ownership
1	PCD Nominee Corporation (Filipino)	669,270,977	95.57
2	First Producers Holdings, Corp. FAO Ray Burton Dev't Corporation	6,175,789	0.88
3	First Producers Holdings, Corp. FAO Producers Properties, Inc.	4,903,852	0.70
4	PCD Nominee Corporation (Foreign)	3,508,036	0.50
5	Ray Burton Development Corporation	3,213,293	0.46
6	Producers Properties, Inc.	3,013,701	0.43
7	Mercantile Investment Company, Inc.	1,585,989	0.23
8	Albert Del Rosario ITF Anthony Salim	1,289,279	0.18
9	Lucio W. Yan &/or Clara Yan	600,000	0.09
10	Joel B. Vargas	534,876	0.08
11	Merlene So &/or So Peng Kee	239,000	0.03
12	Maria T. Uy	211,200	0.03
13	Jose Yu Go, Jr.	210,000	0.03
14	Jovy Lim Go	150,000	0.02
15	Qeu Lu Kiong	150,000	0.02
16	Rufino H. Abad	142,011	0.02
17	Luciano H. Tan	139,600	0.02
18	Leonardo Navalta	132,294	0.02
19	Lamberto C. Dizon &/or Erlinda V. Dizon	127,860	0.02
20	Abacus Securities Corp	120,000	0.02

Preferred Shareholders

The number of preferred shareholders of record as of December 31, 2019 was 267. Preferred shares outstanding as of December 31, 2019 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%

No.	Name of Stockholders	No. of shares	%age of ownership
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 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 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 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 pave the way for possible additional capital infusion from third party investors.

The Company is still exploring for a new business. Its current activities comprise mainly of transferring asset related to its development bank operation to BDO & PDIC. Thus, the company has continued to incur losses resulting to a capital deficiency of ₱141.31 million and ₱140.72 million as at December 31, 2019 and 2018, respectively. The Stockholders, however, have continued to provide the necessary financial support to sustain company operations. The stockholders converted their preferred stock of ₱48.6 million into common stock in 2016 and converted their advances of ₱600.5 million to additional capital in 2014 and infused capital aggregate ₱119.0 million in 2014 and 2013 to reduce capital deficiency.

The Company undergone an equity restructuring to reduce capital deficiency.

Explanations for the material changes in the Company's accounts between 2019 and 2018 are as follows:

<u>Statement of Financial Position</u>

	Audited		Increase (Decrease)	
	2019	**2018**	**Amount**	**%**
	(in PhP Millions)			
Assets	**₱54.17**	₱46.58	₱7.59	16.29%

Liabilities	**195.48**	187.30	8.18	4.37%
Stockholders' Equity	**(141.31)**	(140.72)	(0.59)	0.42%

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

- Cash balance of ₱10.02 million is higher by ₱4.42 million compared with the same period last year. The significant increase is mainly due to receipt of cash from Bulaong Enterprises, Inc. 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

	Audited		Increase (Decrease)	
	2019	**2018**	Amount	%
	(in PhP Millions)			
Income	**₱3.58**	₱1.82	₱1.76	96.58%
Expenses	**4.50**	35.77	(31.28)	(87.43%)

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

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

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

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

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

- The increase in Representation expenses by ₱0.91 million is due to payment of representation fees to legal counsels on pending cases involving the company.

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

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

Explanations for the material changes in the Company's accounts between 2018 and 2017 are as follows:

Statement of Financial Position

	Audited		Increase (Decrease)	
	2018	2017	Amount	%
	(in PhP Millions)			
Assets	**₱46.58**	**₱88.52**	(41.94)	(47.38%)
Liabilities	**187.30**	**202.63**	(15.33)	(7.56%)
Stockholders' Equity	**(140.7)**	**(114.11)**	(26.61)	23.32%

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

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

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

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

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

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

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

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

Results of Operations

	Audited		Increase (Decrease)	
	2018	2017	Amount	%
	(in PhP Millions)			
Income	**₱1.82**	₱2.20	(0.38)	(17.27%)
Expenses	**35.77**	30.11	(5.66)	18.80%

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

- Interest income on loans receivable increased by ₱0.43 million brought by the Loan agreement with Marcventures Mining and Development Corporation.

- Rental income increased by ₱0.85 million this period or equivalent to 303%.

- Recovery of asset previously written off is ₱0.25 million this period compared to ₱0.17 million last year or an increase of ₱.08 million or equivalent to 47.73%.

- Loss resulted from the sale of the company's Legaspi Property in favor of Pacific Mall Corporation for ₱51.82 million. The sale resulted to a loss of ₱24.9 million representing the difference between the selling price as well as taxes paid by the company and the fair market value of the Legaspi property as recognized in the books.

- Professional fee increased by ₱0.80 million or equivalent to 44.25%. The increase pertains to payment of legal fees and PSE Listing fees.

- Association dues for the period is ₱2.55 million as compared to nil for 2017. The 100% increase is mainly due to payment of arrears on associations dues to Landco Business Park as well as penalties from years 2011 to September 2018 concerning the Legaspi Property.

- Outside Services increased by ₱0.14 million or 10.60% for payment of services for asset management, transfer and registration.

- Taxes and licenses increased from ₱0.46 million in 2017 to ₱1.45 million in 2018 or ₱.99 million higher, due to the increase in payment of Documentary stamp tax and Real property taxes for the current year.

- Representation expenses increased by ₱0.9 million that is due to payment of representation fees to legal counsels on pending cases involving the company.

- Depreciation increased by ₱0.24 million due to the depreciation of a new purchased transportation equipment.

- Other expenses increased by ₱0.43 million due to recognize of other miscellaneous expense and representation expenses.

Explanations for the material changes in the Company's accounts between 2017 and 2016 are as follows:

Statement of Financial Position

The total Assets of the Company decreased by ₱27.95 Million or equivalent to 23.99% from ₱116.46 Million in 2016 to ₱88.52 Million in 2017. The significant changes were mainly due to the following:

- Cash decreased significantly from ₱2.70 million as of December 31, 2016 to ₱1.72 million as of December 31, 2017, a decrease of ₱0.97 million or equivalent to 36.06% pertains mainly to the payment of administrative expenses.

- Receivable decreased by ₱2.07 million or equivalent to 45.80% due to set up of allowance for doubtful accounts on cash advances.

- Other current assets decreased due to reversal of interest receivable amounting to ₱0.60 million or equivalent to 74.29%.

- Due from Parent Company decreased significantly by ₱27.58 million or equivalent to 68.95% pertains to the collection on advances made to RYM Business Management Corporation.

- Equipment increased pertains to purchase of Toyota Hilux amounting to ₱1.58 million.

Liabilities increased by ₱0.43 million mainly due to increase in deferred tax liability.

The company incurred a net loss of ₱28.32 million in 2017 which resulted to decrease in the total stockholder's equity.

Results of Operations

Operating results reflected a net loss of ₱28.44 million in 2017, equivalent to 8.24% or ₱2.16 million higher as compared to 2016 reported net loss of ₱26.27 million. The significant changes were mainly due to the following:

- Recovery of accounts written-off decreased by ₱0.58 million or 77.66% due to lower collected this year.

- Provision for impairment loss increased by ₱2.13 million due to set up of allowance for doubtful accounts on cash advances made to the previously engaged for processing the transfer and registrations.

- Professional fees decreased by ₱1.04 million or equivalent to 36.58% due to lower legal fees in 2017.

- Outside services increased from ₱1.09 million in 2016 to ₱1.32 million in 2017, ₱0.22 million or equivalent to 20.38% primarily due to engagement of individual for court appearance.

- Taxes and licenses decreased from ₱0.65 million in 2016 to ₱0.46 million in 2017, 29.76% in due to payment of Documentary stamp tax on 2016.

- Rent decreased by ₱0.09 million or equivalent to 31.56% due lower association dues in 2017.

- Salaries and allowance decreased by ₱0.13 million or equivalent to 100.00% due to paid allowance on contractual employees in 2016 and none in 2017.

- Depreciation expense increased by ₱0.08 million due to the increased in transportation equipment.

- Other expenses increased by ₱0.53 million due to recognize of other miscellaneous expense from interest receivable.

Performance Indicators

Key Performance Indicators (KPI's)

Comparative figures of the key performance indicators (KPI) for the fiscal years ended December 31, 2019 and December 31, 2018:

	2019	2018
Net Loss	**(₱992,120)**	(₱24,573,027)
Current assets	**52,351,710**	44,822,195
Total assets	**54,166,468**	46,580,388
Current liabilities	**195,481,280**	187,303,080
Total liabilities	**195,481,280**	187,303,080
Stockholders' Equity	**(141,314,812)**	(140,722,692)
No. of common shares outstanding	**700,298,616**	700,298,616

	2019	2018
Current ratio [1]	**0.27**	0.24
Book value per share [2]	**(0.20)**	(0.20)
Debt ratio [3]	**(1.38)**	(1.33)
Profit (loss) per share [4]	**(0.004)**	(0.04)
Return on assets [5]	**(0.02)**	(0.36)

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 2019 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	
	2019	2018
Audit Fees	**₱390,000**	₱370,000

Audit Fees. Represents professional fees of the external auditor for the audit services rendered on Company's Annual Financial Statements for the year 2019 and 2018.

