

COVER SHEET

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SEC Registration Number

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(Company's Full Name)

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(Business Address: No. Street City/Town/Province)

Diane Madelyn C. Ching

(Contact Person)

(02) 8831-4479

(Company Telephone Number)

1	2		3	1

Month Day
(Fiscal Year)

2	0	-	I	S

(Form Type)

0	7		3	1

Month Day
(Annual Meeting)

2025 DEFINITIVE
INFORMATION
STATEMENT

Secondary License Type, If Applicable)

Markets and Securities
Regulation Department

Dept. Requiring this Doc.

N/A

Amended Articles Number/Section

1,855

Total No. of Stockholders

Total Amount of Borrowings	
	N/A

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

Republic of the Philippines)
City of Makati)S.S

SECRETARY'S CERTIFICATE

I, **DIANE MADELYN C. CHING**, of legal age, Filipino, with office address at 16th Floor, BDO Towers Valero (Formerly Citibank Towers), 8741 Paseo de Roxas, Makati City, after having been duly sworn to in accordance with law, do hereby depose and state that:

1. I am the duly appointed and qualified Corporate Secretary of **PRIME MEDIA HOLDINGS, INC.** (the "Corporation"), a corporation duly organized and existing under the laws of the Philippines with office address at 16th Floor, BDO Towers Valero (Formerly Citibank Towers), 8741 Paseo de Roxas, Makati City.
2. I hereby certify that, during the special meeting of the Board of Directors held on June 03, 2025, at the 4th Floor BDO Towers Valero, 8741 Paseo de Roxas, Makati City, wherein a quorum was present and acting throughout, the following Resolutions were unanimously approved:

Resolution No. BD 5-2025-001

"WHEREAS, during the April 04, 2025 Board of Directors meeting, the Corporation resolved to postpone the 2025 Annual Stockholders' Meeting and to authorize the President to set the Annual Stockholders' Meeting (ASM) and its record date as well as any postponement thereof;

RESOLVED, as it is hereby resolved, that the Chairman and President Manolito A. Manalo is authorized, as it is hereby authorized, to set the holding of the 2025 Annual Stockholders' Meeting on July 31, 2025 with record date on June 27, 2025;

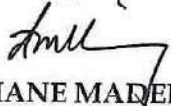
RESOLVED, FURTHER, that pursuant to Sections 49 and 57 of the Revised Corporation Code and SEC Memorandum Circular No. 6 (Series of 2020), the Board of Directors authorizes, as it hereby authorizes, the holding and conduct by remote communication or in absentia of the Corporation's 2025 Annual Stockholders' Meeting and any postponements or adjournments thereof as may be determined by the President & CEO of the Corporation;

RESOLVED, FURTHER, that the stockholders of the Corporation be authorized, as they are hereby authorized, to cast their votes by proxy, remote communication or in absentia, in accordance with the mechanisms and procedures to be issued by the Corporate Secretary;

RESOLVED, FINALLY, that Management and the proper officers of the Corporation be authorized and empowered, as they are hereby authorized and empowered, to perform all acts, and to sign, execute, file and deliver, for and on behalf of the Corporation, any and all documents which may be required by the Securities and Exchange Commission in relation to the Annual Stockholders' Meeting."

(Signature page follows)

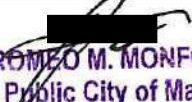
IN WITNESS WHEREOF, I have hereunto set my hand this **JUN 13 2025** day of _____, Makati City.


ATTY. DIANE MADELYN C. CHING
Corporate Secretary

MAKATI CITY

SUBSCRIBED AND SWORN to before me this **JUN 13 2025** in Makati City,
affiant exhibited to me her 

Doc. No. 456
Page No. 93
Book No. 45
Series of 2025:


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

PRIME MEDIA HOLDINGS, INC.
(formerly: First E-bank Corp.)

16th Floor BDO Towers Valero (formerly: Citibank Tower),
8741 Paseo de Roxas, Makati City

31 December 2024
(Fiscal Year Ending)

31 July 2025
(Annual Meeting)

Definitive Information Statement
SEC Form 20 - IS

Form Type

Not Applicable

Amendment Designation (if applicable)

Not Applicable

(Secondary License Type and File Number)

LCU

DTU

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:
☐ Preliminary Information Statement
☒ **Definitive Information Statement**
2. Name of Registrant as specified in its charter: **PRIME MEDIA HOLDINGS, INC.**
3. Province, country or other jurisdiction of incorporation or organization
Metro Manila, Philippines
4. SEC Identification Number: **Reg. No. 22401**
5. BIR Tax Identification Code: **TIN 000-491-007**
6. Address of principal office:
16F BDO Towers Valero (formerly Citibank Tower), 8741 Paseo de Roxas, Makati City
Postal Code **1227**
7. Registrant's telephone number, including area code, Tel. Nos.: **(632) 8831-4479**
8. Date, time, and place of the meeting of security holders

31 July 2025, 2PM via Virtual Meeting/Video Conferencing/Remote Communication
hosted at 16F BDO Towers Valero (formerly Citibank Tower), 8741 Paseo de Roxas,
Makati City
9. Approximate date on which the Information Statement is first to be sent or given to security holders: **09 July 2025**
10. In case of Proxy Solicitations
- Name of Person Filing the
Statement/Solicitor: **PRIME MEDIA HOLDINGS INC.**
- Address and Telephone No.: **16th Floor BDO Towers Valero**
(formerly Citibank Tower)
8741 Paseo de Roxas, Makati City
Metro Manila, Philippines
Tel. (632) 8831-4479
Attn: Atty. Diane Madelyn C. Ching
11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
Common Shares	925,298,616
Preferred Shares	14,366,260

^{*1} Reported by the stock transfer agent as of **31 May 2025**.

12. Are any or all of registrant's securities listed in a Stock Exchange?
Yes [**X**] No []

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:
Philippine Stock Exchange. Common Shares



PRIME MEDIA HOLDINGS, INC.

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

To All Stockholders:

Please be advised that the annual meeting of stockholders of **PRIME MEDIA HOLDINGS, INC.** (the “**Corporation**”) will be held virtually on **31 July 2025 (Thursday) at 2:00 p.m.** There will be no physical venue for the meeting. The meeting will be held virtually via remote communication with the Chairman of the meeting presiding from Makati City.

The agenda of the meeting is as follows:

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 December 31, 2024.
5. Re-Approval of the following transactions:
 - 5.1. Authority to the Board to execute the Deed of Exchange with Atty. Hermogene H. Real and Ms. Michelle F. Ayangco, the 100% owner of the Golden Peregrine Holdings, Inc. (herein referred as the “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.
 - 5.2. Approval for the Additional Listing of 980,000,000 common shares issued to Golden Peregrine Shareholders as described above.
 - 5.3. Waiver by the minority stockholders of the rights or public offer requirement under the PSE Additional Listing Rules.
6. Approval for the Additional Listing of approximately 308,266 common shares issued to Filipino shareholders after partial conversion of Series “A” Non-Voting Convertible Preferred Shares with a par value of PhP 0.04 per share into Common Shares with a par value of PhP 1.00, if necessary.
7. Approval of the following Amendments to the Articles of Incorporation:
 - 7.1. Approval of the mandatory redemption and retirement of 340,664 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 from PhP4,040,000,000.00 to PhP 4,039,659,336.00.
 - 7.2. Increase in the authorized capital stock from Four Billion Thirty Nine Million Six Hundred Fifty Nine Thousand Three Hundred Thirty Six (PhP 4,039,659,336.00) to Six Billion Pesos (PhP6,000,000,000.00), thereby amending the Seventh Article of the Articles of Incorporation.

- 7.3 Decrease in the authorized capital stock from Six Billion Pesos (PhP 6,000,000,000.00) to Five Billion Nine Hundred Sixty Million Pesos (PhP 5,960,000,000.00) resulting from the retirement of Series A class as described in Item 8 below.
 - 7.4 Amendment to delete all other provisions/ paragraphs in the Seventh Article relating to Preferred Shares to have one (1) class of common shares.
 - 8 Conversion of the remaining Series “A” Non-voting Convertible Preferred Shares and its retirement.
 - 8.1 Conversion of the remaining Six Million Five Hundred Forty-Nine Thousand Nine Hundred Sixty (6,549,960) Series “A” Non-Voting Convertible Preferred Shares into common shares at the conversion rate of 25 Series “A” Non-Voting and 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 equivalent to issuance of approximately Two Hundred Sixty One Thousand Nine Hundred Ninety Eight (261,998) common shares with a par value of PhP 1.00 per share. Fractional shares arising from such conversion shall be paid in cash and/or eliminated by way of retirement and decrease in authorized capital stock, as authorized by the board.
 - 8.2 Approval of the Additional Listing of approximately 261,998 common shares issued to shareholders after conversion of Series “A” Non-Voting Convertible Preferred Shares with a par value of PhP 0.04 per share into Common Shares with a par value of PhP 1.00 as described in item 8.1 above, if necessary.
- 9 Ratification of All Acts of the Board of Directors and Management.
- 10 Election of Board of Directors.
- 11 Appointment of External Auditor.
- 12 Other Matters
- 13 Adjournment.

For the purposes of the meeting, stockholders of record as of **27 June 2025** are entitled to receive notice and to vote at the said meeting. Stockholders intending to participate by remote communication should pre-register by sending us an email at service@primemediaholdingsinc.com on or before **16 July 2025**. Please refer to the **Procedure for Participation and Voting at the 2025 Annual Stockholders’ Meeting** (attached as Annex “A” to the Definitive Information Statement) for detailed information on participation by remote communication and voting by proxy.

The duly signed and accomplished proxy Form must be submitted by email at service@primemediaholdingsinc.com not later than **16 July 2025** and the printed copy thereof should be delivered to:

**The Office of the Corporate Secretary
Prime Media Holdings, Inc.
16th Floor BDO Towers Valero (formerly:
Citibank Tower), 8741 Paseo de Roxas,
Makati City**

Validation of proxies will take place on **18 July 2025** at the office of the principal office of the Company. The copy of the Notice of the Meeting, Definitive Information Statement, Minutes of the Previous Meeting of the Stockholders, and other documents related to the meeting may be accessed through the Corporation's website <https://www.primemediaholdingsinc.com/> and PSE Edge.

For any question about the conduct of the virtual meeting, you may refer to the Company website at <https://primemedia.com.ph/asm-prime2025/> or send your questions at service@primemediaholdingsinc.com.

Makati City, 08 July 2025.



ATTY. DIANE MADELYN C. CHING
Corporate Secretary

SAMPLE PROXY FORM

The undersigned stockholder of **PRIME MEDIA HOLDINGS INC.** (the “Corporation”) hereby appoints _____ or in his/her/its absence, the Chairman of the meeting, as attorney-in-fact and proxy, to represent and vote all the shares registered in his/her/its name at the annual meeting of the stockholders of the Corporation scheduled on **31 July 2025, 2:00 PM**, via a virtual meeting hosted at the 16th Floor BDO Towers Valero (formerly Citibank Tower), 8741 Paseo de Roxas, Makati City, and any of its adjournment(s), as fully as the undersigned can do if present and voting in person, ratifying all action taken on matters that may properly come before such meeting or its adjournment(s). The undersigned directs the proxy to vote on the agenda items which have been expressly indicated with “X” below:

PROPOSAL	ACTION			
	FOR	AGAINST	ABSTAIN	
1. Approval of Minutes of Previous Stockholders’ Meeting				
2. Approval of the Annual Report and the Audited Financial Statements for the year ending December 31, 2024.				
3. Approval of the authority to the Board to execute the Deed of Exchange with Atty. Hermogene H. Real and Ms. Michelle F. Ayangco, the 100% owner of the Golden Peregrine Holdings, Inc. (herein referred as the “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.				
4. Approval of the Additional Listing of 980,000,000 common shares issued to Golden Peregrine Shareholders as described above.				
5. Waiver by the minority shareholders of the rights or public offer requirement under the PSE Additional Listing Rules				
6. Approval for the additional listing of approximately 308,266 common shares issued to Filipino shareholders after partial conversion of Series A Non-voting and Convertible Preferred Shares with a par value of PhP 0.04 per share into Common Shares with a par value of PhP 1.00, if necessary				
7. Approval of the mandatory redemption and retirement of 340,664 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 from PhP4,040,000,000.00 to PhP 4,039,659,336.00				
8. Increase in the authorized capital stock from Four Billion Thirty Nine Million Six Hundred Fifty Nine Thousand Three Hundred Thirty Six (PhP 4,039,659,336.00) to Six Billion Pesos (PhP6,000,000,000.00), thereby amending the Seventh Article of the Articles of Incorporation.				
9. Decrease in the authorized capital stock from Six Billion Pesos (PhP 6,000,000,000.00) to Five Billion Nine Hundred Sixty Million Pesos (PhP 5,960,000,000.00) to retire the Series A class.				
10. Amendment to delete all other provisions/ paragraphs in the Seventh Article relating to Preferred Shares to have one (1) class of common shares.				
11. Conversion of the remaining Six Million Five Hundred Forty-Nine Thousand Nine Hundred Sixty (6,549,960) Series "A" Non-Voting Convertible Preferred Shares into common shares at the conversion rate of 25 Series "A" Non-Voting and 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 equivalent to issuance of approximately Two Hundred Sixty One Thousand Nine Hundred Ninety Eight (261,998) common shares with a par value of PhP 1.00 per share. Fractional shares arising from such conversion shall be paid in cash or eliminated by way of retirement and decrease in authorized capital stock, as authorized by the board.				

12. Approval for the Additional Listing of approximately 261,998 common shares issued to shareholders after conversion of Series “A” Non-Voting Convertible Preferred Shares with a par value of PhP 0.04 per share into Common Shares with a par value of PhP 1.00 as described above, if necessary.				
13. Ratification of All Acts of the Board of Directors and Management				
14. Election of Board of Directors:	FOR ALL	AGAINST ALL	ABSTAIN FOR	FULL DISCRETION OF PROXY
The nominees are: Manolito A. Manalo Bernadeth A. Lim Rolando S. Santos Hermogene H. Real Michelle F. Ayangco Nominees for independent directors: Johnny Y. Aruego, Jr. Francisco L. Layug III <i>Instruction: To withhold authority to vote for any nominee, please mark “Abstain” box and list the name(s) under.</i>				
15. Appointment of Reyes Tacandong & Co. as external auditor				
16. Other Matters				

Identification

This proxy is solicited by the Board of Directors and Management of Prime Media Holdings, Inc. The solicited proxy shall be exercised by the Chairman or the stockholder’s authorized representative.

Instruction

- a. For all agenda items other than “Call to Order”, “Proof of Notice and Certification of Quorum”, the proxy form shall be accomplished by marking in the appropriate box either “FOR”, “AGAINST” or “ABSTAIN” according to the stockholder’s/proxy’s preference.

If no instructions are indicated on a returned and duly signed proxy, the shares represented by the proxy will be voted in favor of the:

FOR Approval of Minutes of Previous Stockholders' Meeting.

FOR Approval of the Annual Report and the Audited Financial Statements for the year ending December 31, 2024.

FOR Approval of the Authority to the Board to execute the Deed of Exchange with Atty. Hermogene H. Real and Ms. Michelle F. Ayangco, the 100% owner of the Golden Peregrine Holdings, Inc. (herein referred as the "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.

FOR Approval of the Additional Listing of 980,000,000 common shares issued to Golden Peregrine Shareholders as described above.

FOR Approval of the Waiver by the minority stockholders of the rights or public offer requirement under the PSE Additional Listing Rules.

FOR Approval of the Additional Listing of approximately 308,266 common shares issued to Filipino shareholders after partial conversion of Series "A" Non-Voting Convertible Preferred Shares with a par value of PhP 0.04 per share into Common Shares with a par value of PhP 1.00, if necessary.

FOR Approval of the mandatory redemption and retirement of 340,664 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 from PhP4,040,000,000.00 to PhP 4,039,659,336.00.

FOR Approval to Increase the authorized capital stock from Four Billion Thirty Nine Million Six Hundred Fifty Nine Thousand Three Hundred Thirty Six (PhP 4,039,659,336.00) to Six Billion Pesos (PhP6,000,000,000.00), thereby amending the Seventh Article of the Articles of Incorporation.

FOR Approval to Decrease in the authorized capital stock from Six Billion Pesos (PhP 6,000,000,000.00) to Five Billion Nine Hundred Sixty Million Pesos (PhP 5,960,000,000.00) resulting from the retirement of the Series A class.

FOR Approval to amend the Articles of Incorporation to delete all other provisions/ paragraphs in the Seventh Article relating to Preferred Shares to have one (1) class of common shares.

FOR Approval of the Conversion and Reclassification of the remaining Six Million Five Hundred Forty-Nine Thousand Nine Hundred Sixty (6,549,960) Series "A" Non-Voting Convertible Preferred Shares into common shares at the conversion rate of 25 Series "A" Non-Voting and 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 equivalent to issuance of approximately Two Hundred Sixty One Thousand Nine Hundred Ninety Eight (261,998) common shares with a par value of PhP 1.00 per share. Fractional shares arising from such conversion shall be paid in cash or eliminated by way of retirement and decrease in authorized capital stock, as authorized by the Board of Directors.

FOR Approval of the Additional Listing of approximately 261,998 common shares issued to shareholders after conversion of Series "A" Non-Voting Convertible Preferred Shares with a par value of PhP 0.04 per share into Common Shares with a par value of PhP 1.00 as described in item 8.1 of the Agenda, if necessary.

FOR Ratification of All Acts of the Board of Directors and Management

FOR Election of the following directors:

Regular Directors:

Manolito A. Manalo
Bernadeth A. Lim
Rolando S. Santos
Hermogene H. Real
Michelle F. Ayangco

Independent directors:

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

FOR the approval of the appointment of Reyes Tacandong & Co. as the Company's external auditor; and to authorize the Proxy to vote according to discretion of the Company's Chairman of the Meeting on any matter that may be discussed under "Other Matters".

- b. A Proxy Form that is returned without a signature shall not be valid.
- c. The matters to be taken up in the meeting are enumerated opposite the boxes on the accompanying Proxy Form. The names of the nominee directors are likewise enumerated opposite an appropriate space.
- d. If a stockholder will not be able to attend the meeting but would like to be represented thereat, he may submit his Proxy Form, duly signed and accomplished, to the Office of the Corporate Secretary at 16th Floor BDO Towers Valero, 8741 Paseo de Roxas, Makati City, on or before **16 July 2025**. Beneficial owners whose shares are lodged with Philippine Depository & Trust Corporation (PDTC) or registered under the name of a broker, bank or other fiduciary allowed by law must, in addition to the required I.D., present a notarized certification from the owner of record (*i.e.* the broker, bank or other fiduciary) that he is the beneficial owner, indicating thereon the number of shares. Corporate shareholders shall likewise be required to present a notarized secretary's certificate attesting to the authority of its representative to attend and vote at the stockholders' meeting.

Validation of proxies will take place on **18 July 2025** at the office of the principal office of the Company.

Revocability of Proxy

A shareholder may revoke his proxy on or before the date of the Annual Meeting. The proxy may be revoked by the shareholder's written notice to the Corporate Secretary advising the latter of the revocation of the proxy, or by a shareholder's personal attendance during the meeting and appropriate advice to the Corporate Secretary of such revocation.

Persons Making the Solicitation

This solicitation is made by the Corporation. No director has informed the Company in writing or otherwise of his intention to oppose any action intended to be taken at the meeting.

Solicitation of proxies will be done mainly by mail. Certain personnel of the Corporation will also solicit proxies in person or by telephone.

The estimated amount to be spent by the Corporation to solicit proxies is PhP20,000.00. The cost of solicitation will be borne by the Company.

Interest of Certain Persons in Matters to be Acted Upon

Ms. Michelle Ayangco and Atty. Hermogene Real, who are nominees for re-election as directors of the Corporation, are the 100% owner of Golden Peregrine Holdings, Inc. (“GPHI”) which now owns 100% of the outstanding capital stock of PCMC. Pursuant to proposed amendments to the Memorandum of Agreement (MOA), they will subscribe to Nine Hundred Eighty Million (980,000,000) common shares of the Corporation (based on updated third party appraisal), subject to final determination of the Board, third party appraisal, fairness opinion, and other closing conditions. As consideration for their subscription, Ms. Michelle Ayangco and Atty. Real shall assign and transfer their 100% ownership in GPHI to the Corporation. Atty. Hermogene Real is the President and majority shareholder of Mairete Asset Holdings Inc., who owns 8.34% of the Corporation.

On July 30, 2021, the Corporation entered into a MOA with the majority stockholders of a mass media entity, Philippine Collective Media Corporation (“PCMC Shareholders”), wherein the PCMC Shareholders shall jointly subscribe to One Billion Six Hundred Seventy Nine Million Nine Hundred Sixty Six Thousand Four Hundred (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 Seventy Percent (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.

On 15 August 2022, the Board of Directors of the Corporation approved the amendment of the PCMC MOA to take into consideration the subsequent incorporation of Golden Peregrine Holdings, Inc. which now owns One Hundred percent (100%) of the outstanding capital stock of PCMC, and which is also owned One Hundred Percent (100%) by the former PCMC Shareholders, Atty. Hermogene H. Real and Michelle F. Ayangco.

On 18 January 2023, the Board of Directors of the Corporation authorized the amendment of the Memorandum of Agreement (“MOA”) relating to the following: (a) Change the Exchange Ratio to 4,700 PRIM shares for 1 Golden Peregrine share pursuant to the updated appraisal report and (b) Subscription by Atty. Hermogene H. Real and Ms. Michelle Ayangco to One Billion Six Hundred Forty-Five Million (1,645,000,000) PRIM Common Shares to be issued out of the proposed increase in authorized capital stock in consideration of the assignment of One Hundred percent (100%) of the Outstanding Capital Stock of Golden Peregrine pursuant to the updated appraisal report.

Considering the pending application of the Corporation with the Securities and Exchange Commission and the lapse of time and progress of the transaction, on 31 May 2024, the Board approved the amendment of the MOA in relation to the subscription of Atty. Hermogene H. Real and Ms. Michelle F. Ayangco (as “Golden Peregrine Shareholders”) from One Billion Six Hundred Forty-Five Million (1,645,000,000) to Nine Hundred Eighty Million (980,000,000) common shares for and in consideration of their assignment of One Hundred percent (100%) of the issued and outstanding shares in Golden Peregrine Holdings Inc. pursuant to the updated valuation report as of December 31, 2023.

Rolando S. Santos is a director and officer of Mairete Asset Holdings Inc. and the Corporation.

Atty. Diane Madelyn Ching is the Corporate Secretary of Mairete Asset Holdings Inc. and the Corporation.

Other than the above statements, no director or officer of the Corporation or any other nominee for election as director of the Corporation or any associate of the foregoing, has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon, other than election

to office as director of the Corporation. None of the officers or directors or any of their associates has any substantial interest, direct or indirect, in any of the matters to be acted upon in the stockholders' meeting.

There is no transaction during the last two years or proposed transactions, to which the Corporation was or is to be a party, in which any of the following person had or is to have a direct or indirect material interest:

- a) Any director or executive officer of the registrant
- b) Any nominee for election as a director
- c) Any security holder
- d) Any member of the immediate family
- e) Any arrangement or understanding with the participant, or any associate of the participant
 - i. With respect to any future employment by the registrant or its affiliates; or
 - ii. With respect to any future transaction to which the registrant or any of its affiliates will or may be a party.

Signed this ____ day of _____ 2025 at _____

PRINTED NAME OF THE STOCKHOLDER

SIGNATURE OF THE
STOCKHOLDER/AUTHORIZED
REPRESENTATIVE

This proxy form need not be notarized but must be submitted to the Corporate Secretary on or before **16 July 2025, at 5:00 p.m.** The stockholder giving a proxy has the power to revoke it either in an instrument in writing duly presented for recording with the Corporate Secretary at least five (5) days prior to the meeting or by personal attendance at the stockholders' meeting. For corporations, the proxy must be accompanied by a Secretary's Certificate authorizing an authorized representative to represent the corporation in the meeting.

SAMPLE SECRETARY'S CERTIFICATE

I, _____, of legal age, with address at _____, being the Corporate Secretary of _____, do hereby certify that:

1. In the regular/special meeting of the Board of Directors of the Corporation held on _____ 2025 at the _____, the following resolution was approved:

“RESOLVED, that the Board of Directors of _____ (the “Corporation”) hereby authorize, _____ and/or _____ to represent the Corporation and to vote all of the Corporation’s shares registered in the books of the **PRIME MEDIA HOLDINGS INC. (PRIM)** at any annual stockholders’ meeting of PRIM, particularly, the annual stockholders’ meeting to be held on **31 July 2025**, and any adjournments or postponements thereof.

“RESOLVED, FURTHER, that the Board of Directors of the Corporation authorize _____ and/or _____ to sign, execute and deliver nominations and proxies in relation to said annual stockholders’ meeting of PRIM.”

2. This resolution has not been suspended, revoked nor amended.

_____ (date of execution), _____ (place of execution).

Corporate Secretary

SUBSCRIBED AND SWORN to before me on _____ at Makati, Metro Manila, affiant exhibiting to me his/her valid proof of identification _____ issued at _____ on _____.

Doc. No. _____
Page No. _____
Book No. _____
Series of 2025.

INFORMATION STATEMENT AND MANAGEMENT REPORT

INFORMATION STATEMENT

WE ARE ASKING FOR YOUR PROXY AND YOU ARE REQUESTED TO SEND US A DULY FILLED PROXY

However, if you cannot attend and you wish to send a representative/proxy, please send your proxy letter to the Office of the Corporate Secretary on or before **10 July 2025**, at 5:00 p.m., a sample of which is attached to this report. On the day of the annual stockholders' meeting on **31 July 2025**, your representative should bring the proxy letter and present valid proof of identification (e.g. passport, driver's license, company ID or TIN card).

This proxy is solicited by the Board of Directors and Management of Prime Media Holdings Inc. The solicited proxy shall be exercised by the Chairman or the stockholder's authorized representative.

A. GENERAL INFORMATION

Item 1. Date, Time and Place of Annual Meeting of Security Holders

The Annual Meeting of the stockholders of **PRIME MEDIA HOLDINGS, INC.** will be held on **31 July 2025, at 2:00 PM**, by video conferencing or remote communication as hosted at 16th Floor BDO Towers Valero, 8741 Paseo de Roxas, Makati City. There will be no physical venue for the meeting. The meeting will be conducted **virtually**. All security holders and attendees are to be present via video conferencing/remote communication.

The mailing address of the Corporation is at **16th Floor BDO Towers Valero (formerly Citibank Tower), 8741 Paseo de Roxas, Makati City**. Please address the letters to the corporate secretary of the Corporation, Atty. Diane Madelyn C. Ching.

This Information Statement will be first sent or given to security holders on or around **09 July 2025**.

Item 2. Dissenters' Right of Appraisal

The Revised Corporation Code limits the exercise of the appraisal right by any dissenting stockholder to the following instances:

- a. In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence (Section 80);
- b. In case of the sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets (Section 80);
- c. In case of merger or consolidation (Section 80);
- d. In case of investments in another corporation, business or purpose (Section 41).

The appraisal right may be exercised by making a written demand on the corporation within thirty (30) days after the date on which the vote was taken for payment of the fair value of his shares; provided, that failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented or effected, the corporation shall pay to such stockholder, upon surrender of the certificate(s) of stock representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If within a period of sixty (60) days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the corporation, and the third by the two thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after such award is made; Provided, That no payment shall be made to any dissenting stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment; and Provided, further, That upon payment by the corporation of the agreed or awarded price, the stockholders shall forthwith transfer his shares to the corporation.

The appraisal right shall be exercised in accordance with Title X of the Revised Corporation Code.

Based on the latest audited financial statements and interim financial statements, the Corporation has no unrestricted retained earnings. Accordingly, no payment shall be made to any dissenting stockholder exercising his appraisal right.

The following matters in the Agenda shall entitle the shareholders to exercise their appraisal right as the same involves Amendment to the Articles of Incorporation and material transaction resulting to change in control of the Corporation:

1. Approval of the mandatory redemption and retirement of 340,664 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 from Php4,040,000,000.00 to Php 4,039,659,336.00, thereby amending the Seventh Article of the Articles of Incorporation as follows:

SEVENTH – That the capital stock of said Corporation is Four Billion Thirty Nine Million Six Hundred Fifty Nine Thousand Three Hundred Thirty Six Pesos (Php 4,039,659,336) divided into Three Billion Nine Hundred Ninety Nine Million Six Hundred Fifty Nine Thousand Three Hundred Thirty Six (3,999,659,336) common shares with a par value of One Peso (PHP 1.00) per share and One Billion (1,000,000,000) Series A Non-Voting and Convertible Preferred Shares with a par value of Four Centavos (Php 0.04) per share.”

2. Approval to Increase the authorized capital stock from Four Billion Thirty Nine Million Six Hundred Fifty Nine Thousand Three Hundred Thirty Six Pesos (Php 4,039,659,336.00) to Six Billion Pesos (Php6,000,000,000.00), thereby amending the Seventh Article of the Articles of Incorporation as follows:

SEVENTH- that the capital stock of said Corporation is Six Billion Pesos (Php 6,000,000,000) divided into Five Billion Nine Hundred Sixty Million (5,960,000,000) common shares with a par value of One Peso (PHP 1.00) per share, and One Billion (1,000,000,000) Series A Non-Voting and Convertible Preferred Shares with a par value of Four Centavos (Php 0.04) per share.”

3. Conversion and reclassification of the remaining Six Million Five Hundred Forty-Nine Thousand Nine Hundred Sixty (6,549,960) Series “A” Non-Voting Convertible Preferred Shares into common shares at the conversion rate of 25 Series “A” Non-Voting and 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 equivalent to issuance of approximately Two Hundred Sixty One Thousand Nine Hundred Ninety Eight (261,998) common shares with a par value of Php 1.00 per share. Fractional shares arising from such conversion shall be paid in cash and/or eliminated by way of retirement and decrease in authorized capital stock as authorized by the Board of Directors.

4. Approval to Decrease the authorized capital stock from Six Billion Pesos (PhP 6,000,000,000.00) to Five Billion Nine Hundred Sixty Million Pesos (PhP 5,960,000,000.00) resulting from the retirement of Series A class, thereby amending the Seventh Article as follows:

“SEVENTH- that the capital stock of said Corporation is Five Billion Nine Hundred Sixty Million Pesos (PhP 5,960,000,000.00) Pesos divided into Five Billion Nine Hundred Sixty Million (5,960,000,000) common shares with a par value of One Peso (PHP 1.00) per share.”

5. Amendment of the Articles of Incorporation to delete all other provisions/ paragraphs in the Seventh Article relating to Preferred Shares to have one (1) class of common shares.
6. Authority to the Board to Execute the Deed of Exchange with Atty. Hermogene H. Real and Ms. Michelle F. Ayangco, the 100% owner of the Golden Peregrine Holdings, Inc. (herein referred as the “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.

Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

Ms. Michelle Ayangco and Atty. Hermogene Real, who are nominees for re-election as directors of the Corporation, are the One Hundred Percent (100%) owner of Golden Peregrine Holdings, Inc. (“GPHI” or “Golden Peregrine”) which now owns One Hundred Percent (100%) of the outstanding capital stock of Philippine CollectiveMedia Corporation (“PCMC”).

On July 30, 2021, the Company entered into a Memorandum Of Agreement (“MOA”) with the majority stockholders of a mass media entity, Philippine CollectiveMedia Corporation (“PCMC Shareholders”), wherein the PCMC Shareholders shall jointly subscribe to One Billion Six Hundred Seventy Nine Million Nine Hundred Sixty Six Thousand Four Hundred (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 Seventy Percent (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.

On 15 August 2022, the Board of Directors of the Corporation approved the amendment of the PCMC MOA to take into consideration the subsequent incorporation of Golden Peregrine Holdings, Inc. which now owns One Hundred Percent (100%) of the outstanding capital stock of PCMC, and which is also owned One Hundred Percent (100%) by the former PCMC Shareholders, Atty. Hermogene H. Real and Michelle F. Ayangco.

On 18 January 2023, the Board of Directors of the Corporation authorized the amendment of the MOA relating to the following: (a) Change the Exchange Ratio to Four Thousand Seven Hundred (4,700) PRIM shares for One (1) Golden Peregrine share pursuant to the updated appraisal report. (b) Subscription by Atty. Hermogene H. Real and Ms. Michelle Ayangco (“as the Golden Peregrine Shareholders”) to One Billion Six Hundred Forty Five Million (1,645,000,000) PRIM Common Shares to be issued out of the proposed increase in authorized capital stock in consideration of the assignment of One Hundred Percent (100%) of the Outstanding Capital Stock of Golden Peregrine pursuant to the updated appraisal report.

Considering the pending application of the Company with the Securities and Exchange Commission (“SEC”) and the lapse of time and progress of the transaction, on 31 May 2024, the Board approved the amendment of the MOA in relation to the subscription of Atty. Hermogene H. Real and Ms. Michelle F. Ayangco (as “Golden Peregrine Shareholders”) from One Billion Six Hundred Forty-Five Million (1,645,000,000) to Nine Hundred Eighty Million (980,000,000) common shares for and in consideration of their assignment of 100% of the issued and outstanding shares in Golden Peregrine Holdings Inc.

pursuant to the updated valuation report as of December 31, 2023. Atty. Hermogene Real is the President and majority shareholder of Mairete Asset Holdings Inc., who owns 8.34% of the Corporation.

Rolando S. Santos is a director and officer of Mairete Asset Holdings Inc. and the Corporation.

Atty. Diane Madelyn Ching is the Corporate Secretary of Mairete Asset Holdings Inc., Armstrong Capital Holdings Corp. and the Corporation.

Other than the above statements, no director or officer of the Corporation or any other nominee for election as director of the Corporation or any associate of the foregoing, has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon, other than election to office as director of the Corporation. None of the officers or directors or any of their associates has any substantial interest, direct or indirect, in any of the matters to be acted upon in the stockholders' meeting.

