

# COVER SHEET

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(Company's Full Name)

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

<b>Diane Madelyn C. Ching</b>
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(Contact Person)

<b>(02) 8831-4479</b>
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(Company Telephone Number)

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Month Day  
(Fiscal Year)

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(Form Type)

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Month Day  
(Annual Meeting)

<b>2023 DEFINITIVE INFORMATION STATEMENT</b>
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Secondary License Type, If Applicable)

<b>Corporation Finance Department</b>
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Dept. Requiring this Doc.

N/A
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Amended Articles Number/Section

<b>1,588</b>
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Total No. of Stockholders

Total Amount of Borrowings	
	N/A

Domestic

Foreign

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To be accomplished by SEC Personnel concerned

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File Number

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Document ID

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S T A M P S
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Remarks: Please use BLACK ink for scanning purposes.

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

**SECRETARY'S CERTIFICATE**

I, **DIANE MADELYN C. CHING**, of legal age, Filipino, with office address at [REDACTED] after having been duly sworn under oath 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 and by virtue of the laws of the Philippines, with principal office address at 4<sup>th</sup> Floor, BDO Towers Paseo (formerly Citibank Center), 8741 Paseo de Roxas Makati City.
2. I hereby certify that, during the meeting of the Board of Directors of the Corporation held on October 19, 2023, at the Corporation's principal office, wherein a quorum was present and acting throughout, the following Resolutions were unanimously approved:

**RESOLUTION NO. BD-15-2023-001**

**"RESOLVED**, as it hereby resolved, that the Board of Directors of **PRIME MEDIA HOLDINGS, INC.** authorizes, as it hereby authorizes, the holding of the Annual Stockholders' Meeting on **05 December 2023** with a Record Date on **07 November 2023**;

**"RESOLVED FURTHER**, that the Chairman, Atty. Manolito A. Manalo, be authorized and empowered, as he is hereby, authorized and empowered to (1) postpone and reset the meeting date and record date; (2) amend, revise and/or finalize the Agenda."

IN WITNESS WHEREOF, I have hereunto set my hand this 19 day of OCT 19 2023 2023, at Makati City, Philippines.

[REDACTED]  
**DIANE MADELYN C. CHING**  
*Corporate Secretary*

**SUBSCRIBED AND SWORN** to before me this 19 day of OCT 19 2023 in Makati City, affiant exhibiting to me her Roll of Attorneys No. [REDACTED]

Doc. No. 243 ;  
Page No. 50 ;  
Book No. 11 ;  
Series of 2023.

[REDACTED]  
**KENNETH PETER D. MOLAVE**  
*Notary Public for Makati City*

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

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**16<sup>th</sup> Floor BDO Towers Valero (formerly: Citibank Tower),  
8741 Paseo de Roxas, Makati City**

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**31 December 2022**  
(Fiscal Year Ending)

**05 December 2023**  
(Annual Meeting)

**Definitive Information Statement**  
**SEC Form 20 - IS**

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Form Type

Not Applicable

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Amendment Designation (if applicable)

Not Applicable

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(Secondary License Type and File Number)

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LCU

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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

**05 December 2023, 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: **14 November 2023**

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
<b>Common Shares</b>	<b>700,298,616</b>
<b>Preferred Shares</b>	<b>14,366,260</b>



\*<sup>1</sup> Reported by the stock transfer agent as of **30 September 2023**.

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 **05 December 2023 (Tuesday) at 2:00 p.m.** There will be no physical venue for the meeting. The meeting will be held virtually via remote communication at <https://conveneagm.com/ph/prime2023>, 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, 2022
5. Approval of the Additional Listing of 150,000,000 shares arising from Private Placements.
6. For Re-approval
  - (a) Approval of the Amendment of the Articles of Incorporation (AOI) to reduce the par value of all Series A Preferred Shares from Php1.00 to Php0.04 per share;
  - (b) Approval to convert all Series A Preferred Shares into Common Shares at the conversion rate of 25:1;
  - (c) Amendment of the AOI to create a new class of Series C Redeemable Preferred Shares and to authorize the conversion of the remaining foreign-owned common shares to Series C Redeemable Preferred Shares subsequent to the conversion of all Series A Preferred Shares (There are approximately Three Hundred Forty Thousand Six Hundred Sixty Four (340,664) foreign-owned common shares post conversion based on records as of 30 July 2022;
  - (d) Amendment of the AOI to reclassify all Series B Preferred Shares to Common Shares;
  - (e) Approval to redeem all Series C Preferred Shares at a redemption price equivalent to its par value of Php 1.00per share and payable in cash;
  - (f) Amendment of the AOI to delete all provisions relating to the Preferred Shares (Series A, Series B and Series C) after the conversion of all Series A Shares, reclassification of Series B Shares and the redemption of Series C Preferred Shares;

- (g) Approval to amend the Corporation's Memorandum of Agreement with Atty. Hermogene H. Real and Ms. Michelle F. Ayangco (as "Golden Peregrine Shareholders") relating to the issuance in favor of the Golden Peregrine Shareholders of up to One Billion Six Hundred Forty Five Million (1,645,000,000) Common Share, subject to final determination of the Board, third party appraisal, fairness opinions, and other closing conditions to be issued out of the Corporation's increase in authorized capital stock in consideration for the assignment of shares of stock of Golden Peregrine Holdings, Inc., representing one hundred percent (100%) of its outstanding capital stock;
  - (h) Amendment of the Articles of Incorporation to increase the authorized capital stock of up to Seven Billion Pesos (Php 7,000,000,000.00) as may be determined by the Board of Directors;
  - (i) Waiver by the minority stockholders of the rights or public offer requirement under the PSE Additional Listing Rule
7. Ratification of All Acts of the Board of Directors and Management
  8. Election of Board of Directors.
  9. Appointment of External Auditor.
  10. Other Matters.
  11. Adjournment.

For purposes of the meeting, stockholders of record as of **07 November 2023** are entitled to receive notice and to vote at the said meeting. Stockholders intending to participate by remote communication should pre-register at <https://conveneagm.com/ph/prime2023> on or before **25 November 2023**. Please refer to the **Procedure for Participation and Voting at the 2023 Annual Stockholders' Meeting** (attached to the Definitive Information Statement) for detailed information on participation by remote communication and voting *in absentia* (electronic voting) or by proxy.

Pursuant to SEC's Notice dated March 13, 2023, a 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 Frequently Asked Questions at <https://conveneagm.com/ph/prime2023> or email [mdc.prim@gmail.com](mailto:mdc.prim@gmail.com)

Makati City, 13 November 2023.

  
**DIANE MADELYN C. CHING**  
Corporate Secretary

\*All proxies which have been previously submitted shall remain valid unless revoked.

**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 **05 December 2023**, 2:00 PM, *via* a virtual meeting hosted at the 16<sup>th</sup> 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, 2022.				
3. Approval of the Additional Listing of 150,000,000 shares arising from Private Placements.				
4. Approval of the Amendment of the Articles of Incorporation (AOI) to reduce the par value of all Series A Preferred Shares from Php1.00 to PhP0.04 per share;				
5. Approval to convert all Series A Preferred Shares into Common Shares at the conversion rate of 25:1;				
6. Amendment of the AOI to create a new class of Series C Redeemable Preferred Shares with a par value of PhP 1.00 per share and to authorize the conversion of the remaining foreign-owned common shares to Series C Redeemable Preferred Shares subsequent to the conversion of all Series A Preferred Shares (There are approximately Three Hundred Forty Thousand Six Hundred Sixty Four				

<p>(340,664) foreign-owned common shares post conversion based on records as of 30 July 2022;</p> <p>7. Amendment of the AOI to reclassify all Series B Preferred Shares to Common Shares;</p> <p>8. Approval to redeem all Series C Preferred Shares at a redemption price approved by the Board and payable in cash;</p> <p>9. Amendment of the AOI to delete all provisions relating to the Preferred Shares (Series A, Series B and Series C) after the conversion of all Series A Shares, reclassification of Series B Shares and the redemption of Series C Preferred Shares;</p> <p>10. Approval to amend the Corporation’s Memorandum of Agreement with Atty. Hermogene H. Real and Ms. Michelle F. Ayangco (as “Golden Peregrine Shareholders”) relating to the issuance in favor of the Golden Peregrine Shareholders of up to One Billion Six Hundred Forty Five Million (1,645,000,000) Common Share, , subject to final determination of the Board, third party appraisal, fairness opinions, and other closing conditions to be issued out of the Corporation’s increase in authorized capital stock in consideration for the assignment of shares of stock of Golden Peregrine Holdings, Inc., representing one hundred percent (100%) of its outstanding capital stock;</p> <p>11. Amendment of the Articles of Incorporation to increase the authorized capital stock</p>				
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of up to Seven Billion Pesos (Php 7,000,000,000.00) as may be determined by the Board of Directors;				
12. Waiver by the minority stockholders of the rights or public offer requirement under the PSE Additional Listing Rule				
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, 2022.

FOR Approval of the Additional Listing of 150,000,000 shares arising from Private Placements.

FOR Approval of the Amendment of the Articles of Incorporation (AOI) to reduce the par value of all Series A Preferred Shares from Php1.00 to Php0.04 per share;

FOR Approval to convert all Series A Preferred Shares into Common Shares at the conversion rate of 25:1;

FOR Amendment of the AOI to create a new class of Series C Redeemable Preferred Shares with a par value of PhP 1.00 per share and to authorize the conversion of the remaining foreign-owned common shares to Series C Redeemable Preferred Shares subsequent to the conversion of all Series A Preferred Shares (There are approximately Three Hundred Forty Thousand Six Hundred Sixty Four (340,664) foreign-owned common shares post conversion based on records as of 30 July 2022.);

FOR Amendment of the AOI to reclassify all Series B Preferred Shares to Common Shares;

FOR Approval to redeem all Series C Preferred Shares at a redemption price approved by the Board and payable in cash;

FOR Amendment of the AOI to delete all provisions relating to the Preferred Shares (Series A, Series B and Series C) after the conversion of all Series A Shares, reclassification of Series B Shares and the redemption of Series C Preferred Shares;

FOR Approval to amend the Corporation's Memorandum of Agreement with Atty. Hermogene H. Real and Ms. Michelle F. Ayangco (as "Golden Peregrine Shareholders") relating to the issuance in favor of the Golden Peregrine Shareholders of up to One Billion Six Hundred Forty Five Million (1,645,000,000) Common Share, subject to final determination of the Board, third party appraisal, fairness opinions, and other closing conditions to be issued out of the Corporation's increase in authorized capital stock in consideration for the assignment of shares of stock of Golden Peregrine Holdings, Inc., representing one hundred percent (100%) of its outstanding capital stock;

FOR Amendment of the Articles of Incorporation to increase the authorized capital stock to up to Seven Billion Pesos (Php 7,000,000,000.00) as may be determined by the Board of Directors;

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

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 16<sup>th</sup> Floor BDO Towers Valero, 8741 Paseo de Roxas, Makati City, on or before **25 November 2023**. 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 29 November 2023 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 up 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 MOA, they will subscribe to up to One Billion Six Hundred Forty Five Million (1,645,000,000) shares of the Corporation subject to , 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 100% ownership in GPHI to the Corporation. Atty.



Hermogene Real is the President and majority shareholder of Mairete Asset Holdings Inc., who owns 11% 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. 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 \_\_\_\_\_ 2023 at \_\_\_\_\_

\_\_\_\_\_  
PRINTED NAME OF THE STOCKHOLDER

\_\_\_\_\_  
SIGNATURE OF THE  
STOCKHOLDER/AUTHORIZED  
REPRESENTATIVE

This proxy must be acknowledged before a notary public and must be submitted to the Corporate Secretary on or before **25 November 2023**, 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 \_\_\_\_\_ 2023 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 05 December 2023, 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 2023.

## 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 **25 November 2023**, at 5:00 p.m., a sample of which is attached to this report. On the day of the annual stockholders' meeting on **05 December 2023**, your representative should bring the proxy letter and present valid proof of identification (e.g. passport, driver's license, company ID or TIN card).

#### **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 **05 December 2023**, at 2:00 PM, by video conferencing or remote communication as hosted at 16<sup>th</sup> 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 **16<sup>th</sup> 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 **14 November 2023**.

##### **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.

### **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 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 MOA, they will subscribe to up to 1,645,000,000 shares of the Corporation, subject to final determination of the Board, third party appraisal, fairness opinions, and other closing conditions. The subscriptions of Atty. Real and Ms. Ayangco to up to 1,645,000,000 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. 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 11% 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. 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 **30 September 2023**, the following shares of common and preferred stock of the Corporation were outstanding:

<u>Class</u>	<u>Number of Outstanding Shares</u>
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Common	700,298,616
Preferred	
Series A	14,366,260
Series B	Nil

As of **30 September 2023**, the foreign equity ownership on a per class basis is as follows:

<u>Class</u>	<u>Number of Outstanding Shares</u>
Common	343,278
Preferred	109,650

All registered owners of the Corporation's outstanding capital stock at the close of business on **07 November 2023 (record date)** will be entitled to notice and vote at its Annual Stockholders' Meeting on **05 December 2023**.

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. 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 **30 September 2023**, the Corporation knows of no one who is directly or indirectly the record or beneficial owner of more than five percent (5%) of the Corporation's capital stock except as set forth below:

<b>Type of Class</b>	<b>Name and address of record owner and relationship with Issuer</b>	<b>Name and address of beneficial owner and relationship with Issuer</b>	<b>Citizenship</b>	<b>Name of Beneficial Owner &amp; Relationship with Record Owner</b>	<b>No. of Shares Held</b>	<b>Percent of class</b>
Common	PCD Nominee Corporation - Tower 1- Ayala Triangle Makati Avenue cor. Paseo de Roxas, Makati City	RYM Business Management Corp./ 106 Paseo de Roxas Ave. Makati City Stockholder	Filipino	RYM is the beneficial owner of the shares.	363,555,085	51.91%
		Mairete Asset Holdings, Inc. 16 <sup>th</sup> Floor Citibank Tower, Paseo de Roxas, Makati	Filipino	Mairete Asset Holdings, Inc. is the beneficial owner of the shares.	77,178,901	11%

(Registered Owner in the Books of the Transfer Agent)	Stockholder				
	Armstrong Capital Holdings Corp. - 16 <sup>th</sup> Floor, BDO Towers Valero, 8741 Paseo de Roxas Makati City	Filipino	Armstrong Capital Holdings Corp. is the beneficial owner of the shares.	100,097,000	14.29%

RYM Business Management Corp., Mairete Asset Holdings Inc. and Armstrong Capital Holdings Corp. 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.

### ***Security Ownership of Management as of 30 September 2023***

<b>Type of Class</b>	<b>Name and Address of Owner</b>	<b>Amount and nature of Beneficial ownership</b>	<b>Citizenship</b>	<b>Percent of class</b>
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%
	Aggregate for above named officers and directors	<b>5,004</b>		

### **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**

The Corporation plans to take 100% ownership of Golden Peregrine Holdings, Inc. ("GPHI") by issuing new shares to Michelle Ayangco and Hermogene Real, the shareholders of GPHI, 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 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.

The Golden Peregrine Shareholders are the majority stockholders Golden Peregrine Holdings, Inc., which in turns owns 100% owner of PCMC.

Previously under the MOA, Ms. Ayangco and Atty. Real, owners of 100% of PCMC, will transfer all of their shares in PCMC to the Corporation in exchange for shares of 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 owns 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 up to One Billion Six Hundred Forty Five Million (1,645,000,000) 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 70% of 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 up to 1,645,000,000 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 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 to folding-in of GPHI, which owns 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 **30 September 2023**:

Name	Age	Citizenship	Period during which individual has served as such
Manolito A. Manalo	55	Filipino	May 2013 to the present
Bernadeth A. Lim	43	Filipino	May 2013 to the present
Hermogene H. Real	67	Filipino	October 2021 to the present
Michelle F. Ayangco	52	Filipino	October 2021 to the present
Rolando S. Santos	73	Filipino	August 2017 to the present
Johnny Y. Aruego, Jr. (Independent Director)	54	Filipino	May 2013 to the present
Francisco L. Layug III (independent director)	69	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 the co-founder and managing partner of Ocampo and Manalo Law Firm. He is a Director of Panalpina World Transport (Phils.), Inc. He also sits as a Director and the Corporate Secretary 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. He is also the resident agent of Air Seoul and Chailease Finance Co. Ltd from 2017 to present, and of Turkish Airlines from 2014 to present.

**Bernadeth A. Lim** was elected as Vice President and Director in May 2013. She is a partner of Ocampo and Manalo Law Firm. She is a Director of Morrison Express Philippines Corp from January 2017 to present. She is a Director Imoney Comparison Philippines, Inc. from June 2015 to present. She is a Director and the Resident Agent of Proline AG Services, Inc. She is the Resident Agent of New Northeast Electric Group High Voltage Switchgear Co., Ltd from November 2017 to May 2018 and of V Air Corporation from October 2016 to November 2017. She also sits as a Director of HB Leisure. She is also a resident agent of Tigerair Taiwan Co. Ltd. starting the year of 2018.

**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. and Southern Estates Integrated Park Inc. She serves as Director to Bright Kindle Resources and Investments Inc., Brightgreen Resources Corp., Southern Alluvial Minerals and Alumina Resources Inc., 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.

**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. 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.

**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.

**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 Lorzana 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.

### **Officers**

As of **30 September 2023**, the following are the names, ages, positions, citizenship, and periods of service of the incumbent officers of the Corporation:

<b>Name</b>	<b>Age</b>	<b>Position</b>	<b>Citizenship</b>	<b>Period during which individual has served as such</b>
Manolito A. Manalo	55	President & CEO	Filipino	May 2013 up to present
Bernadeth A. Lim	43	Vice President	Filipino	May 2013 to present
Diane Madelyn C. Ching	40	Corporate Secretary, Co-Compliance	Filipino	January 2023 to present



		Officer, Co-Corporate Information Officer and Co-Data Privacy Officer		
Rolando S. Santos	73	Treasurer	Filipino	October 2013 up to present
Dale A. Tongco	59	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 Bachelor of Laws degree from San Beda College-Mendiola in 2009. She acts as Corporate Secretary to various companies, including, Media Serbisyo 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 was also 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 **05 December 2023**. 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 director 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 persons he has nominated for independent directors.

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 ninth 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 has favorably endorsed the nomination of Atty. Aruego for re-election as ID at the Annual Stockholders' Meeting.

#### **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 stockholders and shall be elected annually by the stockholders 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.

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, 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 MOA, they will subscribe to up to 1,645,000,000 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 100% ownership in GPHI to the Corporation. Atty. Hermogene Real is the President and majority shareholder of Mairete Asset Holdings Inc., who owns 11% 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, 2021, 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 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 the 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 a total of up to One Billion Six Hundred Forty Five Million (1,645,000,000) 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 up to 1,645,000,000 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., the third party appraiser, used the multi-period excess-earning method under the income approach. This method determines the value of an intangible asset as the present value of the cash flows attributable to the subject intangible asset after excluding the proportion of the cash flows that are attributable to other assets. It is often used for valuations where there is a requirement for the acquirer to allocate the overall price paid for a business between tangible assets, identifiable intangible assets and goodwill.

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

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

### **Resignation/Disagreement**

On 11 January 2023, the Board of Directors accepted the resignation of Atty. Reuben Carlo O. General as Corporate Secretary/ Compliance Officer/ Data Privacy Officer and Corporate Information Officer for personal reasons. On 23 March 2023, Atty. Marjorie A. San Juan tendered her resignation as the Corporation's Assistant Corporate Secretary, Co-Compliance Officer, Co-Data Privacy Officer and Co-Corporate Information Officer for personal reasons. On 14 July 2023, Atty. Marian L. Geronimo likewise tendered her resignation as the Corporation's Assistant Corporate Secretary for personal reasons. All resignations are not due to any disagreement with the Corporation.

### **Item 6. Compensation of Directors and Executive Officers**

The aggregate compensation paid in 2021, 2022 and estimated to be paid in 2023, (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 &amp; 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>		0	0	
<i>Aggregate for above named officers</i>		2021	0	0	59,500
		2022	0	0	130,000
		2023(est)	0	0	180,000
<i>All Directors and Officers as a group unnamed</i>		2021	0	0	76,500
		2022	0	0	150,000
		2023(est)	0	0	180,000

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 2023 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 ₱450,000.00 and ₱410,000.00 for the years 2022 and 2021, respectively.

The 2022 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 May 23, 2023, the Board of Directors approved the Subscriptions of (i) Angel Maple Properties, Inc. (now known as Valiant Consolidated Resources 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 PhP 405M to be paid in cash. Angel Maple Properties, 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 Angel Maple Properties Inc. (now known as 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 Collective Media 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.
- (b) 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 a total of up to 1,645,000,000 PRIM 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 up to 1,645,000,000 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 by the Golden Peregrine Shareholders are all common voting shares, without no 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 right of pre-emption. Except for regulatory approvals, there are no provision 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 100% of the outstanding capital stock of GPHI (the "Golden Peregrine Shares") held by Ms. Ayangco and Atty. Real at an agreed value of up to

1,645,000,000 , subject to final determination of the Board, third party appraisal, fairness opinions, and other closing conditions.

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 70% of 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 Company.

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.

#### **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 December 2022, the Company filed for amendment of its Articles of Incorporation to perform the following:

- (a) Reduction of the par value of Series "A" Preferred Shares from PhP1.00 to PhP0.04.
- (b) Conversion of all Series A Preferred Shares into Common Shares at the conversion rate of 25:1
- (c) Creation of a new class of Preferred Shares which shall be referred to as Series C Preferred Shares and to authorize the conversion of the remaining foreign-owned shares to Series C Preferred Shares subsequent to the conversion of all Series A Preferred Shares, with said foreign-owned shares approximately numbering Three Hundred Forty Thousand Six Hundred Sixty Four (340,664) based from records as of 30 July 2022.
- (d) Amendment of the AOI to reclassify all Series B Preferred Shares into Common Shares
- (e) Redemption of all Series C Preferred Shares with redemption price set at its par value per shares and payable in cash.
- (f) Amendment of the AOI to reclassify Series A and Series C shares into Common Shares.