Audit services provided to the Company by external auditor have been pre-approved by the Audit Committee. The Audit Committee has reviewed the magnitude and nature of these services to ensure that they are compatible with maintaining the independence of the external auditor.

Changes in and disagreements with Accountants on Accounting and financial Disclosure

There was no event in the past years where the external auditor and the Registrant had any disagreements with regard to any matter relating to accounting principles or practices, financial statement disclosure or auditing scope or procedure.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

Directors

The following are the names, ages, citizenship and periods of service of the past and the incumbent directors/independent directors of the Company:

Name	Age	Citizenship	Period during which individual has served as such
Manolito A. Manalo	54	Filipino	May 28 2013 to present
Bernadeth A. Lim	39	Filipino	May 28 2013 to present
Juan Victor S. Valdez	46	Filipino	May 28 2013 to present
Antonio L. Tiu	43	Filipino	December 12 2019 to present
Rolando S. Santos	69	Filipino	January 06 2017 to present
Johnny Y. Aruego Jr. (independent director)	48	Filipino	May 28 2013 to present
Francisco L. Layug III (independent director)	65	Filipino	December 21 2017 to present

Officers

The following are the names, ages, positions, citizenship and periods of service of the past and incumbent officers and advisors of the Company:

Name	Age	Position	Citizenship	Period during which individual has served as such
Manolito A. Manalo	54	President & CEO	Filipino	May 2013 to present
Bernadeth A. Lim	39	Vice President	Filipino	May 2013 to present
Maila G. De Castro	44	Corporate Secretary	Filipino	Sept 2019 to present
Rolando S. Santos	69	Treasurer	Filipino	January 06 2017 to present
Christopher Sam S. Salvador	37	Co-Corporate Information Officer	Filipino	December 2014 to present

Business Experience and Other Directorships

Directors

The business experience of each of the past and incumbent directors of the Company for the last five (5) years is as follows.

Directors

Manolito A. Manalo was elected as President and Director in May 2013. He is a co-founder and the Managing Partner of Ocampo and Manalo Law Firm. He is a Director and the President of Panalpina World Transport (Phils.), Inc. He also sits as Director in Kajima Philippines Inc. He began his law practice as an Associate in Leovillo C. Agustin Law Offices from 1995 to 1996 and Britanico Consunji and Sarmiento from 1996 to 1997. He later headed the Legal Division of Air Philippines from 1997 to 1999.

Bernadeth A. Lim was elected as Vice President and Director in May 2013. She is a Junior Partner of Ocampo and Manalo Law Firm. She is a Director and the Corporate Secretary of Kajima Philippines Incorporated, Ripple Mobile Technology Solutions Inc., Anawhan Realty Inc. and Bryaric Holdings Corp. She also sits as a Director in Veripay Mobile Systems Inc.

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

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

Francisco L. Layug III was elected as an Independent Director in December 2017. He is the President of Rotary Club of Pasay. He served as President of University of the Philippines Electronics and Electrical Engineering Alumni Association, Inc. (UPEEEAAI) from 2010-2011. He was also a Vice President of Alay-Lakad Foundation from 2009-2010.

Antonio L. Tiu was elected as a Director in December 2019. He is the President and CEO of Philippine Infradev Holdings Inc.; Chairman, President and CEO of Agrinurture, Inc. ("ANI"); and President and CEO of Greenergy Holdings Incorporated. He is likewise a Director of Jiangsu Rizal Infradev Co., Ltd., Makati City Subway, Inc. and Agricultural Bank of the Philippines Inc. He is the President/CEO and Chairman of Earthright Holdings, Inc.; President and Chairman of Sunchamp Real Estate Development Corp.; and Chairman and President/CEO of Winsun Green Ventures, Inc. Mr. Tiu is also the Chairman and CEO of the following companies under the ANI Group: M2000 IMEX Company, Inc., First Class Agriculture Corporation, Fresh and Green Harvest Agricultural Corporation, Lucky Fruit and Vegetable Products, Inc., Best Choice Harvest Agricultural Corporation, Fresh & Green Palawan Agriventures, Inc., Ocean Biochemistry Technology Research, Inc., Fruitilicious Company, Inc., Farmville Farming Co., Inc. and The Big Chill, Inc.

Mr. Tiu was a part-time lecturer in International Finance at DLSU Graduate School from 1999 to 2001. He was awarded the Ernst and Young Emerging Entrepreneur of the Year in 2009, the Overseas Chinese Entrepreneur of the Year in 2010 and Ten Outstanding Young Men of the Philippines in 2011.

Other Officers

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

Rolando S. Santos was elected as Treasurer in October 2013 and Director in August 22, 2017. He serves as Vice President and Treasurer of Bright Kindle Resources & Investments Inc. and as Treasurer of Marcventures Holdings Inc. and Marcventures Mining and Development Corp. He was previously the Branch Head/ Cluster Head for Makati Branches of Equitable PCI Bank which was eventually acquired by BDO from 2001 to 2013.

Maila Lourdes G. De Castro was appointed in September 2019 as Corporate Secretary, Compliance Officer and Data Privacy Officer. She is currently the Co-Assistant Corporate Secretary of Marcventures Holdings, Inc. and Corporate Secretary of Marcventures Mining & Development Corp. She is likewise the Corporate Secretary, Compliance Officer and Data Privacy Officer of Bright Kindle Resources & Investments, Inc. She worked with the Belo Gozon Elma Parel Law as Legal Associate and Special Projects Counsel from 2000-2006. She was also the Corporate Counsel and Vice President/ Head of Legal and Corporate Planning of UNITEL from 2006-2013, subsequently went to private practice in the last six (6) years and concurrently the Chairperson of the Philippine Electricity City Market Corporation.

Christopher Sam S. Salvador was re-elected as Co-Corporate Information Officer in December 2017. He is a Junior Partner of Ocampo & Manalo Law Firm. He is a Director and the Treasurer of Pureholdings, Inc., Corporate Secretary of Timebound Trading Inc., and Associate Corporate Secretary for Island Tranvoyager, Inc. and Bacuit Airholdings, Inc.

Item 10. Executive Compensation

The aggregate compensation paid in 2018 and 2019 and estimated to be paid in 2020, 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		2018 2019 2020 (Est.)			₱35,000 20,000 25,000
All Directors and Officers as a group unnamed		2018 2019 2020 (Est.)			₱25,000 30,000 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 2019:

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, 2019, 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, 2019

Type of Class	Name and Address of Owner	Amount and nature of Beneficial ownership	Citizenship	Percent of class
Common	Manolito Manalo	1	Filipino	0.0%
Common	Bernadeth A. Lim	1	Filipino	0.0%
Common	Antonio L. Tiu	1,000	Filipino	0.0%
Common	Juan Victor S. Valdez	1	Filipino	0.0%
Common	Johnny Y. Aruego Jr.	1	Filipino	0.0%
Common	Rolando S. Santos	1,000	Filipino	0.0%
Common	Francisco L. Layug III	1	Filipino	0.0%
TOTAL		2,005		

Changes in Control

The Company is not aware of any voting trust agreements or any other similar agreements which may result in a change in control of the Company. As reported to the SEC and PSE, on December 18, 2015, RYM Business Management Corp. acquired through foreclosure sale 93,685,410 and 218,099,360 common shares owned by NOHI and MTLCI, respectively, resulting to 87.38% ownership in the Company.

Item 12. Certain Relationships and Related Transactions

Part IV-Corporate Governance

Item 13. Corporate Governance

This portion has been deleted pursuant to SEC Memorandum Circular No. 05 Series of 2013.

Part V – Exhibits and Schedules

Item 14. Exhibits and Reports on SEC Form 17-C

(a) Exhibits

See accompanying Index to Exhibits.

The following exhibits are filed as a separate section of this report

(b) Reports on SEC Form 17-C

Items reported under SEC Form 17-C during the last six months covered by this report:

Date of Disclosure	Subject
June 10, 2019	Sale of investment properties to Pacific Mall Corporation
June 17, 2019	Reply to Exchange's Query -Company's plans to bring its stockholders' equity from negative to positive

July 17, 2019	Agreement on potential investment in Prime Media Holdings, Inc.
Date of Disclosure	**Subject**
July 19, 2019	Reply to Exchange's Query -Additional information regarding the Memorandum of Agreement.
September 4, 2019	Resignation of Atty. Diane Madelyn Ching and Appointment of Atty. Maila Lourdes G. De Castro
September 11, 2019	Postponement of Annual Stockholders' Meeting
October 7, 2019	Change in Corporate Contact Details
October 16, 2019	Extension of relevant periods under the Memorandum of Agreement between RYM Business Management Corporation and Greenergy Holdings Incorporated and related entities for the proposed acquisition of Investment Properties by Prime Media Holdings, Inc. (PRIM) in exchange for Shares
November 18, 2019	Notice of Annual Stockholders' Meeting
December 13, 2019	Results of the Annual Stockholders' Meeting Results of Organizational Meeting held on 12 December 2019

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 on JUN 3, 2020 2020

By:

MANOLITO A. MANALO
President

ROLANDO S. SANTOS
Treasurer

MAILA G. DE CASTRO
Corporate Secretary

SUBSCRIBED AND SWORN to before me this JUN 3 0 2020 day of ________ 2020 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	
Maila Lourdes G. De Castro	209-980-102	

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. 100789;01/03/2020
PTR No. MKT-8116378MG;01/03/2020
MCLE Compliance No. VI-0021476;03/26/2019
4F Citibank Center, 8741 Paseo de Roxas, Makati City

Doc. No. 112
Page No. 34
Book No. I
Series of 2020.