None of the directors of the Corporation has informed the Corporation that he intends to oppose any action to be taken by the Corporation at the stockholders' meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

As of **31 May 2025**, the following shares of common and preferred stock of the Corporation were outstanding:

<u>Class</u>	<u>Number of Outstanding Shares</u>
Common	925,298,616
Preferred	
Series A	14,366,260
Series B	Nil

As of **31 May 2025**, the foreign equity ownership on a per class basis is as follows:

<u>Class</u>	<u>Number of Outstanding Shares</u>
Common	205,028
Preferred	109,650

All registered owners of the Corporation's outstanding capital stock at the close of business on **27 June 2025 (record date)** will be entitled to notice and vote at its Annual Stockholders' Meeting on **31 July 2025**.

Each common share is entitled to one (1) vote on all matters to be taken up during the Annual Meeting except in the case of electing directors where one (1) share is entitled to Seven (7) votes, *i.e.* each share is entitled to as many votes as there are Board seats to be filled up.

Each stockholder is entitled to cumulate his votes and cast the same in favor of one or several nominees of his choice in such proportion as he shall deem fit, provided that, the total votes cast do not exceed the number of his shares multiplied by the number of directors to be elected. There is no condition precedent to the exercise by the stockholders of their cumulative voting right.

For the approval of the proposed amendments to the Articles of Incorporation, the affirmative vote of the shareholders representing at least two-thirds (2/3) of the total outstanding capital stock including the common and preferred shares, will be needed for approval.

Since the Share Swap Transaction with Golden Peregrine Shareholders is considered a related party transaction, the majority vote representing the outstanding shares held by the minority stockholders present or represented in the meeting is necessary to waive the rights or public offering requirement under the PSE Additional Listing Rules.

For other matters, the affirmative vote of shareholders representing majority of the outstanding capital stock shall suffice.

There is no change in control that has occurred since the last financial year.

Security Ownership of Persons Owning More Than 5% of the Corporation's Outstanding Common Stock

As of **31 May 2025**, the following are the beneficial owners with more than five percent (5%) ownership of the Corporation's Outstanding Common Stock:

Type of Class	Name and address of record owner and <u>relationship with Issuer</u>	Name and address of beneficial owner and <u>relationship with Issuer</u>	Citizenship	Name of Beneficial Owner & <u>Relationship with Record Owner</u>	No. of Shares Held	Percent of class
Common Shares	PCD Nominee Corporation Address: Tower 1 Ayala Triangle Makati Avenue cor. Paseo de Roxas, Makati City Relationship with issuer: Registered owner in the books of the stock transfer agent	RYM Business Management Corp. Address: 106 Paseo de Roxas Ave. Makati City Relationship with issuer: Stockholder	Filipino	RYM is the beneficial owner of the shares. Relationship with record owner: <u>Indirect owner</u> of lodged shares under PCD Nominee (Filipino)	354,627,145	39.29%
Common Shares	RYM Business Management Corp. Address: 106 Paseo de Roxas Ave. Makati City Relationship with issuer: Registered owner in the books of the stock transfer agent	RYM Business Management Corp. Address: 106 Paseo de Roxas Ave. Makati City Relationship with issuer: Stockholder	Filipino	RYM is the beneficial owner of the shares. Relationship with record owner: <u>Direct owner of shares</u>	8,927,940	
Common Shares	PCD Nominee Corporation	Mairete Asset Holdings, Inc.	Filipino	Mairete Asset Holdings, Inc.	77,178,901	8.34%

	Address: Tower 1 Ayala Triangle Makati Avenue cor. Paseo de Roxas, Makati City Relationship with issuer: Registered owner in the books of the stock transfer agent	Address: 16 th Floor Citibank Tower, Paseo de Roxas, Makati Relationship with issuer: Stockholder		is the beneficial owner of the shares. Relationship with record owner: <u>Indirect owner</u> of lodged shares under PCD Nominee (Filipino)		
Common Shares	PCD Nominee Corporation Address: Tower 1 Ayala Triangle Makati Avenue cor. Paseo de Roxas, Makati City Relationship with issuer: Registered owner in the books of the stock transfer agent	Armstrong Capital Holdings Corp. Address: 16 th Floor, BDO Towers Valero, 8741 Paseo de Roxas Makati City Relationship with issuer: Stockholder	Filipino	Armstrong Capital Holdings Corp. is the beneficial owner of the shares. Relationship with record owner: <u>Indirect owner</u> of lodged shares under PCD Nominee (Filipino)	100,114,000	10.82%
Common Shares	PCD Nominee Corporation Address: Tower 1 Ayala Triangle Makati Avenue cor. Paseo de Roxas, Makati City Relationship with issuer: Registered owner in the books of the stock transfer agent	Valiant Consolidated Resources Inc. Address: BDO Towers Valero, 8741 Paseo de Roxas Makati City Relationship with issuer: Stockholder	Filipino	Valiant Consolidated Resources Inc. is the beneficial owner of the shares. Relationship with record owner: <u>Indirect owner</u> of lodged shares under PCD Nominee (Filipino)	200,000,000	21.61%

RYM, Mairete, and ACHC have authorized and/or appointed by way of proxy, the Chairman of the Board of Prime Media Holdings Inc. to represent and vote their shares in the Annual Stockholders' Meeting.

Valiant shall authorize its representative, by way of proxy, to represent and vote its shares in the ASM.

Security Ownership of Management as of 31 May 2025

Type of Class	Name and Address of Owner	Amount and nature of Beneficial ownership	Citizenship	Percent of class
Common	Manolito Manalo	1 Direct	Filipino	0.0%
Common	Rolando S. Santos	1000 Direct	Filipino	0.0%
Common	Bernadeth A. Lim	1 Direct	Filipino	0.0%
Common	Hermogene H. Real	2000 Direct	Filipino	0.0%
Common	Michelle F. Ayangco	2000 Direct	Filipino	0.0%
Common	Johnny Y. Aruego, Jr.	1 Direct	Filipino	0.0%
Common	Francisco L. Layug III	1 Direct	Filipino	0.0%
Common	Diane Madelyn C. Ching	1,000 Direct	Filipino	0.0%
	Aggregate for above named officers and directors	6,004		

Voting Trust Holders of 5% or More

The Corporation is not aware of the existence of persons holding five percent (5%) or more of the Corporation's shares of common stock under a voting trust or similar agreement.

Changes in Control

- (a) Valiant gained 21.61% ownership of the total issued and outstanding common shares of PMHI. Such ownership did not gain majority ownership or control of the Corporation. Valiant's ownership was obtained through the following:

On 23 May 2023, the Board of Directors of PMHI approved the private placement of Valiant Consolidated Resources Inc. and subsequently executed a subscription agreement with Valiant on 30 June 2023 wherein Valiant subscribed to One Hundred Twenty Five Million (125,000,000) unissued common shares at a subscription price of Two Pesos and 70/100 (Php2.70) per share for a total subscription price of Three Hundred Thirty-Seven Million Five Hundred Thousand Pesos (Php337,500,000.00). The subscription was fully paid on 31 July 2023, and the shares were issued on 26 January 2024. The said shares were subsequently listed with the Philippine Stock Exchange pursuant to the Notice of Approval dated 5 September 2024. With this subscription, Valiant gained 14.70% of the total issued and outstanding capital stock of PMHI.

On 21 October 2024, the Board of Directors of Prime Media Holdings, Inc. approved another subscription of Valiant to Seventy Five Million (75,000,000) unissued common shares of Prime Media Holdings Inc. at Php2.95 per share based on the 30-day closing Volume Weighted Average Price (VWAP) of Php2.5272 per share (as of 17 October 2024) plus 16.73% premium for a total subscription price of Two Hundred Twenty-One Million Two Hundred Fifty Thousand Pesos (Php221,250,000.00). On 22 October 2024 Valiant fully paid its subscription and the shares were subsequently issued on 11 November 2024. Valiant gained additional ownership in PMHI.

- (b) The Corporation plans to take One Hundred Percent (100%) ownership of Golden Peregrine Holdings, Inc. (“GPHI”) by issuing new shares to Michelle F. Ayangco and Hermogene H. Real, (the “Golden Peregrine Shareholders”), who shall take controlling interest in the Corporation.

On 18 January 2023, the Board of Directors of the Corporation authorized the amendment of the Memorandum of Agreement (“MOA”) relating to the following: (a) Change the Exchange Ratio to 4,700 PRIM shares for 1 Golden Peregrine share pursuant to the updated appraisal report (b) Subscription by Atty. Hermogene H. Real and Ms. Michelle Ayangco to One Billion Six Hundred Forty Five Million (1,645,000,000) PRIM Common Shares to be issued out of the proposed increase in authorized capital stock in consideration of the assignment of One Hundred Percent (100%) of the Outstanding Capital Stock of Golden Peregrine pursuant to the updated appraisal report.

The Golden Peregrine Shareholders are the majority stockholders Golden Peregrine Holdings, Inc., which in turn owns One Hundred Percent (100%) owner of PCMC.

Previously under the MOA, Ms. Ayangco and Atty. Real, the owners of One Hundred Percent (100%) of PCMC, will transfer all of their shares in PCMC to the Corporation in exchange for shares in the Corporation. However, after the execution of the MOA, the Golden Peregrine Shareholders assigned all of their shares in PCMC in exchange for One Hundred Percent (100%) of the outstanding capital stock of GPHI. As such, PCMC became a wholly owned subsidiary of GPHI, while the Golden Peregrine Shareholders own One Hundred Percent (100%) of the outstanding capital stock of GPHI. In view of the foregoing, there is a need to amend the MOA to reflect the foregoing changes to the corporate structure of PCMC.

Under the proposed amendment to the MOA, the Golden Peregrine Shareholders shall jointly subscribe to Nine Hundred Eighty Million (980,000,000) common shares of the Corporation to be issued from an increase in authorized capital stock which shall be paid in the form of Golden Peregrine shares, subject to final determination of the Board, third party appraisal, fairness opinions, and other closing conditions, in order to obtain the business, assets and ownership of PCMC. After the transaction, the Golden Peregrine Shareholders will gain control and majority ownership of up to approximately 51.44% of the outstanding capital stock of the Corporation. On the other hand, PCMC will become an indirect subsidiary of the Corporation with GPHI as intermediary and direct subsidiary of the Corporation. The subscriptions of Atty. Real and Ms. Ayangco to Nine Hundred Eighty Million (980,000,000) PRIM common shares shall come from the increase in capital stock which will be presented for re-approval of the shareholders during the Annual Shareholders’ Meeting.

The contemplated transaction, as amended, aims to transform the Corporation into a viable and operational business entity and address its capital deficiency, negative equity, and non-operation. The transaction will result in the folding-in of GPHI, which owns One Hundred Percent (100%) of PCMC, into the Corporation thereby making PCMC an indirect subsidiary of the Corporation. With the national franchise of PCMC, the Corporation can engage in an active business of mass media and further leverage its franchise and network for use by existing content providers in need of broadcasting rights.

Please refer to Item 12 for a brief write-up on GPHI Transaction.

Item 5. Directors and Executive Officers

Directors

The following are the names, ages, citizenship, periods of service of the incumbent directors of the

Corporation as of **31 May 2025**:

Name	Age	Citizenship	Period during which individual has served as such
Manolito A. Manalo	56	Filipino	May 2013 to the present
Bernadeth A. Lim	44	Filipino	May 2013 to the present
Hermogene H. Real	69	Filipino	October 2021 to the present
Michelle F. Ayangco	53	Filipino	October 2021 to the present
Rolando S. Santos	74	Filipino	August 2017 to the present
Johnny Y. Aruego, Jr. (Independent Director)	55	Filipino	May 2013 to the present
Francisco L. Layug III (independent director)	70	Filipino	December 2017 to the present

The business experience of each of the incumbent directors of the Corporation for the last five (5) years is as follows:

Manolito A. Manalo was elected as President and Director in May 2013. He is a product of the University of the Philippines in Diliman, having earned a Bachelor of Arts degree in Political Science and a Bachelor of Laws from the same university in the year 1992 and 1995, respectively. He is the co-founder and managing partner of Ocampo and Manalo Law Firm. He also sits as the Chairman of Media Serbisyo Production Corporation, Director in Kajima Philippines, Inc. and Independent Director of Teleport Commerce Philippines, Inc. He is also the resident agent of several foreign corporations, including Air Asia Berhad, Air Seoul Inc., Chailease International Financial Services Co., Ltd, Turkish Airlines, Inc., Hong Kong Airlines Limited and Shenzhen Airlines. He also acts as corporate secretary to Lenovo PCCW, Otis Elevators, Ayala Land subsidiaries such as ALICap & Direct Power Services & Asia Digital Engineering of Capital A (Malaysia), among others.

Bernadeth A. Lim was elected as Vice President and Director in May 2013. She graduated from the University of the Philippines with a degree in Bachelor of Laws. She is a partner of Ocampo and Manalo Law Firm. She is the Chairman and President of Morrison Express Philippines, Inc. from February 2017 to present. She was elected as a Director of AVK Philippines, Inc. in 2016 until 2022 and was re-elected as a director in 2023 to present. Meanwhile, she is the current resident agent of several airlines, Tigerair Taiwan Co. Ltd. (since 2019), YTO Cargo Airlines Co., Ltd. (since 2020) and Starlux Airlines Co., Ltd. (since 2020).

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. and Southern Estates Integrated Park Inc. She serves as Director to Bright Kindle Resources and Investments Inc., Brightgreen Resources Corp., Benguet Corp. Laboratories Inc. She holds the position of Corporate Secretary in Benguet Corporation, and Benguet Corp. 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.

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.

Rolando S. Santos was elected as Director in August 2017. He was elected as Treasurer in October 2013. He serves as Vice President and Treasurer of Bright Kindle Resources & Investments Inc., the

appointed 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 from 2001 to 2013 which was eventually acquired by BDO.

Johnny Y. Aruego, Jr. was elected as an Independent Director in May 2013. He is a partner in Aruego Bite and Associates. He also sits as a director of Excel Unified Land Resources Corporation, a Corporate Secretary and Legal Counsel for Agility, Inc. and A.V. Ocampo-ATR Kimeng Insurance Broker, Inc. He is likewise the 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, 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 was the President of Electronic Security System Corp. (ESSCOR) from 1992-2015. He is currently a Consultant of ESSCOR.

Officers

As of **31 May 2025**, the following are the names, ages, positions, citizenship, and periods of service of the incumbent officers of the Corporation:

Name	Age	Position	Citizenship	Period during which individual has served as such
Manolito A. Manalo	56	President & CEO	Filipino	May 2013 up to present
Bernadeth A. Lim	44	Vice President	Filipino	May 2013 to present
Diane Madelyn C. Ching	42	Corporate Secretary, Co-Compliance Officer, Co-Corporate Information Officer and Co-Data Privacy Officer	Filipino	January 2023 to present
Rolando S. Santos	74	Treasurer	Filipino	October 2013 up to present
Dale A. Tongco	60	Risk Management Officer	Filipino	October 2021 to present

Diane Madelyn C. Ching is a member of the Integrated Bar of the Philippines. She obtained her degree of Bachelor of Laws from San Beda College-Mendiola in 2009. She acts as Corporate Secretary to various companies, including, Media Serbisyo Production Corporation, 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) 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 appointed as Risk Management Officer on 13 October 2021. He is likewise the Vice-President Risk Management/ Chief Risk Officer of Bright Kindle Resources & Investments, Inc and also Vice-President and Controller 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 includes stints in SGV, Chinabank, RCBC, KPMG, Deloitte, Philamlife-AIA, CP de Guzman & Co.-CPAs, Habitat for Humanity Phils. and Benguet Corporation.

Nomination Committee and Nominees for Election as Members of the Board of Directors

The Nominations Committee has screened the following nominees for election or re-election on **31 July 2025**. The Nominations Committee determined that the candidates possess all the qualifications and none the disqualifications as director or independent director.

Nominees for Regular Directors

Manolito A. Manalo

Bernadeth A. Lim

Rolando S. Santos

Hermogene H. Real

Michelle F. Ayangco

Nominees for Independent Director

Johnny Y. Aruego, Jr.

Francisco L. Layug III

All nominations for regular and independent directors have been reviewed and approved by the Corporation's Nomination and Compensation Committee. No director has resigned or declined to stand for re-election to the board of directors since the date of the last annual meeting and there has been no disagreement on the Corporation's operations, policies, or practices.

The independent directors were both nominated by Manolito A. Manalo. The nominator is not related to the person he has nominated for independent director.

The procedure and selection of the independent directors were made in accordance with Section 38 of the Code and the Corporation's By-laws. In compliance with the provisions of Rule 38 of the Amended Implementing Rules and Regulations of the Securities Regulation Code, the Corporation's By-laws was amended on 30 September 2004.

The qualifications of all nominated directors, including the nominated independent directors, have been pre-screened in accordance with the rules of the Corporation. Only the nominees whose names appear on the Final List of Candidates are eligible for election as directors (independent or otherwise). No other nominations were entertained after the preparation of the Final List of Candidates and no further nominations shall be entertained or allowed during the annual stockholders' meeting.

The Corporation undertakes to submit the updated Certifications of Qualification for the Independent Directors within 30 days from their election in compliance with SEC Memorandum Circular No.5 Series of 2017.

The nomination and election of independent director shall be in accordance with Section 38, as amended of Republic Act 8799 or the Securities Regulation Code and article II, Section 3 of the Corporation's By-Laws as amended by the Board of Directors on 29 September 2004 and the Stockholders on 30 September 2004.

The Nomination Committee is composed of Francisco L. Layug III as Chairman, and Hermogene H. Real and Johnny Y. Aruego, Jr. As members.

In accordance with SEC Memorandum Circular No. 4 Series of 2017, Francisco L. Layug III as an Independent Director (ID) has not exceeded the maximum cumulative term of nine (9) years while Johnny Y. Aruego, Jr. is in his eleventh (11th) year as an ID. Furthermore, the Corporation understands that after a term of (9) years, the independent director shall be perpetually barred from re-election as such in the same company but may continue to qualify as a non-independent director. At the instance

that a company wants to retain an independent director who has served for nine (9) years, the Board should provide meritorious justification/s and seek shareholders' approval during the annual shareholders' meeting; and reckoning of the cumulative nine-year is from 2012.

Atty. Aruego was elected to his first term as ID in March 2013 and has been elected to, and served, for nine consecutive years ending in 2022. The Board of Directors received the nomination of Atty. Aruego as ID from the Chairman, Atty. Manolito A. Manalo, with a favorable assessment of his performance during his term. After a discussion on the background and qualifications of Atty. Aruego and his valuable contributions to the Company, the Board of Directors found meritorious justification to unanimously approve the nomination of Atty. Aruego as ID beyond the nine (9)-year term. The Board is favorably endorsing the nomination of Atty. Aruego for re-election as ID at the Annual Stockholders' Meeting.

Atty. Johnny Y. Aruego, Jr., has served as an independent director for 11 years since 2013. He was re-elected during the 2024 Annual Shareholders' Meeting of the Corporation due to his impressive performance and dedication for the past service years. As an independent director, he plays a critical role in safeguarding corporate integrity by providing objective oversight of management's performance and ensuring accountability. His unbiased insights and strategic guidance help shape the company's long-term vision, driving sustainable growth and responsible decision-making.

Period in Which Directors and Executive Officers Should Serve

The directors and executive officers should serve for a period of one (1) year.

Term of Office of a Director

The seven (7) directors shall be elected annually by the stockholder's owning majority of the outstanding capital stock for a term of one (1) year and shall serve until the election and qualification of their successors. At each election for directors every stockholder shall have the right to vote, in person or by proxy, the number of shares owned by him for as many persons as there are directors to be elected, or to cumulate his votes by giving one candidate as many votes as the number of such directors multiplied by the number of his share shall equal, or by distributing such votes in the same principle among any number of candidates.

Any vacancy in the board of directors other than removal or expiration of term may be filled by a majority vote of the remaining members thereof at a meeting called for that purpose if they still constitute a quorum, and the director or directors so chosen shall serve for the unexpired term.

Significant Employees

The business of the Corporation is not highly dependent on the services of certain key personnel. There is no employee who, while not being an executive officer, is expected by the Corporation to make a significant contribution to the business.

Family Relationships

There are no family relationships either by consanguinity or affinity up to the fourth civil degree among directors, executive officers, and nominees for election as directors.

Involvement in Certain Legal Proceedings

The Corporation is not aware that any one of the incumbent directors and officers and persons nominated to become director/s and officer/s has been the subject of a bankruptcy petition or a conviction by final judgment in criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses, or has been by judgment or decree found to have violated securities or

commodities law and enjoined from engaging in any business, securities, commodities or banking activities for the past five (5) years until the date of this Information Sheet.

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 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 in light of the available legal defenses to the Company. The Corporation is not aware of any material pending legal proceedings to which the Corporation is a party.

Further, to the best of its knowledge and/or information, the Company is not aware of: (a) any bankruptcy petition filed by or against any business of which a director or executive officer or person nominated to become a director or executive officer was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time; (b) any conviction by final judgment, including the nature of the offense, in a criminal proceeding, excluding traffic violations and other minor offenses; (c) being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and (d) being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation and the judgment has not been reversed, suspended, or vacated.

Certain Relationships and Related Transactions

Ms. Michelle Ayangco and Atty. Hermogene Real (the "Golden Peregrine Shareholders"), who are nominees for re-election as directors of the Corporation, are the One Hundred Percent (100%) Owner of Golden Peregrine Holdings, Inc. ("GPHI") which now owns One Hundred Percent (100%) of the outstanding capital stock of PCMC. Pursuant to proposed amendments to the MOA, they will subscribe to Nine Hundred Eighty Million (980,000,000) common shares of the Corporation, subject to final determination of the Board, third party appraisal, fairness opinions, and other closing conditions. As consideration for their subscription, Ms. Michelle Ayangco and Atty. Real shall assign and transfer their One Hundred Percent (100%) ownership in GPHI to the Corporation. Atty. Hermogene Real is the President and majority shareholder of Mairete Asset Holdings Inc., who owns 8.34% of the Corporation.

Rolando S. Santos is a director and officer of Mairete Asset Holdings Inc. and the Corporation.

Atty. Diane Madelyn Ching sits as Corporate Secretary for both the Corporation and Mairete Asset Holdings Inc.

Other than the above statement and as discussed in note 12 to the Audited Financial Statements for the period ending December 31, 2024, there are no significant transactions entered into by the Corporation in the normal course of business with related parties.

The proposed transaction with the Golden Peregrine Shareholders, who are the majority shareholders of GPHI, which in turn owns One Hundred Percent (100%) of the outstanding shares of PCMC, is intended to transform the Company into a viable and operational business entity and address its capital deficiency, negative equity, and non-operation. [Please refer to Item 12 for a brief write-up on PCMC.] The transaction will involve folding into the Corporation of GPHI, which will make PCMC an indirect subsidiary of the Corporation. With the national franchise of PCMC, the Corporation can engage in an active business of mass media and further leverage its franchise and network for use by existing content providers in need of broadcasting rights.

Golden Peregrine Shareholders' subscriptions to Nine Hundred Eighty Million (980,000,000) common shares of the Corporation (the "PRIM Shares"), which will be issued from an increase in authorized capital stock, shall be paid through the assignment of all outstanding shares of Golden Peregrine Holdings, Inc. at a price based on a third-party appraisal and subject to confirmation by a third-party fairness opinion and other closing conditions. The subscriptions of Atty. Real and Ms. Ayangco to Nine

Hundred Eighty Million (980,000,000) PRIM common shares shall come from the increase in capital stock which will be presented for approval of the shareholders during the Annual Shareholders' Meeting.

Asian Appraisal Co. Inc. ("AACI"), the third-party appraiser, used the adjusted net asset valuation method. In arriving at the net asset value of GPPI, AACI used the adjusted net asset value of PCMC, GPPI's unaudited financial statement for the year 2023 and its adjusted non-current assets to cover the whole investment into PCMC. After which, AACI derived the adjusted net asset value using the following formula: Adjusted Net Asset Value= Restated Assets- Liabilities. To determine the value of the Media Franchise of PCMC, AACI used the income approach, specifically, the discounted cash flow method.

There are no ongoing contractual or other commitments as a result of the arrangement with Golden Peregrine Shareholders other than causing the fulfillment of the stipulated closing conditions.

Please refer to Item 12 for a brief write-up on GPPI transaction.

Resignation/Disagreement

The Corporation is not aware of any incumbent directors and/or key officers who intend to resign or refuse to their re-election as member of the Board of the Directors or as officer of the Corporation.

Item 6. Compensation of Directors and Executive Officers

The aggregate compensation paid in 2023, 2024 and estimated to be paid in 2025, (1) to the Chief Executive Officer and four (4) most highly compensated officers of the Corporation, as a group; and (2) to all key officers, other officers, and directors as a group, is set out below:

<i>Names</i>	<i>Position</i>	<i>Year</i>	<i>Salary</i>	<i>Bonus</i>	<i>Others</i>
<i>Manolito A. Manalo</i>	<i>Chairman & President</i>		<i>0</i>	<i>0</i>	
<i>Bernadeth A. Lim</i>	<i>Vice President</i>		<i>0</i>	<i>0</i>	
<i>Rolando S. Santos</i>	<i>Treasurer</i>		<i>0</i>	<i>0</i>	
<i>Diane Madelyn C. Ching</i>	<i>Corporate Secretary</i>		<i>0</i>	<i>0</i>	
<i>Dale A. Tongco</i>	<i>Risk Management Officer</i>		<i>0</i>	<i>0</i>	
<i>Aggregate for above named officers</i>		<i>2023</i>	<i>0</i>	<i>0</i>	<i>175,000</i>
		<i>2024</i>	<i>0</i>	<i>0</i>	<i>300,000</i>
		<i>2025(est)</i>	<i>0</i>	<i>0</i>	<i>205,000</i>
<i>All Directors and Officers as a group unnamed</i>		<i>2023</i>	<i>0</i>	<i>0</i>	<i>160,000</i>
		<i>2024</i>	<i>0</i>	<i>0</i>	<i>260,000</i>
		<i>2025(est)</i>	<i>0</i>	<i>0</i>	<i>200,000</i>

There are no special employment contracts between the Corporation and its directors and officers. The directors are entitled to nominal per diem amounting to ₱10,000.00 for attending board meetings and ₱5,000.00 for attending committee meetings. There are no outstanding warrants or options granted to directors and officers.

Item 7. Independent Public Accountants

- a) Independent Public Accountants, Reyes Tacandong & Co. (RTC) will stand for re-election as the Corporation's external auditors for the year 2024 which shall be subject to shareholders' approval during the Annual Meeting in compliance with SRC Rule 68,

Paragraph 3(b)(iv) which provides that the external auditor should be rotated every five (5) years or earlier or the handling partner shall be changed.

- b) RTC was first elected as the Corporation's Independent Public Accountant in December 2014. Representatives of RTC will be present during the annual meeting and will be given the opportunity to make a statement if they desire to do so. They are also expected to respond to appropriate questions if needed. There was no event where RTC and the Corporation had any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosure or auditing scope or procedure. Except as stated in the report of independent auditors, the Corporation has no disagreements with its auditors.
- c) For the audit of the Corporation's Annual financial statements and services provided in connection with statutory and regulatory filings or engagements, the aggregate amounts to be billed or already billed excluding VAT and out of pocket expenses (OPE) by RTC amounts/amounted to ₱500,000.00 and ₱480,000.00 for the years 2024 and 2023, respectively.

The 2024 audit of the Corporation is in compliance with Rule 68, paragraph (3)(b)(ix) of the Amended Securities Regulation Code Rule 68, which provides that the external auditor should be rotated, or the handling partner changed, every five (5) years or earlier and that a two-year cooling off period should be observed in the re-engagement of the same signing partner or individual auditor.

At present, RTC account partner handling the Corporation is Pamela Ann Escudro. She replaced Belinda B. Fernando who was the handling partner starting in 2014. A five-year cooling-off period shall be observed in the re-engagement of the same signing partner or individual.

The Corporation created an Audit Committee composed of Johnny Y. Aruego, Jr as Chairman, and Bernadeth A. Lim and Francisco L. Layug III as members. As provided for in its charter, the objective of the Audit Committee is to assist the board of directors in fulfilling its oversight responsibilities by reviewing the financial reporting process, the system of internal control, risk management, governance processes, the audit process and the Corporation's process for monitoring compliance with laws and regulations and its own code of business conduct.

Item 8. COMPENSATION PLANS

No action is proposed to be taken during the stockholders' meeting with regard to any bonus, profit sharing, pension/retirement plan, granting of any extension of options, warrants or rights to purchase any securities. The Corporation has no compensatory plans, warrants or options held by directors or officers.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. AUTHORIZATION OR ISSUANCE OF SECURITIES OTHER THAN FOR EXCHANGE

- (a) On October 21, 2024, the Board of Directors of the Corporation approved new private placement transactions with the following Companies:

a.1 Valiant Consolidated Resources, Inc.

- (a) Subscription to 75,000,000 common shares at PhP 2.95 per share for a total price of PhP 221,250,000.00 to be issued from the current unissued capital upon full payment.
- (b) Subscription to 86,355,932 common shares at PhP 2.95 per share for a total price of PhP 254,749,999.40 to be issued from the increase in capital stock after the share-for-share swap

transaction with the shareholders of Golden Peregrine as previously disclosed (“GP Transaction”) and after receipt of full payment. Valiant shall make an initial payment of PhP 209,749,998.70 for its subscription. The remaining balance of PhP 45,000,000.70 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.

a.2 Cymac Holdings Corp.

- (a) Subscription to 15,000,000 common shares at PhP 2.95 per share for a total price of PhP 44,250,000.00 to be issued from the current unissued capital upon full payment. Cymac shall initially pay PhP 25,000,000.00. The remaining amount of 19,250,000.00 shall be paid on or before 31 July 2025.
- (b) Subscription to 3,644,068 common shares at PhP 2.95 per share for a total price of PhP 10,750,000.60 be issued from the increase in capital stock after the GP Transaction after full payment. Cymac shall make a partial payment of PhP 5,000,000.00 for its subscription. The remaining balance of PhP 5,750,000.60 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.

The proceeds from the subscriptions of Valiant Consolidated Resources, Inc. and Cymac Holdings, Inc. shall be applied to the loan granted to Philippine CollectiveMedia Corporation (PCMC) amounting to Five Hundred Thirty-One Million Pesos (PhP531,000,000.00) in which the latter shall initially borrow Four Hundred Sixty-One Million (PhP461,000,000.00) and the remaining Seventy Million (PhP70,000,000.00) shall be drawn at a later time by PCMC as needed for its business operations.

As previously disclosed, the Corporation shall benefit from PCMC’s expansion considering its plan to acquire PCMC’s parent Company, the Golden Peregrine Holdings, Inc.

- (b) On May 23, 2023, the Board of Directors approved the Subscriptions of (i) Valiant Consolidated Resources Inc. (*formerly Angel Maple Properties, Inc.*) to 125,000,000 unissued common shares and (ii) Cymac Holdings Corporation to 25,000,000 unissued common shares at PhP 2.70 per share based on 30-day Volume Weighted Average Price (VWAP) of PhP 2.6197 + 2.97% premium for a total consideration of Four Hundred Five Million Pesos (PhP 405,000,000.00) to be paid in cash.

Valiant Consolidated Resources Inc. and Cymac Holdings Corporation are separate and distinct entities not acting in concert in the subscription of the unissued shares of the Corporation. The new common shares issued to Valiant Consolidated Resources Inc. and Cymac Holdings Corporation shall have the same rights as shareholders of outstanding common shares and shall similarly be entitled to dividends, with voting rights, and no preemptive rights.

The proceeds from the private placements will be used for the following:

- (a) Working Capital;
- (b) Future Investments such as, but not limited to, capital contribution to the Joint Venture with ABS-CBN;
- (c) Financial support by way of loan to Philippine CollectiveMedia Corporation (PCMC).

The Corporation subscribed and paid PhP 20.4M to obtain 60% of Media Serbisyo Production Corp., a joint venture company established with ABS-CBN.

On August 15, 2023, the Board of Directors of the Corporation approved the Loan Agreement (“Agreement”) with Philippine CollectiveMedia Corporation (“PCMC”) amounting to Three Hundred Seventy-Three Million Pesos (PhP373,000,000.00) and proceeded with the execution. The loan is to be paid within five (5) years from execution of the Agreement. PCMC intends to

use the loan proceeds for payment of liabilities, acquisition of equipment, operations, and expansion of its business.

(c) Share Swap with Shareholders of Golden Peregrine Holdings, Inc. [Please refer to Item 12 for a brief write-up on the transaction.]

The subscriptions of the Golden Peregrine Shareholders to Nine Hundred Eighty Million (980,000,000) PRIM Common Shares, which will be issued from an increase in authorized capital stock, shall be paid through the assignment of Golden Peregrine shares at a price based on a third-party appraisal and subject to confirmation by a third-party fairness opinion, the Board of Directors and other closing conditions.

The new common shares to be issued to the Golden Peregrine Shareholders shall be on equal footing as all outstanding common shares and shall similarly be entitled to dividends, have voting rights, have no preemptive rights. The subscriptions of Atty. Real and Ms. Ayangco to Nine Hundred Eighty Million (980,000,000) PRIM common shares shall come from the increase in capital stock which will be presented for approval of the shareholders during the Annual Shareholders' Meeting.

The shares to be issued to and to be subscribed to by the Golden Peregrine Shareholders are all common voting shares, without preference as to dividend entitlement. In accordance with the Seventh Article of its Articles of Incorporation, the issuance of additional common shares shall not be subject to the right of pre-emption. Except for regulatory approvals, there are no provisions in the Corporation's charter or by-laws which would delay, defer or prevent a change in control of the registrant.

For and in consideration of their subscriptions to the PRIM Shares, the Golden Peregrine Shareholders shall assign, transfer and deliver to the Company One Hundred Percent (100%) of the outstanding capital stock of GPHI (the "Golden Peregrine Shares") held by Ms. Ayangco and Atty. Real at an agreed value of initially up to One Billion Six Hundred Forty Five Million (1,645,000,000), subject to final determination of the Board, third party appraisal, fairness opinions, and other closing conditions.

Considering the pending application of the Company with the Securities and Exchange Commission and the lapse of time and progress of the transaction, on 31 May 2024, the Board approved the amendment of the MOA in relation to the subscription of Atty. Hermogene H. Real and Ms. Michelle F. Ayangco (as "Golden Peregrine Shareholders") from One Billion Six Hundred Forty Five Million (1,645,000,000) to Nine Hundred Eighty Million (980,000,000) Common Shares for and in consideration of their assignment of One Hundred Percent (100%) common shares for and in consideration of their assignment of 100% of the issued and outstanding shares in Golden Peregrine Holdings Inc. pursuant to the updated valuation report as of December 31, 2023.