The abovementioned amendments are pending approval with the Securities and Exchange Commission. In this regard, the foregoing matters shall be re-submitted for approval of the shareholders.

Notably, the above process is being taken in order for the Corporation 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 July 2022 which is the latest applicable date of this disclosure, there are 336,278 Common Shares and 109,650 Series A Preferred Shares that are held by foreign shareholders. The Series A Preferred Shares will result to the issuance of Common Shares using a conversion rate of 25:1 of 4,386 Common Shares, which will bring the total number of foreign-held Common Shares to 340,664. The Corporation will create and issue an equivalent number of Series C Shares which will have a mandatory redemption feature.

There is no modification or exchange of outstanding securities involved on 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.

There is a proposal to remove not only Series A Preferred Shares but also Series B and Series C Preferred Shares, through conversion and reclassification to common shares for Series A and Series B, respectively and redemption for Series C. This will be undertaken so that the Corporation will only have one class of shares. Any outstanding Preferred Class A Shares will be converted into Common Shares at the conversion rate of 25:1 without prejudice to vested rights and with the par value to be reduced first from PhP1.00 to PhP0.04. As of 31 July 2021, there are 14,366,260 outstanding Series A Preferred Shares, which 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 call for redemption is made, the holders of the preferred stock may opt to convert the preferred stock to common stock.

Upon conversion, the new common shares shall have the same rights and standing as all outstanding common shares including the right to dividends and voting rights, and shall have no preemptive rights. There are no outstanding Preferred Class B Shares.

The number of common shares shall be reduced by the equivalent number of all foreign-held Common Shares, after all the Series A Preferred Shares have already been converted to Common. Based from records as of 30 July 2022, there are 336,278 Common Shares and 109,650 Series A Preferred Shares that are held by foreign shareholders. The Series A Preferred Shares will result to the issuance of Common Shares using a conversion rate of 25:1 of 4,386 Common Shares, which will bring the total number of foreign-held Common Shares to 340,664. The Company intends to issue 340,664 Series C Redeemable Preferred Shares with a par value PhP 1.00 per share, which may be redeemed upon Board approval by payment of cash. With the redeemable feature of the Series C shares, the Company does not need unrestricted retained earnings to redeem the same.

After the conversion of all Series A, reclassification of Series B Preferred Shares to Common shares and creation and redemption of all Series C Redeemable Preferred Shares, all provisions in the AOI related to Preferred Shares shall be deleted.

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. With the removal of the preferred shares, all present and future shareholders of the Corporation will have equal rights and footing.

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 Company will also apply for listing of up to 1,645,000,000 new PRIM Shares to be issued to the Golden Peregrine Shareholders.

Attached herewith as Annex A is a table on the changes to the shareholding or capital structure of the Corporation given the series of proposed amendments above.

## **Item 11. FINANCIAL AND OTHER INFORMATION**

Copies of the Management Report, the Audited Financial Statements for the year ended 31 December 2022, 17Q or the Interim Quarterly Financial Statement as of 30 September 2023 are attached herewith.



The Management’s Discussion and Analysis of Financial Condition and Result of the Operations are stated in pages 43-48 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 the Golden Peregrine Shareholders to up to 1,645,000,000 PRIM Shares out of an increase in authorized capital stock (See related discussion under Item 15 on Increase in Authorized Capital Stock) of the Company, at the subscription price equivalent to the par value of One Peso (Php 1.00) per share or total subscription price of up to PhP 1,645,000,000 , subject to final determination of the Board, third party appraisal, fairness opinions, and other closing conditions. For and in consideration of the said subscription to PRIM Shares, the Golden Peregrine Shareholders shall assign, transfer and deliver to the Company 100% of the outstanding capital stock of GPHI. After the transaction, the Ms. Ayangco and Atty. Real, the Golden Peregrine Shareholders, will gain control and majority ownership of approximately up to 70% of 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 up to 1,645,000,000 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.

**PCMC**

<b>Name</b>	<b>Position</b>	<b>Office Address</b>
Ma. Fe Siscar	Vice President	6 <sup>th</sup> Floor Universal Re Bldg., 106 Paseo de Roxas, Makati City
Cheryl L. Chu	Treasurer	6 <sup>th</sup> Floor Universal Re Bldg., 106 Paseo de Roxas, Makati City
Jane Sioson	Corporate Secretary	6 <sup>th</sup> Floor Universal Re Bldg., 106 Paseo de Roxas, Makati City

**GPHI**

<b>Name</b>	<b>Position</b>	<b>Office Address</b>
Michelle Ayangco	President	106 3 <sup>rd</sup> Floor Universal Re Bldg., 106 Paseo de Roxas, Makati City
Hermogene Real	Treasurer	106 3 <sup>rd</sup> Floor Universal Re Bldg., 106 Paseo

		de Roxas, Makati City
Jane Sioson	Corporate Secretary	106 3 <sup>rd</sup> Floor Universal Re Bldg., 106 Paseo de Roxas, Makati City

- (2) PCMC is a corporation duly organized and existing under the laws of the Philippines. It was incorporated on May 21, 2008 with a 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 principal business address at 3<sup>rd</sup> Floor Universal Re Bldg., 106 Paseo de Roxas, Makati City.

- (3) Below is a summary of the material features of the GPHI transaction:

- (A) The Golden Peregrine Shareholders shall subscribe to a total of up to 1,645,000,000 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 PhP 1,645,000,000.00. For and in consideration of the said subscription to PRIM Shares, the Golden Peregrine Shareholders shall assign, transfer and deliver to the Company a total of Three Hundred Fifty Thousand (350,000) Golden Peregrine Shares or 100% of the outstanding capital stock of GPHI at an agreed value of 1,645,000,000 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 70% of 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.
- (B) The proposed transaction with the Golden Peregrine Shareholders is intended to transform the Company into a viable and operational business entity and address its capital deficiency, negative equity, and non-operation. The transaction will involve the folding into the Company of GPHI, which is the 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 up to 70%, more or less. The Golden Peregrine Shareholders shall jointly obtain up to 70% 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 Company.

(D) The transaction will be recorded as investment in subsidiaries since the Company will gain of 100% of GPFI directly, and, 100% of PCMC, indirectly.

(4) Dividends Payable in the amount of PhP10,985,443 as at 31 December 2021 pertains 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. The transaction has no effect to the dividends in arrears of the existing shareholders. For the past years, the Corporation has no retained earnings due to non-operation. It did not generate any income for payment of its dividends in arrears

(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	2020	2021	2022
PRIM	₱-	₱-	₱-
PCMC	₱5,060,129	₱11,565,044	₱15,308,835
GPFI	₱-	₱-	₱-

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

Registrant	2020	2021	2022
PRIM	(₱2,976,624)	(₱1,708,466)	(₱6,205,377)
PCMC	(₱1,391,601)	(₱16,546,506)	(₱11,566,231)
GPFI	₱-	₱-	(₱894,786)

(C) long-term obligations and redeemable preferred stock

Registrant	2020	2021	2022
PRIM	₱14,366,260	₱14,366,260	₱14,366,260
PCMC	₱-	₱1,426,323	₱1,571,191
GPFI	₱-	₱-	₱-

(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	2020	2021	2022
PRIM	(₱0.23)	(₱0.23)	(₱0.23)
PCMC	(₱26.64)	(₱73.92)	(₱106.96)
GPFI	₱-	₱-	₱97.44

(B) cash dividends declared per share

Registrant	2020	2021	2022
PRIM	₱-	₱-	₱-
PCMC	₱-	₱-	₱-
GPFI	₱-	₱-	₱-

(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 PCMC 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 asset 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 is 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 has no material relationship with PRIM 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 PCMC's media franchise and the company's net asset

- (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 CollectiveMedia 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	April 30, 2021 and as updated on December 05, 2022.
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 knowledgably, prudently and without compulsion.
VALUATION METHODOLOGY	For the Media Franchise, the multi-period excess-earning method under the income approach was used. This method determines the value of an intangible asset as the present value of the cash flows attributable to the subject intangible asset after excluding the proportion of the cash flows that are attributable to other assets. It is often used for valuations where there is a requirement for the acquirer to allocate the overall price paid for a business between tangible assets, identifiable intangible assets and goodwill.
	For the Net Asset Value, PCMC's audited financial statement as of 31 December 2020 was used and added to it are the intangible asset / media franchise / franchise right in the balance sheet account to arrive at the adjusted net asset value.
LIMITATION IMPOSED BY PCMC AND/OR THE COMPANY	The valuation report has no limitations or restrictions
VALUE CONCLUSION / RECOMMENDATION	

Net Asset Value	PhP 1,657,592,467.71
Value per share	PhP 4,735.98

- (9) 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. 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 Company 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 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. The high and low prices of PRIM common shares on the date preceding such disclosure are 2.13 and 1.98, respectively
- (11) The effect of the GPHI Transaction on the amount and percentage holdings of the Company’s common equity owners are as follows:

	Before		with Private Placement		After GPHI Transaction	
RYM Business Management Corp.	363,555,085.00	52%	363,555,085.00	42.76%	363,555,085.00	14.57%
Mairete Asset Holdings Inc.	77,178,901.00	11%	77,178,901.00	9.08%	77,178,901.00	3.09%
Armstrong Capital Holdings Corp.	100,097,000.00	14%	100,097,000.00	11.77%	100,097,000.00	4.01%
Non-Public (held by Directors and Officers)	5,004.00	0%	5,004.00	0.00%	5,004.00	0.00%
Angel Maple Properties Inc. (now Valiant Consolidated Resources Inc.)		0%	125,000,000.00	14.70%	125,000,000.00	5.01%
Cymac Holdings Corporation		0%	25,000,000.00	2.94%	25,000,000.00	1.00%
Michelle Ayangco					822,500,000.00	32.96%
Hermogene Real					822,500,000.00	32.96%
Public	159,462,626.00	23%	159,462,626.00	18.75%	159,462,626.00	6.39%
TOTAL	700,298,616.00	100%	850,298,616.00	100%	2,495,298,616.00	100.00%

Directors and officers of the Company 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%
	1,005		0%

B. Officers

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

After the GPHI transaction, Michelle Ayangco and Atty. Hermogene Real will subscribed to up to 1,645,000,000 PRIM Common Shares.

Neither the Corporation, GPHI nor PCMC is involved in any bankruptcy, receivership or similar proceedings.

Aside from the 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 expended for 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, consolidation or purchase or sale of a significant amount of assets. 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 Company will be determining the number of employees to be hired in the next 12 months. With its limited activities, the Corporation incurred no costs 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 PCMC.

PCMC's current operations satisfy its 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 44 of this DIS.

#### **Item 14. INCREASE IN AUTHORIZED CAPITAL STOCK**

Management has proposed to increase the authorized capital stock of up to Two Billion Pesos (PhP 2,000,000,000.00), covering Two Billion (2,000,000,000) common shares, thereby increasing the authorized capital stock of up to Seven Billion Pesos (PhP 7,000,000,000.00) as determined by the Board of Directors. Out of the increase in authorized capital stock, a total of up to 1,645,000,000.00 shares will be subscribed by Golden Peregrine Shareholders out of the increase in authorized capital stock of the Company at the subscription price equivalent to the par value of One Peso (PhP 1.00) per share (the “Price Per Share”) or total subscription price of PhP 1,645,000,000.00

Please 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, 2022
3. Approval of Additional Listing of 150,000,000 shares arising from the Private Placements of Angel Maple Properties Inc. (now known as Valiant Consolidated Resources Inc.) to 125,000,000 and Cymac Holdings Corporation to 25,000,000.
4. For Re-approval
  - (j) Approval of the Amendment of the Articles of Incorporation (AOI) to reduce the par value of all Series A Preferred Shares from PhP1.00 to PhP0.04 per share;
  - (k) Approval to convert all Series A Preferred Shares into Common Shares at the conversion rate of 25:1;
  - (l) Amendment of the AOI to create a new class of Series C Redeemable Preferred Shares with a par value of PhP 1.00 per share and to authorize the conversion of the remaining foreign-owned common shares to Series C Redeemable Preferred Shares subsequent to the conversion of all Series A Preferred Shares (There are approximately Three Hundred Forty Thousand Six Hundred Sixty Four (340,664) foreign-owned common shares post conversion based on records as of 30 July 2022;
  - (m) Amendment of the AOI to reclassify all Series B Preferred Shares to Common Shares;
  - (n) Approval to redeem all Series C Preferred Shares upon Board approval payable in cash;
  - (o) Amendment of the AOI to delete all provisions relating to the Preferred Shares (Series A, Series B and Series C) after the conversion of all Series A Shares, reclassification of Series B Shares and the redemption of Series C Preferred Shares;



- (p) Approval to amend the Corporation's Memorandum of Agreement with Atty. Hermogene H. Real and Ms. Michelle F. Ayangco (as "Golden Peregrine Shareholders") relating to the issuance in favor of the Golden Peregrine Shareholders of up to One Billion Six Hundred Forty Five Million (1,645,000,000) Common Share, subject to final determination of the Board, third party appraisal, fairness opinions, and other closing conditions to be issued out of the Corporation's increase in authorized capital stock in consideration for the assignment of shares of stock of Golden Peregrine Holdings, Inc., representing one hundred percent (100%) of its outstanding capital stock;
- (q) Amendment of the Articles of Incorporation to increase the authorized capital stock of up to Seven Billion Pesos (Php 7,000,000,000.00) as may be determined by the Board of Directors;
- (r) Waiver by the minority stockholders of the rights or public offer requirement under the PSE Additional Listing Rule

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

6. Election of Board of Directors.

7. Appointment of External Auditor.

Notably, item 4 has been approved by the shareholders in the last annual meeting held on September 22, 2023. As proof of continuing approval, the same items are resubmitted for approval of the shareholders in the upcoming meeting. The Company has a pending application for amendment of its Articles of Incorporation with the Securities and Exchange Commission.

(a) The reduction of par value of Series A Preferred Shares will result to Additional Paid-in Capital (APIC) of Thirteen Million Seven Hundred Ninety One Thousand Six Hundred Nine and 60/100 Pesos (PhP 13,791,609.60), which can be applied to offset deficit.

(b) The reclassification and removal of Series B Preferred Shares has no effect since there are no outstanding Series B Preferred shares.

(c) The creation of Redeemable Series C and its eventual redemption and reclassification will result to removal of foreign shareholdings in compliance with Article VII of the Amended Articles of Incorporation on Filipino ownership. As of 30 July 2022, there are approximately Three Hundred Forty Nine Thousand Nine Hundred Ninety Three (340,664) common shares owned by foreign stockholders. These shares will be the subject of conversion to Series C Redeemable Preferred shares which will be redeemed upon approval of the Board at such price determined by the Board. As discussed above, this is the most efficient means for the Corporation to ensure that all of its outstanding shares shall be owned by Filipino citizens. Once redeemed, the Series C Redeemable Preferred shares shall be considered retired. The redemption of Redeemable Series C will not require unrestricted retained earnings.

After the conversion of all Series A, reclassification of Series B Preferred Shares to Common shares and creation and redemption of all Series C Redeemable Preferred Shares, all provisions in the AOI related to Preferred Shares shall be deleted.

The amendments are pursuant to the cleaning-up efforts of management arising out of its previous banking operations and venture into media-related business. With the removal of the preferred shares, all present and future shareholders of the Corporation will have equal rights and footing.

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

Please see attached table for the proposed amendment and filing.

Action is to be taken on the approval of the Minutes of the previous stockholders' meeting held on 23 September 2022. The following are the highlights of the minutes:

1. The stockholders approved the minutes of the meeting of the last Annual General Meeting of the stockholders held last 13 October 2021.
2. The stockholders approved the Management/President's Report and the Annual Report for the year 2021 including the Corporation's Audited Financial Statement for the year ended 31 December 2021.
3. Approval of the Amendment of the Articles of Incorporation (AOI) to reduce the par value of all Series A Preferred Shares from Php1.00 to Php0.04 per share;
4. Approval to convert all Series A Preferred Shares into Common Shares at the conversion rate of 25:1;
5. Amendment of the AOI to create a new class of Series C Preferred Shares and to authorize the conversion of the remaining foreign-owned common shares to Series C Preferred Shares subsequent to the conversion of all Series A Preferred Shares (There are approximately Three Hundred Forty Thousand Six Hundred Sixty Four (340,664) foreign-owned common shares post conversion based on records as of 30 July 2022.);
6. Amendment of the AOI to reclassify all Series B Preferred Shares to Common Shares;
7. Approval to redeem all Series C Preferred Shares at a redemption price equivalent to its par value of Php 1.00per share and payable in cash;
8. Amendment of the AOI to delete all provisions relating to the Preferred Shares (Series A, Series B and Series C) after the conversion of all Series A Shares, reclassification of Series B Shares and the redemption of Series C Preferred Shares;
9. Approval to amend the Corporation's Memorandum of Agreement with Atty. Hermogene H. Real and Ms. Michelle F. Ayangco (as "Golden Peregrine Shareholders") relating to the issuance in favor of the Golden Peregrine Shareholders of One Billion Six Hundred Seventy Nine Million Nine Hundred Sixty Six Thousand Four Hundred (1,679,966,400) Common Shares to be issued out of the Corporation's increase in authorized capital stock in consideration for the assignment of Three Hundred Fifty Thousand (350,000) shares of stock of Golden Peregrine Holdings, Inc., representing one hundred percent (100%) of its outstanding capital stock;
10. Amendment of the Articles of Incorporation to increase the authorized capital stock to up to Seven Billion Pesos (Php 7,000,000,000.00) as may be determined by the Board of Directors;
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 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

14. Approval of the appointment of Reyes Tacandong and Co. as the Corporation's external auditor for the current year 2022-2023.

The Annual Meeting of Stockholders was held on 23 September 2022, 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 23 September 2022 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, including the following:

- 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 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.
- Approval of Audit Plan Presentation by Reyes Tacandong & Co. on the Audit of Financial Statements for the year ended December 31, 2022
- Resignation of Atty. Reuben Carlo O. General as Corporate Secretary
- Authority to enter into Compromise Agreement with Mr. Alexis F. Baligod regarding Civil Case No. 35684-2014 (Leticia Baligod and Alexis Baligod vs. PDIC, BDO, PMHI and Sps. Estrella L. Cardona)
- Application for Computerized Accounting System
- Postponement of 2023 Annual Stockholders' Meeting
- Subscription or Private placement by Valiant Consolidated Resources Inc. to 125,000,000 common shares and Cymac Holdings Inc. to 25,000,000 common shares.
- Execution of a Joint Venture Agreement with ABS-CBN and the creation of the joint venture company, Media Serbisyo Corporation.
- Execution of all documents relating to the transaction between PRIM and Shareholders of Golden Peregrine Holdings, Inc.
- Authority to enter into a Compromise Agreement for Settlement Civil Case No. R-MKT-18-01307-CV (Prime Media Holdings, Inc. vs. Cahirup Tembrevilla and South Sea Resort Hotel, Inc.) and other related cases thereto
- Authority to Jolena V. Guantero to File Affidavit of Loss regarding owner's duplicate certificate of transfer Certificate of Title (TCT) No. T-93861 (previously TCT No. T-24967) registered in the name of "First E-bank Corporation" (now Prime Media Holdings, Inc.); Authority to appear or represent the Corporation regarding MISC Case No. 2062 (First E-bank vs. Bulaong Enterprises, Inc. rep. by Florentina Espinosa, Et. Al.)
- Authority to Lumapas Blanco Borbajo & file to represent and act as the Legal Counsel of the Corporation in the Case Entitled "Sps. Jocelyn Sorensen & Per Sorensen vs. Ray Burton Dev't Corp. et. Al." docketed as Civil Case No. Ceb-29176, pending before Branch 9 of the Regional Trial Court (RTC) of Cebu City

- Authority to Beloncio-Gulle and Associates Law Office to appear and represent the Corporation in the Case entitled “First E-bank, Inc. vs. Bulaong Enterprises Inc. et. Al.” docketed as MISC. Case No. 2062 pending before Branch 37 of the Regional Trial Court (RTC) of General Santos City
- Authority to Beloncio-Gulle and Associates Law Office to represent the Corporation and handle the Civil Case for the Issuance of the Owner’s duplicate Title of TCT No. 93681 to be filed in General Santos City
- Authority to Enter into a Loan Agreement with Philippine Collective Media Corporation amounting to Three Hundred Seventy-Three Million Pesos (Php373,000,000.00). 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.
- Setting of the Annual Stockholders’ Meeting on 05 December 2023 with record date on 06 November 2023
- Authority to transfer the title of Unit 3608 Paragon Plaza from the developer to the Corporation, to renovate and to sell or lease the said unit.
- Authority to Mr. Rolando S. Santos to represent the Corporation to enter into a Deed of Sale of Motorcycle with Mr. Romeo A. Dela Cruz

**Item 16. MATTERS NOT REQUIRED TO BE SUBMITTED**

All corporate actions to be taken up 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:

<b>Nature of Amendment</b>	<b>Purpose</b>
Amendment of the Articles of Incorporation (AOI) to reduce the par value of all Series A Preferred Shares from Php1.00 to Php0.04 per share	<p>The amendment is to be taken as a preparatory step and part of the process to eliminate foreign-held shares.</p> <p>The reduction in par value is consistent with the 25:1 ratio used for previous conversions of Preferred Shares to Common Shares as exercised by certain shareholders. As the current par value of both Preferred and Common Shares is at Php1.00, the reduction in par value of the Preferred Shares is only logical to reflect the correct amount of paid up capital.</p>
Amendment of the AOI to convert all Series A Preferred Shares into Common Shares at the conversion rate of 25:1	<p>The amendment is to be taken as part of the process to eliminate foreign-held shares.</p> <p>The amendment is also pursuant to the cleaning-up efforts of management arising out of its previous banking operations. With the removal of the preferred shares, all present and future shareholders of the Company will have equal rights and footing.</p>

Amendment of the AOI to create a new class of Redeemable Preferred Shares which shall be referred to as Series C Redeemable Preferred Shares with a par value of PhP 1.00 per share and to authorize the conversion of the remaining foreign-owned shares to Series C Redeemable Preferred Shares subsequent to the conversion of all Series A Preferred Shares, with said foreign-owned shares approximately numbering Three Hundred Forty Thousand Six Hundred Sixty Four (340,664) based from records as of 30 July 2022	The amendment is part of the process to eliminate foreign-held shares.to comply with Article VII of the Amended Articles of Incorporation on Filipino ownership
Amendment of the AOI to reclassify all Series B Preferred Shares into Common Shares	The amendment is to be taken as part of the process to eliminate foreign-held shares.  The amendment is also pursuant to the cleaning-up efforts of management arising out of its previous banking operations. With the removal of the preferred shares, all present and future shareholders of the Company will have equal rights and footing.
Approval to redeem all Series C Redeemable Preferred Shares upon approval of the Board payable in cash .	The amendment is to be taken as part of the process to eliminate foreign-held shares.
Amendment of the AOI to reclassify Series A and Series C shares into Common Shares	This amendment is to ensure that the Corporation shall be fully-Filipino owned in compliance with foreign ownership restrictions
Amendment of the Articles of Incorporation to increase the authorized capital stock up to Seven Billion Pesos (Php 7,000,000,000.00)	Amendment is to allow additional shares subscriptions and other equity fundraising activities in the future. Out of the increase in authorized capital stock, 1,645,000,000 common shares at a subscription price equivalent to the par value of Php 1.00 per share, will be issued to the Golden Peregrine Shareholders. The subscriptions of the Golden Peregrine shareholders shall be paid through the assignment of GPHI shares at a price b subject to final determination of the Board, third party appraisal, fairness opinions, and other closing conditions, thereby allowing the Company to obtain the business, assets and ownership of PCMC. After the transaction, the Golden Peregrine Shareholders. will gain majority control of the Company, who, in turn, will acquire GPHI as a direct subsidiary and PCMC as an indirect subsidiary.