Gmail

Jacky-Lyn Valenzuela <jacky.valenzuela@marcventures.com.ph>

Your BIR AFS eSubmission uploads were received

eafs@bir.gov.ph <eafs@bir.gov.ph> Tue, Jun 30, 2020 at 4:54 PM
To: JOANNA.MANZANO@marcventures.com.ph
Cc: JACKY.VALENZUELA@marcventures.com.ph

Hi PRIMEMEDIA,

Valid files

- EAFS000491007OTH2019-01.pdf
- EAFS000491007OTH2019-02.pdf
- EAFS000491007AFS2019.pdf
- EAFS000491007ITR2019.pdf
- EAFS000491007OTH2019-03.pdf

Invalid file

- <None>

Transaction Code: **AFS-2019-6G8KD75K076HG98HEQ4X3PWQ208FBKFJA7**
Submission Date/Time: **Jun 30, 2020 04:54 PM**
Company TIN: **000-491-007**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

This is a system-generated e-mail. Please do not reply.

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number: 2 2 4 0 1

COMPANY NAME

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

PRINCIPAL OFFICE *(No./Street/Barangay/City/Town/Province)*

16th Floor, Citibank Tower, 8741 Paseo de Roxas, Makati City

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	CRMD	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
service@primemediaholdingsinc.com	(02) 8 831-4479	–

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
1,591	3rd Tuesday of May	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Mr. Rolando S. Santos	rolly.santos@marcventures.com.ph	8 826-8609/8 856-7976	0998-985-0229

OFFICE ADDRESS

16th Floor, Citibank Tower, 8741 Paseo de Roxas, Makati City

NOTE 1: *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

2: *All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt shall not excuse the corporation from liability for its deficiencies.*

PRIME MEDIA Holdings, Inc.

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, 2019 and 2018**, 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, 2019 and 2018**, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

MANOLITO A. MANALO
Chairman and President

ROLANDO S. SANTOS
Treasurer

Signed this JUN 26 2020 day of

SUBSCRIBED AND SWORN to before me this _____ day of JUN 30 2020 affiant(s) exhibiting to their evidence of identity, as follows:

NAMES	Competent Evidence of Identity (TIN)	DATE OF ISSUE	PLACE OF ISSUE
Manolito A. Manalo	195-562-309		
Rolando S. Santos	127-551-054		

Notary Public

Doc. No. 141;
Page No. 84;
Book No. I;
Series of 2020.

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. 100789;01/03/2020
PTR No. MKT-8116378MG;01/03/2020
MCLE Compliance No. VI-0021476;03/26/2019
4F Citibank Center, 8741 Paseo de Roxas, Makati City

REYES TACANDONG & CO.
FIRM PRINCIPLES. WISE SOLUTIONS.

BOA/PRC Accreditation No. 4782
October 4, 2018, valid until August 15, 2021
SEC Accreditation No. 0207-FR-3 (Group A)
August 29, 2019, valid until August 28, 2022

Citibank Tower
8741 Paseo de Roxas
Makati City 1226 Philippines
Phone : +632 8 982 9100
Fax : +632 8 982 9111
Website : www.reyestacandong.com

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Prime Media Holdings, Inc.
16th Floor, Citibank Tower
8741 Paseo de Roxas
Makati City

Opinion

We have audited the accompanying financial statements of Prime Media Holdings, Inc. (the Company), a subsidiary of RYM Business Management Corp., which comprise the statements of financial position as at December 31, 2019 and 2018, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the three years ended December 31, 2019, 2018 and 2017, 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, 2019 and 2018, and its financial performance and its cash flows for the three years ended December 31, 2019, 2018 and 2017 in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements which indicates that the Company is still exploring for a new business. Its current activities comprise mainly of transferring assets related to its previous development bank operation to BDO and PDIC. Thus, the Company has continued to incur losses resulting in a capital deficiency of ₱141.3 million and ₱140.7 million as at December 31, 2019 and 2018, 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 are also discussed in Note 1. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements as at and for the year ended December 31, 2019. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Stockholders' Commitment to Support the Company
The Company relies on its stockholders to sustain its operations and settle its liabilities. The ability of the Company to continue as a going concern depends primarily on the financial capacity and commitment of the stockholders. Hence, this is of significance to our audit. We obtained a letter of financial support from the Parent Company and reviewed management's disclosures on actions being taken by the stockholders and underlying documents. Further disclosures are included in Note 1 to the financial statements.

Estimated Liabilities
As discussed in Note 1, the Company has estimated liabilities primarily related to its previous development banking operations. This matter is of significance to our audit because it involves the use of estimates. We have reviewed the reasonableness of management's estimates. Further disclosures are included in Note 10.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A (Annual Report) and Annual Report distributed to stockholders for the year ended December 31, 2019, 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, 2019 are expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, these could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Belinda B. Fernando.

REYES TACANDONG & CO.

Belinda B. Fernando

BELINDA B. FERNANDO
Partner
CPA Certificate No. 81207
Tax Identification No. 102-086-538-000
BOA Accreditation No. 4782; Valid until August 15, 2021
SEC Accreditation No. 81207-SEC Group A
Valid until January 29, 2025
BIR Accreditation No. 08-005144-004-2019
Valid until October 16, 2022
PTR No. 8116474
Issued January 6, 2020, Makati City

June 26, 2020
Makati City, Metro Manila

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

STATEMENTS OF FINANCIAL POSITION

	Note	December 31 2019	2018
ASSETS			
Current Assets			
Cash	4	**₱10,023,033**	₱5,602,963
Receivables	5	**30,164,567**	27,396,444
Due from related parties	14	**8,169,372**	7,940,000
Other current assets	6	**3,994,738**	3,882,788
Total Current Assets		**52,351,710**	44,822,195
Noncurrent Assets			
Investment in a club share	8	**900,000**	500,000
Equipment	9	**914,758**	1,258,193
Total Noncurrent Assets		**1,814,758**	1,758,193
		₱54,166,468	₱46,580,388
LIABILITIES AND CAPITAL DEFICIENCY			
Current Liabilities			
Accrued expenses and other current liabilities	10	**₱181,601,280**	₱173,423,080
Due to a related party	14	**13,880,000**	13,880,000
Total Current Liabilities		**195,481,280**	187,303,080
Capital Deficiency			
Capital stock	11	**714,664,876**	714,664,876
Deficit		**(856,679,688)**	(855,687,568)
Other comprehensive income	8	**700,000**	300,000
Total Capital Deficiency		**(141,314,812)**	(140,722,692)
		₱54,166,468	₱46,580,388

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	2019	2018	2017
INCOME				
Interest income	4	**₱2,609,349**	₱446,732	₱13,474
Rent	12	**828,000**	1,125,857	279,360
Recovery of accounts written-off	5	**140,000**	247,202	167,328
Gain on fair value changes of investment properties	7	–	–	1,741,000
		3,577,349	1,819,791	2,201,162
EXPENSES				
Professional fees		**2,012,822**	2,595,114	1,799,004
Outside services		**603,544**	1,456,005	1,316,410
Insurance		**725,214**	27,120	37,422
Taxes and licenses		**429,940**	1,453,072	459,978
Depreciation	9	**343,435**	334,372	96,010
Association dues		**70,319**	2,553,793	–
Transportation and travel		**66,635**	76,593	31,684
Directors' fee		**45,000**	60,000	50,000
Representation		**1,500**	912,087	12,500
Loss on sale of investment properties	7	–	24,896,294	–
Rent	12	–	125,488	186,699
Management fee	14	–	–	23,092,784
Provision for impairment losses	5	–	–	2,126,335
Others		**199,700**	1,284,358	896,788
		4,498,109	35,774,296	30,105,614
LOSS BEFORE INCOME TAX		**(920,760)**	(33,954,505)	(27,904,452)
PROVISION FOR (BENEFIT FROM) INCOME TAX	13			
Current		**71,360**	175,322	8,934
Deferred		–	(9,556,800)	522,300
		71,360	(9,381,478)	531,234
NET LOSS		**(992,120)**	(24,573,027)	(28,435,686)
OTHER COMPREHENSIVE INCOME	8			
Item that will not be reclassified to profit or loss				
Unrealized valuation gain on investment in a club share		**400,000**	200,000	–
Item that will be reclassified to profit or loss				
Unrealized valuation gain on investment in a club share		–	–	60,000
TOTAL COMPREHENSIVE LOSS		**(₱592,120)**	(₱24,373,027)	(₱28,375,686)
Basic Loss Per Share	16	**(₱0.004)**	(₱0.037)	(₱0.043)

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	**2019**	2018	2017
CAPITAL STOCK	11			
Common stock - ₱1 par value				
Balance at beginning and end of year		**₱700,298,616**	₱700,298,616	₱700,298,616
Preferred stock - ₱1 par value				
Balance at beginning and end of year		**14,366,260**	14,366,260	14,366,260
		714,664,876	714,664,876	714,664,876
ADDITIONAL PAID-IN CAPITAL				
Balance at beginning of year		**–**	2,114,921,869	2,114,921,869
Effect of equity restructuring	11	**–**	(2,114,921,869)	–
Balance at end of year		**–**	–	2,114,921,869
DEFICIT				
Balance at beginning of year		**(855,687,568)**	(2,943,798,478)	(2,915,362,792)
Net loss		**(992,120)**	(24,573,027)	(28,435,686)
Effect of equity restructuring	11	**–**	2,114,921,869	–
Effect of initial application of PFRS 9	5	**–**	(2,237,932)	–
Balance at end of year		**(856,679,688)**	(855,687,568)	(2,943,798,478)
OTHER COMPREHENSIVE INCOME	8			
Balance at beginning of year		**300,000**	100,000	40,000
Unrealized valuation gain on investment in a club share		**400,000**	200,000	60,000
Balance at end of year		**700,000**	300,000	100,000
		(₱141,314,812)	(₱140,722,692)	(₱114,111,733)

See accompanying Notes to Financial Statements.