The purpose of this share swap transaction is to enable the acquisition of the Corporation's interest in PCMC through GPHI. After the execution of the original MOA on 30 July 2021, the Golden Peregrine Shareholders assigned all of their shares in PCMC in exchange for one hundred percent (100%) of the outstanding capital stock of GPHI. As such, PCMC became a wholly owned subsidiary of GPHI, while the Golden Peregrine Shareholders owns one hundred percent (100%) of the outstanding capital stock of GPHI.

As a result, the Golden Peregrine Shareholders will gain control and majority ownership of up to approximately 51.44% of the outstanding capital stock of the Company. On the other hand, PCMC will become an indirect subsidiary of the Corporation while Golden Peregrine Holdings, Inc. will become a direct subsidiary of the Corporation.

As PCMC has a franchise to operate certain broadcasting frequencies, the transaction for the acquisition of PCMC will require restrictions on the Corporation's foreign ownership to comply with the nationality requirement for ownership and management of mass media.

The share swap with Golden Peregrine Shareholders shall dilute existing shareholders. Per SRC Rule 19.3.1, the GPHI Transaction is not subject to a Mandatory Tender Offer requirement as the shares to be issued to the Golden Peregrine Shareholders are from an increase in authorized capital stock,

however, the same is subject to the colatilla that the acquisition should not be intended to circumvent or defeat the objectives of the tender offer rules (i.e. protection of minority shareholders in case of change in control. The Corporation shall seek confirmation of exemption from the Mandatory Tender Offer from the Securities and Exchange Commission. There is no past, present or proposed material contract, arrangement, understanding, relationship, negotiation or transaction during the past two (2) fiscal years between PCMC or GPHI or their affiliates, on one hand, and the Corporation or its affiliates, on the other hand;

Item 10. MODIFICATION/EXCHANGE OF SECURITIES

On 24 November 2021, the Securities and Exchange Commission approved the amendment of the Company's Articles of Incorporation restricting share ownership to 100% Filipino. In view thereof, the following proposed action will be taken up at the Annual Shareholders' Meeting to eliminate foreign shareholders, to acquire Golden Peregrine Holdings Inc. and amend the Articles of Incorporation as follows:

1. Approval for the Additional Listing of approximately 308,266 common shares issued to Filipino shareholders after partial conversion of Series "A" Non-Voting Convertible Preferred Shares with a par value of PhP 0.04 per share into Common Shares with a par value of PhP 1.00, if necessary.
2. Approval of the following Amendments to the Articles of Incorporation:
 - a. Approval of the mandatory redemption and retirement of 340,664 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 from PhP4,040,000,000.00 to PhP 4,039,659,336.00.
 - b. Increase in the authorized capital stock from Four Billion Thirty Nine Million Six Hundred Fifty Nine Thousand Three Hundred Thirty Six (PhP 4,039,659,336.00) to Six Billion Pesos (PhP6,000,000,000.00), thereby amending the Seventh Article of the Articles of Incorporation.
 - c. Decrease in the authorized capital stock from Six Billion Pesos (PhP 6,000,000,000.00) to Five Billion Nine Hundred Sixty Million Pesos (PhP 5,960,000,000.00) resulting from the retirement of Series A class as described in Item 8 below.
 - d. Amendment to delete all other provisions/ paragraphs in the Seventh Article relating to Preferred Shares to have one (1) class of common shares.
3. Conversion of the remaining Series "A" Non-voting Convertible Preferred Shares and its retirement.
 - a. Conversion of the remaining Six Million Five Hundred Forty-Nine Thousand Nine Hundred Sixty (6,549,960) Series "A" Non-Voting Convertible Preferred Shares into common shares at the conversion rate of 25 Series "A" Non-Voting and 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 equivalent to issuance of approximately Two Hundred Sixty One Thousand Nine Hundred Ninety Eight (261,998) common shares with a par value of PhP 1.00 per share. Fractional shares arising from such conversion shall be paid in cash and/or eliminated by way of retirement and decrease in authorized capital stock, as authorized by the board.

- b. Approval of the Additional Listing of approximately 261,998 common shares issued to shareholders after conversion of Series “A” Non-Voting Convertible Preferred Shares with a par value of PhP 0.04 per share into Common Shares with a par value of PhP 1.00 as described in item (a) above, if necessary.

The foregoing process is being taken to address difficulties in reaching out to the remaining foreign shareholders who may have already changed their address or have already passed away.

As of 31 May 2025, which is the latest applicable date, the Corporation has 925,298,616 common shares and 14,366,260 Series A Preferred Shares. The outstanding Series A Preferred Shares have the following salient features:

- Cumulative, nonparticipating, nonvoting, redeemable and convertible at the option of the Company;
- Cash dividend rate initially at 4.5% per annum based on par value, which shall be automatically adjusted to 11.00% per annum upon full payment of the subscription price
- The Company may, at any time at its option, wholly or partially redeem the outstanding preferred stock plus accrued dividends thereon. When such a call for redemption is made, the holders of the preferred stock may opt to convert the preferred stock to common stock.

Out of the current issued and outstanding shares, Two Hundred Five Thousand Twenty-Eight (205,028) Common Shares and One Hundred Nine Thousand Six Hundred Fifty (109,650) Series A Preferred Shares are held by foreign shareholders. To eliminate the foreign shareholders, the Corporation has to reduce the par value of its Series A Preferred Shares from One Peso (PhP 1.00) to Four Centavos (PhP 0.04) without change as to the number of issued shares resulting to decrease in capital stock from Five Billion Pesos (PhP5,000,000,000.00) to Four Billion Forty Million Pesos (PhP4,040,000,000.00), divided into Three Billion (3,000,000,000) Common Shares with par value of One Peso (PhP 1.00 per share), One Billion (1,000,000,000) Series “A” Convertible Preferred Shares with par value of Four Centavos (PhP 0.04) per share and One Billion (1,000,000,000) Series “B” Preferred Shares with a par value of One Peso (PhP 1.00) per share.

On 08 January 2025, the Securities and Exchange Commission (“SEC”) approved the Decrease in the Authorized Capital Stock from Five Billion Pesos (PhP5,000,000,000.00) to Four Billion Forty Million Pesos (PhP4,040,000,000.00).

After the decrease in the authorized capital stock, the Corporation shall convert all Series “A” Preferred Shares into Common Shares at a conversion rate of 25:1. Thus, the Fourteen Million Three Hundred Sixty-Six Thousand Two Hundred Sixty (14,366,260) Series “A” Preferred Shares shall be converted into Five Hundred Seventy-Four Thousand Six Hundred Fifty (574,650) common shares. No fractional shares shall be issued and the value thereof will be paid in cash.

The underlying Five Hundred Seventy-Four Thousand Six Hundred Fifty (574,650) common shares arising from the conversion of Series “A” Preferred Shares shall be applied for listing with the Philippine Stock Exchange (“PSE”) pursuant to the listing approval on November 17, 1997, arising from the conversion of Series “A” Preferred shares at the rate of 25 Series “A” Preferred Shares is to One (1) common share.

On 04 April 2025, by the majority vote of the Board of Directors during its Regular Meeting wherein a quorum was present and acting throughout via remote communication at the Corporation’s principal office and by virtue of the authority vested by the Shareholders, resolved to conduct partial conversion of the Series “A” Non-Voting and Convertible Preferred Shares into Common Shares at the conversion rate of Twenty Five (25) Series A Preferred Shares into one (1) Common Share, applicable to Series “A” Shareholders whose shares when converted will not result to any fractional shares.

The remaining issued and outstanding Series “A” preferred shares shall be converted into common shares after the Corporation obtains the necessary approval from the Board of Directors and Stockholders for the decrease in authorized capital stock to eliminate the resulting fractional shares arising from the eventual conversion of the remaining Series “A” preferred shares.

After the following activities: **(1)** partial conversion and reclassification of Series “A” Non-Voting and Convertible Preferred Shares into Common Shares, **(2)** reclassification and declassification of Series “B” Preferred Shares into Common Shares and **(3)** creation of Series “C” Non-Voting and Redeemable Preferred Shares, the Corporation shall reclass all foreign-held common shares equivalent to Three Hundred Forty Thousand Six Hundred Sixty Four (340,664) into Three Hundred Forty Thousand Six Hundred Sixty Four (340,664) Series “C” Non-Voting Redeemable Preferred Shares with a par value of One Peso (PhP 1.00) per share. The Series “C” Redeemable Shares shall not enjoy more preferential rights as to dividends than Common Shares and are non-voting and redeemable for cash at the discretion of the Board, thereby amending the Seventh Article of the Articles of Incorporation as follows:

“SEVENTH - That the capital stock of said Corporation is Four Billion Forty Million Pesos (PhP 4,040,000,000.00) divided into Three Billion Nine Hundred Ninety-Nine Million Six Hundred Fifty Nine Thousand Three Hundred Thirty Six (PhP 3,999,659,336) Common Shares with a par value of One Peso (PhP 1.00) per share, One Billion (1,000,000,000) Series A Non-Voting and Convertible Preferred Shares with a par value of Four Centavos (PhP 0.04) per share and Three Hundred Forty Thousand Six Hundred Sixty Four (340,664) Series “C” Non-Voting and Redeemable Preferred Shares with a par value of One Peso (PhP 1.00) per share.”

The foregoing amendment has been approved by the Securities and Exchange Commission on 03 July 2025.

The Corporation intends to redeem the Three Hundred Forty Thousand Six Hundred Sixty-Four (340,664) Series “C” Non-Voting and Redeemable Preferred Shares at a par value of PhP 1.00 per share or at such price approved by the Board in cash to be taken from available cash balance of the Corporation. With the redeemable feature of the Series “C” Preferred shares, the Corporation does not need unrestricted retained earnings to redeem the same. The Corporation may be required to open a special bank account or an escrow account for the pay-out. After redemption, the Series “C” Preferred shares shall be retired. Thus, there is a proposal for the amendment of the Articles of Incorporation to decrease the authorized capital stock to retire the Series “C” Redeemable Non-Voting Preferred Shares upon its full redemption.

The amendments are pursuant to the cleaning-up efforts of management arising out of its previous banking operations and to venture into media-related business.

The Series “A” Preferred Shares are not listed on any stock exchange. The underlying common shares for the conversion of the Series A Preferred Shares has prior listing approval from the Philippine Stock Exchange last November 17, 1997, subject to the submission of post-approval compliance requirements. The Corporation will also apply for the listing of up to 980,000,000 new PRIM Shares to be issued to the Golden Peregrine Shareholders.

There is no modification or exchange of outstanding securities involved in the matter relating to the proposed waiver by the minority shareholders of the PSE minority rights/public offer requirement. Under Section 1, of the PSE Rule on Additional Listing, the PSE shall not permit the listing of new voting shares issued to a related party representing at least 10% of the resulting total outstanding capital stock unless a minority rights/public offer is first undertaken, or has been waived by a majority vote representing the outstanding shares held by the minority stockholders present or represented at the meeting where the matter is taken up.

Item 11. FINANCIAL AND OTHER INFORMATION

The Corporation filed an application for Equity Restructuring on 19 September 2024 to partially eliminate the capital deficiency amounting to Eight Hundred Ninety Seven Million Eight Hundred Seventy Eight Thousand Six Hundred Twenty Six Pesos (PhP897,878,626.00) as of December 31, 2023, by using the Additional Paid-In Capital amounting to Two Hundred Fifty Three Million Five Hundred Thousand Pesos (PhP253,500,000.00) arising from the subscriptions of Cymac Holdings, Corp. and Valiant Consolidated Resources, Inc. The SEC approved this application for Equity Restructuring on 14 March 2025.

Copies of the Management Report, the Audited Financial Statements for the year ended 31 December 2024, 17Q or the Interim Quarterly Financial Statement as of 31 March 2025 are attached herewith.

The Management's Discussion and Analysis of Financial Condition and Result of the Operations are stated in pages 58-75 of the attached Management Report. The notes to the Financial Statements are incorporated hereto by reference.

The Corporation has not made any changes in and has not had any disagreements with its external auditor on accounting and financial disclosures.

Representatives of the Corporation's external auditor, Reyes Tacandong & Co., are expected to be present at the shareholders' meeting. They will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

Item 12. MERGERS, CONSOLIDATIONS, ACQUISITIONS AND SIMILAR MATTERS

The Board will submit for approval of the Corporation's stockholders the subscriptions of Atty. Hermogene H. Real and Ms. Michelle F. Ayangco (as the "Golden Peregrine Shareholders") to Nine Hundred Eighty Million (980,000,000) PRIM Shares out of an increase in authorized capital stock (*See related discussion under Item 14 on Increase in Authorized Capital Stock*) of the Corporation, at the subscription price equivalent to the par value of One Peso (Php 1.00) per share or total subscription price of up to Nine Hundred Eighty Million Pesos (PhP980,000,000.00), pursuant to the updated valuation report as of December 31, 2023.

For and in consideration of the said subscription to PRIM Shares, the Golden Peregrine Shareholders shall assign, transfer and deliver to the Corporation One Hundred Percent (100%) of the outstanding capital stock of GPHI. After the transaction, Ms. Ayangco and Atty. Real, the Golden Peregrine Shareholders, will gain control and majority ownership of approximately up to 51.44% of the outstanding capital stock of the Company. On the other hand, Golden Peregrine will become a direct subsidiary of the Corporation while its subsidiary, PCMC shall become an indirect subsidiary of the Corporation (the "**GPHI Transaction**"). The subscriptions of Atty. Real and Ms. Ayangco to Nine Hundred Eighty Million (980,000,000) PRIM common shares shall come from the increase in capital stock which will be presented for approval of the shareholders during the Annual Shareholders' Meeting.

- (1) The name and address of the principal executive officers of PCMC and GPHI are as follows.

PCMC

Name	Position	Office Address	Contact No.
Berg Capiz	President	6 th Floor Universal Re Bldg., 106 Paseo de Roxas, Makati City	8817-6046
Ric F. Macabidang	Treasurer	6 th Floor Universal Re Bldg., 106 Paseo de Roxas, Makati City	8817-6046

Alfred Raymond S. Lim	Corporate Secretary	6 th Floor Universal Re Bldg., 106 Paseo de Roxas, Makati City	8817-6046

GPHI

Name	Position	Office Address	Contact No.
Michelle Ayangco	President	106 3 rd Floor Universal Re Bldg., 106 Paseo de Roxas, Makati City	8817-6046
Hermogene Real	Treasurer	106 3 rd Floor Universal Re Bldg., 106 Paseo de Roxas, Makati City	8817-6046
Jane Sioson	Corporate Secretary	106 3 rd Floor Universal Re Bldg., 106 Paseo de Roxas, Makati City	8817-6046

- (2) Golden Peregrine Holdings Inc. (GPHI or the “Company”) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on January 26, 2022 as an investment holding Company. In 2022, the Company acquired 100% ownership interest in Philippines CollectiveMedia Corporation (PCMC) from its individual stockholders.
- (3) PCMC is a corporation duly organized and existing under the laws of the Philippines. It was incorporated on May 21, 2008, with the primary purpose of establishing and engaging in the business of radio and television broadcasting. It was granted a legislative franchise by virtue of Republic Act No. 9773 to cover Region VIII (Eastern Visayas). In 2020, its legislative franchise was amended by Republic Act No. 11508 to expand to digital tv and national coverage.

PCMC currently operates PRTV in Tacloban and 18 radio stations under FMR (Favorite Music Radio).

GPHI, which wholly owns PCMC, is a corporation duly organized and existing under the laws of the Philippines. It was incorporated on 26 January 2022 with the principal business address at 3rd Floor Universal Re Bldg., 106 Paseo de Roxas, Makati City.

- (4) Below is a summary of the material features of the GPHI transaction:
- (A) The Golden Peregrine Shareholders shall subscribe to Nine Hundred Eighty Million (980,000,000) PRIM Shares out of an increase in authorized capital stock of the Company at the subscription price and par value of One Peso (Php 1.00) per share or total subscription price of Nine Hundred Eighty Million Pesos (Php 980,000,000.00). For and in consideration of the said subscription to PRIM Shares, the Golden Peregrine Shareholders shall assign, transfer and deliver to the Corporation a total of One Hundred Fifteen Million (115,000,000) Golden Peregrine Common Shares or 100% of the outstanding capital stock of GPHI at an agreed value of Nine Hundred Eighty Million Pesos (Php980,000,000.00) as supported by a third-party appraisal report,

confirmation by a third-party fairness opinion, Board approval and other closing conditions. After the transaction, the Golden Peregrine Shareholders will gain control and majority ownership of approximately up to fifty-one and 44/100 percent (51.44%) of the outstanding capital stock of the Corporation. On the other hand, Golden Peregrine will become a direct subsidiary of the Corporation while its subsidiary, PCMC will become an indirect subsidiary of the Corporation.

- (B) The proposed transaction with Golden Peregrine Shareholders is intended to transform the Corporation into a viable and operational business entity and address its capital deficiency, negative equity, and non-operation. The transaction will involve folding into the Corporation of GPHI, which is the One Hundred Percent (100%) owner of PCMC thereby making PCMC an indirect subsidiary of the Company. With the national franchise of PCMC, the Company can engage in an active business of mass media and further leverage its franchise and network for use by existing content providers in need of broadcasting rights.
- (C) The transaction shall result in the dilution of the existing shareholders of PRIM by fifty-one and 44/100 percent (51.44%), more or less. The Golden Peregrine Shareholders shall jointly obtain fifty-one and 44/100 percent 51.44% of PRIM. There will be no differences between the rights of the present security holders and the incoming shareholders (i.e. GPHI Shareholders) of the Corporation.
- (D) The transaction will be recorded as an investment in subsidiaries since the Corporation will gain One Hundred Percent (100%) of GPHI directly, and, One Hundred Percent (100%) of PCMC, indirectly.

(4) Dividends Payable in the amount of Ten Million Nine Hundred Eighty-Five Thousand Four Hundred Forty-Three Pesos (PhP10,985,443) as at 31 May 2025 pertains to the Corporation's dividend for cumulative, nonparticipating, nonvoting, redeemable and convertible preferred stock that were declared prior to the Company's incurrence of deficit. The transaction has no effect on the dividends in arrears of the existing shareholders. Shareholders recorded as entitled to previously declared dividend shall be paid in cash unless otherwise barred by statutes of limitation.

- (5) Below is the comparative columnar form of the following information for the registrant and PCMC for the last two fiscal years:

- (A) net sales or operating revenues;

Registrant	2022	2023	2024
PRIM	₱—	₱—	₱9,941,139
PCMC	₱15,308,835	₱27,436,443	₱27,436,443
GPHI	₱—	₱—	₱—

- (B) income (loss) from continuing operations; and

Registrant	2022	2023	2024
PRIM	(₱6,205,377)	(₱30,308,471)	(₱25,417,176)
PCMC	(₱11,566,231)	(₱10,366,252)	(₱10,366,252)
GPHI	(₱894,786)	(₱356,501)	(₱356,501)

- (C) long-term obligations and redeemable preferred stock

Registrant	2022	2023	2024

PRIM	₱14,366,260	₱14,366,260	₱14,366,260
PCMC	₱1,571,191	₱426,057,487	₱426,057,487
GPHI	₱—	₱80,000,000	₱80,000,000

- (6) In comparative columnar form, historical and pro forma per share data of the registrant and historical and equivalent pro forma per share data of the other person for the following items for the last two fiscal years:

(A) book value per share

Registrant	2022	2023	2024
PRIM	₱0.27	₱0.24	₱0.46
PCMC	(₱106.96)	(₱136.58)	(₱136.58)
GPHI	(₱97.44)	(₱96.42)	(₱96.42)

(B) cash dividends declared per share

Registrant	2022	2023	2024
PRIM	₱—	₱—	₱—
PCMC	₱—	₱—	₱—
GPHI	₱—	₱—	₱—

- (7) The transaction is subject to (a) approval of PRIM shareholders, (b) final determination of the Board, third party appraisal, fairness opinions, and other closing conditions (c) approval of the increase in capital stock by the Securities and Exchange Commission, (d) issuance of the Certificate Authorizing Registration by the Bureau of Internal Revenue for transfer of Golden Peregrine shares to the Corporation; (e) approval by the PSE of the listing of the subscribed shares. Aside from the abovementioned, there are no other applicable regulatory requirements with regards to the transaction. Considering its transaction value, the transaction with the Golden Peregrine Shareholders is not subject to the approval of or the notification requirements of the Philippine Competition Commission.
- (8) The value of PCMC and its franchise assets is supported by a Third-Party Valuation Report.

(A) Identify the outside party;

Asian Appraisal Company, Inc. (AACI) conducted the valuation of GPHI and PCMC's media franchise and its net asset.

(B) Briefly describe the qualifications of such outside party;

AACI is an independent appraisal company accredited with the Securities and Exchange Commission (SEC), Philippine Stock Exchange (PSE) and Bangko Sentral ng Pilipinas (BSP), private and government banks, government agencies and private companies among others. It has been in the Valuation business for 60 years now starting way back in 1961 and is the pioneer in the appraisal industry both in the Philippines and throughout the Asia Pacific Region. Backed-up by qualified and competent management and staffs, AACI provides valuation services for corporate and individual requirements for the purposes of initial public offering, sales, mergers and acquisitions, joint ventures, financing, accounting, insurance, rate increase application at the Energy Regulatory Board, just compensation for expropriation proceedings, audit of completed/ work in-progress of projects, business valuation, REIT purposes, providing fairness opinion and other valuation related works.

AACI is not related to GPHI or to any of the shareholders of GPHI.

(C) Describe the method of selection of such outside party;

The selection criteria are mainly based on relative experience on real estate and business valuation, qualification and competence of management and staff, accreditations on various regulatory boards, timely delivery of appraisal report and competitive fee for the services rendered.

(D) Describe any material relationship between the outside party or its affiliates and the issuer or its affiliates which existed during the past two years or is mutually understood to be contemplated and any compensation received or to be received as a result of such relationship;

AACI (the outside party) and any of its affiliates have had no material relationship with PRIM, GP, or PCMC during the past two years. The compensation or contractor's fee received by the outside party was based on the total time consumed for completing the specifications of the service and on the required disposition of resources to complete the engagement. They have no present nor contemplated future interest in the property, nor is the appraisal fee contingent upon the final estimate of value.

(E) If such report, opinion or appraisal relates to the fairness of the consideration, state whether the issuer or affiliate determined the amount of consideration to be paid or whether the outside party recommended the amount of consideration to be paid; and

AACI (the outside party) recommended the value of GPPI based on the adjusted net asset value of PCMC and its media franchise which was determined using the income approach, specifically, discounted cash flow method

(F) Furnish a summary concerning such negotiation report, opinion or appraisal which shall include, but not limited to, the procedures followed; the findings and recommendations; the bases for and methods of arriving at such findings and recommendations; instruction received from the issuer or affiliate; and any limitation imposed by the issuer or affiliate on the scope of the investigation.

INSTRUCTIONS FROM THE ISSUER	Determine the Market Value of Golden Peregrine Holdings Inc. taking into account Philippine Collective Media Corporation (PCMC) Franchise and the Net Asset Value of PCMC, the wholly owned subsidiary of GPPI
COMPANY SUBJECT OF VALUATION	Golden Peregrine Holdings Inc.
ASSETS UNDER APPRAISAL	Media Franchise and Assets of the Company
EFFECTIVE VALUATION DATE	31 December 2023
BASIS OF VALUE	Market Value - defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

	Basis of Value is defined as “a statement of the fundamental measurement assumptions of a valuation.”
VALUATION METHODOLOGY	Prior to arriving at the market value of GPHI, a study, investigation and analysis of the media franchise of Philippine Collective Media Corporation (PCMC). In arriving at the net asset value of GPHI, the following were used: 1. Adjusted net asset value of PCMC 2. GPHI’s audited financial statement for the year 2023 and adjusted the 3. Use of the adjusted net asset value using the formula: Adjusted Net Asset Value= Restated Assets - Liabilities To determine the value of PCMC’s Media Franchise, AACI used the income approach using the discounted cash flow method.
LIMITATION IMPOSED BY PCMC AND/OR THE COMPANY	The valuation report has no limitations or restrictions
VALUE CONCLUSION / RECOMMENDATION	N/A
Adjusted Net Asset Value	Php 987,880,777.76
Value per share	Php 8.59 per share (based on GP’s current outstanding issued and capital stock of Php115M)

- (9) Per SRC Rule 19.3.1, the GPHI Transaction is not subject to a Mandatory Tender Offer requirement as the shares to be issued to the Golden Peregrine Shareholders are from an increase in authorized capital stock, however the same is subject to the colatilla that the acquisition should not be intended to circumvent or defeat the objectives of the tender offer rules (i.e. protection of minority shareholders in case of change in control. The Corporation shall seek confirmation of exemption from the Mandatory Tender Offer from the Securities and Exchange Commission considering the circumstances. There is no past, present or proposed material contract, arrangement, understanding, relationship, negotiation or transaction during the past two (2) fiscal years between PCMC or GPHI or their affiliates, on one hand, and the Corporation or its affiliates, on the other hand;
- (10) On 18 January 2023, the Board of Directors of the Corporation authorized the amendment of the Memorandum of Agreement) (“MOA”) relating to the following:
- (a) Change the Exchange Ratio to 4,700 PRIM shares for 1 Golden Peregrine share pursuant to the updated appraisal report.(b) Subscription by Atty. Hermogene H. Real and Ms. Michelle Ayangco to One Billion Six Hundred Forty Five Million (1,645,000,000) PRIM Common Shares to be issued out of the proposed increase in

authorized capital stock in consideration of the assignment of One Hundred Percent (100%) of the Outstanding Capital Stock of Golden Peregrine pursuant to the updated appraisal report.

The high and low prices of PRIM common shares on the date preceding such disclosure are 2.13 and 1.98, respectively. The Corporation has pending applications with the Securities and Exchange Commission in relation to amendments to the capital structure of the Corporation which will be superseded once the corporation refiles new applications upon approval by the shareholders of the proposed amendments to the Articles of Incorporation.

Considering the pending application of the Corporation with the Securities and Exchange Commission and the lapse of time and progress of the transaction, on 31 May 2024, the Board approve the amendment of the MOA in relation to the subscription of Atty. Hermogene H. Real and Ms. Michelle F. Ayangco (as “Golden Peregrine Shareholders”) from One Billion Six Hundred Forty Five Million (1,645,000,000) to Nine Hundred Eighty Million (980,000,000) common shares for and in consideration of their assignment of 100% of the issued and outstanding shares in Golden Peregrine Holdings Inc. pursuant to the updated valuation report as of December 31, 2023.

The Company shall conduct the activities to comply with the public float and secure the SEC exemption from the minimum public float requirement and the BIR Ruling exempting them from the requirements of Revenue Regulation 16-2012: "Tax Treatment of Sales, Barter, Exchanges or Other Dispositions of Shares of Stock of Publicly Listed Companies whose Public Ownership Levels Fall Below the Mandatory Minimum Public Ownership (MPO) Level, Monitoring of These Companies and Their Stock Transactions, and Amending Revenue Regulations No. 06-08 for the Purpose" before the Golden Peregrine, if necessary to comply with public float.

- (11) The effect of the GPHI Transaction on the amount and percentage holdings of the Corporation’s common equity owners are as follows:

	with Private Placement		After GPHI Transaction	
RYM Business Management Corp.	363,555,085.00	39.29%	363,555,085.00	19.08%
Mairete Asset Holdings Inc.	77,178,901.00	8.34%	77,178,901.00	4.05%
Armstrong Capital Holdings Corp.	100,114,000.00	10.82%	100,114,000.00	5.25%
Non-Public (held by Directors and Officers)	6,004.00	0.00%	6,004.00	0.00%
Valiant Consolidated Resources Inc. (formerly Angel Maple Properties Inc.)	200,000,000.00	21.61%	200,000,000.00	10.50%

Cymac Holdings Corporation	25,000,000.00	2.70%	25,000,000.00	1.31%
Michelle Ayangco	-	-	490,000,000.00	51.44%
Hermogene Real	-	-	490,000,000.00	
Public	159,444,626	17.23%	159,444,626	8.37%
TOTAL	925,298,616	100%	1,905,298,616	100.00%

Directors and officers of the Corporation only have nominal shareholdings as seen below:

A. Directors

Name	Number of Shares	Current Percentage	Percentages after PCMC Transaction
Manolito A. Manalo	1	0	0%
Bernadeth A. Lim	1	0	0%
Rolando S. Santos	1,000	0	0%
Hermogene H. Real	2,000	0	35%
Michelle F. Ayangco	2,000	0	35%
Francisco L. Layug	1	0	0%
Johnny Y. Aruego, Jr.	1	0	0%
TOTAL	5,004	0	0%

B. Officers

Name	Number of Shares	Current Percentage	Percentages after PCMC Transaction
Diane Madelyn C. Ching	1,000	0	0%
Dale A. Tongco	0	0	0%
TOTAL	1,000	0	0%

Ms. Michelle F. Ayangco and Atty. Hermogene H. Real, are the incumbent members of the Board of Directors of PMHI. They are also the One Hundred Percent (100%) owner of Golden Peregrine Holdings, Inc. ("GPHI") which now owns One Hundred Percent (100%) of the outstanding capital stock of PCMC. Pursuant to proposed amendments to the MOA, they will subscribe to up to Nine Hundred Eighty Million (980,000,000) shares of PMHI, pursuant to the updated valuation report as of December 31, 2023. As consideration for their subscription, Ms. Michelle Ayangco and Atty. Real shall assign and transfer their One Hundred Percent (100%) ownership in GPHI to PMHI.

After the GPHI transaction, Michelle Ayangco's and Atty. Hermogene Real's ownership of common share will increase by Four Hundred Ninety Million (490,000,000) each.

Neither the Corporation, GPHI nor PCMC is involved in any bankruptcy, receivership or similar proceedings. Aside from GPHI Transaction, and the amendments subject of this disclosure, the Corporation, GPHI or PCMC is not involved in any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets (not in the ordinary course of business).

The Corporation has no Patents, Trademarks, Licenses, Franchises, Concessions, Royalty Agreement, or labor contracts.

As the Corporation is currently non-operational, existing or probable governmental regulations, including tax laws and laws in relation to the COVID-19 pandemic, has no foreseen effect or impact on the Corporation.

The Corporation has no estimated amount to be spent on Research and Development Activities. Likewise, the Corporation has no major risks in terms of any business as the Corporation is currently non-operational.

Item 13. ACQUISITION OR DISPOSITION OF PROPERTY

The Corporation is not involved in any bankruptcy, receivership, or similar proceedings nor is the Corporation engaged in any material reclassification, merger or consolidation. The Corporation intends to acquire One Hundred Percent (100%) of the issued and outstanding capital stock of Golden Peregrine Holdings Inc. (GPHI) by way of issuing Nine Hundred Eighty Million (980,000,000) Common Shares in favor of GPHI Shareholders.

The Corporation is a holding company and is not engaged in any business and has no principal products or services. The Corporation currently has no employees (regular or non-regular), but with the impending acquisition of GPHI and PCMC, the Corporation will be determining the number of employees to be hired in the next 12 months. With its limited activities, the Corporation incurred no costs in compliance with environmental laws. The Company is not affected by the COVID-19 pandemic due to its minimal operations.

As a result of the GPHI Transaction, the Corporation will acquire GPHI as a direct subsidiary and PCMC as an indirect subsidiary.

Please refer to the “Management’s Discussion and Analysis” portion of the accompanying Management Report for a discussion of the Company’s financial condition, results of operations or plan of operations prior to the acquisition of GPHI.

GPHI fully owns PCMC, an operating company which satisfies its own operating cash requirements. The business plan for its expansion and capital expenditure requirements are currently under study to determine the fundraising activity that will be needed by way of capital or debt.

A collectible from a related party, due and demandable, will be a source to cover future expenditures. Please refer to the discussion on “*Business Transactions with Related Parties*” of the Management Report as attached in page 65 of this DIS.

The subscriptions of the Golden Peregrine Shareholders to Nine Hundred Eighty Million (980,000,000) PRIM Common Shares, which will be issued from an increase in authorized capital stock, shall be paid through the assignment of Golden Peregrine shares at a price based on a third-party appraisal and subject to confirmation by a third-party fairness opinion, the Board of Directors and other closing conditions.

The new common shares to be issued to the Golden Peregrine Shareholders shall be on equal footing as all outstanding common shares and shall similarly be entitled to dividends, have voting rights, have no preemptive rights.

Item 14. DECREASE/ INCREASE IN AUTHORIZED CAPITAL STOCK

The following activities affecting the capital stock will be for approval of the Shareholders:

1. Approval of the mandatory redemption and retirement of 340,664 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 from PhP4,040,000,000.00 to PhP 4,039,659,336.00, thereby amending the Seventh Article of the Articles of Incorporation as follows:

SEVENTH – That the capital stock of said Corporation is Four Billion Thirty Nine Million Six Hundred Fifty Nine Thousand Three Hundred Thirty Six Pesos (PhP 4,039,659,336) divided into Three Billion Nine Hundred Ninety Nine Million Six Hundred Fifty Nine Thousand Three Hundred Thirty Six (3,999,659,336) common shares with a par value of One Peso (PHP 1.00) per share and One Billion (1,000,000,000) Series A Non-Voting and Convertible Preferred Shares with a par value of Four Centavos (PhP 0.04) per share.”

2. Approval to Increase the authorized capital stock from Four Billion Thirty Nine Million Six Hundred Fifty Nine Thousand Three Hundred Thirty Six Pesos (PhP 4,039,659,336.00) to Six Billion Pesos (PhP6,000,000,000.00), thereby amending the Seventh Article of the Articles of Incorporation as follows:

SEVENTH- that the capital stock of said Corporation is Six Billion Pesos (PhP 6,000,000,000) divided into Five Billion Nine Hundred Sixty Million (5,960,000,000) common shares with a par value of One Peso (PHP 1.00) per share, and One Billion (1,000,000,000) Series A Non-Voting and Convertible Preferred Shares with a par value of Four Centavos (PhP 0.04) per share.”