(Attached herewith are copies of the PSE disclosures particularly describing the sections to be amended.)

**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 majority of the outstanding capital stock shall suffice.

The Company has 14,366,260 Series A preferred shares equivalent to 2.01% of the Company'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."

### **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 in view of the COVID-19 pandemic, 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 2023 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. 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, 2022.

FOR Approval of the Additional Listing of 150,000,000 shares arising from Private Placements.

FOR Approval of the Amendment of the Articles of Incorporation (AOI) to reduce the par value of all Series A Preferred Shares from Php1.00 to Php0.04 per share;

FOR Approval to convert all Series A Preferred Shares into Common Shares at the conversion rate of 25:1;

FOR Amendment of the AOI to create a new class of Series C Redeemable Preferred Shares with a par value of PhP 1.00 per share and to authorize the conversion of the remaining foreign-owned common shares to Series C Redeemable Preferred Shares subsequent to the conversion of all Series A Preferred Shares (There are approximately Three Hundred Forty Thousand Six Hundred Sixty Four (340,664) foreign-owned common shares post conversion based on records as of 30 July 2022.);

FOR Amendment of the AOI to reclassify all Series B Preferred Shares to Common Shares;

FOR Approval to redeem all Series C Redeemable Preferred Shares at a redemption price approved by the Board and payable in cash;

FOR Amendment of the AOI to delete all provisions relating to the Preferred Shares (Series A, Series B and Series C) after the conversion of all Series A Shares, reclassification of Series B Shares and the redemption of Series C Preferred Shares;

FOR Approval to amend the Corporation's Memorandum of Agreement with Atty. Hermogene H. Real and Ms. Michelle F. Ayangco (as "Golden Peregrine Shareholders") relating to the issuance in favor of the Golden Peregrine Shareholders of up to One Billion Six Hundred Forty Five Million (1,645,000,000) Common Share, subject to final determination of the Board, third party appraisal, fairness opinions, and other closing conditions to be issued out of the Corporation's increase in authorized capital stock in consideration for the assignment of shares of stock of Golden Peregrine Holdings, Inc., representing one hundred percent (100%) of its outstanding capital stock;

FOR Amendment of the Articles of Incorporation to increase the authorized capital stock to up to Seven Billion Pesos (Php 7,000,000,000.00) as may be determined by the Board of Directors;

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

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 16<sup>th</sup> Floor BDO Towers Valero, 8741 Paseo de Roxas, Makati City, on or before 25 November 2023. 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 29 November 2023 at the office of the principal office of the Company.

### **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 up 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 PhP 20,000.00. The cost of 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 100% owner of Golden Peregrine Holdings, Inc. ("GPPI") which now owns 100% of the outstanding capital stock of PCMC. Pursuant to proposed amendments to the MOA, they will subscribe to up to 1,645,000,000 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 100% ownership in GPFI to the Corporation. Atty. Hermogene Real is the President and majority shareholder of Mairete Asset Holdings Inc., who owns 11% 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 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 2022 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 2022 and 2021 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, 2022 and 2021 for professional services rendered by RTC:

	<u>2022</u>	<u>2021</u>
Audit and Audit-Related Services	<b>₱450,000</b>	₱410,000

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 30 September 2023 and audited financial statements as at 31 December 2022 and 2021, 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 30 September 2023, 31 December 2022 and 2021 and for the period ended 30 September 2023, 31 December 2022 and 2021 are hereto attached.

The following table sets forth the summarized financial information for the period ended 30 September 2023 and years ended 31 December 2022 and 2021:

### Summary of Statements of Comprehensive Income

	Unaudited 30 September 2023	Audited 31 December 2022	Audited 31 December 2021
Income	₱21,459,752	₱53,511	₱9,176,109
Expenses and Other Charges	(16,562,190)	(6,258,458)	(10,792,886)
Loss before Income Tax	4,897,562	(6,204,947)	(1,616,777)
Provision for Income Tax	–	430	91,689
Net Loss	4,897,562	(6,205,377)	(1,708,466)
Other Comprehensive Income	–	1,550,000	750,000
Total Comprehensive Income (Loss)	₱4,897,562	(₱4,655,377)	(₱958,466)
Basic and Diluted Loss Per Share	₱0.003	(₱0.007)	(₱0.005)

### Summary of Statements of Financial Position

	Unaudited 30 September 2023	Audited 31 December 2022
<b>ASSETS</b>		
Current Assets	₱429,077,698	₱41,524,749
Noncurrent Assets	24,233,857	3,936,063
	₱453,311,555	₱45,460,812
<b>LIABILITIES AND EQUITY</b>		
Current Liabilities	₱193,219,272	₱195,266,091
Equity	260,092,283	(149,805,279)
	₱453,311,555	₱45,460,812

### Summary of Statements of Cash Flows

	Unaudited 30 September 2023	Audited 31 December 2022	Audited 31 December 2021
Cash Provided by (Used in) Operating Activities	(₱369,001,538)	₱27,197,535	(₱1,122,173)
Cash Used in Investing Activities	(20,400,000)	(469,300)	–
Cash Provided by Financing Activity	405,000,000	–	–
Net Increase (Decrease) in Cash	15,598,462	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	₱49,437,628	₱33,839,166	₱7,110,931



## **30 September 2023 vs. 31 December 2022**

### **Statement of Financial Position**

The Corporation's total Assets of ₱453.31 million increased by ₱407.85 million or 897.15% compared with last year. The significant net changes in the statement of financial position are as follows:

- Cash balance of ₱49.44 million is higher by ₱15.60 million or 46.10% compared with last year. The significant increase is mainly attributable to investors' subscription to common shares of stock in the Corporation.
- Increase in receivables by ₱373.15 million or 144,518.04% compared with last year is primarily due to loan by Philippine CollectiveMedia Corporation (PCMC) for payment of liabilities, acquisition of equipment, operations, and expansion of its business.
- Decrease in due from related parties by ₱1.90 million or 81.83% compared with last year is mainly due to collections advances to related parties.
- Investment in a joint venture amounting to ₱20.40 million during the period.
- Decrease in property and equipment of ₱0.10 million or 16.07% is attributed to the depreciation recognized for the period. No addition and/or disposal made during the period.
- Decrease in accrued expenses and other current liabilities of ₱1.41 million or 0.78% is attributed to the payments of expenses incurred last year.
- Decrease in due to a related party of ₱0.64 million or 4.59% is attributed to the payments of advances from a related party.
- The Corporation issued share capital amounting to ₱405.0 million during the period.
- The Corporation incurred a net income of ₱4.90 million which movement resulted to the decrease in deficit account.

### **Results of Operations**

The Company's operating results reflected a net income and net loss of ₱4.90 million and ₱1.71 million as of 30 September 2023 and 31 December 2022, respectively. Comparing with last year, there is a huge jump of ₱11.10 million or 178.92%. The significant changes were mainly due to the following:

- Collections arising from settlement of cases amounting to ₱21.44 million resulted to rise in income by ₱21.41 million or 40,003.44%.
- Professional fee increased by ₱2.32 million or 81.26%, primarily due to payments of professional services for Corporation's cases.
- Outside services increased by ₱2.84 million or 276.02%, primarily due to payments of outsourced services related to joint venture entered by the Corporation.
- Taxes and licenses for the year amounting to ₱4.46 million is higher by ₱4.30 million compared with last year is mainly due to payment of documentary stamp tax from issued share capital during the period.

## **31 December 2022 vs. 31 December 2021**

### **Statement of Financial Position**

The Corporation's total Assets of ₱45.46 million declined by ₱3.29 million or 6.75% compared with last year. The movement in total Assets is attributable to the following:

- Cash balance of ₱33.84 million is higher by ₱26.73 million compared with the same period last year. The significant increase is mainly attributable to collection of the Company's loan receivable from Marcventures Mining and Development (MMDC), a related party under common control, amounting to ₱26.0 million.
- The increase in Investment in a club share is mainly due to recognition of the fair value changes amounting to ₱1.55 million during the year.
- Decrease in equipment of ₱0.38 million is attributed to the depreciation recognized for the year. No addition and/or disposal was made during the year.

The Company's total Liabilities of ₱195.27 million rise by ₱1.37 million or 0.70% compared with the same period last year. The movement in total Liabilities is attributable to the following:

- Due to related parties increased by ₱0.64 million compared with the same period last year, which was consequently used by the Company to pay for its general and administrative expenses.
- Cash receipts during the year totaling ₱2.00 million from Bulaong Enterprises, Inc. pursuant to the compromise agreement for a legal case. This represents partial settlement out of the ₱17.0 million settlement fee (exclusive of ₱1.62 million interest), as indicated in the agreement. As the subject property involved in the compromise agreement is included in the list of properties for transfer to PDIC pursuant to the 12 September 2002 Memorandum of Agreement among the Company, PDIC and BDO, collections were accounted for as liability.
- Accrual of legal fees of Ocampo & Manalo Law Firm and audit fee of Reyes Tacandong & Co. amounting to ₱0.07 million and ₱0.45 million, respectively, were recognized.

Capital deficiency is higher by ₱4.66 million compared with the same period last year. The Company incurred a net loss of ₱6.21 million and recognized ₱1.55 million gain on fair value changes on its investment in a club share, which net movement resulted to the increase in capital deficiency.

### **Results of Operations**

The Company's operating results reflected a net loss of ₱6.21 million and ₱1.71 million in 2022 and 2021, respectively. Comparing with the same period last year, there is a huge declined of ₱4.50 million or 263.21%. The significant changes were mainly due to the following:

- Reversal of long-outstanding payables last year that will no longer be settled amounting to ₱9.17 million resulted to the decreased in income this year.
- Provision of impairment loss recognized last year related to the waiver of interest receivable on loans from MMDC amounting to ₱5.14 million.
- Depreciation decreased by ₱0.24 million or equivalent to 72.50 is due to the sold transportation equipment to MMDC during the year.

## **31 December 2021 vs. 31 December 2020**

### **Statement of Financial Position**

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

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

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

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

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

### **Results of Operations**

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

- Reversal of long-outstanding payables that will no longer be settled amounting to ₱9.17 million resulted to the increase in income.
- Provision of impairment loss recognized during the year related to the waiver of interest receivable on loans from MMDC amounting to ₱5.14 million.

- Professional fee decreased by ₱0.61 million or equivalent to 17.67%, primarily due to decrease in payments of legal fees.
- Taxes and licenses for the year amounting to ₱0.12 million is higher by ₱0.02 million compared with the same period last year.
- Director’s fees increased by ₱0.55 million or 100.00% due to the board meetings held during the year.
- Decrease in Outside services by ₱0.16 million is due to the postponement of the publication of Annual Stockholder’s Meeting.

**Key Performance Indicators**

	<u>2021</u>	<u>2022</u>	<u>2023</u>
Return on Asset (%)	(3.14%)	(13.17%)	1.96%
Return on Equity (%)	1.18%	4.21%	8.88%
Current Ratio	0.24:1	0.21:1	2.22:1
Debt to equity ratio	(1.34)	(1.30)	0.74:1
Asset to equity ratio	(0.34)	(0.30)	1.74:1

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 March 4, 2013, the SEC approved the extension of the Corporation’s corporate life for another 50 years.

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 2022, 663,713,458 of the Corporation’s common shares 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 September 2023 and 31 December 2022, the Corporation has liabilities amounting to ₱166.30 million, arising from the BDO-PDIC MOA which include the estimated transfer taxes and registration fees related to the transfer of assets to BDO and PDIC and other related liabilities (see Note 9).

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



## V. Description of Property

Nothing to disclose.

## VI. Business Transactions with Related Parties

The Corporation as of 30 September 2023 and 31 December 2022 summary of related party transactions are as follows:

### Parent Company and Other Related Party

	Nature of Transaction	Amount of Transaction		Outstanding Balance	
		2023	2022	2023	2022
<b>Receivables</b>					
<i>Loans Receivables</i>					
Entity under common control	Loan	₱-	₱-	₱-	₱-
	Interest income	-	-	-	-
<i>Rent Receivables</i>					
Entity under common control	Rent income	-	-	-	-
		-	-	-	₱-
<hr/>					
Less: Allowance for impairment loss		-	-	-	-
				₱-	₱-
<hr/>					
<b>Due from related parties</b>					
Entities under common control	Advances (Settlement)	<b>₱1,896,563</b>	(₱5,364,349)	<b>₱420,992</b>	₱2,317,555
<hr/>					
<b>Due to a related party</b>					
Entities under common control	Advances (Settlement)	<b>(₱636,744)</b>	₱636,744	₱-	₱636,744
Parent Company	Management fee	-	-	<b>13,880,000</b>	13,880,000
				<b>₱13,880,000</b>	₱14,516,744
<hr/>					

### **Employees**

As of 30 September 2023, 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 to 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 100% of the outstanding capital stock of PCMC, and which is also owned 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 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.

On May 23, 2023, the Board of Directors approved the Subscriptions of (i) Angel Maple Properties, Inc. (now known as Valiant Consolidated Resources 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 PhP 405M to be paid in cash. Angel Maple Properties, 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 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 51% equity and initial subscription of 20,400,000 shares for a total value of Twenty Million Four Hundred Thousand Pesos (PhP20,400,000.00). ABS-CBN shall have 49% equity with initial subscription of 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.

## **VIII. Status of Operations**

Its current activities comprise mainly of compliance with the BDO-PDIC MOA by transferring assets related to its previous development bank operations to BDO and PDIC. Thus, the Corporation

has continued to incur losses resulting in a capital deficiency of ₱147.63 million and ₱145.15 million as at 30 June 2022 and 31 December 2021, respectively.

RYM, the majority stockholder, however, has continued to provide the necessary financial support to sustain the Corporation's operations. Certain stockholders converted their preferred stock amounting to ₱34.2 million into common stock in 2016, converted their advances amounting to ₱600.5 million to additional capital in 2014 and infused capital aggregating ₱179.0 million in 2014 and 2013 to reduce the Corporation's capital deficiency.

On 23 March 2018, the SEC approved the Corporation's equity restructuring to offset additional paid-in capital (APIC) of ₱2,114.9 million against deficit.

## IX. Dividends

The Corporation has not declared dividend for the years 2022, 2021 and 2020. There are no restrictions that limits the payment of dividends on common shares.

## 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 30 September 2023

The unaudited Financial Statements of the Corporation as at 30 September 2023 (with comparative audited Statements of Financial Position as at 31 December 2022), and for the three months and nine months ended 30 September 2022 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 30 September 2023 and 31 December 2022:

	<b>Unaudited 30 September 2023</b>	Audited 31 December 2022	Increase (decrease) Amount	
	(₱'000)	(₱'000)	(₱'000)	Percentage
Current assets	<b>₱429,077</b>	₱41,525	₱387,552	933.31%
Noncurrent assets	<b>24,234</b>	3,936	20,298	515.69%
<b>Total Assets</b>	<b>₱453,311</b>	₱45,461	₱407,850	897.15%
Current liabilities	<b>₱193,219</b>	₱195,266	(₱2,047)	(1.05%)
Equity	<b>260,092</b>	(149,805)	409,897	273.62%
<b>Total Liabilities and Equity</b>	<b>₱453,311</b>	₱45,461	(₱407,850)	897.15%

Summary of unaudited statements of comprehensive income for the three months and nine months period ended 30 September 2023 and 2022:

	<b>For three months ended September 30,</b>		<b>For nine months ended September 30,</b>	
	<b>2023</b>	2022	<b>2023</b>	2022
	(₱'000)	(₱'000)	(₱'000)	(₱'000)
Revenues	<b>₱21,451</b>	₱4	<b>₱21,460</b>	₱6
Expenses	<b>(9,653)</b>	(1,216)	<b>(16,562)</b>	(3,722)

Loss before tax	<b>11,798</b>	(1,212)	<b>(4,898)</b>	(3,716)
Provision for income tax	–	–	–	–
Total comprehensive loss	<b>₱11,798</b>	<b>(₱1,212)</b>	<b>(₱4,898)</b>	<b>(₱3,716)</b>

Summary of unaudited statements of cash flows for the three months and nine months period ended 30 September 2023 and 2022:

	For three months ended		For nine months ended	
	September 30,		September 30,	
	2023	2022	2023	2022
	(₱'000)	(₱'000)	(₱'000)	(₱'000)
Cash provided by (used in) operating activities	<b>(₱359,332)</b>	₱32,164	<b>(₱369,001)</b>	₱27,889
Cash provided by (used in) investing activities	<b>(20,400)</b>	225	<b>(20,400)</b>	225
Cash provided by a financing activity	<b>405,000</b>	–	<b>405,000</b>	–
Increase in cash	<b>25,268</b>	32,389	<b>15,599</b>	28,114
Cash at beginning of period	<b>24,170</b>	2,836	<b>33,839</b>	7,111
Cash at end of period	<b>₱49,438</b>	<b>₱35,225</b>	<b>₱49,438</b>	<b>₱35,225</b>

## 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 media. Thus, on May 23, 2023, the Board of Directors approved the Subscriptions of (i) Angel Maple Properties, Inc. (now known as Valiant Consolidated Resources 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 PhP 405M 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 CollectiveMedia 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**

#### **Three months ended 30 September 2023 compared with three months ended 30 September 2022**

Results of operation for the three months ended 30 September 2023 and 2022 were net income of ₱11.80 million and net loss of ₱1.21 million, respectively. Significant changes in the income statement accounts for the three months ended 30 September 2023 versus the same period last year are as follows:

#### **Income**

Collections arising from settlement of cases amounting to ₱21.44 million resulted to rise in income by ₱21.45 million or 491,680.54% compared with the same period last year.

#### **Expenses**

Total expenses during the period amounted to ₱9.65 million, higher by ₱8.44 million compared with the same period last year. This represents an increase of 693.78% compared with the same period last year. The significant increase in expenses is attributable to the following:

- Professional fee increased by ₱1.14 million or 324.33%, primarily due to payments of professional services for Corporation's cases.
- Outside services increased by ₱1.13 million or 219.47%, primarily due to payments of outsourced services related to joint venture entered by the Corporation.
- Taxes and licenses for the year amounting to ₱4.37 million is higher by ₱4.31 million or 7,034.26% compared with the same period last year is mainly due to payment of documentary stamp tax from issued share capital during the period.

#### **Nine months ended 30 September 2023 compared with nine months ended 30 September 2022**

Results of operation for the nine months ended 30 September 2023 and 2022 were net income of ₱4.90 million and net loss of ₱3.72 million, respectively. Significant changes in the income statement accounts for the nine months ended 30 September 2023 versus the same period last year are as follows:

#### **Income**

Collections arising from settlement of cases amounting to ₱21.44 million resulted to rise in income by ₱21.45 million or 351,238.44% compared with the same period last year.

#### **Expenses**

Total expenses during the period amounted to ₱16.56 million, higher by ₱12.84 million compared with the same period last year. This represents an increase of 344.99% compared with the same period last year. The significant increase in expenses is attributable to the following:

- Professional fee increased by ₱3.73 million or 260.00%, primarily due to payments of professional services for Corporation's cases.
- Outside services increased by ₱3.02 million or 356.59%, primarily due to payments of outsourced services related to joint venture entered by the Corporation.

- Taxes and licenses for the year amounting to ₱4.46 million is higher by ₱4.31 million or 2,836.66% compared with the same period last year is mainly due to payment of documentary stamp tax from issued share capital during the period.

## **STATEMENT OF FINANCIAL POSITION**

Total Assets of the Corporation as at 30 September 2023 of ₱453.31 million is higher by ₱407.85 million compared to the balance as at 31 December 2022, representing a rise of 897.15%. The change in Total Assets is attributed to the following:

- Cash balance of ₱49.44 million is higher by ₱15.60 million or 46.10% compared with last year. The significant increase is mainly attributable to investors' subscription to common shares of stock in the Corporation.
- Increase in receivables by ₱373.15 million or 144,518.04% compared with last year is primarily due to loan by Philippine CollectiveMedia Corporation (PCMC) for payment of liabilities, acquisition of equipment, operations, and expansion of its business.
- Decrease in due from related parties by ₱1.90 million or 81.83% compared with last year is due to collections of advances to related parties.
- Investment in a joint venture amounting to ₱20.40 million during the period.
- Decrease in property and equipment of ₱0.10 million or 16.07% is attributed to the depreciation recognized for the period. No addition and/or disposal made during the period.
- Decrease in accrued expenses and other current liabilities of ₱1.41 million or 0.78% is attributed to the payments of expenses incurred last year.
- Decrease in due to a related party of ₱0.64 million or 4.59% is attributed to the payments of advances from a related party.
- The Corporation issued share capital amounting to ₱405.0 million during the period.
- The Corporation incurred a net income of ₱4.90 million which movement resulted to the decrease in deficit account.

