CR02864-2024

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A, AS AMENDED

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
   Dec 31, 2023
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.
5. Province, country or other jurisdiction of incorporation or organization
   METRO MANILA, PHILIPPINES
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   16TH FLOOR BDO TOWERS VALERO (FORMERLY CITIBANK TOWER), 8741 PASEO DE ROXAS MAKATI CITY
   Postal Code
   1227
8. Issuer's telephone number, including area code
   (632) 8831-4479
9. Former name or former address, and former fiscal year, if changed since last report
   -
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON	850,298,616
PREFERRED	14,366,260

11. Are any or all of registrant's securities listed on a Stock Exchange?
   - (●) Yes
   - ( ) No

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

- (x) Yes ( ) No

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

- (x) Yes ( ) No

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form

PHP457,936,127

APPLICABLE ONLY TO ISSUERS INVOLVED IN INSOLVENCY SUSPENSION OF PAYMENTS PROCEEDINGS DURING THE PRECEDING FIVE YEARS

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

- (x) Yes ( ) No

DOCUMENTS INCORPORATED BY REFERENCE

15. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the document is incorporated:

(a) Any annual report to security holders

-

(b) Any information statement filed pursuant to SRC Rule 20

-

(c) Any prospectus filed pursuant to SRC Rule 8.1

-

Prime Media Holdings, Inc.
PRIM

PSE Disclosure Form 17-1 - Annual Report
References: SRC Rule 17 and
Section 17.2 and 17.8 of the Revised Disclosure Rules

For the fiscal year ended	Dec 31, 2023
Currency	PHP

Balance Sheet

	Year Ending	Previous Year Ending
	Dec 31, 2023	Dec 31, 2022
Current Assets	54,286,187	41,524,749
Total Assets	436,044,941	45,460,812
Current Liabilities	210,958,691	195,266,091
Total Liabilities	210,958,691	195,266,091
Retained Earnings/(Deficit)	-897,878,626	-867,570,155
Stockholders' Equity	225,086,250	-149,805,279
Stockholders' Equity - Parent	-	-
Book Value Per Share	0.25	0.23

Income Statement

	Year Ending	Previous Year Ending
	Dec 31, 2023	Dec 31, 2022
Gross Revenue	30,244	53,511
Gross Expense	13,195,869	6,258,458
Non-Operating Income	-17,142,846	-
Non-Operating Expense	-	-
Income/(Loss) Before Tax	-30,308,471	-6,204,947
Income Tax Expense	-	430
Net Income/(Loss) After Tax	-30,308,471	-6,205,377
Net Income/(Loss) Attributable to Parent Equity Holder	-	-
Earnings/(Loss) Per Share (Basic)	-0.03	-0.01
Earnings/(Loss) Per Share (Diluted)	-0.03	-0.01

Financial Ratios

	Formula	Fiscal Year Ended	Previous Fiscal Year
		Dec 31, 2023	Dec 31, 2022
Liquidity Analysis Ratios:			
Current Ratio or Working Capital Ratio	**Current Assets / Current Liabilities**	0.26	0.21
Quick Ratio	**(Current Assets - Inventory - Prepayments) / Current Liabilities**	0.23	0.19
Solvency Ratio	**Total Assets / Total Liabilities**	2.07	0.23
Financial Leverage Ratios			
Debt Ratio	**Total Debt/Total Assets**	0.48	4.3
Debt-to-Equity Ratio	**Total Debt/Total Stockholders' Equity**	0.94	-1.3

Interest Coverage	Earnings Before Interest and Taxes (EBIT) / Interest Charges	-	-
Asset to Equity Ratio	Total Assets / Total Stockholders' Equity	1.94	-0.3
Profitability Ratios			
Gross Profit Margin	Sales - Cost of Goods Sold or Cost of Service / Sales	-	-
Net Profit Margin	Net Profit / Sales	-	-
Return on Assets	Net Income / Total Assets	-0.07	-0.14
Return on Equity	Net Income / Total Stockholders' Equity	-0.13	-0.04
Price/Earnings Ratio	Price Per Share / Earnings Per Common Share	-73.42	-236.9

Other Relevant Information
Please see attached SEC FORM 17-A.

Filed on behalf by:

Name	Joanna Manzano
Designation	Junior Compliance Officer

COVER SHEET

2	2	4	0	1					

S.E.C. Registration Number

PRIME MEDIA HOLDINGS, INC.
(formerly First e-Bank Corp.)

(Company's Full Name)

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

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

DIANE MADELYN C. CHING	**8831-4479**
Contact Person	Company Telephone Number

1 2 / **3 1**	**SEC FORM 17-A (Annual Report FY 2023)**	
Month *Day* Fiscal Year	FORM TYPE	*Month* *Day* Annual Meeting

N/A

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

1,588	**nil**	
Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

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

1. For the fiscal year ended **December 31, 2023**

2. SEC Identification Number **22401**

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

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

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

6. (SEC Use Only)
Industry Classification Code:

7. **16th Floor BDO Towers Valero (Formerly: Citibank Tower), 8741 Paseo de Roxas, Makati City 1227**
Address of principal office — Postal Code

8. **(632) 8831-4479**
Issuer's telephone number, including area code

9. **Not applicable**
Former name, former address, and former fiscal year, if changed since last report.

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Preferred stock, PHP 1.00 par value	**14,366,260**
Common Stock, Php 1.00 par value	**850,298,616** ***(as of January 26, 2024)***

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 ₱457,936,127 computed on the basis of 159,559,626 representing 22.78% of the outstanding common shares at the closing price as of December 31, 2023 of ₱2.87 per share.

Table of Contents

PART I - BUSINESS AND GENERAL INFORMATION

(A) Description of Business

Item 1. Business Development

Prime Media Holdings, Inc. (PRIM or the Company) was originally incorporated on February 6, 1963 as Private Development Corporation of the Philippines and then changed to PDCP Development Bank, Inc. that same year. On June 6, 2000, the Company changed its name to First e-Bank Corporation and then eventually shifted to its current name on October 20, 2003.

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

On January 26, 2013, the BOD approved the amendment of its AOI extending the corporate life of PRIM by another 50 years or until February 6, 2063. The stockholders of the Company approved and ratified the amendment in a special stockholders' meeting on February 4, 2013. On February 5, 2013, the Company filed the amended AOI with the Securities and Exchange Commission (SEC), which approved such amendment of the AOI on March 4, 2013. However, in accordance with the Revised Corporation Code of the Philippines, which took effect on February 23, 2019, the Company was automatically accorded perpetual existence.

On March 2, 2015, the SEC approved the Corporation’s change of principal office address from 3 San Antonio Street, Barrio Kapitolyo, Pasig City to 16th Floor Citibank Tower, 8741 Paseo de Roxas, Makati City.

The Company’s previous activities comprise mainly of compliance with the Memorandum of Agreement (MOA) by transferring certain assets related to its previous banking operations, to BDO and PDIC. In view of its very minimal operations, the Company gradually retired all its employees by 2010 and instead engages consultants/service providers to service its requirements.

On 23 May 2023, the Company entered into a Joint Venture Agreement with ABS-CBN to create a joint venture company which will develop, produce and finance content programs and shows for distribution to local and international broadcast networks, channels and platforms. On 05 July 2023, the parties incorporated such joint venture company under the name, Media Serbisyo Production Corp. (MSPC) with ownership ratio of 51:49 between Prime Media and ABS-CBN. At present, MSPC airs its shows in DWPM 630 (AM radio) of Philippine CollectiveMedia Holdings Inc. and in cable channels under the brand Teleradyo Serbisyo.

Item 2. Properties

Practically all of the Company’s properties, which consisted of bank premises (land, buildings and leasehold rights) and real estate acquired through dacion and foreclosure while it was still a bank, were conveyed to BDO/PDIC pursuant to the MOA. The investment properties with market value of ₱69.88 million in 2017 was sold last September 21, 2018 for ₱51.82

million, inclusive of VAT, in order to use the funds to pay the Company's liabilities and defray its expenses.

Item 3. Legal Proceedings

The Company is a party to certain lawsuits or claims arising from its previous bank operations in the ordinary course of business. However, the Company's management and legal counsel believe that eventual liabilities under these lawsuits or claims, if any, will not have a material effect on the Company's financial status and general corporate standing.

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

During the Annual Shareholders' Meeting held last 05 December 2023, the following were submitted for approval of the shareholders:

1. Call to Order
2. Proof of Notice and Certification of Quorum;
3. Approval of Minutes of Previous Stockholders' Meeting
4. Approval of the Annual Report and the Audited Financial Statements for the year ending December 31, 2022;
5. Approval of the Additional Listing of 150,000,000 shares arising from Private Placements;
6. Re-approval of the following:
   (a) Approval of the Amendment of the Articles of Incorporation (AOI) to reduce the par value of all Series A Preferred Shares from Php1.00 to PhP0.04 per share;

   (b) Approval to convert all Series A Preferred Shares into Common Shares at the conversion rate of 25:1;

   (c) Amendment of the AOI to create a new class of Series C Redeemable Preferred Shares and to authorize the conversion of the remaining foreign-owned common shares to Series C Redeemable Preferred Shares subsequent to the conversion of all Series A Preferred Shares (There are approximately Three Hundred Forty Thousand Six Hundred Sixty Four (340,664) foreign-owned common shares post conversion based on records as of 30 July 2022;

   (d) Amendment of the AOI to reclassify all Series B Preferred Shares to Common Shares;

   (e) Approval to redeem all Series C Redeemable Preferred Shares at a redemption price equivalent to its par value of Php 1.00 per share or at the price determined by the Board and payable in cash;

   (f) Amendment of the AOI to delete all provisions relating to the Preferred Shares (Series A, Series B and Series C) after the conversion of all Series A Shares, reclassification of Series B Shares and the redemption of Series C Preferred Shares;

   (g) Approval to authorized the Board to amend relevant agreements, i.e. Memorandum of Agreement with Atty. Hermogene H. Real and Ms. Michelle F. Ayangco (as "Golden Peregrine Shareholders") relating to the issuance in favor of the Golden Peregrine Shareholders of up to One Billion Six Hundred Forty Five Million (1,645,000,000) Common Share, subject to final determination of the Board, third party appraisal, fairness opinions, and other closing conditions to be issued out of the Corporation's increase in authorized capital stock in consideration for the assignment of shares of stock of Golden Peregrine Holdings, Inc., representing one hundred percent (100%) of its outstanding capital stock;

(h) Amendment of the Articles of Incorporation to increase the authorized capital stock of up to Seven Billion Pesos (Php 7,000,000,000.00) as may be determined by the Board of Directors;

(i) Waiver by the minority stockholders of the rights or public offer requirement under the PSE Additional Listing Rule;

7. Ratification of Management Acts;
8. Election of Board of Directors;
9. Appointment of External Auditor;
10. Other Matters;
11. 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, 2023 is 700,298,616 of which 663,713,458 is actively being traded in the Philippine Stock Exchange. The high and low stock prices in pesos for each quarter within the last three fiscal years 2021 to 2023 are given below:

Year	Quarter	High	Low
2021	1st	4.25	0.81
	2nd	3.55	2.53
	3rd	3.10	1.76
	4th	1.89	1.10
2022	1st	1.88	1.10
	2nd	3.48	1.21
	3rd	3.03	1.50
	4th	2.28	1.46
2023	1st	2.21	1.79
	2nd	3.03	1.80
	3rd	2.93	1.90
	4th	3.08	2.62

On 26 January 2024, the Company issued a total of 150,000,000 common shares, particularly, 125,000,000 common shares to Valiant Consolidated Resources Inc. (formerly Angle Maple Properties Inc.) and 25,000,000 common shares to Cymac Holdings Corporation pursuant to their Private Placements. Thus, the current outstanding and issues shares stands at 850,298,616. Listing of the new shares issued is currently pending with the Philippine Stock Exchange.

