CR02963-2025

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, 2024

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

   N/A

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	925,298,616
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)

◉ Yes ○ No

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

◉ 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

PHP 392,903,263

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.

◉ 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, 2024
Currency	PHP

Balance Sheet

	Year Ending	Previous Year Ending
	Dec 31, 2024	Dec 31, 2023
Current Assets	506,836,106	54,286,187
Total Assets	875,226,406	436,044,941
Current Liabilities	215,642,284	210,958,691
Total Liabilities	430,392,283	210,958,691
Retained Earnings/(Deficit)	-918,204,503	-897,878,626
Stockholders' Equity	444,834,123	225,086,250
Stockholders' Equity - Parent	-	-
Book Value Per Share	0.47	0.25

Income Statement

	Year Ending	Previous Year Ending
	Dec 31, 2024	Dec 31, 2023
Gross Revenue	9,978,087	30,244
Gross Expense	9,446,970	13,195,869
Non-Operating Income	-25,948,293	-17,142,846
Non-Operating Expense	-	-
Income/(Loss) Before Tax	-25,417,176	-30,308,471
Income Tax Expense	208,701	-
Net Income/(Loss) After Tax	-25,625,877	-30,308,471
Net Income/(Loss) Attributable to Parent Equity Holder	-	-
Earnings/(Loss) Per Share (Basic)	-0.03	-0.04
Earnings/(Loss) Per Share (Diluted)	-0.03	-0.04

Financial Ratios

	Formula	Fiscal Year Ended	Previous Fiscal Year
		Dec 31, 2024	Dec 31, 2023
Liquidity Analysis Ratios:			
Current Ratio or Working Capital Ratio	**Current Assets / Current Liabilities**	2.35	0.26
Quick Ratio	**(Current Assets - Inventory - Prepayments) / Current Liabilities**	2.32	0.23
Solvency Ratio	**Total Assets / Total Liabilities**	2.03	2.07
Financial Leverage Ratios			
Debt Ratio	**Total Debt/Total Assets**	0.49	0.48
Debt-to-Equity Ratio	**Total Debt/Total Stockholders' Equity**	0.97	0.94
Interest Coverage	**Earnings Before Interest and Taxes (EBIT) / Interest Charges**	-	-
Asset to Equity Ratio	**Total Assets / Total Stockholders' Equity**	1.97	1.94
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**	-0.03	-0.07
Return on Equity	**Net Income / Total Stockholders' Equity**	-0.06	-0.13
Price/Earnings Ratio	**Price Per Share / Earnings Per Common Share**	-71	-71.75

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

Filed on behalf by:

Name	Diane Madelyn Ching
Designation	Corporate Secretary

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
Contact Person

8831-4479
Company Telephone Number

1	2		3	1

Month *Day*
Fiscal Year

SEC FORM 17-A
(Annual Report FY 2024)
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

1,855
Total No. of Stockholders

nil
Domestic

nil
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, 2024**

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	**925,298,616**

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 ₱392,903,263 computed on the basis of 184,461,626 representing 19.94% of the outstanding common shares at the closing price as of December 31, 2024 of ₱2.13 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 **30 August 2024**, 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 31 December 2024;

5. For Amendment of all previous resolutions and Approval of the following Amendments to the Articles of Incorporation:

   5.1. Series A Preferred Shares:

      5.1.1. Amendment to reiterate the Non-Voting and Convertible features of the Series A Preferred Shares with mandatory conversion right of the Company.

      5.1.2. Reduction of par value of Series A Non-Voting Convertible Preferred Shares from PhP 1.00 to PhP 0.04 without change in the number of shares resulting in the Decrease of the Authorized Capital Stock from Five Billion (PhP 5,000,000,000.00) to Four Billion Forty Million Pesos (Php 4,040,000,000) thereby amending the Seventh Article of the Articles of Incorporation.

   5.2. Reclassification of Shares

      5.2.1. Reclassification of One Billion (1,000,000,000) Series A Non-Voting Convertible Preferred Shares with a par value of PhP 0.04 per share and unissued One Billion (1,000,000,000) Series B Preferred Shares with a par value of PhP 1.00 per share, into One Billion Forty Million (1,040,000,000) Common Shares with a par value of PhP 1.00 per share, thereby amending the Seventh Article of the Articles of Incorporation.

      5.2.2. Creation of Series "C" Non-Voting Redeemable Preferred Shares with a par value of PhP 1.00 per share, thereby amending the Seventh Article of the Articles of Incorporation.

      5.2.3. Reclassification of Three Hundred Forty Thousand Six Hundred Sixty Four (340,664) Foreign-Owned Common Shares with a par value of Php 1.00 per share, into Three Hundred Forty Thousand Six Hundred Sixty Four (340,664), Series C Non-Voting Redeemable Preferred Shares, thereby amending the Seventh Article of the Articles of Incorporation.

5.3. Increase in the authorized capital stock from Four Billion Forty Million Pesos (Php 4,040,000,000.00) to Six Billion Pesos (Php 6,000,000,000.00) thereby amending the Seventh Article of the Articles of Incorporation.

5.4. Approval of the mandatory redemption and retirement of all Series C Non-Voting Redeemable Preferred Shares with a par value of PhP 1.00 at a redemption price equivalent to at least its par value of PhP 1.00 per share or at the price determined by the Board and payable in cash resulting in the Decrease in the Authorized Capital Stock resulting from the mandatory redemption and retirement of the Series C Non-Voting Redeemable Preferred Shares.

5.5. Amendment of the Articles of Incorporation to delete all other provisions/ paragraphs in the Seventh Article relating to the Preferred Shares in view of the aforementioned amendments.

6. Exercise of the Company's mandatory conversion right to convert all of the outstanding Series A Non-Voting Convertible Preferred shares into Common Shares at the conversion rate of 25 Series A Non-Voting Convertible Preferred Shares with a par value of PhP 0.04 per share, to One (1) Common Share with a par value of PhP 1.00 per share, resulting to the conversion of 14,366,260 Series A Non-Voting Convertible Preferred Shares into 574,650 common shares; No fractional shares shall be issued and the value of fractional shares will be paid in cash.

7. Creation of Additional Paid-In Capital (APIC) in the amount of PhP 13,791,610.00 equivalent to the excess capital arising from the conversion of the outstanding Series A Non-Voting Convertible Preferred Shares into Common Shares as described in item (6) above.

8. Approval for the Additional Listing of 574,650 common shares issued to shareholders after conversion of their Series A Non-Voting Convertible Preferred Shares with a par value of PhP 0.04 per shares into Common Shares with a par value of PhP 1.00 as described in item (6) above, if necessary.

9. Amendment of the Memorandum of Agreement with Atty. Hermogene H. Real and Ms. Michelle F. Ayangco (as "Golden Peregrine Shareholders") and Reconfirmation of the issuance of 980,000,000 Common Shares for and in consideration of 100% of the issued and outstanding capital stock of Golden Peregrine Holdings Inc. pursuant to the updated valuation report.

10. Approval for the Additional Listing of 980,000,000 common shares issued to Golden Peregrine Shareholders as described in item (9) above.

11. Waiver by the minority stockholders of the rights or public offer requirement under the PSE Additional Listing Rule.

12. Ratification of All Acts of the Board of Directors and Management

13. Election of Board of Directors

14. Appointment of External Auditor

15. Other Matters;

16. 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, 2024, is 925,298,616, of which 813,713,458 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 2024** 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
2024	1st	3.78	2.30
	2nd	4.58	2.60
	3rd	2.89	2.30
	4th	2.85	1.62

The total outstanding and issued common shares has increased from Eight Hundred Fifty Million Two Hundred Ninety-Eight Thousand Six Hundred Sixteen (850,298,616) common shares to Nine Hundred Twenty-Five Million Two Hundred Ninety-Eight Thousand Six Hundred Sixteen (925,298,616) common shares following the issuance of Seventy-Five Million (75,000,000) common shares to Valiant Consolidated Resources Inc. ("Valiant") on 11 November 2024. On February 27, 2025, the Philippine Stock Exchange ("PSE") approved the Corporation's listing application of Seventy-Five Million (75,000,000) common shares.

(2) Holders of Securities

Common Shareholders

The number of common shareholders on record as of December 31, 2024 is 1,588. The list of the top twenty common shareholders as of December 31, 2024 is provided below:

	Name of Stockholders	No. of shares	Percentage of Ownership
1	PCD Nominee Corporation (Filipino)	822,150,424	88.85%
2	Valiant Consolidated Resources Inc.	75,000,000	8.11%
3	First Producers Holdings Corp. Fao Ray Burton Development Corporation	6,175,789	0.67%
4	First Producers Holdings Corp. Fao Producers Properties Inc.	4,903,852	0.53%
5	Ray Burton Development Corporation	3,213,293	0.35%
6	Producers Properties Inc.	3,013,701	0.33%
7	Mercantile Investment Company Inc.	1,585,989	0.17%
8	Del Rosario Albert Itf Anthony Salim	1,289,279	0.14%
9	Yan Lucio W. &/Or Clara Yan	600,000	0.06%
10	Vargas Joel B.	534,876	0.06%
11	Pcd Nominee Corporation (Foreign)	285,001	0.03%
12	So Merlene &/Or So Peng Kee	239,000	0.03%
13	Uy Maria T.	211,200	0.02%
14	Go Jr. Jose Yu	210,000	0.02%
15	Solar Securities Inc.	200,000	0.02%
16	Go Jovy Lim	150,000	0.02%
17	Cruz Jr. Ponciano V	150,000	0.02%
18	Que Lu Kiong	150,000	0.02%
19	Abad Rufino H.	142,011	0.02%
20	Tan Luciano H.	139,600	0.02%

Preferred Shareholders

The number of preferred shareholders of record as of December 31, 2024 was 267. Preferred shares outstanding as of December 31, 2024 were 14,366,260. The top twenty shareholders are as follows:

No.	Name of Stockholders	No. of shares	Percentage 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 brought down the capital deficit and was 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.

On December 1, 2017, the Company submitted an application for Equity Restructuring to the Securities and Exchange Commission (SEC) to reduce capital deficiency. On March 23, 2018, the SEC approved the Company's Equity Restructuring to reduce its deficit as of December 31, 2016 from ₱2,915,362,792.00 to ₱800,440,923.00 by applying its Additional Paid-In Capital amounting to ₱2,114,921,869.00.

The Corporation entered into a Memorandum of Agreement with the majority stockholders of Golden Peregrine (GP) ("GP Shareholders") to acquire 100% of GP, which directly owns Philippine CollectiveMedia Corporation ("PCMC"), a mass media entity. With PCMC's national franchise, the Corporation may use this as leverage to provide other content providers an avenue to broadcast their contents regionally and nationwide for profit. Under the MOA, as amended, the Corporation shall issue 980,000,000 common shares in favor of GP Shareholders for and in consideration of their assignment of their 100% ownership of GP, subject to completion of certain conditions. Upon completion of this transaction, GP shall become a subsidiary of the Corporation.

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 per 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. On 19 September 2024, the Company filed an application for Equity Restructuring to partially eliminate the capital deficiency amounting to ₱897.87 Million as of December 31, 2023 by applying the Additional Paid-In Capital amounting to ₱253.50 million. On 14 March 2025, the SEC approved the Company's application for Equity Restructuring.

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. The term of this loan has been shortened to thirty (30) months to be paid on or before February 28, 2026. On October 21, 2024, the Company approved new private placement transactions with Cymac Holdings Corp. and Valiant Consolidated Resources, Inc. as summarized below:

Private Placement		**Total No. of Common Shares**	**Date of Issuance of Shares/ Comments**
Valiant Consolidated Resources, Inc.	1st Subscription	75,000,0000	Issued on November 11, 2024
	2nd Subscription	86,355,932	The remaining balance shall be paid in full after fulfillment of the following conditions: (a) Completion of the Golden Peregrine Transaction, and (b) An increase in capital stock is approved by the Securities and Exchange Commission (SEC).
Cymac Holdings Corporation	1st Subscription	15,000,000	The remaining balance shall be paid on or before 31 July 2025.
	2nd Subscription	3,644,068	The remaining balance shall be paid in full after fulfillment of the following conditions: (a) Completion of the Golden Peregrine Transaction, and (b) An increase in capital stock is approved by the Securities and Exchange Commission (SEC).
TOTAL		**180,000,000**	

On the same date, the Corporation approved the request of PCMC to borrow a total amount of ₱531,000,000.00 with an initial loan of ₱461,000,000.00 payable over a period of five (5) years with 0% interest on the first year and 7% interest per annum in the succeeding years until fully paid. The remaining ₱70,000,000.00 shall be drawn at a later time by PCMC for its business expansion. The interest of this loan has been increased from 7% to 7.5% per annum considering the prevailing interest rates. The term has been shortened to 31 December 2025.

On November 11, 2024, the Corporation issued 75,000,000 new common shares to Valiant Consolidated Resources, Inc. at ₱2.95 per share for a total subscription price of ₱221,250,000.00.

Explanations for the material changes in the Company's accounts between 2024 and 2023 are as follows:

Statement of Financial Position

	Audited (in million Pesos)		Increase (Decrease)	
	2024	2023	Amount	%
Assets	**₱875.23**	₱436.04	₱439.18	100.72%
Liabilities	**430.39**	210.96	219.43	104.02%
Stockholders' Equity	**444.83**	225.09	219.74	97.63%

The total **Assets** of the Company increased by ₱439.18 million or 100.72% compared with the same period last year. The movement in total Assets is attributable to the following:

- **Cash** decreased by ₱22.64 million or 47.39% from ₱47.78 million in 2023 to ₱25.14 million in 2023, mainly due to an additional unsecured loan granted to PCMC amounting to ₱461.00 million for acquiring key assets necessary to expand business operations nationwide.

- **Receivables** increased by ₱475.15 million, mainly due to an additional unsecured loan granted to PCMC amounting to ₱461.00 million for acquiring key assets necessary to expand business operations nationwide.

- **Investment in a club share** decreased by ₱5.00 million due to the Company's disposition at its fair value of ₱5.50 million during the year.

- **Investment in a joint venture** decreased by ₱3.26 million due to the net loss incurred by MSPC.

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** decreased by ₱2.76 million or 1.40% from ₱197.08 million in 2023 to ₱194.32 million in 2024, mainly due to general cost incurred which may include transfer, processing and legal fees among others as well as taxes in relation to the transfer of assets arising from the MOA.

- **Due to related parties** increased by ₱7.44 million or 34.91% from ₱13.88 million in 2023 to ₱21.32 million in 2024, due to the recognition of liability for the Company's additional share in the net loss of the joint venture.

The **Equity** of the Company increased by ₱219.75 million or 97.63% from ₱225.09 million in 2023 to ₱444.83 million in 2024 mainly due to issuance of 75,000,000 common shares at

₱2.95 per share equivalent to ₱221.60, resulting to additional paid-in capital amounting to ₱146.30 million.

Results of Operations

	Audited (in million Pesos)		Increase (Decrease)	
	2024	2023	Amount	%
Income	**₱9.98**	₱0.03	₱9.95	32,891.96%
Share in net loss of a joint venture	**(25.95)**	(17.14)	8.81	51.37%
Expenses	**9.45**	13.20	(3.75)	(28.41%)

The Company's operating results reflected a net loss of ₱25.63 million and ₱30.31 million in 2024 and 2023, respectively. Compared with the same period last year, there is a decrease of ₱4.68 million or 15.45%. The significant changes were mainly due to the following:

- **Income** for the current period increased by ₱9.95 million, mainly due to interest income earned in loans receivable.

