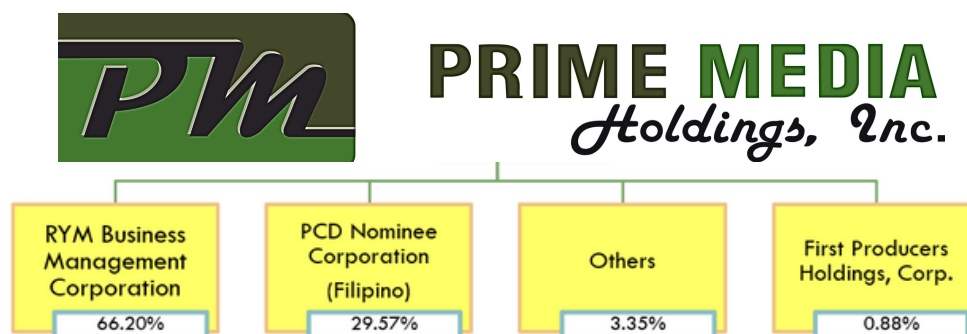




PRIME MEDIA
Holdings, Inc.

2022 Annual Report

CONGLOMERATE MAP



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 LAYUG III
Independent Director

ATTY. DIANNE MADELYN C. CHING
Corporate Secretary

CHAIRMAN'S MESSAGE

After years of inactivity, our Prime Media Holdings Inc. (PMHI) has finally turned the corner and is now at the forefront of the one of the most exciting developments in radio and cable television.

This development did not come as an accident. The preparation started last year through a Memorandum of Agreement with Philippine Collective Media Corporation (PCMC) and this marked the first phase of PMHI's official entry into broadcast communications. A frenzy of meetings and discussions ensued – with each activity geared towards the revitalization of PMHI's business model.

A few months ago Media Serbisyo Corporation, Prime Media's joint venture with ABS-CBN was formally launched with the initial broadcast of DWPM Radyo 630 and TeleRadyo Serbisyo cable news channel.

Both the radio station and cable news channel are currently riding high with its interesting line-up of news, public affairs, entertainment, business, health, and lifestyle programs featuring top radio personalities Noli de Castro, Alvin Elchico, Doris Bigornia, Bernadette Sembrano and many others.

To say that we are excited about this venture is surely an understatement. This foray in the ever-growing and ever-expanding global media environment is something that we have worked hard for. And to be truly operational, is indeed an achievement that we are quite proud of.

We eagerly await the next phase of developments. Meanwhile, PMHI's encouraging stock performance stands as a clear indicator of the company's financial stability and increasing public confidence.



ATTY. MANOLITO A. MANALO
Chairman & President



2022 OPERATIONAL & FINANCIAL HIGHLIGHTS

RESULTS OF OPERATIONS

	Audited <i>(in Php Millions)</i>		Increase (Decrease)	
	2022	2021	Amount	%
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 decline 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 decrease 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.

2022 OPERATIONAL & FINANCIAL HIGHLIGHTS

FINANCIAL POSITION

	Audited (in Php Millions)		Increase (Decrease)	
	2022	2021	Amount	%
Assets	₱ 45.46	₱ 48.75	-₱ 3.29	-6.75%
Liabilities	195.27	193.9	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 rose 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.

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 ₱149.81 million and ₱145.15 million as at December 31, 2022 and 2021, 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 has 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.

MANAGEMENT DISCUSSION & ANALYSIS

KEY PERFORMANCE INDICATORS

Comparative figures of the key performance indicators (KPI) for the fiscal years ended December 31, 2022 and December 31, 2021:

	2022	2021
Net Loss	-₱6,205,377	-₱1,708,466
Current assets	41,524,749	46,743,192
Total assets	45,460,812	48,749,680
Current liabilities	195,266,091	193,899,582
Total liabilities	195,266,091	193,899,582
Stockholders' Equity	-149,805,279	-145,149,902
No. of common shares outstanding	700,298,616	700,298,616

	2022	2021
Current ratio ¹	0.21	0.24
Book value per share ²	-0.23	-0.23
Debt ratio ³	-1.3	-1.34
Loss per share ⁴	-0.009	-0.002
Return on assets ⁵	-0.13	-0.03

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.)

as of December 31, 2022

	Note	2022	2021
ASSETS			
Current Assets			
Cash		₱ 33,839,166	₱ 7,110,931
Receivables	4	258,200	27,252,360
Due from related parties	5	2,317,555	7,681,904
Other current assets	12	5,109,828	4,697,997
Total Current Assets	6	41,524,749	46,743,192
Noncurrent Assets			
Investment in a club share	7	3,300,000	1,750,000
Property and equipment	8	636,063	256,488
Total Noncurrent Assets		3,936,063	2,006,488
		₱ 45,460,812	₱ 48,749,680
LIABILITIES AND EQUITY			
Current Liabilities			
Accrued expenses and other current liabilities	9	₱ 180,749,347	₱ 180,019,582
Due to related parties	12	14,516,744	13,880,000
Total Current Liabilities		195,266,091	193,899,582
Equity			
Capital stock	10	714,664,876	714,664,876
Deficit	7	(867,570,155)	(861,364,778)
Cumulative fair value changes on investment in a club share		3,100,000	1,550,000
Total Equity		(149,805,279)	(145,149,902)
		₱ 45,460,812	₱ 48,749,680

STATEMENTS OF COMPREHENSIVE INCOME

PRIME MEDIA HOLDINGS, INC.