## **STATEMENT OF CASH FLOWS**

### **Three months ended 30 September 2023 compared with three months ended 30 September 2022**

Cash used in operating activities increased by ₱391.50 million or 1,217.19% compared with the same period last year is mainly due loan by PCMC for payment of liabilities, acquisition of equipment, operations, and expansion of business of the related parties.

Cash used in investing activities increased by ₱20.62 million or 9,173.28% compared with the same period last year is mainly due to joint venture entered by the Corporation amounted to ₱20.40 million.

Cash provided by financing activity amounted to ₱405.00 million pertains to investors' subscription to common shares of stock in the Corporation.

### **Nine months ended 30 September 2023 compared with nine months ended 30 September 2022**

Cash used in operating activities increased by ₱396.89 million or 1,423.10% compared with the same period last year is mainly due to loan by PCMC for payment of liabilities, acquisition of equipment, operations, and expansion of business of the related parties.

Cash used in investing activities increased by ₱20.62 million or 9,173.28% compared with the same period last year is mainly due to joint venture entered by the Corporation amounted to ₱20.40 million.

Cash provided by financing activity amounted to ₱405.00 million pertains to investors' subscription to common shares of stock in the Corporation.

## HORIZONTAL AND VERTICAL ANALYSIS

	September 30, 2023	December 31, 2022	Increase (Decrease)	
	(Unaudited)	(Audited)	Amount	Percentage
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash	₱49,437,628	₱33,839,166	₱15,598,462	46.10%
Receivables	373,403,780	258,200	373,145,580	44,518.04%
Due from related parties	420,992	2,317,555	(1,896,563)	(81.83%)
Other current assets	5,815,298	5,109,828	705,470	13.81%
Total Current Assets	429,077,698	41,524,749	387,552,949	933.31%
<b>Noncurrent Assets</b>				
Investment in a joint venture	20,400,000	-	20,400,000	100.00%
Investment in a club share	3,300,000	3,300,000	-	0.00%
Equipment	533,857	636,063	(102,206)	(16.07%)
Total Noncurrent Assets	24,233,857	3,936,063	20,297,794	515.69%
Total Assets	₱453,311,555	₱45,460,812	₱407,850,743	897.15%

## LIABILITIES AND CAPITAL DEFICIENCY

### Current Liabilities

Accrued expenses and other current liabilities	₱179,339,272	₱180,749,347	(₱1,410,075)	(0.78%)
Due to a related party	13,880,000	14,516,744	(636,744)	(4.59%)
Total Current Liabilities	193,219,272	195,266,091	(2,046,819)	(1.05%)

### Equity

Capital stock	1,119,664,876	714,664,876	405,000,000	56.67%
Deficit	(862,672,593)	(867,570,155)	4,897,562	0.56%
Other comprehensive income	3,100,000	3,100,000	-	0.00%
Total Equity	260,092,283	(149,805,279)	409,897,562	273.62%
Total Equity	₱453,311,555	₱45,460,812	₱407,850,743	897.15%

## 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 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. 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.

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

### **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 (2021)	0.81	4.25
Q2 (2021)	2.53	3.55
Q3 (2021)	1.76	3.10
Q4 (2021)	1.10	1.89
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

The high and low prices of the Corporation’s share **as of the latest practicable trading date 13 November 2023 are Php 3.00 and Php 2.92**, respectively.

The shares of the Corporation are held by 1,588 shareholders of common shares and 267 shareholders of preferred shares.

The list of the top 20 stockholders of the Corporation as of **30 September 2023** is shown below :

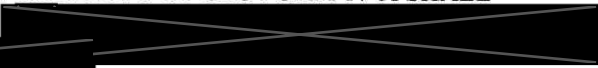
	Name of Stockholders	No. of shares	% Age of ownership




1	PCD Nominee Corporation (Filipino)	672,150,424	95.98
2	First Producers Holdings, Corp. FAO Ray Burton Dev't Corporation	6,175,789	0.88
3	First Producers Holdings, Corp. FAO Producers Properties, Inc.	4,903,852	0.70
4	Ray Burton Development Corporation	3,213,293	0.46
5	Producers Properties, Inc.	3,013,701	0.43
6	Mercantile Investment Company, Inc.	1,585,989	0.23
7	Albert Del Rosario ITF Anthony Salim	1,289,279	0.18
8	Lucio W. Yan &/or Clara Yan	600,000	0.09
9	Joel B. Vargas	534,876	0.08
10	PCD Nominee Corporation (Foreign)	285,001	0.04
11	Merlene So &/or So Peng Kee	239,000	0.03
12	Maria T. Uy	211,200	0.03
13	Jose Yu Go, Jr.	210,000	0.03
14	Solar Securities, Inc.	200,000	0.03
15	Ponciano V. Cruz Jr.	150,000	0.02
16	Jovy Lim Go	150,000	0.02
17	Qeu Lu Kiong	150,000	0.02
18	Rufino H. Abad	142,011	0.02
19	Luciano H. Tan	139,600	0.02
20	Leonardo Navalta	132,294	0.02

On May 23, 2023, the Board of Directors approved the Subscriptions of (i) Angel Maple Properties, Inc. (now known as Valiant Consolidated Resources 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 PhP 405M to be paid in cash. Angel Maple Properties, 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 SRC pertaining to the sale of securities by an issuer to fewer than twenty (20) persons in the Philippines during any twelve-month period.

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, 



**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 14 November 2023.

***PRIME MEDIA HOLDINGS, INC.***

By:



**DIANE MADELYN C. CHING**  
Corporate Secretary

## ANNEX A

### **Procedure for Registration, Participation and Voting in the 2023 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 **05 December 2023** at 2:00 PM, virtually via remote communication.

Only Stockholders of record as of **07 November 2023** are entitled to participate and vote in the 2023 ASM.

#### **I. Registration and Participation/Attendance Procedure:**

1. Stockholders who intend to participate in the virtual ASM may register at <https://conveneagm.com/ph/prime2023> with 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 2023 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 2023 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 the portal <https://conveneagm.com/ph/prime2023>, the stockholder will receive an email confirmation and a unique link which can be used to log in and view the 2023 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 2023 ASM, please see section on Voting Procedure below.
5. For the Question and Answer portion during the 2023 ASM, stockholders may send their questions related to the agenda at <https://conveneagm.com/ph/prime2023>. Due to limitations on technology and time, not all questions may be responded to during the 2023 ASM but the Company will endeavor to respond to all the questions through email.
6. The proceedings during the 2023 ASM will be recorded as required by the Securities and Exchange Commission.
7. Stockholders intending to participate by remote communication in the 2023 ASM are required to pre-register not later than **25 November 2023**.
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](http://www.primemediaholdingsinc.com) and through PSE Edge.

## II. Voting Procedure:

Stockholders may vote during the 2023 ASM by Proxy.

1. Voting by Proxy:

- a. Download and fill up the Proxy Form at <https://conveneagm.com/ph/prime2023>. 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 to [\\_mdc.prim@gmail.com](mailto:_mdc.prim@gmail.com)
- c. The scanned copy of the executed Proxy Form should be emailed to the above not later than **25 November 2023**.
- d. The hard copy of the signed Proxy Form should be delivered to:

For any questi

- Email at [dcc.chinglaw@gmail.com](mailto:dcc.chinglaw@gmail.com); or
- Telephone number at 8831-4479; or
- Our stock transfer agent, Stock Transfer Service, Inc. (STSI), through
  - ✓ Richard Regala at [REDACTED]
  - ✓ Jomar M. Lucinario at [REDACTED] or
  - ✓ STSI's telephone number at 8403-2410 or 8403-2412

(For approval by the stockholders at the annual stockholders' meeting in 2023)



**PRIME MEDIA**  
*Holdings, Inc.*

**MINUTES OF THE ANNUAL MEETING OF THE STOCKHOLDERS**

Held on September 23, 2022 at 2:00 P.M.

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

	<b>No. of Outstanding and Voting Shares</b>	<b>% of Total Outstanding Common/Voting Shares</b>
<b>Shareholders Present</b>	<b>563,121,885</b>	<b>80.41%</b>
<b>Directors Present:</b>		
Atty. Bernadeth A. Lim	<i>Vice President</i>	<i>Member, Audit, Governance, Oversight and Related Party Transaction Committee</i>
Rolando S. Santos	<i>Treasurer</i>	<i>Member, Executive Committee</i>
Hermogene H. Real	<i>Member, Executive Committee</i>	<i>Member, Nomination and Corporate Governance Committee</i>
Ms. Michelle F. Ayangco		
Francisco L. Layug, III	<i>Member, Nomination and Corporate Governance Committee,</i>	<i>Member, Audit, Governance, Oversight and Related Party Transaction Committee</i>
Atty. Johnny Y. Aruego, Jr.	<i>Member, Nomination and Corporate Governance Committee</i>	<i>Member, Audit, Governance, Oversight and Related Party Transaction Committee</i>
<b>Officers Present:</b>		
Reuben Carlo O. General	<i>Corporate Secretary</i>	

## I. CALL TO ORDER

After the Philippine National Anthem, the host, Ms. Theresa Defensor, announced that the meeting would be recorded in accordance with Securities and Exchange Commission ("SEC") Memorandum Circular No. 6, Series of 2020.

The Corporate Secretary, Atty. Reuben Carlo O. General, informed the attendees that the Office of the Corporate Secretary received a written and duly signed notification from the Chairman and President, Atty. Manolito A. Manalo, that he cannot attend the meeting due to an emergency. In the same notification, a copy of which was flashed on the screen, he designated and delegated to the Vice President, Atty. Bernadeth A. Lim, his authority to preside over the meeting. As she is also a director of the Company, the Corporate Secretary certified that her designation is in accordance with Section 2 in relation to Section 3 of Article IV (Officers of the Corporation) the Company's Amended By-Laws.

Thereafter, Dir. Lim called the meeting to order and virtually presided over the same from Melbourne, Australia. She stated at the outset that due to the COVID-19 pandemic, the Annual Stockholders' Meeting is being conducted *via* remote communication as was done in the previous two (2) years. She thanked all those joining the live webcast and those who participated in the meeting by remote communication, or appointed proxies for the meeting.

The Corporate Secretary then acknowledged the presence of the following members of the Board of Directors at the meeting:

Bernadeth A. Lim	Director/ Vice President
Hermogene H. Real	Director
Michelle F. Ayangco	Director
Rolando S. Santos	Director/ Treasurer
Francisco L. Layug, III	Independent Director
Johnny Y. Aruego, Jr.	Independent Director

Atty. Lim also acknowledged shareholders who may be joining via the meeting portal and the presence of representatives of the Company's external auditor, Reyes, Tacandong, and Company (RTC).



## II. PROOF OF NOTICE AND CERTIFICATION OF QUORUM

The Corporate Secretary reported that pursuant to SEC Notice dated 16 March 2021, 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 at least 21 days before the scheduled meeting:

Manila Standard:

September 1: <http://manilastandard.net/business/314256583/prime-media-Sholdings-inc-notice-of-annual-stockholders-meeting.html>

September 2: <http://manilastandard.net/business/314256589/prime-media-holdings-inc-notice-of-annual-stockholders-meeting-2.html>

Daily Tribune:

September 1: <https://tribune.net.ph/2022/09/01/prim/>

September 2: <https://tribune.net.ph/2022/09/01/prim/>

A copy of the Notice, together with the 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 563,121,885 shares representing at least 80.41% of the outstanding common or voting stock of the Company. Therefore, there was a quorum for the transaction of business.

<b>Mode of Attendance</b>	<b>No. of Outstanding and Voting Shares</b>	<b>% of Total Outstanding Voting/Common Shares</b>	<b>% of Total Outstanding Common &amp; Preferred Shares</b>
Total Proxies and Attendance	563,121,885	80.41%	78.80%

Dir. Lim 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 in 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.



- (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) 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.
- (vi) 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.
- (vii) 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.
- (viii) 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."
- (ix) 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 would 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.

### III. APPROVAL OF MINUTES OF PREVIOUS ANNUAL STOCKHOLDERS' MEETING

The next item of business was the approval of the minutes of the previous meeting of the stockholders held on 13 October 2021, 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 13 October 2021:

#### Resolution No. S-01-2022-001

"RESOLVED, that the minutes of the Annual Stockholders' Meeting of the Corporation held on October 13, 2021 be, as it is hereby, approved."

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

	FOR	AGAINST	ABSTAINED
<b>No. of Shares Voted</b>	<b>563,121,885</b>	0	0
<b>% of Shares of Shareholders Present to Total Outstanding Common Capital Stock</b>	<b>80.41%</b>	0%	0%

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

### IV. APPROVAL OF MANAGEMENT REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

The next matter on the agenda was the approval of the Management Report and Audited Financial Statements. On behalf of the Chairman, Dir. Lim, reported on the Company's operational highlights and financial results, the Audited Financial Statements for the year ended December 31, 2021, and interim period financial report.

**Message from the Chairman and President.**

Dir. Lim highlighted the Company's efforts to revitalize its current business model by pursuing possible investments and business ventures in media and technology. In the previous year, the execution of the Memorandum of Agreement (MOA) with Philippine CollectiveMedia Corporation (PCMC) ushered the Company's entry into broadcast communications. As a next step, the Company intends to fully develop a technology platform to support its television and radio channels.

Dir. Lim added that groundwork is being set for a very promising future and further expansion is on the way with potential ventures in digital infrastructure, software applications like data mining and storage, including other value-added services such as an e-wallet system. PMHI intends to strengthen access to digital technology to the farthest locations. These are the initial steps undertaken by the Company to establish the foundation for its objective to be a technology-based company with focus media and communication, financial services and other related services.

Dir. Lim closed her message with a statement that the encouraging stock performance is an undeniable indicator of the public's confidence in the Company's financial viability. With such positive developments, Dir. Lim expressed the Company's optimism that the coming months are certainly very promising with the anticipated completion of significant investments and the fruition of the operational plans.

After the report, the Corporate Secretary presented management's proposal to adopt the Resolution No. S-01-2022-002, approving the annual report of management as presented by the President and the Audited Financial Statements for the year ended December 31, 2021

**Resolution No. S-01-2022-002**

**"RESOLVED**, that the Management Report as presented by the Vice President and the Corporation's



audited financial statements for year ended December 31, 2021 be, as it is hereby, approved.”

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

	FOR	AGAINST	ABSTAINED
<b>No. of Shares Voted</b>	563,121,885	0	0
<b>% of Shares of Shareholders Present to the Total Outstanding Common Stock</b>	80.41%	0%	0%

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

**V. AMENDMENT OF THE ARTICLES OF INCORPORATION TO REDUCE THE PAR VALUE OF ALL SERIES “A” PREFERRED SHARES FROM PHP 1.00 TO PHP 0.04 PER SHARE**

As noted by the Corporate Secretary, certain sequential steps, and corporate actions, as earlier approved by the Board of Directors in its meeting on 15 August 2022, are to be taken up for approval during the meeting. The objective of such proposed is to eliminate the Company’s remaining foreign-held shares and to comply with the Seventh Article of the Amended Articles of Incorporation which limits ownership to 100% Filipino (“Objective”).

Foremost of these proposed actions is the amendment of the Corporation’s Amended Articles of Incorporation to reduce the par value of all Series “A” Preferred Shares from PhP1.00 to PhP 0.04 per share.

The Corporate Secretary discussed that the reduction in par value was required by the SEC as a preparatory step for the conversion of the outstanding Series “A” Preferred Shares into Common Shares at the conversion rate of 25:1.

The Corporate Secretary presented the Management’s proposal to adopt the following resolutions approving the Amendment of the Articles of Incorporation as follows:

**Resolution No. S-01-2022-003**

**“RESOLVED**, that the Corporation be authorized, as it is hereby authorized, to reduce the par value of each and all of its Series “A” Preferred Shares from PhP1.00 to PhP0.04, and amend Article Seventh of the Articles of Incorporation accordingly.”

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

	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAINED</b>
<b>No. of Shares Voted</b>	<b>563,121,885</b>	<b>0</b>	<b>0</b>
<b>% of Shares of Shareholders Present to the Total outstanding Common &amp; Preferred Stock</b>	<b>78.80%</b>	<b>0%</b>	<b>0%</b>

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

**VI. CONVERSION OF ALL OUTSTANDING SERIES “A” PREFERRED SHARES INTO COMMON SHARES AT THE CONVERSION RATE OF 25:1**

The next matter on the agenda was the proposal to convert all Series “A” Preferred Shares into Common Shares at the Conversion Rate of 25:1. The Corporate Secretary stated that a similar proposal for the conversion of all Preferred Shares to Common Shares was already approved by the Stockholders during the 2021 ASM and the stockholders are being requested to refresh the approval.

The Corporate Secretary presented Management’s proposal to adopt the following resolutions approving the conversion of all Series “A” Preferred Shares into Common Shares at the Conversion Shares of 25:1:

**Resolution No. S-01-2022-004**

**“RESOLVED**, that the Corporation be authorized, as it is hereby authorized, to convert all outstanding Series “A” Preferred Shares with a par value of PhP0.04 per share, into Common Shares with a par value of PhP1.00 per share, at the conversion rate of 25:1.”

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

	FOR	AGAINST	ABSTAINED
<b>No. of Shares Voted</b>	563,121,885	0	0
<b>% of Shares of Shareholders Present</b>	78.80%	0%	0%

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

**VII. AMENDMENT OF THE ARTICLES OF INCORPORATION TO CREATE A NEW CLASS OF PREFERRED SHARES WHICH SHALL BE REFERRED TO AS SERIES "C" PREFERRED SHARES SUBSEQUENT TO THE CONVERSION OF ALL SERIES "A" PREFERRED SHARES, WITH SAID FOREIGN-OWNED SHARES APPROXIMATELY NUMBERING THREE HUNDRED FORTY THOUSAND SIX HUNDRED SIXTY FOUR (340,664) BASED ON RECORDS AS OF 30 JULY 2022**

The next item was the proposal to amend the AOI to create a new class of Preferred Shares which shall be referred to as Series "C" Preferred Shares and to authorize the conversion of the remaining foreign-owned Common Shares to Series "C" Preferred Shares. This is intended to be carried out subsequent to the conversion of all Series "A" Preferred Shares to common shares. The foreign-owned Common Shares are expected to be approximately Three Hundred Forty Thousand Six Hundred Sixty Four (340,664) Common Shares post conversion, based on records as of 30 July 2022.

The Corporate Secretary presented Management's proposal to adopt the following resolutions approving the amendment of AOI to create a new class of Series "C" Preferred Shares and the conversion is flashed on the screen:

**Resolution No. S-01-2022-005**

**"RESOLVED**, that the Corporation be authorized, as it is hereby authorized, to create a new class of Series "C" Preferred



Shares which shall have no voting rights, be entitled to the same dividends as Common Shares, and be subject to mandatory redemption at the option of the Corporation at PhP1.00 per share and other terms and conditions to be approved by the Board of Directors. Consequently, Article Seventh of the Articles of Incorporation be amended accordingly;

**“RESOLVED FURTHER**, that the new class of Series “C” Preferred Shares be, as it is hereby, created through the reclassification of not more than Three Hundred Fifty Thousand (350,000) Common Shares with a par value of PhP1.00 per share, to Three Hundred Fifty Thousand (350,000) Series “C” Preferred Shares with a par value of PhP1.00 per share, and that Article Seventh of the Articles of Incorporation be amended accordingly;

**“RESOLVED FURTHER**, that following the conversion of all Series “A” Preferred Shares to Common Shares, all outstanding foreign-owned Common Shares with a par value of PhP1.00 per share be, as it is hereby, converted to Series “C” Preferred Shares with a par value of PhP1.00, redeemable at the option of the Corporation at PhP1.00 per share;

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

	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAINED</b>
<b>No. of Shares Voted</b>	<b>563,121,885</b>	<b>0</b>	<b>0</b>
<b>% of Shares of Shareholders Present</b>	<b>78.80%</b>	<b>0%</b>	<b>0%</b>

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

**VIII. AMENDMENT OF THE ARTICLES OF INCORPORATION TO RECLASSIFY ALL SERIES “B” PREFERRED SHARES INTO COMMON SHARES**

The next item on the agenda was the proposal to amend the AOI to reclassify all Series “B” Preferred Shares into Common Shares.

The Corporate Secretary presented Management’s proposal to adopt the following resolutions approving the amendment of AOI to reclassify all Series “B” Preferred Shares into Common Shares:

**Resolution No. S-01-2022-006**

**"RESOLVED**, that the Corporation be authorized, as it is hereby authorized, to remove all Series "B" Preferred Shares by reclassification into Common Shares, and that Article Seventh of the Articles of Incorporation be amended accordingly."

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

	FOR	AGAINST	ABSTAINED
<b>No. of Shares Voted</b>	563,121,885	0	0
<b>% of Shares of Shareholders Present</b>	78.80%	0%	0%

**IX. REDEMPTION OF ALL SERIES "C" PREFERRED SHARES WITH REDEMPTION PRICE SET AT ITS PAR VALUE PER SHARE AND PAYABLE IN CASH**

- The next item in the agenda was the approval to redeem all Series "C" Preferred Shares at a redemption price equivalent to its par value of PhP 1.00 per shares, payable in cash.

The Corporate Secretary presented Management's proposal to adopt the following resolutions approving the redemption of all outstanding Series "C" Preferred Shares:

**Resolution No. S-01-2022-007**

**"RESOLVED**, that the Corporation be authorized, as it is hereby authorized, to redeem all Series "C" Preferred Shares with a par value of PhP1.00 per share, at a redemption price equivalent to its par value of PhP1.00 per share, and payable in cash."