(2) Holders of Securities

Common Shareholders

The number of common shareholders on record as of December 31, 2023 is 1,588. The list of the top twenty common shareholders as of December 31, 2023 is provided below:

	Name of Stockholders	No. of shares	%age of ownership
1	PCD Nominee Corporation (Filipino)	672,150,424	95.98
2	First Producers Holdings, Corp. FAO Ray Burton Dev't Corporation	6,175,789	0.88
3	First Producers Holdings, Corp. FAO Producers Properties, Inc.	4,903,852	0.70
4	Ray Burton Development Corporation	3,213,293	0.46
5	Producers Properties, Inc.	3,013,701	0.43
6	Mercantile Investment Company, Inc.	1,585,989	0.23
7	Albert Del Rosario ITF Anthony Salim	1,289,279	0.18
8	Lucio W. Yan &/or Clara Yan	600,000	0.09
9	Joel B. Vargas	534,876	0.08
10	PCD Nominee Corporation (Foreign)	285,001	0.04
11	Merlene So &/or So Peng Kee	239,000	0.03
12	Maria T. Uy	211,200	0.03
13	Jose Yu Go, Jr.	210,000	0.03
14	Solar Securities, Inc.	200,000	0.03
15	Jovy Lim Go	150,000	0.02
16	Ponciano V. Cruz, Jr.	150,000	0.02
17	Qeu Lu Kiong	150,000	0.02
18	Rufino H. Abad	142,011	0.02
19	Luciano H. Tan	139,600	0.02
20	Leonardo Navalta	132,294	0.02

Preferred Shareholders

The number of preferred shareholders of record as of December 31, 2023 was 267. Preferred shares outstanding as of December 31, 2023 were 14,366,260. The top twenty shareholders are as follows:

No.	**Name of Stockholders**	**No. of shares**	**%age of ownership**
1	Florentino L. Martinez	907,340	6.32%
2	Carlos Torres	800,000	5.57%
3	MDI Employees Retirement Plan	610,450	4.25%
4	Metrolab Employees Retirement Plan	545,040	3.79%
5	Helena Llereza	529,810	3.69%
6	Virginia U. Ng	527,600	3.67%
7	HPPI Employees Retirement Plan	500,000	3.48%
8	E. Chua Chiaco Sec., Inc.	449,640	3.13%
9	Citi Securities Inc.	403,000	2.81%
10	Wealth Securities, Inc.	402,000	2.80%
11	PNB Securities Inc.	300,280	2.09%
12	Tato A. Johan	300,000	2.09%
13	BDO Trust Banking Group Fao Miriam College Foundation Inc. Employees	280,000	1.95%
14	Antonio R. Samson	250,000	1.74%

15	Segundo Seangio	244,000	1.70%
16	Diversified Sec., Inc.	218,080	1.52%
17	Antonio Alipio	218,000	1.52%
18	Teresita C. Cometa	210,000	1.46%
19	Eastern Securities Devt. Corp.	196,340	1.37%
20	Juan B. Umipig Jr.	180,000	1.25%

(3) Dividends

There were no dividends declared.

Item 6. Management's Discussion and Analysis or Plan of Operation.

In December 2002, the Company changed its primary purpose from a development bank to a holding company other than the continuing activities described in Part I A (1). There are no known trends, events or material commitments that are expected to have a material favorable or unfavorable impact on the financial condition or on income from continuing operations. The Company also signed subscription agreements with its major stockholders for total proceeds of ₱179.00 million, of which ₱70.00 million was received in April 2013 and the balance of ₱109.00 million was collected in May and June 2014. This further bring down the capital deficit and will be the major source of funding for the expenses related to the transfer of the remaining assets to PDIC and BSP. Aside from the transfer of assets to PDIC and BSP, the Company continues to pursue the clean-up of its books and the settlement of its remaining obligations to facilitate possible additional capital infusion from third party investors.

The Company's current activities comprise mainly of transferring assets related to its development bank operation to BDO & PDIC. The Stockholders have continued to provide the necessary financial support to sustain company operations. The stockholders converted their preferred stock of ₱48.60 million into common stock in 2016 and converted their advances of ₱600.50 million to additional capital in 2014 and infused capital aggregate ₱119.00 million in 2014 and 2013 to reduce capital deficiency.

The Company undergone an equity restructuring to reduce capital deficiency.

The Company entered into a Memorandum of Agreement (2022 MOA) with the majority stockholders of Golden Peregrine (GP) to acquire a mass media entity, Philippine Collective Media Corporation ("PCMC Shareholders"). In the 2022 MOA (as amended), the GP Shareholders shall jointly subscribe to 1,645,000,000 common shares of the Company to be paid in the form of GP shares in order to obtain the business, assets and ownership of PCMC. After the transaction, the PCMC Shareholders will jointly gain control and majority ownership of approximately 70% of outstanding capital stock of the Company. The parties are currently pursuing actions to meet the closing conditions under the 2022 MOA (as amended). With PCMC's national franchise, the Company may use this as leverage to provide other content providers an avenue to broadcast their contents regionally and nationwide for profit.

On 23 May 2023, the Company entered into a Joint Venture Agreement with ABS-CBN to create a joint venture company which will develop, produce and finance content programs and shows for distribution to local and international broadcast networks, channels and platforms. On 05 July 2023, the parties incorporated such joint venture company under the name, Media Serbisyo Production Corp. (MSPC) with ownership ratio of 51:49 between Prime Media and ABS-CBN. At present, MSPC airs its shows in DWPM 630 (AM radio) of

Philippine CollectiveMedia Holdings Inc. and in cable channels under the brand Teleradyo Serbisyo.

In 2023, the Company issued 150,000,000 common shares at ₱2.70 a share equivalent to ₱405.00 million paid for in cash, resulting to additional paid-in capital amounting to ₱253.50 million, net of stock issuance cost of ₱1.50 million, and eliminating capital deficiency.

In August 2023, the Company granted an unsecured loan to PCMC for the payments of its liabilities, acquisition of equipment, operations, and expansion of its business. The loan has no interest in the first year and 7.5% interest on succeeding years. The loan is to be paid withing five years and can be paid in whole or in part at any time without penalty.

Explanations for the material changes in the Company's accounts between 2023 and 2022 are as follows:

Statement of Financial Position

	Audited		Increase (Decrease)	
	2023	2022	Amount	%
	(in PhP Millions)			
Assets	**₱436.04**	₱45.46	₱390.58	859.17%
Liabilities	**210.96**	195.27	16.33	8.36%
Equity (Capital Deficiency)	**225.09**	(149.81)	391.22	860.57%

The total **Assets** of the Company increased by ₱390.58 million or 859.17% compared with the same period last year. The movement in total Assets is attributable to the following:

- **Cash** increased by ₱13.94 million or 41.20% from ₱33.84 million in 2022 to ₱47.78 million in 2023, mainly due to issued additional 150,000,000 common shares to Angel Maple Properties, Inc., now known as Valiant Consolidated Resources Inc.), (125,000,000) and Cymac Holdings Corporation (25,000,000) at ₱2.70 a share equivalent to ₱405.00 million that paid for in cash.

- **Due from related parties** decreased by ₱2.10 million or 90.63% from ₱2.32 million in 2022 to ₱0.22 million in 2023 due to collections of advances to related parties.

- **Loans receivable** increased by ₱373.00 million due to an unsecured loan granted to PCMC for the payment of its liabilities, acquisition of equipment, operations, and expansion of its business.

- **Investment in a club share** increased by ₱1.70 million due to recognition of the fair value changes during the year.

- **Investment in a joint venture** increased by ₱3.26 million due to a Joint Venture Agreement (JVA) with ABS-CBN Corporation to form a joint venture entity during the year, which primarily to develop, produce, and financing content, programs, and shows for distribution by other broadcast networks, channels, or platforms, locally and internationally.

The Company's total **Liabilities** of ₱210.96 million increased by ₱16.33 million or 8.36% compared with the same period last year. The movement in total Liabilities is attributable to the following:

- **Accrued expenses and other current liabilities** increased by ₱16.33 million or 9.03% from ₱180.75 million in 2022 to ₱197.08 million in 2023, mainly due to additions to the liabilities arising from the MOA.

- **Due to a related party** decreased by ₱0.64 million or 4.59% from ₱14.52 million in 2022 to ₱13.88 million in 2023, due to payment of advances from MMDC.

The **Equity** of the Company increased by ₱374.89 million or 250.25% from ₱149.81 million deficit in 2022 to ₱225.09 million equity in 2023 mainly due to issuance of common shares of stock amounting to ₱405.00 million during the period.

Results of Operations

	Audited		Increase (Decrease)	
	2023	2022	Amount	%
	(in PhP Millions)			
Income	**₱0.03**	₱0.05	(₱0.02)	(43.48%)
Share in net loss of a joint venture	**(17.14)**	-	(17.14)	-
Expenses	**13.20**	6.26	6.94	110.85%

The Company's operating results reflected a net loss of ₱30.31 million and ₱6.20 million in 2023 and 2022, respectively. Comparing with the same period last year, there is a huge declined of ₱24.10 million or 388.42%. The significant changes were mainly due to the following:

- **Income** for the current period in the amount of ₱0.03 million pertains to interest income earned in 2023.

- **Share in net loss of a joint venture** for the current period in the amount of ₱17.14 million pertains to declined operating performance of the joint venture.

- **Outside services** increased by ₱2.95 million or 287.02%, primarily due to payment of outsourced services related to the joint venture entered by the Company.

- **Taxes and licenses** for the period amounting to ₱2.91 million is higher by ₱2.75 million or 1,715.99% compared with the same period last year which is mainly due to payment of documentary stamp tax on loan agreement with PCMC.

- **Professional fees** increased by ₱0.64 million or 22.44%, primarily due to payment of legal services related to the joint venture entered by the Company.

Cash Flows

	Audited		Increase (Decrease)	
	2023	2022	Amount	%
	(in PhP Millions)			
Cash provided by operating activities	**₱3.84**	₱27.15	(₱23.31)	(85.86%)
Cash used in investing activities	**(393.40)**	(0.43)	392.97	92,192.43%
Cash provided by financing activity	**403.50**	-	403.50	-

Cash provided by operating activities decreased by ₱23.31 million or 85.86% compared with the same period last year is mainly due to the additions to the liabilities arising from MOA.

Cash used in investing activities increased by ₱392.97 million or 92,192.43% compared with the same period last year are due to loan granted to PCMC and joint venture entered by the Company amounted to ₱373.00 million and ₱20.40 million, respectively.

Cash provided by financing activity during the year amounted to ₱403.50 million pertains to net proceeds from issuance of shares at a premium.

Explanations for the material changes in the Company's accounts between 2022 and 2021 are as follows:

Statement of Financial Position

	Audited		Increase (Decrease)	
	2022	2021	Amount	%
	(in PhP Millions)			
Assets	**₱45.46**	₱48.75	(₱3.29)	(6.75%)
Liabilities	**195.27**	193.90	1.37	0.70%
Capital Deficiency	**(149.81)**	(145.15)	4.66	3.21%

The Company's total **Assets** of ₱45.46 million declined by ₱3.29 million or 6.75% compared with the same period last year. The movement in total Assets is attributable to the following:

- Cash balance of ₱33.84 million is higher by ₱26.73 million compared with the same period last year. The significant increase is mainly attributable to collection of the Company's loan receivable from Marcventures Mining and Development (MMDC), a related party under common control, amounting to ₱26.0 million.

- The increase in Investment in a club share is mainly due to recognition of the fair value changes amounting to ₱1.55 million during the year.

- Decrease in equipment of ₱0.38 million is attributed to the depreciation recognized for the year. No addition and/or disposal was made during the year.

The Company's total **Liabilities** of ₱195.27 million rise by ₱1.37 million or 0.70% compared with the same period last year. The movement in total Liabilities is attributable to the following:

- Due to related parties increased by ₱0.64 million compared with same period last year, which was consequently used by the Company to pay for its general and administrative expenses.

- Cash receipts during the year totaling ₱2.00 million from Bulaong Enterprises, Inc. pursuant to the compromise agreement for a legal case. This represents partial settlement out of the ₱17.0 million settlement fee (exclusive of ₱1.62 million interest), as indicated in the agreement. As the subject property involved in the compromise agreement is included in the list of properties for transfer to PDIC pursuant to the 12 September 2002 Memorandum of Agreement among the Company, PDIC and BDO, collections were accounted for as liability.

- Accrual of legal fees of Ocampo & Manalo Law Firm and audit fee of Reyes Tacandong & Co. amounting to ₱0.07 million and ₱0.45 million, respectively, were recognized.

Capital deficiency is higher by ₱4.66 million compared with same period last year. The Company incurred a net loss of ₱6.21 million and recognized ₱1.55 million gain on fair value changes on its investment in a club share, which net movement resulted to the increase in capital deficiency.