3. Conversion and reclassification of the remaining Six Million Five Hundred Forty-Nine Thousand Nine Hundred Sixty (6,549,960) Series “A” Non-Voting Convertible Preferred Shares into common shares at the conversion rate of 25 Series “A” Non-Voting and 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 equivalent to issuance of approximately Two Hundred Sixty One Thousand Nine Hundred Ninety Eight (261,998) common shares with a par value of PhP 1.00 per share. Fractional shares arising from such conversion shall be paid in cash and/or eliminated by way of retirement and decrease in authorized capital stock as authorized by the Board of Directors.
4. Approval to Decrease the authorized capital stock from Six Billion Pesos (PhP 6,000,000,000.00) to Five Billion Nine Hundred Sixty Million Pesos (PhP 5,960,000,000.00) resulting from the retirement of Series A class, thereby amending the Seventh Article as follows:

“SEVENTH- that the capital stock of said Corporation is Five Billion Nine Hundred Sixty Million Pesos (PhP 5,960,000,000.00) divided into Five Billion Nine Hundred Sixty Million (5,960,000,000) common shares with a par value of One Peso (PHP 1.00) per share.”

Please also refer to the related discussion under Item 12 on Mergers, Consolidations, Acquisitions and Similar Matters for a more detailed discussion on the foregoing matter.

D. OTHER MATTERS

Item 15. ACTION WITH RESPECT TO REPORTS & OTHER PROPOSED ACTION/S

The following matters shall be submitted to the vote of stockholders of the Corporation during the stockholders’ meeting.

1. Approval of Minutes of Previous Stockholders’ Meeting.

2. Approval of the Annual Report and the Audited Financial Statements for the year ending December 31, 2024.
3. Re-Approval of the following transactions:
 - 3.1 Authority to the Board to execute the Deed of Exchange with Atty. Hermogene H. Real and Ms. Michelle F. Ayangco, the 100% owner of the Golden Peregrine Holdings, Inc. (herein referred as the “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.
 - 3.1 Approval for the Additional Listing of 980,000,000 common shares issued to Golden Peregrine Shareholders as described above.
 - 3.2 Waiver by the minority stockholders of the rights or public offer requirement under the PSE Additional Listing Rules.
4. Approval for the Additional Listing of approximately 308,266 common shares issued to Filipino shareholders after partial conversion of Series “A” Non-Voting Convertible Preferred Shares with a par value of PhP 0.04 per share into Common Shares with a par value of PhP 1.00, if necessary.
5. Approval of the following Amendments to the Articles of Incorporation:
 - 5.1 Approval of the mandatory redemption and retirement of 340,664 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 from PhP4,040,000,000.00 to PhP 4,039,659,336.00.
 - 5.2 Increase in the authorized capital stock from Four Billion Thirty Nine Million Six Hundred Fifty Nine Thousand Three Hundred Thirty Six (PhP 4,039,659,336.00) to Six Billion Pesos (PhP6,000,000,000.00), thereby amending the Seventh Article of the Articles of Incorporation.
 - 5.3 Decrease in the authorized capital stock from Six Billion Pesos (PhP 6,000,000,000.00) to Five Billion Nine Hundred Sixty Million Pesos (PhP 5,960,000,000.00) resulting from the retirement of Series A class as described in Item 6 below.
 - 5.4 Amendment to delete all other provisions/ paragraphs in the Seventh Article relating to Preferred Shares to have one (1) class of common shares.
6. Conversion of the remaining Series “A” Non-voting Convertible Preferred Shares and its retirement.
 - 6.1 Conversion of the remaining Six Million Five Hundred Forty-Nine Thousand Nine Hundred Sixty (6,549,960) Series “A” Non-Voting Convertible Preferred Shares into common shares at the conversion rate of 25 Series “A” Non-Voting and 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 equivalent to issuance of approximately Two Hundred Sixty One Thousand Nine Hundred Ninety Eight (261,998) common shares with a par value of PhP 1.00 per share. Fractional shares arising from such conversion shall be paid in cash and/or eliminated by way of

retirement and decrease in authorized capital stock, as authorized by the board.

6.2 Approval of the Additional Listing of approximately 261,998 common shares issued to shareholders after conversion of Series “A” Non-Voting Convertible Preferred Shares with a par value of PhP 0.04 per share into Common Shares with a par value of PhP 1.00 as described above, if necessary.

7. Ratification of All Acts of the Board of Directors and Management.
8. Election of Board of Directors.
9. Appointment of External Auditor.

Notably, Items 3-4 have been previously approved by the shareholders in the Annual Meeting held last 30 August 2024. Considering the lapse of time and the objectives of the Corporation, there is a need to modify the proposed actions and submit the same for reapproval of the shareholders to ensure full implementation.

The amendments to the Articles of Incorporation may be filed simultaneously or successively depending on the requirements of the Securities and Exchange Commission (“SEC”).

Please see Item 17 for the proposed amendment and filing.

In addition, action shall be taken for the approval of the Minutes of the previous Stockholders’ Meeting held on 30 August 2024. The following are the highlights of the said minutes:

1. Approval of the Minutes of the previous Stockholders’ Meeting held on 30 August 2024;
2. Approval of the Annual Report and the Audited Financial Statements for the year ended December 31, 2024;
3. For Amendment of all previous resolutions and Approval of the following Amendments to the Articles of Incorporation:

1.3 Series A Preferred Shares:

- 1.3.1 Amendment to reiterate the Non-Voting and Convertible features of the Series A Preferred Shares with mandatory conversion right of the Company.
- 1.3.2 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.

1.4 Reclassification of Shares

- 1.4.1 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.

1.4.2 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.

1.4.3 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.

1.5 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.

1.6 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.

1.7 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.

- 2 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.
- 3 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.
- 4 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.
- 5 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.
- 6 Approval for the Additional Listing of 980,000,000 common shares issued to Golden Peregrine Shareholders as described in item (9) above.

- 7 Waiver by the minority stockholders of the rights or public offer requirement under the PSE Additional Listing Rule.
- 8 Ratification of All Acts of the Board of Directors and Management
- 9 Election of the following directors:

For Regular Directors:
 - a. Manolito A. Manalo
 - b. Michelle F. Ayangco
 - c. Bernadeth A. Lim
 - d. Hermogene H. Real
 - e. Rolando S. Santos
For Independent Directors:
 - a. Johnny Y. Aruego, Jr.
 - b. Francisco L. Layug III
- 10 Approval of the appointment of Reyes Tacandong and Co. as the Corporation's external auditor for the current year 2024.

The Annual Meeting of Stockholders was held on 30 August 2024, and was attended by shareholders, the Board of Directors, and various officers of the Corporation. The shareholders were allowed to cast their votes on each agenda item presented to them for approval, with the number of votes approving each agenda item indicated in their respective sections in the Minutes. The shareholders were also given the opportunity to ask questions, express an opinion, and make suggestions on various issues related to the Corporation. A copy of the Minutes of the Annual Meeting of Stockholders held on 30 August 2024 is uploaded in PRIM's website thru the following hyperlink; <https://www.primemediaholdingsinc.com/company-disclosures-minutes-of-all-general-special-stockholders-meetings>

The stockholders are requested to ratify, confirm and approve Management's actions from the last Annual Meeting up to the present, including the following:

- Authority to enter into agreements to sell the corporation's interest in First Oriental Properties in Davao City to various Homeowners Associations and Authority to Atty. Manolito A. Manalo and/or Mr. Rolando S. Santos as authorized signatories to the foregoing sale transaction.
- Payment of the judgement award in relation to the case of State Investment House Inc. vs Producers Bank of the Philippines.
- Loan Agreement with PCMC amounting to Five Hundred Thirty-One Million Pesos (Php531,000,000.00) in which PCMC shall initially borrow Four Hundred Sixty-One Million (Php461,000,000.00) and the remaining Seventy Million (Php70,000,000.00) shall be drawn at a later time by PCMC as needed for its business operations.
- Subscriptions of Valiant Consolidated Resources, Inc. to:
 - (a) 75,000,000 common shares at Php2.95 per share for a total price of Php 221,250,000.00 to be issued from the current unissued capital upon full payment.
 - (b) 86,355,932 common shares at Php2.95 per share for a total price of Php 254,749,999.40 to be issued from the increase in capital stock after the share-for-share swap transaction with the shareholders of Golden Peregrine as previously disclosed ("GP Transaction") and after receipt of full payment. Valiant shall make an initial payment of Php209,749,998.70 for its subscription. The remaining balance of Php45,000,000.70 shall be paid in full after fulfillment of the following conditions: (i) completion of the Golden Peregrine Transaction, and (ii) an increase in capital stock is approved by the Securities and Exchange Commission.

- Subscriptions of Cymac Holdings Corp. to:
 - (a) 15,000,000 common shares at PhP2.95 per share for a total price of PhP44,250,000.00 to be issued from the current unissued capital upon full payment. Cymac shall initially pay PhP25,000,000.00. The remaining amount of PhP19,250,000.00 shall be paid on or before 31 July 2025.
 - (b) 3,644,068 common shares at PhP2.95 per share for a total price of PhP10,750,000.60 be issued from the increase in capital stock after the GP Transaction after full payment. Cymac shall make a partial payment of PhP5,000,000.00 for its subscription. The remaining balance of PhP5,750,000.60 shall be paid in full after fulfillment of the following conditions: (i) completion of the Golden Peregrine Transaction, and (ii) an increase in capital stock is approved by the Securities and Exchange Commission.
- Authority of Atty. Manolito A. Manalo to act as an authorized representative of the Corporation to enter into a service contract agreement with Mapecon Phils. Inc.
- Authority to representatives of the Corporation to represent the Corporation in processing and/or updating the Computerized Accounting System (CAS) in relation to the modification of Ease of Paying Taxes Law (EoPT) with the Bureau of Internal Revenue (BIR), with full power to appoint or designate any representative(s) which he/she may deem proper to perform the acts authorized therein.
- 2024 Audit Plan as presented by Reyes Tacandong and Co.
- Amendment of the Subscription Agreement with Cymac Holdings Corp. dated October 22, 2024 to extend the payment period of the remaining balance on or before 31 July 2025.
- Approval of Audited Financial Statement of PMHI for the year ended December 31, 2024
- Postponement of the 2025 Annual Stockholders' Meeting which is scheduled every third Tuesday of May of each year to give Management sufficient time to prepare for the meeting.
- Consolidation of Title and Ownership of Property registered in the name of Mr. Manuel Rañola covered by Transfer Certificate of Title Nos. 15048, 15049, 15050, 15051 in favor of Prime Media Holdings, Inc.
- To avail Real Property Tax Amnesty for the two (2) properties located in Laguna covered by TCT Nos. 060-2011012026 and 060-2011012025 registered in the name of First E-Bank Corp. (now Prime Media Holdings Inc.)
- Authority to Atty. Diane Madelyn C. Ching as the Data Privacy Officer to apply for Data Processing Systems Registration or Exemption from Registration, whichever is applicable, on behalf of Prime Media Holdings, Inc.
- Amendment of the Loan Agreements with PCMC dated 15 August 2023 and 22 October 2024.
- Setting of the Annual Stockholders' Meeting on 31 July 2025 with record date of 27 June 2025, subject to change by the Chairman/President of the Corporation.
- Authority to representatives of the Corporation for the submission of reportorial requirements with the SEC through eFAST.
- Approval to Execute the Deed of Exchange with Atty. Hermogene H. Real and Ms. Michelle F. Ayangco, the 100% owner of the Golden Peregrine Holdings, Inc. (herein referred as the "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.

- Approval to apply for Additional Listing of 980,000,000 common shares issued to Golden Peregrine Shareholders as described above.
- Approval of the following Amendments to the Articles of Incorporation:

I. Reclassification of Shares

- (a) Partial Conversion of outstanding Series “A” Non-Voting and Convertible Preferred shares into Common Shares at the conversion rate of 25 Series “A” Non-Voting and 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, applicable to Series “A” Shareholders whose shares when converted will not result to any fractional shares.
- (b) Reclassification and Declassification of Series “B” Preferred Shares into Common Shares;
- (c) Creation of Series “C” Non-Voting and Redeemable Preferred Shares with a par value of PhP 1.00 per share and Reclassification of all Foreign-Owned Common Shares with a par value of PhP 1.00 per share into Series “C” Non-Voting and Redeemable Preferred Shares with a par value of PhP 1.00 per share.

II. Increase in the authorized capital stock from Four Billion Forty Million Pesos (Php4,040,000,000.00) to Six Billion Pesos (Php6,000,000,000.00), thereby amending the Seventh Article of the Articles of Incorporation.

III. Conversion and Reclassification of Six Million Five Hundred Forty-Nine Thousand Nine Hundred Sixty (6,549,960) remaining Series “A” Non-Voting Convertible Preferred Shares with a par value of PhP 0.04 per share, into Two Hundred Sixty-One Thousand Nine Hundred Ninety-Eight and 40/100 (261,998.40) Common Shares with a par value of PhP1.00 per share, thereby amending the Seventh Article of the Articles of Incorporation.

IV. Decrease in the Authorized Capital Stock from Six Billion Pesos (Php6,000,000,000.00) to Five Billion Nine Hundred Ninety-Nine Million Nine Hundred Ninety-Nine Thousand Nine Hundred Thirty-Two and 60/100 Pesos (Php5,999,999,932.60) thereby amending the Seventh Article of the Articles of Incorporation.

V. 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 from Php5,999,999,932.60 to PhP5,999,659,268.60.

VI. 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.

- 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.

- 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 share into Common Shares with a par value of PhP 1.00 as described in item (7) above, if necessary.
- Waiver by the minority stockholders of the rights or public offer requirement under the PSE Additional Listing Rule.

Item 16. MATTERS NOT REQUIRED TO BE SUBMITTED

All corporate actions to be taken at the annual stockholders’ meeting will be submitted to the stockholders of the Registrant for their approval in accordance with the requirements of the Corporation Code.

Matters not required to be submitted are the Call to Order and Certification of Notice and Quorum.

Item 17. Amendment of Charter, By-laws or other documents

1. The following amendments of the Articles of Incorporation are sought:

Nature of Amendment	Proposed Language (subject to modification)	Purpose
1. Approval of the mandatory redemption and retirement of 340,664 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 from PhP4,040,000,000.00 to PhP 4,039,659,336.00.	SEVENTH – That the capital stock of said Corporation is Four Billion Thirty Nine Million Six Hundred Fifty Nine Thousand Three Hundred Thirty Six Pesos (PhP 4,039,659,336) divided into Three Billion Nine Hundred Ninety Nine Million Six Hundred Fifty Nine Thousand Three Hundred Thirty Six (3,999,659,336) common shares with a par value of One Peso (PHP 1.00) per share and One Billion (1,000,000,000) Series A Non-Voting and Convertible Preferred Shares with a par value of Four Centavos (PhP 0.04) per share.”	The purpose of the amendment is to eliminate the foreign-held shares to comply with the Seventh Article of the Amended Articles of Incorporation on Filipino ownership restriction.
2. Approval to Increase the authorized capital stock from Four Billion Thirty Nine Million Six Hundred Fifty Nine Thousand Three Hundred Thirty Six Pesos	SEVENTH- that the capital stock of said Corporation is Six Billion Pesos (PhP 6,000,000,000) divided into Five Billion Nine Hundred Sixty Million	The amendment is to allow the corporation to issue Nine Hundred Eighty Million (980,000,000) Common Shares in favor of Atty. Hermogene H. Real and Ms.

(PhP 4,039,659,336.00) to Six Billion Pesos (PhP6,000,000,000.00),	(5,960,000,000) common shares with a par value of One Peso (PHP 1.00) per share, and One Billion (1,000,000,000) Series A Non-Voting and Convertible Preferred Shares with a par value of Four Centavos (PhP 0.04) per share.”	Michelle F. Ayangco (as the “Golden Peregrine Shareholders”) as consideration for the acquisition of one hundred percent (100%) of the issued and outstanding shares in Golden Peregrine Holdings Inc.
3. Approval to Decrease the authorized capital stock from Six Billion Pesos (PhP 6,000,000,000.00) to Five Billion Nine Hundred Sixty Million Pesos (PhP 5,960,000,000.00) resulting from the retirement of Series A class.	“SEVENTH- that the capital stock of said Corporation is Five Billion Nine Hundred Sixty Million Pesos (PhP5,960,000,000) divided into Five Billion Nine Hundred Sixty Million (5,960,000,000) common shares with a par value of One Peso (PHP 1.00) per share.”	The purpose of this amendment is to delete all other provisions/ paragraphs relating to Preferred Shares so that the Corporation shall only have one (1) class of shares, particularly, Common Shares.
4. Amendment of the Articles of Incorporation to delete all other provisions/ paragraphs in the Seventh Article relating to Preferred Shares to have one (1) class of common shares.	“SEVENTH- that the capital stock of said Corporation is Five Billion Nine Hundred Sixty Million Pesos (PhP5,960,000,000) divided into Five Billion Nine Hundred Sixty Million (5,960,000,000) common shares with a par value of One Peso (PHP 1.00) per share.”	The purpose of this amendment is to delete all other provisions/ paragraphs relating to Preferred Shares so that the Corporation shall only have one (1) class of shares, particularly, Common Shares.

Item 18. Other Proposed Action

There are no other proposed actions to be taken up.

Item 19. Voting Procedures

In the election of directors, the seven (7) nominees garnering the highest number of votes will be elected as members of the board of directors, provided that there shall always be at least two (2) members who are independent directors.

For the approval of the proposed amendments to the Articles of Incorporation, the affirmative vote of the shareholders representing at least two-thirds (2/3) of the outstanding capital stock will be needed for approval. For other matters, the affirmative vote of shareholders representing the majority of the outstanding capital stock shall suffice.

The Corporation has 14,366,260 Series A preferred shares equivalent to 1.53% of the Corporation’s total outstanding capital stock which non-voting shares. There are no shares issued for Series B.

Under Section 5(b) of the PSE Rule on Additional Listing, the vote required for the waiver of the minority rights/public offer requirement over the shares subscribed in a related party transaction, is a “majority vote representing the outstanding shares held by the minority stockholders present or represented at the meeting.”

Proxy is solicited by the Board of Directors and Management of Prime Media Holdings Inc. (or the “Corporation,” “Company, or “PRIM”).

Manner of Voting

Each common share entitles the person in whose name it is registered in the books of the Corporation to one vote with respect to all matters to be taken up during the annual meeting of stockholders.

In the election of directors, each stockholder may vote such number of shares for as many persons as there are directors to be elected or may cumulate said shares and give one nominee as many votes as the number of directors to be elected multiplied by the number of his share shall equal, or he may distribute them on the same principle among as many nominees as he shall see fit, provided, that the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by the number of directors to be elected.

Due to safety and health precautions, voting shall only be *in absentia* or by proxy in accordance with the Corporation’s Rules and Procedure to Vote and Participate in PRIM’s 2025 Annual General Meeting, hereto attached as ***Annex “A”***.

The Corporate Secretary will be responsible for counting votes based on the number of shares entitled to vote owned by the stockholders who are present or represented by proxies at the Annual Meeting of the Stockholders.

PART II: INFORMATION REQUIRED IN A PROXY FORM

PLEASE USE THE ATTACHED PROXY FORM

Item 1. Identification

This proxy is solicited by the Board of Directors and Management of Prime Media Holdings Inc. (or the “Corporation,” “Company, or “PRIM”). The solicited proxy shall be exercised by the Chairman or the stockholder’s authorized representative.

Item 2. Instruction

- a. For all agenda items other than “Call to Order”, “Proof of Notice and Certification of Quorum”, the proxy form shall be accomplished by marking in the appropriate box either “FOR”, “AGAINST” or “ABSTAIN” according to the stockholder’s/proxy’s preference.

If no instructions are indicated on a returned and duly signed proxy, the shares represented by the proxy will be voted in favor of the:

FOR Approval of Minutes of Previous Stockholders’ Meeting.

FOR Approval of the Annual Report and the Audited Financial Statements for the year ending December 31, 2024.

FOR Approval of the Authority to the Board to execute the Deed of Exchange with Atty. Hermogene H. Real and Ms. Michelle F. Ayangco, the 100% owner of the Golden Peregrine Holdings, Inc. (herein referred as the “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.

FOR Approval of the Additional Listing of 980,000,000 common shares issued to Golden Peregrine Shareholders as described above.

FOR Approval of the Waiver by the minority stockholders of the rights or public offer requirement under the PSE Additional Listing Rules.

FOR Approval of the Additional Listing of approximately 308,266 common shares issued to Filipino shareholders after partial conversion of Series “A” Non-Voting Convertible Preferred Shares with a par value of PhP 0.04 per share into Common Shares with a par value of PhP 1.00, if necessary.

FOR Approval of the mandatory redemption and retirement of 340,664 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 from PhP4,040,000,000.00 to PhP 4,039,659,336.00.

FOR Approval to Increase the authorized capital stock from Four Billion Thirty Nine Million Six Hundred Fifty Nine Thousand Three Hundred Thirty Six (PhP 4,039,659,336.00) to Six Billion Pesos (PhP6,000,000,000.00), thereby amending the Seventh Article of the Articles of Incorporation.

FOR Approval to Decrease in the authorized capital stock from Six Billion Pesos (PhP 6,000,000,000.00) to Five Billion Nine Hundred Sixty Million Pesos (PhP 5,960,000,000.00) resulting from the retirement of the Series A class.

FOR Approval to amend the Articles of Incorporation to delete all other provisions/ paragraphs in the Seventh Article relating to Preferred Shares to have one (1) class of common shares.

FOR Approval of the Conversion and Reclassification of the remaining Six Million Five Hundred Forty-Nine Thousand Nine Hundred Sixty (6,549,960) Series “A” Non-Voting Convertible Preferred Shares into common shares at the conversion rate of 25 Series “A” Non-Voting and 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 equivalent to issuance of approximately Two Hundred Sixty One Thousand Nine Hundred Ninety Eight (261,998) common shares with a par value of PhP 1.00 per share. Fractional shares arising from such conversion shall be paid in cash or eliminated by way of retirement and decrease in authorized capital stock, as authorized by the Board of Directors.

FOR Approval of the Additional Listing of approximately 261,998 common shares issued to shareholders after conversion of Series “A” Non-Voting Convertible Preferred Shares with a par value of PhP 0.04 per share into Common Shares with a par value of PhP 1.00 as described in item 8.1 of the Agenda, if necessary.

FOR Ratification of All Acts of the Board of Directors and Management

FOR Election of the following directors:

Regular Directors:

Manolito A. Manalo
Bernadeth A. Lim

Rolando S. Santos
Hermogene H. Real
Michelle F. Ayangco

Independent directors:
Johnny Y. Aruego, Jr.
Francisco L. Layug III

FOR the approval of the appointment of Reyes Tacandong & Co. as the Company's external auditor; and to authorize the Proxy to vote according to discretion of the Company's Chairman of the Meeting on any matter that may be discussed under "Other Matters".

- b. A Proxy Form that is returned without a signature shall not be valid.
- c. The matters to be taken up in the meeting are enumerated opposite the boxes on the accompanying Proxy Form. The names of the nominee directors are likewise enumerated opposite an appropriate space.
- d. If a stockholder will not be able to attend the meeting but would like to be represented thereat, he may submit his Proxy Form, duly signed and accomplished, to the Office of the Corporate Secretary at 16th Floor BDO Towers Valero, 8741 Paseo de Roxas, Makati City, on or before **16 July 2025**. Beneficial owners whose shares are lodged with PDTC or registered under the name of a broker, bank or other fiduciary allowed by law must, in addition to the required I.D., present a notarized certification from the owner of record (i.e. the broker, bank or other fiduciary) that he is the beneficial owner, indicating thereon the number of shares. Corporate shareholders shall likewise be required to present a notarized secretary's certificate attesting to the authority of its representative to attend and vote at the stockholders' meeting.

Validation of proxies will take place on **18 July 2025** at the office of the principal office of the Corporation.

Item 3. Revocability of Proxy

A shareholder may revoke his proxy on or before the date of the Annual Meeting. The proxy may be revoked by the shareholder's written notice to the Corporate Secretary advising the latter of the revocation of the proxy, or by a shareholder's personal attendance during the meeting and appropriate advice to the Corporate Secretary of such revocation.

Item 4. Persons Making the Solicitation

This solicitation is made by the Corporation. No director has informed the Corporation in writing or otherwise of his intention to oppose any action intended to be taken at the meeting.

Solicitation of proxies will be done mainly by mail. Certain personnel of the Corporation will also solicit proxies in person or by telephone.

The estimated amount to be spent by the Corporation to solicit proxies is Php20,000.00. The cost of the solicitation will be borne by the Corporation.

Item 5. Interest of Certain Persons in Matters to be Acted Upon

Ms. Michelle Ayangco and Atty. Hermogene Real, who are nominees for re-election as directors of the Corporation, are the One Hundred Percent (100%) owner of Golden Peregrine Holdings, Inc. ("GPHI") which now owns One Hundred Percent (100%) of the outstanding capital stock of PCMC. Pursuant to proposed amendments to the MOA, they will subscribe to up to Nine Hundred Eighty

Million (980,000,000) shares of the Corporation, pursuant to the updated valuation report as of December 31, 2023. As consideration for their subscription, Ms. Michelle Ayangco and Atty. Real shall assign and transfer their 100% ownership in GPHI to the Corporation. Atty. Hermogene Real is the President and majority shareholder of Mairete Asset Holdings Inc., who owns 8.34% of the Corporation.

Rolando S. Santos is a director and officer of Mairete Asset Holdings Inc. and the Corporation.

Atty. Diane Madelyn Ching sits as Corporate Secretary for both the Corporation, Armstrong Capital Holdings Corp. and Mairete Asset Holdings Inc.

Other than the above statements, no director or officer of the Corporation or any other nominee for election as director of the Corporation or any associate of the foregoing, has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon, other than election to office as director of the Corporation. None of the officers or directors or any of their associates has any substantial interest, direct or indirect, in any of the matters to be acted upon in the stockholders' meeting.

MANAGEMENT REPORT

MANAGEMENT DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

MANAGEMENT REPORT

I. Financial Statements

The Audited Financial Statements of the Corporation for the year ended as of 31 December 2024 are attached to this report.

II. Information on Independent Accountants and other Related Matters

The Corporation's financial statements for the years ended 31 December 2024 and 2023 have been audited by RTC, independent auditors, as stated in their reports appearing herein.

Ms. Pamela Ann Escudro is the Corporation's current audit partner. The Company has not had any disagreements on accounting and financial disclosures with our current external auditors for the periods or any subsequent interim period.

There were no disagreements with RTC on any matter of accounting and financial disclosure.

The following table sets out the aggregate fees incurred for the years ended December 31, 2024 and 2023 for professional services rendered by RTC:

	2024	2023
Audit Fees	P500,000	P480,000
Audit-Related Fees	50,000	48,000
	P550,000	P528,000

The Audit Committee reviewed the nature of non-audit services rendered by RTC and the corresponding fees and concluded that these are not in conflict with the audit functions of the independent auditor. The Audit Committee has an existing policy to review and pre-approve the audit and non-audit services rendered by the Corporation's independent auditor. It does not allow the Corporation to engage the independent auditor for certain non-audit services expressly prohibited by regulations of the SEC to be performed by an independent auditor for its audit clients. This is to ensure that the independent auditor maintains the highest level of independence from the Corporation both in fact and appearance.

III. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis are based on the unaudited financial statement as at 31 May 2025 and audited financial statements as at 31 December 2024, 2023 and 2022, prepared in conformity with Philippine Financial Reporting Standards (PFRS) and accompanying Notes to the Financial Statements and should be read in conjunction with the audited financial statements.

Summary Financial Information

The Financial Statements as at 31 May 2025, 31 December 2024, 2023 and 2022 and for the period ended 31 May 2025, 31 December 2024, 2023 and 2022 are hereto attached.

The following table sets forth the summarized financial information for the period ended 31 May 2025 and years ended 31 December 2024, 2023 and 2022:

Summary of Statements of Comprehensive Income

	Unaudited 31 May 2025	Audited 31 December 2024	Audited 31 December 2023	Audited 31 December 2022
Interest Income	₱4,380	₱9,978,087	₱30,244	₱53,511
Share in Net Loss of a Joint Venture	–	(25,948,293)	(17,142,846)	–
Expenses	(2,012,008)	(9,446,970)	(13,195,869)	(6,258,458)
Loss before Income Tax	(2,007,628)	(25,417,176)	(30,308,471)	(6,204,947)
Provision for Income Tax	–	208,701	–	430
Net Loss	(2,007,628)	(25,625,877)	(30,308,471)	(6,205,377)
Other Comprehensive Income	–	500,000	1,700,000	1,550,000
Total Comprehensive Loss	(₱2,007,628)	(₱25,125,877)	(₱28,608,471)	(₱4,655,377)
Basic and Diluted Loss Per Share	(₱0.003)	(₱0.032)	(₱0.041)	(₱0.007)

Summary of Statements of Financial Position

	Unaudited 31 May 2025	Audited 31 December 2024	Audited 31 December 2023	Audited 31 December 2022
ASSETS				
Current Assets	₱503,737,595	₱506,836,106	₱54,286,187	₱41,524,749
Noncurrent Assets	368,336,640	368,390,300	381,758,754	3,936,063
	₱872,074,235	₱875,226,406	₱436,044,941	₱45,460,812
LIABILITIES AND EQUITY				
Current Liabilities	₱214,497,741	₱215,642,284	₱210,958,691	₱195,266,09
Noncurrent Liabilities	214,749,999	214,749,999	–	–
Equity	442,826,495	444,834,123	225,086,250	(149,805,279)
	₱872,074,235	₱875,226,406	₱436,044,941	₱45,460,812

Summary of Statements of Cash Flows

	Unaudited 31 May 2025	Audited 31 December 2024	Audited 31 December 2023	Audited 31 December 2022
Cash Provided by (Used in) Operating Activities	(₱3,186,929)	(₱13,260,825)	₱3,840,875	₱27,197,535
Cash Used in Investing Activities	(10,536,824)	(469,004,685)	(393,400,300)	(469,300)
Cash Provided by Financing Activities	–	459,623,749	403,500,000	–
Net Increase (Decrease) in Cash	(13,723,753)	(22,641,761)	13,940,875	26,728,235
Cash at Beginning of Period	25,138,280	47,780,041	33,839,166	7,110,931
Cash at End of Period	₱11,414,527	₱25,138,280	₱47,780,041	₱33,839,166

31 May 2025 vs. 31 December 2024

Statement of Financial Position

The Corporation's total **Assets** of ₱872.07 million decreased by ₱3.15 million or 0.36% compared with last year. The movements in total Assets are attributable to the following:

- **Cash** decreased by ₱13.72 million or 54.59% from ₱25.14 million as of December 31, 2024 to ₱11.41 million as of May 31, 2025, mainly due to advances made by related parties for their operations.
- **Due from related parties** increased by ₱10.54 million from nil as of December 31, 2024 to ₱10.54 million as of May 31, 2025, due to advances made by related parties for their operations.
- **Other current assets** increased by ₱0.09 million or 1.46% from ₱6.04 million as of December 31, 2024 to ₱6.13 million as of May 31, 2025, due to the additional input VAT recorded during the period.
- **Property and equipment** decreased by ₱0.05 million or 13.75% from ₱0.39 million as of December 31, 2024 to ₱0.34 million as of May 31, 2025, due to depreciation recognized during the period.

The Corporation's total **Liabilities** of ₱429.25 million decreased by ₱1.14 million or 0.27% compared with last year, mainly due to the payment of audit fee for the Corporation's 2024 audited financial statements.

The **Equity** of the Corporation decreased by ₱2.01 million or 0.45% from ₱444.83 million as of December 31, 2024 to ₱442.83 million as of May 31, 2025, due to net loss recognized during the period.

Results of Operations

The Corporation's operating results reflected a net loss of ₱2.01 million and ₱25.63 million in May 31, 2025 and December 31, 2024, respectively. Compared with last year, there is a decrease of ₱23.62 million or 92.17%. The significant changes were mainly due to the following:

- **Interest Income** for the current period decreased by ₱9.97 million 99.96% compared with last year, due to interest income earned in loans receivable last year.
- **Share in net loss of a joint venture** decreased by ₱25.81 million or 100.00% compared with last year, due to the decline in operating performance of MSPC.
- **Outside services** decreased by ₱1.47 million or 75.01% compared with last year, mainly due to the filing fee for 150,000,000 common shares for private placement transaction last year.
- **Taxes and licenses** decreased by ₱1.14 million or 95.00%, mainly due to the filing fee for confirmation of exempt transactions to SEC last year.
- **Professional fees** decreased by ₱3.22 million or 74.39%, mainly due to the payment of professional fees for the Corporation's special projects last year.

Cash Flows

Cash used in operating activities during the period is lower by ₱10.07 million or 75.97% compared with last year, mainly due to filing fees for private placement and confirmation of exempt transactions last year.

Cash used in investing activities during the period decreased by ₱458.47 million or 97.75% compared with last year, mainly due to the additional unsecured loan granted to PCMC last year.

31 December 2024 vs. 31 December 2023

Statement of Financial Position

The Corporation's total **Assets** of ₱875.23 million increased by ₱439.18 million or 100.72% compared with the same period last year. The movements in total Assets are 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 Corporation'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 Corporation's total **Liabilities** of ₱430.39 million increased by ₱219.43 million or 104.02% compared with the same period last year. The movements in total Liabilities are 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 Corporation's additional share in the net loss of the joint venture.

The **Equity** of the Corporation 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

The Corporation'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:

- **Interest 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 last year, due to the decline in operating performance of MSPC.
- **Outside services** decreased by ₱2.02 million or 50.79% compared with last year, mainly due to the payment of outsourced services related to the joint venture entered by the Corporation 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.

Cash Flows

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

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.

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.