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

	FOR	AGAINST	ABSTAINED
<b>No. of Shares Voted</b>	563,121,885	0	0



<b>% of Shares of Shareholders Present</b>	<b>80.41%</b>	<b>0%</b>	<b>0%</b>
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**X. AMENDMENT OF THE ARTICLES OF INCORPORATION TO DELETE ALL PROVISIONS RELATING TO THE PREFERRED SHARES (SERIES "A", "B", AND "C") AFTER THE CONVERSION OF ALL SERIES "A" SHARES, RECLASSIFICATION OF SERIES "B" SHARES, AND REDEMPTION OF SERIES "C" PREFERRED SHARES**

The next item in the agenda was the amendment of the AOI to delete all provisions related to preferred shares (Series "A", Series "B" and Series "C") after the conversion of all Series "A" and Series "B" Preferred Shares to Common Shares and redemption of Series "C" Preferred Shares.

The Corporate Secretary presented Management's proposal to adopt the following resolutions approving the amendment of the AOI to reclassify Series "A" and Series "C" Preferred Shares into Common Shares, and to subsequently delete all provisions relating to Preferred Shares:

**Resolution No. S-01-2022-008**

**"RESOLVED**, that the Corporation be authorized, as it is hereby authorized, to amend its Articles of Incorporation to delete all provisions related to Preferred Shares (Series "A", Series "B" and Series "C") after the conversion of all Series "A" and Series "B" preferred shares to common shares and redemption of Series "C" preferred shares.

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

	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAINED</b>
<b>No. of Shares Voted</b>	<b>563,121,885</b>	<b>0</b>	<b>0</b>
<b>% of Shares of Shareholders Present</b>	<b>78.80%</b>	<b>0%</b>	<b>0%</b>

**XI. AMENDMENT OF THE MEMORANDUM OF AGREEMENT WITH ATTY. HERMOGENE H. REAL AND MS. MICHELLE F. AYANGCO**

**FOR THE ISSUANCE OF ONE BILLION SIX HUNDRED SEVENTY NINE MILLION NINE HUNDRED SIXTY SIX THOUSAND FOUR HUNDRED (1,679,966,400) COMMON SHARES OUT OF THE PROPOSED INCREASE IN AUTHORIZED CAPITAL STOCK IN CONSIDERATION FOR THREE HUNDRED FORTY NINE THOUSAND NINE HUNDRED NINETY THREE (349,993) SHARES OF STOCK IN GOLDEN PEREGRINE HOLDINGS, INC.**

The next item in the agenda was the proposal to amend the Memorandum of Agreement with Atty. Hermogene H. Real and Ms. Michelle F. Ayangco for the issuance of One Billion Six Hundred Seventy Nine Million Nine Hundred Sixty Six Thousand Four Hundred (1,679,966,400) Common Shares out of the proposed increase in authorized capital stock of the Corporation, in consideration for Three Hundred Forty Nine Thousand Nine Hundred Ninety Three (349,993) shares of stock of Golden Peregrine Holdings, Inc. ("GPHI" or "Golden Peregrine").

As explained by the Corporate Secretary, the Corporation previously entered into a Memorandum of Agreement with Hermogene Real and Michelle Ayangco to acquire PCMC. By way of an update, Atty. Real and Ms. Ayangco assigned their respective interests in PCMC to Golden Peregrine. Atty. Real and Ms. Ayangco are also the principal shareholders of Golden Peregrine, which now owns PCMC. In view thereof, the Corporate Secretary stated there is a need to amend the transaction with respect to the target company, which will now be Golden Peregrine. The essence of the transaction will not change as the Company will still be able to acquire PCMC, albeit indirectly, by acquiring the interest of Atty. Real and Ms. Ayangco in Golden Peregrine. The Corporate Secretary added that the transfer of interest to Golden Peregrine by Atty. Real and Ms. Ayangco to Golden Peregrine has been approved by Philippine Congress.

To further update the shareholders, the Corporate Secretary stated that Unicapital, Inc. ("Unicapital") is engaged by the Company to render a fairness opinion and valuation report to determine the fairness of the consideration. He added that while the Company still has to approve the report prepared by Unicapital as of 17 June 2022, the draft report that Unicapital submitted states that the outstanding Common Shares of PCMC may be considered fairly valued at a range of PhP2,775.92 to PhP4,949.15 per share, or equivalent to a market capitalization of Nine Hundred



Seventy One Million Five Hundred Seventy Thousand (PhP 971,570,000.00) to One Billion Seven Hundred Thirty Two Million Two Hundred Thousand (PhP 1,732,200,000.00). Further, Unicapital opines that based on the representations of PCMC's management as to the projected future financial performance of PCMC, the consideration of PhP4,800.00 per PCMC share is fair from a financial point of view as of the execution date of the Memorandum of Agreement between PCMC and PRIM. The draft report of Unicap is subject to review of the Board for finalization.

Thereafter, the Corporate Secretary presented a summary of the valuation based on the different methods employed by Unicap. A copy of the valuation summary as presented is attached herewith as **Annex "B"**.

The Corporate Secretary presented Management's proposal to adopt the following resolutions approving the amendment of the Memorandum of Agreement with Atty. Hermogene H. Real and Ms. Michelle F. Ayangco:

**Resolution No. S-01-2022-009**

**"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 (or the **"Golden Peregrine Shareholders"**) for issuance of One Billion Six Hundred Seventy Nine Million Nine Hundred Sixty Six Thousand Four Hundred (1,679,966,400) Common Shares out of the proposed increase in authorized capital stock of the Corporation, in consideration for Three Hundred Fifty Thousand (350,000) shares of stock of Golden Peregrine."

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

	FOR	AGAINST	ABSTAINED
<b>No. of Shares Voted</b>	563,121,885	0	0
<b>% of Shares of Shareholders Present</b>	80.41%	0%	0%

**XII. AMENDMENT OF THE ARTICLES OF INCORPORATION TO INCREASE THE AUTHORIZED CAPITAL STOCK UP TO SEVEN BILLION PESOS (PHP 7,000,000,000.00)**

The next item in the agenda was the proposal to amend the Articles of Incorporation to increase the authorized capital stock up to Seven Billion Pesos (Php 7,000,000,000.00). The proposed increase was previously approved by the stockholders and the stockholders are requested to refresh such approval.

The Corporate Secretary presented Management's proposal to adopt the following resolutions approving the amendment of the Articles of Incorporation to increase the authorized capital stock up to Seven Billion Pesos (Php 7,000,000,000.00):

**Resolution No. S-01-2022-010**

**"RESOLVED**, that the Corporation be authorized, as it is hereby authorized, to amend the Articles of Incorporation to increase the authorized capital stock up to Seven Billion Pesos (Php 7,000,000,000.00) divided into Seven Billion (7,000,000,000) common shares with a par value of One Peso (PhP1.00) per share, as may be determined by the Board of Directors."

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

	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAINED</b>
<b>No. of Shares Voted</b>	<b>563,121,885</b>	<b>0</b>	<b>0</b>
<b>% of Shares of Shareholders Present</b>	<b>78.80%</b>	<b>0%</b>	<b>0%</b>

The Corporate Secretary then exhibited a summary of the expected sequential changes to the capital structure of the Corporation in light of the approved amendments to the AOI and other corporate actions. A copy of the summary as shown during the meeting is attached herewith as **Annex C**.

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

The next item on the agenda was 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 with regard to the issuance of shares to Atty. Hermogene H. Real and Ms. Michelle Ayangco who are related parties, in order to facilitate the acquisition by the Company of PCMC and implement the increase in authorized capital stock.

The Corporate Secretary then presented Management's proposal to adopt the following resolution approving waiver by the minority stockholders of the rights or public offer requirement under the PSE Additional Listing Rule:

**Resolution No. S-01-2022-011**

**"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 **Hermogene H. Real** and **Michelle Ayangco** to the increase in authorized capital stock."

As noted by the Corporate Secretary, the minority stockholders present or represented at the meeting constitute 3.97% of the total attendance, and all such minority shareholders voted in favor of the waiver. The affirmative votes are sufficient to approve the Resolution.

**XIV. RATIFICATION OF MANAGEMENT'S ACTS AND BOARD OF DIRECTORS**

The next item on the agenda was 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.



The Corporate Secretary then presented Management's proposal to adopt the following resolution approving ratification and approval of corporate acts is flashed on the screen and will be read by Atty. San Juan.

**Resolution No. S-01-2022-012**

**"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."

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

	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAINED</b>
<b>No. of Shares Voted</b>	563,121,885	0	0
<b>% of Shares of Shareholders Present to the Total Outstanding Common/Voting Stock</b>	80.41%	0%	0%

**XV. ELECTION OF DIRECTORS**

The next matter on the agenda was 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. In compliance with SEC requirements, such meritorious justification has been approved by the Corporation's Board of Directors.

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 2022-2023.

He 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. MANOLITO A. MANALO
2. BERNADETH A. LIM
3. HERMOGENE H. REAL
4. MICHELLE F. AYANGCO
5. ROLANDO S. SANTOS

and as Independent Directors:

6. FRANCISCO L. LAYUG
7. 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 563,121,885 shares representing at least 80.41% 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 the duly elected members of the Board of Directors of the Company for the term 2020-2021 to act as such until their successors are duly elected and qualified.

As tabulated, final votes received are as follows:

	FOR	AGAINST	ABSTAINED
<b>No. of Shares Voted</b>	<b>563,121,885</b>	0	0

<b>% of Shares of Shareholders Present to the Total Outstanding Common/Voting Stock</b>	<b>80.41%</b>	<b>0%</b>	<b>0%</b>
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**XVI. APPOINTMENT OF EXTERNAL AUDITOR**

The Chairwoman, Dir. Lim, 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 Dir. Lim, the Chairman of the Audit Committee, Independent Director, Atty. Johnny Y. Aruego, Jr., informed the stockholders that the Audit Committee reviewed the qualifications and performance of the Company's current external auditor, Reyes Tacandong & Company, and endorsed its reappointment for the current year.

The Corporate Secretary presented Management's proposal to adopt the following Resolution, which was shown on the screen, reappointing Reyes Tacandong & Company as the Company's external auditor for the current year:

**Resolution No. S-01-2022-013**

**"RESOLVED**, that the accounting firm of Reyes Tacandong & Company be re-appointed external auditors of the Corporation for the year 2022-2023."

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

	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAINED</b>
<b>No. of Shares Voted</b>	<b>563,121,885</b>	<b>0</b>	<b>0</b>
<b>% of Shares of Shareholders Present to the Total Outstanding Common/Voting Stock</b>	<b>80.41%</b>	<b>0%</b>	<b>0%</b>

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



**XVII. OTHER MATTERS**

The Chairwoman inquired whether any questions were raised 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.

**XVIII. ADJOURNMENT**

There being no other matters on the agenda, the Chairwoman adjourned the meeting.

*Prepared by:*

  
**ATTY. REUBEN CARLO O. GENERAL**  
*Corporate Secretary*

*(Remainder of this page is intentionally left blank;  
Signature page of the Directors follows)*

**ATTESTED BY:**


**Bernadeth A. Lim**  
Vice President / Acting Chairwoman


  
**Rolando S. Santos**  
Director

  
**Hermogene H. Real**  
Director

  
**Francisco L. Layug III**  
Director

  
**Michelle/F. Ayangco**  
Director

  
**Johnny Y. Aruego, Jr.**  
Director



**ANNEX "A"**  
**(VOTING RESULTS)**

AGENDA ITEMS	ACTION			
Item 1. Call to Order	No action necessary.			
Item 2. Proof of Notice and Certification of Quorum	No action necessary.			
	FOR	%	AGAINST	ABSTAIN
Item 3. Approval of the Minutes of the Previous Stockholders' Meeting	563,121,885	80.41%	0	0
Item 4. Approval of the Management Report and Audited Financial Statements for the year ended December 31, 2021	563,121,885	80.41%	0	0
Item 5. Amendment of the Articles of Incorporation to reduce the par value of all Series "A" Preferred Shares from PhP 1.00 To PhP 0.04 per share	563,121,885	78.80%	0	0
Item 6. Approval to convert all Series "A" Preferred Shares into Common Shares at the conversion rate of 25:1	563,121,885	78.80%	0	0
Item 7. Amendment of the AOI to create a new class of Preferred Shares which shall be referred to as Series "C" Preferred Shares subsequent to the Conversion Of All Series "A" Preferred Shares, with said foreign-owned shares approximately numbering Three Hundred Forty Thousand Six Hundred Sixty Four (340,664) based From Records As Of 30 July 2022	563,121,885	78.80%	0	0
Item 8. Amendment of AOI to reclassify all Series "B" Preferred Shares into Common Shares	563,121,885	78.80%	0	0
Item 9. Approval to redeem all Series "C" Preferred Shares with redemption price set at its par value per shares and payable in cash	563,121,885	80.41%	0	0
Item 10. Amendment of the AOI to reclassify Series "A" and Series "C" Shares into Common Shares	563,121,885	78.80%	0	0
Item 11. Approval to amend the Memorandum of Agreement with Atty. Hermogene H. Real And Ms. Michelle F. Ayangco for the issuance of One Billion Six Hundred Seventy Nine Million Nine Hundred Sixty Six Thousand Four Hundred (1,679,966,400) Common Shares out of the proposed increase in Authorized Capital Stock in consideration for Three Hundred Forty Nine Thousand Nine Hundred Ninety Three (349,993) Golden Peregrine Shares	563,121,885	80.41%	0	0
Item 12. Amendment of the Articles of Incorporation to increase the Authorized Capital Stock up to Seven Billion Pesos (Php 7,000,000,000.00)	563,121,885	78.80%	0	0
Item 13. Waiver by the Minority Stockholders of the Rights of Public Offer Requirement under the PSE Additional Listing Rule	22,282,896	100%	0	0
Item 14. Ratification of Management's Acts	563,121,885	80.41%	0	0
Item 15. Election of Directors				
For Regular Director:				
1. MANOLITO A. MANALO	563,121,885	80.41%	0	0
2. MICHELLE F. AYANGCO	563,121,885	80.41%	0	0

3. BERNADETH A. LIM	563,121,885	80.41%	0	0
4. HERMOGENE H. REAL	563,121,885	80.41%	0	0
5. ROLANDO S. SANTOS	563,121,885	80.41%	0	0
For Independent Director:				
10. JOHNNY Y. ARUEGO, JR.	563,121,885	80.41%		
11. FRANCISCO L. LAYUG, III	563,121,885	80.41%	0	0
Item 16. Approval of appointment of Reyes & Tacandong as the Company's external auditor	563,121,885	80.41%	0	0
Item 17. Adjournment			0	0

\* For Item Nos. 5, 6, 7, 8, 10, 12, percentage is based on the total outstanding Common & Preferred Capital Stock of the Company at 714,664,876 shares. For Item Nos. 3, 4, 9, 11, 14, 15 and 16, percentage is based on the total outstanding Common/Voting Capital Stock of the Company at 700,298,616 common shares. For Item No. 13, percentage is based on the outstanding shares held by minority stockholders in attendance or represented during the ASM totaling 22,282,896.

**ANNEX “B”**

**SUMMARY OF PCMC INDICATIVE VALUATION & MARKET CAPITALIZATION**

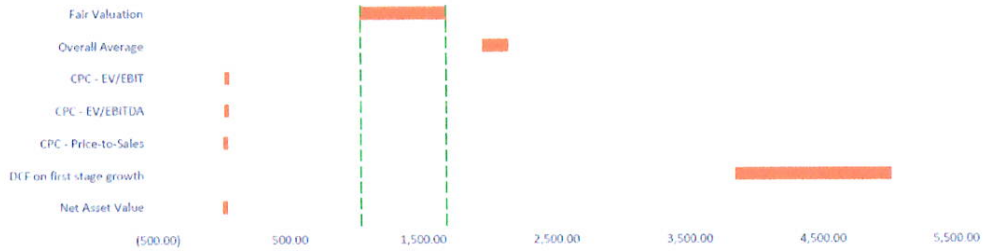
**PCMC Indicative Valuation**

(in PHP Millions, except per share data)

Valuation Method	Market Capitalization		Price per Share	
	Min	Max	Min	Max
Net Asset Value	1.22	1.22	3.49	3.49
DCF on First-stage of growth	3,843.37	5,014.07	10,981.07	14,325.00
CPC - Price-to-Sales	4.20	5.48	11.99	15.66
CPC - EV/EBITDA	12.63	16.50	36.08	47.13
CPC - EV/EBIT	15.98	20.87	45.65	59.63
Overall Average	775.48	1,011.63	2,215.66	2,890.36
<b>Fair Valuation</b>	<b>971.67</b>	<b>1,732.20</b>	<b>2,776.92</b>	<b>4,949.16</b>

**PCMC Indicative Market Capitalization**

(in PHP Millions)





**ANNEX "C"**

**SUMMARY OF EXPECTED SEQUENTIAL CHANGES TO THE CAPITAL STRUCTURE**

	Series B		Series A				Series C			2nd Filing		3rd Filing		
	As of 30 July 2022	Amount	Reclassification of Series B Shares	Amount	Par Down of Series A Preferred Shares (1.00 to 0.04) as to number of shares	Amount (based on par down)	Additional Common Shares to be Issued After Conversion of Series A	After Conversion of All Parred Down Series A Preferred (Par@0.04) to Common (Par@1.00)	Amount	Issuance of Series C Shares	Creation of Series C Shares (Par@1.00) & Conversion of Foreign shares to Series C Preferred (Par@1.00)	Redemption of Series C and Reclassification of Series A and C Shares	Additional Issuance of Common Shares	Increase of Capital (Additional Subscription of Shares not included)
Authorized Capital Stock		5,000,000.00	5,000,000.00	5,000,000.00	5,000,000.00	5,000,000.00	0	5,000,000.00	5,000,000.00	5,000,000.00	5,000,000.00	2,000,000.00	7,000,000.00	7,000,000.00
Common Shares (Authorized)		3,000,000.00	4,000,000.00	4,000,000.00	4,000,000.00	4,000,000.00	0	4,000,000.00	4,000,000.00	3,999,999.99	5,000,000.00	2,000,000.00	7,000,000.00	7,000,000.00
Outstanding Common Stock (TOTAL)		700,238.616	700,238.616	700,238.616	700,238.616	700,238.616	574.861	700,813.477	700,813.477	700,552.633	700,552.633	700,552.633	700,552.633	700,552.633
Outstanding Common Stock - Filipino		689,892.339	689,892.339	689,892.339	689,892.339	689,892.339	570.265	700,552.633	700,552.633	700,552.633	700,552.633	700,552.633	700,552.633	700,552.633
Outstanding Common Stock - Foreign Preferred Shares (Authorized)		338.278	338.278	338.278	338.278	338.278	4.596	340.874	340.874	0	0	0	0	0
Series A Preferred Stock		2,000,000.00	2,000,000.00	2,000,000.00	2,000,000.00	2,000,000.00	0	0	0	0	0	0	0	0
Outstanding Series A Preferred (TOTAL)		1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	0	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
Outstanding Series A Preferred - Filipino		14,258.610	14,258.610	14,258.610	14,258.610	14,258.610	0	0	0	0	0	0	0	0
Outstanding Series A Preferred - Foreign		985.390	985.390	985.390	985.390	985.390	0	0	0	0	0	0	0	0
<b>PPIC</b>														
Series B Preferred Stock		1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Outstanding Series B Preferred (TOTAL)		0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Outstanding Series B Preferred - Filipino		0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Outstanding Series B Preferred - Foreign		0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Series C Preferred Shares		0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Outstanding Series C Preferred - Foreign										340.874				340.874

Note:  
Foreign Shares  
Number of Current Foreign Common  
Number of Current Foreign Preferred to be converted into 25:1  
4,388  
340.874



Securities and Exchange Commission  
 Secretariat Building, PICC Complex  
 Roxas Boulevard, Manila 1307

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

Re: **Report on Attendance of Directors at  
 2022 Board Meetings**

Gentlemen:

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

- The following table summarizes the attendance of the directors of **Prime Media Holdings Inc.** (the "Corporation") in board meetings held by the Corporation during the calendar year 2022.

	Name	Number of Meetings Held During the Year*	Number of Meetings Attended	Percentage
Chairman	Manolito A. Manalo	8	7	87.5%
Board Member	Bernadeth A. Lim	8	8	100%
Board Member	Rolando S. Santos	8	7	87.5%
Board Member	Michelle F. Ayangco	8	8	100%
Board Member	Hermogene H. Real	8	8	100%
Independent Director	Francisco L. Layug III	8	8	100%
Independent Director	Johnny Y. Aruego, Jr.	8	8	100%

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

- The Board of Directors of the Company held its meetings in the year 2022, specifically on the following dates:

Date of Meeting	Nature of Meetings
February 17, 2022	Special Meeting
April 12, 2022	Regular Meeting
May 13, 2022	Special Meeting
June 14, 2022	Special Meeting
August 15, 2022	Regular Meeting
September 23, 2022	Organizational Meeting

October 27, 2022	Special Meeting
December 23, 2022	Special 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%) from all meetings of the Board of Directors, both regular and special, during his incumbency or any twelve (12) month period during 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 September 23, 2022. The Chairman of the Board, President, and all the directors of the Corporation likewise attended the said annual stockholders' meeting of the Corporation on September 23, 2022.

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

Very truly yours,

A black rectangular box with a white 'X' inside, used to redact the signature of the Corporate Secretary.