Results of Operations

	Audited		Increase (Decrease)	
	2022	**2021**	**Amount**	**%**
	(in PhP Millions)			
Income	**₱0.05**	₱9.18	(₱9.12)	(99.42%)
Expenses	**6.23**	10.79	4.53	(42.01%)

The Company's operating results reflected a net loss of ₱6.21 million and ₱1.71 million in 2022 and 2021, respectively. Comparing with the same period last year, there is a huge declined of ₱4.50 million or 263.21%. The significant changes were mainly due to the following:

- Reversal of long-outstanding payables last year that will no longer be settled amounting to ₱9.17 million resulted to the decreased in income this year.

- Provision of impairment loss recognized last year related to the waiver of interest receivable on loans from MMDC amounting to ₱5.14 million.

- Depreciation decreased by ₱0.24 million or equivalent to 72.50 is due to the sold transportation equipment to MMDC during the year.

Cash Flows

	Audited		Increase (Decrease)	
	2022	2021	Amount	%
	(in PhP Millions)			
Cash provided by (used in) operating activities	**₱27.15**	(₱1.12)	(₱23.31)	(2,519.81%)
Cash used in investing activities	**(0.43)**	-	(0.43)	-

Cash provided by operating activities during the year amounted to ₱27.15 million mainly due to the collections of loans receivable from MMDC.
Cash used in investing activities during the year amounted to ₱0.43 million mainly due to the acquisition of computer software.

Performance Indicators

Key Performance Indicators (KPI's)

Comparative figures of the key performance indicators (KPI) for the fiscal years ended December 31, 2023 and December 31, 2022:

	2023	2022
Net Loss	**(₱30,308,471)**	(₱6,205,377)
Current assets	**54,286,187**	41,524,749
Total assets	**436,044,941**	45,460,812
Current liabilities	**210,958,691**	195,266,091
Total liabilities	**210,958,691**	195,266,091
Stockholders' Equity	**225,086,250**	(149,805,279)
No. of common shares outstanding	**850,298,616**	700,298,616

	2023	2022
Current ratio [1]	**0.26**	0.21
Book value per share [2]	**0.25**	(0.23)
Debt ratio [3]	**0.94**	(1.30)
Loss per share [4]	**(0.038)**	(0.011)
Return on assets [5]	**(0.12)**	(0.13)

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 2023 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	
	2023	2022
Audit Fees	**₱480,000**	₱450,000

Audit Fees. Represent professional fees of the external auditor for the audit services rendered on Company's Annual Financial Statements for the year 2023 and 2022.

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

Changes in and disagreements with Accountants on Accounting and financial Disclosure

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

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

<u>Directors</u>

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		Period during which individual

		Citizenship	has served as such
Manolito A. Manalo	55	Filipino	May 28, 2013 to present
Bernadeth A. Lim	43	Filipino	May 28, 2013 to present
Michelle F. Ayangco	52	Filipino	October 13, 2021 to present
Hermogene H. Real	68	Filipino	October 13, 2021 to present
Rolando S. Santos	73	Filipino	January 06, 2017 to present
Johnny Y. Aruego Jr. (independent director)	54	Filipino	May 28, 2013 to present
Francisco L. Layug III (independent director)	69	Filipino	December 21, 2017 to present

Officers

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

Name	Age	Position	Citizenship	Period during which individual has served as such
Manolito A. Manalo	55	President & CEO	Filipino	May 2013 to present
Bernadeth A. Lim	43	Vice President	Filipino	May 2013 to present
Rolando S. Santos	73	Treasurer	Filipino	January 06, 2017 to present
Diane Madelyn C. Ching	41	Corporate Secretary/ Co-Compliance Officer/Co-Data Privacy Officer/ Co-Corporate Information Officer	Filipino	January 18, 2023 to present
Dale A. Tongco	59	Risk Management Officer	Filipino	October 13 2021 to present
Reuben Carlo O. General *(resigned effective January 3, 2023)*	37	Corporate Secretary/Compliance Officer/Data Privacy Officer and Corporate Information Officer	Filipino	October 2020 to October 13, 2021 as Co-Asst. Corporate Secretary; October 13, 2021 to January 3, 2023 as Corporate Secretary/ Compliance Officer/ Data Privacy Officer
Marjorie A. San Juan *(resigned effective March 23, 2023)*	39	Assistant Corporate Secretary, Co-Compliance Officer, Co-Corporate Information	Filipino	January 18, 2023 to March 23, 2023

		Officer and Co-Data Privacy Officer		
Marian L. Geronimo *(appointed in April 2023 and resigned effective July 14, 2023)*	38	Assistant Corporate Secretary	Filipino	April 11, 2023 to July 14, 2023

Business Experience and Other Directorships

<u>Directors</u>

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

Directors

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

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

Michelle F. Ayangco was elected as Director in October 2021. She graduated from Rizal Technological University with a degree in BS Accountancy. She is the current President and Chairman of Sequioa Business Management Corporation and Nieva Realty and Development Corporation. She is also a Director and Corporate Secretary of Trans Middle East Philippine Equities Inc. She operates her own business as a proprietor of BZPEP Launderette Shop.

Hermogene H. Real was elected as Director in October 2021. She graduated from the University of the Philippines with a degree in Bachelor of Laws. She was admitted to the Philippine Bar in 1998. She is the President of Mairete Asset Holdings Inc. and Southern Estates Integrated Park Inc. She serves as Director of Bright Kindle Resources and Investments Inc., Brightgreen Resources Corp., Southern Alluvial Minerals and Alumina Resources Inc., Benguetcorp. Laboratories Inc. She holds the position of Corporate Secretary in Benguet Corporation, and Benguetcorp. Nickel Mines Inc. She is likewise the Assistant Corporate Secretary of Doña Remedios Trinidad Romualdez Medical Foundation Inc. She is a practicing lawyer and an associate of D.S. Tantuico and Associates.

Johnny Y. Aruego, Jr. was elected as an Independent Director in May 2013. He is a Partner in Aruego Bite and Associates. He is a Director of Excel Unified Land Resources Corporation. He is the Corporate Secretary and Legal Counsel for Agility, Inc. and A. V. Ocampo-ATR Kimeng Insurance Broker, Inc. He is a Legal Consultant of 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.

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.

Diane Madelyn C. Ching was appointed Corporate Secretary/ Co-Compliance Officer/Co-Data Privacy Officer/ Co-Corporate Information Officer in January 2023. Atty. Ching is a member of the Integrated Bar of the Philippines. She obtained her Bachelor of Laws degree from San Beda College-Mendiola in 2009. She acts as Corporate Secretary to various companies, including, Armstrong Securities Inc., Asian Appraisal Company Inc., among others. She previously served as Director and Corporate Secretary of Prime Media Holdings Inc. from 2014 to June 2019. She was the previous General Counsel and Assistant Corporate Secretary of Marcventures Holdings Inc. (Marc's) as well as the VP Legal and Corporate Secretary of Marc's subsidiary, Marcventures Mining and Development Corp. from 2013 to June 2019. She was likewise the Corporate Secretary of Bright Kindle Resources and Investment Corp. until June 2019. Atty. Ching was previously an associate of Ocampo & Manalo Law Firm from March 2010 to June 2013.

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

Reuben Carlo O. General was elected Co-Assistant Corporate Secretary in December 2020 and appointed as Corporate Secretary, Compliance Officer and Data Privacy Officer in October 2021 and until his resignation on January 3, 2023. He previously served as a Senior Legal Counsel of Marcventures Mining and Development Corporation. He has almost ten (10) years of accumulated experience as a general legal practitioner cultivated from law firm and in-house settings including Bernas Law Offices, Ocampo & Manalo Law Firm, and a local subsidiary of Korea Electric Power Corporation (KEPCO).

Marjorie A. San Juan was appointed Assistant Corporate Secretary, Co-Compliance Officer, Co-Corporate Information Officer and Co-Data Privacy Officer in January 18, 2023 until her resignation on March 23, 2023. Atty. San Juan is also a member of the Integrated Bar of the Philippines, having passed the 2017 Bar Exams. She obtained her Bachelor of Arts in Communication Research from the University of the Philippines – Diliman in 2005 and Bachelor of Laws degree from Arellano University School of Law from in 2015. She previously served as Assistant Corporate Secretary and Legal Counsel of Marcventures

Mining and Development Corporation in August 2019. She was previously a Senior Associate in Sycip Gorres Velayo (SGV) and Co. from June 2018 to August 2019 and a Legal Associate in Bernaldo Directo and Po Law Offices from January 2018 to April 2018.

Marian L. Geronimo was appointed Assistant Corporate Secretary in April 2023 until her resignation on July 14, 2023. Atty. Geronimo previously served as Legal Counsels of Marcventures Holdings, Inc. (MHI) and the Assistant Corporate Secretary of MHI's subsidiary, Marcventures Mining and Development Corporation (MMDC). She gained legal experience in the fields of business taxation, corporate advisory and transactions, labor, and immigration. She presently holds the position of Legal and Operations Consultant of Castillo Import Export Ventures, Inc. From 2016 to 2020, she was the Legal Manager of Villa Judan and Cruz Law Offices and Judan Law Office. In 2020, she joined the SyCip Gorres & Co. accounting firm as one of its Senior Associates. Atty. Geronimo obtained her degree in Political Economy from the University of Asia and the Pacific with a degree in Political Economy in 2007 and in 2012, she obtained her Dual Degree of Master of Business Administration and Juris Doctor from the De La Salle University-Far Eastern University Consortium.

Item 10. Executive Compensation

The aggregate compensation paid in 2021 and 2022 and estimated to be paid in 2023, 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				
Rolando S. Santos	Treasurer				
Aggregate for above named officers		2021 2022 2023 (Est.)			₱25,000 35,000 40,000
All Directors and Officers as a group unnamed		2021 2022 2023 (Est.)			₱40,000 40,000 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 2023:

Title of Class	Name, Address of Record and Relationship with Issuer	Name of Beneficial Owner /Relationship with Record Owner	Citizenship	Number of Shares Held	Percent of Class
	-PCD Nominee Corporation[1]	-RYM Business Management	Filipino	363,555,085	51.91%

Common	-Tower 1 – Ayala Triangle Makati Avenue cor. Paseo de Roxas Makati City -Registered owner in the books of stock transfer agent	Corp./ Client			
		Mairete Asset Holdings, Inc./ Client	Filipino	77,178,901	11%
		Armstrong Capital Holdings Corp./ Client	Filipino	100,097,000	14.29%
Total				540,830,986	77.2%

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, 2023, 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, 2023

Type of Class	Name and Address of Owner	Amount and nature of Beneficial ownership	Citizenship	Percent of class
Common	Manolito Manalo	1	Filipino	0.0%
Common	Bernadeth A. Lim	1	Filipino	0.0%
Common	Rolando S. Santos	1,000	Filipino	0.0%
Common	Hermogene H. Real	2,000	Filipino	0.0%
Common	Michelle F. Ayangco	2,000	Filipino	0.0%
Common	Johnny Y. Aruego Jr.	1	Filipino	0.0%
Common	Francisco L. Layug III	1	Filipino	0.0%
TOTAL		5,004		

Changes in Control

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

Item 12. Certain Relationships and Related Transactions

Part IV-Corporate Governance

Item 13. Corporate Governance

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

Part V – Exhibits and Schedules

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

(a) Exhibits

See accompanying Index to Exhibits.

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

(b) Reports on SEC Form 17-C

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

Date of Disclosure	Subject
July 14, 2023	Resignation of Atty. Marian L. Geronimo
August 7, 2023	Completion of the Subscriptions of Cymac Holdings Corporation and Valiant Consolidated Resources Inc. (formerly Angel Maple Properties Inc.)
Aug 15, 2023	Results of the Special Board Meeting held on August 15, 2023
Oct 5, 2023	Update on Joint Venture with ABS-CBN Corporation
Oct 19, 2023	Notice of Annual Stockholders' Meeting
Nov 15, 2023	Amend-1 Notice of Annual Stockholders' Meeting
Dec 5, 2023	• Results of the Annual Stockholders' Meeting held on 05 December 2023 • Results of the Organizational Meeting of the Board of Directors held on 05 December 2023

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 APR 3 0 2024.

By:

MANOLITO A. MANALO
President

ROLANDO S. SANTOS
Treasurer

DIANE MADELYN C. CHING
Corporate Secretary

SUBSCRIBED AND SWORN to before me this _____ day of APR 3 0 2024 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	
Diane Madelyn C. Ching	201-507-466	

Notary Public

KENNETH PETER D. MOLAVE
Notary Public for Makati City
Appt. No. M-57 ... 2024
MCLE Compliance ... 04/12/2022
IBP Membership ...
PTR No. PC ...
4F BDO Towers ...

