



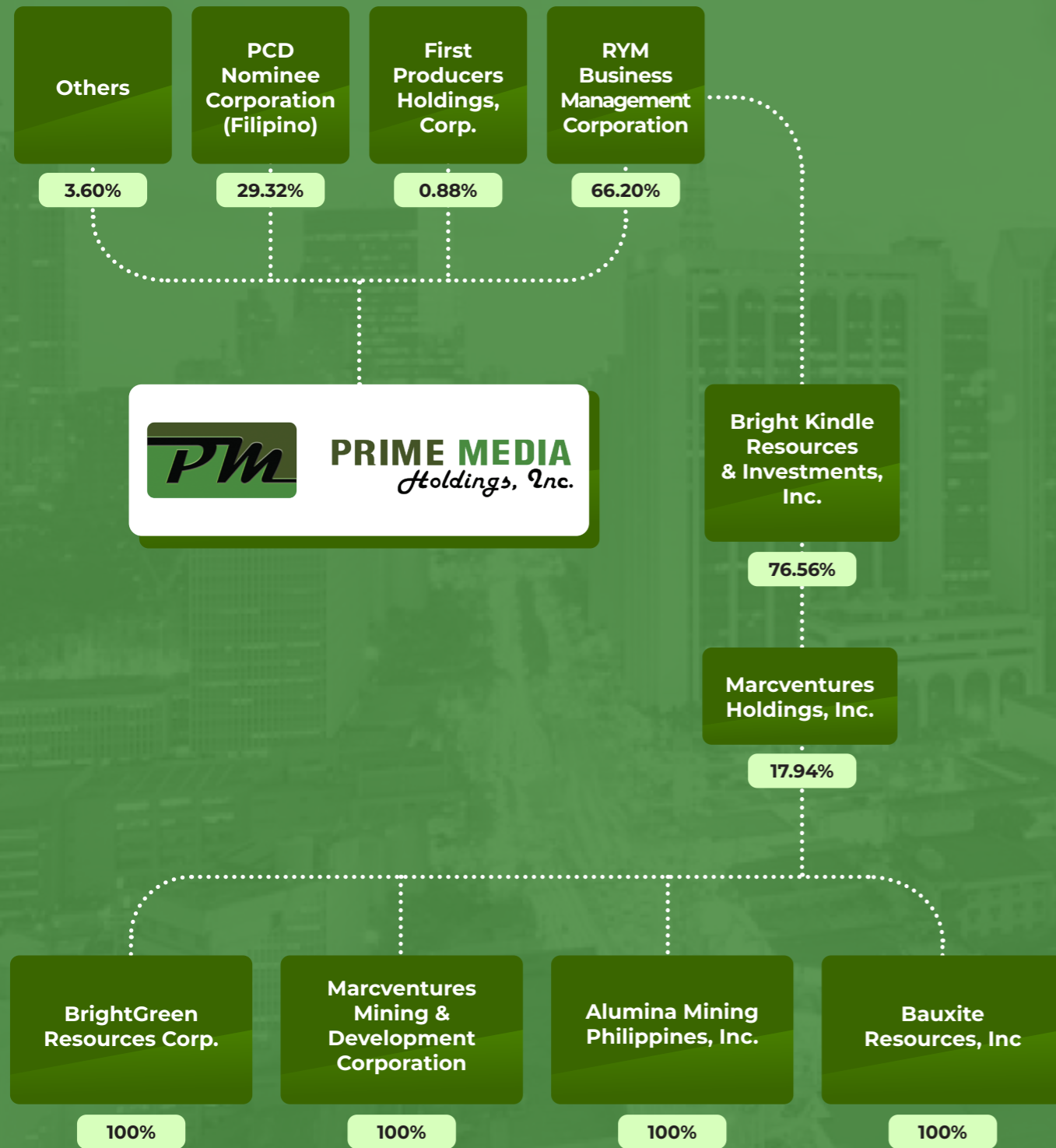
PRIME MEDIA
Holdings, Inc.