- **Share in net loss of a joint venture** increased by ₱8.81 million or 51.37% compared with same period last year, due to the decline in operating performance of MSPC.

- **Outside services** decreased by ₱2.02 million or 50.79% compared with same period last year, mainly due to the payment of outsourced services related to the joint venture entered by the Company last year.

- **Taxes and licenses** decreased by ₱1.71 million or 58.80% compared with the same period last year, mainly due to the payment of documentary stamp tax on the loan agreement with PCMC last year.

- **Professional fees** increased by ₱0.84 million or 24.06% compared with the same period last year, mainly due to the downpayment made to Unicapital, Inc. to issue a fairness opinion and valuation report on the common shares of Golden Peregrine Holdings, Inc. (GPHI), in relation to the contemplated share-for-share swap between the Company and GPHI for the Company's acquisition of GPHI via share-for-share swap.

Cash Flows

	Audited (in million Pesos)		Increase (Decrease)	
	2024	2023	Amount	%
Cash provided by operating activities	**(₱13.26)**	₱2.38	(₱15.64)	(657.81%)
Cash provided by (used) in investing activities	**(469.00)**	(391.30)	77.70	19.86%
Cash used in financing activities	**459.62**	(402.86)	56.76	14.09%

Net cash used in operating activities amounted to ₱13.26 million in 2024, mainly due to the expenses incurred this year.

Net cash used in investing activities increased by ₱77.70 million or 19.86% compared with the same period last year, mainly due to the additional unsecured loan granted to PCMC.

Net cash provided by financing activities increased by ₱56.76 million or 14.09% compared with the same period last year, due to proceeds from subscriptions of common shares at a premium and deposit for future stock subscription from individual shareholders.

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

Statement of Financial Position

	Audited (in million Pesos)		Increase (Decrease)	
	2023	2022	Amount	%
Assets	**₱436.04**	₱45.46	₱390.58	859.17%
Liabilities	**210.96**	195.27	16.33	8.36%
Stockholders' Equity	**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 per 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 (in million Pesos)		Increase (Decrease)	
	2023	2022	Amount	%
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 (in million Pesos)		Increase (Decrease)	
	2023	2022	Amount	%
Cash provided by operating activities	**₱2.38**	₱21.15	(₱18.77)	(88.76%)
Cash provided by (used) in investing activities	**(391.30)**	4.94	(396.24)	(8,024.10%)
Cash used in financing activities	**402.86**	0.64	402.22	63,169.27%

Net cash provided by operating activities decreased by ₱18.77 million or 88.76% compared with the same period last year, mainly due to the additions to the liabilities arising from MOA.

Net cash used in investing activities amounted to ₱391.30 million, mainly due to an unsecured loan granted to PCMC and investment in a joint venture entered by the Company amounted to ₱373.00 million and ₱20.40 million, respectively.

Net cash provided by financing activities increased by ₱402.22 million compared with the same period last year, mainly due to proceeds from subscriptions of common shares at a premium.

Performance Indicators

Key Performance Indicators (KPI's)

Comparative figures of the key performance indicators (KPI) for the fiscal years ended December 31, 2024 and December 31, 2023:

	2024	2023
Net Loss	**(₱25,417,176)**	(₱30,308,471)
Current assets	**506,836,106**	54,286,187
Total assets	**875,226,406**	436,044,941
Current liabilities	**215,642,284**	210,958,691
Total liabilities	**430,392,283**	210,958,691
Stockholders' Equity	**444,834,123**	225,086,250
No. of common shares outstanding	**925,298,616**	850,298,616

	2024	2023
Current ratio [1]	**2.35**	0.26
Book value per share [2]	**0.47**	0.25
Debt ratio [3]	**0.97**	0.94
Loss per share [4]	**(0.03)**	(0.04)
Return on assets [5]	**(0.04)**	(0.13)

Note:

1. Current Assets / Current Liabilities
2. Stockholders' Equity – Preferred Stock / Total Outstanding Number of Shares
3. Total Liabilities / Stockholders' Equity
4. Net Loss / Total Outstanding Number of Shares
5. Net Loss / Average Total Assets

Item 7. Financial Statements

The 2024 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	
	2024	2023
Audit Fees	**₱500,000**	₱480,000
Audit-Related Fees	**50,000**	48,000
Total	**₱550,000**	₱528,000

Audit Fees. Represent professional fees of the external auditor for the audit services rendered on Company's Annual Financial Statements for the year 2024 and 2023.

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

Directors

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	Citizenship	Period during which individual has served as such
Manolito A. Manalo	56	Filipino	May 28, 2013 to present
Bernadeth A. Lim	44	Filipino	May 28, 2013 to present
Michelle F. Ayangco	53	Filipino	October 13, 2021 to present
Hermogene H. Real	69	Filipino	October 13, 2021 to present
Rolando S. Santos	74	Filipino	January 06, 2017 to present
Johnny Y. Aruego Jr. (independent director)	55	Filipino	May 28, 2013 to present
Francisco L. Layug III (independent director)	70	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	56	President & CEO	Filipino	May 2013 to present
Bernadeth A. Lim	44	Vice President	Filipino	May 2013 to present
Rolando S. Santos	74	Treasurer	Filipino	January 06, 2017 to present
Diane Madelyn C. Ching	42	Corporate Secretary/ Co-Compliance Officer/Co-Data	Filipino	January 18, 2023 to present

		Privacy Officer/ Co-Corporate Information Officer		
Dale A. Tongco	60	Risk Management Officer	Filipino	October 13 2021 to present

Business Experience and Other Directorships

Directors

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. She currently serves as a Director of Bright Kindle Resources and Investments Inc., Brightstar Holdings and Development Inc., and 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 Lorenzana 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.

Item 10. Executive Compensation

The aggregate compensation paid in 2022, 2023 and 2024, 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		2022 2023 2024			₱140,000 175,000 300,000
All Directors and Officers as a group unnamed		2022 2023 2024			₱150,000 160,000 260,000

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 2024:

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
Common	-PCD Nominee Corporation[1] -Tower 1 – Ayala Triangle Makati Avenue cor. Paseo de Roxas Makati City -Registered owner in the books of stock transfer agent	-RYM Business Management Corp./ Client	Filipino	363,555,085	51.91%
		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, 2024, 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, 2024

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
August 9, 2024	Notice of 2024 Annual Stockholders' Meeting
August 22, 2024	Results of the Board Meeting held on August 22, 2024
August 30, 2024	Results of the Annual Stockholders' Meeting held on 30 August 2024
August 30, 2024	Results of the Organizational Meeting of the Board of Directors held on 30 August 2024
October 21, 2024	Results of the Board Meeting held on October 21, 2024
October 22, 2024	Amended Results of the Board Meeting held on October 21, 2024
October 28, 2024	Clarification of News Report
November 22, 2024	Change in Number of Issued and Outstanding Shares
December 27, 2024	Amended Results of the Board Meeting held on October 21, 2024

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 2025, 2025.

By:

MANOLITO A. MANALO
President

ROLANDO S. SANTOS
Treasurer

DIANE MADELYN C. CHING
Corporate Secretary

SUBSCRIBED AND SWORN to before me this APR 3 0 2025 day of ________ 2025 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

Doc. No. 17
Page No. 5
Book No. I
Series of 2025.

ATTY. REUBEN CARLO O. GENERAL
Notary Public for Makati City
Appt. No. M-223 Until 31 Dec. 2026
Roll of Attorneys No. 59087
IBP Membership No. 480027; 12/01/2024
PTR No. MKT-10476980MN; 01/13/2025
MCLE Compliance No. VII-0018681;
3F ALPAP I Building, #140 Leviste Street
Salcedo Village, Makati City

SECURITIES AND EXCHANGE COMMISSION
THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/imessagemo@sec.gov.ph

The following document has been received:

Receiving: ICTD ERMD
Receipt Date and Time: April 16, 2025 09:56:01 AM

Company Information

SEC Registration No.: 0000022401
Company Name: PRIME MEDIA HOLDINGS INC.
Industry Classification: J66110
Company Type: Stock Corporation

Document Information

Document ID: OST10416202583177432
Document Type: Financial Statement
Document Code: FS
Period Covered: December 31, 2024
Submission Type: Annual
Remarks: None

Acceptance of this document is subject to review of forms and contents

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

22401

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	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.*

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, 2024 and 2023, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years ended December 31, 2024, 2023 and 2022 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, 2024 and 2023, and its financial performance and its cash flows for the years ended December 31, 2024, 2023 and 2022 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

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, 2024. 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 matters to be communicated in our report.

Accounting for and Disclosure of Significant Related Party Transactions and Balances

As discussed in Note 13 to the financial statements, the Company has transactions with its related parties including loans and interest receivables aggregating to ₱843.7 million and liabilities aggregating to ₱236.1 million as at December 31, 2024. These represent 96% of its total assets and 55% of its total liabilities. This matter is of significance to our audit because the carrying amounts of the related party balances and amount of transactions are material.

We have performed an understanding of the Company's corporate ownership and structure and the policies and procedures for the related party transactions, including approval process, and checked compliance with the established policies through review of minutes of meetings, among others. We validated the identified related parties based on the underlying information provided by the Company. We checked the propriety of the accounting treatment of related party transactions and balances by reviewing the related agreements and other documents which contain the terms and conditions, including any amendments subsequent thereto. For loans receivable, we reviewed the Company's fair value measurement and calculation of the present value of future cash flows using the prevailing market rates. We have also obtained the confirmation of the outstanding balances from the related parties to ensure that the balances were reconciled and that the transactions were completely recorded.

We reviewed the related disclosures in the Notes 13 and 16 to the financial statements.

Accounting for Joint Venture

Accounting for joint venture is significant to our audit because it requires management judgment, particularly, in determining the type of joint arrangement and the appropriate accounting treatment. The investment in joint venture is accounted for using equity method in accordance with Philippine Accounting Standards 28, Investments in Associates and Joint Ventures, which requires the Company to recognize share in net loss of the joint venture until the interest in joint venture is reduced to zero, unless the investor has guaranteed the obligations of the investee or is otherwise committed to provide further financial support for the investee. Management's judgment was exercised when assessing if the Company is committed to provide further financial support for the joint venture based on the related facts and circumstances. The net loss of Media Serbisyo Production Corp (MSPC or the joint venture) amounted to ₱50.9 million in 2024. The Company's share in the net loss of MSPC amounted to ₱25.9 million representing its 51% share, which resulted to recognizing a liability to the joint venture for the Company's additional share in net loss amounting to ₱7.4 million.

We reviewed Management's assessment on the recognition of share in net loss of joint venture in excess of its investment by reviewing the terms of joint venture agreement which states the Company's commitment to provide additional financing to the joint venture.

We also reviewed the related disclosures in Note 8 to the financial statements.

Estimating Liabilities

As discussed in Note 10 to the financial statements, the Company has estimated liabilities amounting to ₱181.1 million as at December 31, 2024, which is 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 related disclosures presented in Note 10 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, 2024, 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, 2024 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 Accounting Standards, 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
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BOA Accreditation No. 4782/P-013; Valid until June 6, 2026
BIR Accreditation No. 08-005144-013-2023
Valid until January 24, 2026
PTR No. 10467125
Issued January 2, 2025, Makati City

April 14, 2025
Makati City, Metro Manila

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

STATEMENTS OF FINANCIAL POSITION

	Note	December 31 **2024**	2023
ASSETS			
Current Assets			
Cash	4	**₱25,138,280**	₱47,780,041
Receivables	5	**475,660,749**	510,154
Other current assets	6	**6,037,077**	5,995,992
Total Current Assets		**506,836,106**	54,286,187
Noncurrent Assets			
Loans receivable – net of current portion	5	**368,000,000**	373,000,000
Investment in a club share	7	**–**	5,000,000
Investment in and advances to a joint venture	8	**–**	3,257,154
Property and equipment	9	**390,300**	501,600
Total Noncurrent Assets		**368,390,300**	381,758,754
		₱875,226,406	₱436,044,941
LIABILITIES AND EQUITY			
Current Liabilities			
Accrued expenses and other current liabilities	10	**₱194,318,645**	₱197,078,691
Due to related parties	13	**21,323,639**	13,880,000
Total Current Liabilities		**215,642,284**	210,958,691
Noncurrent Liability			
Deposit for future stock subscription	13	**214,749,999**	–
Total Liabilities		**430,392,283**	210,958,691
Equity			
Capital stock	11	**954,664,876**	864,664,876
Additional paid-in capital	11	**408,373,750**	253,500,000
Deficit		**(918,204,503)**	(897,878,626)
Cumulative fair value changes on investment in a club share	7	**–**	4,800,000
Total Equity		**444,834,123**	225,086,250
		₱875,226,406	₱436,044,941

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	**2024**	2023	2022
INCOME				
Interest income	4	**₱9,978,087**	₱30,244	₱10,465
Gain on sale of property and equipment	9	**–**	–	43,046
		9,978,087	30,244	53,511
SHARE IN NET LOSS OF A JOINT VENTURE	8	**(25,948,293)**	(17,142,846)	–
EXPENSES				
Professional fees		**4,329,082**	3,489,430	2,849,961
Outside services		**1,960,790**	3,982,461	1,028,995
Taxes and licenses		**1,197,994**	2,908,035	160,135
Directors' fees		**485,000**	290,000	250,000
Representation		**338,678**	1,271,316	–
Advertising and promotions		**318,408**	402,013	40,000
Depreciation	9	**128,220**	134,463	89,725
Membership fees		**116,251**	51,643	53,892
Transportation and travel		**27,319**	128,408	74,818
Penalties		**11,184**	1,000	962,999
Insurance		**6,469**	259,322	426,087
Association dues		**–**	74,585	58,891
Others		**527,575**	203,193	262,955
		9,446,970	13,195,869	6,258,458
LOSS BEFORE INCOME TAX		**(25,417,176)**	(30,308,471)	(6,204,947)
PROVISION FOR CURRENT INCOME TAX	12	**208,701**	–	430
NET LOSS		**(25,625,877)**	(30,308,471)	(6,205,377)
OTHER COMPREHENSIVE INCOME				
Item that will not be reclassified to profit or loss				
Unrealized fair value changes on investment in a club share	7	**500,000**	1,700,000	1,550,000
TOTAL COMPREHENSIVE LOSS		**(₱25,125,877)**	(₱28,608,471)	(₱4,655,377)
Basic Loss Per Share	15	**(₱0.032)**	(₱0.038)	(₱0.011)

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	**2024**	2023	2022
CAPITAL STOCK	11			
Preferred stock - ₱1 par value		**₱14,366,260**	₱14,366,260	₱14,366,260
Common stock - ₱1 par value				
Issued and outstanding				
Balance at beginning of year		**850,298,616**	700,298,616	700,298,616
Issuances		**75,000,000**	150,000,000	–
Balance at end of year		**925,298,616**	850,298,616	700,298,616
Subscribed				
Balance at beginning of year		**–**	–	–
Subscriptions		**90,000,000**	150,000,000	–
Issuances		**(75,000,000)**	(150,000,000)	–
Balance at end of year		**15,000,000**	–	–
Issued and subscribed common stock		**940,298,616**	850,298,616	700,298,616
		954,664,876	864,664,876	714,664,876
ADDITIONAL PAID-IN CAPITAL	11			
Balance at beginning of year		**253,500,000**	–	–
Premiums from:				
Issuances of common shares		**146,250,000**	255,000,000	–
Subscriptions of common shares		**10,000,000**	–	–
Stock issuance cost		**(1,376,250)**	(1,500,000)	–
Balance at end of year		**408,373,750**	253,500,000	–
DEFICIT				
Balance at beginning of year		**(897,878,626)**	(867,570,155)	(861,364,778)
Net loss		**(25,625,877)**	(30,308,471)	(6,205,377)
Realized fair value gain upon disposal of investment in club share	7	**5,300,000**	–	–
Balance at end of year		**(918,204,503)**	(897,878,626)	(867,570,155)
CUMULATIVE FAIR VALUE CHANGES ON INVESTMENT IN A CLUB SHARE	7			
Balance at beginning of year		**4,800,000**	3,100,000	1,550,000
Unrealized fair value gain		**500,000**	1,700,000	1,550,000
Realized fair value gain upon disposal of investment in club share		**(5,300,000)**	–	–
Balance at end of year		**–**	4,800,000	3,100,000
		₱444,834,123	₱225,086,250	(₱149,805,279)

See accompanying Notes to Financial Statements.