Doc. No. 202
Page No. 42
Book No. II
Series of 2024.

Gmail Jordan Bajamonde <jordan.bajamonde@marcventures.com.ph>

Your BIR AFS eSubmission uploads were received

1 message

eafs@bir.gov.ph <eafs@bir.gov.ph> Mon, Apr 15, 2024 at 11:53 PM
To: JOANNA.MANZANO@marcventures.com.ph
Cc: JACKY.VALENZUELA@marcventures.com.ph

Hi PRIME MEDIA HOLDINGS, INC.,

Valid files

- EAFS000491007OTHTY122023.pdf
- EAFS000491007RPTTY122023.pdf
- EAFS000491007ITRTY122023.pdf
- EAFS000491007AFSTY122023.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-QZ24441X0CF7H9KCKQYX1VTRP041X33SYP**
Submission Date/Time: **Apr 15, 2024 11:53 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, BDO Towers Valero, 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
dcc.chinglaw@gmail.com	(02) 8 831-4479	0966-791-2233

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
1,588	December 5	December 31

CONTACT PERSON INFORMATION

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

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

OFFICE ADDRESS

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

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

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

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of **Prime Media Holdings, Inc.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein for the years ended **December 31, 2023 and 2022**, 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, 2023 and 2022**, 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 APR 1 6 2024 day of ________

PRIME MEDIA Holdings, Inc.

SUBSCRIBED AND SWORN to before me this APR 16 2024 day of ______ affiant(s) exhibiting to their evidence of identity, as follows:

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

Notary Public

Doc. No. 143;
Page No. 30;
Book No. III;
Series of 2024.

KENNETH PETER D. MOLAVE
Notary Public for Makati City
Appt. No. M-572 valid until 31 Dec. 2024
Roll of Atty. No. 70029
MCLE Compliance No. VII-0018666; 04/12/2022
IBP Membership No. 414799; 01/10/2024
PTR No. PC 8457506; 01/03/2024
4F BDO Towers, 8741 Paseo de Roxas, Makati City

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of Prime Media Holdings, Inc. (the Company), a subsidiary of RYM Business Management Corp., which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years ended December 31, 2023, 2022 and 2021, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years ended December 31, 2023, 2022 and 2021 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.

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, 2023. 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. We have determined the matter described below to be the key audit matter to be communicated in our report.

<u>Estimating Liabilities</u>
As discussed in Note 10 to the financial statements, the Company has estimated liabilities amounting to ₱184.0 million as at December 31, 2023, primarily related to its previous development banking operations. This matter is significant to our audit because the carrying amount is material and it involves the use of estimates. We have reviewed the reasonableness of management's estimates by performing independent calculations of the estimated costs to be incurred in the future based on the related terms of a Memorandum of Agreement. Further, we reviewed the adequacy of required disclosures presented in Note 10 to the financial statements.

Accounting for Joint Venture
In May 2023, the Company signed a Joint Venture Agreement with ABS-CBN Corporation to form a joint venture entity with a 51:49 structure ratio. The incorporation of the joint venture was completed in June 2023.

Accounting for the joint venture transactions is significant to our audit because it requires management judgment, particularly, in determining the type of joint arrangement in which the Company is involved in and the appropriate accounting treatment. The joint agreement is accounted for in accordance with PFRS 11, *Joint Arrangements*.

We checked the propriety of the type of joint venture agreement as determined by management through review of the joint venture agreement and assessment of the substance of the agreement taking into consideration the structure and form of the arrangement, the terms agreed by the parties in the contractual agreement and other facts and circumstances. We also checked the propriety of the accounting for the joint arrangement and reviewed the adequacy of the required disclosures as presented in Note 8 to the financial statements.

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, 2023, 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, 2023 are expected to be made available to us after the date of this auditors' report.

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditors' report is Pamela Ann P. Escuadro.

REYES TACANDONG & CO.

Pamela Ann P. Escuadro

PAMELA ANN P. ESCUADRO
Partner
CPA Certificate No. 128829
Tax Identification No. 216-321-918-000
BOA Accreditation No. 4782; Valid until April 13, 2024
BIR Accreditation No. 08-005144-013-2023
Valid until January 24, 2026
PTR No. 10072415
Issued January 2, 2024, Makati City

April 12, 2024
Makati City, Metro Manila

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

STATEMENTS OF FINANCIAL POSITION

	Note	December 31 **2023**	2022
ASSETS			
Current Assets			
Cash	4	**₱47,780,041**	₱33,839,166
Receivables	5	**292,919**	258,200
Due from related parties	13	**217,235**	2,317,555
Other current assets	6	**5,995,992**	5,109,828
Total Current Assets		**54,286,187**	41,524,749
Noncurrent Assets			
Loans receivable	13	**373,000,000**	–
Investment in a club share	7	**5,000,000**	3,300,000
Investment in a joint venture	8	**3,257,154**	–
Property and equipment	9	**501,600**	636,063
Total Noncurrent Assets		**381,758,754**	3,936,063
		₱436,044,941	₱45,460,812
LIABILITIES AND EQUITY			
Current Liabilities			
Accrued expenses and other current liabilities	10	**₱197,078,691**	₱180,749,347
Due to related parties	13	**13,880,000**	14,516,744
Total Current Liabilities		**210,958,691**	195,266,091
Equity			
Capital stock	11	**864,664,876**	714,664,876
Additional paid-in capital	11	**253,500,000**	–
Deficit		**(897,878,626)**	(867,570,155)
Cumulative fair value changes on investment in a club share	7	**4,800,000**	3,100,000
Total Equity		**225,086,250**	(149,805,279)
		₱436,044,941	₱45,460,812

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	**2023**	2022	2021
INCOME				
Interest income	4	**₱30,244**	₱10,465	₱7,257
Gain on sale of equipment	9	**–**	43,046	–
Reversal of long-outstanding payables	10	**–**	–	9,168,852
		30,244	53,511	9,176,109
SHARE IN NET LOSS OF A JOINT VENTURE	8	**(17,142,846)**	–	–
EXPENSES				
Outside services		**3,982,461**	1,028,995	874,759
Professional fees		**3,489,430**	2,849,961	2,820,853
Taxes and licenses		**2,908,035**	160,135	117,276
Representation		**1,271,316**	–	–
Directors' fees		**290,000**	250,000	110,000
Insurance		**259,322**	426,087	442,300
Depreciation	9	**134,463**	89,725	326,275
Transportation and travel		**128,408**	74,818	6,199
Association dues		**74,585**	58,891	58,985
Membership fees		**51,643**	53,892	29,245
Penalties		**1,000**	962,999	379,500
Impairment loss on receivables	5	**–**	–	5,541,667
Others		**605,206**	302,955	85,827
		13,195,869	6,258,458	10,792,886
LOSS BEFORE INCOME TAX		**(30,308,471)**	(6,204,947)	(1,616,777)
PROVISION FOR CURRENT INCOME TAX	12	**–**	430	91,689
NET LOSS		**(30,308,471)**	(6,205,377)	(1,708,466)
OTHER COMPREHENSIVE INCOME				
Item that will not be reclassified to profit or loss				
Unrealized fair value change on investment in a club share	7	**1,700,000**	1,550,000	750,000
TOTAL COMPREHENSIVE LOSS		**(₱28,608,471)**	(₱4,655,377)	(₱958,466)
Basic/Diluted Loss Per Share	15	**(₱0.038)**	(₱0.011)	(₱0.005)

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	**2023**	2022	2021
CAPITAL STOCK	11			
Preferred stock - ₱1 par value		**₱14,366,260**	₱14,366,260	₱14,366,260
Common stock - ₱1 par value				
Balance at beginning of year		**700,298,616**	700,298,616	700,298,616
Issuance		**150,000,000**	–	–
Balance at end of year		**850,298,616**	700,298,616	700,298,616
		864,664,876	714,664,876	714,664,876
ADDITIONAL PAID-IN CAPITAL	11			
Balance at beginning of year		**–**	–	–
Premiums from issuance of common shares		**255,000,000**	–	–
Stock issuance cost		**(1,500,000)**	–	–
Balance at end of year		**253,500,000**	–	–
DEFICIT				
Balance at beginning of year		**(867,570,155)**	(861,364,778)	(859,656,312)
Net loss		**(30,308,471)**	(6,205,377)	(1,708,466)
Balance at end of year		**(897,878,626)**	(867,570,155)	(861,364,778)
CUMULATIVE FAIR VALUE CHANGES ON INVESTMENT IN A CLUB SHARE	7			
Balance at beginning of year		**3,100,000**	1,550,000	800,000
Unrealized fair value gain		**1,700,000**	1,550,000	750,000
Balance at end of year		**4,800,000**	3,100,000	1,550,000
		₱225,086,250	(₱149,805,279)	(₱145,149,902)

See accompanying Notes to Financial Statements.

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

STATEMENTS OF CASH FLOWS

	Note	Years Ended December 31 **2023**	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before income tax		**(₱30,308,471)**	(₱6,204,947)	(₱1,616,777)
Adjustments for:				
Share in net loss of a joint venture	8	**17,142,846**	–	–
Interest income	4	**(30,244)**	(10,465)	(7,257)
Depreciation	9	**134,463**	89,725	326,275
Gain on sale of transportation equipment	9	**–**	(43,046)	–
Reversal of long-outstanding payables	10	**–**	–	(9,168,852)
Impairment loss on receivables	5	**–**	–	5,541,667
Operating loss before working capital changes		**(13,061,406)**	(6,168,733)	(4,924,944)
Decrease (increase) in:				
Receivables		**(34,719)**	26,994,160	(20,460)
Due from related parties		**2,100,320**	5,364,349	91,724
Other current assets		**(886,164)**	(411,831)	(195,159)
Increase (decrease) in:				
Accrued expenses and other current liabilities		**16,329,344**	729,765	4,011,098
Due to related parties		**(636,744)**	636,744	–
Net cash generated from (used for) operations		**3,810,631**	27,144,454	(1,037,741)
Interest received		**30,244**	10,465	7,257
Income tax paid		**–**	(430)	(91,689)
Net cash provided by (used in) operating activities		**3,840,875**	27,154,489	(1,122,173)
CASH FLOWS FROM INVESTING ACTIVITIES				
Loans granted	13	**(373,000,000)**	–	–
Investment in a joint venture	8	**(20,400,000)**	–	–
Additions to property and equipment	9	**–**	(627,000)	–
Proceeds from sale of transportation equipment	9	**–**	200,746	–
Net cash used in investing activities		**(393,400,000)**	(426,254)	–
CASH FLOW FROM A FINANCING ACTIVITY				
Net proceeds from issuance of shares at a premium		**403,500,000**	–	–
NET INCREASE (DECREASE) IN CASH		**13,940,875**	26,728,235	(1,122,173)
CASH AT BEGINNING OF YEAR		**33,839,166**	7,110,931	8,233,104
CASH AT END OF YEAR	4	**₱47,780,041**	₱33,839,166	₱7,110,931

See accompanying Notes to Financial Statements.

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

NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2023 AND 2022 AND
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

1. **Corporate Information**

Prime Media Holdings, Inc. (the Company) was originally incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on February 6, 1963 as Private Development Corporation of the Philippines. In October 2003, the SEC approved the amendment of the Company's Articles of incorporation, changing its primary purpose from a development bank to a holding company. On March 4, 2013, the SEC approved the extension of the Company's corporate life for another 50 years. However, in accordance with the Revised Corporation Code of the Philippines, effective February 23, 2019, the Company was automatically accorded perpetual existence.

On July 9, 1964, the Philippine Stock Exchange, Inc. (PSE) approved the public listing of the Company's shares of stock. As at December 31, 2023 and 2022, there are 663,713,458 common shares and 672,435,425 common shares, respectively, that are publicly listed.

In 2002, the Company agreed to transfer its assets and liabilities arising from its development banking operations to Banco de Oro Unibank, Inc. (BDO) and Philippine Deposit Insurance Corporation (PDIC) under a Memorandum of Agreement (MOA). As at the date of the report, the Company is still in the process of transferring titles of real estate properties that are still in its possession (see Notes 10 and 14).

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

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

Amendments to the Articles of Incorporation (AOI)

On August 15, 2022 and on September 23, 2022, the Board of Directors (BOD) and the stockholders, respectively, approved, among others, the deletion of all provisions relating to the Company's preferred shares, the conversion of the preferred shares to common shares and the increase of the authorized capital stock to up to ₱7 billion, divided into 7,000,000,000 common shares at ₱1.00 par value a share. The amendments of the AOI is pending approval by the SEC as at April 12, 2024.