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

STATEMENTS OF CASH FLOWS

	Note	2019	2018	2017
		Years Ended December 31		
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before income tax		**(₱920,760)**	(₱33,954,505)	(₱27,904,452)
Adjustments for:				
Interest income	4	**(2,609,349)**	(446,732)	(13,474)
Depreciation	9	**343,435**	334,372	96,010
Loss on sale of investment properties	7	**–**	24,896,294	–
Gain on fair value changes of investment properties	7	**–**	–	(1,741,000)
Operating loss before working capital changes		**(3,186,674)**	(9,170,571)	(29,562,916)
Decrease (increase) in:				
Receivables		**(257,956)**	(27,180,444)	2,062,335
Due from related parties		**(229,372)**	4,480,000	27,580,000
Other current assets		**(183,310)**	(3,674,429)	600,546
Increase (decrease) in accrued expenses and other current liabilities		**8,178,200**	(19,648,565)	(89,237)
Net cash generated from (used for) operations		**4,320,888**	(55,194,009)	590,728
Interest received		**99,182**	446,732	13,474
Income tax paid		**–**	(175,322)	(8,934)
Net cash provided by (used in) operating activities		**4,420,070**	(54,922,599)	595,268
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of investment properties	7	**–**	44,979,706	–
Acquisition of equipment		**–**	(54,375)	(1,577,000)
Net cash provided by (used in) investing activities		**–**	44,925,331	(1,577,000)
CASH FLOW FROM A FINANCING ACTIVITY				
Increase in due to a related party		**–**	13,880,000	–
NET INCREASE (DECREASE) IN CASH		**4,420,070**	3,882,732	(981,732)
CASH AT BEGINNING OF YEAR		**5,602,963**	1,720,231	2,701,963
CASH AT END OF YEAR		**₱10,023,033**	₱5,602,963	₱1,720,231

See accompanying Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

Prime Media Holdings, Inc. (the Company) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on February 6, 1963. On October 1, 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 and to hold investments in the media industry. On March 4, 2013, the SEC approved the extension of the Company's corporate life for another 50 years.

On July 9, 1964, the Philippine Stock Exchange, Inc. approved the public listing of the Company's shares of stock. As at December 31, 2019 and 2018, there are 663,713,458 Company shares that are publicly listed.

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

On September 12, 2002, the Company agreed to transfer assets and liabilities arising from its development bank operations to Banco de Oro Unibank, Inc. (BDO) and Philippine Deposit Insurance Corporation (PDIC) under a Memorandum of Agreement (MOA). As at December 31, 2019 and 2018, the Company has liabilities arising from the MOA which pertain mainly to 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 Company's registered office and principal place of business is at 16th Floor, Citibank Tower, 8741 Paseo de Roxas, Makati City.

The financial statements of the Company as at December 31, 2019 and 2018 and for the years ended December 31, 2019, 2018 and 2017 were approved and authorized for issuance by the Board of Directors (BOD) on June 26, 2020.

Status of Operations

The Company is still exploring for a new business. Its current activities comprise mainly of transferring assets related to its previous development bank operations to BDO and PDIC. Thus, the Company has continued to incur losses resulting in a capital deficiency of ₱141.3 million and ₱140.7 million as at December 31, 2019 and 2018, respectively. RYM, the majority stockholder, however, has continued to provide the necessary financial support to sustain the Company'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 Company's capital deficiency.

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

In 2019, RYM entered into a MOA with potential investors for the transfer of investment properties to the Company in exchange for shares. As at December 31, 2019, the due diligence process on the proposed investments is still ongoing.

<u>Event after the Reporting Period</u>

Impact of COVID-19 (Coronavirus Disease 2019). The country is currently experiencing a pandemic virus crisis resulting in a slowdown in the Philippine economy because of mandated lockdowns all over the country. While the financial impact is considered a non-adjusting subsequent event as at December 31, 2019, management believes that the effect on the Company's operations and financial performance is not significant.

2. Summary of Significant Accounting Policies

<u>Basis of Preparation</u>

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

Measurement Bases

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the transaction date. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

- Level 1 - Quoted (unadjusted) market prices in active market for identical assets or liabilities.

- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

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

Adoption of New and Amended PFRS

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended PFRS which the Company adopted effective for annual periods beginning on or after January 1, 2019:

- PFRS 16, *Leases* – This standard replaced PAS 17, *Leases*, IFRIC 4, *Determining whether an Arrangement contains a Lease*, SIC-15, *Operating Leases-Incentives,* and SIC-27, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. PFRS 16 requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under PAS 17 and sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard provides two recognition exemptions for lessees from this PFRS – leases of low-value assets and short-term leases (i.e., leases with a lease term of 12 months or less).

  At the commencement date of a lease, the lessee shall recognize a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. The lessee is required to recognize the interest on the lease liability and to depreciate the right-of-use (ROU) asset.

  The lease liability shall be reviewed when there are changes in the lease term and other events affecting the lease, such as future lease payments resulting from a change in the index or rate used to determine those payments. The remeasurement of the lease liability should be recognized as an adjustment to the ROU asset.

  Lessor accounting under PFRS 16 is substantially unchanged from accounting under PAS 17. The lessor shall continue to classify leases using the same classification principle as in PAS 17 to distinguish the two types of leases: operating and finance leases.

- Philippine Interpretation IFRIC 23, *Uncertainty Over Income Tax Treatments* – The interpretation provides guidance on how to reflect the effects of uncertainty in accounting for income taxes under PAS 12, *Income Taxes,* in particular (i) matters to be considered in accounting for uncertain tax treatments separately, (ii) assumptions for taxation authorities' examinations, (iii) determinants of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, and (iv) effect of changes in facts and circumstances.

- Amendments to PFRS 9, *Financial Instruments - Prepayment Features with Negative Compensation* – The amendments clarify that a financial asset passes the "solely payments of principal and interest" criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. Consequently, financial assets with termination provisions can now be measured at amortized cost [or, depending on the business model, at fair value through other comprehensive income (FVOCI)]

- Annual Improvements to PFRS 2015 to 2017 Cycle:

  - Amendments to PAS 12, *Income Taxes - Income Tax Consequences of Payments on Financial Instruments Classified as Equity* – The amendments require entities to recognize the income tax consequences of dividends as defined in PFRS 9 when the liability to pay dividends are recognized. The income tax consequences of dividends are recognized either in profit or loss, other comprehensive income or equity, consistently with the transactions that generated the distributable profits. This requirement applies to all income tax consequences of dividends, such as withholding taxes.

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

New and Amended PFRS Issued But Not Yet Effective
Relevant new and amended PFRS which are not yet effective for the year ended December 31, 2019 and have not been applied in preparing the financial statements are summarized below.

Effective for annual periods beginning on or after January 1, 2020:

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

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

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

Under prevailing circumstances, the adoption of the foregoing new and 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, 2019 and 2018, 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, 2019 and 2018, 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, 2019 and 2018, 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, 2019 and 2018, 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.

Other Current Assets

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

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.

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.

VAT. Revenues, expenses and assets are 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.

Investment Properties

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

Equipment

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

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

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

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

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

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

Impairment of Nonfinancial Assets

The Company assesses at each reporting date whether there is an indication that nonfinancial assets may be impaired when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists and if the carrying amount exceeds the estimated recoverable amount, nonfinancial assets are written down to its recoverable amount, which is the greater of fair value less cost to sell and value in use. The fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's length transaction. 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. Impairment losses are recognized in profit or loss.

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

Equity

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

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

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

Revenue Recognition

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

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

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

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

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

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

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

Other Income. Other income is recognized when earned.

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.

Operating Lease

a. Accounting policies beginning January 1, 2019

The Company assesses whether the contracts is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified assets for a period of time, the Company assesses whether, throughout the period of use, it has both of the following:

i. the right to obtain substantially all of the economic benefits from the use of the identified asset; and

ii. the right to direct the use of the identified asset.

If the Company has the right to control the use of an identified asset for only a portion of the term of the contract, the contract contains a lease for that portion of the term.

Company as a Lessee. At the commencement date, the Company recognizes ROU assets and lease liabilities for all leases, except for leases with lease terms of 12 months or less (short-term leases) and leases for which the underlying asset is of low value in which case the lease payments associated with those leases are recognized as an expense on a straight-line basis.

Company as a Lessor. Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as rent income. Contingent rents are recognized as revenue in the period in which these are earned.

b. Accounting policies prior to January 1, 2019

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

A reassessment is made after inception of the lease only if one of the following applies:

i. there is a change in contractual terms, other than a renewal or extension of the arrangement;

ii. a renewal option is exercised or extension granted, unless the term of the renewal or extension was initially included in the lease term;

iii. there is a change in the determination of whether fulfillment is dependent on a specified asset; or

iv. there is a substantial change to the asset.

