

**MINUTES OF THE ANNUAL SHAREHOLDERS' MEETING**  
**OF**  
**PRIME MEDIA HOLDINGS, INC.**  
Held at Metroclub Rockwell, Estrella St.,  
Guadalupe Viejo, Makati City  
On 03 December 2018 at 9:30 am

<b>STOCKHOLDERS PRESENT</b>	<b>NUMBER OF SHARES</b>	<b>PERCENTAGE</b>
Stockholders represented by proxies	587,086,882	82.15%
Stockholders represented in person	3,004	0%
Total number of shares present in person and proxies	587,089,886	82.15%
Total Issued and Outstanding Shares: (Preferred & Common)	<u>714,664,876</u>	

**DIRECTORS PRESENT:**

Manolito A. Manalo  
Bernadeth A. Lim  
Juan Victor S. Valdez  
Diane Madelyn C. Ching  
Rolando S. Santos  
Johnny Y. Aruego, Jr. (Independent Director)  
Francisco L. Layug III (Independent Director)

**OTHERS PRESENT:**

Atty. Christopher Sam Salvador

**I. CALL TO ORDER**

Atty. Manolito A. Manalo, the President of the Board, called the meeting to order and presided over the same. Atty. Diane Madelyn C. Ching, Corporate Secretary, recorded the minutes of the proceedings.

**II. PROOF OF NOTICE OF MEETING AND CERTIFICATION QUORUM**

The Chairman inquired with Corporate Secretary whether proper notices of the meeting were sent to the stockholders of record of the Corporation and whether there is quorum to proceed with the meeting. The Corporate Secretary certified that the notice of the meeting has been sent to each stockholder of record as of 26 October 2018. She further certified that out of the total issued and outstanding capital of the stock of the Corporation, there are present in person or by proxy, holders of 587,089,886 shares of stock entitled to vote, representing an attendance of 82.15%, which is more than two thirds (2/3) of the total issued

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and outstanding capital stock of the Corporation. Therefore, there exists quorum to transact business.

### **III. APPROVAL OF THE MINUTES OF THE PREVIOUS MEETING**

The Chairman stated that the first item in the agenda is the reading and approval of the minutes of the last Stockholders' Meeting held on 21 December 2017. Atty. Diane Madelyn C. Ching, the Corporate Secretary, stated that during the Annual Stockholders' Meeting held last 21 December 2017, the shareholders performed the following actions 1.) Approved the Management Report and Audited Financial Statements for the year ended December 31, 2016; 2.) Ratified and Approved the Corporate Acts; 3.) Elected the Board of Directors for the ensuing year; 4) Reappointed Reyes Tacandong & Co. as External Auditor. She said that copies of the minutes were earlier distributed to the stockholders.

Upon motion duly made and seconded, and there being no objections, the reading of the minutes of the previous annual stockholders' meeting was dispensed with and the same was unanimously approved by the stockholders holding at least 82.15% of the outstanding capital stock of the Corporation.

The Corporate Secretary noted that no stockholders voted against or abstained on the motion. The affirmative votes were sufficient to approve the resolution.

### **IV. APPROVAL OF THE MANAGEMENT REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017**

The Chairman/President, Atty. Manalo then proceeded to the approval of the Management Report and Audited Financial Statements for the year ended December 31, 2017.

He presented the financial highlights resulting from the Company's Operation in 2017. He stated that based on the 2017 Audited Financial Statements, the Financial Position of Prime Media Holdings, Inc. resulted to a decrease in total assets of ₱ 27.9 Million from ₱ 116.4 Million as of December 31, 2016 to ₱ 88.5 Million as of December 31, 2017. The change pertains to mainly to administrative expenses of the company.

He stated that the Company's total liabilities and equity decreased by ₱ 27.9 Million refers mainly to the net loss reported for 2017 amounting to ₱ 28.4 million. As a result, the book value per share further decreased by ₱ .04 from (₱0.14) to (₱ 0.18).

In addition, the President noted that the operating results reflected a net loss of ₱ 28.4 million in 2017, ₱ 2.1 higher as compared to 2016 reported net loss of ₱ 26.3 million. The increase pertains mainly to the provision on impairment losses on the receivables.

Moreover, the company has approved and entered significant transactions including the Compromise Agreement with the Bangko Sentral ng Pilipinas amounting to ₱ 20.0 million, which finally ended a long-time running litigation. He mentioned also that the Company sold its Legaspi Property for ₱ 51,823,306.00 in order to generate cash to support expenses of the Company in maintaining its listing and assets and to further fund the transfer of certain assets to BDO and/or PDIC pursuant to the previous agreement executed when it was still operating as a bank. The company intends to sell additional assets in order to finally clean its book and generate enough funds to revive the Company and look into other business venture. Also, the



Company's parent, RYM Business Management Corporation, has been rendering support assistance to achieve the goals of the Company.

Finally, the President thereafter assured the shareholders that the Company will exert effort to restore financial stability.

There being no questions or comments raised after the report, upon motion duly made and seconded, the stockholders noted the report of Atty. Manalo and further approved the Audited Financial Statements for the year ending 31 December 2017; thus, the approval of the following resolution:

"RESOLVED, as it is hereby resolved, that the Management Report as presented by the President be noted and that the Corporation's Audited Financial Statements for the year ended December 31, 2017 be approved."

**V. RATIFICATION OF THE ALL ACTS OF THE BOARD OF DIRECTORS AND MANAGEMENT FOR THE YEAR 2018.**

The Chairman likewise stated that the next item in the agenda is the ratification of all the actions of the Board of Directors and management from the last Annual Stockholders' Meeting up to the present including the sale of Legaspi Property and the loans granted to related companies.