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

STATEMENTS OF CASH FLOWS

	Note	**2024**	2023	2022
		Years Ended December 31		
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before income tax		**(₱25,417,176)**	(₱30,308,471)	(₱6,204,947)
Adjustments for:				
Share in net loss of a joint venture	8	**25,948,293**	17,142,846	–
Interest income	4	**(9,978,087)**	(30,244)	(10,465)
Depreciation	9	**128,220**	134,463	89,725
Gain on sale of transportation equipment	9	**–**	–	(43,046)
Operating loss before working capital changes		**(9,318,750)**	(13,061,406)	(6,168,733)
Decrease (increase) in:				
Receivables		**(969,191)**	(34,719)	26,994,160
Other current assets		**(41,085)**	(886,164)	(411,831)
Increase (decrease) in accrued expenses and other current liabilities		**(2,760,046)**	16,329,344	729,765
Net cash generated from (used for) operations		**(13,089,072)**	2,347,055	21,143,361
Income tax paid		**(208,701)**	–	(430)
Interest received		**36,948**	30,244	10,465
Net cash provided by (used in) operating activities		**(13,260,825)**	2,377,299	21,153,396
CASH FLOWS FROM INVESTING ACTIVITIES				
Loans granted, included transaction cost	13	**(464,457,500)**	(373,000,000)	–
Advances to joint venture	13	**(15,247,500)**	–	–
Collections of:				
Loans receivable	13	**5,000,000**	–	–
Due from related parties	13	**217,235**	2,100,320	5,364,349
Proceeds from:				
Sale of investment in club share	7	**5,500,000**	–	–
Sale of transportation equipment	9	**–**	–	200,746
Additions to:				
Property and equipment	9	**(16,920)**	–	(627,000)
Investment in a joint venture	8	**–**	(20,400,000)	–
Net cash provided by (used in) investing activities		**(469,004,685)**	(391,299,680)	4,938,095
CASH FLOWS FROM FINANCING ACTIVITIES				–
Proceeds from:				
Subscriptions of common shares at a premium, net of issuance cost		**244,873,750**	403,500,000	–
Deposit for future stock subscription	1	**214,749,999**	–	–
Advances from (settlements of) due to related parties	13	**–**	(636,744)	636,744
Net cash provided by financing activities		**459,623,749**	402,863,256	636,744
NET INCREASE (DECREASE) IN CASH		**(22,641,761)**	13,940,875	26,728,235
CASH AT BEGINNING OF YEAR		**47,780,041**	33,839,166	7,110,931
CASH AT END OF YEAR	4	**₱25,138,280**	₱47,780,041	₱33,839,166

See accompanying Notes to Financial Statements.

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

NOTES TO FINANCIAL STATEMENTS
AS AT AND DECEMBER 31, 2024 AND 2023 AND
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

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 operating a development bank to being a holding Company which can purchase, subscribe, acquire, among others, real and personal property of every kind and description. 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, 2024 and 2023, there are 813,713,458 common shares and 663,713,458 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.

Considering the lapse of time, the Company's objectives as well as the applicable laws, rules or regulations, the Company re-submitted the amendments of the AOI with further clarification and modification. On August 22, 2024 and August 30, 2024, the BOD and stockholders, respectively, approved, among others, reduction of par value of Series A non-voting convertible preferred shares from ₱1.00 par value a share to ₱0.4 par value a share without change in the number of shares, reclassification of Series A preferred shares to common shares, creation of Series C non-voting redeemable preferred shares, reclassification of foreign-owned common shares to Series C non-voting redeemable preferred shares, increase in authorized capital stock up to ₱6 billion, mandatory redemption of all Series C preferred shares, conversion of Series A preferred shares, creation of Additional Paid-in Capital (APIC) arising from conversion of preferred shares, and additional listing of shares after conversion.

On January 15, 2025, the SEC approved the reduction in the Company's authorized preferred stock Series A from ₱1,000.0 million, divided into 1,000.0 million preferred stocks Series A at ₱1.0 par value a share, to ₱40.0 million, divided into 1,000.0 million common stocks at ₱0.04 par value a share.

As at April 14, 2025, the Company has pending application with the SEC for the amendment of the AOI for the conversion and reclassification of Series A non-voting and convertible preferred shares, creation of Series C non-voting and redeemable preferred shares and reclassification of foreign-owned common shares to Series C non-voting redeemable preferred shares.

On April 4, 2025, the BOD resolved to retain the Series A Preferred Shares until the Corporation is able to obtain approval for a decrease in capital stock, which is necessary to eliminate the fractional shares that would result from the conversion of the remaining Series A Preferred Shares into Common Shares.

Additional Capital Infusion

In 2024, the Company issued 75,000,000 common shares to Angel Maple Properties, Inc. (now known as Valiant Consolidated Resources Inc.) ("Valiant") at ₱2.95 a share equivalent to ₱221.6 million, which was paid for in cash, resulting to additional paid-in capital amounting to ₱144.9 million, net of stock issuance cost of ₱1.4 million.

In the same year, 15,000,000 common shares were subscribed by Cymac Holdings Corporation ("Cymac") at ₱2.95 a share equivalent to ₱44.3 million, to be paid in cash. The shares shall be issued upon full payment. As at December 31, 2024, payment for the subscriptions amounting to ₱25.0 million was received and recognized as subscribed capital at par value amounting to ₱15.0 million and the premiums amounting to ₱10.0 million as additional paid-in capital. Cymac has unpaid subscription amounting to ₱19.3 million, which is due on or before July 31, 2025. Thus, related subscribed shares are not yet issued.

In 2023, the Company, issued for 125,000,000 common shares to Valiant and 25,000,000 common shares to Cymac 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.

Valiant and Cymac are separate and distinct entities not acting in concert in the subscriptions of the unissued common shares of the Company.

Deposit for Future Stock Subscription

In 2024, the Company executed another subscription agreements individually with Valiant and Cymac for 86,355,932 common shares and 3,644,068 common shares, respectively, at ₱2.95 a share equivalent to ₱254.7 million and ₱10.8 million, respectively. The subscribed shares are to be issued from the increase in authorized capital stock which will be applied after the share-for-share swap transaction with the shareholders of the Golden Peregrine Holdings, Inc. (GPHI) has been completed and after receipt of full payment.

On August 22, 2024 and August 30, 2024, the BOD and stockholders, respectively, approved, the amendments in its AOI including the increase in authorized capital stock up to ₱6 billion.

As the conditions provided in the subscription agreement have not been met, the amounts collected for this subscription amounted to ₱214.7 million as at December 31, 2024 is presented as deposit for future stock subscription and is presented under noncurrent liability section in the statements of financial position.

Equity Restructuring

On August 22, 2024, the Company's BOD approved the equity restructuring plan of the Company by applying APIC of ₱253,500,000 to reduce its deficit, which was approved by the SEC on March 14, 2025.

MOA with Golden Peregrine Holdings, Inc. (GPHI) Shareholders

In 2021, the Company entered into a MOA, with the majority stockholders of a mass media entity, Philippine Collective Media 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 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.

On August 30, 2024, the BOD approved further amendment of the MOA whereby a total of 980,000,000 PMHI common shares will be issued in exchange for and in consideration of the 100% issued and outstanding capital stock of GPHI held by the current stockholders pursuant to an updated valuation report as at December 31, 2023.

Approval of the Financial Statements

The financial statements of the Company as at December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022 were approved and authorized for issuance by the BOD on April 14, 2025, as endorsed by the Audit Committee on April 2, 2025.

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) Accounting Standards 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 Accounting Standards
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amendments to PFRS Accounting Standards effective for annual periods beginning on or after January 1, 2024:

- Amendments to PAS 1, *Presentation of Financial Statements - 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.

- Amendments to PAS 7, *Statement of Cash Flows* and PFRS 7, *Financial Instruments: 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.

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

New and Amendments to PFRS Accounting Standards in Issue But Not Yet Effective
Relevant new and amendments to PFRS Accounting Standards, which are not yet effective as at December 31, 2024 and have not been applied in preparing the financial statements, are summarized below:

Effective for annual periods beginning on or after January 1, 2026:

- Amendments to PFRS 9, *Financial Instruments,* and PFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Assets* – The amendments clarify that a financial liability is derecognized when the related obligation is discharged, cancelled, expires or otherwise qualifies for derecognition (e.g. settlement date), and introduces a policy option to derecognize financial liabilities settled through an electronic payment system before settlement date if the required conditions are met. The amendments also clarify the assessment of contractual cash flow characteristics of financial assets, the treatment of non-recourse loans and contractually linked instruments, as well as require additional disclosure requirements for financial assets and liabilities with contingent features and equity instruments classified at fair value through other comprehensive income (FVOCI). Earlier application is permitted.

- Annual Improvements to PFRS Accounting Standards Volume 11:

    - Amendments to PFRS 7, *Financial Instruments: Disclosures* – The amendments update and remove some obsolete references related to the gain or loss on derecognition on financial assets of an entity that has a continuing involvement and to the disclosure requirements on deferred differences between fair value and transaction price. The amendments also clarify that the illustrative guidance does not necessarily illustrate all the requirements for credit risk disclosure. Earlier application is permitted.

    - Amendments to PAS 7, *Statement of Cash Flows - Cost Method* – The amendments replace the term ‘cost method’ with ‘at cost’ following the deletion of the definition of ‘cost method’. Earlier application is permitted.

Effective for annual periods beginning on or after January 1, 2027:

- PFRS Accounting Standards 18, *Presentation and Disclosure in Financial Statements* – This standard replaces PAS 1, *Presentation of Financial Statements*, and sets out the requirements for the presentation and disclosure of information to help ensure that the financial statements provide relevant information that faithfully represents the entity’s assets, liabilities, equity, income and expenses. The standard introduces new categories and sub-totals in the statements of comprehensive income, disclosures on management-defined performance measures, and new principles for grouping of information, which the entity needs to apply retrospectively. Earlier application is permitted.

Under prevailing circumstances, the adoption of the foregoing amended PFRS Accounting Standards 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, 2024 and 2023, 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, 2024 and 2023, 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, 2024, the Company has no financial asset at FVOCI. As at December 31, 2023, 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, 2024 and 2023, 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.

As at December 31, 2024 and 2023, there are no reclassifications.

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.

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.

Other Current Assets
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 represent 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.

If the Company's share in losses of a joint venture equals or exceeds its interest in the associate or joint venture, the entity discontinues recognizing its share of further losses. The interest in a joint venture is the carrying amount of the joint venture determined using the equity method together with any long-term interests that, in substance, form part of the entity's net investment in joint venture.

After the Company's interest is reduced to zero, additional losses gives rise to a liability to the extent that the Company has guaranteed obligations or is otherwise committed to provide further financial support for the joint venture. If the joint venture subsequently reports profits, the entity resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

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.

<u>Deposit for Future Stock Subscription</u>

Deposit for future stock subscription represent funds received by the Company from individual stockholders to be applied as payment for subscriptions of unissued shares or shares from an increase in authorized capital stock and is measured at face value of proceeds received.

Proceeds are recognized as equity when all of the requirements set forth by the SEC and the conditions provided in the subscription agreement have been met, otherwise, it is recognized as a liability.

The Company shall classify deposits for future stock subscription as part of equity if and only if, all of the following elements are present as at end of the period.

- The unissued authorized capital stock of the entity is insufficient to cover the amount of shares indicated in the contract;
- There is BOD approval on the proposed increase in authorized capital stock;
- There is stockholders' approval of said proposed increase; and
- The application for the approval of the proposed increase has been presented for filing or has been filed with the SEC.

<u>Equity</u>

Common Stock. Common stock is measured at par value for all shares issued and outstanding and subscribed. Unpaid subscriptions are recognized as a reduction of subscribed capital stock.

Preferred Stock. Preferred stock is classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary. It is measured at par value for all shares issued and subscribed. Unpaid subscriptions are recognized as a reduction of subscribed capital stock.

Additional Paid-in Capital. Additional paid-in capital includes any premium received in the issuances and subscriptions 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 Accounting Standards.

<u>Revenue Recognition</u>

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. In 2024, 2023 and 2022, because the Company is in a loss position, presentation of diluted earnings per share is not applicable.

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 Accounting Standards 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.

As at December 31, 2023, the Company classified its investment in a club share as financial asset at FVOCI. In 2024, the Company disposed its investment in a club share (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 Interest in and Additional Liability to the Joint Venture. The Company determines its interest in a joint venture using the equity method together with any long-term interests that, in substance, form part of the entity's net investment in joint venture. After the Company's interest is reduced to zero, the Company recognizes additional losses and a liability to the extent that the Company has guaranteed obligations or is otherwise committed to provide further financial support for the joint venture.

The Company determined that advances made to MSPC in 2024 amounting to ₱15.3 million forms part of its interest as at December 31, 2024.

In 2024, the Company recognized a liability for additional share in net loss to the joint venture amounting to ₱7.4 million after its share in net loss exceeded its interest in MSPC, on the basis that the JVA provides that the joint venture should determine from time to time required additional financing from the joint venturers (see Note 8).

Determining the Fair Value of Financial Instruments. PFRS Accounting Standards 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 as at December 31, 2024 and 2023 are disclosed in Note 10.

Determining the 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 loans receivable in 2024 and 2023, the Company assessed that the fair value approximates its transaction price (see Note 13).

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 2024, 2023 and 2022.

The aggregate carrying amount of cash in banks, receivables (excluding advances to officers, employees and service providers) due from related parties and loans receivable as at December 31, 2024 and 2023 are disclosed in Notes 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 2024, 2023 and 2022.

The carrying amounts of the Company's nonfinancial assets including advances to officers, employees and service providers, other current assets, investment in a joint venture and property and equipment are disclosed in Notes 5, 6, 8, and 9.