Additional Capital

In 2023, the Company, issued 150,000,000 common shares at ₱2.70 a share equivalent to ₱405.0 million paid for in cash, resulting to additional paid-in capital amounting to ₱253.5 million, net of stock issuance cost of ₱1.5 million. The common shares were issued to (i) Angel Maple Properties, Inc. (now known as Valiant Consolidated Resources Inc.) for 125,000,000 unissued common shares and (ii) Cymac Holdings Corporation for 25,000,000 unissued common shares. Angel Maple Properties, Inc. and Cymac Holdings Corporation are separate and distinct entities not acting in concert in the subscriptions of the unissued shares of the Company.

MOA with Philippine CollectiveMedia Corporation (PCMC)

In 2021, the Company entered into a MOA, with the majority stockholders of a mass media entity, Philippine CollectiveMedia Corporation ("PCMC Shareholders"), subscribing to 70% of the Company's outstanding capital stock in exchange for PCMC shares to obtain the business, assets and ownership of PCMC. With PCMC's national franchise, the Company may use this as a leverage to provide other content providers an avenue to broadcast their contents, regionally and nationwide, for profit.

On August 15, 2022 and September 23, 2022, the BOD and stockholders, respectively, approved to amend the PCMC MOA to take into account the subsequent acquisition of PCMC by Golden Peregrine Holdings, Inc. (GPHI) which is also owned 100% by the PCMC Shareholders. The BOD and stockholders also approved the subscription by certain GPHI shareholders to 1,679,966,400 common shares to be issued from the proposed increase in authorized capital stock of the Company in view of the amendment of the PCMC MOA.

On January 18, 2023, the BOD approved the Amendment of the MOA with GPHI to:

(a) Change the Exchange Ratio to 4,700 PRIM shares for 1 Golden Peregrine share pursuant to the updated appraisal report;
(b) Subscription by GPHI Stockholders to 1,645,000,000 PRIM Common Shares to be issued from the proposed increase in authorized capital stock in consideration of the assignment of 100% of the outstanding capital stock of GPHI pursuant to the updated appraisal report; and
(c) Other provisions which require updating and affected by the amendments aforementioned.

Joint Venture Agreement with ABS-CBN Corporation (ABS-CBN)

On May 23, 2023, the BOD approved the Joint Venture Agreement with ABS-CBN to form a joint venture entity, which was eventually incorporated on June 30, 2023 (see Note 8). The Company shall have 51% equity with initial subscription of 20,400,000 shares for a total value of ₱20.4 million. ABS-CBN on the other hand, shall have 49% equity with initial subscription of 19,600,000 shares for a total value of ₱19.6 million. The Joint Venture is incorporated primarily for the purpose of developing, producing, and financing content, programs, and shows for distribution by other broadcast networks, channels, or platforms, locally and internationally.

<u>Approval of the Financial Statements</u>

The financial statements of the Company as at December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021 were approved and authorized for issuance by the BOD on April 12, 2024, as endorsed by the Audit Committee on the same date.

2. Summary of Material Accounting Policy Information

Basis of Preparation

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

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

Measurement Bases

The financial statements are presented in Philippine Peso (Peso), which is also the Company's functional currency. All amounts are rounded to the nearest Peso, unless otherwise stated.

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

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

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

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

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

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

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

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

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

Adoption of Amendments to PFRS

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amendments to PFRS effective January 1, 2023:

- Amendments to PAS 1, *Presentation of Financial Statements,* and PFRS Practice Statement 2, *Making Materiality Judgments - Disclosure Initiative - Accounting Policies* – The amendments require an entity to disclose its material accounting policies, instead of its significant accounting policies and provide guidance on how an entity applies the concept of materiality in making decisions about accounting policy disclosures. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and its nature. The amendments clarify (1) that accounting policy information may be material because of its nature, even if the related amounts are immaterial, (2) that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements, and (3) if an entity discloses immaterial accounting policy information, such information should not obscure material accounting policy information. In addition, PFRS Practice Statement 2 is amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information.

- Amendments to PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates* – The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies, and the correction of errors. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". An entity develops an accounting estimate if an accounting policy requires an item in the financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not a correction of an error, and that the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. A change in an accounting estimate may affect only the profit or loss in the current period, or the profit or loss of both the current and future periods.

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

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

The adoption of the amendments to PFRS did not materially affect the financial statements of the Company. Additional disclosures were included in the financial statements, as applicable.

Amended PFRS Issued But Not Yet Effective
Relevant amended PFRS, which are not yet effective as at December 31, 2023 and have not been applied in preparing the financial statements, are summarized below.

Effective for annual periods beginning on or after January 1, 2024:

- Amendments to PAS 1, *Noncurrent Liabilities with Covenants* – The amendments clarified that covenants to be complied with after the reporting date do not affect the classification of debt as current or noncurrent at the reporting date. Instead, the amendments require the entity to disclose information about these covenants in the notes to the financial statements. The amendments must be applied retrospectively. Earlier application is permitted. If applied in earlier period, the Company shall also apply Amendments to PAS 1 - *Classification of Liabilities as Current or Noncurrent* for that period.

- Amendments to PAS 7, *Statement of Cash Flows* and PFRS 7, *Financial Instrument: Disclosures - Supplier Finance Arrangements* – The amendments introduced new disclosure requirements to enable users of the financial statements assess the effects of supplier finance arrangements on the liabilities, cash flows and exposure to liquidity risk. The amendments also provide transitional relief on certain aspects, particularly on the disclosures of comparative information. Earlier application is permitted.

Deferred effectivity -

- Amendments to PFRS 10, *Consolidated Financial Statements,* and PAS 28 - *Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture* – The amendments address a conflicting provision under the two standards. It clarifies that a gain or loss shall be recognized fully when the transaction involves a business, and partially if it involves assets that do not constitute a business. The effective date of the amendments, initially set for annual periods beginning on or after January 1, 2016, was deferred indefinitely in December 2015 but earlier application is still permitted.

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

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

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

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

transaction price as the best estimate of fair value and recognizes "Day 1" difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the "Day 1" difference.

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

As at December 31, 2023 and 2022, 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, 2023 and 2022, the Company's cash in banks, receivables (excluding advances to officers, employees and service providers), due from related parties and loans receivable 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, 2023 and 2022, 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, 2023 and 2022, the Company's accrued expenses and other current liabilities (excluding statutory payables) and amounts due to related parties 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 profit or loss.

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 the difference between the previous amortized cost of the financial asset and fair value is recognized in OCI.

For a financial asset reclassified out of the financial assets at FVOCI category to financial assets at amortized cost, any gain or loss previously recognized in OCI, and any difference between the new amortized cost and maturity amount, are amortized to profit or loss over the remaining life of the investment using the effective interest method. If the financial asset is subsequently impaired, any gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

For a financial asset reclassified out of the financial assets at FVOCI category to financial assets at FVPL, the financial asset continues to be measured at fair value.

Impairment of Financial Assets at Amortized Cost
The Company records an allowance for expected credit loss (ECL) 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. Reversal of financial liabilities arising from transactions that are not expected to be settled as the same is either discharged by the creditor or discontinued or cancelled are recognized as "Reversal of long-outstanding payables" line item in the statements of comprehensive income.

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

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

- Deliver cash or another financial asset to another entity;

- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company; or

- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

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

<u>Other Current Assets</u>
This account mainly consists of creditable withholding taxes (CWT) and input value-added tax (VAT).

CWT. CWT represent 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 are stated at estimated net realizable value.

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

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

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

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

Investment in a Joint Venture
Joint arrangements represents activities where the Parent Company has joint control established by a contractual agreement. Joint control requires unanimous consent for financial and operational decisions. A joint arrangement is either a joint operation, whereby the parties have rights to the assets and obligations for the liabilities, or a joint venture, whereby the parties have rights to the net assets.

Classification of a joint arrangement as either joint operation or joint venture requires judgment.

Management's considerations include, but are not limited to, determining if the arrangement is structured through a separate vehicle and whether the legal form and contractual arrangements give the entity direct rights to the assets and obligations for the liabilities within the normal course of business. Other facts and circumstances are also assessed by management, including the entity's rights to the economic benefits of assets and its involvement and responsibility for settling liabilities associated with the arrangement.

The Company accounted for its interest in Media Serbisyo Production Corp (MSPC) as a joint venture (see Note 8).

Investment in a joint venture is accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recorded at cost and thereafter for the post-acquisition change in the Company's share in net assets of the joint venture. The statement of comprehensive income reflects the Company's share in the results of operations of the joint venture.

The financial statements of the joint venture are prepared for the same reporting period as the Company. Adjustments are made to bring the accounting policies in line with those of the Company.

The considerations made in determining significant influence on joint control are similar to those necessary to determine control over subsidiaries.

Impairment of Nonfinancial Assets
The Company assesses at each reporting date whether there is an indication that nonfinancial assets may be impaired when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists and if the carrying amount exceeds the estimated recoverable amount, nonfinancial assets are written down to its recoverable amount, which is the greater of fair value less cost to sell and value in use. The fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable and willing parties less cost of disposal. In assessing value in use, the estimated future cash flows are discounted to present value using a pretax discount rate that reflects current

market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in profit or loss.

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

Equity

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

Additional Paid-in Capital. Additional paid-in capital includes any premium received in the issuances of capital stock. Any transaction costs associated with the issuance of shares are deducted from additional paid-in capital, net of tax.

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

Cumulative Fair Value Changes on Investment in a Club Share. This account comprises of unrealized fair value changes of the investment that is not recognized in profit or loss for the year in accordance with PFRS.

Revenue Recognition

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

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

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

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

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

Expense Recognition

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

Income Taxes

Current Tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount is the one that has been enacted or substantively enacted at the reporting date.

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

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of any unused tax credits from the excess of minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT) 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 excess MCIT over RCIT 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 Loss per Share

The Company computes its basic loss per share by dividing net 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 loss 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 2023, 2022 and 2021 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 judgments, 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.

Judgments
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.

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

The Company classified its investment in a club share as financial asset at FVOCI (see Note 7).

Assessing the Distinction Between Joint Operation and Joint Venture. The Company determines whether a joint arrangement qualifies as a joint operation or a joint venture. In making its judgment, the Company assesses whether it has joint control and has rights to the assets, and obligations for the liabilities, relating to the arrangement or it has joint control and has rights to the net assets of the arrangement, in which case the arrangement shall be classified as a joint operation or a joint venture, respectively, as the case may be. The Company considers each arrangement separately in making its judgment.

The Company assessed that the joint arrangement qualifies as a joint venture and to be accounted using equity method in accordance with PAS 28, *Investments in Associates and Joint Ventures* (see Note 8).

Determining the Fair Value of Financial Instruments. PFRS requires certain financial assets and liabilities to be carried at fair value, which requires extensive use of accounting estimates. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Company utilized different valuation methodologies. Any changes in fair value of these financial assets would affect profit and loss and equity.

The fair value of the Company's financial assets and liabilities are disclosed in Note 16.

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

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

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

Liabilities arising from the MOA amounted to ₱184.0 million and ₱166.3 million as at December 31, 2023 and 2022, respectively (see Note 10).

Determining Fair Value of Financial Instruments at Date of Initial Recognition. The Company determines the fair value of financial instruments based on transaction price. As at date of recognition of financial instruments in 2023 and 2022, the Company assessed that the fair value of the financial instruments approximates its transaction price.

Assessing the ECL on Financial Assets at Amortized Cost. The Company applies the simplified approach on its receivables and the general approach on all its other financial assets at amortized cost in measuring the ECL. The Company estimates the ECL on its 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 in banks 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 loss was recognized in 2023 and 2022. In 2022, the Company has written-off receivables amounting to ₱5.5 million (see Note 5).

The aggregate carrying amount of cash in banks, receivables (excluding advances to officers, employees and service providers) due from related parties and loans receivable amounted to ₱421.0 million and ₱36.2 million as at December 31, 2023 and 2022, respectively (see Note 4, 5 and 13).

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

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

No impairment losses were recognized in 2023, 2022 and 2021.