31 December 2023 vs. 31 December 2022

Statement of Financial Position

The Corporation's total Assets of ₱436.04 million increased by ₱390.58 million or 859.17% compared with last year. The movements in total Assets are attributable to the following:

- **Cash** increased by ₱13.94 million or 41.20% from ₱33.84 million in 2022 to ₱47.78 million in 2023, mainly due to issued additional 150,000,000 common shares to Angel Maple Properties, Inc., now known as Valiant Consolidated Resources Inc.), (125,000,000) and Cymac Holdings Corporation (25,000,000) at ₱2.70 a share equivalent to ₱405.00 million that paid for in cash.
- **Due from related parties** decreased by ₱2.10 million or 90.63% from ₱2.32 million in 2022 to ₱0.22 million in 2023 due to collections of advances to related parties.
- **Loans receivable** increased by ₱373.00 million due to an unsecured loan granted to PCMC for the payment of its liabilities, acquisition of equipment, operations, and expansion of its business.
- **Investment in a club share** increased by ₱1.70 million due to recognition of the fair value changes during the year.
- **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 Corporation's total Liabilities of ₱210.96 million increased by ₱16.33 million or 8.36% compared with last year. The movements in total Liabilities are 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 Corporation increased by ₱374.89 million or 250.25% from ₱149.81 million to ₱225.09 million equity in 2023 mainly due to the issuance of common shares of stock amounting to ₱405.00 million during the period.

Results of Operations

The Corporation's operating results reflected a net loss of ₱30.31 million and ₱6.20 million in 2023 and 2022, respectively. Compared with last year, there is a huge decline of ₱24.10 million or 388.42%. The significant changes were mainly due to the following:

- **Income** for the current period in the amount of ₱0.03 million pertains to interest income earned in 2023.
- **Share in net loss of a joint venture** for the current period in the amount of ₱17.14 million pertains to the declined operating performance of the joint venture.
- **Outside services** increased by ₱2.95 million or 287.02%, mainly due to payment of outsourced services related to the joint venture entered by the Corporation.
- **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%, mainly due to payment of legal services related to the joint venture entered by the Corporation.

Cash Flows

Cash provided by operating activities decreased by ₱23.31 million or 85.86% compared with last year is mainly due to the additions to the liabilities arising from MOA.

Cash used in investing activities increased by ₱392.97 million or 92,192.43% compared with last year are due to loan granted to PCMC and joint venture entered by the Corporation amounted to ₱373.00 million and ₱20.40 million, respectively.

Cash provided by financing activity during the year amounted to ₱403.50 million pertained to net proceeds from the issuance of shares at a premium.

Key Performance Indicators

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Return on Asset (%)	(13.17%)	(0.81%)	(10.64%)	(0.23%)
Return on Equity (%)	4.21%	(0.13%)	(68.08%)	(0.45%)
Current Ratio	0.21:1	0.26:1	2.35:1	2.35:1
Debt to equity ratio	(1.30):1	0.94:1	0.97:1	0.97:1
Asset to equity ratio	(0.30):1	1.94:1	1.97:1	1.97:1

1. Return on assets (ROA) was computed based on the ratio of net income/(net loss) to average assets.
2. Return on equity (ROE) was computed based on the ratio of net income/(net loss) to average equity.
3. Current Ratio was computed based on the formula of current assets divided by current liabilities
4. Debt to equity ratio was computed based on the formula of Total liabilities divided by equity
5. Asset to Equity Ratio was computed based on the formula of Total assets divided by equity

IV. Brief Description of the General Nature and Scope of the Business

The Corporation was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on 6 February 1963.

On 1 October 2003, the SEC approved the amendment of the Corporation's articles of incorporation, changing its primary purpose from that of a development bank to a holding company and to hold investments in the media industry. On 4 March 2013, the SEC approved the extension of the Corporation's corporate life for another 50 years. However, in accordance with the Revised Corporation Code of the Philippines, effective 23 February 2019, the Corporation was automatically accorded perpetual existence.

On 9 July 1964, the Philippine Stock Exchange, Inc. ("PSE") approved the public listing of the Corporation's shares of stock. As at 31 December 2023 and 2022, there are 663,713,458 common shares and 672,435,425 common shares, respectively, that are publicly listed.

On 12 September 2002, the Corporation agreed to transfer assets and liabilities arising from its development bank operations to BDO and PDIC under a MOA ("BDO-PDIC MOA"). As at 30 June 2024 and 31 December 2023, the Corporation is still in the process of transferring titles of real estate properties that are still in its possession (see Notes 10 and 14).

On 15 August 2022 and on 23 September 2022, the BOD and the stockholders, respectively, approved, among others, the deletion of all provisions relating to the Corporation's preferred shares, the conversion of the preferred shares to common shares and the increase of the authorized capital stock to up to ₱7.00 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 30 June 2024.

V. Description of Property

Practically all of the Corporation'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.

Other than the proposed acquisition of GPHI, the Corporation does not intend to acquire additional properties.

VI. Business Transactions with Related Parties

The Corporation as of 31 May 2025 and 31 December 2024 summary of related party transactions are as follows:

Parent Company and Other Related Party

	Nature of Transaction	Amount of Transaction		Outstanding Balance	
		2025	2024	31 May 2025	31 December 2024
Loans receivable					
Entity under common key management	Loan	₱-	₱463,963,571	₱831,963,571	₱831,963,571
Interest receivable					
Entity under common key management	Accrued interested	₱-	₱11,687,276	₱11,687,276	₱11,687,276

	Nature of Transaction	Amount of Transaction		Outstanding Balance	
		2025	2024	31 May 2025	31 December 2024
Due from related parties					
Entities under common control	Advances (Settlement)	₱10,536,824	(₱217,235)	₱10,536,824	₱—
Advances to joint venture					
Joint venture	Advances	₱—	₱15,247,500	₱15,247,500	₱15,247,500
Due to related parties					
Joint venture	Additional share in net loss	₱—	₱7,443,639	₱7,443,639	₱7,443,639
Parent Company	Management fee	—	—	13,880,000	13,880,000
				₱21,323,639	₱21,323,639
Deposit for future stock subscription					
Stockholders	Deposit for future stock subscription	₱—	₱214,749,999	₱214,749,999	₱214,749,999

Employees

As of 31 May 2025, the Corporation has no regular employees.

VII. Plan of Operation

The Corporation has no significant operational activity since its primary purpose was changed from that of a development bank to a holding company in December 2002 other than those described in Item 1 above. 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 Corporation also signed subscription agreements with its major stockholders for total proceeds of ₱179 million, of which ₱70 million was received in April 2013 and the balance of ₱109 million was collected in May and June 2014. This further brought down the capital deficit and is 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 Corporation continues to pursue the clean-up of its books and the settlement of its remaining obligations to pave the way for possible additional capital infusion from third party investors.

On 28 July 2021, the Board of the Corporation approved the amendment of the MOU with New Era for the parties to execute a more definitive agreement (such as a Memorandum of Agreement) to explore joint ventures in gaming and real estate development. The Board of Directors on 15 August 2022 approved the termination of the MOU with New Era as both parties no longer decided to proceed further with the prospective business ventures.

On 30 July 2021, the Corporation, RYM and the majority stockholders of PCMC executed a MOA which will allow the Corporation to obtain the assets, business, control and majority ownership of PCMC. The transaction will result in PCMC becoming a subsidiary of the Corporation. Upon completion of the transaction, the Corporation will be able to operate the assets of PCMC including,

but not limited to, the television station operating under PRTV in Tacloban and 13 radio stations operating under the brand FMR (Favorite Music Radio).

On 15 August 2022, the Board of Directors of the Corporation approved the amendment of the PCMC MOA to take into consideration the subsequent incorporation of Golden Peregrine Holdings, Inc. which now owns One Hundred Percent (100%) of the outstanding capital stock of PCMC, and which is also owned One Hundred Percent (100%) by the former PCMC Shareholders, Atty. Hermogene H. Real and Michelle F. Ayangco.

On 18 January 2023, the Board of Directors of the Corporation authorized the amendment of the Memorandum of Agreement (“MOA”) relating to the following: (a) Change the Exchange Ratio to 4,700 PRIM shares for 1 Golden Peregrine share pursuant to the updated appraisal report.(b) Subscription by Atty. Hermogene H. Real and Ms. Michelle Ayangco to One Billion Six Hundred Forty Five Million (1,645,000,000) PRIM Common Shares to be issued out of the proposed increase in authorized capital stock in consideration of the assignment of One Hundred Percent (100%) of the Outstanding Capital Stock of Golden Peregrine pursuant to the updated appraisal report.

On May 23, 2023, the Board of Directors approved the Subscriptions of (i) Valiant Consolidated Resources Inc. to One Hundred Twenty Five Million (125,000,000) unissued common shares and (ii) Cymac Holdings Corporation to Twenty Five Million (25,000,000) unissued common shares at PhP 2.70 per share based on 30-day Volume Weighted Average Price (VWAP) of PhP 2.6197 + 2.97% premium for a total consideration of PhP 405M to be paid in cash. Valiant Consolidated Resources Inc. and Cymac Holdings Corporation are separate and distinct entities not acting in concert in the subscription of the unissued shares of the Corporation.

On the same day, May 23, 2023, the Board of Directors approved the Joint Venture with ABS-CBN. The parties shall incorporate a Joint Venture Company wherein Prime Media shall have Fifty One Percent (51%) equity and initial subscription of Twenty Million Four Hundred Thousand (20,400,000) shares for a total value of Twenty Million Four Hundred Thousand Pesos (PhP20,400,000.00). ABS-CBN shall have Forty Nine Percent (49%) equity with an initial subscription of Nineteen Million Six Hundred Thousand (19,600,000) shares for a total value of Nineteen Million Six Hundred Thousand Pesos (PhP19,600,000.00). The Joint Venture entered into by Prime Media, and ABS-CBN is 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.

Considering the pending application of the Corporation with the Securities and Exchange Commission and the lapse of time and progress of the transaction, on 31 May 2024, the Board approved the amendment of the MOA in relation to the subscription of Atty. Hermogene H. Real and Ms. Michelle F. Ayangco (as “Golden Peregrine Shareholders”) from One Billion Six Hundred Forty Five Million (1,645,000,000) to Nine Hundred Eighty Million (980,000,000) common shares for and in consideration of their assignment of 100% of the issued and outstanding shares in Golden Peregrine Holdings Inc. pursuant to the updated valuation report as of December 31, 2023.

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.

In 2024, the Company issued 75,000,000 common shares to 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 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.

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.

VIII. Status of Operations

Under the MOA dated 12 September 2002 between the Corporation, BDO and PDIC, the Corporation agreed to transfer its assets and liabilities from its development bank operations to BDO and PDIC. Under the terms of MOA, the Corporation holds BDO free from any contingent claims, labor and minority issues and concerns arising from related assets and liabilities still managed by the Corporation until these are assumed by BDO.

The Corporation 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 ₱723.50 million as at 30 June 2024 and 31 December 2023. Moreover, the Corporation has cash in its custody of ₱13.90 million as at 30 June 2024 and 31 December 2023 arising from the proceeds of the sale of one of properties.

On 30 June 2023, the Corporation and ABS-CBN, incorporated MSPC with a 51:49 ownership interest ration in accordance with the JVA entered on 23 May 2023. The JVA provided mainly for the establishment, operation, 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.

In August 2023, the Corporation 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 Corporation 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.	1 st Subscription	75,000,0000	Issued on November 11, 2024
	2 nd 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	1 st Subscription	15,000,000	The remaining balance shall be paid on or before 31 July 2025.
	2 nd 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		<u>180,000,000</u>	

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.

IX. Dividends

The Corporation has not declared dividends for the years 2024, 2023 and 2022. There are no restrictions that limit the payment of dividends on common shares. The Corporation has no unrestricted retained earnings considering its limited operations and the existence of financial deficit. Thus, the Corporation cannot declare dividends.

X. Legal Proceedings

In the normal course of its erstwhile banking operations, the Corporation is named a defendant in various legal actions, but it is the opinion of Management, that the ultimate liability, if any, from these cases will not seriously affect the Corporation.

Management Report for the period ended May 31, 2025

The unaudited Financial Statements of the Corporation as at May 31, 2025 (with comparative audited Statements of Financial Position as at December 31, 2024), and for the five months ended May 31, 2025 is in compliance with generally accepted accounting principles and there were no changes made in accounting policies and methods of computation in the preparation of the interim financial statements.

Summary of statements of financial position as at May 31, 2025 and December 31, 2024:

	Unaudited May 31, 2025 (₱'000)	Audited December 31, 2024 (₱'000)	Increase (decrease) Amount (₱'000)	Percentage
Current assets	₱503,737	₱506,836	(₱3,099)	(0.61%)

Noncurrent assets	368,337	368,390	(53)	(0.01%)
Total Assets	₱872,074	₱875,226	(₱3,152)	(0.36%)
Current liabilities	₱214,498	₱215,642	(₱1,144)	(0.53%)
Noncurrent liabilities	214,750	214,750	—	—
Equity	442,826	444,834	(2,008)	(0.45%)
Total Liabilities and Equity	₱872,074	₱875,226	(₱3,152)	(0.36%)

Summary of unaudited statements of comprehensive income for the five months period ended May 31, 2025 and 2024:

	For five months ended May 31	
	2025	2024
	(₱'000)	(₱'000)
Revenues	₱4	₱11
Expenses	(2,012)	(3,444)
Loss before tax	(2,008)	(3,433)
Provision for income tax	—	—
Total comprehensive loss	(₱2,008)	(₱3,433)

Summary of unaudited statements of cash flows for the five months period ended May 31, 2025 and 2024:

	For five months ended May 31	
	2025	2024
	(₱'000)	(₱'000)
Cash used in operating activities	(₱3,187)	(₱3,928)
Cash used in investing activities	(10,537)	11
Decrease in cash	(13,724)	(3,917)
Cash at beginning of period	25,138	47,780
Cash at end of period	₱11,414	₱43,863

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operation

After being dormant for a long time, the Corporation is now pursuing ventures relating to the media. Thus, on May 23, 2023, the Board of Directors approved the Subscriptions of (i) Valiant Consolidated Resources Inc. to One Hundred Twenty Five Million (125,000,000) unissued common shares and (ii) Cymac Holdings Corporation to Twenty Five Million (25,000,000) unissued common shares at Php 2.70 per share based on 30-day Volume Weighted Average Price (VWAP) of Php 2.6197 + 2.97% premium for a total consideration of Four Hundred Five Million (Php405,000,000.00) in cash. Part of the proceeds from the private placements were used to establish Media Serbisyo Production Corp., a joint venture company established with ABS-CBN as well as to extend financial support by way of loan to Philippine Collective Media Corporation (PCMC) amounting to Three Hundred Seventy-Three Million Pesos (Php373,000,000.00) to allow PCMC to use the same to pay some liabilities, acquire equipment, cover operational expenses, and expansion of its business.

FINANCIAL CONDITION AND RESULTS OF OPERATION

RESULTS OF OPERATIONS

Five months ended May 31, 2025 compared with five months ended May 31, 2024

The results of operation for the five months ended May 31, 2025 and 2024 were net loss of ₱2.01 million and ₱3.43 million, respectively. Significant changes in the income statement accounts for the five months ended May 31, 2025 compared with the same period last year are as follows:

Income

The Corporation's interest income during the period amounted to ₱4,380 has decreased by ₱6,754 or 60.66% compared with the same period last year, due to low bank balances during the period.

Expenses

Total expenses during the period amounted to ₱2.01 million has decreased by ₱1.43 million or 41.58% compared with the same period last year. The significant decrease in expenses is attributable to the following:

- Taxes and licenses decreased by ₱0.42 million or 87.62% compared with the same period last year, mainly due to the filing fee for confirmation of exempt transactions to SEC last year.
- Outside services decreased by ₱0.37 million or 43.19% compared with the same period last year, mainly due to the filing fee for 150,000,000 common shares for private placement transaction last year.
- Professional fees decreased by ₱0.31 million or 21.97% compared with same period last year, mainly due to the payment of professional fees for the Corporation's special projects last year.

STATEMENT OF FINANCIAL POSITION

The Corporation's total assets of ₱872.07 million decreased by ₱3.15 million or 0.36% compared with last year. The movements in total Assets are attributable to the following:

- Cash decreased by ₱13.72 million or 54.59% from ₱25.14 million as of December 31, 2024 to ₱11.41 million as of May 31, 2025, mainly due to advances made by related parties for their operations.
- Due from related parties increased by ₱10.54 million from nil as of December 31, 2024 to ₱10.54 million as of May 31, 2025, due to advances made by related parties for their operations.
- Other current assets increased by ₱0.09 million or 1.46% from ₱6.04 million as of December 31, 2024 to ₱6.13 million as of May 31, 2025, due to the additional input VAT recorded during the period.
- Property and equipment decreased by ₱0.05 million or 13.75% from ₱0.39 million as of December 31, 2024 to ₱0.34 million as of May 31, 2025, due to depreciation recognized during the period.

The Corporation's total liabilities of ₱429.25 million decreased by ₱1.14 million or 0.27% compared with last year, mainly due to the payment of audit fee for the Corporation's 2024 audited financial statements.

The equity of the Corporation decreased by ₱2.01 million or 0.45% from ₱444.83 million as of December 31, 2024 to ₱442.83 million as of May 31, 2025, due to net loss recognized during the period.

STATEMENT OF CASH FLOWS

Five months ended May 31, 2025 compared with five months ended May 31, 2024

Cash used in operating activities decreased by ₱740.90 million or 18.86% compared with the same period last year, mainly due to net loss incurred during the period.

Cash used in investing activities amounting to ₱10.54 million, due to advances made by related parties for their operations.

HORIZONTAL AND VERTICAL ANALYSIS

	31 May 2025 (Unaudited)	31 December 2024 (Audited)	Horizontal Analysis		Vertical Analysis	
			Amount	Percentage	2025	2024
ASSETS						
Current Assets						
Cash	₱11,414,527	₱25,138,280	(₱13,723,753)	(54.59%)	1.31%	2.87%
Receivables	475,660,749	475,660,749	—	—	54.54%	54.35%
Due from related parties	10,536,824	—	10,536,824	100.00%	1.21%	0.00%
Other current assets	6,125,495	6,037,077	88,418	1.46%	0.70%	0.69%
Total Current Assets	503,737,595	506,836,106	(3,098,511)	(0.61%)	57.76%	57.91%
Noncurrent Assets						
Loans receivable	368,000,000	368,000,000	—	—	42.20%	42.05%
Property and equipment	336,640	390,300	(53,660)	(13.75%)	0.04%	0.04%
Total Noncurrent Assets	368,336,640	368,390,300	(53,660)	(0.01%)	42.24%	42.09%
	₱872,074,235	₱875,226,406	(₱3,152,171)	(0.36%)	100.00%	100.00%

LIABILITIES AND CAPITAL DEFICIENCY

Current Liabilities						
Accrued expenses and other current liabilities	₱193,174,102	₱194,318,645	(₱1,144,543)	(0.59%)	22.15%	22.20%
Due to a related party	21,323,639	21,323,639	—	—	2.45%	2.44%
Total Current Liabilities	214,497,741	215,642,284	(1,144,543)	(0.53%)	24.69%	24.64%
Noncurrent Liability						
Deposit for future stock subscription	214,749,999	214,749,999	—	—	24.63%	24.54%
Total Liabilities	429,247,740	430,392,283	(1,144,543)	(0.27%)	49.22%	49.17%
Equity						
Capital stock	1,363,038,626	1,363,038,626	—	—	156.30%	155.74%
Deficit	(920,212,131)	(918,204,503)	(2,007,628)	(0.22%)	(105.52%)	(104.91%)
Total Equity	442,826,495	444,834,123	(2,007,628)	(0.45%)	50.78%	50.83%
	872,074,235	875,226,406	(3,152,171)	(0.36%)	100.00%	100.00%

Corporate Governance

On 26 June 2020, the Corporation adopted its 2020 Revised Manual on Corporate Governance, which details the standards by which it conducts sound corporate governance consistent with relevant laws and regulations and supersedes the Corporation's earlier 2016 Revised Manual on Corporate Governance.

Ultimate responsibility for the Corporation's adherence to its manual rests with its Board of Directors, and through three committees that are to be charged with oversight functions on specific areas of the Corporation's activities. The Audit Committee is charged with internal audit oversight over all of the Corporation's transactions. The Nomination Committee is charged with ensuring that those admitted as

members of the Corporation's Board of Directors are qualified, as well as ensuring fair representation of independent directors in the Corporation's Board of Directors. Finally, the Compensation and Remuneration Committee is tasked to ensure that fair compensation practices are adhered throughout the organization.

In view, however, of its current condition, the Corporation is not actively conducting business. Despite the said absence of actual business operations, the Corporation is currently undergoing internal reorganization and is in the process of evaluating its compliance with its reporting obligations as a public company. As such, it is not in a position to fully comply with the provisions of the manual on corporate governance. There are no regular meetings conducted by the Committees. There is also no Compensation Committee, in view of the fact that the Corporation's directors and officers currently do not receive compensation for serving as such. Notwithstanding the foregoing, the Corporation continues to endeavor towards internally reorganizing and evaluating its compliances to the rules applicable to it as a public company. Despite the status of the business operations of the Corporation, it has submitted to the Securities and Exchange Commission current reports (SEC Form 17-C) and quarterly (SEC Form 17-Q) and annual (SEC Form 17-A) reports to update the investing public of its financial and operational condition.

In the Revised Manual on Corporate Governance, the Corporation adopts a policy on the training of directors, including an orientation program for directors and relevant annual continuing training for all directors, including an understanding of the contributions that the director is expected to make, an explanation of the Board and its committees, and an explanation of the Corporation's business, including corporate governance and other matters that will promote effective board performance and continuing qualification of the directors in carrying out their duties and responsibilities.

There are no other definitive plans yet to improve the corporate governance of the Company aside from the recently implemented company policy for Board Assessment Policy which was approved by the Board of Directors on 12 April 2022. The Board Assessment Policy adopts a primarily self-evaluation approach to measure the performance of the Board, and the Committee Members, thus, the Company does not have an appraisal and performance reports of the board of directors.

To avoid conflict of interest, Directors inhibit voting in transactions that are considered self-dealing or related party transaction.

The following transactions are considered related party or self-dealing:

1. The sale of Valley Golf Share to the son of Mr. Rolando S. Santos, the incumbent Treasurer of the Corporation, at prevailing market price.
2. Ms. Michelle Ayangco and Atty. Hermogene Real, are the incumbent members of the Board of Directors of PMHI. Likewise, they are the One Hundred percent (100%) owner of the Golden Peregrine Holdings, Inc. ("GPHI") which now owns One Hundred percent (100%) of the outstanding capital stock of PCMC. Pursuant to proposed amendments to the MOA, they will subscribe to up to Nine Hundred Eighty Million (980,000,000) shares of PMHI pursuant to the updated valuation report as of December 31, 2023. As consideration for their subscription, Ms. Michelle Ayangco and Atty. Real shall assign and transfer their One Hundred percent (100%) ownership in GPHI to PMHI.

Market Information

The Corporation's shares of stock are being traded at the Philippine Stock Exchange under Banks and Financial Institutions and classified as Financials.

	Price	
	Low	High

Q1 (2022)	1.10	1.88
Q2 (2022)	1.21	3.48
Q3 (2022)	1.50	3.03
Q4 (2022)	1.46	2.28
Q1 (2023)	1.79	2.21
Q2 (2023)	1.80	3.03
Q3 (2023)	1.90	2.93
Q1 (2024)	2.30	3.78
Q2 (2024)	2.60	4.58
Q1 (2025)	1.57	2.46
Q2 (2025)	1.31	1.90

The high and low prices of the Corporation's share as of the latest practicable trading date **10 June 2025** are Php1.55 and Php1.47, respectively. As of 31 May 2025, the shares of the Corporation are held by One Thousand Five Hundred Eighty-Eight (1,588) shareholders of common shares and Two Hundred Sixty-Seven (267) shareholders of preferred shares.

The list of the Top 20 Stockholders of Record of the Corporation as of **31 May 2025** are as follows :

A. Common Shares

	Name of Stockholders	No. of Shares	Percentage of Ownership
1	PCD Nominee Corporation (Filipino)	888,353,734	96.00%
2	RYM Business Management Corporation	8,927,940	0.96%
3	First Producers Holdings, Corp. FAO Ray Burton Dev't 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	Albert Del Rosario ITF Anthony Salim	1,289,279	0.14%
9	Lucio W. Yan &/or Clara Yan	600,000	0.06%
10	Joel B. Vargas	534,876	0.06%
11	Merlene So &/or So Peng Kee	239,000	0.03%
12	Maria T. Uy	211,200	0.02%
13	Jose Yu Go, Jr.	210,000	0.02%
14	Solar Securities, Inc.	200,000	0.02%
15	PCD Nominee Corporation (Foreign)	153,751	0.02%
16	Ponciano V. Cruz Jr.	150,000	0.02%
17	Jovy Lim Go	150,000	0.02%
18	Que Lu Kiong	150,000	0.02%
19	Rufino H. Abad	142,011	0.02%
20	Luciano H. Tan	139,600	0.02%

B. Preferred Series "A" Shares

	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	Citisecurities 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	Banco De Oro 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 Development Corporation	196,340	1.37%
20	Juan B. Umipig, Jr.	180,000	1.25%

On 23 May 2023, the Board of Directors approved the Subscriptions of (i) Valiant Consolidated Resources Inc. (*formerly Angel Maple Properties, Inc.*) to One Hundred Twenty Five Million (125,000,000) unissued common shares and (ii) Cymac Holdings Corporation to Twenty Five Million (25,000,000) unissued common shares at PhP 2.70 per share based on 30-day Volume Weighted Average Price (VWAP) of PhP 2.6197 + 2.97% premium for a total consideration of Four Hundred Five Million (PhP405,000,000.00) to be paid in cash. Valiant Consolidated Resources Inc. and Cymac Holdings Corporation are separate and distinct entities not acting in concert in the subscription of the unissued shares of the Corporation.

The sale of securities is exempt under Section 10.1(k) of the Securities Regulation Code (SRC) pertaining to the sale of securities by an issuer to fewer than twenty (20) persons in the Philippines during any twelve-month period.

The Corporation received a copy of the Notice of Approval dated 05 September 2024 from the Philippine Stock Exchange (“PSE”) to list a total of One Hundred Fifty Million (150,000,000) common shares issued at Two and 70/100 (PhP2.70) per share arising from the private placement of Valiant Consolidated Resources Inc. and Cymac Holdings Corporation. And on 21 October 2024, the subject shares were listed via PSE Facility pursuant to the PSE Listing Notice.

On October 21, 2024, the Board of Directors of the Corporation approved new private placement transactions with the following Companies:

a.1 Valiant Consolidated Resources, Inc.

(a) Subscription to 75,000,000 common shares at PhP2.95 per share for a total price of PhP 221,250,000.00 to be issued from the current unissued capital upon full payment.

(b) Subscription to 86,355,932 common shares at PhP2.95 per share for a total price of PhP 254,749,999.40 to be issued from the increase in capital stock after the share-for-share swap transaction with the shareholders of Golden Peregrine as previously disclosed (“GP Transaction”) and after receipt of full payment. Valiant shall make an initial payment of PhP209,749,998.70 for its subscription. The remaining balance of PhP45,000,000.70 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.

a.2 Cymac Holdings Corp.

(a) Subscription to 15,000,000 common shares at PhP2.95 per share for a total price of PhP44,250,000.00 to be issued from the current unissued capital upon full payment. Cymac shall initially pay PhP25,000,000.00. The remaining amount of PhP19,250,000.00 shall be paid on or before 31 July 2025.

(b) Subscription to 3,644,068 common shares at PhP2.95 per share for a total price of PhP10,750,000.60 to be issued from the increase in capital stock after the GP Transaction after full payment. Cymac shall make a partial payment of PhP5,000,000.00 for its subscription. The remaining balance of PhP5,750,000.60 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.

On 11 November 2024, 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.

On 27 February 2025, the PSE issued a Notice of Approval to list an additional Seventy-Five Million (75,000,000) common shares arising from private placement of Valiant Consolidated Resources, Inc. The said shares were listed via PSE facility on 16 April 2025.

UPON THE WRITTEN REQUEST OF THE STOCKHOLDER(S), THE CORPORATION UNDERTAKES TO FURNISH SAID STOCKHOLDER(S) WITH A COPY OF SEC FORM 17-A, FREE OF CHARGE, EXCEPT FOR THE EXHIBIT ATTACHED THERETO, WHICH SHALL BE CHARGED AT A COST. ANY WRITTEN REQUEST FOR A COPY OF SEC FORM 17-A SHALL BE ADDRESSED TO **Atty. Diane Madelyn C. Ching, 16th Floor BDO Towers Valero (formerly: Citibank Tower), 8741 Paseo de Roxas, Makati City.**

SIGNATURE PAGE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati on the 08 July 2025.

PRIME MEDIA HOLDINGS, INC.

By:



DIANE MADELYN C. CHING
Corporate Secretary

ANNEX “A”

Procedure for Registration, Participation and Voting in the 2025 Annual Stockholders’ Meeting of PRIME MEDIA HOLDINGS, INC.

As a safety and health measure due to the Corona Virus Disease 2019 (COVID-19) pandemic, Prime Media Holdings, Inc. (the “Company”) will be conducting its Annual Stockholders’ Meeting (“ASM”) scheduled on **31 July 2025** at 2:00 PM, virtually via remote communication.

Only Stockholders of record as of **25 June 2025** are entitled to participate and vote in the 2025 ASM.

I. Registration and Participation/Attendance Procedure:

1. Stockholders who intend to participate in the virtual ASM may register at **service@primemediaholdingsinc.com** by sending the following requirements for registration:
 - a. *For individual stockholders:*
 - i. Scanned copy of any valid government-issued ID;
 - ii. Scanned copy of stock certificate in the name of the individual stockholder; and
 - iii. Active contact number, either landline or mobile.
 - b. *For stockholders with joint accounts:*
 - i. Scanned copy of authorization letter signed by other stockholders indicating the person among them authorized to participate and/or vote in the 2025 ASM;
 - ii. Documents required under items 1.a (i) and (iii) for the authorized stockholder;
 - iii. Scanned copy of stock certificate in the name of the joint stockholders.
 - c. *For stockholders under PCD Participant / Brokers Account or “Scripless Shares”:*
 - i. Coordinate with the broker and request for the full account name and reference number or account number;
 - ii. Documents required under items 1.a (i) and (iii).
 - d. *For corporate stockholders:*
 - i. Secretary’s Certificate attesting to the authority of the representative to participate and / or vote in the 2025 ASM;
 - ii. Documents required under items 1.a (i) and (iii) for the authorized representative;
 - iii. Scanned copy of stock certificate in the name of the corporate stockholder.
2. Upon successful registration and validation of the documents submitted through email at **service@primemediaholdingsinc.com**, the stockholder will receive an email confirmation and a unique link which can be used to log in and view the 2025 ASM.
3. Only those stockholders who have registered following the procedure above, and stockholders who have voted by providing their executed Proxy Form shall be included for purposes of determining the existence of a quorum.
4. For purposes of voting during the 2025 ASM, please see section on Voting Procedure below.
5. For the Question-and-Answer portion during the 2025 ASM, stockholders may send their questions related to the agenda at **service@primemediaholdingsinc.com**. Due to limitations on technology and time, not all questions may be responded to during the 2025 ASM but the Company will endeavor to respond to all the questions through email.
6. The proceedings during the 2025 ASM will be recorded as required by the Securities and Exchange Commission.
7. Stockholders intending to participate by remote communication in the 2025 ASM are required to pre-register not later than **16 July 2025**.
8. In compliance with the SEC Notice dated 16 March 2021, the Information Statement, the Management Report, SEC Form 17A and other pertinent documents may be accessed through the Company’s website at **www.primemediaholdingsinc.com** and through PSE Edge.

II. Voting Procedure:

Stockholders may vote during the 2025 ASM by Proxy.

Voting by Proxy:

- a. Download and fill up the Proxy Form at <https://primemedia.com.ph/asm-prime2025/>. The Chairman, or in his absence, the President or the Corporate Secretary is authorized to cast the votes pursuant to the instructions in the Proxy Form.
- b. Send a scanned copy of the executed proxy Form by email at service@primemediaholdingsinc.com.
- c. The scanned copy of the executed Proxy Form should be emailed to the above not later than **16 July 2025**.
- d. The hard copy of the signed Proxy Form should be delivered to:

**The Office of the Corporate Secretary
Prime Media Holdings, Inc.
16th Floor BDO Towers Valero (formerly:
Citibank Tower), 8741 Paseo de Roxas,
Makati City**

For any questions or clarification, you may contact us through:

- Email at dcc.chinglaw@gmail.com; or
- Telephone number at 8831-4479; or
- Our stock transfer agent, Stock Transfer Service, Inc. (STSI), through
 - ✓ Richard Regala at rdregala@stocktransfer.com.ph or
 - ✓ Lea Mae Flores at lmflores@stocktransfer.com.ph, or
 - ✓ STSI's telephone number at 8403-2410 or 8403-2412



**MINUTES OF THE ANNUAL MEETING OF
THE STOCKHOLDERS
OF PRIME MEDIA HOLDINGS, INC.**

Conducted virtually via <https://conveneagm.com/ph/prime2024>

Held on August 30, 2024 at 2:00 P.M.

Stockholders Present:

No. of Shares ¹	% of Outstanding Common Shares	% of Outstanding Common and Preferred Shares
726,850,906	85.48%	84.06%

Directors Present:

Atty. Manolito A. Manalo	Chairman of the Board President
Atty. Bernadeth A. Lim	Vice President Member, Audit, Governance, Oversight and Related Party Transaction Committee
Mr. Rolando S. Santos	Director Treasurer Member, Executive Committee
Atty. Hermogene H. Real	Director Member, Executive Committee Member, Nomination and Corporate Governance Committee
Ms. Michelle F. Ayangco	Director
Engr. Francisco L. Layug, III	Independent Director Chairman, Nomination and Corporate Governance Committee, Member, Audit, Governance, Oversight and Related Party Transaction Committee
Atty. Johnny Y. Aruego, Jr.	Independent Director Chairman, Audit, Governance, Oversight and Related Party Transaction Committee Member, Nomination and Corporate Governance Committee

Officers Present:

Atty. Diane Madelyn C. Ching	Corporate Secretary

¹ Total number of Proxies and Attendance

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1. CALL TO ORDER

Atty. Manolito A. Manalo ("Chairman Manalo"), the Chairman of the Board, called the meeting to order and virtually presided over the same from Makati City.