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 has deferred tax liability on loan transaction cost that will reverse in 2025. The Company recognized deferred tax assets on NOLCO that will expire in 2025 to the extent of the deferred tax liability that will reverse. Management believes that there will be no sufficient future taxable profits against which the remaining unrecognized deferred tax assets can be utilized. Details of recognized and unrecognized deferred tax assets are disclosed in Note 12.

4. **Cash**

This account consists of:

	2024	2023
Cash on hand	**₱20,000**	₱20,000
Cash in banks	**25,118,280**	47,760,041
	₱25,138,280	₱47,780,041

Cash in banks earn interest at prevailing bank deposit rates.

Interest income arises from:

	Note	2024	2023	2022
Loans receivable	13	**₱10,435,068**	₱–	₱–
Amortization of loan transaction cost	13	**(493,929)**		
Cash in banks		**36,948**	30,244	10,465
		₱9,978,087	₱30,244	₱10,465

5. **Receivables**

This account consists of:

	Note	2024	2023
Loans receivable from a related party	13	**₱831,963,571**	₱373,000,000
Loans receivable from previous banking operations		**62,277,740**	62,277,740
Interest receivable	13	**11,687,276**	–
Advances to officers, employees and service providers		**2,136,237**	2,419,254
Rent receivables		**237,932**	237,932
Due from related parties	13	**–**	217,235
		908,302,756	438,152,161
Less allowance for impairment losses		**64,642,007**	64,642,007
		843,660,749	373,510,154
Less: current portion of receivables		**475,660,749**	510,154
Noncurrent portion of loans receivable		**₱368,000,000**	₱373,000,000

Loans receivable to third parties relates to the Company's previous bank operations which 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, 2024 and 2023 are as follows:

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

6. Other Current Assets

This account consists of:

	2024	2023
CWT	**₱2,950,521**	₱3,159,222
Input VAT	**1,876,749**	2,651,713
Prepayments	**1,209,807**	185,057
	₱6,037,077	₱5,995,992

Prepayments in 2024 mainly pertain to transaction cost paid in advance, mainly documentary stamp tax related to subscribed but unissued shares. This will be applied against APIC once upon issuance of shares.

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:

	2024	2023
Cost		
Balance at beginning of year	**₱200,000**	₱200,000
Disposal	**(200,000)**	–
Balance at end of year	**–**	₱200,000
Cumulative fair value changes		
Balance at beginning of year	**4,800,000**	3,100,000
Fair value changes	**500,000**	1,700,000
Disposal	**(5,300,000)**	–
Balance at end of year	**–**	4,800,000
	₱–	₱5,000,000

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

In 2024, the Company sold its investment in a club share at its fair value of ₱5.5 million. As a result, cumulative fair value changes of ₱5.3 million was transferred to deficit upon disposal.

8. Investment in and Advances to a Joint Venture

On June 30, 2023, the Company and ABS-CBN, collectively referred hereinafter as the "Venturers," incorporated Media Serbisyo Production Corp. (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 Company has a 51% equity with initial subscription of 20,400,000 shares for a total value of ₱20.4 million. ABS-CBN on the other hand, has a 49% equity with initial subscription of 19,600,000 shares for a total value of ₱19.6 million. The JVA provided mainly for the operation and management of MSPC and other matters related to MSPC. MSPC was incorporated with the primary purpose of developing, producing, and financing content, programs, and shows for distribution by other broadcast networks, channels, or platforms, locally and internationally.

This account consists of:

	Note	2024	2023
Investment in joint venture		**₱20,400,000**	₱20,400,000
Advances to the joint venture		**15,247,500**	–
Cumulative share in net loss		**(43,091,139)**	(17,142,846)
Liability to joint venture for additional share in net loss	13	**(7,443,639)**	–
Investment in and advances to the joint venture		**₱–**	₱3,257,154

Movements in investment in and advances to a joint venture are as follows:

	Note	2024	2023
Investment in joint venture			
Balance at beginning of year		**₱20,400,000**	₱–
Additions		**–**	20,400,000
Balance at end of year		**20,400,000**	20,400,000
Cumulative share in net loss			
Balance at beginning of the year		**17,142,846**	–
Share in net loss		**25,948,293**	17,142,846
Balance at end of year		**43,091,139**	17,142,846
Advances to the joint venture	13	**15,247,500**	–
Liability to the joint venture for additional share in net loss	13	**(7,443,639)**	–
Investment in and advances to the joint venture		**₱–**	₱3,257,154

In 2024, MSPC incurred a net loss of ₱50.9 million. Share in net loss amounted to ₱25.9 million which is more than the Company's investment in and advances to MSPC. The JVA has a provision that the joint venture should determine from time to time required additional financing and the venturers if so required will provide additional financing. There are already discussions by management and the BOD of the joint venture of the intention to have a capital call to address the financing requirements. Consequently, the Company recognized a liability for its additional share in the net loss of the joint venture amounting to ₱7.4 million (see Note 13).

The financial information of the MSPC follows:

	2024	2023
Current assets	**₱41,213,272**	₱34,866,926
Noncurrent assets	**1,391,037**	–
Current liabilities	**85,705,700**	27,936,680
Revenues	**53,319,069**	9,924,802
Net loss	**(50,879,005)**	(33,613,423)

9. **Property and Equipment**

Movements in this account are as follows:

	2024		
	Computer Equipment	**Transportation Equipment**	**Total**
Cost			
Balance at beginning of year	**₱712,800**	**₱54,375**	**₱767,175**
Additions	**16,920**	**–**	**16,920**
Balance at end of year	**729,720**	**54,375**	**784,095**
Accumulated Depreciation			
Balance at beginning of year	**211,200**	**54,375**	**265,575**
Depreciation	**128,220**	**–**	**128,220**
Balance at end of year	**339,420**	**54,375**	**393,795**
Carrying Amount	**₱390,300**	**₱–**	**₱390,300**

	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

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:

	2024	2023
Liabilities arising from the MOA	**₱181,085,178**	₱184,038,013
Dividends payable	**10,985,443**	10,985,443
Accrued expenses	**2,223,454**	2,036,636
Statutory payables	**24,570**	18,599
	₱194,318,645	₱197,078,691

The Company has outstanding commitments and contingent liabilities in relation to its MOA with BDO and PDIC. 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 previous 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 until these are assumed by BDO.

Liabilities arising from the MOA pertain mainly to the estimated general cost which may include transfer, processing and legal fees among others as well as taxes in relation to the transfer of assets from the Company's previous development bank operations to BDO and PDIC. Said liabilities also include unremitted collection of assigned receivables and sale of foreclosed properties for the account of PDIC (see Note 1). Additions to the liabilities amounting to ₱21.4 million in 2023 pertain to proceeds from compromise settlements. The Company also paid legal fees of ₱3.0 million and ₱3.7 million in 2024 and 2023, respectively, for legal consultations, litigation costs as well as consolidation and 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 are normally settled within the following month.

11. Equity

<u>Capital Stock</u>

Details of capital stock are as follows:

	2024		2023		2022	
	Number of Shares	**Amount**	Number of Shares	Amount	Number of Shares	Amount
Authorized:						
Preferred stock Series A - ₱1 par value	**1,000,000**	**₱1,000,000,000**	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**	**1,000,000,000**	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Common stock - ₱1 par value	**3,000,000**	**3,000,000,000**	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	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	14,366,260	₱14,366,260
Common stock						
Issued and outstanding						
Beginning of year	**850,298,616**	**850,298,616**	700,298,616	700,298,616	700,298,616	700,298,616
Issuances	**75,000,000**	**75,000,000**	150,000,000	150,000,000	–	–
Balance at end of year	**925,298,616**	**925,298,616**	850,298,616	850,298,616	700,298,616	700,298,616
Subscribed						
Beginning of year	**–**	**–**	–	–	–	–
Subscriptions	**90,000,000**	**90,000,000**	150,000,000	150,000,000	–	–
Issuances	**(75,000,000)**	**(75,000,000)**	(150,000,000)	(150,000,000)	–	–
Balance at end of year	**15,000,000**	**15,000,000**	–	–	–	–
Issued and subscribed common stock	**940,298,616**	**940,298,616**	850,298,616	850,298,616	700,298,616	700,298,616
Total capital stock	**954,664,876**	**₱954,664,876**	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 2024, the BOD and shareholders approved the amendment of the AOI of the Company to reflect reduction of par value of preferred shares, reclassification of preferred shares, conversion of preferred shares into common shares, deletion of all provisions relating to the preferred shares and increase in authorized capital, among others.

On January 15, 2025, the SEC approved the reduction in the Company's authorized preferred stock Series A from ₱1,000.0 million, divided into 1,000.0 million preferred stocks Series A at ₱1.0 par value a share, to ₱40.0 million, divided into 1,000.0 million common stocks at ₱0.04 par value a share.

As at April 14, 2025, the Company has pending application with the SEC for the amendment of the AOI for the conversion and reclassification of Series A non-voting and convertible preferred shares, creation of Series C non-voting and redeemable preferred shares and reclassification of foreign-owned common shares to Series C non-voting redeemable preferred shares.

On April 4, 2025, the BOD resolved to retain the Series A Preferred Shares until the Corporation is able to obtain approval for a decrease in capital stock, which is necessary to eliminate the fractional shares that would result from the conversion of the remaining Series A Preferred Shares into Common Shares.

Other planned amendments are also discussed in Note 1.

As discussed in Note 1, in 2024, the Company, issued 75,000,000 common shares at ₱2.95 a share equivalent to ₱221.6 million, paid for in cash, resulting to additional paid-in capital amounting to ₱146.3 million. The common shares were issued to Valiant.

In the same year, 15,000,000 common shares were subscribed by Cymac at ₱2.95 a share equivalent to ₱44.3 million, to be paid in cash. The shares shall be issued upon full payment. As at December 31, 2024, payment for the subscriptions amounting to ₱25.0 million was received and recognized as subscribed capital at par value amounting to ₱15.0 million and the premiums amounting to ₱10.0 million additional paid-in capital. Cymac has unpaid subscription amounting to ₱19.3 million which is due on or before July 31, 2025. Thus related subscribed shares are not yet issued.

In 2023, 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. 125,000,000 unissued common shares were issued to Valiant and 25,000,000 unissued common shares were issued to Cymac.

As at December 31, 2024 and 2023, there is no accrued and unpaid preferential dividend.

12. **Income Tax**

The Company's provision for current income tax in 2024 and 2022 represents MCIT. In 2023, the Company has no current income tax as it is in a gross and taxable loss position.

Under the "Corporate Recovery and Tax Incentives for Enterprise" (CREATE) Act which took effect on July 1, 2020, the RCIT of domestic corporations is computed at 25% or 20% depending on the amount of total assets or total amount of taxable income. The minimum corporate income tax (MCIT) is computed at 1% of gross income for a period of three years until July 1, 2023 and reverted to 2% effective July 1, 2023.

The income tax rates used in preparing the financial statements are 25% RCIT in 2024 and 2023, and 20% for 2022, and 2%, 1.5% and 1% for MCIT in 2024, 2023 and 2022, respectively. The Company used 25% regular tax rate in 2023 as the total assets breached the threshold of using a lower tax rate of 20%.

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:

	2024	2023	2022
Income tax computed at statutory tax rates	**(₱6,354,294)**	(₱7,577,118)	(₱1,240,989)
Changes in unrecognized deferred tax assets	**250,067**	6,836,677	979,552
Tax effects of:			
Share in a net loss of a joint venture	**6,487,073**	4,285,712	–
Stock issuance cost	**(344,063)**	(375,000)	–
Expired MCIT	**91,689**	53,000	71,360
Nondeductible expenses	**87,466**	318,079	192,600
Interest income already subjected to final tax	**(9,237)**	(7,561)	(2,093)
Change in statutory income tax rate	**–**	(3,533,789)	–
	₱208,701	₱–	₱430

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

	2024	2023
Deferred tax assets:		
Allowance for impairment losses on receivables	**₱16,160,502**	₱16,160,502
NOLCO	**5,738,273**	4,864,325
MCIT	**209,131**	92,119
	22,107,906	₱21,116,946
Deferred tax liability –		
Loan issuance cost	**(740,893)**	–
	₱21,367,013	₱21,116,946

As at December 31, 2024, the Company recognized deferred tax assets to the extent of the deferred tax liability on loan transaction cost that will reverse in 2025. The Management believes that it is not probable that sufficient taxable profit will be available against which the remaining unrecognized deferred tax assets as at December 31, 2024 amounting to ₱21.4 million and the unrecognized deferred tax assets amounting to ₱21.1 million as at December 31, 2023 can be utilized.

As at December 31, 2024, 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
2024	₱–	₱3,495,790	₱–	₱3,495,790	2027
2023	13,423,553	–	–	13,423,553	2026
2022	5,252,413	–	–	5,252,413	2025
2020	781,334	–	–	781,334	2025
	₱19,457,300	₱3,495,790	₱–	₱22,953,090	

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, 2024, 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
2024	₱–	₱208,701	₱–	₱208,701	2027
2022	430	–	–	430	2025
2021	91,689	–	91,689	–	2024
	₱92,119	₱208,701	₱91,689	₱209,131	

13. Related Party Transactions

Outstanding balances and transactions with related parties are as follows:

	Nature of Transaction	Amount of Transactions 2024	Amount of Transactions 2023	Outstanding Balance 2024	Outstanding Balance 2023
Loans receivable					
Entity under common key management	Loan	**₱463,963,571**	₱–	**₱831,963,571**	₱373,000,000
Interest receivable					
Entity under common key management	Accrued interest*	**₱11,687,276**	₱–	**₱11,687,276**	₱–
Due from related parties					
Entities under common control	Settlement	**(₱217,235)**	(₱2,100,320)	**₱–**	₱217,235
Advances to joint venture					
Joint venture	Advances	**₱15,247,500**	₱–	**₱15,247,500**	₱–
Due to related parties					
Joint venture (see Note 8)	Additional share in net loss	**₱7,443,639**	₱–	**₱7,443,639**	₱–
Entities under common control	Settlement	**–**	(₱636,744)	**–**	–
Parent Company	Management fee	**–**	–	**13,880,000**	13,880,000
				₱21,323,639	₱13,880,000
Deposit for future stock subscription					
Stockholders	Deposit for future stock subscription	**₱214,749,999**	₱–	**₱214,749,999**	₱–

**Including output VAT amounting to ₱1.3 million*

The Company has no other material and/or significant transactions with its related parties in 2024 and 2023.

Terms and Conditions of Transactions with Related Parties

Loans Receivable from Philippine Collective Media (PCMC)

Movements in this account are as follows:

	Note	2024	2023
Balance at beginning of the year		**₱373,000,000**	₱–
Loans granted, including transaction cost		**464,457,500**	373,000,000
Collections		**(5,000,000)**	–
Amortization of loan transaction cost	4	**(493,929)**	–
		831,963,571	373,000,000
Less: current portion		**463,963,571**	–
Noncurrent portion		**₱368,000,000**	₱373,000,000

Loan transaction cost pertains to documentary stamp tax paid by the Company. Movements in the loan issuance cost in 2024 follows:

Balance at beginning of the year	₱–
Additions	3,457,500
Amortization	(493,929)
	₱2,963,571

The loan transaction cost is presented as part of the loans receivable and will be amortized over the term of the loan.