THE **PRIME** POTENTIAL

Annual Report 2021



CONGLOMERATE MAP



CHAIRMAN'S MESSAGE

Highlighting the efforts to revitalize its current business model, Prime Media Holdings Inc. (PMHI) continues to pursue possible investments and business ventures in media and technology.

As other industries move toward recovery, the company fulfilled its plan of action for revival and relevance. The previous year saw the company embark on its the Memorandum of Agreement (MOA) with Philippine Collective Media Corporation; marking PMHI's entry into broadcast communications. As a next step, PMHI intends to fully develop a technology platform to support its television and radio channels.

Further expansion is on the way with potential ventures in digital infrastructure, software applications like data mining and storage, including other value-added services such as an e-wallet system. PMHI intends to strengthen access to digital technology to the farthest locations. Clearly, the groundwork is being set for a very interesting future.

Moreover, the encouraging stock performance is an undeniable indicator of the public's confidence in the Company's financial viability. With such positive developments, the coming months are certainly very promising. As we move forward, we remain optimistic that the business community will finally see the completion of significant investments and the fruition of the operational plans.

ATTY. MANOLITO A. MANALO
Chairman & President



2021 OPERATIONAL & FINANCIAL HIGHLIGHTS

Results of Operations

	Audited		Increase (Decrease)	
	2021	2020	Amount	%
Income	9,176,852	2,665,187	6,510,922	244.30%
Net Income (Loss)	(1,708,466)	(2,976,624)	1,268,158	42.60%
Comprehensive Income	(958,466)	(2,876,624)	1,918,158	66.68%

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

- Long-standing payables amounting to ₱9.17 million will stay unsettled and therefore contribute to the increase in income.
- Provision of loss impairment recognized during the year related to the waiver of receivable loan interest from MMDC amounting to ₱5.14 million.
- Decrease in professional fee of ₱0.61 million or 17.67%, due to the drop in legal fees.
- Taxes and licenses for the year amounting to ₱0.17 million is lower by ₱0.10 million compared to last year.
- Director's fees increased by ₱0.55 million or 100.00% due to the board meetings held during the year.
- Decrease in cost of other services by ₱0.16 million due to the postponement of the publication of Annual Stockholder's Meeting.

Financial Position

	Audited		Increase (Decrease)	
	2021	2020	Amount	%
Asset	48,749,680	54,865,900	(6,116,220)	(11.15%)
Liabilities	193,899,582	199,057,336	(5,157,754)	(2.59%)
Capital Deficiency	(145,149,902)	(144,191,436)	(958,466)	(0.66%)

The Company's total Assets of ₱48.75 million declined by ₱6.12 million or 11.15% compared to last year. The movement in total Assets is attributed to the following:

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

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

- Reversal of long-outstanding payables amounting to ₱9.17 million during the year. These payables were assessed and will no longer be settled.
- Cash receipts of ₱2.40 million from Bulaong Enterprises, Inc. pursuant to the compromise agreement for a legal case. This represents partial settlement out of the ₱17.0 million settlement fee (exclusive of ₱1.62 million interest), as indicated in the agreement. As the subject property involved in the compromise agreement is included in the list of properties for transfer to PDIC pursuant to the 12 September 2002 Memorandum of Agreement among the Company, PDIC and BDO, collections were accounted for as liability.
- Accrual and subsequent billings from Ocampo & Manalo Law Firm and Andres Padernal & Paras Law Firm amounting to ₱1.53 million and ₱0.01 million, respectively, were recognized.

Capital deficiency is higher by ₱0.96 million compared to last year. The Company incurred a net loss of ₱1.71 million and recognized ₱0.75 million gain on fair value changes on its club share investment the net movement resulted in the increase in capital deficiency.

BOARD OF DIRECTORS

ATTY. MANOLITO A. MANALO

Chairman & President

BERNADETH A. LIM

Vice President/Director

ROLANDO S. SANTOS

Treasurer/Director

MICHELLE F. AYANGCO

Director

HERMOGENE H. REAL

Director

JOHNNY Y. ARUEGO JR.