**Atty. Diane Madelyn C. Ching**  
Corporate Secretary and  
Compliance Officer





**Annex "B"**  
**Meetings of the Board of Directors for the Year 2022**

Name of Directors	02.17.22 SM	04.12.22 RM	05.13.22 SM	06.14.22 SM	08.15.22 RM	09.23.22 OM	10.27.22 SM	12.23.22 SM
Manolito A. Manalo	√	√	√	√	√	X	√	√
Bernadeth A. Lim	√	√	√	√	√	√	√	√
Rolando S. Santos	√	√	√	√	√	X	√	√
Michelle F. Ayangco	√	√	√	√	√	√	√	√
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

1st Filing: That the capital stock of said Corporation is Five Billion Pesos (P5,000,000,000.00), divided into Three Billion Nine Hundred Ninety Nine Million Six Hundred Fifty Nine Thousand Three Hundred Thirty Six (3,999,659,336) Common Shares ), One Billion (1,000,000,000) Series A Preferred Shared with a par value of PhP 0.04 per share and Three Hundred Forty Thousand Six Hundred Sixty Four (340,664) Series "C" Redeemable Preferred Shares with par value of One Peso (PhP 1.00) per share.															2nd Filing		3rd Filing	
		Series B			Series A					Series C								
	As of 30 July 2022	Amount	Reclassification of Series B Shares	Amount	Par Down of Series A Preferred Shares (1.00 to 0.04) as to number of shares	Amount (based on par down)	Additional Common Shares to be issued After Conversion of Series A	After Conversion of All Parred Down Series A Preferred (Par@0.04) to Common(Par@1.00)	Amount	Issuance of Series C Shares	Creation of Series C Shares (Par@1.00) & Conversion of Foreign shares to Series C Preferred (Par@1.00)	Amount	Redemption of Series C and Reclassification of Series A and C Shares	Additional Issuance of Common Shares	Increase of Capital (additional Subscription of Shares not included)	Amount		
Authorized Capital Stock	5,000,000,000.00	5,000,000,000.00	5,000,000,000.00	5,000,000,000.00	5,000,000,000.00	5,000,000,000.00	0	5,000,000,000.00	5,000,000,000.00	0.00	5,000,000,000.00	5,000,000,000.00	5,000,000,000.00	2,000,000,000.00	7,000,000,000.00	7,000,000,000.00		
<b>Common Shares (Authorized)</b>	<b>3,000,000,000</b>	<b>3,000,000,000.00</b>	<b>4,000,000,000.00</b>	<b>4,000,000,000.00</b>	<b>4,000,000,000</b>	<b>4,000,000,000.00</b>	<b>0</b>	<b>4,000,000,000</b>	<b>4,000,000,000.00</b>	<b>0.00</b>	<b>3,999,659,336</b>	<b>3,999,659,336.00</b>	<b>5,000,000,000</b>	<b>2,000,000,000</b>	<b>7,000,000,000</b>	<b>7,000,000,000.00</b>		
Outstanding Common Stock (TOTAL)	700,298,616	700,298,616.00	700,298,616.00	700,298,616.00	700,298,616	700,298,616.00	574,651	700,873,267	700,873,267.00	0.00	700,532,603	700,532,603.00	700,532,603.00		700,532,603	700,532,603.00		
Outstanding Common Stock – Filipino	699,962,338	699,962,338.00	699,962,338.00	699,962,338.00	699,962,338	699,962,338.00	570,265	700,532,603	700,532,603.00	0.00	700,532,603	700,532,603.00	700,532,603.00		700,532,603	700,532,603.00		
Outstanding Common Stock – Foreign	336,278	336,278.00	336,278.00	336,278.00	336,278	336,278.00	4,386	340,664	340,664.00	0.00	0	-	-		-	-		
Preferred Shares (Authorized)	2,000,000,000	2,000,000,000.00	2,000,000,000.00	2,000,000,000.00	2,000,000,000	2,000,000,000.00	0	-	0.00	0.00	0	-	-		-	-		
<b>Series A Preferred Stock</b>	<b>1,000,000,000</b>	<b>1,000,000,000.00</b>	<b>1,000,000,000.00</b>	<b>1,000,000,000.00</b>	<b>1,000,000,000</b>	<b>1,000,000,000.00</b>	<b>0</b>	<b>1,000,000,000</b>	<b>1,000,000,000.00</b>	<b>0.00</b>	<b>1,000,000,000</b>	<b>1,000,000,000.00</b>	-		-	-		
Outstanding Series A Preferred (TOTAL)	14,366,260	14,366,260.00	14,366,260.00	14,366,260.00	14,366,260	574,650.40	0	0	0.00	0.00	0	-	-		-	-		
Outstanding Series A Preferred – Filipino	14,256,610	14,256,610.00	14,256,610.00	14,256,610.00	14,256,610	570,264.40	0	0	0.00	0.00	0	-	-		-	-		
Outstanding Preferred Stock – Foreign	109,650	109,650.00	109,650.00	109,650.00	109,650	4,386.00	0.00	0	0.00	0.00	0	-	-		-	-		
<b>APIC</b>						<b>13,791,609.60</b>												
<b>Series B Preferred Stock</b>	<b>1,000,000,000</b>	<b>1,000,000,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-</b>	<b>0.00</b>	<b>0.00</b>	<b>-</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>							
Outstanding Series B Preferred (TOTAL)	0	0.00	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	-	-		-	-		
Outstanding Series B Preferred – Filipino	0	0.00	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	-	-		-	-		
Outstanding Series B Preferred – Foreign	0	0.00	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	-	-		-	-		
<b>Series C Preferred Shares</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>							
Outstanding Series C Preferred- Foreign	-	-	-	-	-	-	-	-	340,664	340,664	340,664.00							

Note:  
 Foreign Shares  
 Number of Current Foreign Common 336,278  
 Number of Current Foreign Preferred (to be converted into 25:1) 109,650

**Amendment(s)**

Article No.	From	To
1 <sup>st</sup> filing	From	To
<p>Seventh:</p> <p>(a) Amendment of the Articles of Incorporation (AOI) to reduce the par value of all Series A Preferred Shares from Php1.00 to Php0.04 per share.</p> <p>(b) Amendment of the AOI to reclassify all Series B Preferred Shares into Common Shares (Note: No Series B shares has been issued)</p> <p>(c) Amendment of the AOI to create a new class of Redeemable Preferred Shares which shall be referred to as Series C Preferred Shares and to authorize the conversion of the remaining foreign owned shares to Series C Preferred Shares, with said foreign-owned shares approximately numbering Three Hundred Forty Thousand Six</p>	<p>That the capital stock of said Corporation is Five Billion Pesos (P5,000,000,000.00), divided into Three Billion (3,000,000,000) Common Shares with par value of One Peso (P1.00) per share, One Billion (1,000,000,000) Series “A” Preferred Shares and One Billion (1,000,000,000) Series “B” Preferred Shares with par value of One Peso (PhP1.00) per share.</p> <p>The Board of Directors is hereby expressly granted and authorized to adopt resolutions authorizing the establishment, designation and issuance of one or more series for such number of shares and relative rights and preferences as it may deem beneficial to the Corporation. The resolution thus adopted shall be recorded with the Securities and Exchange Commission and the Philippine Stock Exchange, if required, and thereupon deemed and amendment and part of this Articles of Incorporation. The resolution(s) herein authorized to be adopted by the Board of Directors shall specify with respect to a given series, the following:</p> <ul style="list-style-type: none"> <li>a) the number of shares to constitute such series and the distinctive designations thereof;</li> <li>b) the annual dividend rate, if any, on the shares of such series and the cumulation or non-cumulation of dividends, the date of cumulation or accrual, but dividends shall be deemed to be cumulative from date of issue unless otherwise specified in the resolution creating such series;</li> <li>c) the voting rights, if any, of shares of such series but each share of Preferred Stock shall have one vote on all corporate matters unless specified by law or by the Board of Directors with respect to the shares of any series;</li> <li>d) the conditions and restrictions, if any, on the payment of dividends, or on the making of other distributions and purchase, redemption, or other acquisition by the Corporation or any subsidiary, of the Common Stock or of any other class of stock</li> </ul>	<p>That the capital stock of said Corporation is Five Billion Pesos (P5,000,000,000.00), divided into <b><u>Three Billion Nine Hundred Ninety Nine Million Six Hundred Fifty Nine Thousand Three Hundred Thirty Six (3,999,659,336)</u></b> Common Shares, One Billion (1,000,000,000) Series A Preferred Shared with a par value of <b><u>Php 0.04 per share and Three Hundred Forty Thousand Six Hundred Sixty Four (340,664) Series “C” Redeemable Preferred Shares with par value of One Peso (PhP 1.00) per share.</u></b></p> <p>The Board of Directors is hereby expressly granted and authorized to adopt resolutions authorizing the establishment, designation and issuance of one or more series for such number of shares and relative rights and preferences as it may deem beneficial to the Corporation. The resolution thus adopted shall be recorded with the Securities and Exchange Commission and the Philippine Stock Exchange, if required, and thereupon deemed and amendment and part of this Articles of Incorporation. The resolution(s) herein authorized to be adopted by the Board of Directors shall specify with respect to a given series, the following:</p> <ul style="list-style-type: none"> <li>a) the number of shares to constitute such series and the distinctive designations thereof;</li> <li>b) the annual dividend rate, if any, on the shares of such series and the cumulation or non-cumulation of dividends, the date of cumulation or accrual, but dividends shall be deemed to be cumulative from date of issue unless otherwise specified in the resolution creating such series;</li> <li>c) the voting rights, if any, of shares of such series but each share of Preferred Stock shall have one vote on all</li> </ul>

<p>Hundred Sixty Four (340,664) (based from records as of 30 July 2022).</p>	<p>of the Corporation ranking junior to the shares of Preferred Shares as to dividends or upon liquidation;</p> <ul style="list-style-type: none"> <li>e) the amount which shares of such series shall be entitled to receive out the assets of the Corporation available for distribution to its stockholders, whether from capital or earnings, in the event of any liquidation. Dissolution or winding up of the Corporation (which shall not exceed the consideration received therefore plus accrued and unpaid dividends thereon nor be less than the par value thereof);</li> <li>f) the time(s) and price(s) of redemption, if any, of the shares of such series;</li> <li>g) the terms and conditions, if any, on which shares of such series shall be convertible into, or exchangeable for, shares of stock of any other class or classes, or other series of the same class of the Corporation;</li> <li>h) the status as to re-issuance or sale of shares of such series redeemed, purchased or otherwise re-acquired, or surrendered to the Corporation on conversion or exchange;</li> <li>i) the terms and conditions of a retirement or sinking fund, if any, for the purchase or redemption of the shares of such series;</li> <li>j) the conditions and restrictions, if any, on the creation of indebtedness of the Corporation, or any subsidiary, or on the issue of any additional stock ranking on a parity with or prior to the shares of such series to dividends or upon liquidation; and</li> <li>k) such other preferences, rights, restrictions and qualifications as shall not be inconsistent herewith.</li> </ul> <p>All shares of Preferred Stock shall rank equally and be identical in all aspects regardless of series unless otherwise specified by the Board of Directors pursuant to the foregoing provisions of paragraph 1 and if shares of any one series are issued at different times, the subsequently issued shares need not be entitled to receive dividends previously paid on the outstanding shares of such series.</p> <p>The holders of the Preferred Stock shall be entitled to receive out of the net profits or net assets of the Corporation available for dividends, when</p>	<p>corporate matters unless specified by law or by the Board of Directors with respect to the shares of any series;</p> <ul style="list-style-type: none"> <li>d) the conditions and restrictions, if any, on the payment of dividends, or on the making of other distributions and purchase, redemption, or other acquisition by the Corporation or any subsidiary, of the Common Stock or of any other class of stock of the Corporation ranking junior to the shares of Preferred Shares as to dividends or upon liquidation;</li> <li>e) the amount which shares of such series shall be entitled to receive out the assets of the Corporation available for distribution to its stockholders, whether from capital or earnings, in the event of any liquidation. Dissolution or winding up of the Corporation (which shall not exceed the consideration received therefore plus accrued and unpaid dividends thereon nor be less than the par value thereof);</li> <li>f) the time(s) and price(s) of redemption, if any, of the shares of such series;</li> <li>g) the terms and conditions, if any, on which shares of such series shall be convertible into, or exchangeable for, shares of stock of any other class or classes, or other series of the same class of the Corporation;</li> <li>h) the status as to re-issuance or sale of shares of such series redeemed, purchased or otherwise re-acquired, or surrendered to the Corporation on conversion or exchange;</li> <li>i) the terms and conditions of a retirement or sinking fund, if any, for the purchase or redemption of the shares of such series;</li> <li>j) the conditions and restrictions, if any, on the creation of indebtedness of the Corporation, or any subsidiary, or on the issue of any additional stock ranking on a parity with or prior to the shares of such series to dividends or upon liquidation; and</li> </ul>
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and as declared by the Board of Directors, cash dividends at the rate specified for each particular series, and no more, payable quarterly from and on the date or dates specified for each such series, before any dividends shall be declared and paid upon or set apart for the Common Stock. If dividends on the Preferred stock of any series are not paid in full when payable or declared in full and seems set apart for the payment thereof, then no dividends shall be declared and paid on any Preferred stock unless declared paid ratably on all shares of each series of the Preferred stock then outstanding, including dividends accrued or in arrears, if any, in proportion to the respective amounts that would be payable per share if all such dividends were declared and paid in full.

The Preferred Stock shall be preferred over the Common Stock as to assets, and in the event of any liquidation or dissolution or winding up to the Corporation (whether voluntarily or involuntarily), the holders of the then outstanding Preferred Stock shall be entitled to receive out of the assets of the Corporation available for distribution to its stockholders whether from capital, surplus of earnings, the amount specified for each particular series, together with all dividends (whether or not earned) accrued or in arrears, for every share of their holdings of Preferred Stock before any distribution of the net assets shall be made to the holders of the Common Stock, and shall be entitled to no other further distribution. If upon any liquidation, dissolution or winding up the Corporation, the assets distributable among the holders of the Preferred Stock shall be insufficient to permit the payment in full to the holders of the Preferred Stock of all preferred amounts payable to all such holders, then the entire assets of the Corporation thus distributable shall be distributed ratably amount the holders of the Preferred Stock in proportion to the respective amounts that would be payable per share if such assets were sufficient to permit in full

For purposes of the preceding paragraph, neither the consolidation nor merger of the Corporation with or into any other corporation, nor any sale, lease, exchange or conveyance of all or any part of the property, assets or business of the Corporation shall be deemed to be liquidation, dissolution or winding up of the Corporation within the meaning of this

k) such other preferences, rights, restrictions and qualifications as shall not be inconsistent herewith.

All shares of Preferred Stock shall rank equally and be identical in all aspects regardless of series unless otherwise specified by the Board of Directors pursuant to the foregoing provisions of paragraph 1 and if shares of any one series are issued at different times, the subsequently issued shares need not be entitled to receive dividends previously paid on the outstanding shares of such series.

The holders of the Preferred Stock shall be entitled to receive out of the net profits or net assets of the Corporation available for dividends, when and as declared by the Board of Directors, cash dividends at the rate specified for each particular series, and no more, payable quarterly from and on the date or dates specified for each such series, before any dividends shall be declared and paid upon or set apart for the Common Stock. If dividends on the Preferred stock of any series are not paid in full when payable or declared in full and seems set apart for the payment thereof, then no dividends shall be declared and paid on any Preferred stock unless declared paid ratably on all shares of each series of the Preferred stock then outstanding, including dividends accrued or in arrears, if any, in proportion to the respective amounts that would be payable per share if all such dividends were declared and paid in full.

The Preferred Stock shall be preferred over the Common Stock as to assets, and in the event of any liquidation or dissolution or winding up to the Corporation (whether voluntarily or involuntarily), the holders of the then outstanding Preferred Stock shall be entitled to receive out of the assets of the Corporation available for distribution to its stockholders whether from capital, surplus of earnings, the amount specified for each particular series, together with all dividends (whether or not earned) accrued or in arrears, for every share of their holdings of Preferred Stock

Article SEVENTH, unless the Board of Directors of the Corporation elects to treat such transaction as a liquidation, dissolution or winding up of the Corporation subject to the imitations or conditions herein or in the terms of any series as approved by the Board of Directors, the whole or any part of Preferred Stock at any time outstanding, of the whole or any part of any series thereof, may be redeemed by the Corporation at its election, expressed, by resolution of the Board of Directors upon notice to the holders of record of the Preferred Stock to be redeemed, given as hereinafter provided, at the time or times and price or prices specified for each particular series together will all dividends (whether or not earned) accrued or in arrears (hereinafter called the "redemption price"). If less than all of the Preferred Stock then outstanding, or of any series thereof, is to be redeemed, the redemption may be made either by lot or pro rata, in such manner as may be prescribed by resolution of the Board of Directors. A notice of such election shall be mailed by the Corporation, postage, prepaid, not less than 30 nor more than 60 days prior to the date specified in such notice as the redemption date, addresses to the respective holders of record of the Preferred Stock to be redeemed at their respective addresses as the same shall appear on the stock transfer records of the Corporation. Notice having been so given unless default shall be made by the Corporation in providing moneys retire for the payment of the redemption price pursuant to such notice, all dividends on the Preferred Stock thereby called for redemption shall cease to accrue from and after the date of redemption specified in such notice. The notice may specify a date (which may be on or prior to the date of redemption so specified) on which the Corporation shall provide the moneys for the payment of the redemption price by depositing the amount thereof with a bank or trust company to the Corporation.

before any distribution of the net assets shall be made to the holders of the Common Stock, and shall be entitled to no other further distribution. If upon any liquidation, dissolution or winding up the Corporation, the assets distributable among the holders of the Preferred Stock shall be insufficient to permit the payment in full to the holders of the Preferred Stock of all preferred amounts payable to all such holders, then the entire assets of the Corporation thus distributable shall be distributed ratably amount the holders of the Preferred Stock in proportion to the respective amounts that would be payable per share if such assets were sufficient to permit in full

For purposes of the preceding paragraph, neither the consolidation nor merger of the Corporation with or into any other corporation, nor any sale, lease, exchange or conveyance of all or any part of the property, assets or business of the Corporation shall be deemed to be liquidation, dissolution or winding up of the Corporation within the meaning of this Article SEVENTH, unless the Board of Directors of the Corporation elects to treat such transaction as a liquidation, dissolution or winding up of the Corporation subject to the imitations or conditions herein or in the terms of any series as approved by the Board of Directors, the whole or any part of Preferred Stock at any time outstanding, of the whole or any part of any series thereof, may be redeemed by the Corporation at its election, expressed, by resolution of the Board of Directors upon notice to the holders of record of the Preferred Stock to be redeemed, given as hereinafter provided, at the time or times and price or prices specified for each particular series together will all dividends (whether or not earned) accrued or in arrears (hereinafter called the "redemption price"). If less than all of the Preferred Stock then outstanding, or of any series thereof, is to be redeemed, the redemption may be made either by lot or pro rata, in such manner as may be prescribed by resolution of the Board of Directors. A notice of such election shall be mailed by the Corporation, postage, prepaid, not less than 30 nor more than 60 days prior to the date specified in such notice as the

		<p>redemption date, addresses to the respective holders of record of the Preferred Stock to be redeemed at their respective addresses as the same shall appear on the stock transfer records of the Corporation. Notice having been so given unless default shall be made by the Corporation in providing moneys retire for the payment of the redemption price pursuant to such notice, all dividends on the Preferred Stock thereby called for redemption shall cease to accrue from and after the date of redemption specified in such notice. The notice may specify a date (which may be on or prior to the date of redemption so specified) on which the Corporation shall provide the moneys for the payment of the redemption price by depositing the amount thereof with a bank or trust company to the Corporation.</p>
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2 <sup>nd</sup> Filing		
<p>Seventh: Amendment of the Articles of Incorporation to Reclassify Series A and Series C Redeemable Preferred Shares into Common Shares as well as deletion of all provisions relating to the Preferred Shares.</p> <p>Amendment of the Articles of Incorporation to increase the authorized capital stock from Five Billion Pesos (PhP 5,000,000,000.00) to Seven Billion Pesos (PhP 7,000,000,000.00) with a par value of PhP 1.00</p>	<p>That the capital stock of said Corporation is Five Billion Pesos (P5,000,000,000.00), divided into Three Billion Nine Hundred Ninety Nine Million Six Hundred Fifty Nine Thousand Three Hundred Thirty Six (3,999,659,336) Common Shares ), One Billion (1,000,000,000) Series A Preferred Shared with a par value of PhP 0.04 per share and Three Hundred Forty Thousand Six Hundred Sixty Four (340,664) Series “C” Redeemable Preferred Shares with par value of One Peso (PhP 1.00) per share.</p> <p>The Board of Directors is hereby expressly granted and authorized to adopt resolutions authorizing the establishment, designation and issuance of one or more series for such number of shares and relative rights and preferences as it may deem beneficial to the Corporation. The resolution thus adopted shall be recorded with the Securities and Exchange Commission and the Philippine Stock Exchange, if required, and thereupon deemed and amendment and part of this Articles of Incorporation. The resolution(s) herein authorized to be adopted by the Board of Directors shall specify with respect to a given series, the following:</p> <ul style="list-style-type: none"> <li>a) the number of shares to constitute such series and the distinctive designations thereof;</li> <li>b) the annual dividend rate, if any, on the shares of such series and the cumulation or non-cumulation of dividends, the date of cumulation or accrual, but dividends shall</li> </ul>	<p>That the capital stock of said Corporation is <b><u>Seven Billion Pesos (PhP 7,000,000,000.00)</u></b> divided into <b><u>Seven Billion (7,000,000.00) common shares</u></b> with a par value of One Peso (PhP 1.00) per share.</p>

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	<p>be deemed to be cumulative from date of issue unless otherwise specified in the resolution creating such series;</p> <ul style="list-style-type: none"><li>c) the voting rights, if any, of shares of such series but each share of Preferred Stock shall have one vote on all corporate matters unless specified by law or by the Board of Directors with respect to the shares of any series;</li><li>d) the conditions and restrictions, if any, on the payment of dividends, or on the making of other distributions and purchase, redemption, or other acquisition by the Corporation or any subsidiary, of the Common Stock or of any other class of stock of the Corporation ranking junior to the shares of Preferred Shares as to dividends or upon liquidation;</li><li>e) the amount which shares of such series shall be entitled to receive out the assets of the Corporation available for distribution to its stockholders, whether from capital or earnings, in the event of any liquidation. Dissolution or winding up of the Corporation (which shall not exceed the consideration received therefore plus accrued and unpaid dividends thereon nor be less than the par value thereof);</li><li>f) the time(s) and price(s) of redemption, if any, of the shares of such series;</li><li>g) the terms and conditions, if any, on which shares of such series shall be convertible into, or exchangeable for, shares of stock of any other class or classes, or other series of the same class of the Corporation;</li><li>h) the status as to re-issuance or sale of shares of such series redeemed, purchased or otherwise re-acquired, or surrendered to the Corporation on conversion or exchange;</li><li>i) the terms and conditions of a retirement or sinking fund, if any, for the purchase or redemption of the shares of such series;</li><li>j) the conditions and restrictions, if any, on the creation of indebtedness of the Corporation, or any subsidiary, or on the issue of any additional stock ranking on a parity with or prior to the shares of such series to dividends or upon liquidation; and</li><li>k) such other preferences, rights, restrictions and qualifications as shall not be inconsistent herewith.</li></ul> <p>All shares of Preferred Stock shall rank equally and be identical in all aspects regardless of series unless otherwise specified by the Board of Directors pursuant to the foregoing provisions of paragraph 1 and if shares of any one series are issued at different times, the subsequently issued shares need not be entitled to receive dividends previously paid on the outstanding shares of such series.</p>	
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The holders of the Preferred Stock shall be entitled to receive out of the net profits or net assets of the Corporation available for dividends, when and as declared by the Board of Directors, cash dividends at the rate specified for each particular series, and no more, payable quarterly from and on the date or dates specified for each such series, before any dividends shall be declared and paid upon or set apart for the Common Stock. If dividends on the Preferred stock of any series are not paid in full when payable or declared in full and seems set apart for the payment thereof, then no dividends shall be declared and paid on any Preferred stock unless declared paid ratably on all shares of each series of the Preferred stock then outstanding, including dividends accrued or in arrears, if any, in proportion to the respective amounts that would be payable per share if all such dividends were declared and paid in full.