In August 2023, the Company granted an unsecured loan to PCMC, a related party under common key management, to acquire key assets necessary to expand business operations nationwide. The loan has no interest on the first year and 7% 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. In December 2024, the Company amended the loan agreement to shorten the term from five year to 30 months with the Company considering to complete its share-for-share swap transaction with GPHI within 2025. Interest income recognized in 2024 amounted to ₱10.4 million (gross of loan issuance cost amortization of ₱0.5 million).

In October 2024, the Company granted another unsecured loan to PCMC amounting to ₱461.0 million for the same purpose. The loan bears interest of 7.5% and is to be paid until December 2025. Loan issuance cost amounted to ₱3.5 million.

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, advances to a joint venture and amounts due from related parties as at December 31, 2024 and 2023. 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.

Deposit for Future Stock Subscription

As discussed in Note 1, in 2024, the Company executed another subscription agreements individually with Valiant and Cymac for 86,355,932 common shares and 3,644,068 common shares, respectively, for ₱2.95 a share equivalent to ₱254.7 million and ₱10.8 million, respectively. As the conditions provided in the subscription agreement have not been met, the amounts collected for this subscription amounting to ₱214.7 million as at December 31, 2024 is presented as deposit for future stock subscription and is presented under noncurrent liability section in the statements of financial position.

Compensation of Key Management Personnel

There is no compensation of key management personnel in 2024, 2023 and 2022. The Company's accounting and administrative functions are provided by a related party at no cost to the Company.

14. Commitments and Contingencies

The Company has outstanding commitments and contingent liabilities in relation to its MOA with BDO and PDIC. 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 previous 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 until these are assumed by BDO.

The Company has accounted for separately the assets from its previous 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 original assigned value of ₱601.6 million per PDIC letter dated September 2016. Moreover, the Company has cash in its custody of ₱15.2 million as at December 31, 2024 and 2023 arising from the proceeds of the sale and compromise settlement of certain properties.

15. Basic/Diluted Loss Per Share

The basic loss per share is computed as follows:

	2024	2023	2022
Net loss	**(₱25,625,877)**	(₱30,308,471)	(₱6,205,377)
Less dividend rights of preferred stockholders for the year	**1,581,671**	1,581,671	1,581,671
Loss attributable to common stockholders	**(27,207,548)**	(31,890,142)	(7,787,048)
Divided by weighted average number of common stock	**862,798,616**	850,298,616	700,298,616
Basic loss per share	**(₱0.032)**	(₱0.038)	(₱0.011)

The convertible feature of the Company's preferred stock, the subscribed shares and deposit for future stock subscription have potential antidilutive effect. However, because of the net loss position of the Company, presentation of diluted earnings per share is not applicable.

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), loans receivables, investment in a club share, accrued expenses and other current liabilities (excluding statutory payable) and due to related parties.

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.

	2024			
	12-month ECL	**Lifetime ECL - not credit impaired**	**Lifetime ECL - credit impaired**	**Total**
Financial assets at amortized cost:				
Cash in banks	**₱25,118,280**	**₱–**	**₱–**	**₱25,118,280**
Receivables*	**11,687,276**	**–**	**62,515,672**	**74,202,948**
Loans receivable from a related party	**–**	**831,963,571**	**–**	**831,963,571**
	₱36,805,556	**₱831,963,571**	**₱62,515,672**	**₱931,284,799**

**Excluding advances to officers, employees and service providers and loans receivable from a related party amounting to ₱2.1 million and ₱832.0 million, respectively.*

	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*	217,235	–	62,515,672	62,732,907
Loans receivable from a related party	–	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 and loans receivable from a related party amounting to ₱2.4 million and to ₱373.0 million, respectively.*

The table below shows the gross maximum exposure to credit risk for the components of the Company's statement of financial position, before taking into consideration collateral and other credit enhancements:

	2024				
	High Grade	**Standard Grade**	**Past due but Not Impaired**	**Impaired**	**Total**
Financial Assets at Amortized Cost					
Cash in banks	**₱25,118,280**	**₱–**	**₱–**	**₱–**	**₱25,118,280**
Receivables*	**11,687,276**	**–**	**–**	**62,515,672**	**74,202,948**
Loans receivable from a related party	**831,963,571**	**–**	**–**	**–**	**831,963,571**
	₱868,769,127	**₱–**	**₱–**	**₱62,515,672**	**₱931,284,799**

**Excluding advances to officers, employees and service providers and loans receivable from a related party amounting to ₱2.1 million and to ₱832.0 million, respectively.*

	2023				
	High Grade	Standard Grade	Past due but Not Impaired	Impaired	Total
Financial Assets at Amortized Cost					
Cash in banks	₱47,760,041	₱–	₱–	₱–	₱47,760,041
Receivables*	217,235	–	–	62,515,672	62,732,907
Loans receivable from a related party	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 and loans receivable from a related party amounting to ₱2.4 million and to ₱373.0 million, respectively.*

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, 2024 and 2023, accrued expenses and other current liabilities, dividends payable (excluding statutory payable) and amounts 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, 2024 and 2023, the Company's loan receivable amounting ₱832.0 million has no repricing arrangement and is not exposed to fair value interest risk.

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 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 on the investment as at December 31, 2023. In 2024, the Company sold its investments in a club share, as a result, the Company is not exposed to equity price risk as at December 31, 2024.

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:

	2024		2023	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Assets				
Cash	**₱25,138,280**	**₱25,138,280**	₱47,780,041	₱47,780,041
Receivables*	**11,687,276**	**11,687,276**	217,235	217,235
Loans receivable from a related party	**831,963,571**	**832,064,654**	373,000,000	374,555,467
Investment in a club share	**–**	**–**	5,000,000	5,000,000
	₱868,789,127	**₱868,890,210**	₱425,997,276	₱427,552,743
Financial Liabilities				
Accrued expenses and other current liabilities**	**₱194,294,075**	**₱194,294,075**	₱197,060,092	₱197,060,092
Due to related parties	**21,323,639**	**21,323,639**	13,880,000	13,880,000
	₱215,617,714	**₱215,617,714**	₱210,940,092	₱210,940,092

**Excluding loan receivable from a related party amounting to ₱832.0 million and ₱373.0 million as at December 31, 2024 and 2023, respectively.*
***Excluding statutory payables amounting to ₱24,570 and ₱18,599 as at December 31, 2024 and 2023, respectively.*

Current Financial Assets and Liabilities. The carrying amounts of cash, receivables (excluding advances from officers, employees and service providers), loans receivable and accrued expenses and dividends payable (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 7.38% and 6.25% in 2024 and 2023, respectively.

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, 2024 and 2023.

Cash Flows From Financing Activities

The table below details changes arising from financing activities, including both cash and non-cash changes.

			Financing Cash Flows		
	2023	**Advances/ Proceeds***	**Payments**	**Non-cash items**	**2024**
Capital stock	**₱864,664,876**	**₱90,000,000**	**₱–**	**₱–**	**₱954,664,876**
Additional paid in capital	**253,500,000**	**154,873,750**	**–**	**–**	**408,373,750**
Deposit for future stock subscriptions	**–**	**214,749,999**	**–**	**–**	**214,749,999**
Due to related parties	**13,880,000**	**–**	**–**	**7,443,639**	**21,323,639**
	₱1,132,044,876	**₱459,623,749**	**₱–**	**₱7,443,639**	**₱1,599,112,264**

**Net of stock issuance cost*

			Financing Cash Flows		
	2022	Advances/ Proceeds*	Payments	Non-cash items	2023
Capital stock	₱714,664,876	₱150,000,000	₱–	₱–	₱864,664,876
Additional paid in capital	–	253,500,000	–	–	253,500,000
Deposit for future stock subscriptions	–	–	–	–	–
Due to related parties	14,516,744	–	(636,744)	–	13,880,000
	₱729,181,620	₱403,500,000	(₱636,744)	₱–	₱1,132,044,876

**Net of stock issuance cost*

			Financing Cash Flows		
	2021	Advances/ Proceeds	Payments	Non-cash items	2022
Due to related parties	₱13,880,000	–	₱636,744	–	₱14,516,744

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 considers its total equity as its capital as follows:

	2024	2023
Capital stock	**₱954,664,876**	₱864,664,876
Additional paid-in capital	**408,373,750**	253,500,000
Deficit	**(918,204,503)**	(897,878,626)
Cumulative fair value changes on investment in a club share	**–**	4,800,000
	₱444,834,123	₱225,086,250

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, 2024 and 2023. The Company is not subject to externally-imposed capital requirements.

Deposit for future stock subscription amounted to ₱214.7 million as at December 31, 2024. The Company's intention of settlement is through issuance of fixed number of shares upon meeting the conditions in the subscription agreement and approval of increase in authorized capital stock by the SEC unless the intention was changed as approved by the BOD and stockholders. The Company will classify the deposit of future stock subscription under equity section of the statements of financial position once application for increase to the SEC is made.

BOA/PRC Accreditation No. 4782
April 14, 2024, valid until June 6, 2026
SEC Registration No. PP201007009

BDO Towers Valero
8741 Paseo de Roxas
Makati City 1209 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, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022, and have issued our report thereon dated April 14, 2025. 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) Accounting Standards 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 Accounting Standards. The components of these financial soundness indicators have been traced to the Company's financial statements as at and for the years ended December 31, 2024 and 2023 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/P-013; Valid until June 6, 2026
BIR Accreditation No. 08-005144-013-2023
Valid until January 24, 2026
PTR No. 10467125
Issued January 2, 2025, Makati City

April 14, 2025
Makati City, Metro Manila

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

SUPPLEMENTARY SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

DECEMBER 31, 2024 AND 2023

Below is a schedule showing financial soundness indicators for the years ended December 31, 2024 and 2023:

Ratio	Formula	2024	2023
Current Ratio			
	Total current assets	**₱506,836,106**	₱54,286,187
	Divided by: Total current liabilities	**215,642,284**	210,958,691
	Current Ratio	**2.35**	0.26
Acid Test Ratio			
	Total current assets	**₱506,836,106**	₱54,286,187
	Less: Other current assets	**6,037,077**	5,995,992
	Quick assets	**500,799,029**	48,290,195
	Divide by: Total current liabilities	**215,642,284**	210,958,691
	Acid Test Ratio	**2.32**	0.23
Solvency Ratio			
	Loss before depreciation	**(₱25,497,657)**	(₱30,174,008)
	Divide by: Total liabilities	**430,392,283**	210,958,691
	Solvency Ratio	**(0.06)**	(0.14)
Debt-to-Equity Ratio			
	Total liabilities	**₱430,392,283**	₱210,958,691
	Divide by: Total equity	**444,834,123**	253,500,000
	Debt-to-Equity Ratio	**0.97**	0.94
Asset-to-Equity Ratio			
	Total assets	**₱875,226,406**	₱436,044,941
	Divide by: Total equity	**444,834,123**	225,086,250
	Asset-to-Equity Ratio	**1.97**	1.94
Profitability Ratio			
	Net loss	**(₱25,625,877)**	(₱30,308,471)
	Divide by: Total equity	**444,834,123**	225,086,250
	Profitability Ratio	**(0.06)**	(0.13)

**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, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022, and have issued our report thereon dated April 14, 2025. 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, 2024 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/P-013; Valid until June 6, 2026
BIR Accreditation No. 08-005144-013-2023
Valid until January 24, 2026
PTR No. 10467125
Issued January 2, 2025, Makati City

April 14, 2025
Makati City, Metro Manila

RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
FOR THE REPORTING PERIOD ENDED DECEMBER 31, 2024

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 and as adjusted		(₱897,878,626)
Add/less: Net loss for the current year		**(25,625,877)**
Add: Category C.2: Unrealized income recognized in profit or loss in prior periods but realized in the current reporting period (net of tax)		
Realized gain from disposal of investment in a club share		5,300,000
Realized foreign exchange gain, except those attributable to cash and cash equivalents	–	
Adjusted loss for the current year		**(20,325,877)**
Total deficit, end of the reporting period		**(₱918,204,503)**

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, 2024

Table of Contents

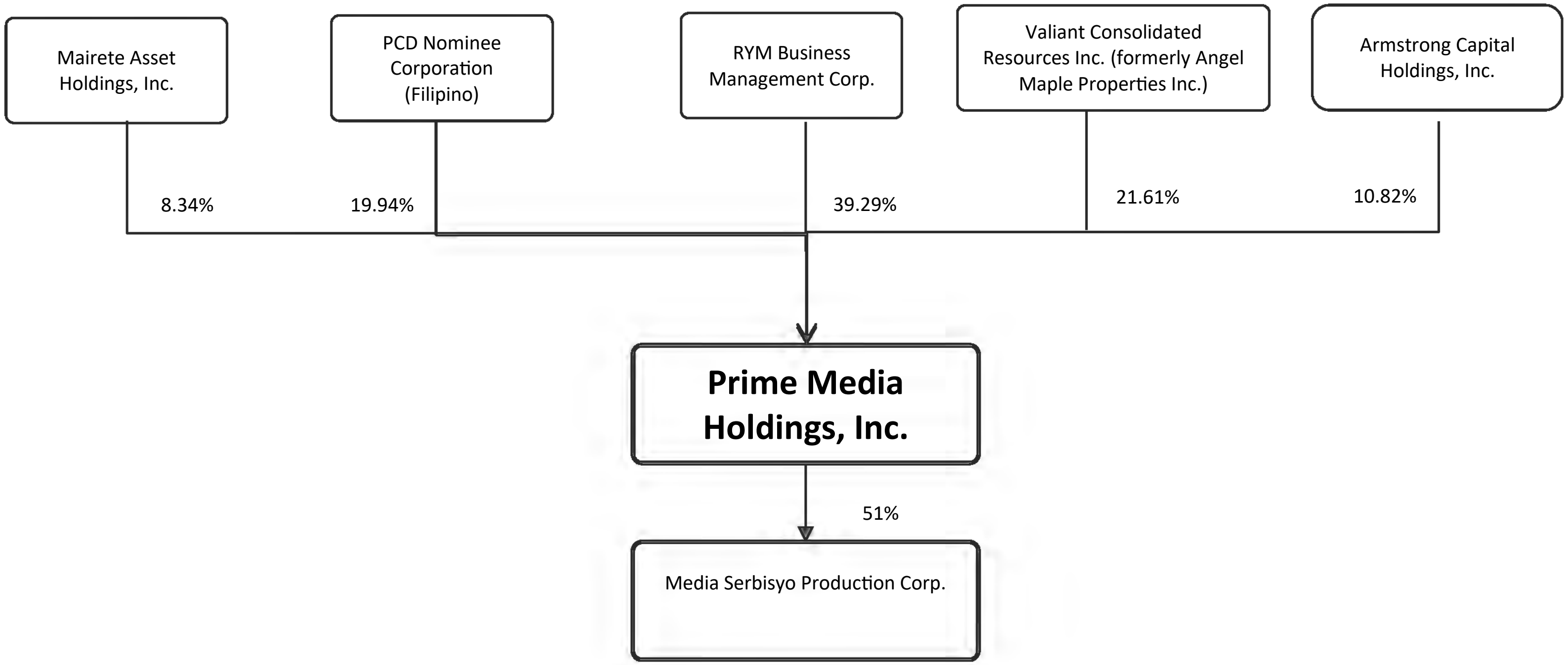
PRIME MEDIA HOLDINGS, INC.
(A Subsidiary of RYM Business Management Corp.)