Independent Director

FRANCISCO L. LAYUG III

Independent Director

EXECUTIVE OFFICER

ATTY. REUBEN CARLO O. GENERAL

Corporate Secretary

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Company has not been actively operating since its primary purpose was changed from a development bank to a holding company in December 2002 other than the continuing activities described in Part I A (1). There are no known trends, events or material commitments that are expected to have a material favorable or unfavorable impact on the financial condition or on income from continuing operations. The Company also signed subscription agreements with its major stockholders for total proceeds of ₱179.00 million, of which ₱70.00 million was received in April 2013 and the balance of ₱109.00 million was collected in May and June 2014. This further bring down the capital deficit and will be the major source of funding for the expenses related to the transfer of the remaining assets to PDIC and BSP. Aside from the transfer of assets to PDIC and BSP, the Company continues to pursue the clean-up of its books and the settlement of its remaining obligations to facilitate possible additional capital infusion from third party investors.

While the Company is still non-operational, it is looking to close an acquisition. Its current activities comprise mainly of transferring asset related to its development bank operation to BDO & PDIC. Thus, the company has continued to incur losses resulting to a capital deficiency of ₱144.19 million and ₱141.31 million as at December 31, 2020 and 2019, respectively. The Stockholders, however, have continued to provide the necessary financial support to sustain company operations. The stockholders converted their preferred stock of ₱48.60 million into common stock in 2016 and converted their advances of ₱600.50 million to additional capital in 2014 and infused capital aggregate ₱119.00 million in 2014 and 2013 to reduce capital deficiency.

The Company undergone an equity restructuring to reduce capital deficiency.

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

In addition, the Company likewise entered into a Memorandum of Agreement (2022 MOA) with the majority stockholders of a mass media entity, Philippine CollectiveMedia Corporation ("PCMC Shareholders"), wherein the PCMC Shareholders shall jointly subscribe to 1,679,966,400 common shares of the Company to be paid in the form of PCMC shares in order to obtain the business, assets and ownership of PCMC. After the transaction, the PCMC Shareholders will jointly gain control and majority ownership of approximately 70% of outstanding capital stock of the Company. The parties are currently pursuing actions to meet the closing conditions under the 2022 MOA. With PCMC's national franchise, the Company may use this as leverage to provide other content providers an avenue to broadcast their contents regionally and nationwide for profit.

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

Statement of Financial Position

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

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

- Reversal of long-outstanding payables amounting to ₱9.17 million during the year. These payables were assessed that will no longer be settled.
- Cash receipts during the year totaling ₱2.40 million from Bulaong Enterprises, Inc. pursuant to the compromise agreement for a legal case. This represents partial settlement out of the ₱17.0 million settlement fee (exclusive of ₱1.62 million interest), as indicated in the agreement. As the subject property involved in the compromise agreement is included in the list of properties for transfer to PDIC pursuant to the 12 September 2002 Memorandum of Agreement among the Company, PDIC and BDO, collections were accounted for as liability.
- Accrual and subsequent billings from Ocampo & Manalo Law Firm and Andres Padernal & Paras Law Firm amounting to ₱1.53 million and ₱0.01 million, respectively, were recognized.

Capital deficiency is higher by ₱0.96 million compared with same period last year. The Company incurred a net loss of ₱1.71 million and recognized ₱0.75 million gain on fair value changes on its investment in a club share, which net movement resulted to the increase in capital deficiency.