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

	Note	**2023**	2022
Advances to officers, employees and service providers	5	**₱292,919**	₱258,200
Other current assets	6	**5,995,992**	5,109,828
Investment in a joint venture	8	**3,257,154**	–
Property and equipment	9	**501,600**	636,063

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

The Company's unrecognized deferred tax assets amounted to ₱21.1 million and ₱14.3 million as at December 31, 2023 and 2022, respectively (see Note 12). 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:

	2023	2022
Cash on hand	**₱20,000**	₱5,000
Cash in banks	**47,760,041**	33,834,166
	₱47,780,041	₱33,839,166

Cash in banks earn interest at prevailing bank deposit rates.

Interest income amounted to ₱30,244, ₱10,465 and ₱7,257 in 2023, 2022 and 2021, respectively.

5. **Receivables**

This account consists of:

	2023	2022
Loans receivable	**₱62,277,740**	₱62,277,740
Advances to officers, employees and service providers	**2,419,254**	2,384,535
Rent receivables	**237,932**	237,932
	64,934,926	64,900,207
Less allowance for impairment losses	**64,642,007**	64,642,007
	₱292,919	₱258,200

Loans receivable are loans granted to third parties related to the Company's previous bank operations and are fully provided with allowance for impairment loss.

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, 2023 and 2022 are as follows:

Loans receivable	₱62,277,740
Advances to officers, employees and service providers	2,126,335
Rent receivables	237,932
	₱64,642,007

Movements of allowance for impairment loss in 2023 and 2022 are as follows:

	Note	**2023**	2022
Balance at beginning of year		**₱64,642,007**	₱70,183,674
Write-off	13	**–**	(5,541,667)
Balance at end of year		**₱64,642,007**	₱64,642,007

In 2022, the Company wrote-off interest receivables from a related party amounting to ₱5.5 million. This was approved by the BOD on April 11, 2023 (see Note 13).

6. **Other Current Assets**

This account consists of:

	2023	2022
CWT and excess tax credits	**₱3,159,222**	₱3,159,222
Input VAT	**2,651,713**	1,608,549
Prepayments	**185,057**	342,057
	₱5,995,992	₱5,109,828

Prepayments mainly pertain to prepaid insurance.

7. **Investment in a Club Share**

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

Movements in this account are as follows:

	2023	2022
Cost	**₱200,000**	₱200,000
Cumulative unrealized gains on fair value changes		
Balance at beginning of year	**3,100,000**	1,550,000
Fair value changes	**1,700,000**	1,550,000
Balance at end of year	**4,800,000**	3,100,000
	₱5,000,000	₱3,300,000

The fair value of the investment in a club share falls under Level 1 of the fair value hierarchy.

8. Investment in a Joint Venture

As discussed in Note 1, on June 30, 2023, the Company and ABS-CBN, collectively referred hereinafter as the “Venturers,” incorporated MSPC with a 51:49 ownership interest ratio in accordance with the Joint Venture Agreement (JVA) entered into by the Venturers on May 23, 2023. The JVA provided mainly for the establishment, operation and management of MSPC and certain other matters related to MSPC. MSPC was incorporated with a primary purpose of developing, producing, and financing content, programs, and shows for distribution by other broadcast networks, channels, or platforms, locally and internationally.

Details of investments in a joint venture during the year are as follows:

Investment to the joint venture	₱20,400,000
Share in net loss	(17,142,846)
Balance at end of year	₱3,257,154

The financial information of the MSPC as at and for the period ended December 31, 2023 follows:

Current assets	₱35,517,329
Current liabilities	27,936,680
Revenues	9,924,802
Net loss	(33,613,423)

9. Property and Equipment

Movements in this account are as follows:

	2023		
	Computer Equipment	**Transportation Equipment**	**Total**
Cost			
Balance at beginning and end of year	**₱712,800**	**₱54,375**	**₱767,175**
Accumulated Depreciation			
Balance at beginning of year	**85,800**	**45,312**	**131,112**
Depreciation	**125,400**	**9,063**	**134,463**
Balance at end of year	**211,200**	**54,375**	**265,575**
Carrying Amount	**₱501,600**	**₱–**	**₱501,600**

	2022		
	Computer Equipment	Transportation Equipment	Total
Cost			
Balance at beginning of year	₱85,800	₱1,631,375	₱1,717,175
Additions	627,000	–	627,000
Disposal	–	(1,577,000)	(1,577,000)
Balance at end of year	712,800	54,375	767,175
Accumulated Depreciation			
Balance at beginning of year	85,800	1,374,887	1,460,687
Depreciation	–	89,725	89,725
Disposal	–	(1,419,300)	(1,419,300)
Balance at end of year	85,800	45,312	131,112
Carrying Amount	₱627,000	₱9,063	₱636,063

In 2022, the Company sold its transportation equipment to a related party with carrying amount of ₱157,700 for ₱200,746. Gain on disposal of transportation equipment amounted to ₱43,046.

10. **Accrued Expenses and Other Current Liabilities**

This account consists of:

	2023	2022
Liabilities arising from the MOA	**₱184,038,013**	₱166,304,972
Dividends payable	**10,985,443**	10,985,443
Accrued expenses	**2,036,636**	3,379,895
Statutory payables	**18,599**	79,037
	₱197,078,691	₱180,749,347

Liabilities arising from the MOA pertain mainly to the estimated general cost on the transfer and related fees and taxes for the transfer of assets from the Company’s previous development bank operations to BDO and PDIC and other related liabilities, primarily from unremitted collection of assigned receivables and sale of foreclosed properties for the account of PDIC (see Note 1). Additions to the liabilities arising from the MOA in 2023 and 2022 amounted to ₱21.4 million and ₱2.0 million, respectively. The Company also paid ₱3.7 million during the year for processing of transfer of titles.

Dividends payable pertain to the Company’s dividend for cumulative, nonparticipating, nonvoting, redeemable and convertible preferred stock that were declared prior to the Company's incurrence of deficit.

Accrued expenses pertain to accrual of professional fees and association dues, among others. These are normally settled in the next financial year.

Statutory payables is normally settled within the following month.

In 2021, the Company reversed long-outstanding payables aggregating ₱9.2 million related to rental deposits not claimed by previous tenants and other payables not expected to be settled or discharge. The reversal was subsequently approved by the Company’s BOD on April 12, 2022.

11. **Equity**

Capital Stock

Details of capital stock as at December 31, 2023 and 2022 account are as follows:

	2023		2022	
	Number of Shares	**Amount**	**Number of Shares**	**Amount**
Authorized:				
Preferred stock Series A - ₱1 par value	**1,000,000,000**	**₱1,000,000,000**	1,000,000,000	₱1,000,000,000
Preferred stock Series B - ₱1 par value	**1,000,000,000**	**1,000,000,000**	1,000,000,000	1,000,000,000
Common stock - ₱1 par value	**3,000,000,000**	**3,000,000,000**	3,000,000,000	3,000,000,000
	5,000,000,000	**₱5,000,000,000**	5,000,000,000	₱5,000,000,000
Issued and outstanding:				
Preferred stock Series A	**14,366,260**	**₱14,366,260**	14,366,260	₱14,366,260
Common stock				
Beginning of year	**700,298,616**	**700,298,616**	700,298,616	700,298,616
Issuance	**150,000,000**	**150,000,000**	–	–
End of year	**850,298,616**	**850,298,616**	700,298,616	700,298,616
	864,664,876	**₱864,664,876**	714,664,876	₱714,664,876

The preferred stock Series A and B 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.

As discussed in Note 1, in 2022, the BOD and shareholders approved the amendment of the AOI of the Company to reflect conversion of preferred shares into common shares, deletion of all provisions relating to the preferred shares and increase in authorized capital. As at April 12, 2024, the application for the amendments of AOI is pending SEC approval.

Other planned amendments are also discussed in Note 1.

As discussed in Note 1, the Company, issued additional 150,000,000 common shares at ₱2.70 a share equivalent to ₱405.0 million and paid for in cash, resulting to additional paid-in capital amounting to ₱253.5 million, net of stock issuance cost of ₱1.5 million. The shares were issued to Angel Maple Properties, Inc. (now known as Valiant Consolidated Resources Inc.) for 125,000,000 unissued common shares and (ii) Cymac Holdings Corporation for 25,000,000 unissued common shares.

As at December 31, 2023 and 2022, there is no accrued and unpaid preferential dividend.

12. **Income Tax**

The Company has no current income tax in 2023 as it is in a gross and taxable loss position. The provision for current income tax in 2022 and 2021 represents MCIT.

On March 26, 2021, the "Corporate Recovery and Tax Incentives for Enterprise" (CREATE) was approved and signed into law by the country's President. Under the CREATE, the RCIT of domestic corporations was revised from 30% to 25% or 20% depending on the amount of total assets or total amount of taxable income. In addition, the MCIT was changed from 2% to 1% of gross income for a period of three years. The changes in the income tax rates retrospectively became effective beginning July 1, 2020. The impact of change in 2020 was applied in 2021.

The rate of MCIT for domestic corporations shall revert to two percent (2%) based on the gross income starting July 1, 2023. The impact of the revision was accounted for in 2023.

The income tax rates used in preparing the financial statements are 25% and 20% for RCIT in 2023 and 2022, respectively, and 1.5% and 1% for MCIT in 2023 and 2022, respectively. The Company used 25% regular tax rate in 2023 as the total assets breached the threshold allowing the Company to use the lower regular tax rate of 20%. As a result, unrecognized deferred tax assets which was previously measured at 20% is now measured using the 25%.

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

	2023	2022	2021
Income tax computed at statutory tax rate	**(₱7,577,118)**	(₱1,240,989)	(₱323,355)
Changes in unrecognized deferred tax assets	**6,836,677**	979,552	(7,916,007)
Tax effects of:			
Share in a net loss of a joint venture	**4,285,712**	–	–
Stock issuance cost	**(375,000)**	–	–
Nondeductible expenses	**318,079**	192,600	1,184,833
Expired MCIT	**53,000**	71,360	175,322
Interest income already subjected to final tax	**(7,561)**	(2,093)	(1,451)
Change in statutory income tax rate	**(3,533,789)**	–	6,972,347
	₱–	₱430	₱91,689

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

	2023	2022
Allowance for impairment losses on receivables	**₱16,160,502**	₱12,928,401
NOLCO	**4,864,325**	1,206,749
MCIT	**92,119**	145,119
	₱21,116,946	₱14,280,269

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, 2023, unused NOLCO that can be claimed as deduction from future taxable income are as follows:

Year Incurred	Beginning Balance	Incurred	Applied	Ending Balance	Expiry Date
2023	₱–	₱13,423,553	₱–	₱13,423,553	2026
2022	5,252,413	–	–	5,252,413	2025
2020	781,334	–	–	781,334	2025
	₱6,033,747	₱13,423,553	₱–	₱19,457,300	

Under Revenue Regulations No. 25-2020, NOLCO incurred for the taxable years 2021 and 2020 will be carried over for the next five (5) consecutive taxable years immediately following the year of such loss and NOLCO incurred for taxable year 2022 and beyond can be carried over for the next three consecutive years.

As at December 31, 2023, unused MCIT that can be claimed as deduction from future income tax payable are as follows:

Year Incurred	Beginning Balance	Incurred	Expired	Ending Balance	Expiry Date
2022	₱430	₱–	₱–	₱430	2025
2021	91,689	–	–	91,689	2024
2020	53,000	–	(53,000)	–	2023
	₱145,119	₱–	(₱53,000)	₱92,119	

13. Related Party Transactions

Outstanding balances and transactions with related parties are as follows:

	Nature of Transaction	Amount of Transaction 2023	Amount of Transaction 2022	Outstanding Balance 2023	Outstanding Balance 2022
Receivables					
Loans Receivable					
Entity under common key management	Loan	**₱373,000,000**	₱–	**₱373,000,000**	₱–
	Collections	**–**	26,000,000	**–**	–
				₱373,000,000	₱–
Due from related parties					
Entities under common control	Advances (Settlement)	**(₱2,100,320)**	(₱5,364,349)	**₱217,235**	₱2,317,555
Due to related parties					
Entities under common control	Advances (Settlement)	**(₱636,744)**	₱636,744	**₱–**	₱636,744
Parent Company	Management fee	**–**	–	**13,880,000**	13,880,000
				₱13,880,000	₱14,516,744

The Company has no other material and/or significant transactions with its related parties in 2023 and 2022.