SCHEDULE G - CAPITAL STOCK
DECEMBER 31, 2024

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	925,298,616	–	740,830,986	6,004	184,461,626
Preferred Stock	2,000,000,000	14,366,260	–	–	–	14,366,269
	5,000,000,000	939,664,876	–	740,830,986	6,004	198,827,895

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

CONGLOMERATE MAP
DECEMBER 31, 2024



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

SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED INFORMATION
DECEMBER 31, 2024 AND 2023

	2024	2023
Total Audit Fees	**₱500,000**	₱480,000
Non-audit services fees:		
Other assurance services	**–**	–
Tax services	**–**	–
All other services	**–**	–
Total Non-Audit Fees	**–**	–
Total Audit and Non-audit Fees	**₱500,000**	₱480,000

Audit and Non-audit Fees of Other Related Entities

	2024	2023
Audit Fees	**₱–**	₱–
Non-audit services fees:		
Other assurance services	**–**	–
Tax services	**–**	–
All other services	**–**	–
Total Audit and Non-audit Fees of Other Related Entities	**₱–**	₱–

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

Your BIR AFS eSubmission uploads were received

1 message

eafs@bir.gov.ph <eafs@bir.gov.ph> Tue, Apr 15, 2025 at 7:51 PM
To: JOANNA.MANZANO@marcventures.com.ph
Cc: JACKY.VALENZUELA@marcventures.com.ph

Hi PRIME MEDIA HOLDINGS, INC.,

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- EAFS000491007RPTTY122024.pdf
- EAFS000491007ITRTY122024.pdf
- EAFS000491007AFSTY122024.pdf

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- <None>

Transaction Code: **AFS-0-AB9BLG9F0NP3MVPP1MN23V3PY02N3X3RZR**
Submission Date/Time: **Apr 15, 2025 07:51 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.

PRIME MEDIA Holdings, Inc.

STATEMENT OF MANAGEMENT'S RESPONSIBIILITY FOR FINANCIAL STATEMENTS

The management of Prime Media Holdings, Inc. (the Company) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2024 and 2023, 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 for 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.

Reyes Tacandong & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signature: ______________________
Manolito A. Manalo
President/CEO

Signature: ______________________
Rolando S. Santos
Treasurer

Signed this ______________

APR 1 1 2025

SUBSCRIBED AND SWORN to before me this _________ 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		

ATTY. ROMEO M. MONFORT
Notary Public City of Makati
Until December 31, 2025
Appointment No. M-032 (2024-2025)
PTR No. 10466008 Jan. 2, 2025/Makati City
IBP No. 488534 Dec. 27, 2024
MCLE NO. VII-0027570 Roll No. 27932
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City

DOC NO. 392
PAGE NO. 80
BOOK NO. 12
SERIES OF 2025

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

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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.

C O V E R   S H E E T
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

2 2 4 0 1

COMPANY NAME

P R I M E M E D I A H O L D I N G S , I N C . (A S u b s i d i a r y o f R Y M B u s i n e s s M a n a g e m e n t C o r p .)

PRINCIPAL OFFICE *(No./Street/Barangay/City/Town/Province)*

1 6 t h F l o o r , B D O T o w e r s V a l e r o , 8 7 4 1 P a s e o d e R o x a s , M a k a t i C i t y

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.*

PRIME MEDIA
Holdings, Inc.

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.

Estimating Liabilities
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
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

	Note	Years Ended December 31		
		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.

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	Past Due But Not Impaired			
	Due Nor	Less Than		Past Due and	
	Impaired	30 Days	31-60 Days	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.

<u>Fair Values</u>
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.

**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

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

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

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

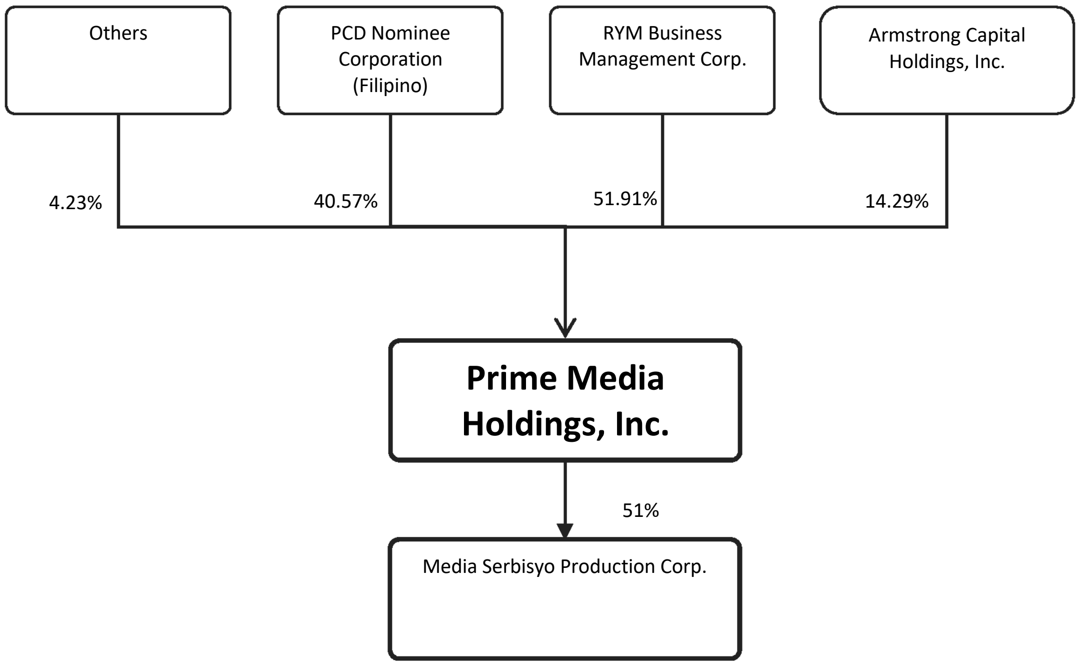
PRIME MEDIA HOLDINGS, INC.
(A Subsidiary of RYM Business Management Corp.)

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



The following document has been received:

Receiving: Salvador Baculanta
Receipt Date and Time: June 30, 2023 08:32:01 AM

Company Information

SEC Registration No.: 0000022401
Company Name: PRIME MEDIA HOLDINGS INC.
Industry Classification: J66110
Company Type: Stock Corporation

Document Information

Document ID: OST10630202381413232
Document Type: Financial Statement
Document Code: FS
Period Covered: December 31, 2022
Submission Type: Annual
Remarks: None

Acceptance of this document is subject to review of forms and contents

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	September 23	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.*

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, 2022 and 2021, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years ended December 31, 2022, 2021 and 2020, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years ended December 31, 2022, 2021 and 2020 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which indicates that the Company's current activities comprise mainly of complying with the Memorandum of Agreement (MOA) by transferring assets related to its previous development banking operations to Banco de Oro Unibank, Inc. (BDO) and Philippine Deposit Insurance Corporation (PDIC) in accordance with the MOA among the parties. Thus, the Company continuously incurs losses resulting to a capital deficiency amounting to ₱149.8 million and ₱145.1 million as at December 31, 2022 and 2021, respectively. These events indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. To revitalize the Company, revert to an operating status, and reduce its capital deficiency, the Company carried on with its efforts to pursue prospective transactions. Moreover, the Company's majority stockholder continues to provide the necessary financial support to sustain the Company's operations. These actions being taken by the Company to address its ability to continue as a going concern are discussed in Note 1 to the financial statements.

Our opinion is not modified in respect of this matter.

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, 2022. 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. In addition to the matters described in the *Material Uncertainty Related to Going Concern* section, 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 9 to the financial statements, the Company has estimated liabilities amounting to ₱166.3 million as at December 31, 2022, primarily related to its previous development banking operations. This matter is of significance to our audit because 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 the MOA. Further, we reviewed the adequacy of required disclosures presented in Note 9 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, 2022, 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, 2022 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
SEC Accreditation No. 128829-SEC Group A
Issued March 23, 2021
Valid for Financial Periods 2020 to 2024
BIR Accreditation No. 08-005144-013-2023
Valid until January 24, 2026
PTR No. 9564568
Issued January 3, 2023, Makati City

April 11, 2023
Makati City, Metro Manila

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

STATEMENTS OF FINANCIAL POSITION

	Note	December 31 2022	2021
ASSETS			
Current Assets			
Cash	4	**₱33,839,166**	₱7,110,931
Receivables	5	**258,200**	27,252,360
Due from related parties	12	**2,317,555**	7,681,904
Other current assets	6	**5,109,828**	4,697,997
Total Current Assets		**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		**(867,570,155)**	(861,364,778)
Cumulative fair value changes on investment in a club share	7	**3,100,000**	1,550,000
Total Equity		**(149,805,279)**	(145,149,902)
		₱45,460,812	₱48,749,680

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	**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				
Item that will not be reclassified to profit or loss				
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)

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	**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)

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 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 BEGINNING OF YEAR		**7,110,931**	8,233,104	10,023,033
CASH AT END OF YEAR	4	**₱33,839,166**	₱7,110,931	₱8,233,104

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, 2022 AND 2021 AND
FOR THE YEARS ENDED DECEMBER 31, 2022, 2021 AND 2020

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, 2022, there are 672,435,425 Company shares that are publicly listed.

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 in the Articles of Incorporation (AOI)

The series of amendments of the Company's AOI approved by the Board of Directors (BOD) and stockholders follows:

Amendments Approved by the SEC

On November 24, 2021 the SEC approved the amendment of the Company's AOI covering the following:

- Deletion of all provisions relating to banking operations; and
- Inclusion of a provision prohibiting foreign ownership.

Application for Amendments Submitted to the SEC

Additional amendments to the Company's AOI were also approved and/or confirmed by the Board of Directors (BOD) and stockholders in their meetings held respectively on August 15, 2022 and September 23, 2022. The applications therefore with the SEC will be taken successively and by parts as shown below:

Part A.

i. Reduction of the par value of all Series A Preferred Shares from ₱1.00 to ₱0.04 per share and conversion to Common Shares at a rate of 25:1.

Part B.

i. Reclassification of all Series B Preferred Shares into Common Shares.

ii. Reclassification of the equivalent Common Shares to create Series C Redeemable Preferred Shares at a par value of One Peso (₱1.00) per share equivalent to the number of foreign-held Common Shares after the conversion of the outstanding parred down Series A Preferred Shares approximately at Three Hundred Forty Thousand Six Hundred Sixty Four (340,664) based from records as of September 30, 2022.

iii. Issuance and conversion of the foreign-held Common Shares approximately at 340,664 to Series C Preferred Shares.

Part C.

i. Reclassification of Series A and C Preferred Shares to Common Shares after the Redemption of Series C Preferred Shares.

ii. Deletion of all provisions relating to Series A, B, and C Preferred Shares.

Part D.

i. Increase of the authorized capital stock to up to ₱7 billion, divided into 7,000,000,000 Common Shares with ₱1.00 par value per share.

Status of Operations

On September 12, 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 December 31, 2022 and 2021, the Company has liabilities amounting to ₱166.3 million and ₱164.3 million, respectively, arising from the MOA which includes estimated transfer taxes and registration fees related to the transfer of assets to BDO and PDIC and other related liabilities (see Note 9).

The Company's current activities comprise mainly of complying with the MOA by transferring assets related to its previous development banking operations to BDO and PDIC. Thus, the Company continued to incur losses resulting in a capital deficiency of ₱149.8 million and ₱145.1 million as at December 31, 2022 and 2021, respectively.

RYM, the Company's majority stockholder, continues to provide the necessary financial support to sustain the Company's operations. In order to reduce capital deficiency, the Company allowed certain stockholders to (i) convert preferred stock amounting to ₱34.2 million into common stock in 2016, (ii) convert advances amounting to ₱600.5 million to additional capital in 2014, and (iii) infuse capital aggregating ₱179.0 million in 2014 and 2013. The Company implemented an equity restructuring to offset additional paid-in capital (APIC) of ₱2,114.9 million against deficit which was approved by the SEC on March 23, 2018.

In 2022, the Company carried on with its efforts to pursue prospective transactions that could revitalize the Company, revert to an operating status, and reduce its capital deficiency.

Transaction with New Era Empire Realty Corp.

On March 17, 2021, the Company initially signed a Memorandum of Understanding (MOU) with New Era Empire Realty Corp. (New Era) with the objective of working together to revitalize the Company by engaging in new businesses that may include: (a) commercial and residential real estate, hospitality; (b) media and entertainment, (c) gaming, Philippine Offshore Gaming Operators (POGO) allied services, and Fintech.

On July 28, 2021, 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. However, due to unfavorable worldwide market conditions which impacted the real estate property business, the Company, together with RYM have agreed to mutually terminate the MOU with New Era effective as at August 15, 2022.

Transaction with Philippine CollectiveMedia Corporation (PCMC)

On July 30, 2021, the Company entered into a 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. Upon the execution of the transaction, the PCMC Shareholders will jointly gain control and majority ownership of approximately 70% of the Company's outstanding capital stock.

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. Aside from venturing into the active business of mass media, the Company likewise intends to sell its remaining assets in order to address the Company's capital deficiency and negative equity, and non-operation status.

On October 13, 2021, the stockholders approved the subscriptions by the major stockholders of PCMC to 1,679,966,400 common shares to be issued out of the proposed increase in authorized capital stock of the Company, in consideration of the assignment and transfer of PCMC shares representing 99.9% of the outstanding capital stock of PCMC.

The BOD and stockholders, during their meetings respectively held on August 15, 2022 and September 23, 2022, 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. In the same meetings, the BOD and stockholders approved the subscription by certain shareholders of GPHI and in view of the amendment of the PCMC MOA, to 1,679,966,400 common shares to be issued out of the proposed increase in authorized capital stock of the Company.

Management believes that with these actions taken, the Company can continue as a going concern. Accordingly, the financial statements were prepared on a going concern basis.

Approval of the Financial Statements

The financial statements of the Company as at December 31, 2022 and 2021 and for the years ended December 31, 2022, 2021 and 2020 were approved and authorized for issuance by the BOD on April 11, 2023 as endorsed by the Audit Committee on March 30, 2023.

2. Summary of Significant Accounting Policies

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 (formerly Financial 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 15.

Adoption of Amended PFRS

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amended PFRS:
Effective for annual periods beginning on or after January 1, 2022:

- Amendments to PFRS 3, *Business Combinations - Reference to Conceptual Framework* – The amendments replaced the reference of PFRS 3 from the 1989 Framework to the current 2018 Conceptual Framework. The amendments include an exception that specifies that, for some types of liabilities and contingent liabilities, an entity applying PFRS 3 should refer to PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, or IFRIC 21, *Levies*, instead of the Conceptual Framework. The requirement ensures that the liabilities recognized in a business combination will remain the same as those recognized applying the current requirements in PFRS 3. The amendments also clarify that an acquirer shall not recognize contingent assets acquired in a business combination.

- Amendments to PAS 16, *Property, Plant and Equipment - Proceeds Before Intended Use* – The amendments prohibit deducting from the cost of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for its intended use. Instead, the proceeds and related costs from such items shall be recognized in profit or loss. There is no transition relief for first-time adopters.