Where reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios (i), (ii) or (iv) and at the date of renewal or extension period for scenario (ii).

Company as a Lessee. Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognized in profit or loss on a straight-line basis over the lease term.

Company as a Lessor. Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as rent income. Contingent rents are recognized as revenue in the period in which these are earned.

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 2019, 2018 and 2017 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 ₱141.3 million and ₱140.7 million as at December 31, 2019 and 2018, 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 assets at FVOCI (see Note 8).

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

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

Rent income amounted to ₱0.8 million, ₱1.1 million and ₱0.3 million in 2019, 2018 and 2017, respectively (see Note 12).

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

Estimates and Assumptions

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

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

Liabilities arising from the MOA amounted to ₱159.3 million and ₱151.1 million as at December 31, 2019 and 2018, respectively (see Note 10).

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

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

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

No impairment losses were recognized in 2019, 2018, and 2017.

The aggregate carrying amount of cash in banks, receivables (excluding advances to officers, employees and service providers) and due from related parties amounted to ₱48.3 million and ₱40.9 million as at December 31, 2019 and 2018, respectively (see Notes 5 and 14).

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

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; or
- significant negative industry or economic trends.

No impairment losses were recognized in 2019, 2018 and 2017 except for impairment losses recognized on advances to officers, employees and service providers amounting to ₱2.1 million in 2017 (see Note 5).

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

	Note	2019	2018
Other current assets	6	**₱3,994,738**	₱3,882,788
Equipment	9	**914,758**	1,258,193
Advances to officers, employees and service providers	5	**39,700**	32,200

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 ₱28.5 million and ₱36.5 million as at December 31, 2019 and 2018, respectively. Management believes that there will be no sufficient future taxable profits against which these deferred tax assets can be utilized (see Note 13).

4. Cash

This account consists of:

	2019	2018
Cash on hand	**₱5,277**	₱5,277
Cash in banks	**10,017,756**	5,597,686
	₱10,023,033	₱5,602,963

Cash in banks earn interest at prevailing bank deposit rates.

The sources of interest income are as follows:

	Note	2019	2018	2017
Loans receivable	14	**₱2,600,000**	₱433,334	₱–
Cash in banks		**9,349**	13,398	13,474
		₱2,609,349	₱446,732	₱13,474

5. Receivables

This account consists of:

	Note	2019	2018
Loans receivable:			
Third parties		**₱62,277,740**	₱62,277,740
Related party	14	**26,000,000**	26,000,000
Interest receivable	14	**2,941,667**	431,500
Advances to officers, employees and service providers		**2,166,035**	2,158,535
Rent receivables:	12		
Related party	14	**1,159,200**	809,518
Third parties		**261,932**	309,932
Others		**–**	51,226
		94,806,574	92,038,451
Less allowance for impairment losses		**64,642,007**	64,642,007
		₱30,164,567	₱27,396,444

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

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

Breakdown of allowance for impairment losses as at December 31, 2019 and 2018 are as follows:

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

The Company recovered some accounts written-off in prior years amounting to ₱0.1 million in 2019 and ₱0.2 million in 2018 and 2017. In 2017, the Company recognized impairment losses on advances to officers, employees and service providers amounting to ₱2.1 million.

6. Other Current Assets

This account consists of:

	2019	2018
CWT	**₱3,230,989**	₱3,298,209
Prepayments	**321,411**	515,924
Net input VAT	**442,338**	68,655
	₱3,994,738	₱3,882,788

Prepayments mainly pertain to prepaid insurance and taxes.

7. Investment Properties

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

Gain on fair value changes of investment properties amounting to ₱1.7 million in 2017 was based on valuations performed by an accredited independent appraiser using the market data approach.

Market Data Approach involves the comparison of the land to those that are more or less located within the vicinity of the appraised property and are subject of recent sales and offerings. Adjustments were made to arrive at the market value by considering the location, size, shape, utility, desirability and time element. In this approach, the value of the land was based on sales and listings of comparable property registered within the vicinity. This requires the adjustments of comparable property by reducing reasonable comparative sales and listings to a common denominator. This was done by adjusting the differences between the subject property and those actual sales and listings regarded as comparable. The properties used as bases of comparison are situated within the vicinity of the subject property. The comparison was premised on the factors of location, size, and shape of the lot, time element and others.

The significant unobservable inputs to fair valuation are as follows:

Price per square meter	₱20,000-₱22,857
Value adjustments	-5% to 75%

Price per Square Meter: estimated value prevailing in the real estate market depending on the location, area, shape and time element.

Value Adjustments: adjustments are made to bring the comparative values in approximation to the investment property taking into account the location, size, architectural features and etc.

Sensitivity Analysis. The factors considered in determining the fair value of the property are the (a) location of the property with reference to quality neighborhood, (b) size, (c) physical characteristics such as shape, topography and road frontage; and (d) time element. Significant increase (decrease) in price per square meter would result in a significantly higher (lower) fair value measurement. Significant increase (decrease) in value adjustments would result in a lower (higher) fair value measurement.

8. Investment in a Club Share

The Company's investment consist 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:

	2019	2018
Cost	**₱200,000**	₱200,000
Unrealized gain on fair value changes		
Balance at beginning of year	**300,000**	100,000
Fair value changes	**400,000**	200,000
Balance at end of year	**700,000**	300,000
	₱900,000	₱500,000

In 2017, the Company's gain on fair value changes amounted to ₱60,000 resulting to a cumulative unrealized gain on fair value changes amounting to ₱0.1 million.

9. Equipment

Movements in this account are as follows:

	2019		
	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	**62,920**	**396,062**	**458,982**
Depreciation	**17,160**	**326,275**	**343,435**
Balance at end of year	**80,080**	**722,337**	**802,417**
Carrying Amount	**₱5,720**	**₱909,038**	**₱914,758**

	2018		
	Computer Equipment	Transportation Equipment	Total
Cost			
Balance at beginning of year	₱85,800	₱1,577,000	₱1,662,800
Addition	–	54,375	54,375
Balance at end of year	85,800	1,631,375	1,717,175
Accumulated Depreciation			
Balance at beginning of year	45,760	78,850	124,610
Depreciation	17,160	317,212	334,372
Balance at end of year	62,920	396,062	458,982
Carrying Amount	₱22,880	₱1,235,313	₱1,258,193

In 2017, the Company recognized depreciation amounting to ₱0.1 million.

On February 8, 2018, the Company entered into an operating lease agreement with MMDC for the lease of transportation equipment until October 7, 2019 (see Note 12).

Rent income from the lease of transportation equipment amounted to ₱0.8 million in 2019 and 2018 (see Note 14).

10. Accrued Expenses and Other Current Liabilities

This account consists of:

	2019	2018
Liabilities arising from the MOA	**₱159,304,972**	₱151,104,972
Dividends payable	**10,985,443**	10,985,443
Rental deposits	**5,972,642**	5,972,642
Accrued expenses	**2,136,616**	2,117,206
Statutory payable	**5,397**	2,607
Others	**3,196,210**	3,240,210
	₱181,601,280	₱173,423,080

Liabilities arising from the MOA pertain to the estimated transfer taxes and registration fees related to the transfer of assets from its 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.

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 except for statutory payable which is normally settled within the succeeding month.

11. Equity

Capital Stock

Movements in this account are as follows:

	2019		2018		2017	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
Common stock - ₱1 par value						
Authorized	3,000,000,000	₱3,000,000,000	3,000,000,000	₱3,000,000,000	3,000,000,000	₱3,000,000,000
Subscribed:						
Balance at beginning and end of year	700,298,616	700,298,616	700,298,616	700,298,616	700,298,616	700,298,616
Preferred stock - ₱1 par value						
Authorized	2,000,000,000	2,000,000,000	2,000,000,000	₱2,000,000,000	2,000,000,000	2,000,000,000
Issued and outstanding:						
Balance at beginning and end of year	14,366,260	14,366,260	14,366,260	14,366,260	14,366,260	14,366,260
	714,664,876	₱714,664,876	714,664,876	₱714,664,876	714,664,876	₱714,664,876

The preferred stock has the following salient features:

a. Cumulative, nonparticipating, nonvoting, redeemable and convertible at the option of the Company.

b. Cash dividend rate initially at 4.50% per annum based on par value, which shall be automatically adjusted to 11.00% per annum upon full payment of the subscription price.

c. The Company may, at any time at its option, wholly or partially redeem the outstanding preferred stock plus accrued dividends thereon. When such call for redemption is made, the holders of the preferred stock may opt to convert the preferred stock to common stock.

Equity Restructuring

As discussed in Note 1, on March 23, 2018, the SEC approved the Company's equity restructuring to apply APIC of ₱2,114.9 million against deficit.

12. Leases

Operating Lease Commitments

- The Company entered into cancellable lease agreements for a period ranging from one to thirteen years renewable upon mutual agreement of the parties and subleased the properties under the same terms. In July 2018, these agreements were terminated upon mutual consent of the contracting parties.

- On February 8, 2018, the Company entered into an operating lease agreement with MMDC for the lease of the transportation equipment until October 7, 2019 (see Note 9).

