



PRIME MEDIA
Holdings, Inc.

ANNUAL REPORT

2023

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BOARD OF DIRECTORS

Atty. Manolito A. Manalo	Chairman & President
Bernadeth A. Llm	Vice President
Rolando S. Santos	Treasurer
Michelle F. Ayangco	Director
Hermogene H. Real	Director
Johnny Y. Aruego, Jr.	Independent Director
Francisco L. Layug III	Independent Director
Atty. Diane Madelyn C.Ching	Corporate Secretary
Dale A. Tongco	Risk Management Officer

MESSAGE FROM THE CHAIRMAN

We, at Prime Media Holdings Inc. (PMHI), are elated over number of significant the developments that have taken place during the preceding year. Guided by our efforts to revitalize our operations, we are now well into the exciting world of creative new media with DWPM Radyo 630 and the recent launch of Prime TV Philippines.

The previous year was highlighted by landmark agreements with Philippine Collective Media Corporation, and Media Serbisyo Corporation - Prime Media's joint venture with ABS-CBN that gave birth to DWPM Radyo 630.

Prime TV Philippines is on BEAM TV and currently airs the radio content of DWPM 630 and ABS-CBN's TV Patrol. For viewers of Metro Manila, Cebu, Davao, and Zamboanga, Prime TV is on Channel 31, Channel 26 for Baguio and Iloilo, and Channel 32 for viewers in Naga. Prime TV is also available on Sky Channel 21.

As we gain more traction in content creation, mainstream radio, and digital television, we reaffirm our commitment to public service by providing quality news, information, and entertainment programs.

Following our vision to strengthen our portfolio and inspire stakeholder confidence, we are witnessing the exponential growth of our media organization - an achievement that we can truly be proud of.

Here's to another exciting year!




ATTY. MANOLITO A. MANALO
Chairman & President

2023 OPERATIONAL & FINANCIAL HIGHLIGHTS

RESULTS OF OPERATIONS

	Audited		Increase (Decrease)	
	2023	2022	Amount	%
	<i>(in PhP Millions)</i>			
Income	0.03	0.05	(0.02)	-43.48%
Share in net loss of a joint venture	(17.14)	0.00	(17.14)	0
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 decline 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.

STATEMENT OF FINANCIAL POSITION

	Audited		Increase (Decrease)	
	2023	2022	Amount	%
	<i>(in PhP Millions)</i>			
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.
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- **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.

PERFORMANCE INDICATORS

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	-1.3
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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 underwent an equity restructuring process to reduce capital deficiency.

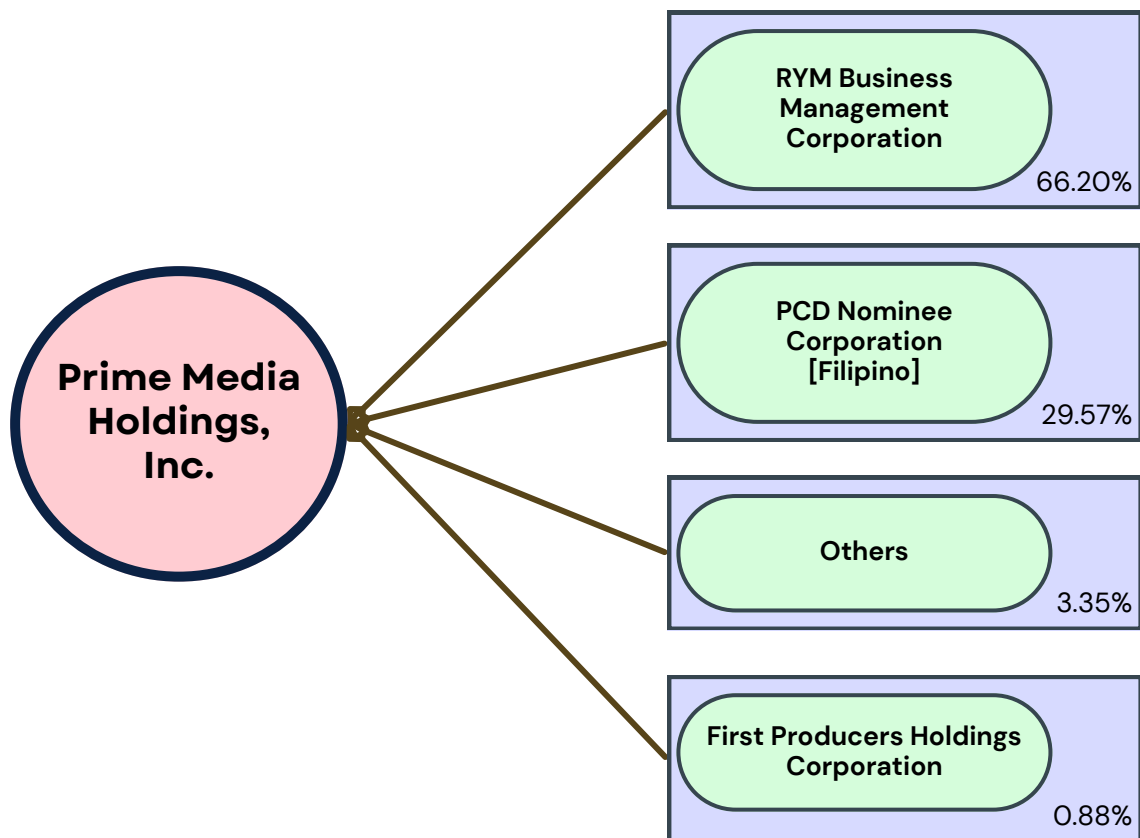
It entered into a Memorandum of Agreement (2022 MOA) with the majority stockholders of Golden Peregrine (GP) to acquire a mass media entity, Philippine Collective Media Corporation ("PCMC Shareholders"). In the 2022 MOA (as amended), the GP Shareholders shall jointly subscribe to 1,645,000,000 common 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.

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 within five years and can be paid in whole or in part at any time without penalty.

CONGLOMERATE MAP



FINANCIAL POSITION

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

COMPREHENSIVE INCOME

	2023	2022	2021
INCOME			
Interest income	₱30,244	₱10,465	₱7,257
Gain on sale of equipment	-	43,046	-
Reversal of long-outstanding payables	-	-	9,168,852
	30,244	53,511	9,176,109
SHARE IN NET LOSS OF A JOINT VENTURE	(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	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	-	-	5,541,667
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	-	430	91,689
NET LOSS	(30,308,471)	(6,205,377)	(1,708,466)
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	1,700,000	1,550,000	750,000
TOTAL COMPREHENSIVE LOSS	(₱28,608,471)	(₱4,655,377)	(₱958,466)
Basic/Diluted Loss Per Share	(₱0.038)	(₱0.011)	(₱0.005)

CHANGES IN EQUITY

	2023	2022	2021
CAPITAL STOCK			
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			
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			
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)

CASH FLOWS

	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	17,142,846	-	-
Interest income	(30,244)	(10,465)	(7,257)
Depreciation	134,463	89,725	326,275
Gain on sale of transportation equipment	-	(43,046)	-
Reversal of long-outstanding payables	-	-	(9,168,852)
Impairment loss on receivables	-	-	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	(373,000,000)	-	-
Investment in a joint venture	(20,400,000)	-	-
Additions to property and equipment	-	(627,000)	-
Proceeds from sale of transportation equipment	-	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	₱47,780,041	₱33,839,166	₱7,110,931



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