<u>Terms and Conditions of Transactions with Related Parties</u>

Loans Receivable to Entities with Common Stockholders

Loans Receivable from Philippine Collective Media (PCMC)

In August 2023, the Company granted an unsecured loan to PCMC, a related party under common key management, for the payments of its liabilities, acquisition of equipment, operations, and expansion of its business. The loan has no interest on the first year and 7.5% interest on succeeding years. The loan is to be paid within five years and can be paid in whole or in part at any time without penalty.

Loans Receivable from Marcventures Mining and Development Corporation (MMDC)

In 2018, the Company entered into an unsecured loan agreement with MMDC, a related party under common control, at 10% a year. The loan is due and demandable.

As at December 31, 2021, the Company has loans receivable amounting to ₱26.0 million. The Company fully collected the outstanding loan receivable in 2022.

Management has assessed that the outstanding interest receivable on the loan receivable was impaired in 2021, thus the Company recognized an impairment loss amounting to ₱5.5 million in the statement of comprehensive income and wrote-off the interest receivables in 2022. This was approved by the BOD on April 11, 2023. The interest from the loan receivable for 2021 was waived and no interest income was recognized for the year. This was approved by the BOD on April 12, 2022.

Rent Receivables

On February 8, 2018, the Company entered into an operating lease agreement with MMDC for the lease of a transportation equipment until October 7, 2019. In 2022, the Company sold the leased transportation equipment to MMDC for ₱200,746. Gain on disposal of equipment amounted to ₱43,046 (see Note 9).

Outstanding balances with related parties are unsecured, noninterest-bearing (unless otherwise stated in the loan agreement), collectible or payable in cash upon demand. The Company has no provision for impairment loss relating to the loans receivables and amounts due from related parties as at December 31, 2023 and 2022. 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.

<u>Compensation of Key Management Personnel</u>

There is no compensation of key management personnel in 2023, 2022 and 2021. The Company's accounting and administrative functions are provided by a related party at no cost to the Company.

14. Commitments and Contingencies

a. In the normal course of its prior operations, the Company has outstanding commitments, pending litigations and contingent liabilities which are not reflected in the financial statements. Management believes that the ultimate outcome of these matters will not have a material impact in the financial statements.

b. As discussed in Note 1, under the MOA dated September 12, 2002 between the Company, BDO and PDIC, the Company agreed to transfer its assets and liabilities from its development bank operations to BDO and PDIC. Under the terms of the MOA, the Company holds BDO free from any contingent claims, labor and minority issues and concerns arising from related assets and liabilities still managed by the Company until these are assumed by BDO.

   The Company has accounted for separately the assets from its development bank operations pursuant to the MOA. It still has in its possession titles of real estate properties from its development bank operations with an aggregate value of ₱723.5 million and ₱518.8 million as at December 31, 2023 and 2022, respectively. Moreover, the Company has cash in its custody of ₱13.9 million as at December 31, 2023 and 2022 arising from the proceeds of the sale of one of the properties.

15. Basic/Diluted Loss Per Share

The basic loss per share is computed as follows:

	2023	2022	2021
Net loss	**(₱30,308,471)**	(₱6,205,377)	(₱1,708,466)
Less dividend rights of preferred stockholders for the year	**1,581,671**	1,581,671	1,581,671
Loss attributable to common stockholders	**(31,890,142)**	(7,787,048)	(3,290,137)
Divided by weighted average number of common stock	**850,298,616**	700,298,616	700,298,616
Basic loss per share	**(₱0.038)**	(₱0.011)	(₱0.005)

The convertible feature of the Company's preferred stock has potential antidilutive effect. The Company has no diluted income per share in 2023, 2022 and 2021 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, liquidity risk, interest rate risk and market 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 Company estimates the ECL on its 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 tables below present the Company's exposure to credit risk and shows the credit quality of the financial assets by indicating whether the financial assets are subjected to 12-month ECL or lifetime ECL.

	2023			
	12-month ECL	**Lifetime ECL - not credit impaired**	**Lifetime ECL - credit impaired**	**Total**
Financial assets at amortized cost:				
Cash in banks	**₱47,760,041**	**₱–**	**₱–**	**₱47,760,041**
Receivables*	**–**	**–**	**62,515,672**	**62,515,672**
Due from related parties	**217,235**	**–**	**–**	**217,235**
Loans receivable	**–**	**373,000,000**	**–**	**373,000,000**
Financial assets at FVOCI -				
Investment in a club share	**5,000,000**	**–**	**–**	**5,000,000**
	₱52,977,276	**₱373,000,000**	**₱62,515,672**	**₱488,492,948**

**Excluding advances to officers, employees and service providers amounting to ₱2.4 million.*

	2022			
	12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired	Total
Financial assets at amortized cost:				
Cash in banks	₱33,834,166	₱–	₱–	₱33,834,166
Receivables*	–	–	62,515,672	62,515,672
Due from related parties	2,317,555	–	–	2,317,555
Financial asset at FVOCI -				
Investment in a club share	3,300,000	–	–	3,300,000
	₱39,451,721	₱–	₱62,515,672	₱101,967,393

**Excluding advances to officers, employees and service providers amounting to ₱2.4 million.*

The aging analyses of financial assets as at December 31, 2023 and 2022 are as follows:

	2023				
	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	**₱47,760,041**	**₱–**	**₱–**	**₱–**	**₱47,760,041**
Receivables*	**–**	**–**	**–**	**62,515,672**	**62,515,672**
Due from related parties	**217,235**	**–**	**–**	**–**	**217,235**
Loans receivable	**373,000,000**	**–**	**–**	**–**	**373,000,000**
	₱420,977,276	**–**	**–**	**62,515,672**	**₱483,492,948**
Financial Asset at FVOCI					
Investment in a club share	**5,000,000**	**–**	**–**	**–**	**5,000,000**
	₱425,977,276	**₱–**	**₱–**	**₱62,515,672**	**₱488,492,948**

**Excluding advances to officers, employees and service providers amounting to ₱2.4 million.*

	2022				
	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	₱33,834,166	₱–	₱–	₱–	₱33,834,166
Receivables*	–	–	–	62,515,672	62,515,672
Due from related parties	2,317,555	–	–	–	2,317,555
	36,151,721	–	–	62,515,672	98,667,393
Financial Asset at FVOCI					
Investment in a club share	3,300,000	–	–	–	3,300,000
	₱39,451,721	₱–	₱–	₱62,515,672	₱101,967,393

**Excluding advances to officers, employees and service providers amounting to ₱2.4 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, 2023 and 2022, accrued expenses and other current liabilities (excluding statutory payable) and due to related parties are generally due and demandable.

Market Risk

Interest Rate Risk

Interest rate risk is the risk that future cash flows from a financial instrument (cash flow interest rate risk) or its fair value (fair value interest rate risk) will fluctuate because of changes in market interest rates. The Company's loans receivable is subject to fixed interest rates and is exposed to fair value interest rate risk.

As at December 31, 2023, the Company's loan receivable amounting ₱373.0 million has no repricing arrangement and is exposed to fair value interest risk. As at December 31, 2023, the Company's exposure to changes in interest rates is not significant.

Equity Price Risk
Equity price risk relates to the fair value of quoted club share would decrease as the result of the adverse changes in the quoted club share brought about by by both rational and irrational market forces. The market risk of the Company arises mainly from its investments in a club share measured at FVOCI. Impact of fair value changes amounted to ₱1.7 million and ₱1.6 million on the investment as at December 31, 2023 and 2022, respectively.

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:

	2023		2022	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Assets				
Cash	**₱47,780,041**	**₱47,780,041**	₱33,839,166	₱33,839,166
Due from related parties	**217,235**	**217,235**	2,317,555	2,317,555
Loans receivables	**373,000,000**	**374,555,467**	–	–
Investment in a club share	**5,000,000**	**5,000,000**	3,300,000	3,300,000
	₱425,997,276	**₱427,552,743**	₱39,456,721	₱39,456,721
Financial Liabilities				
Accrued expenses and other current liabilities*	**₱197,060,092**	**₱197,060,092**	₱180,670,310	₱180,670,310
Due to related parties	**13,880,000**	**13,880,000**	14,516,744	14,516,744
	₱210,940,092	**₱210,940,092**	₱195,187,054	₱195,187,054

**Excluding statutory payables amounting to ₱18,599 and ₱79,037 as at December 31, 2023 and 2022, 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 related parties approximate their fair values due to the short-term and demand nature and maturities of the transactions. The fair value measurement of current financial assets and liabilities is classified as Level 3 (significant unobservable inputs).

Loans Receivable. The fair value of loans receivables is based on the discounted value of future cash flows using the prevailing interest rates. Discount rate used is 6.25% in 2023.

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 club share designated as FVOCI is classified as Level 1 wherein the inputs are based on quoted prices in active markets.

There has been no transfer between levels of fair value hierarchy as at December 31, 2023 and 2022.

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, 2023 and 2022. The Company is not subject to externally-imposed capital requirements.

BOA/PRC Accreditation No. 4782
August 16, 2021, valid until April 13, 2024
SEC Registration No. PP201007009

BDO Towers Valero
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, BDO Towers Valero
8741 Paseo de Roxas
Makati City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Prime Media Holdings, Inc. (the Company), a subsidiary of RYM Business Management Corp., as at December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021, and have issued our report thereon dated April 12, 2024. 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, 2023 and 2022 and for the years ended December 31, 2023 and 2022 and no material exceptions were noted.

REYES TACANDONG & CO.

PAMELA ANN P. ESCUADRO
Partner
CPA Certificate No. 128829
Tax Identification No. 216-321-918-000
BOA Accreditation No. 4782; Valid until April 13, 2024
BIR Accreditation No. 08-005144-013-2023
Valid until January 24, 2026
PTR No. 10072415
Issued January 2, 2024, Makati City

April 12, 2024
Makati City, Metro Manila

PRIME MEDIA HOLDINGS, INC.

(A Subsidiary of RYM Business Management Corp.)

SUPPLEMENTARY SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

DECEMBER 31, 2023 AND 2022

Below is a schedule showing financial soundness indicators for the years ended December 31, 2023 and 2022:

Ratio	**Formula**	**2023**	2022
Current Ratio			
	Total current assets	**₱54,286,187**	₱41,524,749
	Divided by: Total current liabilities	**210,958,691**	195,266,091
	Current Ratio	**0.26**	0.21
Acid Test Ratio			
	Total current assets	**₱54,286,187**	₱41,524,749
	Less: Other current assets	**5,995,992**	5,109,828
	Quick assets	**48,290,195**	36,414,921
	Divide by: Total current liabilities	**210,958,691**	195,266,091
	Acid Test Ratio	**0.23**	0.19
Solvency Ratio			
	Loss before depreciation	**(₱30,174,008)**	(₱6,115,222)
	Divide by: Total liabilities	**210,958,691**	195,266,091
	Solvency Ratio	**(0.14)**	(0.03)
Debt-to-Equity Ratio			
	Total liabilities	**₱210,958,691**	₱195,266,091
	Divide by: Total equity	**225,286,820**	(149,805,279)
	Debt-to-Equity Ratio	**0.94**	(1.30)
Asset-to-Equity Ratio			
	Total assets	**₱436,044,941**	₱45,460,812
	Divide by: Total equity	**225,086,250**	(149,805,279)
	Asset-to-Equity Ratio	**1.94**	(0.30)
Profitability Ratio			
	Net loss	**(₱30,308,471)**	(₱6,205,377)
	Divide by: Total equity	**225,086,250**	(149,805,279)
	Profitability Ratio	**(0.13)**	0.04

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REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY SCHEDULES FOR FILING WITH THE SECURITIES AND EXCHANGE COMMISSION

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

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Prime Media Holdings, Inc. (the Company), a subsidiary of RYM Business Management Corp., as at December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021, and have issued our report thereon dated April 12, 2024 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, 2023 are the responsibility of the Company's management. These supplementary schedules include the following:

- Reconciliation of Retained Earnings Available for Dividend Declaration
- Schedules required by Part II of the Revised Securities Regulation Code (SRC) Rule 68
- Conglomerate Map

These schedules are presented for purposes of complying with Revised Securities Regulation Code Rule No. 68 Part II, and are not part of the basic financial statements. The supplementary schedules have been subjected to the audit procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

REYES TACANDONG & CO.