Results of Operations

	Audited		Increase (Decrease)	
	2021	2020	Amount	%
	(in PhP Millions)			
Income	₱9.18	₱2.67	₱6.51	244.30%
Expenses	10.79	5.59	5.20	93.12%

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

- Reversal of long-outstanding payables that will no longer be settled amounting to ₱9.17 million resulted to the increase in income.
- Provision of impairment loss recognized during the year related to the waiver of interest receivable on loans from MMDC amounting to ₱5.14 million.
- Professional fee decreased by ₱0.61 million or equivalent to 17.67%, primarily due to decrease in payments of legal fees.
- Taxes and licenses for the year amounting to ₱0.17 million is lower by ₱0.10 million compared with same period last year.
- Director's fees increased by ₱0.55 million or 100.00% due to the board meetings held during the year.
- Decrease in Outside services by ₱0.16 million is due to the postponement of the publication of Annual Stockholder's Meeting.

Explanations for the material changes in the Company's accounts between 2020 and 2019 are as follows:

Statement of Financial Position

	Audited		Increase (Decrease)	
	2020	2019	Amount	%
	(in PhP Millions)			
Assets	₱54.87	₱54.17	₱0.70	1.29%
Liabilities	199.06	195.48	3.58	1.83%
Stockholders' Equity	(144.19)	(141.31)	(2.88)	2.04%

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

- Cash balance of ₱8.23 million is lower by ₱1.80 million compared with the same period last year. The significant decrease is mainly attributable to payments of the Company's general and administrative expenses.
- Accrual of interest income from an outstanding loans receivable from MMDC, an affiliated company, amounting to ₱2.60 million during the year, resulted to the increase in receivables by ₱2.61 million. The loan agreement bears an interest of 10% per annum.
- The increase in Investment in a club share is mainly due to recognition of the fair value changes amounting to ₱0.10 million during the year.
- Decrease in equipment of ₱0.33 million is attributed to the depreciation recognized for the year. No addition and/or disposal was made during the year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Cash receipts during the year totaling ₱10.80 million from Bulaong Enterprises, Inc. pursuant to the compromise agreement for a legal case, resulted to the increase in Liabilities. This represents partial settlement out of the ₱17.0 million settlement fee (exclusive of ₱1.62 million interest), as indicated in the agreement. As the subject property involved in the compromise agreement is included in the list of properties for transfer to PDIC pursuant to the 12 September 2002 Memorandum of Agreement among the Company, PDIC and BDO, collections were accounted for as liability.

Capital deficiency is higher by ₱2.88 million compared with same period last year. The Company incurred a net loss of ₱2.98 million and recognized ₱0.10 million gain on fair value changes on its investment in a club share, which net movement resulted to the increase in capital deficiency.

Results of Operations

	Audited		Increase (Decrease)	
	2020	2019	Amount	%
	(in PhP Millions)			
Income	₱2.67	₱3.58	(₱0.91)	(25.50%)
Expenses	5.59	4.50	1.09	24.25%

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

- The Company's lease agreement with MMDC for transportation equipment, had expired last October 2019, which resulted to the decline in rental income by ₱0.91 million.
- Professional fee decreased by ₱1.41 million or equivalent to 70.22%, primarily due to increase in payments of legal fees.
- Taxes and licenses for the year amounting to ₱0.10 million is lower by ₱0.33 million compared with same period last year.
- Lower insurance expense for the year by ₱0.28 million or 38.51% compared with same period of last year.
- Increase in Outside services by ₱0.44 million is due to the postponement of the publication of Annual Stockholder's Meeting.

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

Statement of Financial Position

	Audited		Increase (Decrease)	
	2019	2018	Amount	%
	(in PhP Millions)			
Assets	₱54.17	₱46.58	₱7.59	16.29%
Liabilities	195.48	187.30	8.18	4.37%
Stockholders' Equity	(141.31)	(140.70)	(0.59)	0.42%

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

- Cash balance of ₱10.02 million is higher by ₱4.42 million compared with the same period last year. The significant increase is mainly due to the receipt of cash from Bulaong Enterprises, Inc. pursuant to the compromise agreement for a legal case, which as at December 31, 2019, totaled ₱8.20 million. Payments for general and administrative expenses offset the increase in cash.
- Accrual of interest income from an outstanding loans receivable from MMDC, an affiliated company, amounting to ₱2.60 million during the year, resulted to the increase in receivables by ₱2.77 million. The loan agreement bears an interest of 10% per annum.
- The increase in Investment in a club share is mainly due to recognition of the fair value changes amounting to ₱0.40 million during the year.
- Decrease in equipment of ₱0.34 million is attributed to the depreciation recognized for the year. No addition and/or disposal was made during the year.