(A Subsidiary of RYM Business Management Corp.)

as of December 31, 2022

	Note	2022	2021	2020
INCOME				
Gain on disposal of equipment	8	₱ 43,046	₱ -	₱ -
Interest income	4	10,465	7,257	2,615,187
Reversal of long-outstanding payables	9	-	9,168,852	-
Recovery of accounts written-off	5	-	-	50,000
		53,511	9,176,109	2,665,187
EXPENSES				
Professional fees		2,849,961	2,820,853	3,426,238
Outside services		1,028,995	874,759	1,038,872
Penalties		962,999	379,500	-
Insurance		426,087	442,300	445,910
Directors' fees		250,000	110,000	55,000
Taxes and licenses		160,135	117,276	100,704
Depreciation	8	89,725	326,275	331,995
Transportation and travel		74,818	6,199	3,519
Association dues		58,891	58,985	74,407
Membership fees		53,892	29,245	42,556
Impairment loss on receivables	5	-	5,541,667	-
Others		302,955	85,827	69,610
		6,258,458	10,792,886	5,588,811
LOSS BEFORE INCOME TAX		(6,204,947)	(1,616,777)	(2,923,624)
PROVISION FOR CURRENT INCOME TAX	11	430	91,689	53,000
NET LOSS		(6,205,377)	(1,708,466)	(2,976,624)
OTHER COMPREHENSIVE INCOME				
<i>Item that will not be reclassified to profit or loss</i>				
Unrealized fair value change on investment in a club share	7	1,550,000	750,000	100,000
TOTAL COMPREHENSIVE LOSS		(₱ 4,655,377)	(₱ 958,466)	(₱ 2,876,624)
Basic/Diluted Loss Per Share	14	(₱ 0.011)	(₱ 0.005)	(₱ 0.007)

STATEMENTS OF CHANGES IN EQUITY

PRIME MEDIA HOLDINGS, INC.

(A Subsidiary of RYM Business Management Corp.)

as of December 31, 2022

	Note	2022	2021	2020
CAPITAL STOCK				
	10			
Preferred stock - ₱ 1 par value		₱ 14,366,260	₱ 14,366,260	₱ 14,366,260
Common stock - ₱ 1 par value		700,298,616	700,298,616	700,298,616
		714,664,876	714,664,876	714,664,876
DEFICIT				
Balance at beginning of year		(861,364,778)	(859,656,312)	(856,679,688)
Net loss		(6,205,377)	(1,708,466)	(2,976,624)
Balance at end of year		(867,570,155)	(861,364,778)	(859,656,312)
CUMULATIVE FAIR VALUE CHANGES ON INVESTMENT IN A CLUB SHARE				
	7			
Balance at beginning of year		1,550,000	800,000	700,000
Unrealized fair value gain		1,550,000	750,000	100,000
Balance at end of year		3,100,000	1,550,000	800,000
		(₱ 149,805,279)	(₱ 145,149,902)	(₱ 144,191,436)

STATEMENTS OF CASH FLOWS

PRIME MEDIA HOLDINGS, INC.

(A Subsidiary of RYM Business Management Corp.)

as of December 31, 2022

	Note	2022	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before income tax		(6,204,947)	(1,616,777)	(2,923,624)
Adjustments for:				
Depreciation	8	89,725	326,275	331,995
Gain on sale of equipment	8	(43,046)	-	-
Interest income	4	(10,465)	(7,257)	(2,615,187)
Reversal of long-outstanding payables	9	-	(9,168,852)	-
Impairment loss on receivables	5	-	5,541,667	-
Recovery of receivables written-off	5	-	-	(50,000)
Operating loss before working capital changes		(6,168,733)	(4,924,944)	(5,256,816)
Decrease (increase) in:				
Receivables		26,994,160	(20,460)	41,000
Due from related parties		5,364,349	91,724	395,744
Other current assets		(411,831)	(195,159)	(508,100)
Increase in:				
Accrued expenses and other current liabilities		729,765	4,011,098	3,576,056
Due to related parties		636,744		
Net cash generated from (used for) operations		27,144,454	(1,037,741)	(1,752,116)
Interest received		10,465	7,257	15,187
Income tax paid		(430)	(91,689)	(53,000)
Net cash provided by (used in) operating activities		27,154,489	(1,122,173)	(1,789,929)
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to property and equipment	8	(627,000)		
Proceeds from sale of transportation equipment	8	200,746		
Net cash used in investing activities		(426,254)		
NET INCREASE (DECREASE) IN CASH		26,728,235	(1,122,173)	(1,789,929)
CASH AT THE BEGINNING OF THE YEAR		7,110,931	8,233,104	10,023,033
CASH AT THE END OF YEAR	4	33,839,166	7,110,931	8,233,104



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