PAMELA ANN P. ESCUADRO
Partner
CPA Certificate No. 128829
Tax Identification No. 216-321-918-000
BOA Accreditation No. 4782; Valid until April 13, 2024
BIR Accreditation No. 08-005144-013-2023
Valid until January 24, 2026
PTR No. 10072415
Issued January 2, 2024, Makati City

April 12, 2024
Makati City, Metro Manila

RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
FOR THE REPORTING PERIOD ENDED DECEMBER 31, 2023

PRIME MEDIA HOLDINGS, INC.
(A Subsidiary of RYM Business Management Corp.)
16th Floor, BDO Towers Valero, 8741 Paseo de Roxas, Makati City

	Amount
Deficit, beginning of reporting period	(₱867,570,155)
Add net loss for the current year	(30,308,471)
Deficit, end of the reporting period	(₱897,878,626)

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, 2023

Table of Contents

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

SCHEDULE G - CAPITAL STOCK
DECEMBER 31, 2023

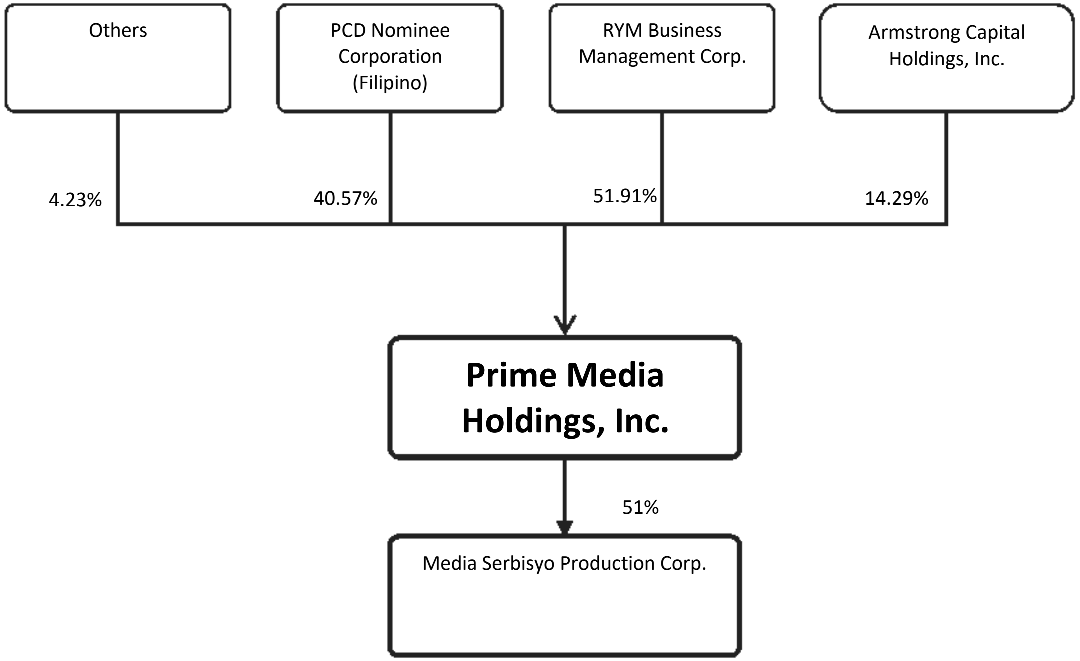
Title of issue	Number of shares authorized	Number of shares issued and outstanding at shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Common Stock	3,000,000,000	850,298,616	–	540,830,986	5,004	309,462,626
Preferred Stock	2,000,000,000	14,366,260	–	–	–	14,366,269
	5,000,000,000	864,664,876	–	540,830,986	5,004	323,828,895

PRIME MEDIA HOLDINGS, INC.

(A Subsidiary of RYM Business Management Corp.)

CONGLOMERATE MAP

DECEMBER 31, 2023



PRIME MEDIA Holdings, Inc.

2023 SUSTAINABILTIY REPORT

TABLE OF CONTENTS

OUR COMPANY

»»

PRIME MEDIA HOLDINGS INC. (PMHI) ALIGNS WITH THE SUSTAINABLE DEVELOPMENT GOALS AS IT CONTINUES TO MAKE HEADWAY TOWARDS STRATEGIC GROWTH.

PMHI was originally incorporated as the Private Development Corporation of the Philippines (PDCP) in 1963. In 2000, the Company changed its name to First e-Bank Corporation, and later on, in 2003, the Company adopted its current name.

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

In 2010, given its minimal operations and the company's plans to reorganize and to further assess its business model, PMHI gradually retired all its employees and outsourced its administration and operations to consultants and service providers.

Name of Organization	Prime Media Holdings, Inc. (PMHI)
Principal Office	16th Floor BDO Towers Valero(formerly Citibank Center), 8741 Paseo de Roxas, Makati City
Business Model	The company is listed on the Philippine Stock Exchange (PSE). It is engaged in the purchase, exchange, assignment, and holding of shares or equity.
Reporting Period	January 1 to December 31, 2023

In 2022 PMHI confirmed discussions for potential partnerships in digital infrastructure, software applications like data mining and storage, including other value-added services such as an e-wallet system. The media expansion also includes the acquisition of additional frequencies for both free tv and radio and a digital technology platform to support its television and radio channels. Aside from providing information and entertainment, there are plans for a mobile payment gateway to address services like streaming-on-demand, pay-per-view, home TV shopping, etc.

In May 2023 Media Serbisyo Production Corp the joint venture agreement between Prime Media Holdings, Inc. and ABS-CBN Corporation was officially formed for the purpose of content creation and production.

SUSTAINABILITY MEASURES

Heeding the global call towards addressing the needs of the present without compromising the resources of the future generation, PMHI adheres to utilizing sustainable measures in managing the day-to-day operations. The sustainable initiatives are guided by good governance which serves as the foundation for responsible operations.

ETHICS AND INTEGRITY

The company has a Code of Ethics policy which sets the standards for professional and ethical behavior, as well as acceptable practices in the conduct ofbusiness. It serves as a guide for decision-making, reflecting PMHI's principles on integrity and honest.

GOVERNANCE

PMHI is committed to the principles of good governance and recognizes its importance in enhancing share value and safeguarding shareholders' interests.

The Board of Directors, management, stockholders, and employees are committed to the fundamental principles of sound corporate governance and best practices specified in the company's Corporate Governance manual.

The Board is responsible for governing the various businesses in which the corporation has direct interest. It is responsible to other stakeholders in matters related to compliance with regulatory standards, the provision of appropriate information and updates and effective representation , protection and reputation of the corporation.
In setting the policies for accomplishment of the corporate objectives, it also provides and independent check on management. The PMHI Board has a total of seven (7) directors. Three (3) directors occupy executive positions; while four (4) directors are non-executive

BOARD COMMITTEES

EXECUTIVE COMMITTEE

- Manolito A. Manalo
  - Chairman
- Rolando S. Santos
  - Member
- Hermogene H. Real
  - Member

AUDIT, GOVERNANCE, OVERSIGHT AND RELATED PARTY TRANSACTION COMMITTEE

- Johnny Y. Aruego, Jr.
  - Chariman
- Francisco L. Layug III
  - Member
- Bernadeth A. Lim
  - Member

NOMINATION AND COMPENSATION COMMITTEE

- Francisco L. Layug III
  - Chairman
- Johnny Y. Aruego, Jr.
  - Member
- Hermogene H. Real
  - Member

STAKEHOLDER ENGAGEMENT

The company engages stakeholders i to genuinely understand their needs and interest at different levels and across multiple areas. The goal is to build long-lasting relationships, and strengthened connections to find mutual grounds based on trust and loyalty.

REPORTING PRACTICE

The company adheres to a high level of corporate disclosure and transparency in matters concerning the network's financial condition and state of corporate governance.

The Company's audited financial performance was presented to its shareholders during the virtual annual stockholders' meeting held on 23 September 2022. In line with SEC's regulations the meeting via remote communication format aims to further safeguard everyone's safety and health due to the ongoing threat of the COVID-19 pandemic.

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

DIGITAL PRIVACY

Data security is a vital material topic relative to the Company's plans to lay the groundwork to revitalize its operations in the future. PMHI has a duly appointed Data Privacy Officer to ensure strict implementation of confidentiality measures that comply with Philippine data privacy laws. More stringent measures will be adopted in order to be attuned with future plans and business expansion goals.

PMHI demonstrates good corporate governance as it focuses on pursuing strategic investments for its future growth and reversion to a going concern status.

MATERIALITY ASSESSMENT

The report was prepared following the Sustainability Reporting Guidelines for Publicly Listed companies of the Philippines, released by the Securities and Exchange Commission.

PMHI expects to further develop its materiality assessment and sustainability reporting process once it completes its corporate reorganization, determines the optimal business model, and resumes operations.

In 2019, the Company, for its first Sustainability Report, engaged the services of Atty. Teodoro Kalaw IV, a certified sustainability trainer by the Global Reporting Initiative and a sustainability report assurer by the Institute of Certified Sustainable Practitioners. Atty. Kalaw facilitated an extensive sustainability orientation and materiality assessment workshop for key officers and staff of the Firm. The same key officers and staff are tasked to provide continuity in preparing the current Sustainability Report.

ECONOMIC PERFORMANCE

With a confirmation statement seeking to ensure continuous adherence and compliance with corporate governance rules, regulations, and requirements imposed by the Philippine Securities and Exchange Commission (SEC) and the PSE, PMHI declared its operating costs at Php 10,286,834 and remitted taxes to the Philippine government in the amount of Php 3,258,490. It incurred a loss of Php 17,112,602, due to the costs incurred by Media Serbisyo Corp., the joint venture with ABS-CBN, during the first few months of operations.

The Company continues to promote Good Corporate Governance as it moves towards its revitalization and reinventions plans.

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

The Company's audited financial performance was presented to its shareholders during the virtual annual stockholders' meeting. Vital information on the Company is also freely accessible via its website, which also includes its current Annual Report, Information Statement and Sustainability Reports.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Even as an inactive organization PMHI has been seeking potential new and viable businesses to support the sustainable goal for economic growth. UNSDG Goal 8 also supports employment and decent work for all.
In May 2023 Media Serbisyo Production Corp the joint venture agreement between Prime Media Holdings, Inc. and ABS-CBN Corporation was officially formed for the purpose of content creation and production. The venture aims to expand the PMHI's business segments and provide streams of revenue like equity investment and share in future projects.

On June 30, Media Serbisyo Production Corp. officially launched Teleradyo Serbisyo and DWPM Radyo 630. Operating seven (7) days a week, the program line-up includes Noli de Castro's news program "Kabayan and Teleradyo Serbisyo Balita", "Gising Pilipinas" with Alvin Elchico and Doris Bigornia, "Tatak Serbisyo" with Bernadette Sembrano and Winnie Cordero, "Kasalo" with Amy Perez and Jeff Canoy, "Hello Attorney" with Atty Noel del Prado and Lyza Aquino and many others.

DWPM Radyo 630 is also aired on Skycable, YouTube, ABS-CBN's international cable service The Filipino Channel and its streaming service iWant TFC. On the third quarter of 2023, Kantar TV Audience Measurement (TAM) reported Teleradyo Serbisyo's steady increase in ratings. Further expansion is expected in the months to come, which includes the shift to 24/7 operations, and a significant presence in platforms like YouTube and other social media networks.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The joint venture also supports UNSDG Goal 9 which seeks to build infrastructure and foster innovation. Economic growth is dependent on investments in infrastructure and technological progress. The recent joint venture is an investment in communication infrastructure is crucial to achieving sustainable development and empowering communities.

Lastly the company is one with the governing in supporting Goal 17 which seeks to revitalize global partnership for sustainable development. The 2030 Agenda is universal and calls for action by all countries – developed and developing – to ensure no one is left behind. It requires partnerships between governments, the private sector, and civil society.

As it moves toward pursuing more active business operations, PMHI expects to be able to specifically demonstrate its contributions to the Sustainable Development Goals promoted by the United Nations. The transition would support sustainable economic growth and increase employment opportunities.

Ultimately, the real benefit of this initial process is to prepare the Company for a more robust sustainable operations and reporting in future fiscal years. This will provide a foundation for more accountability and transparency in its future disclosures and other reporting processes.

MATERIAL TOPIC INDEX

As required by Annexes A (reporting template) and B (topic guide) of SEC Memorandum Circular No. 4 sustainability reporting guidelines for publicly listed companies, stated below is the topic identified as material for the reporting period.

TOPIC	PAGE NUMBER IN ANNEX A OF SEC GUIDELINES	PAGE NUMBER IN 2023 SUSTAINABILITY REPORT
Data Privacy and Security Protection	41	6
Economic Performance	19	8
Economic Growth	12	9
Innovation and Infrastructure	12	10
Global Partnership	2	10