  Rent income amounted to ₱0.8 million, ₱1.1 million and ₱0.3 million in 2019, 2018 and 2017, respectively. Rent receivables amounted to ₱1.4 million and ₱1.1 million as at December 31, 2019 and 2018, respectively (see Note 5).

  Rent expense amounted to ₱0.1 million and ₱0.2 million in 2018 and 2017, respectively.

13. Income Tax

The provision for current income tax represents MCIT in 2019, 2018 and 2017.

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

	2019	2018	2017
Income tax computed at statutory tax rate	**(₱276,228)**	(₱10,186,352)	(₱8,371,336)
Change in unrecognized deferred tax assets	**(7,957,729)**	(8,758,083)	8,429,944
Tax effects of:			
Expired NOLCO and MCIT	**8,308,122**	9,297,469	474,258
Interest income already subjected to final tax	**(2,805)**	(4,019)	(4,042)
Nondeductible expense	**–**	269,507	2,410
	₱71,360	(₱9,381,478)	₱531,234

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

	2019	2018
Allowance for impairment losses on receivables	**₱19,392,602**	₱19,392,602
NOLCO	**8,900,464**	16,908,982
MCIT	**255,616**	204,827
	₱28,548,682	₱36,506,411

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, 2019 and 2018.

As at December 31, 2019, unused NOLCO that can be claimed as deduction from future taxable income are as follows:

Year Incurred	Beginning Balance	Incurred	Expired	Ending Balance	Expiry Date
2019	₱–	₱930,109	₱–	₱930,109	2022
2018	1,213,547	–	–	1,213,547	2021
2017	27,524,558	–	–	27,524,558	2020
2016	27,625,169	–	(27,625,169)	–	2019
	₱56,363,274	₱930,109	(₱27,625,169)	₱29,668,214	

As at December 31, 2019, unused MCIT that can be claimed as deduction from future taxable liability are as follows:

Year Incurred	Beginning Balance	Incurred	Expired	Ending Balance	Expiry Date
2019	₱–	₱71,360	₱–	₱71,360	2022
2018	175,322	–	–	175,322	2021
2017	8,934	–	–	8,934	2020
2016	20,571	–	(20,571)	–	2019
	₱204,827	₱71,360	(₱20,571)	₱255,616	

14. Related Party Transactions

Outstanding balances and transactions with related parties are as follows:

	Nature of Transaction	Amount of Transaction		Outstanding Balance	
		2019	2018	**2019**	2018
Receivables					
Loans Receivable					
Entity under common control	Loan	**₱–**	₱26,000,000	**₱26,000,000**	₱26,000,000
	Interest income	**2,600,000**	433,334	**2,941,667**	431,500
Rent Receivables					
Entity under common control	Rent income	**828,000**	828,000	**1,159,200**	809,518
				₱30,100,867	₱27,241,018
Due from related parties					
Entities under common control	Advances	**₱868,249**	₱8,500,000	**₱8,169,372**	₱7,940,000
Due to a related party					
Entity under common control	Advances	**₱–**	₱–	**₱13,880,000**	₱13,880,000

The Company has no material and/or significant transactions with its related parties in 2019.

Terms and Conditions of Transactions with Related Parties

Loans Receivable
In 2018, the Company entered into a one-year unsecured loan agreements with MMDC with 10% per annum interest due in 2019. As at December 31, 2019, the loans receivable are due and demandable.

Rent Receivables
On February 8, 2018, the Company entered into an operating lease agreement with MMDC for the lease of transportation equipment until October 7, 2019 (see Note 9). As at December 31, 2019, the rent receivable is due and demandable.

Due to and from Related Parties
Outstanding balances are unsecured, noninterest-bearing collectible and, payable in cash upon demand. The Company has not made any provision for impairment losses relating to the amounts owed by the related parties. This assessment is undertaken at each reporting date by taking into consideration the financial position of the related parties and the market at which the related parties operates.

Management Fee
On December 22, 2015, the Company entered into a management agreement with the Parent Company for overseeing and supervision of the Company's business matters until December 31, 2017. Management fee amounted to ₱23.1 million in 2017.

On December 3, 2018, the Company obtained approval from its stockholders to enter into a new management agreement with the Parent Company. As at December 31, 2019 and 2018, no management fee was recognized since the Company has yet to finalize the agreement with RYM.

Key Management Personnel
The Company has no key management personnel in 2019, 2018 and 2017. Its accounting and administrative functions are provided by a related party at no cost to the Company.

15. Commitments and Contingencies

a. In the normal course of the Company's prior operations, there are outstanding commitments, pending litigations and contingent liabilities which are not reflected in the financial statements. The Company does not anticipate significant losses as a result of these transactions.

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. The Company agreed to hold 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. Further, the Company agreed to indemnify BDO against losses, claims and damages BDO may suffer in the event such contingent claims, labor and minority issues affect BDO's rights under the MOA.

   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 fair value of ₱527.8 million as at December 31, 2019 and 2018. Moreover, the Company has cash of ₱13.9 million as at December 31, 2019 and 2018, respectively, arising from the proceeds of sale of a property.

16. Basic Loss Per Share

The basic loss per share is computed as follows:

	2019	2018	2017
Net loss	**(₱992,120)**	(₱24,573,027)	(₱28,435,686)
Less dividend rights of preferred stockholders for the year	**1,581,671**	1,581,671	1,581,671
Loss attributable to common stockholders	**(2,573,791)**	(26,154,698)	(30,017,357)
Divided by weighted average number of common stock	**700,298,616**	700,298,616	700,298,616
Basic loss per share	**(₱0.004)**	(₱0.037)	(₱0.043)

The convertible feature of the Company's preferred stock has potential antidilutive effect. The Company has no diluted income per share in 2019, 2018 and 2017 because the Company is in a net loss position.

17. Financial Risk Management Objectives and Policies

The Company's principal financial instruments comprise of cash, receivables (excluding advances to officers, employees and service providers), due from related parties, investment in a club share, accrued expenses and other current liabilities (excluding statutory payable) and due to a related party.

The main risks arising from the financial instruments of the Company are credit risk and liquidity risk. The BOD reviews and approves policies for managing the risks.

Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligation. The Company's exposure to credit risk arises primarily from cash in banks, receivables (excluding advances to officers, employees and service providers) and due from related parties and investment in a club share. The carrying amounts of the financial assets represent the Company's gross maximum exposure to credit risk in relation to financial assets.

The aging analyses of financial assets as at December 31, 2019 and 2018 are as follows:

	2019				
	Neither Past Due Nor Impaired	Past Due But Not Impaired		Past Due and Impaired	Total
		Less Than 30 Days	31-60 Days		
Financial Assets at Amortized Cost					
Cash in banks	₱10,017,756	₱–	₱–	₱–	₱10,017,756
Receivables*	30,124,867	–	–	62,515,672	92,640,539
Due from related parties	8,169,372	–	–	–	8,169,372
	48,311,995	–	–	62,515,672	110,827,667
Financial Assets at FVOCI					
Investment in a club share	900,000	–	–	–	900,000
	₱49,211,995	₱–	₱–	₱62,515,672	₱111,727,667

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

	2018				
	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	₱5,597,686	₱–	₱–	₱–	₱5,597,686
Receivables*	27,364,244	–	–	62,515,672	89,879,916
Due from related parties	7,940,000	–	–	–	7,940,000
	40,901,930	–	–	62,515,672	103,417,602
Financial Assets at FVOCI					
Investment in a club share	500,000	–	–	–	500,000
	₱41,401,930	₱–	₱–	₱62,515,672	₱103,917,602

**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, 2019 and 2018, accrued expenses and other current liabilities (excluding statutory payable) and due to a related party aggregating ₱195.5 million and ₱187.3 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:

	2019		2018	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Assets				
Cash	**₱10,023,033**	**₱10,023,033**	₱5,602,963	₱5,602,963
Receivables*	**30,164,567**	**30,164,567**	27,364,244	27,364,244
Due from related parties	**8,169,372**	**8,169,372**	7,940,000	7,940,000
Investment in a club share	**900,000**	**900,000**	500,000	500,000
	₱49,256,972	**₱49,256,972**	₱41,407,207	₱41,407,207
Financial Liabilities				
Accrued expenses and other current liabilities**	**₱181,595,883**	**₱181,595,883**	₱173,420,473	₱173,420,473
Due to a related party	**13,880,000**	**13,880,000**	13,880,000	13,880,000
	₱195,475,883	**₱195,475,883**	₱187,300,473	₱187,300,473

**Excluding advances to officers, employees and service providers amounting to ₱2.2 million as at December 31, 2019 and 2018.*
***Excluding statutory payable amounting to ₱5,397 and ₱2,607 as at December 31, 2019 and 2018, respectively.*

Current Financial Assets and Liabilities. The carrying amounts of cash, receivables (excluding advances from officers, employees and service providers), due from related parties and accrued expenses and other current liabilities (excluding statutory payable) and due to a related party approximate their fair values due to the short-term nature and maturities of the transactions. The fair value measurement of current financial assets and liabilities is classified as Level 3 (Significant unobservable inputs).

Investment in a Club Share. The fair value of this financial asset was determined based on the current selling price to third parties. The fair value measurement of equity securities designated as FVOCI is classified as Level 2 (Significant observable inputs).