Cash receipts during the year totaling ₱8.20 million from Bulaong Enterprises, Inc. pursuant to the compromise agreement for a legal case, resulted to the increase in Liabilities. This represents partial settlement out of the ₱17.00 million settlement fee (exclusive of ₱1.62 million interest), as indicated in the agreement. The subject property involved in the compromise agreement is included in the list of properties for transfer to PDIC pursuant to the 12 September 2002 Memorandum of Agreement among the Company, PDIC and BDO, hence, collections were accounted for as liability.

Capital deficiency is higher by ₱0.59 million compared with the same period last year. The Company incurred a net loss of ₱0.99 million and recognized ₱0.40 million gain on fair value changes on its investment in a club share, which movement resulted to the increase in capital deficiency.

Results of Operations

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

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

- The increase in income is mainly due to the interest accrued during the year, from the outstanding loans receivable from MMDC. The said loan bears an interest of 10% annually. On the other hand, the Company's lease agreement with MMDC, for the lease of the transportation equipment, has expired last October 2019, which resulted to the decline in rental income.
- Professional fee decreased by ₱0.58 million or equivalent to 22.44%, primarily due to decrease in payments of legal fees.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Taxes and licenses for the year amounting to ₱0.43 million is lower by ₱1.02 million compared with same period last year. The Company paid real property taxes last year for its property located in Legazpi totalling ₱0.77 million, which caused last year's expense to be significantly higher compared with the current year.
- Association dues of ₱0.07 million is lower by ₱2.48 million compared with the same period last year. The Company paid its association dues (including those in arrears) to Landco Business Park last year, concerning the Legazpi property, which resulted to higher expense than the current year.
- The increase in Representation expenses by ₱0.91 million is due to payment of representation fees to legal counsels for pending cases involving the company.
- Other expenses increased by ₱1.08 million due to recognition of other miscellaneous expense and representation expenses.
- Last year's loss on sale of investment properties resulted from the sale of the Company's Legaspi Property in favor of Pacific Mall Corporation. The sale resulted to a loss of ₱24.90 million.

Performance Indicators

Key Performance Indicators (KPI's)

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

	2021	2020
Net Loss	(₱1,708,466)	(₱2,976,624)
Current assets	46,743,192	53,283,137
Total assets	48,749,680	54,865,900
Current liabilities	193,899,582	199,057,336
Total liabilities	193,899,582	199,057,336
Stockholders' Equity	(145,149,902)	(144,191,436)
No. of common shares outstanding	700,298,616	700,298,616

	2021	2020
Current ratio ¹	0.24	0.27
Book value per share ²	(0.23)	(0.23)
Debt ratio ³	(1.34)	(1.38)
Profit (loss) per share ⁴	(0.002)	(0.004)
Return on assets ⁵	(0.03)	(0.05)

Note:

1. Current assets / current liabilities
2. Stockholder's Equity / Total outstanding number of shares
3. Total Liabilities / Stockholder's Equity
4. Net Income (Loss) / Total outstanding number of shares
5. Net income (Loss) / average total assets

STATEMENTS OF FINANCIAL POSITION

PRIME MEDIA HOLDINGS, INC.

(A Subsidiary of RYM Business Management Corp.)

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

STATEMENTS OF COMPREHENSIVE INCOME

PRIME MEDIA HOLDINGS, INC.

(A Subsidiary of RYM Business Management Corp.)