The Preferred Stock shall be preferred over the Common Stock as to assets, and in the event of any liquidation or dissolution or winding up to the Corporation (whether voluntarily or involuntarily), the holders of the then outstanding Preferred Stock shall be entitled to receive out of the assets of the Corporation available for distribution to its stockholders whether from capital, surplus of earnings, the amount specified for each particular series, together with all dividends (whether or not earned) accrued or in arrears, for every share of their holdings of Preferred Stock before any distribution of the net assets shall be made to the holders of the Common Stock, and shall be entitled to no other further distribution. If upon any liquidation, dissolution or winding up the Corporation, the assets distributable among the holders of the Preferred Stock shall be insufficient to permit the payment in full to the holders of the Preferred Stock of all preferred amounts payable to all such holders, then the entire assets of the Corporation thus distributable shall be distributed ratably among the holders of the Preferred Stock in proportion to the respective amounts that would be payable per share if such assets were sufficient to permit in full

For purposes of the preceding paragraph, neither the consolidation nor merger of the Corporation with or into any other corporation, nor any sale, lease, exchange or conveyance of all or any part of the property, assets or business of the Corporation shall be deemed to be liquidation, dissolution or winding up of the Corporation within the meaning of this Article SEVENTH, unless the Board of Directors of the Corporation elects to treat such transaction as a liquidation, dissolution or winding up of the Corporation subject to the imitations or conditions herein or in the terms of any series as approved by the Board of Directors, the whole or any part of Preferred Stock at any time

	<p>outstanding, of the whole or any part of any series thereof, may be redeemed by the Corporation at its election, expressed, by resolution of the Board of Directors upon notice to the holders of record of the Preferred Stock to be redeemed, given as hereinafter provided, at the time or times and price or prices specified for each particular series together will all dividends (whether or not earned) accrued or in arrears (hereinafter called the "redemption price"). If less than all of the Preferred Stock then outstanding, or of any series thereof, is to be redeemed, the redemption may be made either by lot or pro rata, in such manner as may be prescribed by resolution of the Board of Directors. A notice of such election shall be mailed by the Corporation, postage, prepaid, not less than 30 nor more than 60 days prior to the date specified in such notice as the redemption date, addresses to the respective holders of record of the Preferred Stock to be redeemed at their respective addresses as the same shall appear on the stock transfer records of the Corporation. Notice having been so given unless default shall be made by the Corporation in providing moneys retire for the payment of the redemption price pursuant to such notice, all dividends on the Preferred Stock thereby called for redemption shall cease to accrue from and after the date of redemption specified in such notice. The notice may specify a date (which may be on or prior to the date of redemption so specified) on which the Corporation shall provide the moneys for the payment of the redemption price by depositing the amount thereof with a bank or trust company to the Corporation</p>	
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All the proposed amendments (approved by the Board of Directors) will be submitted to the stockholders of the Corporation in the proposed annual stockholders meeting for the year 2022. While there are several amendments to the Articles of Incorporation of the Corporation are being submitted to the stockholders for approval, the applications with the SEC for the proposed amendments will not be applied and submitted all at once. As the process will have to be done in succession as will be discussed below. Submitting all the proposed amendments in one (1) stockholders' meeting is the most cost and time-efficient means of achieving the Objective.

In case shareholders' approval are obtained for all the proposed amendments as discussed above, the Corporation will file the corresponding applications simultaneously to the extent possible. The Corporation expects there will be at least three (3) batches of applications to amend the Articles of Incorporation to be filed with the SEC in successive order as detailed in the above table.

The first application shall cover the reduction of the Par value of Series A Preferred Shares (as discussed above), the conversion of Series B Preferred Shares to Common shares and creation of Series C Preferred Shares. The Second Application shall cover the reclassification of series A preferred shares to common shares and the redemption of Series C Preferred Shares. While the third application is to increase the authorized capital stock of the Corporation to Seven Billion Pesos (PhP 7,000,000,000.00) and the deletion of all provisions related to the preferred shares.

Series A and Series B Preferred Shares are being converted to common share to implement the plan of the Corporation to simplify the structure of the Company by limiting it to one class of share. Note that there are still existing common shares held by foreign stockholders which the Corporation is no longer in the position to enter into a voluntary purchase to achieve full Filipino ownership. In this regard, covering them to redeemable shares is the most efficient means of achieving this purpose. This entails the creation of a new series of Preferred Shares, namely Series C Preferred Shares, solely for this purpose. It is only after the creation that the Company may proceed with conversion and redemption of shares to ensure full Filipino ownership. The Series C Preferred Shares is proposed to be created to enable the Corporation to acquire foreign-owned shares which it currently has no efficient means to undertake. This mode of acquiring foreign owned common shares through conversion to a preferred shares to be redeemed thereafter, has been discussed with the Securities and Exchange Commission and we are in the final process of securing a formal confirmation.

In line with the intention of simplifying the corporate structure of the Corporation, all provisions relating to preferred shares shall be deleted. This notwithstanding, there is expected to remain retired Series C Preferred Shares which shall remain in the books of the Corporation, pending filing and securing the necessary approvals and amendments to remove the same from the books of the Corporation. With the deletion of the provisions on preferred shares, the rules that will govern the treasury shares (retired Series C Preferred Shares) shall be what is provided under the law and those decided by the Board of Directors to the extent allowed by law.

The deletion of pertinent provisions relating to the Preferred Shares is in line with the cleaning-up efforts of management to remove liabilities arising out of its previous banking operations. With the removal of the preferred shares, all present and future shareholders of the Company will have equal rights and footing. Finally, the increase in capital of the Corporation is in line with the plan of the Corporation to issue shares [out of the increase in capital totaling One Billion Six Hundred Seventy Nine Million Nine Hundred Sixty Six Thousand Four Hundred (1,679,966,400) Common Shares] to Atty. Hermogene H. Real and Ms. Michelle F. Ayangco in exchange for **Three Hundred Fifty Thousand (350,000)** shares of stock of shares in Golden Peregrine Holdings Inc. This is relation to the proposed agreement between the Corporation and Golden Peregrine Shareholders to infuse GPHI to the Corporation in exchange for shares of the Corporation as detailed in disclosure number C06719-2022 dated 2 September 2022, disclosure number C06582-2002 and disclosure number C06584-2022 both dated 26 August 2022, disclosure number C05221-2021 dated 02 August 2021, disclosure number C05411-2021 dated 06 August 2021, disclosure number C05154-2021 dated 29 July 2021, and disclosure number C05137-2021 dated 29 July 2021.

## ANNEX A

### **Procedure for Registration, Participation and Voting in the 2023 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 **05 December 2023** at 2:00 PM, virtually via remote communication.

Only Stockholders of record as of **07 November 2023** are entitled to participate and vote in the 2023 ASM.

#### **I. Registration and Participation/Attendance Procedure:**

1. Stockholders who intend to participate in the virtual ASM may register at <https://conveneagm.com/ph/prime2023> with 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 2023 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 2023 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 the portal <https://conveneagm.com/ph/prime2023>, the stockholder will receive an email confirmation and a unique link which can be used to log in and view the 2023 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 2023 ASM, please see section on Voting Procedure below.
5. For the Question and Answer portion during the 2023 ASM, stockholders may send their questions related to the agenda at <https://conveneagm.com/ph/prime2023>. Due to limitations on technology and time, not all questions may be responded to during the 2023 ASM but the Company will endeavor to respond to all the questions through email.
6. The proceedings during the 2023 ASM will be recorded as required by the Securities and Exchange Commission.
7. Stockholders intending to participate by remote communication in the 2023 ASM are required to pre-register not later than **25 November 2023**.
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](http://www.primemediaholdingsinc.com) and through PSE Edge.

## II. Voting Procedure:

Stockholders may vote during the 2023 ASM by Proxy.

1. Voting by Proxy:

- a. Download and fill up the Proxy Form at <https://conveneagm.com/ph/prime2023>. 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 to [mdc.prim@gmail.com](mailto:mdc.prim@gmail.com)
- c. The scanned copy of the executed Proxy Form should be emailed to the above not later than **25 November 2023**.
- d. The hard copy of the signed Proxy Form should be delivered to:

The Corporate Secretary, Prime Media Holdings, Inc.



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

- Email at [dcc.chinglaw@gmail.com](mailto:dcc.chinglaw@gmail.com); or
- Telephone number at 8831-4479; or
- Our stock transfer agent, Stock Transfer Service, Inc. (STSI), through
  - ✓ Richard Regala at [REDACTED] or
  - ✓ Jomar M. Lucinario at [REDACTED] or
  - ✓ STSI's telephone number at 8403-2410 or 8403-2412

## CERTIFICATION OF INDEPENDENT DIRECTOR

I, **Francisco L. Layug, III**, Filipino, of legal age and a [REDACTED] after having been duly sworn to in accordance with law do hereby declare that:

1. I am elected for Independent Director of **PRIME MEDIA HOLDINGS INC. ("PRIM")** and have been its independent director since December 2017 (where applicable).
2. I am affiliated with the following companies or organizations (including Government Owned and Controlled Corporations):

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, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any director, officer, or substantial shareholder of the Company, any of its related companies, or any of its substantial shareholders provided under Rule 38.2.3 of the Securities Regulation Code.

NAME OF DIRECTOR/OFFICER/SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
NA	NA	NA

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

OFFENSE CHARGED/INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
NA	NA	NA


6. I am not employed with any government agency.



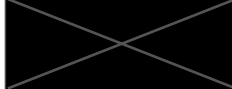




7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of any changes in the above mentioned information within five days from its occurrence.

Done, this OCT 25 2023 day of \_\_\_\_\_ at MAKATI CITY

  
**FRANCISCO L. LAYUG, III**  
Affiant

SUBSCRIBED AND SWORN to before me this OCT 25 2023 day of \_\_\_\_\_ at MAKATI CITY affiant personally appeared before me and exhibited to me his Tax Identification Number 

Doc. No. 288 ;  
Page No. 52 ;  
Book No. II ;  
Series of 2023.

  
**KENNETH PETER D. MOLAVE**  
Notary Public for Makati City  
Appt. No. M  valid until 31 Dec. 2024  
Roll of Atty. No. 70029  
MCLE Compliance No.  04/12/2022  
IBP Membership No.  01/09/2023  
PTR No.  01/06/2023  


## CERTIFICATION OF INDEPENDENT DIRECTOR

I, **JOHNNY Y. ARUEGO, JR.**, Filipino, of legal age and a resident of [REDACTED] after having been duly sworn to in accordance with law, do hereby declare that:

1. I am elected for Independent Director of **PRIME MEDIA HOLDINGS, INC.** and have been an independent director since May 2013.

2. I am affiliated with the following companies or organizations (including Government Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
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
PET Plans, Inc.	Corporate Secretary and Legal Counsel	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 **PRIME MEDIA HOLDINGS, INC.**, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other Securities and Exchange Commission (SEC) issuances.

4. I am not in any way related to any director, officer and/or substantial shareholder of **PRIME MEDIA HOLDINGS, INC.** and its subsidiaries and affiliates.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I am not employed 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 **PRIME MEDIA HOLDINGS, INC.** of any changes in the abovementioned information within five (5) days from its occurrence.

Done this OCT 25 day of October 2023, at Makati City.

[REDACTED]  
**JOHNNY Y. ARUEGO, JR.**  
*Affiant*

SUBSCRIBED AND SWORN to before me this OCT 25 2023 day of October 2023 at Makati City, affiant personally appeared before me and exhibited to me his Driver's License No. [REDACTED] expiring on 03 February 2024.

[REDACTED]  
**KENNETH PETER D. MOLAVE**  
Notary Public for Makati City  
Appt. No. M- [REDACTED] valid until 31 Dec. 2024  
Roll of Atty. No. [REDACTED] 12/2022  
MCLE Compliance No. VII [REDACTED] 1/09/2023  
IBP Membership No. [REDACTED] 01/06/2023  
PTR No. [REDACTED]

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Page No. 5  
Book No. 4  
Series of 2023.

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

**SECRETARY'S CERTIFICATE**

I, **DIANE MADELYN C. CHING**, of legal age, Filipino, with office address at [REDACTED]

[REDACTED] 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.** ("PRIM" or the "Corporation"), a corporation duly organized and existing under the laws of the Philippines, with principal office address at 16<sup>th</sup> 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 NOV 03 2023 2023 at Makati City.

[REDACTED]  
**DIANE MADELYN C. CHING**  
*Corporate Secretary*

SUBSCRIBED AND SWORN to before me this NOV 03 2023 2022 in Makati City, affiant exhibited to me her IBP Roll of Attorneys No. [REDACTED]

**NOTARY PUBLIC**  
[REDACTED]  
**KENNETH PETER D. MOLAVE**  
Notary Public for Makati City  
Appt. No. M-[REDACTED] lid until 31 Dec. 2024  
Roll of Atty. No. [REDACTED]  
MCLE Compliance No. VII [REDACTED] 04/12/2022  
IBP Membership No. [REDACTED] 10/09/2023  
RTR No. MICT [REDACTED] 01/06/2023  
[REDACTED]

Doc. No.: 207  
Page No.: 53  
Book No.: 11  
Series of 2023.

# COVER SHEET

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SEC Registration Number

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(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
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D	E		R	O	X	A	S		M	A	K	A	T	I		C	I	T	Y													

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

<b>Rolando S. Santos</b>
--------------------------

(Contact Person)

<b>(02) 8831-4479</b>
-----------------------

(Company Telephone Number)

1	2	3	1
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Month Day  
(Calendar Year)

1	7	-	Q
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(Form Type)

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Month Day  
(Annual Meeting)

<b>N/A</b>
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Secondary License Type, If Applicable)

<b>Finance Department</b>
---------------------------

Dept. Requiring this Doc.

<b>September 30, 2023</b>
---------------------------

Period Ending Date

Total Amount of Borrowings

<b>1,588</b>
--------------

Total No. of Stockholders

<b>N/A</b>
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Domestic

<b>N/A</b>
------------

Foreign

To be accomplished by SEC Personnel concerned

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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: **September 30, 2023**
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:  
  
**16<sup>th</sup> Floor BDO Towers Paseo (formerly Citibank Tower), 8741 Paseo de Roxas, Makati City 1227**
8. Registrant's telephone number, including area code: **(63 2) 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)	1,105,298,616 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 3rd quarter period ended September 30, 2023, with comparative figures for the corresponding periods in 2022 and audited financial statements as of December 31, 2022, 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 September 30, 2023 and December 31, 2022 and Results of Operation for the Three Months and Nine Months Ended September 30, 2023 and September 30, 2022

##### STATEMENT OF COMPREHENSIVE INCOME

#### Three months ended September 30, 2023 compared with three months ended September 30, 2022

##### Income

The Corporation's income for the current period increased by ₱21.45 million or 491,680.54% compared with the same period last year. This is mainly due to collections arising from settlement of cases.

##### Expenses

Total expenses during the period amounted to ₱9.65 million, which is higher by ₱8.44 million compared with the same period last year. This represents an increase of 693.78% compared with same period last year. The significant increase was mainly accounted for by the following:

- **Professional Fees** increased by ₱1.14 million or 324.33%, primarily due to payment of professional services for the Corporation's cases.
- **Outside Services** increased by ₱1.13 million or 219.47%, primarily due to payment of outsourced services related to joint venture entered by the Corporation.
- **Taxes and licenses** for the period amounting to ₱4.37 million is higher by ₱4.31 million or 7,034.26% compared with the same period last year which is mainly due to payment of documentary stamp tax from issuance of common shares during the period.

#### Nine months ended September 30, 2023 compared with nine months ended September 30, 2022

##### Income

The Corporation's income for the current period in the amount of ₱21.46 million increased by ₱21.45 million or 351,238.44% compared with the same period last year. This is mainly due to collections arising from settlement of cases.

##### Expenses

Total expenses during the period amounted to ₱16.56 million, higher by ₱12.84 million compared with the same period last year. This represents an increase of 344.99% compared with same period last year. The significant increase was mainly accounted for by the following:

- **Professional Fees** increased by ₱3.73 million or 260.00%, primarily due to payment of professional services for the Corporation's cases.



- **Outside Services** increased by ₱3.02 million or 356.59%, primarily due to payment of outsourced services related to joint venture entered by the Corporation.
- **Taxes and licenses** for the period amounting to ₱4.46 million is higher by ₱4.31 million or 2,836.66% compared with the same period last year which is mainly due to payment of documentary stamp tax from issuance of common shares during the period.

## STATEMENT OF FINANCIAL POSITION

### Assets

The total assets of the Corporation increased by ₱407.85 million from ₱45.46 million as of December 31, 2022 to ₱453.31 million as of September 30, 2023. The 897.15% increase was mainly due to the following:

- **Cash** increased by ₱15.60 million or 46.10% from ₱33.84 million in 2022 to ₱49.44 million in 2023, mainly due to investors' subscription to common shares of stock in the Corporation.
- **Receivables** increased by ₱373.15 million or 144,518.04% compared with last year is primarily due to loan by Philippine CollectiveMedia Corporation (PCMC) for payment of liabilities, acquisition of equipment, operations, and expansion of its business.
- **Investment in a joint venture** amounting to ₱20.40 million during the period.

The above increases were partly offset by the following:

- **Due from related parties** decreased by ₱1.90 million or 81.83% from ₱2.32 million in 2022 to ₱0.42 million in 2023 due to collections of advances to related parties.
- **Property and equipment** decreased by ₱0.10 million or 16.07% from ₱0.64 million in 2022 to ₱0.53 million in 2023 due to depreciation recognized during the period.

### Liabilities

The total liabilities of the Corporation decreased by ₱2.05 million or 1.05% from ₱195.27 million in 2022 to ₱193.22 million in 2023. The 1.05% decrease was due to the following:

- **Accrued Expenses and Other Current Liabilities** decreased by ₱1.41 million or 0.78% from ₱180.75 million in 2022 to ₱179.34 million in 2023, due to the payments of expenses incurred last year.
- **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.

### Equity

The stockholders' equity of the Corporation increased by ₱409.90 million or 273.62% from ₱149.81 million deficit in 2022 to ₱260.09 million equity as of September 30, 2023 mainly due to issuance of common shares of stock amounting to ₱405.00 million during the period.

## STATEMENT OF CASH FLOWS

### Three months ended September 30, 2023 compared with three months ended September 30, 2022

Cash used in operating activities increased by ₱391.50 million or 1,217.19% compared with the same period last year is mainly due to loan by PCMC for payment of liabilities, acquisition of equipment, operations, and expansion of business.

Cash used in investing activities increased by ₱20.62 million or 9,173.28% compared with the same period last year is mainly due to joint venture entered by the Corporation amounted to ₱20.40 million.

Cash provided by financing activity amounted to ₱405.00 million pertains to investors' subscription of shares of common stock in the Corporation.

### Nine months ended September 30, 2023 compared with nine months ended September 30, 2022

Cash used in operating activities increased by ₱396.89 million or 1,423.10% compared with the same period last year is mainly due to loan by PCMC for payment of liabilities, acquisition of equipment, operations, and expansion of business.

Cash used in investing activities increased by ₱20.62 million or 9,173.28% compared with the same period last year is mainly due to joint venture entered by the Corporation amounted to ₱20.40 million.

Cash provided by financing activity amounted to ₱405.00 million pertains to investors' subscription of shares of stock in the Corporation.