Capital Management

The primary objective of the Company's capital management is to safeguard the Company's ability to continue its operations as a going concern and to maximize shareholder value. The Company manages its capital structure and makes adjustments to it, when there are changes in the economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payment to shareholders, return capital to shareholders, or issue new stock. No changes were made in the objectives, policies or processes for the years ended December 31, 2019, 2018 and 2017.

Citibank Tower
8741 Paseo de Roxas
Makati City 1226 Philippines
Phone +632 8 982 9100
Fax +632 8 982 9111
Website www.reyestacandong.com

REPORT OF INDEPENDENT AUDITORS
TO ACCOMPANY FINANCIAL STATEMENTS FOR FILING WITH THE
SECURITIES AND EXCHANGE COMMISSION

The Stockholders and the Board of Directors
Prime Media Holdings, Inc.
16th Floor, Citibank Tower
8741 Paseo de Roxas
Makati City

We have audited the accompanying financial statements of Prime Media Holdings, Inc. (the Company), a subsidiary of RYM Business Management Corp., as at December 31, 2019 and 2018 and for the years ended December 31, 2019, 2018 and 2017, on which we have rendered our report dated June 26, 2020.

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.

Belinda B. Fernando

BELINDA B. FERNANDO
Partner
CPA Certificate No. 81207
Tax Identification No. 102-086-538-000
BOA Accreditation No. 4782; Valid until August 15, 2021
SEC Accreditation No. 81207-SEC Group A
Valid until January 29, 2025
BIR Accreditation No. 08-005144-004-2019
Valid until October 16, 2022
PTR No. 8116474
Issued January 6, 2020, Makati City

June 26, 2020
Makati City, Metro Manila

REYES TACANDONG & CO.
FIRM PRINCIPLES. WISE SOLUTIONS.

BOA/PRC Accreditation No. 4782
October 4, 2018, valid until August 15, 2021
SEC Accreditation No. 0207-FR-3 (Group A)
August 29, 2019, valid until August 28, 2022

Citibank Tower
8741 Paseo de Roxas
Makati City 1226 Philippines
Phone +632 8 982 9100
Fax +632 8 982 9111
Website www.reyestacandong.com

**REPORT OF INDEPENDENT AUDITORS
ON SUPPLEMENTARY SCHEDULES FOR FILING WITH THE
SECURITIES AND EXCHANGE COMMISSION**

The Stockholders and the Board of Directors
Prime Media Holdings, Inc.
16th Floor, Citibank Tower
8741 Paseo de Roxas
Makati City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Prime Media Holdings, Inc. (the Company), a subsidiary of RYM Business Management Corp., as at December 31, 2019 and 2018 and for the years ended December 31, 2019, 2018, and 2017, and have issued our report thereon dated June 26, 2020. 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, 2019 and 2018 and for the years ended December 31, 2019 and 2018 and no material exceptions were noted.

REYES TACANDONG & CO.

Belinda B. Fernando

BELINDA B. FERNANDO
Partner
CPA Certificate No. 81207
Tax Identification No. 102-086-538-000
BOA Accreditation No. 4782; Valid until August 15, 2021
SEC Accreditation No. 81207-SEC Group A
Valid until January 29, 2025
BIR Accreditation No. 08-005144-004-2019
Valid until October 16, 2022
PTR No. 8116474
Issued January 6, 2020, Makati City

June 26, 2020
Makati City, Metro Manila

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

SUPPLEMENTARY SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
DECEMBER 31, 2019 AND 2018

Below is a schedule showing financial soundness indicators for the years ended December 31, 2019 and 2018:

Ratio	Formula	2019	2018
Current Ratio			
	Total current assets	₱52,351,710	₱44,822,195
	Divided by: Total current liabilities	195,481,280	187,303,080
	Current Ratio	0.27	0.24
Acid Test Ratio			
	Total current assets	52,351,710	44,822,195
	Less: Other current assets	3,994,738	3,882,788
	Quick assets	48,356,972	40,939,407
	Divide by: Total current liabilities	195,481,280	187,303,080
	Acid Test Ratio	0.25	0.22
Solvency Ratio			
	Loss before depreciation	(₱577,325)	(₱33,620,133)
	Divide by: Total liabilities	195,481,280	187,303,080
	Solvency Ratio	–	(0.18)
Debt-to-Equity Ratio			
	Total liabilities	₱195,481,280	₱187,303,080
	Divide by: Total equity	(141,314,812)	(140,722,692)
	Debt-to-Equity Ratio	(1.38)	(1.33)
Asset-to-Equity Ratio			
	Total assets	₱54,166,468	₱46,580,388
	Divide by: Total equity	(141,314,812)	(140,722,692)
	Asset-to-Equity Ratio	(0.38)	(0.33)
Profitability Ratio			
	Net loss	(₱992,120)	(₱24,573,027)
	Divide by: Total capital deficiency	(141,314,812)	(140,722,692)
	Profitability Ratio	–	–

REYES TACANDONG & CO.
FIRM PRINCIPLES. WISE SOLUTIONS.

BOA/PRC Accreditation No. 4782
October 4, 2018, valid until August 15, 2021
SEC Accreditation No. 0207-FR-3 (Group A)
August 29, 2019, valid until August 28, 2022

Citibank Tower
8741 Paseo de Roxas
Makati City 1226 Philippines
Phone : +632 8 982 9100
Fax : +632 8 982 9111
Website : www.reyestacandong.com

**REPORT OF INDEPENDENT AUDITORS
ON SUPPLEMENTARY SCHEDULES FOR FILING WITH THE
SECURITIES AND EXCHANGE COMMISSION**

The Stockholders and the Board of Directors
Prime Media Holdings, Inc.
16th Floor, Citibank Tower
8741 Paseo de Roxas
Makati City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Prime Media Holdings, Inc. (the Company), a subsidiary of RYM Business Management Corp., as at December 31, 2019 and 2018 and for each of the three years ended December 31, 2019, 2018 and 2017, and have issued our report thereon dated June 26, 2020. 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, 2019 are the responsibility of the Company's management. These supplementary schedules include the following:

- Reconciliation of Retained Earnings Available for Dividend Declaration
- Schedules required by Part II of the Revised Securities Regulation Code (SRC) Rule 68
- Conglomerate Map

These schedules are presented for purposes of complying with Revised Securities Regulation Code Rule No. 68 Part II, and are not part of the basic financial statements. The supplementary schedules have been subjected to the audit procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

REYES TACANDONG & CO.

Belinda B. Fernando

BELINDA B. FERNANDO
Partner
CPA Certificate No. 81207
Tax Identification No. 102-086-538-000
BOA Accreditation No. 4782; Valid until August 15, 2021
SEC Accreditation No. 81207-SEC Group A
Valid until January 29, 2025
BIR Accreditation No. 08-005144-004-2019
Valid until October 16, 2022
PTR No. 8116474
Issued January 6, 2020, Makati City

June 26, 2020
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, 2019

	Amount
Unappropriated retained earnings (deficit) available for dividend declaration at beginning of year	(₱855,687,568)
Net loss during the year closed to retained earnings	(992,120)
Total retained earnings (deficit) available for dividend declaration at end of year	(₱856,679,688)

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, 2019

Table of Contents

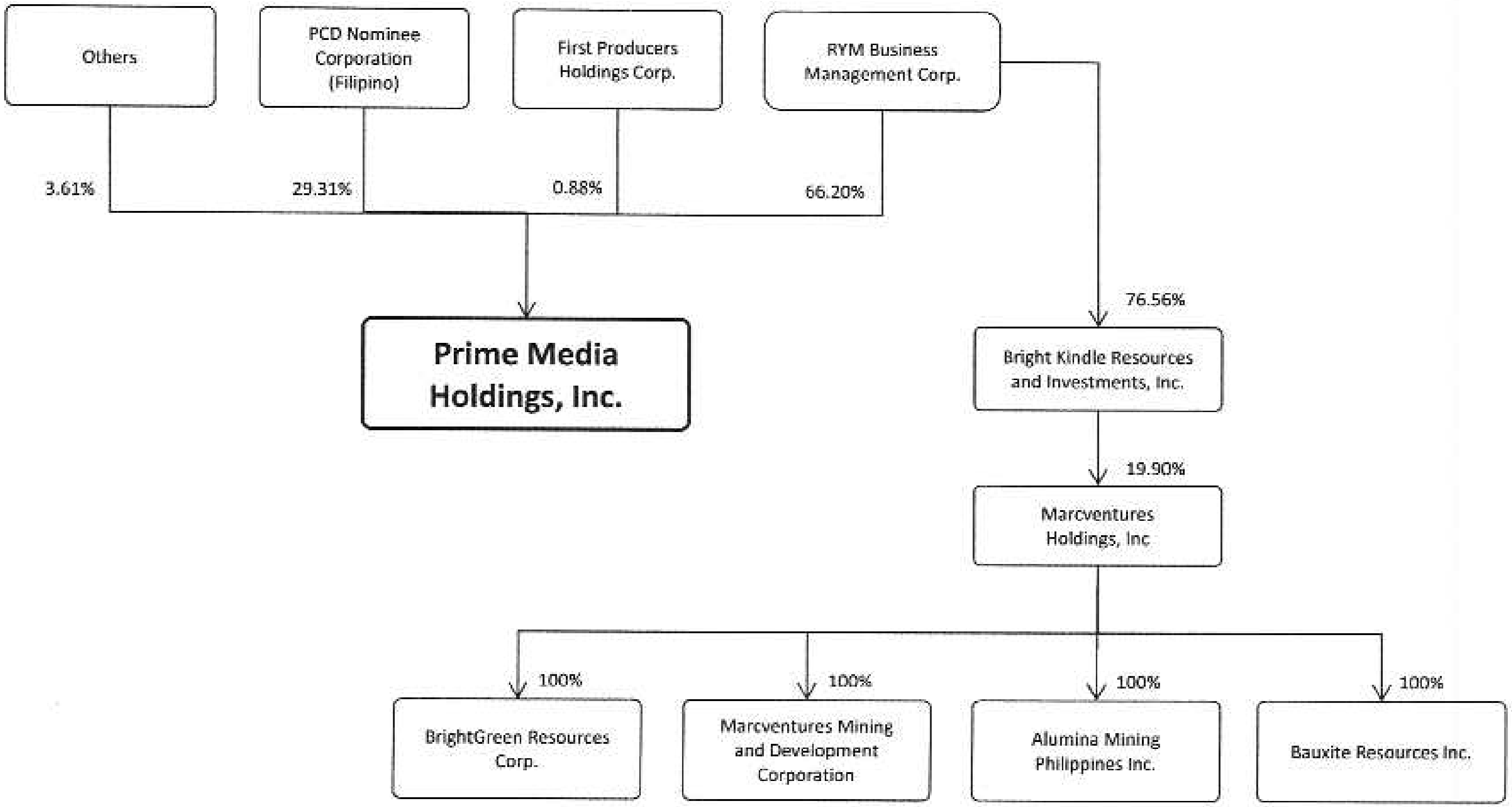
PRIME MEDIA HOLDINGS, INC.
(A Subsidiary of RYM Business Management Corp.)