Atty. Madelyn C. Ching ("Atty. Ching" or the "Corporate Secretary"), the Corporate Secretary, then acknowledged the presence of the following members of the Board of Directors at the meeting:

Atty. Manolito A. Manalo	Chairman of the Board/President
Atty. Bernadeth A. Lim	Director/ Vice President
Atty. Hermogene H. Real	Director
Ms. Michelle F. Ayangco	Director
Mr. Rolando S. Santos	Director/ Treasurer
Engr. Francisco L. Layug, III	Independent Director
Atty. Johnny Y. Aruego, Jr.	Independent Director

Chairman Manalo also acknowledged the Company's Corporate Secretary, Atty. Diane Madelyn C. Ching, and the presence of representatives of the Company's external auditor, Reyes, Tacandong, and Company (RTC).

2. PROOF OF NOTICE AND CERTIFICATION OF QUORUM

The Corporate Secretary reported that pursuant to the Securities and Exchange Commission's Notice dated 22 February 2024, the notice (or "Notice") of the meeting was published in print and online format in the business sections of the Manila Standard and Daily Tribune, both newspapers of general circulation, through the following links, for 2 consecutive days on August 09 and 10, 2024:

Manila Standard:

August 9, 2024: <https://manilastandard.net/business/314481851/prime-media-holdings-inc-notice-of-annual-stockholders-meeting-6.html>

August 10, 2024: <https://manilastandard.net/business/314481858/prime-media-holdings-inc-notice-of-annual-stockholders-meeting-7.html>

Daily Tribune:

August 9, 2024: <https://tribune.net.ph/2024/08/09/prime-media-holdings-inc-notice-of-annual-stockholders-meeting-2>

August 10, 2024: <https://tribune.net.ph/2024/08/08/prime-media-holdings-inc-notice-of-annual-stockholders-meeting>

A copy of the Notice, together with the Amended Definitive Information Statement, minutes of the previous stockholders' meeting, and other documents related to the Annual Stockholders' Meeting (ASM), were also made accessible through the Company's website and the meeting portal.

As set out in the Requirements and Procedure for Participation and Voting in the meeting, which was attached to the Company's Definitive Information Statement, stockholders who successfully registered within the prescribed period will be included in the determination of quorum. By voting by proxy or by participating remotely in the meeting, a stockholder will be deemed present for purposes of determining quorum.

Based on this, the Corporate Secretary certified that there were present at the meeting, stockholders owning at least 726,850,906 shares representing at least 85.48% of the Outstanding Common Capital Stock of the Company. Therefore, there was a quorum for the transaction of business.

Mode of Attendance	No. of Shares	% of Outstanding Common Shares	% of Outstanding Common & Preferred Shares
Total Proxies and Attendance	726,850,906	85.48%	84.06%

Chairman Manalo stated that while the Company was holding the meeting virtually, the Company had taken steps to ensure that the stockholders would have an opportunity to participate in the meeting to the same extent as they would have had the meeting been done in person.

The Corporate Secretary then proceeded to explain the participation and voting procedures adopted for the meeting and emphasized the following points:

- (i) Under the Company's By-Laws, every stockholder shall be entitled to one vote for each share of stock standing in his/her name in the books of the Company. For the election of directors, each stockholder may cumulate his/her votes.
- (ii) Stockholders who successfully registered for the meeting were given the opportunity to cast their votes by submitting their proxy forms. The proposed resolutions will be shown on the screen later as each matter on the agenda is taken up.
- (iii) For all items in the agenda to be approved in the meeting other than the election of directors, the stockholders had the option to either vote in favor of or against a matter for approval, or to abstain. For the election of directors, the stockholders had the option to vote their shares for each of the nominees, not vote for any nominee, or vote for one or some nominees only, in such number of shares as the stockholders prefer; provided that the total number of votes cast did not exceed the number of shares owned by them multiplied by the number of directors to be elected. The seven (7) nominees receiving the highest number of votes will be declared the duly elected members of the Board of Directors, provided at least two (2) members are independent directors.
- (iv) Votes received through ballots or by proxy forms were validated by Stock Transfer and Services, Inc., the Company's Stock and Transfer Agent. The results of the voting, with full details of the affirmative and negative votes, as well as abstentions, are set out in **Annex "A"** of these Minutes.
- (v) For the approval of the proposed amendments to the Articles of Incorporation (AOI), the affirmative vote of the shareholders representing at least two-thirds (2/3) of the Outstanding Common and Preferred Capital Stock will be needed for approval.

- (vi) For all other matters proposed to be acted upon, the affirmative vote of the shareholders representing at least a majority of the Outstanding Common Capital Stock will be needed for approval.
- (vii) Under Section 5(b) of the Philippine Stock Exchange (PSE) Rule on Additional Listing, the vote required for the waiver of the minority rights/public offer requirement over the shares subscribed in a related party transaction, is a "majority vote representing the outstanding shares held by the minority stockholders present or represented at the meeting."
- (viii) Finally, the Corporate Secretary explained that Stockholders, once successfully registered, were also given an opportunity to raise questions or express comments limited to the agenda items by submitting the same through the meeting portal or by e-mail. Management will endeavor to reply to these questions or address these comments at the end of the meeting. Lastly, questions not answered would be answered by email.

3. APPROVAL OF MINUTES OF PREVIOUS ANNUAL STOCKHOLDERS' MEETING

The next item in the agenda was the approval of the minutes of the previous meeting of the stockholders held on 05 December 2023, an electronic copy of which was made available through the Company's website.

The Corporate Secretary presented Resolution No. S-01-2022-001, Management's proposal to adopt the following resolution approving the Minutes of the Annual Stockholders' Meeting held on 05 December 2023:

Resolution No. ASM-2024-001

"**RESOLVED**, that the minutes of the Annual Stockholders' Meeting of the Corporation held on **05 December 2023** be, as it is hereby, approved."

Thereafter, the Corporate Secretary announced the voting results as follows:

	FOR	AGAINST	ABSTAINED
No. of Shares Voted	726,850,906	0	0
% of Shares of Shareholders Present (Outstanding Common shares)	85.48%	0%	0%

The Corporate Secretary noted that the affirmative votes were sufficient to approve the resolution.

4. APPROVAL OF MANAGEMENT REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

The next matter in the agenda was the approval of the Management Report and Audited Financial Statements. Chairman Manalo reported on the Company's Operational highlights and financial results, the Audited Financial Statements for the year ended December 31, 2023, and the Interim Period Financial Report.

CHAIRMAN'S MESSAGE FOR THE 2024 PMHI ANNUAL REPORT

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

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

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

He also added that as the Corporation gains more traction in content creation, mainstream radio, and digital television, the Corporation reaffirms its commitment to public service by providing quality news, information, and entertainment programs.

Lastly, Atty. Manalo discussed the Company's vision to strengthen our portfolio and inspire stakeholder confidence and witness the exponential growth of our Media Organization - an achievement that we can truly be proud of.

After the report, the Corporate Secretary presented management's proposal to adopt the Resolution No. ASM-2024-002, approving the annual report of management as presented by the President and the Audited Financial Statements for the year ended December 31, 2023.

Resolution No. ASM-2024-002

"RESOLVED, that the Management Report as presented by the President, Atty. Manolito A. Manalo, and the Corporation's audited financial statements for the year ended December 31, 2023, be, as they are hereby, approved."

Thereafter, the Corporate Secretary announced the voting results as follow:

	FOR	AGAINST	ABSTAINED
No. of Shares Voted	726,850,906	0	0

% of Shares of Shareholders Present (Outstanding Common shares)	85.48%	0%	0%

The Corporate Secretary noted that the affirmative votes were sufficient to approve the resolution.

5. APPROVAL OF THE 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.

The Corporate Secretary stated that the next item in the agenda is the approval to amend the Articles of Incorporation to reiterate the Non-Voting and Convertible features of the Series "A" Preferred Shares with mandatory conversion right of the Company; and the reduction of par value from 1.00 to 0.04 without change in the number of shares.

The Corporate Secretary further explained that, since the two items were related, it will be expressed in one resolution. However, the voting results for two corporate actions will be presented separately.

Thereafter, the Corporate Secretary presented the proposed resolutions and the voting results.

Resolution No. ASM-2024-003

"RESOLVED, as it is hereby resolved, that the Corporation be authorized and empowered, as it is hereby authorized and empowered, to reiterate the features of its Series "A" Preferred Shares as being Non-Voting and Convertible and to reflect the same in the SEVENTH ARTICLE of the Corporation's Articles of Incorporation."

"RESOLVED, FURTHER, that the Corporation be authorized and empowered, as it is hereby authorized and empowered, to reduce the par value of the Series A Non-Voting and Convertible Preferred Shares from PhP 1.00 to PhP 0.04 per share without change in the number of shares to implement the conversion of the Series A Non-Voting and Convertible Preferred Shares into Common Shares at the ratio of 25:1 pursuant to the 1997 Listing Approval of the PSE resulting in the decrease of its authorized capital stock from Five Billion (PhP 5,000,000,000.00) to Four Billion Forty Million Pesos (PhP 4,040,000,000.00). "

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"RESOLVED, FURTHER, that pursuant to the foregoing resolutions, the SEVENTH ARTICLE of the Corporation's Articles of Incorporation be amended as follows:

"SEVENTH - That the capital stock of said Corporation is Four Billion Forty Million Pesos (Php 4,040,000,000.00) divided into Three Billion (3,000,000,000) Common Shares with par value of One Peso (PhP 1.00 per share), One Billion (1,000,000,000) Series "A" Non-Voting and Convertible Preferred Shares with a par value of Four Centavos (PhP 0.04) per share and One Billion (1,000,000,000) Series "B" Preferred Shares with a par value of One Peso (PhP 1.00) per share. xxx xxx xxx"

Voting results:

ITEM 5.1.1.			
	FOR	AGAINST	ABSTAINED
No. of Shares Voted	726,850,906	0	0
% of Shares of Shareholders Present (Outstanding Common and Preferred Shares)	84.06%	0%	0%

ITEM 5.1.2.			
	FOR	AGAINST	ABSTAINED
No. of Shares Voted	726,850,906	0	0
% of Shares of Shareholders Present (Outstanding Common and Preferred Shares)	84.06%	0%	0%

The Corporate Secretary noted that the affirmative votes were sufficient to approve the resolution.

5.2. RECLASSIFICATION OF SHARES

5.2.1. Reclassification of Series "A" and "B" into 1,040,000,000 Common Shares.

The Corporate Secretary presented the next item in the agenda which is the 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 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 as follows:

Resolution No. ASM-2024-004

"RESOLVED, as it is hereby resolved, that the Corporation be authorized and empowered, as it is hereby authorized and empowered, to Reclass One Billion (1,000,000,000) Series A Non-Voting and Convertible Preferred Shares with a par value of PhP 0.04 per share and One Billion (1,000,000,000) Series B Preferred Shares with a par value of PhP 1.00 into One Billion Forty Million (1,040,000,000) Common Shares with a par value of PhP 1.00 per share."

"RESOLVED, FURTHER, that pursuant to the foregoing resolution, the SEVENTH ARTICLE of the Corporation's Articles of Incorporation be amended as follows:

"SEVENTH - That the capital stock of said Corporation is Four Billion Forty Million Pesos (Php 4,040,000,000.00) divided into Four Billion Forty Million (4,040,000,000) Common Shares with par value of One Peso (PhP 1.00 per share). xxx xxx xxx"

Thereafter, the Corporate Secretary announced the voting results as follows:

	FOR	AGAINST	ABSTAINED
No. of Shares Voted	726,850,906	0	0
% of Shares of Shareholders Present (Outstanding Common and Preferred shares)	84.06%	0%	0%

The Corporate Secretary noted that the affirmative votes were sufficient to approve the resolution.

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.

The next item in the agenda is the creation of Series "C" Non-Voting Redeemable Preferred Shares; and the Reclassification of Three Hundred Forty Thousand Six Hundred Sixty-Four (340,664) 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 to be issued to Foreign Shareholders.

The Corporate Secretary clarified that, considering the two preceding items were related, it will be compressed in one resolution. However, the voting results for the two corporate actions will be presented separately.

Thereafter, the Corporate Secretary presented the proposed resolutions and the voting results.

Resolution No. ASM-2024-005

"RESOLVED, as it is hereby resolved, that the Corporation be authorized and empowered, to create Series "C" Non-Voting and Redeemable Preferred Shares with a par value of PhP 1.00 per share and to reclass Three Hundred Forty Thousand Six Hundred Sixty-Four (340,664) common shares into Three Hundred Forty Thousand Six Hundred Sixty-Four (340,664), Series "C" Non-Voting and Redeemable Preferred Shares for issuance to foreign shareholders as of 22 August 2024 to implement the objective of being a wholly- owned Filipino company."

"RESOLVED FURTHER, as it is hereby resolved, that pursuant to the foregoing resolution, the SEVENTH Article of the Articles of Incorporation be amended as follows:

"SEVENTH- That the capital stock of said Corporation is Four Billion Forty Million Pesos (Php 4,040,000,000.00) divided into Four Billion Thirty-Nine Million Six Hundred Fifty-Nine Thousand Three Hundred Thirty-Six (Php 4,039,659,336) Common Shares with a par value of One Peso (PhP 1.00 per share) and Three Hundred Forty Thousand Six Hundred Sixty-Four (340,664) Series "C" Non-Voting and Redeemable Preferred Shares with a par value of One Peso (PhP 1.00) per share."

The voting results:

ITEM 5.2.2.			
	FOR	AGAINST	ABSTAINED
No. of Shares Voted	726,850,906	0	0
% of Shares of Shareholders Present (Outstanding Common and Preferred Shares)	84.06%	0%	0%

ITEM 5.2.3.			
	FOR	AGAINST	ABSTAINED
No. of Shares Voted	726,850,906	0	0
% of Shares of Shareholders Present (Outstanding Common and Preferred Shares)	84.06%	0%	0%

The Corporate Secretary noted that the affirmative votes were sufficient to approve the resolution.

5.3. INCREASE IN THE AUTHORIZED CAPITAL STOCK OF THE CORPORATION FROM PHP 4,040,000,000.00 TO PHP 6,000,000,000.00.

The Corporate Secretary stated that the next item in the agenda is the increase in the Authorized Capital Stock from Four Billion Forty Million Pesos (Php4,040,000,000.00) to Six Billion Pesos (Php6,000,000,000.00) thereby amending the Seventh Article of the Articles of Incorporation.

Thereafter, the Corporate Secretary presented the proposed resolutions and the voting results.

Resolution No. ASM-2024-006

"RESOLVED, as it is hereby resolved, that the authorized capital stock of the Corporation be increased to Six Billion Pesos (Php 6,000,000,000.00) and that the SEVENTH ARTICLE of the Corporation's Articles of Incorporation be amended as follows:

SEVENTH - That the capital stock of said Corporation is Six Billion Pesos (Php6,000,000,000.00) divided into Five Billion Nine Hundred Ninety-Nine Million Six Hundred Fifty-Nine Thousand Three Hundred Thirty-Six (5,999,659,336) common shares with a par value of One Peso (PHP 1.00) per share and Three Hundred Forty Thousand Six Hundred Sixty-Four (340,664) Series "C" Non-Voting and Redeemable Preferred shares with a par value of One Peso (PHP 1.00) per share."

Voting Results:

	FOR	AGAINST	ABSTAINED
No. of Shares Voted	726,850,906	0	0
% of Shares of Shareholders Present (Outstanding Common and Preferred Shares)	84.06%	0%	0%

The Corporate Secretary noted that the affirmative votes were sufficient to approve the resolution.

5.4. APPROVAL OF THE MANDATORY REDEMPTION AND RETIREMENT OF ALL SERIES "C" NON-VOTING REDEEMABLE PREFERRED SHARES.

The Corporate Secretary stated that the next item for approval is 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.

Thereafter, the Corporate Secretary presented the proposed resolutions and the voting results.

Resolution No. ASM-2024-007

"RESOLVED, as it is hereby resolved, that the Corporation be authorized and empowered, as it is hereby authorized and empowered, to redeem and to retire 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 to be determined by the Board after the Annual Meeting on 30 August 2024 and payable in cash resulting in a decrease in the authorized capital stock in view of the full redemption and retirement of the Series C Non-Voting and Redeemable Preferred Shares."

"RESOLVED FURTHER, that pursuant to the foregoing resolution, that the SEVENTH ARTICLE of the Articles of Incorporation be amended as follows:

"SEVENTH – that the capital stock of said Corporation is Five Billion Nine Hundred Ninety-Nine Million Six Hundred Fifty-Nine Thousand Three Hundred Thirty-Six Pesos (₱ 5,999,659,336.00), divided into Five Billion Nine Hundred Ninety-Nine Million Six Hundred Fifty-Nine Thousand Three Hundred Thirty-Six (5,999,659,336) common shares with a par value of One Peso (PHP 1.00) per share. xxx xxx xxx"

Voting results:

	FOR	AGAINST	ABSTAINED
No. of Shares Voted	726,850,906	0	0
% of Shares of Shareholders Present (Outstanding Common and Preferred Shares)	84.06%	0%	0%

The Corporate Secretary noted that the affirmative votes were sufficient to approve the resolution.

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5.5. AMENDMENT TO DELETE ALL OTHER PROVISIONS/ PARAGRAPHS IN THE SEVENTH ARTICLE RELATING TO THE PREFERRED SHARES.

The Corporate Secretary stated that the next item in the agenda is the 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.

Thereafter, the Corporate Secretary presented the proposed resolutions and the voting results.

Resolution No. ASM-2024-008

"RESOLVED, as it is hereby resolved, that the Corporation be authorized and empowered, as it is hereby authorized and empowered, to amend the Articles of Incorporation to delete all other provisions/ paragraphs in the SEVENTH Article relating to the Preferred Shares."

"RESOLVED FURTHER, pursuant to the foregoing resolution, that the SEVENTH ARTICLE of the Articles of Incorporation be amended as follows:

"SEVENTH - that the capital stock of said Corporation is Five Billion Nine Hundred Ninety-Nine Million Six Hundred Fifty-Nine Thousand Three Hundred Thirty-Six Pesos (₱ 5,999,659,336.00), divided into Five Billion Nine Hundred Ninety-Nine Million Six Hundred Fifty-Nine Thousand Three Hundred Thirty-Six (5,999,659,336) common shares with a par value of One Peso (PHP 1.00) per share.

xxx xxx xxx."

Voting results:

	FOR	AGAINST	ABSTAINED
No. of Shares Voted	726,850,906	0	0
% of Shares of Shareholders Present (Outstanding Common and Preferred Shares)	84.06%	0%	0%

The Corporate Secretary noted that the affirmative votes were sufficient to approve the resolution.

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

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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.

The Corporate Secretary stated that the next item in the agenda is the 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.

Thereafter, the Corporate Secretary presented the proposed resolutions and the voting results.

Resolution No. ASM-2024-009

"RESOLVED, as it is hereby resolved, that the Corporation be authorized and empowered, as it is hereby authorized and empowered, to exercise its mandatory conversion right to convert all of the outstanding Series "A" Non-Voting and Convertible Preferred shares into Common Shares at the conversion rate of 25 Series "A" Non-Voting and 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."

"RESOLVED FURTHER, that no fractional shares shall be issued and that the value of fractional shares will be paid in cash."

Voting results:

	FOR	AGAINST	ABSTAINED
No. of Shares Voted	726,850,906	0	0
% of Shares of Shareholders Present (Outstanding Common shares)	85.48%	0%	0%

The Corporate Secretary noted that the affirmative votes were sufficient to approve the resolution.

7. CREATION OF ADDITIONAL PAID-IN CAPITAL (APIC): A CHANGE IN THE AMOUNT FROM from PhP 13,791,677 to PhP 13,791,610.00.

The Corporate Secretary stated that the next item for approval is the 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.

Thereafter, the Corporate Secretary presented the proposed resolutions and the voting results.

Resolution No. ASM-2024 010

"RESOLVED, as it is hereby resolved, that the Corporation be authorized and empowered, to create an Additional Paid-in Capital (APIC) in the amount of PhP13,791,610.00 equivalent to the excess capital arising from the conversion of the outstanding Series "A" Non-Voting and Convertible Preferred Shares into Common Shares."

Voting results:

	FOR	AGAINST	ABSTAINED
No. of Shares Voted	726,850,906	0	0
% of Shares of Shareholders Present (Outstanding Common shares)	85.48%	0%	0%

The Corporate Secretary noted that the affirmative votes were sufficient to approve the resolution.

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.

The Corporate Secretary stated that the next item for approval is 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.

Thereafter, the Corporate Secretary presented the proposed resolutions and the voting results.

Resolution No. ASM-2024-011

"RESOLVED, that the Corporation be authorized and empowered to list in the Philippine Stock Exchange 574,650 underlying common shares arising from the conversion of Series "A" Non-Voting and Convertible Preferred Shares with a par value of PhP 0.04 per share into Common Shares with a par value of PhP 1.00 at a ratio of 25:1 pursuant to the 1997 Listing Approval of the PSE."

Voting results:

	FOR	AGAINST	ABSTAINED
No. of Shares Voted	726,850,906	0	0

% of Shares of Shareholders Present (Outstanding Common shares)	85.48%	0%	0%

The Corporate Secretary noted that the affirmative votes were sufficient to approve the resolution.

9. AMENDMENT OF THE MEMORANDUM OF AGREEMENT WITH ATTY. HERMOGENE H. REAL AND MS. MICHELLE F. AYANGCO (AS "GOLDEN PEREGRINE SHAREHOLDERS")

The next item in the agenda is the proposal to amend the Memorandum of Agreement with Atty. Hermogene H. Real and Ms. Michelle F. Ayangco (as "Golden Peregrine") for 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.

Thereafter, the Corporate Secretary presented the proposed resolutions and the voting results.

Resolution No. ASM-2024-012

"RESOLVED, as it is hereby resolved, that the Corporation be authorized, as it is hereby authorized, to amend the Memorandum of Agreement with Atty. Hermogene H. Real and Ms. Michelle F. Ayangco (as "GPHI Shareholders") to reflect changes in the transaction, including, but not limited to the issuance of 980,000,000 Common Shares or 490,000,000 each in favor of Ms. Real and Ms. Ayangco in exchange for and in consideration of Golden Peregrine Holdings Inc., Shareholders' ownership of 100% of the Issued and Outstanding Capital Stock of Golden Peregrine Holdings, Inc. pursuant to the updated valuation report of Asian Appraisal Company Inc. as 31 December 2023."

Voting results:

	FOR	AGAINST	ABSTAINED
No. of Shares Voted	726,850,906	0	0
% of Shares of Shareholders Present (Outstanding Common shares)	85.48%	0%	0%

The Corporate Secretary noted that the affirmative votes were sufficient to approve the resolution.

10. APPROVAL FOR THE ADDITIONAL LISTING OF 980,000,000 COMMON SHARES ISSUED TO GOLDEN PEREGRINE SHAREHOLDERS.

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The Corporate Secretary presented the next item in the agenda which is the approval of the Additional Listing of 980,000,000 common shares issued to Golden Peregrine Shareholders as described in item (9).

Thereafter, the Corporate Secretary presented the proposed resolutions and the voting results.

Resolution No. ASM-2024-013

"RESOLVED, that the Corporation be authorized to list with the Philippine Stock Exchange 980,000,000 Common Shares issued to the Golden Peregrine Shareholders or 490,000,000 each to Atty. Hermogene H. Real and Ms. Michelle F. Ayangco."

"RESOLVED, FURTHER, that the President and/or the Treasurer be authorized to sign, execute and deliver any and all documents relevant thereto."

Voting results:

	FOR	AGAINST	ABSTAINED
No. of Shares Voted	726,850,906	0	0
% of Shares of Shareholders Present (Outstanding Common shares)	85.48%	0%	0%

The Corporate Secretary noted that the affirmative votes were sufficient to approve the resolution.

11. WAIVER BY THE MINORITY STOCKHOLDERS OF THE RIGHTS OR PUBLIC OFFER REQUIREMENT UNDER THE PSE ADDITIONAL LISTING RULE

The next item on the agenda is the waiver by the Minority Stockholders of the Rights or Public offer requirement under the Philippine Stock Exchange's (PSE) Additional Listing Rule.

The Corporate Secretary stated that as part of the listing conditions, the PSE requires a rights or public offering of shares to be conducted by the Company for the shares to be subscribed by related parties, unless the rights or public offering requirement is waived by a majority vote of the minority stockholders present or represented in the meeting.

In this regard, Management is requesting the minority stockholders of the Company to waive the PSE requirement in relation to the issuance of shares to **Atty. Hermogene H. Real and Ms. Michelle Ayangco** who are related parties, being directors, in order to facilitate the acquisition by the Company of Golden Peregrine Holdings Inc., which owns Philippine Collective Media Corp. (PCMC) and implement the increase in authorized capital stock.

The Corporate Secretary then presented the proposed resolutions and the voting results for the waiver of rights or public offer requirement by the minority stockholders under the PSE Additional Listing Rule.

Resolution No. ASM-2024-014

"RESOLVED, that the minority stockholders approve, as they hereby approve, the waiver of the rights or public offer requirement under the PSE Additional Listing Rule in relation to the subscription by ATTY. HERMOGENE H. REAL and MS. MICHELLE AYANGCO to the increase in Authorized Capital Stock."

No. of Minority Shares Represented in the Meeting	61,014,916
% of Minority Shares Represented in the Meeting	7.18%
No. of Minority Shares In Favor of the Resolution	61,014,916
% of Minority Shares In Favor of the Resolution	7.18%

As noted by the Corporate Secretary, the minority stockholders present or represented at the meeting constitute 7.18% of the total attendance, and all such minority shareholders voted in favor of the waiver. The affirmative votes are sufficient to approve the Resolution.

12. RATIFICATION OF MANAGEMENT'S ACTS AND BOARD OF DIRECTORS

The next item in the agenda is the Ratification and Approval of the Acts of Management and the Board of Directors of the Corporation undertaken from the date of the last stockholders' meeting to date. A summary of the acts of the management and directors of the Corporation was included in the Definitive Information Statement.

Thereafter, the Corporate Secretary presented the proposed resolutions and the voting results.

Resolution No. ASM-2024-015

"RESOLVED, that all acts, proceedings, transactions, contracts, agreements, resolutions and deeds, authorized and entered into by the Board of Directors, Management and/or Officers of Prime Media Holdings, Inc. from the date of the last annual stockholders' meeting up to the present, be as they are hereby, ratified, confirmed and approved."

Voting results:

	FOR	AGAINST	ABSTAINED
No. of Shares Voted	726,850,906	0	0

% of Shares of Shareholders Present (Outstanding Common shares)	85.48%	0%	0%

The Corporate Secretary noted that the affirmative votes were sufficient to approve the resolution.

13. ELECTION OF DIRECTORS

The next matter in the agenda is the election of the members of the Board of Directors.

As explained by the Corporate Secretary, there are seven (7) seats in the Board of Directors under the Sixth Article of the Company's Amended Articles of Incorporation. Under existing SEC rules, the Corporation is required to have at least two (2) Independent Directors.

As provided under SEC rules, all nominations for directorship shall be submitted to and evaluated by the Company's Nominations and Corporate Governance Committee. Nominations for Independent Directors shall appear in the Final List of Candidates set forth in the Definitive Information Statement, and no other nominations shall be entertained.

The Corporate Secretary noted that the Company received a total of five (5) nominations for Regular Directors, and two (2) for Independent Directors. As disclosed in the Definitive Information Statement, Independent Director Johnny Y. Aruego, Jr. has been nominated beyond the term limit of nine (9) years which is allowed by the SEC upon meritorious justification. Given his background, Mr. Aruego is to act as an independent director; thus, there is meritorious justification for his nomination.

According to the Corporate Secretary, nominees receiving the highest number of votes for the 5 available seats for Regular Director, and for the 2 available seats for Independent Director, would be declared as the duly elected members of the Board of Directors for 2023-2024.

She announced the names of the following nominees for regular and independent directors and that full details of the background and qualifications of the nominees were disclosed in the Company's Definitive Information Statement:

For Regular Directors:

1. ATTY. MANOLITO A. MANALO
2. ATTY. BERNADETH A. LIM
3. ATTY. HERMOGENE H. REAL
4. MS. MICHELLE F. AYANGCO
5. MR. ROLANDO S. SANTOS

and as Independent Directors:

6. ENGR. FRANCISCO L. LAYUG III
7. ATTY. JOHNNY Y. ARUEGO, JR.

The Corporate Secretary announced that based on the tabulation and validation by the Company's stock and transfer agent, stockholders owning at least 726,850,906 shares representing at least 85.48% of the Outstanding Common Capital Stock, voted to elect all the seven (7) candidates to the Board of Directors. The above seven (7) candidates were therefore declared as duly elected members of the Board of Directors of the Company for the term 2023-2024 to act as such until their successors are duly elected and qualified.

As tabulated, final votes received are as follows:

	FOR	AGAINST	ABSTAINED
No. of Shares Voted	726,850,906	0	0
% of Shares of Shareholders Present (Outstanding Common shares)	85.48%	0%	0%

14. APPOINTMENT OF EXTERNAL AUDITOR

Chairman Manalo stated that the next item in the agenda was the Appointment of the Company's External Auditor for the current year.

Upon the request of Chairman Manalo, the Chairman of the Company's Audit Committee and Independent Director, Atty. Johnny Y. Aruego, Jr., informed the stockholders that the Audit Committee has reviewed the qualifications and performance of the Company's current external auditor, **Reyes Tacandong & Company**, and endorsed its reappointment for the current year.

Thereafter, the Corporate Secretary presented the proposed resolutions and the voting results.

Resolution No. ASM-2024-016

"**RESOLVED**, that the accounting firm of **Reyes Tacandong & Company** be re-appointed external auditors of the Corporation for the year 2024-2025."

Thereafter, the Corporate Secretary announced the voting results as follows:

	FOR	AGAINST	ABSTAINED
No. of Shares Voted	726,850,906	0	0
% of Shares of Shareholders Present (Outstanding Common shares)	85.48%	0%	0%

The Corporate Secretary noted that the affirmative votes were sufficient to approve the resolution.

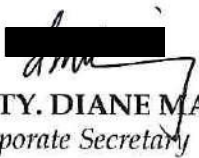
15. OTHER MATTERS

The Chairman inquired whether there were any questions or comments made on the agenda, by email or through the meeting portal. The Corporate Secretary replied that no questions or comments were received by email through the meeting portal prior to and during the meeting.

16. ADJOURNMENT

There being no other matters on the Agenda, the Chairman adjourned the meeting.

Prepared by:


ATTY. DIANE MADELYN C. CHING
Corporate Secretary

Attested by:


ATTY. MANOLITO A. MANALO
Chairman/President

ANNEX "A"
(VOTING RESULTS)

AGENDA ITEMS	ACTION			
Item 1. Call to Order	No action necessary.			
Item 2. Proof of Notice of Meeting and Certification of Quorum	No action necessary.			
	FOR	%	AGAINST	ABSTAIN
Item 3. Approval of Minutes of Previous Stockholders' Meeting	726,850,906	85.48%	0	0
Item 4. Approval of Annual Report and Audited Financial Statements for the Year ending December 31, 2023	726,850,906	85.48%	0	0
Item 5. For Amendment of all previous resolutions and Approval of the following Amendments to the Articles of Incorporation				
<i>Item 5.1. Series A Preferred Shares:</i>				
Item 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.	726,850,906	84.06%	0	0
Item 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.	726,850,906	84.06%	0	0
<i>Item 5.2 Reclassification of Shares:</i>				
Item 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	726,850,906	84.06%	0	0

per share, thereby amending the Seventh Article of the Articles of Incorporation.				
Item 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.	726,850,906	84.06%	0	0
Item 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.	726,850,906	84.06%	0	0
Item 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	726,850,906	84.06%	0	0
Item 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.	726,850,906	84.06%	0	0
Item 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.	726,850,906	84.06%	0	0
Item 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	726,850,906	85.48%	0	0

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				
Item 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.	726,850,906	85.48%	0	0
Item 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.	726,850,906	85.48%	0	0
Item 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.	726,850,906	85.48%	0	0
Item 10. Approval for the Additional Listing of 980,000,000 common shares issued to Golden Peregrine Shareholders as described in item (9) above.	726,850,906	85.48%	0	0
Item 11. Waiver by the Minority Stockholders of the Rights or Public Offer Requirement under the PSE Additional Listing Rule	61,014,916	7.18%%	0	0
Item 12. Ratification of All Acts of the Board of Directors and Management	726,850,906	85.48%	0	0
Item 13. Election of Directors				
For Regular Director:				

1. MANOLITO A. MANALO	726,850,906	85.48%	0	0
2. MICHELLE F. AYANGCO	726,850,906	85.48%	0	0
3. BERNADETH A. LIM	726,850,906	85.48%	0	0
4. HERMOGENE H. REAL	726,850,906	85.48%	0	0
5. ROLANDO S. SANTOS	726,850,906	85.48%	0	0
For Independent Director:				
6. JOHNNY Y. ARUEGO, JR.	726,850,906	85.48%		
7. FRANCISCO L. LAYUG, III	726,850,906	85.48%	0	0
Item 14. Approval of appointment of Reyes & Tacandong as the Company's External Auditor	726,850,906	85.48%	0	0
Item 10. Adjournment	No action necessary.			

* For **Item Nos. 5.1.1, 5.1.2, 5.2.1, 5.2.2, 5.2.3, 5.3, 5.4, 5.5**, percentage is based on the Total Outstanding Common & Preferred Capital Stock of the Company at 726,850,906 shares.

* For **Item Nos. 3, 4, 6, 7, 8, 9, 10, 12, 13, 14**, percentage is based on the total outstanding Common/Voting Capital Stock of the Company at 726,850,906 common shares.

*For **Item No. 11**, percentage is based on the outstanding shares held by Minority Stockholders in attendance or represented during the Annual Stockholders' Meeting for a total of 61,014,916 shares.