Upon motion duly made and seconded, the shareholders approved all the acts, proceedings, transactions, and agreements, authorized and entered into by the Board of Directors and Officers of the Corporation from the last Stockholders' Meeting to date were approved, confirmed and ratified. Upon motion duly made and seconded, the following resolution was approved:

"RESOLVED, as it is hereby resolved, that all actions, proceedings, transactions and agreements, authorized and entered into by the directors and the officers of the Corporation from the last stockholders' meeting up to present be approved, ratified, and confirmed."

It was noted for the record by the Corporate Secretary that no stockholders voted against or abstained on the motion. The affirmative votes were sufficient to approve the resolution.

**VI. AUTHORITY TO ENTER INTO A MANAGEMENT AGREEMENT WITH RYM BUSINESS MANAGEMENT CORP.**

The Chairman stated that the next item in the agenda is the request for authorization to enter into a management agreement with RYM Business Management Corporation for a period of up to 5 years for at least ₱ 5.0 Million per annum subject to modification by the Board of Directors and to further authorize the President or Treasurer to sign the relevant agreements thereto. The Management Agreement with RYM has already expired and authority is hereby requested to provide the Company an authority to re-engage RYM Business Management Corporation to manage the Corporation.

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Upon motion duly made and seconded, the shareholders authorized the Corporation to enter into a management agreement with RYM Business Management Corporation for a period of up to 5 years for at least ₱ 5.0 Million per annum subject to modification by the Board of Directors and to further authorize the President or Treasurer to sign the relevant agreements thereto. Thereupon, the following resolutions were approved:

**“RESOLVED**, as it is hereby resolved, that the Corporation be authorized and empowered to enter into a management agreement with RYM Business Management Corporation for a period of up to 5 years for at least ₱ 5.0 Million per annum subject to modification by the Board of Directors;”

**“RESOLVED, FINALLY**, that the Corporation’s President or Treasurer be authorized to sign, execute and deliver any and all documents or agreements relevant thereto to give full force and effect to the foregoing resolution.”

It was noted for the record by the Corporate Secretary that no stockholders voted against or abstained on the motion. The affirmative votes were sufficient to approve the resolution.

## **VII. ELECTION OF DIRECTORS**

The Chairman then proceeded to the next item in the agenda is the election of the directors of the Company. There are seven (7) seats to be filled including two (2) seats for independent directors.

Under the SEC rules, only nominees whose names have been submitted to and evaluated by the Nominations Committee, and whose names appear in the Final List of Candidates set forth in the Definitive Information Statement or other reports submitted to the Securities and Exchange Commission, shall be eligible for election as Independent Directors.

### **Regular Directors:**

Manolito A. Manalo  
Bernadeth A. Lim  
Rolando S. Santos  
Juan Victor S. Valdez  
Diane Madelyn C. Ching

### **Independent Directors:**

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

Upon motion duly made and seconded, and there being only seven (7) nominees to the seven (7) available seats for directors, it was unanimously resolved by the stockholders holding at least 82.15% of the outstanding capital stock of the Corporation to close the nominations and that the Corporate Secretary be directed and authorized to cast all votes of the stockholders present or represented at the meeting equally among all the seven (7) nominees. The Chairman, therefore, declared the seven (7) nominees as the duly elected members of the Board of Directors for the current term to act as such until their successors are



duly elected and qualified in accordance with the By-Laws. Messrs. Aruego and Layug were duly recognized as the Corporation's current Independent Directors.

#### VIII. APPOINTMENT OF EXTERNAL AUDITOR

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

The Corporate Secretary, Atty. Diane Madelyn C. Ching, informed the stockholders that the audit committee reviewed the qualifications and performance of the Corporation's external auditor Reyes Tacandong & Company, and is endorsing its reappointment for the current year. Upon motion made and duly seconded, the following resolution was approved by the stockholders:

**"RESOLVED**, as it is hereby resolved, that Reyes Tacandong & Co., be re-appointed as the Corporation's external auditor for the year."

#### IX. OTHER MATTERS

The Chairman then opened the table to discuss other matters.

Mr. Emil Dela Cruz clarified the present business of the Company and whether the succeeding year will be something to look forward to. The Chairman responded that there is a good probability that it will be a successful year as one of the litigations between Bangko Sentral ng Pilipinas and Prime Media, which lasted for a long time, was finally resolved and settled on the first quarter of the year. The Chairman explained that he considered that litigation as a hindrance for the performance of the company in the previous years. In addition, he pointed out that the company remains dormant. In the previous year, the Company is cleaning up the books, making sure there will be no problems that will affect the book valuation of the Corporation. He added that the Board had been managing important matters with the help of RYM Management Corporation. Thus, the Company looks forward to continuing everything for next year until such time when everything will be settled.

#### X. ADJOURNMENT

There being no further matters to discuss, upon motion duly made and seconded, the meeting was thereupon adjourned.


Prepared by:




**ATTY. DIANE MADELYN C. CHING**  
*Corporate Secretary/Director*





Attested by:

  
**MANOLITO A. MANALO** *or*  
Chairman/President

  
**JUAN VICTOR S. VALDEZ** *or*  
Director

  
**FRANCISCO L. LAYUG, III**  
Independent Director

  
**BERNADETH A. LIM** *or*  
Director/Vice President

  
**ROLANDO S. SANTOS**  
Director

  
**JOHNNY Y. ARUEGO**  
Independent Director

*for*