	Years Ended December 31		
	2021	2020	2019
INCOME			
Reversal of long-outstanding payables	P9,168,852	P-	P-
Interest income	7,257	2,615,187	2,609,349
Recovery of accounts written-off	-	50,000	140,000
Rent	-	-	828,000
	9,176,109	2,665,187	3,577,349
EXPENSES AND OTHER CHARGES			
Impairment loss on receivables	5,541,667	-	-
Professional fees	2,820,853	3,426,238	2,012,822
Outside services	874,759	1,038,872	603,544
Insurance	442,300	445,910	725,214
Penalties	379,500	-	-
Depreciation	326,275	331,995	343,435
Taxes and licenses	117,276	100,704	429,940
Directors' fee	110,000	55,000	45,000
Association dues	58,985	74,407	70,319
Others	121,271	115,685	267,835
	10,792,886	5,588,811	4,498,109
LOSS BEFORE INCOME TAX	(1,616,777)	(2,923,624)	(920,760)
PROVISION FOR CURRENT INCOME TAX	91,689	53,000	71,360
NET LOSS	(1,708,466)	(2,976,624)	(992,120)
OTHER COMPREHENSIVE INCOME			
<i>Item that will not be reclassified to profit or loss</i>			
Unrealized fair value gain on investment in a club share	750,000	100,000	400,000
TOTAL COMPREHENSIVE LOSS	(P958,466)	(P2,876,624)	(P592,120)
Basic/Diluted Loss Per Share	(P0.005)	(P0.007)	(P0.004)

STATEMENTS OF CHANGES IN EQUITY

PRIME MEDIA HOLDINGS, INC.

(A Subsidiary of RYM Business Management Corp.)

	Years Ended December 31		
	2021	2020	2019
CAPITAL STOCK			
Common stock - P1 par value			
Balance at beginning and end of year	P700,298,616	P700,298,616	P700,298,616
Preferred stock - P1 par value			
Balance at beginning and end of year	14,366,260	14,366,260	14,366,260
	714,664,876	714,664,876	714,664,876
DEFICIT			
Balance at beginning of year	(859,656,312)	(856,679,688)	(855,687,568)
Net loss	(1,708,466)	(2,976,624)	(992,120)
Balance at end of year	(861,364,778)	(859,656,312)	(856,679,688)
CUMULATIVE UNREALIZED GAIN ON FAIRVALUE CHANGES			
Balance at beginning of year	800,000	700,000	300,000
Unrealized fair value gain	750,000	100,000	400,000
Balance at end of year	1,550,000	800,000	700,000
	(P145,149,902)	(P144,191,436)	(P141,314,812)

STATEMENTS OF CASH FLOWS

PRIME MEDIA HOLDINGS, INC.

(A Subsidiary of RYM Business Management Corp.)

	Years Ended December 31		
	2021	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax	(P1,616,777)	(P2,923,624)	(P920,760)
Adjustments for:			
Reversal of long-outstanding payables	(9,168,852)	–	–
Impairment loss on receivables	5,541,667	–	–
Depreciation	326,275	331,995	343,435
Interest income	(7,257)	(2,615,187)	(2,609,349)
Recovery of receivables written-off	–	(50,000)	(140,000)
Operating loss before working capital changes	(4,924,944)	(5,256,816)	(3,326,674)
Decrease (increase) in:			
Receivables	(20,460)	41,000	(117,956)
Due from related parties	91,724	395,744	(229,372)
Other current assets	(286,848)	(561,100)	(183,310)
Increase in accrued expenses and other current liabilities	4,011,098	3,576,056	8,178,200
Net cash generated from (used for) operations	(1,129,430)	(1,805,116)	4,320,888
Interest received	7,257	15,187	99,182
Net cash provided by (used in) operating activities	(1,122,173)	(1,789,929)	4,420,070
NET INCREASE (DECREASE) IN CASH	(1,122,173)	(1,789,929)	4,420,070
CASH AT BEGINNING OF YEAR	8,233,104	10,023,033	5,602,963
CASH AT END OF YEAR	P7,110,931	P8,233,104	P10,023,033



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