SECURITIES AND EXCHANGE COMMISSION

7907 Makati Avenue, Salcedo Village,
 Bel-Air, Makati City

Attention: **Atty. Rachel Esther Gumtang-Remalante**
Officer-in-Charge
 Office of the Director
 Corporate Governance and Finance Department

Re: **Report on Attendance of the Directors in the
 2024 Board Meetings**

Gentlemen:

In compliance with the **SEC Memorandum Circular No. 1, series of 2014**, we hereby formally advise the Commission of the following:

- The attendance of the Directors of **Prime Media Holdings Inc.** (the "Corporation") in the board meetings held during the calendar year 2024 are summarized as follows:

	Name of Director	Number of Meetings Held During the Year*	Number of Meetings Attended	Percentage
Chairman/President	Manolito A. Manalo	12	11	91.67%
Vice President/ Board Member	Bernadeth A. Lim	12	12	100%
Treasurer/ Board Member	Rolando S. Santos	12	12	100%
Board Member	Michelle F. Ayangco	12	10	83.33%
Board Member	Hermogene H. Real	12	12	100%
Independent Director	Francisco L. Layug III	12	12	100%
Independent Director	Johnny Y. Aruego, Jr.	12	12	100%

** Only pertains to those number of meetings where a particular director is an incumbent.*

- The Board of Directors of the Corporation held its board meetings on the following dates during the calendar year 2024:

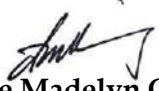
Date of Meeting	Nature of Meetings
January 05, 2024	Special Meeting
January 26, 2024	Special Meeting
April 11, 2024	Regular Meeting
April 12, 2024	Special Meeting

May 31, 2024	Special Meeting
June 28, 2024	Special Meeting
August 22, 2024	Special Meeting
August 30, 2024	Organizational Meeting
September 18, 2024	Special Meeting
October 21, 2024	Special Meeting
November 12, 2024	Special Meeting
December 10, 2024	Regular Meeting

3. Based on the records of the minutes of the above meetings of the Corporation, no director has absented himself for more than fifty percent (50%) of all the meetings of the Board of Directors, both regular and special, during his incumbency or any twelve (12) month period during the said incumbency. Attached as **Annex "A"** hereof is a summary of the attendance of the directors.
4. The Corporation held its Annual Stockholders' Meeting on August 30, 2024 and attended by the Chairman of the Board and all other directors of the Corporation.

We trust that the foregoing is sufficient. Should you require any further information, please let us know.

Very truly yours,


Atty. Diane Madelyn C. Ching
Corporate Secretary

Annex “B”

Meetings of the Board of Directors for the Year 2024

Name of Directors	01.05.24 SM	01.26.24 SM	04.11.24 RM	04.12.24 SM	05.31.24 SM	06.28.24 SM	08.22.24 SM	08.30.24 OM	09.18.24 SM	10.21.24 SM	11.12.24 SM	12.10.24 RM
Manolito A. Manalo	√	√	√	√	X	√	√	√	√	√	√	√
Bernadeth A. Lim	√	√	√	√	√	√	√	√	√	√	√	√
Rolando S. Santos	√	√	√	√	√	√	√	√	√	√	√	√
Michelle F. Ayangco	√	√	√	√	√	√	√	√	X	√	√	X
Hermogene H. Real	√	√	√	√	√	√	√	√	√	√	√	√
Francisco L. Layug III	√	√	√	√	√	√	√	√	√	√	√	√
Johnny Y. Aruego, Jr.	√	√	√	√	√	√	√	√	√	√	√	√

Legend:

- √ - Present
- X - Absent
- RM - Regular Board Meeting
- SM - Special Board Meeting
- OM - Organizational Board Meeting
- NA - Not Applicable

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **JOHNNY Y. ARUEGO, JR.**, Filipino, of legal age, and a resident of No. 167 Libra Street, Cinco Hermanos Subdivision, IVC, Marikina City, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for Independent Director of **PRIME MEDIA HOLDINGS, INC.** ("the Corporation") and have been its independent director since May 2013.
2. I am affiliated with the following companies or organizations:

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Home Catalogue Shopping, Inc.	Liquidator	Since 2025
Classic Fine Foods Philippines, Inc.	Liquidator	Since 2023
Life Savings Bank	Independent Director	Since 2019
Alfredo H. Rivera & Sons, Inc.	Director	Since 2015
RGA Realty, Inc.	Director	Since 2015
JYT Investments, Inc.	Legal Counsel	Since 2015
East Offices Realty and Management Co., Inc.	Legal Counsel	Since 2012
A.V. Ocampo-ATR Kimeng Insurance Broker, Inc.	Corporate Secretary and Legal Counsel	Since 2011
East Asia (AEA) Capital Corporation	Assistant Liquidator	Since 2009
National Steel Corporation	Legal Consultant	Since 2006
Bacnotan Steel Industries, Inc.	Assistant Liquidator	Since 2003
Advent Capital and Finance Corporation	Assistant Liquidator	Since 2001

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation, as provided for in Section 38 of the Securities Regulation Code (SRC) and its Implementing Rules and Regulations and other issuances of the Securities and Exchange Commission ("SEC").
4. I am not in any way related to any director, officer, or substantial shareholder of the Corporation and its subsidiaries and affiliates.
5. To the best of my knowledge, I am not the subject of any pending criminal, civil, or administrative investigation or proceeding.
6. I am neither employed nor affiliated with any government agency.
7. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, the Code of Corporate Governance, and other SEC issuances.
8. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five (5) days from its occurrence.

JUN 23 2025

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____ 2025 at

MAKATI CITY

ATTY. JOHNNY Y. ARUEGO, JR.
Affiant

JUN 23 2025

SUBSCRIBED AND SWORN to before me this _____ day of _____ at _____ affiant personally appeared before me and exhibited to me his _____

Doc. No. 71 ;
Page No. 16 ;
Book No. F ;
Series of 2025.

ATTY. REJEN 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-10476930MN; 01/13/2025

MCLE Compliance No. VII-0018681;

3F ALPAP I Building, #140 Leviste Street
Salcedo Village, Makati City

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **Francisco L. Layug, III**, Filipino, of legal age and a resident of 12 F. Bernabe St., Merville Park Subdivision, Parañaque City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for Independent Director of **PRIME MEDIA HOLDINGS INC. ("the Corporation")** and have been its independent director since December 2017.
2. I am affiliated with the following companies or organizations:

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Rotary Club of Pasay	President	2017-2018
University of the Philippines Electronics and Electrical Engineering Alumni Association, Inc. (UPEEEAAI)	President	2010-2011
Alay-Lakad Foundation	Vice President	2009-2010

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation, as provided for in Section 38 of the Securities Regulation Code (SRC) and its Implementing Rules and Regulations and other issuances of the Securities and Exchange Commission ("SEC").
4. I am not in any way related to any director, officer, or substantial shareholder of the Corporation and its subsidiaries and affiliates.
5. To the best of my knowledge, I am not the subject of any pending criminal, civil or administrative investigation or proceeding.
6. I am neither employed nor affiliated with any government agency.
7. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five (5) days from its occurrence.

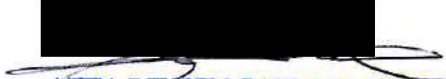
[signature page follows]

IN WITNESS WHEREOF, I have hereunto set my hand this JUN 23 2025 day of _____ 2025 at MAKATI CITY.


ENGR. FRANCISCO L. LAYUG, III
Affiant

SUBSCRIBED AND SWORN to before me this JUN 23 2025 day of _____ at _____
MAKATI CITY affiant personally appeared before me and exhibited to me his 


Doc. No. 70 ;
Page No. 15 ;
Book No. 7 ;
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

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) S.S.

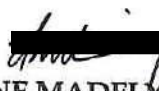
SECRETARY'S CERTIFICATE

I, **DIANE MADELYN C. CHING**, of legal age, Filipino, with office address at 16th Floor BDO Towers Valero (formerly Citibank Tower), 8741 Paseo de Roxas, Makati City, after having been duly sworn to in accordance with law, do hereby depose and state that:

1. I am the duly elected and qualified Corporate Secretary of **PRIME MEDIA HOLDINGS INC.** (the "Corporation"), a corporation duly organized and existing under the laws of the Philippines, with principal office address at 16th Floor BDO Towers Valero (formerly Citibank Tower), 8741 Paseo de Roxas, Makati City.

2. I hereby certify that none of the Corporation's Regular Directors, Independent Directors and Officers are appointed or employed in any government agency.

IN WITNESS WHEREOF, I have hereunto set my hand this JUN 23 2025 2025 at Makati City.


ATTY. DIANE MADELYN C. CHING
Corporate Secretary

SUBSCRIBED AND SWORN to before me this JUN 23 2025 2025
in Makati City, affiant exhibited to me her 

Doc. No.: 72
Page No.: 16
Book No.: 1
Series of 2025.

NOTARY PUBLIC

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

COVER SHEET

2 2 4 0 1

S.E.C. Registration Number

P R I M E M E D I A H O L D I N G S , I N C .
(f o r m e r l y F i r s t e - B a n k C o r p .)

(Company's Full Name)

1 6 t h F l o o r B D O T o w e r s
V a l e r o (f o r m e r l y C i t i b a n k
T o w e r) 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

(Business Address: No. Street/City/Province)

DIANE MADELYN C. CHING

Contact Person

8831-4479

Company Telephone Number

1 2

Month Day
Fiscal Year

3 1

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

Document I.D.

LCU

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 ☒ 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 ☒ No ☐

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

Yes ☒ 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.

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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	1 st	4.25	0.81
	2 nd	3.55	2.53
	3 rd	3.10	1.76
	4 th	1.89	1.10
2022	1 st	1.88	1.10
	2 nd	3.48	1.21
	3 rd	3.03	1.50
	4 th	2.28	1.46
2023	1 st	2.21	1.79
	2 nd	3.03	1.80
	3 rd	2.93	1.90
	4 th	3.08	2.62
2024	1 st	3.78	2.30
	2 nd	4.58	2.60
	3 rd	2.89	2.30
	4 th	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	Vallant 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 Chiacco 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.	1 st Subscription	75,000,0000	Issued on November 11, 2024
	2 nd 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	1 st Subscription	15,000,000	The remaining balance shall be paid on or before 31 July 2025.
	2 nd 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		<u>180,000,000</u>	

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 Controllershship 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			₱140,000
		2023			175,000
		2024			300,000
All Directors and Officers as a group unnamed		2022			₱150,000
		2023			160,000
		2024			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 30 2025, 2025.

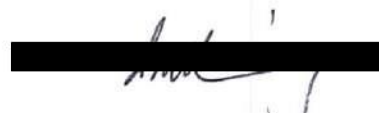
By:



MANOLITO A. MANALO
President

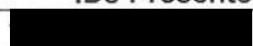
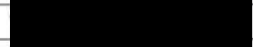


ROLANDO S. SANTOS
Treasurer



DIANE MADELYN C. CHING
Corporate Secretary

SUBSCRIBED AND SWORN to before me this APR 30 2025 day of _____ 2025 affiant(s) exhibiting to me their IDs, as follows:

NAMES	IDs Presented	Expiry date
Manolito A. Manalo		
Rolando S. Santos		
Diane Madelyn C. Ching		

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

						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

A	A	F	S

Department Requiring the Report

C	R	M	D

Secondary License Type, If Applicable

N	/	A

COMPANY INFORMATION

Company's Email Address

dcc.chinglaw@gmail.com

Company's Telephone Number

(02) 8 831-4479

Mobile Number

0966-791-2233

No. of Stockholders

1,588

Annual Meeting (Month / Day)

December 5

Fiscal Year (Month / Day)

December 31

CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person

Mr. Rolando S. Santos

Email Address

rolly.santos@marcventures.com.ph

Telephone Number/s

8 826-8609/8 856-7976

Mobile Number

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. Escudro.

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.)

STATEMENTS OF FINANCIAL POSITION

		December 31	
	Note	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				
<i>Item that will not be reclassified to profit or loss</i>				
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

		Years Ended December 31		
	Note	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before income tax		(P25,417,176)	(P30,308,471)	(P6,204,947)
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	P25,138,280	P47,780,041	P33,839,166

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.

Deposit for Future Stock Subscription

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.

Equity

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.

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. 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
<i>Investment in joint venture</i>			
Balance at beginning of year		₱20,400,000	₱–
Additions		–	20,400,000
Balance at end of year		20,400,000	20,400,000
<i>Cumulative share in net loss</i>			
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
<i>Advances to the joint venture</i>	13	15,247,500	–
<i>Liability to the joint venture for additional share in net loss</i>	13	(7,443,639)	–
<i>Investment in and advances to the joint venture</i>		₱–	₱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

Capital Stock

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	(P6,354,294)	(P7,577,118)	(P1,240,989)
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)	—
	P208,701	P—	P430

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	P16,160,502	P16,160,502
NOLCO	5,738,273	4,864,325
MCIT	209,131	92,119
	22,107,906	P21,116,946
Deferred tax liability –		
Loan issuance cost	(740,893)	—
	P21,367,013	P21,116,946

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 P21.4 million and the unrecognized deferred tax assets amounting to P21.1 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	P—	P3,495,790	P—	P3,495,790	2027
2023	13,423,553	—	—	13,423,553	2026
2022	5,252,413	—	—	5,252,413	2025
2020	781,334	—	—	781,334	2025
	P19,457,300	P3,495,790	P—	P22,953,090	

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	P—	P208,701	P—	P208,701	2027
2022	430	—	—	430	2025
2021	91,689	—	91,689	—	2024
	P92,119	P208,701	P91,689	P209,131	

13. Related Party Transactions

Outstanding balances and transactions with related parties are as follows:

		Nature of Transaction	Amount of Transactions		Outstanding Balance	
			2024	2023	2024	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 P1.3 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			Total
	12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired	
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			Total
	12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired	
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				Total
	High Grade	Standard Grade	Past due but Not Impaired	Impaired	
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				Total
	High Grade	Standard Grade	Past due but Not Impaired	Impaired	
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.

	2023	Advances/ Proceeds*	Financing Cash Flows		2024
			Payments	Non-cash items	
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

	2022	Advances/ Proceeds*	Financing Cash Flows		2023
			Payments	Non-cash items	
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

	2021	Advances/ Proceeds	Financing Cash Flows		2022
			Payments	Non-cash items	
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.



**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: <u>Category C.2: Unrealized income recognized in profit or loss in prior periods but realized in the current reporting period (net of tax)</u>	
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

<i>Schedule</i>	<i>Description</i>	<i>Page</i>
A	Financial Assets	N/A
B	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)	N/A
C	Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements	N/A
D	Long-Term Debt	N/A
E	Indebtedness to Related Parties	N/A
F	Guarantees of Securities of Other Issuers	N/A
G	Capital Stock	1

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

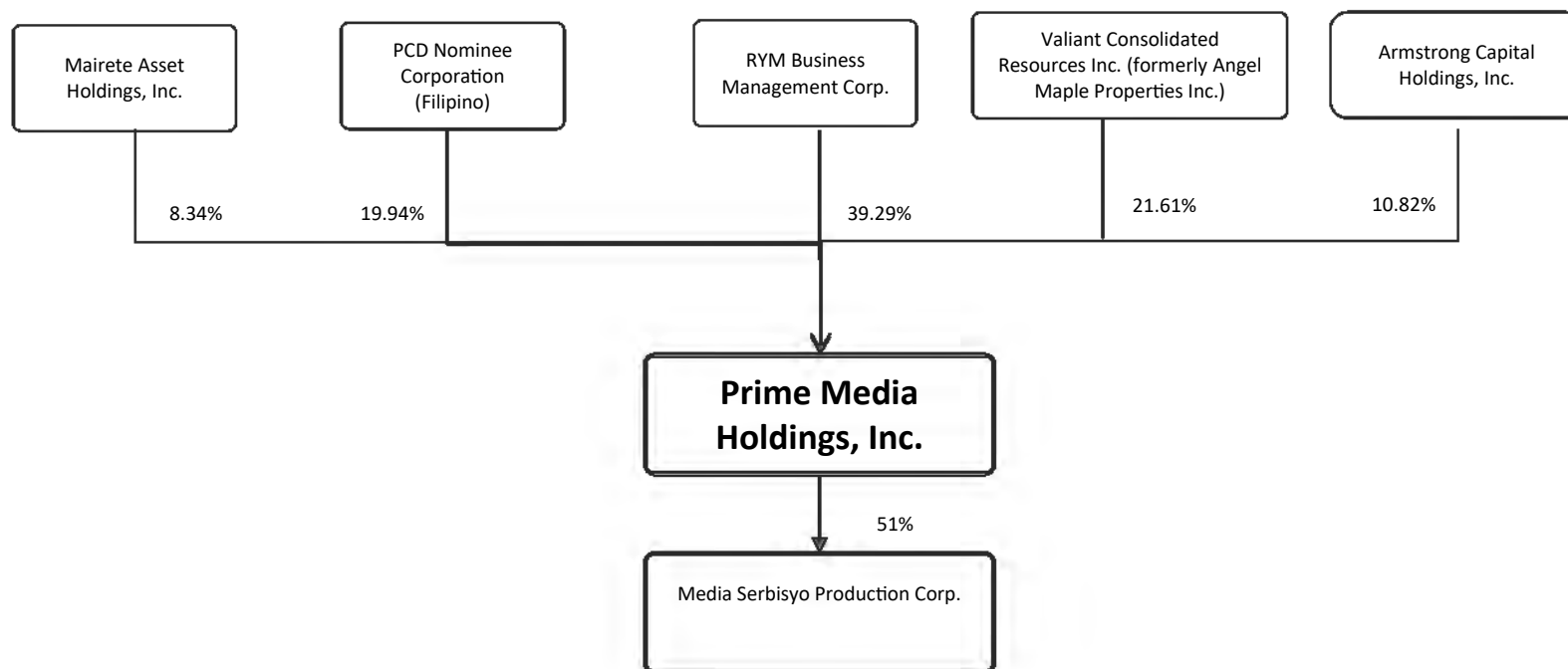
SCHEDULE G - CAPITAL STOCK

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>

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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.,

Valid files

- EAFS000491007OTHTY122024.pdf
- EAFS000491007RPTTY122024.pdf
- EAFS000491007ITRTY122024.pdf
- EAFS000491007AFSTY122024.pdf

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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.

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**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
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: _____

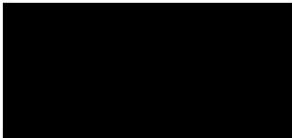
Rolando S. Santos
Treasurer

Signed this _____

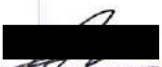
APR 11 2025

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			
Rolando S. Santos			

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


ATTY. RONALDO 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



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

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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

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- EAFS000491007ITRTY122023.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.

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COVER SHEET

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

A	A	F	S

Department Requiring the Report

C	R	M	D

Secondary License Type, If Applicable

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.



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 16 day of 2024

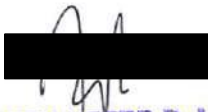


SUBSCRIBED AND SWORN to before me this APR 16 day of 2024
affiant(s) exhibiting to their evidence of identity, as follows:

NAMES	Competent Evidence of Identity (TIN)	DATE OF ISSUE	PLACE OF ISSUE
Manolito A. Manalo Rolando S. Santos			

Doc. No. 145 ;
Page No. 30 ;
Book No. III ;
Series of 2024.

Notary Public


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-0016666; 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. Escudro.

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

		December 31	
	Note	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				
<i>Item that will not be reclassified to profit or loss</i>				
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

		Years Ended December 31		
	Note	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

		Years Ended December 31		
	Note	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before income tax		(P30,308,471)	(P6,204,947)	(P1,616,777)
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	P47,780,041	P33,839,166	P7,110,931

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, 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.

Approval of the Financial Statements

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.

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 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:

- Cumulative, nonparticipating, nonvoting, redeemable and convertible at the option of the Company.
- 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.
- 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	P—	P13,423,553	P—	P13,423,553	2026
2022	5,252,413	—	—	5,252,413	2025
2020	781,334	—	—	781,334	2025
	P6,033,747	P13,423,553	P—	P19,457,300	

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	P430	P—	P—	P430	2025
2021	91,689	—	—	91,689	2024
2020	53,000	—	(53,000)	—	2023
	P145,119	P—	(P53,000)	P92,119	

13. Related Party Transactions

Outstanding balances and transactions with related parties are as follows:

	Nature of Transaction	Amount of Transaction		Outstanding Balance	
		2023	2022	2023	2022
Receivables					
Loans Receivable					
Entity under common key management	Loan Collections	P373,000,000	P— 26,000,000	P373,000,000	P— —
				P373,000,000	P—
Due from related parties					
	Advances				
Entities under common control	(Settlement)	(P2,100,320)	(P5,364,349)	P217,235	P2,317,555
Due to related parties					
	Advances				
Entities under common control	(Settlement)	(P636,744)	P636,744	P—	P636,744
Parent Company	Management fee	—	—	13,880,000	13,880,000
				P13,880,000	P14,516,744

The Company has no other material and/or significant transactions with its related parties in 2023 and 2022.

Terms and Conditions of Transactions with Related Parties

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.

Compensation of Key Management Personnel

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				Total
	Neither Past Due Nor Impaired	Past Due But Not Impaired		Past Due and Impaired	
		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 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 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.

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:

	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

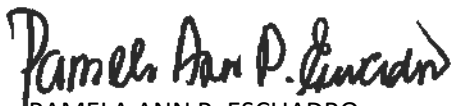
The primary objective of the Company's capital management is to safeguard the Company's ability to continue its operations as a going concern and to maximize shareholder value. The Company manages its capital structure and makes adjustments to it, when there are changes in the economic conditions. To 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

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

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	(P867,570,155)
Add net loss for the current year	(30,308,471)
Deficit, end of the reporting period	(P897,878,626)

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

<i>Schedule</i>	<i>Description</i>	<i>Page</i>
A	Financial Assets	<u>N/A</u>
B	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)	<u>N/A</u>
C	Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements	<u>N/A</u>
D	Long-Term Debt	<u>N/A</u>
E	Indebtedness to Related Parties	<u>N/A</u>
F	Guarantees of Securities of Other Issuers	<u>N/A</u>
G	Capital Stock	<u>1</u>

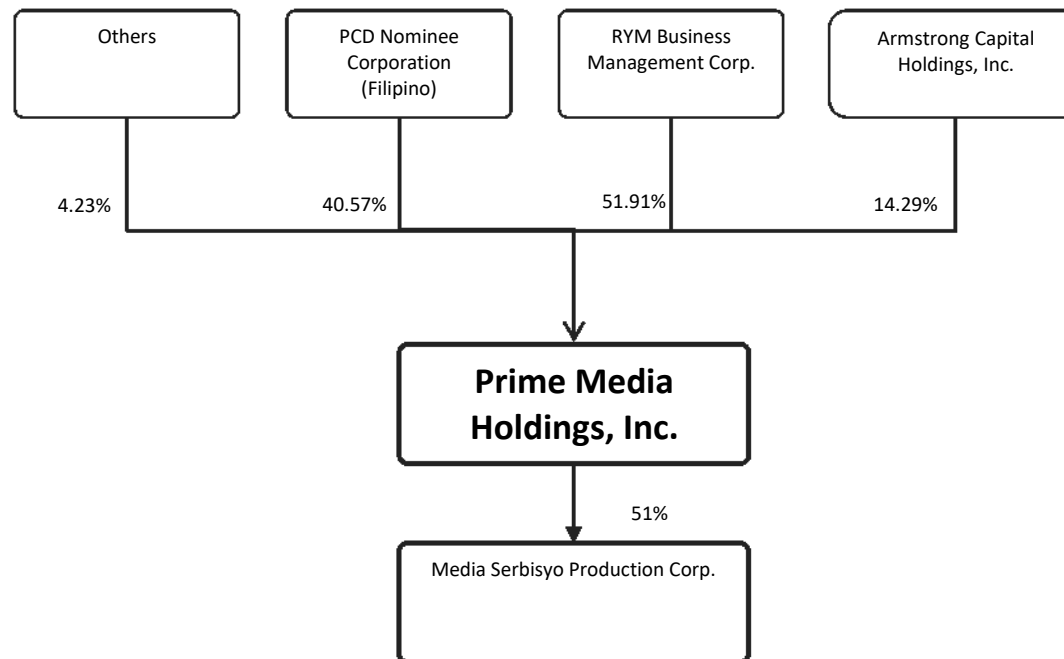
PRIME MEDIA HOLDINGS, INC.
(A Subsidiary of RYM Business Management Corp.)

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





SECURITIES AND EXCHANGE COMMISSION

Secretariat Building, PICC Complex, Roxas Boulevard, Pasay City, 1307 Metro Manila Philippines

Tel: (632) 818-0921 Fax: (632) 818-5293 Email: mis@sec.gov.ph



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



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.

Estimating Liabilities

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. Escudro.

REYES TACANDONG & Co.


PAMELA ANN P. ESCUDRO

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

		December 31	
	Note	2022	2021
ASSETS			
Current Assets			
Cash	4	P33,839,166	P7,110,931
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
		P45,460,812	P48,749,680
LIABILITIES AND EQUITY			
Current Liabilities			
Accrued expenses and other current liabilities	9	P180,749,347	P180,019,582
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)
		P45,460,812	P48,749,680

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	P43,046	P-	P-
Interest income	4	10,465	7,257	2,615,187
Reversal of long-outstanding payables	9	-	9,168,852	-
Recovery of accounts written-off	5	-	-	50,000
		53,511	9,176,109	2,665,187
EXPENSES				
Professional fees		2,849,961	2,820,853	3,426,238
Outside services		1,028,995	874,759	1,038,872
Penalties		962,999	379,500	-
Insurance		426,087	442,300	445,910
Directors' fees		250,000	110,000	55,000
Taxes and licenses		160,135	117,276	100,704
Depreciation	8	89,725	326,275	331,995
Transportation and travel		74,818	6,199	3,519
Association dues		58,891	58,985	74,407
Membership fees		53,892	29,245	42,556
Impairment loss on receivables	5	-	5,541,667	-
Others		302,955	85,827	69,610
		6,258,458	10,792,886	5,588,811
LOSS BEFORE INCOME TAX		(6,204,947)	(1,616,777)	(2,923,624)
PROVISION FOR CURRENT INCOME TAX	11	430	91,689	53,000
NET LOSS		(6,205,377)	(1,708,466)	(2,976,624)
OTHER COMPREHENSIVE INCOME				
<i>Item that will not be reclassified to profit or loss</i>				
Unrealized fair value change on investment in a club share	7	1,550,000	750,000	100,000
TOTAL COMPREHENSIVE LOSS		(P4,655,377)	(P958,466)	(P2,876,624)
Basic/Diluted Loss Per Share	14	(P0.011)	(P0.005)	(P0.007)

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

		Years Ended December 31		
	Note	2022	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before income tax		(P6,204,947)	(P1,616,777)	(P2,923,624)
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	P33,839,166	P7,110,931	P8,233,104

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.

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	P258,200	P69,160
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 P14.3 million and P13.3 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	P5,000	P4,759
Cash in banks	33,834,166	7,106,172
	P33,839,166	P7,110,931

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		P10,465	P7,257	P15,187
Loans receivable	12	—	—	2,600,000
		P10,465	P7,257	P2,615,187

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:

- Cumulative, nonparticipating, nonvoting, redeemable and convertible at the option of the Company.
- 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.
- 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 become 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	(P1,240,989)	(P323,355)	(P877,087)
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	-
	P430	P91,689	P53,000

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

	2022	2021
Allowance for impairment losses on receivables	P12,928,401	P12,928,401
NOLCO	1,206,749	156,267
MCIT	145,119	216,049
	P14,280,269	P13,300,717

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	P-	P5,252,413	P-	P5,252,413	2025
2020	781,334	-	-	781,334	2025
	P781,334	P5,252,413	P-	P6,033,747	

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	P-	P430	P-	P430	2025
2021	91,689	-	-	91,689	2024
2020	53,000	-	-	53,000	2023
2019	71,360	-	(71,360)	-	2022
	P216,049	P430	(P71,360)	P145,119	

12. Related Party Transactions

Outstanding balances and transactions with related parties are as follows:

	Nature of Transaction	Amount of Transaction		Outstanding Balance	
		2022	2021	2022	2021
Receivables					
<i>Loans Receivable</i>					
Entity under common control	Loan	P—	P—	P—	P26,000,000
	Interest income	—	—	—	5,541,667
<i>Rent Receivables</i>					
Entity under common control	Rent income	—	—	—	1,159,200
				—	32,700,867
Less: Allowance for impairment loss		—	5,541,667	—	5,541,667
				P—	P27,159,200
Due from related parties					
	Advances				
Entities under common control	(Settlement)	(P5,364,349)	(P91,724)	P2,317,555	P7,681,904
Due to related parties					
Entities under common control	Advances	P636,744	P—	P636,744	P—
Parent Company	Management fee	—	—	13,880,000	13,880,000
				P14,516,744	P13,880,000

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	(P6,205,377)	(P1,708,466)	(P2,976,624)
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	(P0.011)	(P0.005)	(P0.007)

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	P33,834,166	P-	P-	P33,834,166
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
	P39,451,721	P-	P62,515,672	P101,967,393

*Excluding advances to officers, employees and service providers amounting to P2.4 million.

2021				
	12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired	Total
Financial assets at amortized cost:				
Cash in banks	P7,106,172	P-	P-	P7,106,172
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
	P43,721,276	P-	P68,057,339	P111,778,615

*Excluding advances to officers, employees and service providers amounting to P2.2 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	P33,834,166	P-	P-	P-	P33,834,166
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
	P39,451,721	P-	P-	P62,515,672	P101,967,393

*Excluding advances to officers, employees and service providers amounting to P2.4 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	P7,106,172	P-	P-	P-	P7,106,172
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
	P43,721,276	P-	P-	P68,057,339	P111,778,615

*Excluding advances to officers, employees and service providers amounting to P2.2 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.



**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

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	P41,524,749	P46,743,192
	Divided by: Total current liabilities	195,266,091	193,899,582
	Current Ratio	0.21	0.24
Acid Test Ratio	Total current assets	P41,524,749	P46,743,192
	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	(P6,115,222)	(P1,290,502)
	Divide by: Total liabilities	195,266,091	193,899,582
	Solvency Ratio	(0.03)	(0.01)
Debt-to-Equity Ratio	Total liabilities	P195,266,091	P193,899,582
	Divide by: Total equity	(149,805,279)	(145,149,902)
	Debt-to-Equity Ratio	(1.30)	(1.34)
Asset-to-Equity Ratio	Total assets	P45,460,812	P48,749,680
	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

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 RECONCILIATION OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
DECEMBER 31, 2022

	Amount
Deficit available for dividend declaration at beginning of year	(P861,364,778)
Net loss during the year closed to retained earnings	(6,205,377)
Deficit available for dividend declaration at end of year	(P867,570,155)

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

<i>Schedule</i>	<i>Description</i>	<i>Page</i>
A	Financial Assets	<u>N/A</u>
B	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)	<u>N/A</u>
C	Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements	<u>N/A</u>
D	Long-Term Debt	<u>N/A</u>
E	Indebtedness to Related Parties	<u>N/A</u>
F	Guarantees of Securities of Other Issuers	<u>N/A</u>
G	Capital Stock	<u>1</u>

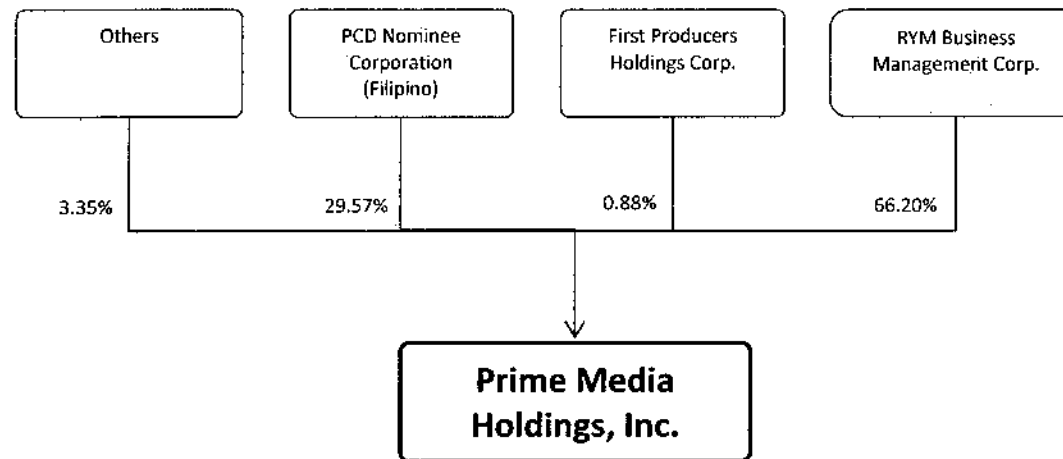
PRIME MEDIA HOLDINGS, INC.
(A Subsidiary of RYM Business Management Corp.)

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 _____



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 Rolando S. Santos	[REDACTED]		

Doc. No. 18;
Page No. 27;
Book No. 7;
Series of 2023.

Notary Public

[REDACTED]
ATTY. JOSE FERER FLORES
NOTARY PUBLIC IN 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



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

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eafs@bir.gov.ph <eafs@bir.gov.ph>

Mon, Apr 17, 2023 at 10:25 PM

To: JOANNA.MANZANO@marcventures.com.ph

Cc: JACKY.VALENZUELA@marcventures.com.ph

Hi PRIME MEDIA HOLDINGS, INC.,

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- EAFS000491007AFSTY122022.pdf
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Transaction Code: **AFS-0-PY3WSYNS0B6EH9HA9NMMWXTMR0ADFCJ7A**

Submission Date/Time: **Apr 17, 2023 10:25 PM**

Company TIN: **000-491-007**

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- 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.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



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.

GOOD HEALTH, WELL-BEING, AND A PEACEFUL SOCIETY

3 GOOD HEALTH AND WELL-BEING



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



PRIME MEDIA
Holdings, Inc.

COVER SHEET

2	2	4	0	1					

SEC Registration Number

P	R	I	M	E		M	E	D	I	A		H	O	L	D	I	N	G	S	,		I	N	C	.		(	F	O	R	M	E
R	L	Y		F	I	R	S	T		E	-	B	A	N	K		C	O	R	P	.	)										

(Company's Full Name)

1	6	T	H		F	L	O	O	R		B	D	O		T	O	W	E	R	S		V	A	L	E	R	O		(	F	O	R
M	E	R	L	Y		C	I	T	I	B	A	N	K		T	O	W	E	R	)		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													

(Business Address: No. Street City/Town/Province)

Rolando S. Santos

(Contact Person)

(02) 8831-4479

(Company Telephone Number)

1	2	3	1

Month Day
(Calendar Year)

1	7	-	Q

(Form Type)

Month Day
(Annual Meeting)

N/A

Secondary License Type, If Applicable)

Finance Department

Dept. Requiring this Doc.