SCHEDULE G - CAPITAL STOCK
DECEMBER 31, 2019

Title of issue	Number of shares authorized	Number of shares issued and outstanding at shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Common Stock	3,000,000,000	700,298,616	–	575,732,986	2,005	124,563,625
Preferred Stock	2,000,000,000	14,366,260	–	–	–	–
	5,000,000,000	714,664,876	–	575,732,986	2,005	124,563,625

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

CONGLOMERATE MAP
DECEMBER 31, 2019



PRIME MEDIA
Holdings, Inc.

2019 SUSTAINABILITY REPORT

June 2019

BUSINESS CONTEXT

Prime Media Holdings Inc. ("PMHI" or the "Company") is a holding company listed in the Philippine Stock Exchange with corporate offices at 16 th Floor, Citibank Tower, 8741 Paseo de Roxas, Makati City.

Originally incorporated as the Private Development Corporation of the Philippines (PDCP) in 1963, the Company's Board of Directors approved an amendment to its Articles of Incorporation in 2002 which changed its primary purpose to a holding company focused on investments in the media industry.

The Company is still in the process of assessing whether it will strategically enter the media industry or adopt another business model in light of developing conditions in the Philippines. In the meantime, in view of its minimal operations, PMHI gradually retired all its employees in 2010 by outsourcing its administration and operations to consultants and service providers during this period of corporate reorganization and business model assessment.

While PMHI is currently non-operational, its transition process is aligned with sustainable development goals. This report signifies the Company's commitment to good corporate governance and that PMHI's sustainable reporting process is in place.

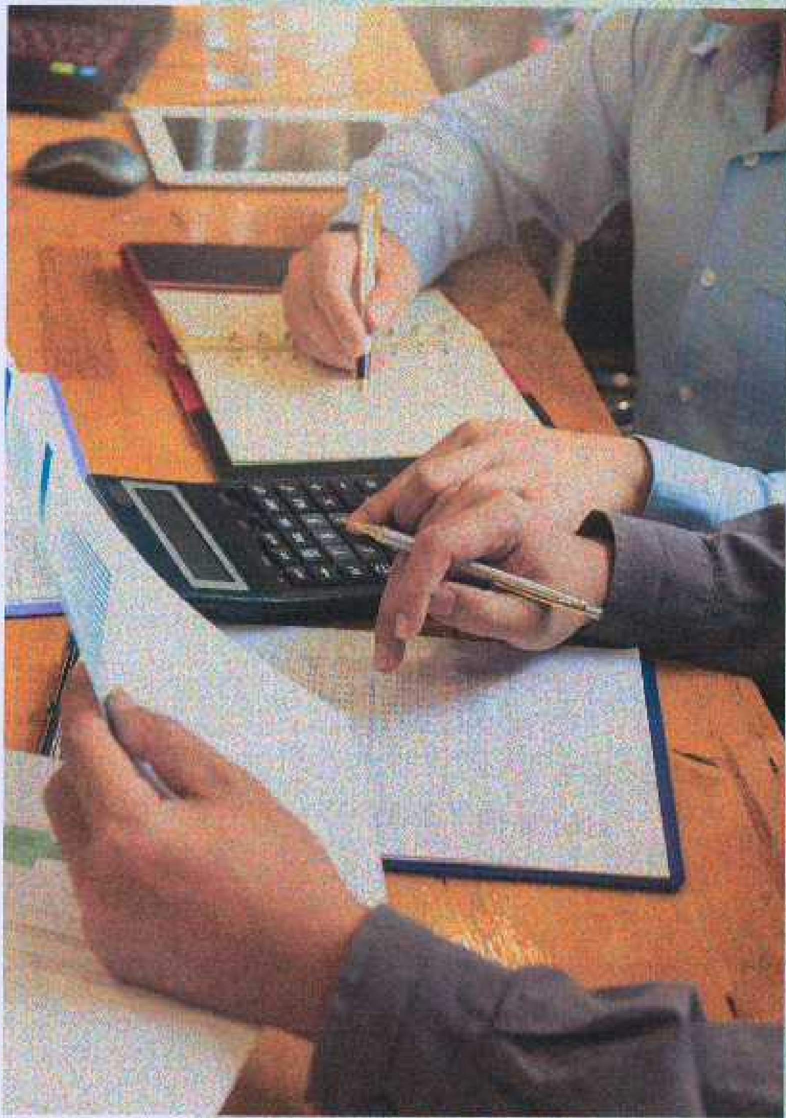
REINVENTION INTO A SUSTAINABLE GOING CONCERN THROUGH GOOD CORPORATE GOVERNANCE

PMHI hopes to eventually contribute to sustainable development goals by promoting Good Corporate Governance as the Company revitalizes and re-invents itself. Moving forward, the firm is confident that it will eventually adopt a truly sustainable business model not just for its shareholders but for society as a whole. As already described in its previous public disclosures, the firm is engaged in significant exploratory talks with interested parties in order to relaunch its activities as an investment firm.

In 2019, PMHI generated a direct economic value of Php 3.56 Million and remitted taxes to the Philippine Government in the amount of Php419,318.00.

The figures may not be deemed substantial from a business standpoint, but it strengthens PMHI's contribution to the Philippine government and the local economy. Even without directly operating, PMHI managed to deliver positive returns to its stakeholders.
Data security is also a vital material topic as the company plans to lay the groundwork to revitalize its operations in the future. Pursuant to the Data Privacy Act of 2012, PMHI appointed a Data Privacy Officer to ensure strict implementation of confidentiality measures that comply with Philippine data privacy laws.

In summary, PMHI demonstrates good corporate governance by deliberately and gradually preparing for future growth through a new business model as a holding company focused on determining future strategic investments.



MATERIALITY ASSESSMENT AND SUSTAINABILITY REPORTING PROCESS

To further demonstrate its commitment to good corporate governance best practices, PMHI produced this initial Sustainability Report for its fiscal year beginning 1 January and ending 31 December 2019. The Company expects to further develop its materiality assessment and sustainability reporting process once it completes its corporate reorganization and resumes operations as a going concern.

To initiate its sustainability reporting processes, the Company engaged the services of Atty. Teodoro Kalaw IV, who is certified both as a sustainability trainer by the Global Reporting Initiative and a sustainability report assurer by the Institute of Certified Sustainable Practitioners. Atty. Kalaw is also the first Filipino to graduate with a Masters degree in Sustainability Leadership from the University of Cambridge. Atty. Kalaw facilitated an extensive sustainability orientation and materiality assessment workshop for key officers and staff of the Firm. As a result of the orientation and workshop and in light of the fact that PMHI is not currently operating substantially as a going concern, workshop participants determined that most of prospective material topics in the economic, environmental and social domains described in SEC Memorandum Circular No. 4 s. of 2019[1] are presently not relevant to our stakeholders. As it moves toward restarting its business operations, PMHI expects to be able to specifically demonstrate its contributions to the Sustainable Development Goals promoted by the United Nations. Moving forward, the transition would support sustainable economic growth and increase employment opportunities.

Ultimately, the real benefit of this initial process is in preparing the Company for robust sustainability reporting in future fiscal years thus providing a foundation for more accountability and transparency in its future disclosures and other reporting processes.

INDEX OF MATERIAL TOPICS

Pursuant to Annexes A (Reporting Template) and B (Topic Guide) of the SEC Memorandum Circular No. 4 (Sustainability Reporting Guidelines for Publicly-Listed Companies), the following are the topics PMHI has identified as material for the reporting period and which were addressed in this report:

Topic	Page Number in Annex A of the SEC Guidelines	Page Number in this Report
Economic Performance	19	2
Data Privacy and Security Protection	41	2