- Amendments to PAS 37, *Onerous Contracts - Cost of Fulfilling a Contract* – The amendments specify which costs shall be included when assessing whether a contract is onerous or loss-making. The 'costs of fulfilling' a contract comprise the 'costs that relate directly to the contract'. These costs can either be incremental (e.g., the costs of direct labor and materials) or can be an allocation of costs directly related to fulfilling a contract (e.g., depreciation of fixed assets). At the date of initial application, the cumulative effect of applying the amendments is recognized as an opening balance adjustment to retained earnings or other component of equity, as applicable. Accordingly, the comparatives are not restated.

- Annual Improvements to PFRS 2018 to 2020 Cycle:

  - Amendments to PFRS 9, *Financial Instruments - Fees in the '10 per cent' Test for Derecognition of Financial Liabilities* – The amendment clarifies which fees an entity shall include when it applies the '10 per cent' test in assessing whether to derecognize a financial liability (i.e. whether the terms of a new or modified financial liability is substantially different from the terms of the original financial liability). These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or the lender on the other's behalf. The amendment applies to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applied the amendments. Earlier application is permitted.

The adoption of the amended 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, 2022 are summarized below:

Effective for annual periods beginning on or after 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. The amendments should be applied prospectively. Earlier application is permitted.

- 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. Earlier application is permitted.

- 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. The amendments should be applied on a modified retrospective basis. Earlier application is permitted.

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

- Amendments to PAS 1, *Presentation of Financial Statements - 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 amendments must be applied retrospectively. Earlier application is permitted. If applied in earlier period, the Company shall also apply Amendments to PAS 1 - *Noncurrent Liabilities with Covenants* for that period.

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, 2022 and 2021, 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, 2022 and 2021, the Company's cash, receivables (excluding advances to officers, employees and service providers) and due from related parties 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, 2022 and 2021, 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, 2022 and 2021, the Company's accrued expenses and other current liabilities (excluding statutory payable) 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.

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.

Other Current Assets
This account mainly consists of creditable withholding taxes (CWT), input value-added tax (VAT) and prepayments.

CWT. CWT represents 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 is 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.

Prepayments. Prepayments are expenses not yet incurred but paid in advance. Prepayments are apportioned over the period covered by the payment and charged to the appropriate account in profit or loss when incurred. Prepayments that are expected to be realized for no more than 12 months after the reporting period are classified as current asset. Otherwise, these are classified as noncurrent asset.

Property and Equipment
Property and equipment are stated at cost less accumulated depreciation and impairment in value, if any.

The initial cost of equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditures incurred after the property and equipment have been put into operation, such as repairs, maintenance and overhaul costs, are normally charged to operations in the year the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment. The cost of replacing a component of an item of property and equipment is recognized if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized.

Depreciation is calculated on a straight-line basis over the estimated useful life of five (5) years for computer and transportation equipment.

The estimated useful life and method for depreciation are reviewed periodically to ensure that the periods and method of depreciation are consistent with the expected pattern of economic benefits from items of equipment.

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and any impairment in value are removed from the accounts. Any resulting gain or loss is credited to or charged against current operations.

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.

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

Cumulative Fair Value Changes on Investment in a Club Share. The account comprises of unrealized fair value changes 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.

Recovery of Accounts Written-off. Income from recovery of accounts written-off is recognized when the amount previously written off is collected and actually received.

Rent. Rent income is recognized using the straight-line method over the term of the lease.

Reversal of Long-outstanding Payables. Reversal of payables recognized in the statement of comprehensive income pertain to financial obligations arising from transactions that are not expected to be settled as the same is either discharged by the creditor or discontinued or cancelled.

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 2022, 2021 and 2020 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.

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3. **Significant Judgment, Accounting Estimates and Assumptions**

The preparation of financial statements in accordance with PFRS requires management to exercise judgment, 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.

Judgment
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.

Assessing the Company's Ability to Continue as a Going Concern. The Company has incurred continuous losses resulting to capital deficiency amounting to ₱149.8 million and ₱145.1 million as at December 31, 2022 and 2021, respectively. As discussed in Note 1, the stockholders provide continuing financial support as the Company continues to pursue prospective transactions that could revitalize the Company, revert to an operating status, and reduce its capital deficiency. Accordingly, the financial statements are prepared on a going concern basis of accounting.

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).

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.

Liabilities arising from the MOA amounted to ₱166.3 million and ₱164.3 million as at December 31, 2022 and 2021, respectively (see Note 9).

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.

Impairment loss amounted to nil in 2022 and ₱5.5 million in 2021. 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) and due from related parties amounted to ₱36.2 million and ₱42.0 million as at December 31, 2022 and 2021, respectively (see Note 4, 5 and 12).

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 2022, 2021 and 2020.

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

	Note	**2022**	2021
Advances to officers, employees and service providers	5	**₱258,200**	₱69,160
Other current assets	6	**5,109,828**	4,697,997
Equipment	8	**636,063**	256,488

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 ₱14.3 million and ₱13.3 million as at December 31, 2022 and 2021, respectively. Management believes that there will be no sufficient future taxable profits against which these deferred tax assets can be utilized (see Note 11).

4. Cash

This account consists of:

	2022	2021
Cash on hand	**₱5,000**	₱4,759
Cash in banks	**33,834,166**	7,106,172
	₱33,839,166	₱7,110,931

Cash in banks earn interest at prevailing bank deposit rates.

The sources of interest income are as follows:

	Note	**2022**	2021	2020
Cash in banks		**₱10,465**	₱7,257	₱15,187
Loans receivable	12	**–**	–	2,600,000
		₱10,465	₱7,257	₱2,615,187

5. Receivables

This account consists of:

	Note	2022	2021
Loans receivable:			
Third parties		**₱62,277,740**	₱62,277,740
Related party	12	**–**	26,000,000
Advances to officers, employees and service providers		**2,384,535**	2,195,495
Rent receivables:			
Third parties		**237,932**	261,932
Related party	12	**–**	1,159,200
Interest receivable	12	**–**	5,541,667
		64,900,207	97,436,034
Less allowance for impairment losses		**64,642,007**	70,183,674
		₱258,200	₱27,252,360

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

Loan receivable from a related party is covered by a loan agreement executed in 2018 with Marcventures Mining and Development Corporation (MMDC), a related party under common control, bears fixed interest of 10% per annum and is due and demandable. Management has assessed that the outstanding interest receivable was impaired in 2021, thus the Company recognized an impairment loss amounting to ₱5.5 million in the statement of comprehensive income. Further, interest from loan receivable was waived for 2021 and no interest income was recognized for the year. The Company's BOD subsequently approved the waiving of the interest from loan receivable from MMDC on April 12, 2022.

In 2022, the Company fully collected the outstanding loan receivable (see Note 12).

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, 2022 and 2021 are as follows:

	Note	2022	2021
Loans receivable		**₱62,277,740**	₱62,277,740
Advances to officers, employees and service providers		**2,126,335**	2,126,335
Rent receivables		**237,932**	237,932
Interest receivable	12	**–**	5,541,667
		₱64,642,007	₱70,183,674

On April 11, 2023, the BOD approved to write-off its interest receivable amounting to ₱5.5 million (see Note 12).

Movements of allowance for impairment loss in 2022 and 2021 are as follows:

	Note	**2022**	2021
Balance at beginning of year		**₱70,183,674**	₱64,642,007
Write-off		**(5,541,667)**	–
Impairment	12	**–**	5,541,667
Balance at end of year		**₱64,642,007**	₱70,183,674

The Company recovered some accounts written-off in prior years amounting to ₱50,000 in 2020. There are no recovery of accounts written off in 2022 and 2021.

6. Other Current Assets

This account consists of:

	2022	2021
CWT and excess tax credits	**₱3,159,222**	₱3,159,652
Input VAT	**1,608,549**	1,210,773
Prepayments	**342,057**	327,572
	₱5,109,828	₱4,697,997

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:

	2022	2021
Cost	**₱200,000**	₱200,000
Cumulative unrealized gains on fair value changes		
Balance at beginning of year	**1,550,000**	800,000
Fair value changes	**1,550,000**	750,000
Balance at end of year	**3,100,000**	1,550,000
	₱3,300,000	₱1,750,000

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

8. Property and Equipment

Movements in this account are as follows:

	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**

	2021		
	Computer Equipment	Transportation Equipment	Total
Cost			
Balance at beginning and end of year	₱85,800	₱1,631,375	₱1,717,175
Accumulated Depreciation			
Balance at beginning of year	85,800	1,048,612	1,134,412
Depreciation	–	326,275	326,275
Balance at end of year	85,800	1,374,887	1,460,687
Carrying Amount	₱–	₱256,488	₱256,488

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.

9. Accrued Expenses and Other Current Liabilities

This account consists of:

	2022	2021
Liabilities arising from the MOA	**₱166,304,972**	₱164,304,972
Dividends payable	**10,985,443**	10,985,443
Accrued expenses	**3,379,895**	4,713,640
Statutory payables	**79,037**	15,527
	₱180,749,347	₱180,019,582

Liabilities arising from the MOA pertain mainly to the estimated transfer taxes and registration fees related to 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 2022 and 2021 amounted to ₱2.0 million and ₱2.4 million, respectively.

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 outside services, professional fees and association dues, among others. These are normally settled in the next financial year.

Statutory payable is normally settled within the following month.

In 2021, the Company reversed long-outstanding payables as at December 31, 2020 aggregating to ₱9.2 million related to rental deposits not claimed by the Company from previous tenants and other payables as subsequently approved by the Company's BOD on April 12, 2022.

10. Equity

Capital Stock

Details of capital stock as at December 31, 2022 and 2021 account are as follows:

	Number of Shares	Amount
Authorized:		
Preferred stock Series A - ₱1 par value	1,000,000,000	₱1,000,000,000
Preferred stock Series B - ₱1 par value	1,000,000,000	1,000,000,000
Common stock - ₱1 par value	3,000,000,000	3,000,000,000
	5,000,000,000	₱5,000,000,000

	Number of Shares	Amount
Issued and outstanding:		
Preferred stock Series A	14,366,260	₱14,366,260
Common stock	700,298,616	700,298,616
	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 the increase, declassification of preferred shares and common shares into one class of common shares and deletion of all provisions relating to the preferred shares. As at April 11, 2023, the application for the additional amendments of Articles of Incorporation is pending approval from the SEC.

Other planned amendments are also discussed in Note 1.

As at December 31, 2022 and 2021, there is no accrued and unpaid preferential dividend.

11. Income Tax

The provision for current income tax represents MCIT in 2022, 2021 and 2020.

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 shall retrospectively became effective beginning July 1, 2020. The impact of change in 2020 was applied in 2021.

The income tax rates used in preparing the 2022 and 2021 financial statements are at 20% and 1% for RCIT and MCIT, respectively.

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:

	2022	2021	2020
Income tax computed at statutory tax rate	**(₱1,240,989)**	(₱323,355)	(₱877,087)
Changes in unrecognized deferred tax assets	**979,552**	(7,916,007)	(7,331,958)
Tax effects of:			
Nondeductible expenses	**192,600**	1,184,833	300
Expired MCIT	**71,360**	175,322	8,266,301
Interest income already subjected to final tax	**(2,093)**	(1,451)	(4,556)
Change in statutory income tax rate	**–**	6,972,347	–
	₱430	₱91,689	₱53,000

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

	2022	2021
Allowance for impairment losses on receivables	**₱12,928,401**	₱12,928,401
NOLCO	**1,206,749**	156,267
MCIT	**145,119**	216,049
	₱14,280,269	₱13,300,717

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, 2022, 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
2022	₱–	₱5,252,413	₱–	₱5,252,413	2025
2020	781,334	–	–	781,334	2025
	₱781,334	₱5,252,413	₱–	₱6,033,747	

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, 2022, 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
2019	71,360	–	(71,360)	–	2022
	₱216,049	₱430	(₱71,360)	₱145,119	

12. **Related Party Transactions**

Outstanding balances and transactions with related parties are as follows:

	Nature of Transaction	Amount of Transaction 2022	Amount of Transaction 2021	Outstanding Balance 2022	Outstanding Balance 2021
Receivables					
Loans Receivable					
Entity under common control	Loan	**₱–**	₱–	**₱–**	₱26,000,000
	Interest income	**–**	–	**–**	5,541,667
Rent Receivables					
Entity under common control	Rent income	**–**	–	**–**	1,159,200
				–	32,700,867
Less: Allowance for impairment loss		**–**	5,541,667	**–**	5,541,667
				₱–	₱27,159,200
Due from related parties					
Entities under common control	Advances (Settlement)	**(₱5,364,349)**	(₱91,724)	**₱2,317,555**	₱7,681,904
Due to related parties					
Entities under common control	Advances	**₱636,744**	₱–	**₱636,744**	₱–
Parent Company	Management fee	**–**	–	**13,880,000**	13,880,000
				₱14,516,744	₱13,880,000

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

Terms and Conditions of Transactions with Related Parties

Loans Receivable
In 2018, the Company entered into an unsecured loan agreement with MMDC at 10% a year. In 2022, the Company fully collected the loan receivable.

Management has assessed that the outstanding interest receivable was impaired in 2021, thus the Company recognized an impairment loss amounting to ₱5.5 million in the statement of comprehensive income. Further, interest from loan receivable was waived for 2021 and no interest income was recognized for the year. The Company's BOD subsequently approved the waiving of the interest from loan receivable from MMDC on April 12, 2022. On April 11, 2023, the Company's BOD approved to write-off the interest receivable amounting to ₱5.5 million.

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 8).

Due to and from Related Parties
Outstanding balances are unsecured, noninterest-bearing, collectible or payable in cash upon demand. The Company has no provision for impairment loss relating to the amounts due from related parties as at December 31, 2022 and 2021. 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.

Compensation of Key Management Personnel
There is no compensation of key management personnel in 2022, 2021 and 2020. The Company's accounting and administrative functions are provided by a related party at no cost to the Company.

---

13. 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, 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 ₱499.1 million as at December 31, 2022 and 2021. Moreover, the Company has cash in its custody of ₱13.9 million as at December 31, 2022 and 2021 arising from the proceeds of the sale of one of the properties.

14. Basic/Diluted Earnings (Loss) Per Share (EPS)

The basic loss per share is computed as follows:

	2022	2021	2020
Net loss	**(₱6,205,377)**	(₱1,708,466)	(₱2,976,624)
Less dividend rights of preferred stockholders for the year	**1,581,671**	1,581,671	1,581,671
Loss attributable to common stockholders	**(7,787,048)**	(3,290,137)	(4,558,295)
Divided by weighted average number of common stock	**700,298,616**	700,298,616	700,298,616
Basic loss per share	**(₱0.011)**	(₱0.005)	(₱0.007)

The convertible feature of the Company's preferred stock has potential antidilutive effect. The Company has no diluted income per share in 2022, 2021 and 2020 because the Company is in a net loss position.

15. 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 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.