March 31, 2025

Period Ending Date

Total Amount of Borrowings

1,855

Total No. of Stockholders

N/A

Domestic

N/A

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

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SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES
REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended: March 31, 2025
2. Commission identification number 22401
3. BIR Tax Identification No. 000-491-007-000
4. Exact name of registrant as specified in its charter: PRIME MEDIA HOLDINGS, INC.
5. Province, country or other jurisdiction of incorporation or organization: PHILIPPINES
6. Industry Classification Code: (SEC Use Only)
7. Address of registrant's principal office:

16th Floor BDO Towers Paseo (formerly Citibank Tower), 8741 Paseo de Roxas, Makati City 1227
8. Registrant's telephone number, including area code: (632) 831-4479
9. Former name, former address and former fiscal year, if changed since last report. N/A
10. Securities registered pursuant to Sections 4 and 8 of the RSA

<u>Title of each Class</u>	<u>Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding</u>
Common Stock (P1.00 par value)	925,298,616 shares
Preferred Stock (P1.00 par value)	14,366,260 shares

11. Are any or all of the securities listed on the Philippine Stock Exchange?
Yes. The common shares are listed on the Philippine Stock Exchange.

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 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 12 months (or for such shorter period the registrant was required to file such reports)

Yes

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

Yes

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PART I - FINANCIAL INFORMATION

Item 1. - Management's Discussion and Analysis of Financial Condition and Results of Operation

The following discussion is based on the unaudited interim financial statements for the 1st quarter period ended March 31, 2025, with comparative figures for the corresponding periods in 2024 and audited financial statements as of December 31, 2024, prepared in conformity with Philippine Accounting Standards 34, Interim Financial Reporting and included herein, and should be read in conjunction with those unaudited interim financial statements.

Financial Condition as of March 31, 2025 and December 31, 2024 and Results of Operation for the Three Months Ended March 31, 2025 and March 31, 2024

STATEMENT OF COMPREHENSIVE INCOME

Three months ended March 31, 2025 compared with three months ended March 31, 2024

Income

The Corporation's interest income during the period amounted to ₱0.004 million, which has decreased by ₱0.006 compared with the same period last year. This represents a decrease of 60.77%.

Expenses

Total expenses during the period amounted to ₱1.23 million, which is lower by ₱1.02 million compared with the same period last year. This represents a decrease of 45.37%. The decrease was mainly accounted for by the following:

- Taxes and licenses decreased by ₱0.38 million or 87.28%, mainly due to the filing fee for confirmation of exempt transactions to SEC during the period last year.
- Outside Services decreased by ₱0.35 million or 48.77%, mainly due to the filing fee for private placement transaction during the period last year.
- Professional Fees increased by ₱0.31 million or 33.48%, mainly due to the payment of professional fees for the Corporation's special projects during the period last year.

STATEMENT OF FINANCIAL POSITION

Assets

The total assets of the Corporation decreased by ₱1.86 million or equivalent to 0.21% from ₱875.23 million as of December 31, 2024 to ₱873.37 million as of March 31, 2025. The decrease was mainly due to the following:

- Cash decreased by ₱12.45 million or 49.51% from ₱25.14 million as of December 31, 2024 to ₱12.69 million as of March 31, 2025, mainly due to the Corporation's sale of investment in a club share at its fair value of ₱5.50 million.
- Property and equipment decreased by ₱0.03 million or 8.25% from ₱0.39 million as of December 31, 2024 to ₱0.36 million as of March 31, 2025, due to depreciation expense during the period.

The above decreases were partly offset by the following:

- **Receivables** increased by ₱0.03 million or 0.01% from ₱475.66 million as of December 31, 2024 to ₱475.69 million as of March 31, 2025, due to unliquidated cash advances of employees during the period.
- **Due from related parties** amounting to ₱10.53 million due to advances to related parties to support their operations.
- **Other current assets** increased by ₱0.07 million or 1.09% from ₱6.04 million as of December 31, 2024 to ₱6.10 million as of March 31, 2025, due to the additional input VAT recorded during the period.

Liabilities

The total liabilities of the Corporation decreased by ₱0.63 million or 0.15% from ₱430.39 million as of December 31, 2024 to ₱429.76 million as of March 31, 2025, mainly due to the payment of audit fee for the Corporation's 2024 audited financial statements.

Equity

The stockholders' equity of the Corporation decreased by ₱1.23 million or 0.28% from ₱444.83 million as of December 31, 2024 to ₱443.61 million as of March 31, 2025, due to the net loss recognized during the period.

STATEMENT OF CASH FLOWS

Three months ended March 31, 2025 compared with three months ended March 31, 2024

Net cash used in operating activities during the period is lower by ₱1.91 million or 29.05% compared with the same period last year, mainly due to the filing fees for private placement and confirmation of exempt transactions during the period last year.

Net cash used in investing activities during the period amounted to ₱10.53 million due to the advances to related parties to support their operations.

Item 2 - Financial Statements

The unaudited Financial Statement of Prime Media Holdings, Inc. as of March 31, 2025, and for the three months ended March 31, 2024 with comparative audited figures as of December 31, 2024 is in compliance with generally accepted accounting principles and there were no changes made in accounting policies and methods of computation in the preparation of the interim financial statements.

Horizontal and Vertical Analysis:

			Horizontal Analysis		Vertical Analysis	
	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)	Change	% Change	2025	2024
ASSETS						
Current Assets						
Cash	₱ 12,691,972	₱ 25,138,280	₱ (12,446,308)	(49.51%)	1.45%	2.87%
Receivables	475,685,750	475,660,749	25,001	0.01%	54.47%	54.35%
Due from related parties	10,532,155	-	10,532,155	100%	1.21%	0.01%
Other current assets	6,102,650	6,037,077	65,573	1.09%	0.70%	0.69%
Total Current Assets	₱ 505,012,527	₱ 506,836,106	₱ (1,823,579)	(0.36%)	57.82%	57.92%
Non-current Assets						
Loans receivable	₱ 368,000,000	₱ 368,000,000	₱ -	-	42.14%	42.04%
Property and equipment	358,104	390,300	(32,196)	(8.25%)	0.04%	0.04%
Total Noncurrent Assets	₱ 368,358,104	₱ 368,390,300	₱ (32,196)	(0.01%)	42.18%	42.08%
	₱ 873,370,631	₱ 875,226,406	₱ (1,855,775)	(0.21%)	100.0%	100.0%
LIABILITIES AND EQUITY						
Current Liabilities						
Accrued expenses and other current liabilities	₱ 193,689,915	₱ 194,318,645	₱ (628,730)	(0.32%)	22.18%	22.20%
Due to related parties	21,323,639	21,323,639	-	-	2.44%	2.44%
Total Current Liabilities	₱ 215,013,554	₱ 215,642,284	₱ (628,730)	(0.29%)	24.62%	24.64%
Noncurrent Liability						
Deposit for future stock subscription	₱ 214,749,999	₱ 214,749,999	₱ -	-	24.59%	24.54%
Total Liabilities	₱ 429,763,553	₱ 430,392,283	₱ (628,730)	(0.15%)	49.21%	49.17%
Equity						
Capital stock	₱ 1,363,038,626	₱ 1,363,038,626	₱ -	-	156.07%	155.74%
Deficit	(919,431,548)	(918,204,503)	(1,227,045)	(0.13%)	(105.27%)	(104.91%)
Other comprehensive income	-	-	-	-	-	-
Total Equity	₱ 443,607,078	₱ 444,834,123	₱ (1,227,045)	(0.28%)	50.79%	50.83%
	₱ 873,370,631	₱ 875,226,406	₱ (1,855,775)	(0.21%)	100.0%	100.0%

Three Months Ended March 31					
	2025 (Unaudited)	2024 (Unaudited)	Increase (Decrease)	% Change	
INCOME	₱ 4,033	₱ 10,281	₱ (6,248)	(60.77%)	
EXPENSES	(1,231,078)	(2,253,660)	(1,022,582)	(45.37%)	
LOSS BEFORE INCOME TAX	₱ (1,227,045)	₱ (2,243,380)	₱ (1,016,335)	(45.30%)	
PROVISION FOR INCOME TAX	-	-	-	-	
NET LOSS	₱ (1,227,045)	₱ (2,243,380)	₱ (1,016,335)	(45.30%)	
OTHER COMPREHENSIVE INCOME	-	-	-	-	
TOTAL COMPREHENSIVE LOSS	₱ (1,227,045)	₱ (2,243,380)	₱ (1,016,335)	(45.30%)	

Other Information

- a. There are no known trends or any known demands, commitments, events, or uncertainties that will result in or that are reasonably likely to result in the registrant's liquidity increasing or decreasing in any material way.
- b. There are no events that will trigger direct or contingent financial obligation that is material to the Corporation, including any default or acceleration of an obligation.
- c. There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Corporation with unconsolidated entities or other persons created during the reporting period.
- d. Aside from the volatile USD exchange rate, there are no other known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.
- e. The causes for the material changes from period to period in the financial accounts were explained in the Management's discussion and analysis of financial condition and results of operation.
- f. There are no significant elements of income or loss that did not arise from the registrant's continuing operations.
- g. There are no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidents.
- h. There are no new issuances, repurchases, and repayments of debt and equity securities.
- i. There are no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.
- j. There are no changes in the composition of the issuer during the interim period including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.
- k. There are no contingent liabilities or contingent assets since the last annual balance sheet date.
- l. There are no material contingencies and other material events or transactions during the interim period.
- m. There are no events that will trigger direct or contingent financial obligation that is material to the Corporation, including any default or acceleration of an obligation.

Key Performance Indicators (KPIs)

Management uses the following KPIs for the Corporation:

	March 31, 2025	December 31, 2024
Net Income (Loss)	(P1,227,045)	(P25,625,877)
Quick assets	498,909,877	500,799,029
Current assets	505,012,527	506,836,106
Total assets	873,370,631	875,226,406
Current liabilities	215,013,554	215,642,284
Total liabilities	429,763,553	430,392,283
Stockholders' Equity	443,607,078	444,834,123
Preferred stock	14,366,260	14,366,260
Number of common shares outstanding	940,298,616	940,298,616
Number of preferred shares outstanding	14,366,260	14,366,260

	March 31, 2025	December 31, 2024
Liquidity ratios:		
Current ratio ⁽¹⁾	2.35:1	2.35:1
Quick ratio ⁽²⁾	2.32:1	2.32:1
Solvency Ratios:		
Debt ratio ⁽³⁾	0.49:1	0.49:1
Debt to Equity ratio ⁽⁴⁾	0.97:1	0.97:1
Profitability ratios:		
Loss per share ⁽⁵⁾	(0.002):1	(0.032):1
Book value per share ⁽⁶⁾	0.46:1	0.46:1

Notes:

1. Current Assets / Current Liabilities
2. Quick Assets / Current Liabilities
3. Total Liabilities / Total Assets
4. Total Liabilities / Shareholders' Equity
5. Net Loss – Preferred Dividends / Common Shares Outstanding
6. Stockholders' Equity – Preferred Equity / Common Shares Outstanding

PART II - OTHER INFORMATION

Any information not previously reported in a report on SEC Form 17-C

NONE

PART III - FINANCIAL SOUNDNESS INDICATORS

Liquidity Ratio

a. Current Ratio

Total Current Assets/ Total Current Liabilities = 2.35:1

b. Quick Ratio

Quick asset / Total Current Liabilities = 2.32:1

Solvency Ratio

a. Debt Ratio

Total liabilities / Total assets = 0.49:1

b. Debt to Equity Ratio

Total liabilities / Shareholder's Equity = 0.97:1

Profitability Ratio

a. Return on Equity Ratio

Net Loss / Average shareholder's equity = (0.003):1

b. Return on Assets

Net Loss/ Average Total assets = (0.001):1

c. Asset to Equity Ratio:

Total Assets / Stockholders' Equity = 1.97:1

d. Asset Turnover:

Revenue/Total Assets = 0.000005

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the Issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer: PRIME MEDIA HOLDINGS, INC.

Signature and Title: 
ROLANDO S. SANTOS
Treasurer

Date: May 15, 2025

Signature and Title: 
DALE A. TONGCO
Risk Management Officer

Date: May 15, 2025

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

STATEMENTS OF FINANCIAL POSITION

	Note	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
ASSETS			
Current Assets			
Cash	4	₱12,691,972	₱25,138,280
Receivables	5	475,685,750	475,660,749
Due from related parties	13	10,532,155	–
Other current assets	6	6,102,650	6,037,077
Total Current Assets		505,012,527	506,836,106
Noncurrent Assets			
Loans receivable	5	368,000,000	368,000,000
Property and equipment	9	358,104	390,300
Total Noncurrent Assets		368,358,104	368,390,300
		₱873,370,631	₱875,226,406
LIABILITIES AND EQUITY			
Current Liabilities			
Accrued expenses and other current liabilities	10	₱193,689,915	₱194,318,645
Due to related parties	13	21,323,639	21,323,639
Total Current Liabilities		215,013,554	215,642,284
Noncurrent Liability			
Deposit for future stock subscription	13	214,749,999	214,749,999
Total Liabilities		429,763,553	430,392,283
Equity			
Capital stock	11	954,664,876	954,664,876
Additional paid-in capital	11	408,373,750	408,373,750
Deficit		(919,431,548)	(918,204,503)
Cumulative fair value changes on investment in a club share	7	–	–
Total Equity		443,607,078	444,834,123
		₱873,370,631	₱875,226,406

See accompanying Notes to Financial Statements.

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

STATEMENTS OF COMPREHENSIVE INCOME

		Three Months Ended March 31	
	Note	2025	2024
INCOME			
Interest income	4	₱4,033	₱10,281
EXPENSES			
Professional fees		618,846	930,270
Outside services		367,506	717,302
Taxes and licenses		54,931	431,837
Depreciation	9	32,196	31,632
Membership and association dues		18,171	24,496
Insurance		2,188	774
Penalties		659	11,000
Transportation and travel		102	4,261
Directors' fees		—	20,000
Others		136,479	82,089
		1,231,078	2,253,660
LOSS BEFORE INCOME TAX		(1,227,045)	(2,243,380)
PROVISION FOR CURRENT INCOME TAX	12	—	—
NET LOSS		(1,227,045)	(2,243,380)
OTHER COMPREHENSIVE INCOME			
<i>Item that will not be reclassified to profit or loss</i>			
Unrealized fair value change on investment in a club share	7	—	—
TOTAL COMPREHENSIVE LOSS		(₱1,227,045)	(₱2,243,380)
Basic/Diluted Loss Per Share	15	(₱0.002)	(₱0.003)

See accompanying Notes to Financial Statements.

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

STATEMENTS OF CHANGES IN EQUITY

	Note	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
CAPITAL STOCK	11		
Preferred stock - ₱1 par value		₱14,366,260	₱14,366,260
Common stock - ₱1 par value			
Balance at beginning of period		940,298,616	850,298,616
Issuances		—	75,000,000
Subscribed		—	15,000,000
Balance at end of period		940,298,616	940,298,616
		954,664,876	954,664,876
ADDITIONAL PAID-IN CAPITAL	11		
Balance at beginning of period		408,373,750	253,500,000
Premiums from:			
Issuances of common shares		—	146,250,000
Subscriptions of common shares		—	10,000,000
Stock issuance cost		—	(1,376,250)
Balance at end of period		408,373,750	408,373,750
DEFICIT			
Balance at beginning of period		(918,204,503)	(897,878,626)
Net loss		(1,227,045)	(25,625,877)
Realized fair value gain upon disposal of investment in club share		—	5,300,000
Balance at end of period		(919,431,548)	(918,204,503)
CUMULATIVE FAIR VALUE CHANGES ON INVESTMENT IN A CLUB SHARE	7		
Balance at beginning of period		—	4,800,000
Unrealized fair value gain		—	500,000
Realized fair value gain upon disposal of investment in club share		—	(5,300,000)
Balance at end of period		—	—
		₱443,607,078	₱444,834,123

See accompanying Notes to Financial Statements.

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

STATEMENTS OF CASH FLOWS

		Three Months Ended March 31	
	Note	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax		(P1,227,045)	(P2,243,380)
Adjustments for:			
Depreciation	8	32,196	31,632
Interest income	4	(4,033)	(10,281)
Operating loss before working capital changes		(1,198,882)	(2,222,028)
Increase in:			
Receivables		(25,001)	(83,281)
Other current assets		(65,573)	(169,849)
Decrease in accrued expenses and other current liabilities		(628,730)	(233,156)
Net cash used for operations		(1,918,186)	(2,708,315)
Interest received		4,033	10,281
Net cash used in operating activities		(1,914,153)	(2,698,034)
CASH FLOWS FROM INVESTING ACTIVITIES			
Collection (payment) of due from related parties	13	(10,532,155)	108,280
Addition to property and equipment	9	–	(16,920)
Net cash provided by (used in) investing activities		(10,532,155)	91,360
NET DECREASE IN CASH		(12,446,308)	(2,606,674)
CASH AT BEGINNING OF PERIOD		25,138,280	47,780,041
CASH AT END OF PERIOD	4	P12,691,972	P45,173,367

See accompanying Notes to Financial Statements.

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NOTES TO FINANCIAL STATEMENTS
AS AT MARCH 31, 2025 AND DECEMBER 31, 2024 AND
FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND MARCH 31, 2024

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 March 31, 2025 and December 31, 2024, there are 813,713,458 common shares, 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 on the 16th Floor, BDO Towers Valero, 8741 Paseo de Roxas, Makati City.

Amendments in 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

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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 a 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.

Notably, on April 04, 2025, the Board 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. In the meantime, the Corporation shall proceed to conduct a partial conversion of the Series A Preferred Shares into Common Shares at the conversion rate of 25 Series A Preferred Shares is to 1 common share, applicable only to Series A Shareholders whose shares when converted will not result to fractional 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, subscription received amounting to ₱25.0 million was recognized as subscribed capital at par value amounting to ₱15.0 million and the premiums amounting to ₱10.0 million additional paid-in capital on the amount received in excess of par. 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 125,000,000 common shares to Valiant and 25,000,000 common shares to Cymac at ₱2.70 per 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 per 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.

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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 March 31, 2025 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 with 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 Atty. Hermogene H. Real and Ms. Michelle Ayangco to 1,645,000,000 PRIM Common Shares to be issued out of the proposed increase in authorized capital stock in consideration of the assignment of 100% of the Outstanding Capital Stock of Golden Peregrine pursuant to the updated appraisal report.
- (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.

2. Summary of Significant Accounting Policies

Basis of Preparation

PRIME MEDIA HOLDINGS, INC.
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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 16.

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Adoption of Amendments to PFRS Accounts Standards

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, 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 amended 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 March 31, 2025 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

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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 March 31, 2025 and December 31, 2024, the Company does not have financial assets and liabilities at FVPL.

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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 the 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 March 31, 2025 and December 31, 2024, the Company's cash, 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 March 31, 2025 and December 31, 2024, the Company has no financial asset at FVOCI.

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.

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As at March 31, 2025 and December 31, 2024, 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.

As at March 31, 2025 and December 31, 2024, 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.

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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

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- 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

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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 an 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 instances, 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.

Deposit for Future Stock Subscription

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.

Equity

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

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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 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. 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 contracts 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 sources.

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.

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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 diluted effect of any potential common shares. There is no such information as of March 31, 2025 and December 31, 2024 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

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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 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 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.

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 a financial asset at

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FVOCI (see Note 7). 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 March 31, 2025 and 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 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 the fair value of these financial assets would affect profit and loss and equity.

The fair value of the Company's financial assets and liabilities is 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

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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 March 31, 2025 and December 31, 2024 are disclosed in 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 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 to 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 is 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 a 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 as of March 31, 2025 and in 2024.

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 March 31, 2025 and December 31, 2024 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 as of March 31, 2025 and in 2024.

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

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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:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Cash on hand	₱20,000	₱20,000
Cash in banks	12,671,972	25,118,280
	₱12,691,972	₱25,138,280

Cash in banks earn interest at prevailing bank deposit rates.

Interest income amounted to ₱4,033 and ₱10,281 as at March 31, 2025 and 2024, respectively.

5. Receivables

This account consists of:

	Note	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Loans receivable from a related party	13	₱831,963,571	₱831,963,571
Loans receivable from previous banking operations		62,277,740	62,277,740
Interest receivable	13	11,687,276	11,687,276
Advances to officers, employees and service providers		2,161,238	2,136,237
Rent receivables		237,932	237,932
		908,327,757	908,302,756
Less allowance for impairment losses		64,642,007	64,642,007
		₱843,685,750	₱843,660,749
Less: current portion of receivables		475,685,750	475,660,749
Noncurrent portion of loans receivable		₱368,000,000	₱368,000,000

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Loans receivable from third parties are 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 March 31, 2025 and December 31, 2024 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

6. Other Current Assets

This account consists of:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
CWT	₱2,950,521	₱2,950,521
Input VAT	1,949,072	1,876,749
Prepayments	1,203,057	1,209,807
	₱6,102,650	₱6,037,077

Prepayments mainly pertain to transaction cost paid in advance; mainly documentary stamp tax related to subscribed but unissued shares. This will be applied against APIC 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:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Cost		
Balance at beginning of period	₱—	₱200,000
Disposal	—	(200,000)

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Balance at end of period	—	—
Cumulative fair value changes		
Balance at beginning of period	—	4,800,000
Fair value changes	—	500,000
Disposal	—	(5,300,000)
Balance at end of period	—	—
	₱—	₱—

The fair value of the investment in a club share was determined based on the current selling price to third parties, which 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 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 establishment, operation and management of MSPC and 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.

This account consists of:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Investment in joint venture	₱20,400,000	₱20,400,000
Advances to the joint venture	15,247,500	15,247,500
Cumulative share in net loss	(43,091,139)	(43,091,139)
Liability to joint venture for additional share in net loss	(7,443,639)	(7,443,639)
Investment in and advances to the joint venture	₱—	₱—

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

Note	March 31, 2025 (Unaudited)	December 31, 2024
<i>Investment in joint venture</i>		
Balance at beginning of period	₱20,400,000	₱20,400,000
Additions	—	—
Balance at end period	20,400,000	20,400,000

Cumulative share in net loss

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Balance at beginning of the period		43,091,139	17,142,846
Share in net loss		–	25,948,293
Balance at end of period		43,091,139	43,091,139
Advances to the joint venture	13	15,247,500	15,247,500
Liability to the joint venture for additional share in net loss	13	(P7,443,639)	(P7,443,639)
Investment in and advances to the joint venture		P–	P–

In 2024, MSPC incurred a net loss of P50.9 million. Share in net loss amounted to P25.9 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 P7.4 million (see Note 13).

9. Property and Equipment

Movements in this account are as follows:

March 31, 2025 (Unaudited)			
	Computer Equipment	Transportation Equipment	Total
Cost			
Balance at beginning of period	P729,720	P54,375	P784,095
Addition	–	–	–
Balance at end of period	729,720	54,375	784,095
Accumulated Depreciation			
Balance at beginning of period	339,420	54,375	393,795
Depreciation	32,1962	–	32,196
Balance at end of period	371,616	54,375	425,991
Carrying Amount	P358,104	P–	P358,104

December 31, 2024 (Audited)			
	Computer Equipment	Transportation Equipment	Total
Cost			
Balance at beginning and end of peric	P712,800	P54,375	P767,175
Additions	16,920	–	16,920
Balance at end of period	729,720	54,375	784,095
Accumulated Depreciation			
Balance at beginning of period	211,200	54,375	265,575
Depreciation	128,220	–	128,220
Balance at end of period	339,420	54,375	393,795

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Carrying Amount	₱390,300	₱—	₱390,300

In 2022, the Company sold its transportation equipment to a related party, with carrying amount of ₱157,700 for ₱200,746. The gain on disposal of transportation equipment amounted to ₱43,046.

10. Accrued Expenses and Other Current Liabilities

This account consists of:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Liabilities arising from the MOA	₱181,072,610	₱181,085,178
Dividends payable	10,985,443	10,985,443
Accrued expenses	1,617,407	2,223,454
Statutory payables	14,455	24,570
	₱193,689,915	₱194,318,645

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 nil and ₱3.0 million as at March 31, 2025 and December 31, 2024, 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 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.

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11. Equity

Capital Stock

Details of capital stock are as follows:

	March 31, 2024		December 31, 2023	
	(Unaudited)		(Audited)	
	Number of		Number of	
	Shares	Amount	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

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	March 31, 2024 (Unaudited)		December 31, 2023 (Audited)	
	Number of Shares	Amount	Number of Shares	Amount
Issued and outstanding:				
Preferred stock Series A	14,366,260	₱14,366,260	14,366,260	₱14,366,260
Common stock				
Issued and outstanding				
Beginning of period	925,298,616	925,298,616	850,298,616	850,298,616
Issuances	—	—	75,000,000	75,000,000
Balance at end of period	925,298,616	925,298,616	925,298,616	925,298,616
Subscribed				
Beginning of period	15,000,000	15,000,000	—	—
Subscriptions	—	—	90,000,000	90,000,000
Issuances	—	—	(75,000,000)	(75,000,000)
Balance at end of period	15,000,000	15,000,000	15,000,000	15,000,000
Issued and subscribed common stock	940,298,616	940,298,616	940,298,616	940,298,616
Total capital stock	954,664,876	₱954,664,876	954,664,876	₱954,664,876

The preferred stock Series A and B has the following salient features:

- Cumulative, nonparticipating, nonvoting, redeemable and convertible at the option of the Company.
- 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.
- The Company may, at any time at its option, wholly or partially redeem the outstanding preferred stock plus accrued dividends thereon. When such a 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 the 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.

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On April 04, 2025, the Board 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. In the meantime, the Corporation shall proceed to conduct a partial conversion of the Series A Preferred Shares into Common Shares at the conversion rate of 25 Series A Preferred Shares is to 1 common share, applicable only to Series A Shareholders whose shares when converted will not result to fractional 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 per share equivalent to ₱44.3 million, to be paid in cash. The shares shall be issued upon full payment. As at December 31, 2024, subscription received amounting to ₱25.0 million was recognized as subscribed capital at par value amounting to ₱15.0 million and the premiums amounting to ₱10.0 million additional paid-in capital on the amount received in excess of par. 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 per 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 March 31, 2025 and December 31, 2024, there is no accrued and unpaid preferential dividend.

12. Income Tax

The Company's provision for current income tax in 2024 represents MCIT. 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 2% for MCIT in 2024. The Company used 25% regular tax rate in 2023 as the total assets breached the threshold of using a lower tax rate of 20%.

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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
Income tax computed at statutory tax rate	(₱6,354,294)
Changes in unrecognized deferred tax assets	250,067
Tax effects of:	
Share in a net loss of a joint venture	6,487,073
Stock issuance cost	(344,063)
Nondeductible expenses	91,689
Expired MCIT	87,466
Interest income already subjected to final tax	(9,237)
Change in statutory income tax rate	—
	₱208,701

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

	2024
Deferred tax assets:	
Allowance for impairment losses on receivables	₱16,160,502
NOLCO	5,738,273
MCIT	209,131
	22,107,906
Deferred tax liability:	
Loan issuance cost	(740,893)
	₱21,367,013

As at March 31, 2025, 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 March 31, 2025 and December 31, 2024 amounting to ₱21.4 million can be utilized.

As at March 31, 2025, 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

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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 March 31, 2025, 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	P—	P208,701	P—	P208,701	2027
2022	430	—	—	430	2025
2021	91,689	—	(91,689)	—	2024
	P92,119	P208,701	(P91,689)	P209,131	

13. Related Party Transactions

Outstanding balances and transactions with related parties are as follows:

	Nature of	Amount of Transaction		Outstanding Balance	
	Transaction	2025	2024	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Loans receivable					
Entity under common key management	Loan	₱—	₱463,963,571	₱831,963,571	₱831,963,571
Interest receivable					
Entity under common key management	Accrued interest*	₱—	₱11,687,276	₱11,687,276	₱11,687,276
Due from related parties					
Entities under common control	Settlement	₱10,532,155	217,235)	₱10,532,155	₱—
Advances to joint venture					
Joint venture	Advances	₱—	₱15,247,500	₱15,247,500	₱15,247,500
Due to related parties					
Joint venture	Additional share i net loss	₱—	₱7,443,639	₱7,443,639	₱7,443,639
Parent Company	Management fee	₱—	₱—	₱13,880,000	₱13,880,000
				₱21,323,639	₱21,323,639
Deposit for future stock subscription					
Stockholders	Deposit for future stock subscription	₱—	₱214,749,999	₱214,749,999	₱214,749,999

*Including output VAT amounting to P1.3 million.

The Company has no other material and/or significant transactions with its related parties as at March 31, 2025 and in 2024.

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Terms and Conditions of Transactions with Related Parties

Loans Receivable from Philippine Collective Media (PCMC)

Movements in this account are as follows:

	Note	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at beginning of the year		₱831,963,571	₱373,000,000
Loans granted, including transaction cost		–	464,457,500
Collections		–	(5,000,000)
Amortization of loan transaction cost	4	–	(493,929)
		831,963,571	831,963,571
Less: current portion		463,963,571	463,963,571
Noncurrent portion		₱368,000,000	₱368,000,000

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 period	₱–
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 transportation equipment until October 7, 2019. In 2022, the Company sold the leased transportation equipment to MMDC for ₱200,746. The gain on disposal of equipment amounted to ₱43,046 (see Note 9).

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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 March 31, 2025 and December 31, 2024. 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 March 31, 2025 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 as at March 31, 2025 and December 31, 2024. 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 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 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 March 31, 2025 and December 31, 2024 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:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Net loss	(₱1,227,045)	(₱25,625,877)
Less dividend rights of preferred stockholders for the period	395,418	1,581,671
Income (loss) attributable to common stockholders	(1,622,463)	(27,207,548)

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Divided by weighted average number of
common stock

	940,298,616	862,798,616
Basic loss per share	(P0.002)	(P0.032)

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), 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 show the credit quality of the financial assets by indicating whether the financial assets are subjected to 12-month ECL or lifetime ECL.

	March 31, 2025 (Unaudited)			Total
	12-month ECL	Lifetime ECL -not credit impaired	Lifetime ECL - credit impaired	
Financial assets at amortized cost:				
Cash in banks	P12,671,972	P—	P—	P12,671,972
Receivables*	11,687,276	—	62,515,672	74,202,948
Due from related parties	10,532,155	—	—	10,532,155
Loans receivable from a related party	—	831,963,571	—	831,963,571
	P34,891,403	P831,963,571	P62,515,672	P929,370,646

*Excluding advances to officers, employees and service providers and loans receivable from a related party amounting to P2.2 million and P832.0 million, respectively.

	December 31, 2024 (Audited)		
	12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired

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				Total
Financial assets at amortized cost:				
Cash in banks	P25,118,280	P—	P—	P25,118,280
Receivables*	11,687,276	—	62,515,672	74,202,948
Loans receivable from a related party	—	831,963,571	—	831,963,571
	P36,806,556	P831,963,571	P62,515,672	P931,284,799

*Excluding advances to officers, employees and service providers and loans receivable from a related party amounting to P2.1 million and P832.0 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:

	March 31, 2025 (Unaudited)				
	High Grade	Standard Grade	Past due but Not Impaired	Impaired	Total
Financial Assets at Amortized Cost					
Cash in banks	P12,671,972	P—	P—	P—	P12,671,972
Receivables*	11,687,276	—	—	62,515,672	74,202,948
Due from related parties	10,532,155	—	—	—	10,532,155
Loans receivable	831,963,571	—	—	—	831,963,571
	866,854,974	—	—	62,515,672	929,370,646

*Excluding advances to officers, employees and service providers and loans receivable from a related party amounting to P2.2 million and P832.0 million, respectively.

	December 31, 2024 (Audited)				
	High Grade	Standard Grade	Past due but Not Impaired	Impaired	Total
Financial Assets at Amortized Cost					
Cash in banks	P25,118,280	P—	P—	P—	P25,118,280
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 P2.1 million and P832.0 million, respectively.

Credit Quality of Financial Assets. The credit quality of the Company's financial assets is being managed by using internal credit ratings such as high grade and standard grade.

High grade - pertains to a 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 a high grade.

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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 make the 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.

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As at March 31, 2025 and December 31, 2024, accrued expenses and other current liabilities, dividends payable (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 are exposed to fair value interest rate risk.

As at March 31, 2025 and December 31, 2024, 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 relating 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 March 31, 2025.

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:

	March 31, 2025 (Unaudited)		December 31, 2024 (Audited)	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash	₱12,691,972	₱12,691,972	₱25,138,280	₱25,138,280
Receivables*	11,687,276	11,687,276	11,687,276	11,687,276
Due from related parties	10,532,155	10,532,155	—	—
Loans receivable from a related party	831,963,571	832,064,654	831,963,571	832,064,654
	₱866,874,974	₱866,976,057	₱868,789,127	₱868,890,210
Financial Liabilities				
Accrued expenses and other current liabilities**	₱193,675,460	₱193,675,460	₱194,294,075	₱194,294,075
Due to a related party	21,323,639	21,323,639	21,323,639	21,323,639
	₱210,706,561	₱210,706,561	₱215,617,714	₱215,617,714

*Excluding loan receivable from a related party amounting to ₱832.0 million as at March 31, 2025 and December 31, 2024.

**Excluding statutory payables amounting to ₱14,455 and ₱24,570 as at March 31, 2025 and December 31, 2024, 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

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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% as at March 31, 2025 and in 2024.

There has been no transfer between levels of fair value hierarchy as at March 31, 2025 and December 31, 2024.

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:

	March 31, 2025	December 31, 2024
	(Unaudited)	(Audited)
Capital stock	₱954,664,876	₱954,664,876
Additional paid-in capital	408,373,750	408,373,750
Deficit	(919,431,548)	(918,204,503)
	₱443,607,078	₱444,834,123

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 as at March 31, 2025 and December 31, 2024. The Company is not subject to externally imposed capital requirements.

Deposit for future stock subscription amounted to ₱214.7 million as at March 31, 2025 and 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.