	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 assets 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.*

	2021			
	12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired	Total
Financial assets at amortized cost:				
Cash in banks	₱7,106,172	₱–	₱–	₱7,106,172
Receivables*	27,183,200	–	68,057,339	95,240,539
Due from related parties	7,681,904	–	–	7,681,904
Financial assets at FVOCI -				
Investment in a club share	1,750,000	–	–	1,750,000
	₱43,721,276	₱–	₱68,057,339	₱111,778,615

**Excluding advances to officers, employees and service providers amounting to ₱2.2 million.*

The aging analyses of financial assets as at December 31, 2022 and 2021 are as follows:

	2022				
	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	**₱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 Assets 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.*

	2021				
	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	₱7,106,172	₱–	₱–	₱–	₱7,106,172
Receivables*	27,183,200	–	–	68,057,339	95,240,539
Due from related parties	7,681,904	–	–	–	7,681,904
	41,971,276	–	–	68,057,339	110,028,615
Financial Assets at FVOCI					
Investment in a club share	1,750,000	–	–	–	1,750,000
	₱43,721,276	₱–	₱–	₱68,057,339	₱111,778,615

**Excluding advances to officers, employees and service providers amounting to ₱2.2 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, 2022 and 2021, accrued expenses and other current liabilities (excluding statutory payable) and due to related parties aggregating ₱195.2 million and ₱193.9 million, respectively, are generally due and demandable.

Market Risk

Market risk is the risk that the fair value of quoted club share would decrease as the result of the adverse changes in the quoted club share as affected 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 amounting to ₱1.5 million and ₱0.8 million as at December 31, 2022 and 2021, 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:

	2022		2021	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Assets				
Cash	**₱33,839,166**	**₱33,839,166**	₱7,110,931	₱7,110,931
Receivables*	**–**	**–**	27,183,200	27,183,200
Due from related parties	**2,317,555**	**2,317,555**	7,681,904	7,681,904
Investment in a club share	**3,300,000**	**3,300,000**	1,750,000	1,750,000
	₱39,456,721	**₱39,456,721**	₱43,726,035	₱43,726,035

	2022		2021	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Liabilities				
Accrued expenses and other current liabilities**	**₱180,670,310**	**₱180,670,310**	₱180,004,055	₱180,004,055
Due to related parties	**14,516,744**	**14,516,744**	13,880,000	13,880,000
	₱195,187,054	**₱195,187,054**	₱193,884,055	₱193,884,055

**Excluding advances to officers, employees and service providers amounting to ₱2.4 million and ₱2.2 million as at December 31, 2022 and 2021, respectively.*

***Excluding statutory payables amounting to ₱79,037 and ₱15,527 as at December 31, 2022 and 2021, 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).

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 in which 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, 2022 and 2021.

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, 2022 and 2021. The Company is not subject to externally-imposed capital requirements.

REYES TACANDONG & CO.
FIRM PRINCIPLES. WISE SOLUTIONS.

BOA/PRC Accreditation No. 4782
August 16, 2021, valid until April 13, 2024
SEC Accreditation No. 4782 SEC Group A
Issued August 11, 2022
Valid for Financial Periods 2021 to 2025

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, 2022 and 2021 and for the years ended December 31, 2022, 2021 and 2020, and have issued our report thereon dated April 11, 2023. 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, 2022 and 2021 and for the years ended December 31, 2022 and 2021 and no material exceptions were noted.

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
SEC Accreditation No. 128829-SEC Group A
Issued March 23, 2021
Valid for Financial Periods 2020 to 2024
BIR Accreditation No. 08-005144-013-2023
Valid until January 24, 2026
PTR No. 9564568
Issued January 3, 2023, Makati City

April 11, 2023
Makati City, Metro Manila

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

SUPPLEMENTARY SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

DECEMBER 31, 2022 AND 2021

Below is a schedule showing financial soundness indicators for the years ended December 31, 2022 and 2021:

Ratio	Formula	2022	2021
Current Ratio			
	Total current assets	**₱41,524,749**	₱46,743,192
	Divided by: Total current liabilities	**195,266,091**	193,899,582
	Current Ratio	**0.21**	0.24
Acid Test Ratio			
	Total current assets	**₱41,524,749**	₱46,743,192
	Less: Other current assets	**5,109,828**	4,697,997
	Quick assets	**36,414,921**	42,045,195
	Divide by: Total current liabilities	**195,266,091**	193,899,582
	Acid Test Ratio	**0.19**	0.22
Solvency Ratio			
	Loss before depreciation	**(₱6,115,222)**	(₱1,290,502)
	Divide by: Total liabilities	**195,266,091**	193,899,582
	Solvency Ratio	**(0.03)**	(0.01)
Debt-to-Equity Ratio			
	Total liabilities	**₱195,266,091**	₱193,899,582
	Divide by: Total equity	**(149,805,279)**	(145,149,902)
	Debt-to-Equity Ratio	**(1.30)**	(1.34)
Asset-to-Equity Ratio			
	Total assets	**₱45,460,812**	₱48,749,680
	Divide by: Total equity	**(149,805,279)**	(145,149,902)
	Asset-to-Equity Ratio	**(0.30)**	(0.34)
Profitability Ratio			
	Net loss	Not applicable	
	Divide by: Total equity		
	Profitability Ratio		

**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, 2022 and 2021 and for the years ended December 31, 2022, 2021 and 2020, and have issued our report thereon dated April 11, 2023. 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, 2022 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

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
SEC Accreditation No. 128829-SEC Group A
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PTR No. 9564568
Issued January 3, 2023, Makati City

April 11, 2023
Makati City, Metro Manila

PRIME MEDIA HOLDINGS, INC.

(A Subsidiary of RYM Business Management Corp.)

SUPPLEMENTARY SCHEDULE OF RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

DECEMBER 31, 2022

	Amount
Deficit available for dividend declaration at beginning of year	(₱861,364,778)
Net loss during the year closed to retained earnings	(6,205,377)
Deficit available for dividend declaration at end of year	(₱867,570,155)

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, 2022

Table of Contents

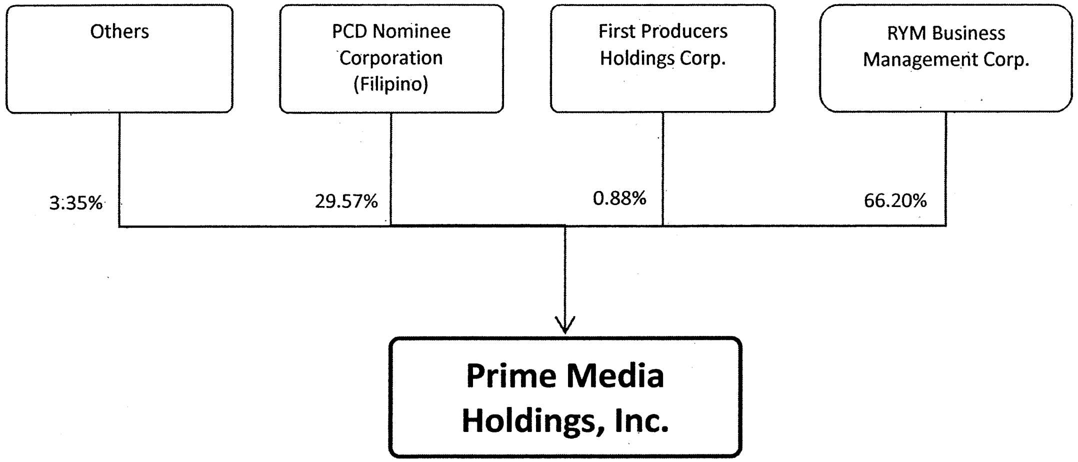
PRIME MEDIA HOLDINGS, INC.
(A Subsidiary of RYM Business Management Corp.)

SCHEDULE G - CAPITAL STOCK
DECEMBER 31, 2022

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	700,298,616	–	540,733,986	5,004	159,559,626
Preferred Stock	2,000,000,000	14,366,260	–	–	–	14,366,269
	5,000,000,000	714,664,876	–	540,733,986	5,004	173,925,895

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

CONGLOMERATE MAP
DECEMBER 31, 2022



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, 2022 and 2021**, 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, 2022 and 2021**, 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 ____ day of ________

PRIME MEDIA Holdings, Inc.

APR 13 2023

SUBSCRIBED AND SWORN to before me this ______ 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. 108;
Page No. 23;
Book No. 7;
Series of 2023.

ATTY. JOEL FERRER FLORES
NOTARY PUBLIC FOR MAKATI CITY
UNTIL DECEMBER 31, 2023 (2023-2024)
APPOINTMENT NO. M-115
ROLL NO. 77376 / MCLE (EXEMPT)
PTR NO. 9563564 / JAN. 03, 2023 / MAKATI CITY
IBP NO. 261994 / JAN. 03, 2023 / PASIG CITY
1107 D. BATAAN ST., GUADALUPE NUEVO, MAKATI CITY

Gmail

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

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To: JOANNA.MANZANO@marcventures.com.ph
Cc: JACKY.VALENZUELA@marcventures.com.ph

Hi PRIME MEDIA HOLDINGS, INC.,

Valid files

- EAFS000491007OTHTY122022.pdf
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- EAFS000491007AFSTY122022.pdf
- EAFS000491007ITRTY122022.pdf

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Transaction Code: **AFS-0-PY3WSYNS0B6EH9HA9NMMWXTMR0ADFCJ7A**
Submission Date/Time: **Apr 17, 2023 10:25 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.

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PRIME MEDIA HOLDINGS INC.

2024 SUSTAINABILITY REPORT

PROMOTING SUSTAINABLE ECONOMIC GROWTH

Sustainability promotes long-term economic growth as it minimizes negative environmental and social impacts. The practice of publicly reporting significant sustainability-related issues, enables organizations to measure and understand performance as leaders manage existing change and set development goals.

Prime Media Holdings Inc. (PMHI)supports the sustainable development goals that seek to promote inclusive and sustainable economic growth as well as the goal that supports infrastructure and innovation.

BACKGROUND

PMHI was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on February 6, 1963, as a Private Development Corporation of the Philippines. In October 2003, the SEC approved the change in primary purpose from a development bank to a holding company. On March 4, 2013, the SEC approved the extension of its corporate life for another 50 years. Under the Revised Corporation Code of the Philippines, effective February 23, 2019, it was 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 of December 31, 2024, and 2023, there are 813,713,458 common shares and 663,713.458 common shares, respectively

In 2002, the company transferred its assets and liabilities to Banco de Oro Unibank, Inc. (BDO) and Philippine Deposit Insurance Corporation (PDIC) under a Memorandum of Agreement (MOA). It is still in the process of transferring titles of real estate properties that are still in its possession. The company is a subsidiary of RYM Business Management Corp. (RYM or the Parent Company), a holding company registered and domiciled in the Philippines.

MOA WITH PCMC

In 2021, PMHI signed MOA, with the mass media entity, Philippine Collective Media 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 leverage to provide other content providers an avenue to broadcast their content, 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 100% owned by the PCMC Shareholders.

MEDIA SERBISYO PRODUCTION CORPORATION

On May 23, 2023, the Board of Directors approved the joint venture agreement with ABS-CBN. Media Serbisyo Production Corporation was officially formed to develop, produce, and finance content, programs, and shows for distribution by other broadcast networks, channels, or platforms, locally and internationally.

On June 30, 2023, Media Serbisyo Production Corp launched DWPM Radyo 630 and Teleradyo Serbisyo, which airs on YouTube, ABS-CBN International's The Filipino Channel and iWant TFC streaming service.

PRIME TV

On May 24, 2024, PMHI thru PCMC launched Prime TV on BEAM TV digital terrestrial UHF channel 31. The free-to-air digital television channel features the programming of TeleRadyo Serbisyo and a simulcast of ABS-CBN's "TV Patrol". On October 28, 2024, it was rebranded to PRTV Prime Media.

ECONOMIC GROWTH, INNOVATION & INFRASTRUCTURE

The joint venture with ABS-CBN and the MOA with Philippine Collective Media Corporation (PCMC) support PMHI's commitment to UNSDG Goal # 8 on Economic Growth a key component of sustainable development because it leads to better opportunities and economic security. The joint venture also supports UNSDG Goal # 9 which seeks to build infrastructure and innovation. Growth is dependent on investments in infrastructure, sustainable industrial development, and technological progress.

8 DECENT WORK AND ECONOMIC GROWTH

ECONOMIC VALUE

Revitalization continues with current the business model following the functional outsourcing approach. The company retired all employees in 2010 and since then specific functions like accounting and IT development have been done by consultants and external providers, allowing the company to focus on its core competencies.

In 2024, PMHI generated an economic value of Php9,978,087 in revenue, and a direct distributed value of Php9,998,473. This includes the operating cost of Php8,248,976 and government taxes of Php1,749,497.

The figures may not be deemed substantial from a business standpoint, but they strengthen PMHI’s contribution to the Philippine government and the local economy.

CORPORATE GOVERNANCE

As a publicly listed corporation, PMHI seeks to ensure continuous adherence to corporate governance rules, regulations, and requirements imposed by the Philippine Securities and Exchange Commission (SEC) and the PSE. Likewise, PMHI continues to practice transparency and accountability to the public and its institutional stakeholders.

PMHI holds regular stockholders' meetings to keep its stockholders informed of the current condition and future standing of the Company. The Company's audited financial performance was presented to its shareholders during the virtual annual stockholders' meeting held on October 30, 2024. Company information is also freely accessible via the Company website, which also includes its current Annual Report and Sustainability Reports.

COMMUNITY ENGAGEMENT

The radio and television programs reflect the company's commitment to creating a positive impact in the community. Awareness of current events through news programs promotes understanding and encourages institutions and the public to be part of the potential solution that can directly benefit the elderly, people with disabilities, indigent, and other vulnerable groups.

3 GOOD HEALTH AND WELL-BEING

GOOD HEALTH, WELL-BEING, AND A PEACEFUL SOCIETY

Media Serbisyo Production Corp, the joint venture between PMHI and ABS-CBN launched DWPM Radyo 630 and Teleradyo Serbisyo in 2023. It airs on YouTube, ABS-CBN International's The Filipino Channel, and iWant TFC streaming service. The following year PMHI through PCMC officially inaugurated Prime TV on BEAM TV digital terrestrial UHF channel 31.

Both radio and television air programs address issues that concern vulnerable groups. Legal matters are tackled in "Hello Attorney," while health issues are discussed in "Klinika 630" and "Iwas Sakit, Iwas Gastos". Regular news programs like "TeleRadyo Balita," "Kabayan," "Headline Balita," "Arangkada Ngayon" and many others, keep the public informed about current events and provide a platform for different perspectives.

By creating awareness on legal, health, and other relevant issues the public is encouraged to take action, foster positive association, and influence behavioral change which is essential to development.

1 NO POVERTY

POVERTY ALLEVIATION

DWPM Radyo 630 and Teleradyo Serbisyo air programs directly extend assistance to those in need. Listeners of “Tatak Serbisyo” can call the hotline to share their health situations and donors can respond by directly sending financial donations via their mobile wallet app.

The show also assists patients who wish to seek assistance from the Department of Health (DOH) and the Department of Social Welfare and Development(DSWD).

DATA SECURITY

Data security is a vital material topic relative to the Company's operations. PMHI has a duly appointed Data Privacy Officer to ensure strict implementation of confidentiality measures that comply with Philippine data privacy laws.

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, the topics identified as material for the reporting period are as follows:

MATERIAL TOPIC	PAGE # IN SEC MEMORANDUM	PAGE # IN 2024 SUSTAINABILITY REPORT
ECONOMIC VALUE	19	5
COMMUNITY ENGAGEMENT	39	6
DATA SECURITY	41	9


PM
PRIME MEDIA
Holdings, Inc.