## Item 2 - Financial Statements

The unaudited Financial Statement of Prime Media Holdings, Inc. as of September 30, 2023, and for the three months and nine months ended September 30, 2023 with comparative audited figures as of December 31, 2022 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	
	Sept. 30, 2023 (Unaudited)	Dec. 31, 2022 (Audited)	Change	% Change	2023	2022
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash	₱ 49,437,628	₱ 33,839,166	₱ 15,598,462	46.10%	10.91%	74.44%
Receivables	373,403,780	258,200	373,145,580	14,518.04%	82.37%	0.57%
Due from related parties	420,992	2,317,555	(1,896,563)	(81.83%)	0.09%	5.10%
Other current assets	5,815,298	5,109,828	705,470	13.81%	1.28%	11.24%
Total Current Assets	₱ 429,077,698	₱ 41,524,749	₱ 387,552,949	933.31%	94.65%	91.34%
<b>Non-current Assets</b>						
Investment in a joint venture	₱ 20,400,000	₱ -	₱ 20,400,000	100.00%	4.50%	0.00%
Investment in a club share	3,300,000	3,300,000	-	0.00%	0.73%	7.26%
Property and equipment	533,857	636,063	(102,206)	(16.07%)	0.12%	1.40%
Total Noncurrent Assets	₱ 24,233,857	₱ 3,936,063	₱ 20,297,794	515.69%	5.35%	8.66%
	₱ 453,311,555	₱ 45,460,812	₱ 407,850,743	897.15%	100.0%	100.0%
<b>LIABILITIES AND EQUITY</b>						
<b>Current Liabilities</b>						
Accrued expenses and other current liabilities	₱ 179,339,272	₱ 180,749,347	₱ (1,410,075)	(0.78%)	39.56%	397.59%
Due to a related party	13,880,000	14,516,744	(636,744)	(4.59%)	3.06%	31.93%
Total Current Liabilities	₱ 193,219,272	₱ 195,266,091	₱ (2,046,819)	(1.05%)	42.62%	429.53%
<b>Equity</b>						
Capital stock	₱ 1,119,664,876	₱ 714,664,876	₱ 405,000,000	56.67%	247.00%	1,572.05%
Deficit	(862,672,593)	(867,570,155)	4,897,562	0.56%	(190.30%)	1,908.39%
Other comprehensive income	3,100,000	3,100,000	-	0.00%	0.68%	6.82%
Total Equity	₱ 260,092,283	₱ (149,805,279)	₱ 409,897,562	273.62%	57.38%	(329.53%)
	₱ 453,311,555	₱ 45,460,812	₱ 407,850,743	897.15%	100.0%	100.0%

: Three Months Ended September 30				
	2023 (Unaudited)	2022 (Unaudited)	Increase (Decrease)	%Change
<b>INCOME</b>	₱ 21,451,467	₱ 4,362	₱ 21,447,105	491,680.54%
<b>EXPENSES</b>	(9,652,691)	(1,216,035)	8,436,656	693.78%
<b>INCOME (LOSS) BEFORE INCOME TAX</b>	₱ 11,798,776	₱ (1,211,673)	₱ 13,010,449	1,073.76%
<b>PROVISION FOR INCOME TAX</b>	-	-	-	-
<b>NET INCOME (LOSS)</b>	₱ 11,798,776	₱ (1,211,673)	₱ 13,010,449	1,073.76%
<b>OTHER COMPREHENSIVE INCOME</b>	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>	₱ 11,798,776	₱ (1,211,673)	₱ 13,010,449	1,073.76%

**ie Nine Months Ended September 30**

	2023 (Unaudited)	2022 (Unaudited)	Increase (Decrease)	%Change
<b>INCOME</b>	₱ 21,459,752	₱ 6,108	₱ 21,453,644	351,238.44%
<b>EXPENSES</b>	(16,562,190)	(3,721,933)	12,840,257	344.99%
<b>INCOME (LOSS) BEFORE INCOME TAX</b>	₱ 4,897,562	₱ (3,715,825)	₱ 8,613,387	231.80%
<b>PROVISION FOR INCOME TAX</b>	-	-	-	-
<b>NET INCOME (LOSS)</b>	₱ 4,897,562	₱ (3,715,825)	₱ 8,613,387	231.80%
<b>OTHER COMPREHENSIVE INCOME</b>	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>	₱ 4,897,562	₱ (3,715,825)	₱ 8,613,387	231.80%

**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. The Company shall issue 125,000,000 common shares in favor of Valiant Consolidated Resources Inc. (formerly Angel Maple Properties Inc.) and 25,000,000 common shares in favor of Cymac Holdings Corporation which will be applied for listing with the Philippine Stock Exchange.
- 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:

	September 30, 2023	September 30, 2022
Net Income (Loss)	₱4,897,562	(₱3,715,825)
Quick assets	49,675,560	41,004,627
Current assets	429,077,698	42,913,314
Total assets	453,311,555	44,675,095
Current liabilities	193,219,272	193,540,822
Total liabilities	193,219,272	193,540,822
Stockholders' Equity	260,092,283	(148,865,727)
Preferred stock	14,366,260	14,366,260
Number of common shares outstanding	1,105,298,616	700,298,616
Number of preferred shares outstanding	14,366,260	14,366,260

	September 30, 2023	September 30, 2022
Liquidity ratios:		
Current ratio <sup>(1)</sup>	2.22:1	0.22:1
Quick ratio <sup>(2)</sup>	0.26:1	0.21:1
Solvency Ratios:		
Debt ratio <sup>(3)</sup>	0.43:1	4.33:1
Debt to Equity ratio <sup>(4)</sup>	0.74:1	(1.30):1
Profitability ratios:		
Earnings (Loss) per share <sup>(5)</sup>	0.004:1	(0.008):1
Book value per share <sup>(6)</sup>	0.22:1	(0.23):1

Notes:

1. Current Assets / Current Liabilities
2. Quick Assets / Current Liabilities
3. Total Liabilities / Total Assets
4. Total Liabilities / Shareholders' Equity
5. Net Income (Loss) – Preferred Dividends / Common Shares Outstanding
6. Stockholders' 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 = 2.22:1

b. Quick Ratio

Quick asset / Total Current Liabilities = 0.26:1

### Solvency Ratio

a. Debt Ratio

Total liabilities / Total assets = 0.43:1

b. Debt to Equity Ratio

Total liabilities / Shareholder's Equity = 0.74:1

### Profitability Ratio

a. Return on Equity Ratio

Net Income (Loss) / Average shareholder's equity = 0.09:1

b. Return on Assets

Net Income (Loss)/ Average Total assets = 0.02:1

c. Asset to Equity Ratio:

Total Assets / Stockholders' Equity = 1.74:1


d. Asset Turnover:

Revenue/Total Assets = 0.05

## 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: **November 9, 2023**

Signature and Title:   
**DALE A. TONGCO**  
Risk Management Officer

Date: **November 9, 2023**



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

**STATEMENTS OF FINANCIAL POSITION**

	Note	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash	4	₱49,437,628	₱33,839,166
Receivables	5	373,403,780	258,200
Due from related parties	12	420,992	2,317,555
Other current assets	6	5,815,298	5,109,828
Total Current Assets		429,077,698	41,524,749
<b>Noncurrent Assets</b>			
Investment in a joint venture		20,400,000	–
Investment in a club share	7	3,300,000	3,300,000
Property and equipment	8	533,857	636,063
Total Noncurrent Assets		24,233,857	3,936,063
		₱453,311,555	₱45,460,812
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Accrued expenses and other current liabilities	9	₱179,339,272	₱180,749,347
Due to related parties	12	13,880,000	14,516,744
Total Current Liabilities		193,219,272	195,266,091
<b>EQUITY</b>			
Capital stock	10	1,119,664,876	714,664,876
Deficit		(862,672,593)	(867,570,155)
Cumulative fair value changes on investment in a club share	7	3,100,000	3,100,000
Total Equity		260,092,283	(149,805,279)
		₱453,311,555	₱45,460,812

See accompanying Notes to Financial Statements.

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

**STATEMENTS OF COMPREHENSIVE INCOME**

		<b>Three Months Ended September 30</b>	
	Note	<b>2023</b>	2022
<b>INCOME</b>			
Other income		<b>₱21,440,000</b>	₱–
Interest income	4	<b>11,467</b>	4,362
		<b>21,451,467</b>	4,362
<b>EXPENSES</b>			
Taxes and licenses		<b>4,369,519</b>	61,247
Outside services		<b>1,645,043</b>	514,929
Professional fees		<b>1,490,091</b>	351,167
Penalties		<b>46,364</b>	–
Membership and association dues		<b>40,570</b>	14,299
Insurance		<b>37,488</b>	95,658
Depreciation	8	<b>34,068</b>	(143,267)
Transportation and travel		<b>29,504</b>	42,245
Directors' fees		–	130,000
Others		<b>1,960,044</b>	149,757
		<b>9,652,691</b>	1,216,035
<b>INCOME (LOSS) BEFORE INCOME TAX</b>		<b>11,798,776</b>	(1,211,673)
<b>PROVISION FOR CURRENT INCOME TAX</b>	11	–	–
<b>NET INCOME (LOSS)</b>		<b>11,798,776</b>	(1,211,673)
<b>OTHER COMPREHENSIVE INCOME</b>			
<i>Item that will not be reclassified to profit or loss</i>			
Unrealized fair value change on investment in a club share	7	–	–
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>		<b>₱11,798,776</b>	(₱1,211,673)
<b>Basic/Diluted Earnings (Loss) Per Share</b>	14	<b>₱0.011</b>	(₱0.004)

See accompanying Notes to Financial Statements.

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

**STATEMENTS OF COMPREHENSIVE INCOME**

		<b>Nine Months Ended September 30</b>	
	Note	<b>2023</b>	<b>2022</b>
<b>INCOME</b>			
Other income		<b>₱21,440,000</b>	₱–
Interest income	4	<b>19,752</b>	6,180
		<b>21,459,752</b>	6,180
<b>EXPENSES</b>			
Professional fees		<b>5,165,849</b>	1,434,961
Taxes and licenses		<b>4,460,315</b>	151,884
Outside services		<b>3,869,272</b>	847,424
Insurance		<b>258,548</b>	315,944
Directors' fees		<b>220,000</b>	230,000
Depreciation	8	<b>102,206</b>	19,871
Membership and association dues		<b>97,593</b>	48,214
Transportation and travel		<b>92,288</b>	55,779
Penalties		<b>46,364</b>	326,855
Others		<b>2,249,755</b>	291,001
		<b>16,562,190</b>	3,721,933
<b>INCOME (LOSS) BEFORE INCOME TAX</b>		<b>4,897,562</b>	(3,715,825)
<b>PROVISION FOR CURRENT INCOME TAX</b>	11	–	–
<b>NET INCOME (LOSS)</b>		<b>4,897,562</b>	(3,715,825)
<b>OTHER COMPREHENSIVE INCOME</b>			
<i>Item that will not be reclassified to profit or loss</i>			
Unrealized fair value change on investment in a club share	7	–	–
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>		<b>₱4,897,562</b>	(₱3,715,825)
<b>Basic/Diluted Earnings (Loss) Per Share</b>	14	<b>₱0.004</b>	(₱0.008)

See accompanying Notes to Financial Statements.

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

**STATEMENTS OF CHANGES IN EQUITY**

	Note	Nine Months Ended September 30	
		2023	2022
<b>CAPITAL STOCK</b>			
	10		
Preferred stock - ₱1 par value		<b>₱14,366,260</b>	₱14,366,260
Common stock - ₱1 par value		<b>1,105,298,616</b>	700,298,616
		<b>1,119,664,876</b>	714,664,876
<b>DEFICIT</b>			
Balance at beginning of period		<b>(867,570,155)</b>	(861,364,778)
Net income (loss)		<b>4,897,562</b>	(3,715,825)
Balance at end of period		<b>(862,672,593)</b>	(865,080,603)
<b>CUMULATIVE FAIR VALUE CHANGES ON INVESTMENT IN A CLUB SHARE</b>			
	7		
Balance at beginning of period		<b>3,100,000</b>	1,550,000
Unrealized fair value gain		-	-
Balance at end of period		<b>3,100,000</b>	1,550,000
		<b>₱260,092,283</b>	(₱148,865,727)

*See accompanying Notes to Financial Statements.*

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

**STATEMENTS OF CASH FLOWS**

		Three Months Ended September 30	
	Note	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before income tax		₱11,798,776	(₱1,211,673)
Adjustments for:			
Depreciation	8	34,068	(143,267)
Interest income	4	(11,467)	(4,362)
Operating loss before working capital changes		11,821,377	(1,359,302)
Decrease (increase) in:			
Receivables		(373,119,580)	27,328,200
Due from related parties		2,356,530	5,392,350
Other current assets		233,610	20,463
Increase in:			
Accrued expenses and other current liabilities		4,831	604,277
Due to a related party		(640,743)	173,619
Net cash generated from (used for) operations		(359,343,975)	32,159,607
Interest received		11,467	4,362
Net cash provided by (used in) operating activities		(359,332,508)	32,163,969
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment in a joint venture		(20,400,000)	–
Proceeds from sale of transportation equipment	8	–	224,836
Net cash provided by (used in) investing activities		(20,400,000)	224,836
<b>CASH FLOW FROM A FINANCING ACTIVITY</b>			
Receipt from issuance of share capital		405,000,000	–
<b>NET INCREASE IN CASH</b>		<b>25,267,492</b>	<b>32,388,805</b>
<b>CASH AT BEGINNING OF PERIOD</b>		<b>24,170,136</b>	<b>2,836,223</b>
<b>CASH AT END OF PERIOD</b>	4	<b>₱49,437,628</b>	<b>₱35,225,028</b>

See accompanying Notes to Financial Statements.

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

**STATEMENTS OF CASH FLOWS**

		Nine Months Ended September 30	
	Note	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before income tax		₱4,897,562	(₱3,715,825)
Adjustments for:			
Depreciation	8	102,206	19,871
Interest income	4	(19,752)	(6,108)
Operating loss before working capital changes		4,980,016	(3,702,062)
Decrease (increase) in:			
Receivables		(373,145,580)	27,050,200
Due from related parties		1,896,563	5,364,349
Other current assets		(705,470)	(470,574)
Increase in:			
Accrued expenses and other current liabilities		(1,410,075)	(995,504)
Due to a related party		(636,744)	636,744
Net cash generated from (used for) operations		(369,021,290)	27,883,153
Interest received		19,752	6,108
Net cash provided by (used in) operating activities		(369,001,538)	27,889,261
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment in a joint venture		(20,400,000)	–
Proceeds from sale of transportation equipment	8	–	224,836
Net cash provided by (used in) investing activities		(20,400,000)	224,836
<b>CASH FLOW FROM A FINANCING ACTIVITY</b>			
Receipt from issuance of share capital		405,000,000	–
<b>NET INCREASE IN CASH</b>		<b>15,598,462</b>	<b>28,114,097</b>
<b>CASH AT BEGINNING OF PERIOD</b>		<b>33,839,166</b>	<b>7,110,931</b>
<b>CASH AT END OF PERIOD</b>	4	<b>₱49,437,628</b>	<b>₱35,225,028</b>

See accompanying Notes to Financial Statements.

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

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**NOTES TO FINANCIAL STATEMENTS**

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**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 of September 30, 2023, 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 are as 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 of September 30, 2023 and December 31, 2022, the Company has liabilities amounting to ₱166.3 million, 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.

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 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.

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 May 23, 2023, the BOD approved the Subscriptions of (i) Angel Maple Properties, Inc. (now known as Valiant Consolidated Resources Inc.) to 125,000,000 unissued common shares and (ii) Cymac Holdings Corporation to 25,000,000 unissued common shares at ₱2.70 per share based on 30-day Volume Weighted Average Price (VWAP) of ₱2.6197 + 2.97% premium for a total consideration of ₱405.00 million to be paid in cash. Angel Maple Properties, Inc. and Cymac Holdings Corporation are separate and distinct entities not acting in concert in the subscription of the unissued shares of the Corporation.

Also on May 23, 2023, the BOD approved the Joint Venture with ABS-CBN. The parties shall incorporate a Joint Venture Company wherein the Company shall have 51% equity and initial subscription of 20,400,000 shares for a total value of Twenty Million Four Hundred Thousand Pesos (₱20.40 million). ABS-CBN shall have 49% equity with initial subscription of 19,600,000 shares for a total value of Nineteen Million Six Hundred Thousand Pesos (₱19.60 million). The Joint Venture entered into by the Company, 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.

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.

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## 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:
  - o 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 of 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 September 30, 2023 and December 31, 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 of September 30, 2023 and December 31, 2022, 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 of September 30, 2023 and December 31, 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 of September 30, 2023 and December 31, 2022, 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 Earnings (Loss) per Share**

The Company computes its basic earnings (loss) per share by dividing net income (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 earnings (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 and 2022 because the Company has no dilutive potential common shares and is in a net loss position.

### **Segment Reporting**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Company's other components. The Company has only one segment which is as a holding company.

### **Related Parties**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Related party transactions are considered material and/or significant if these transactions amount to 10% or higher of the Company's total assets or if there are several transactions or a series of transactions over a twelve-month period with the same related party amounting to 10% or higher of the Company's total assets.

### **Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are made using the best estimates of the amount required to settle the obligation and are discounted to present values using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Changes in estimates are reflected in profit or loss in the period these arise.

### **Contingencies**

Contingent liabilities are not recognized in the financial statements. They are disclosed in the notes to financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefits is probable.

### **Events after the Reporting Date**

Post year-end events that provide additional information about the Company's financial position at the end of reporting period (adjusting events) are reflected in the financial statements. Post year-end events that are non-adjusting are disclosed in the notes to financial statements when material.

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

The preparation of financial statements in accordance with PFRS requires management to exercise judgment, make estimates and assumptions that affect the amounts reported in the financial statements. The judgment and estimates used in the financial statements are based on management's evaluation of relevant facts and circumstances as at the reporting date. While the Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

### **Judgment**

In the process of applying the Company's accounting policies, management has made the following judgment, apart from those involving estimates, which have the most significant effect on the amounts recognized in the financial statements.

*Assessing the Company's Ability to Continue as a Going Concern.* 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 as of September 30, 2023 and December 31, 2022, 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 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 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 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) and due from related parties amounted to ₱485.4 million and ₱36.2 million as at September 30, 2023 and December 31, 2022, 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 as of September 30, 2023 and for the year 2022.

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

	Note	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Advances to officers, employees and service providers	5	₱403,780	₱258,200
Other current assets	6	5,815,298	5,109,828
Equipment	8	533,857	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 ₱14.3 million as of September 30, 2023 and December 31, 2022, respectively. Management believes that there will be no sufficient future taxable profits against which these deferred tax assets can be utilized (see Note 11).

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#### 4. Cash

This account consists of:

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Cash on hand	₱10,000	₱5,000
Cash in banks	49,427,628	33,834,166
	<b>₱49,437,628</b>	<b>₱33,839,166</b>

Cash in banks earn interest at prevailing bank deposit rates. Interest income of ₱19,752 and ₱10,465 was earned for the period ended September 30, 2023 and for the year ended December 31, 2022, respectively.

## 5. Receivables

This account consists of:

	Note	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Loans receivable:			
Third parties		<b>₱435,277,740</b>	₱62,277,740
Related party	12	–	–
Advances to officers, employees and service providers		<b>2,530,115</b>	2,384,535
Rent receivables:			
Third parties		<b>237,932</b>	237,932
Related party	12	–	–
Interest receivable	12	–	–
		<b>438,045,787</b>	64,900,207
Less allowance for impairment losses		<b>64,642,007</b>	64,642,007
		<b>₱373,403,780</b>	₱258,200

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 recognizing an impairment loss amounting to ₱5.5 million. Further, interest from loan receivable was waived for 2021, thus 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 are as follows:

	Note	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Loans receivable		<b>₱62,277,740</b>	₱62,277,740
Advances to officers, employees and service providers		<b>2,126,335</b>	2,126,335
Rent receivables		<b>237,932</b>	237,932
Interest receivable	12	–	–
		<b>₱64,642,007</b>	₱64,642,007

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 are as follows:

	Note	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Balance at beginning of year		₱70,183,674	₱70,183,674
Write-off		(5,541,667)	(5,541,667)
Impairment	12	–	–
Balance at end of year		₱64,642,007	₱64,642,007

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 2023 and 2022.

## 6. Other Current Assets

This account consists of:

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
CWT and excess tax credits	₱3,159,222	₱3,159,222
Input VAT	2,571,019	1,608,549
Prepayments	85,057	342,057
	₱5,815,298	₱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:

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
<b>Cost</b>	<b>₱200,000</b>	<b>₱200,000</b>
<b>Cumulative unrealized gains on fair value changes</b>		
Balance at beginning of year	3,100,000	1,550,000
Fair value changes	–	1,550,000
Balance at end of year	3,100,000	3,100,000
	₱3,300,000	₱3,300,000

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.



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## 8. Property and Equipment

Movements in this account are as follows:

	September 30, 2023 (Unaudited)		
	Computer Equipment	Transportation Equipment	Total
<b>Cost</b>			
Balance at beginning of year	<b>₱712,800</b>	<b>₱54,375</b>	<b>₱767,175</b>
Additions	–	–	–
Disposal	–	–	–
Balance at end of year	<b>712,800</b>	<b>54,375</b>	<b>767,175</b>
<b>Accumulated Depreciation</b>			
Balance at beginning of year	<b>85,800</b>	<b>45,312</b>	<b>131,112</b>
Depreciation	<b>94,050</b>	<b>8,156</b>	<b>102,206</b>
Disposal	–	–	–
Balance at end of year	<b>179,850</b>	<b>53,468</b>	<b>233,318</b>
<b>Carrying Amount</b>	<b>₱532,950</b>	<b>₱907</b>	<b>₱533,857</b>
	December 31, 2022 (Audited)		
	Computer Equipment	Transportation Equipment	Total
<b>Cost</b>			
Balance at beginning of year	<b>₱85,800</b>	<b>₱1,631,375</b>	<b>₱1,717,175</b>
Additions	<b>627,000</b>	–	<b>627,000</b>
Disposal	–	<b>(1,577,000)</b>	<b>(1,577,000)</b>
Balance at end of year	<b>712,800</b>	<b>54,375</b>	<b>767,175</b>
<b>Accumulated Depreciation</b>			
Balance at beginning of year	<b>85,800</b>	<b>1,374,887</b>	<b>1,460,687</b>
Depreciation	–	<b>89,725</b>	<b>89,725</b>
Disposal	–	<b>(1,419,300)</b>	<b>(1,419,300)</b>
Balance at end of year	<b>85,800</b>	<b>45,312</b>	<b>131,112</b>
<b>Carrying Amount</b>	<b>₱627,000</b>	<b>₱9,063</b>	<b>₱636,063</b>

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.

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## 9. Accrued Expenses and Other Current Liabilities

This account consists of:

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Liabilities arising from the MOA	<b>₱166,304,972</b>	₱166,304,972
Dividends payable	<b>10,985,443</b>	10,985,443
Accrued expenses	<b>2,036,633</b>	3,379,895
Statutory payables	<b>12,224</b>	79,037
	<b>₱179,339,272</b>	₱180,749,347

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 2023 and 2022 amounted to nil and ₱2.0 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 of 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.

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## 10. Equity

### Capital Stock

Details of capital stock as of September 30, 2023 and December 31, 2022 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	1,105,298,616	700,298,616
	1,119,664,876	₱714,664,876

The preferred stock Series A and B has the following salient features:

- a. Cumulative, nonparticipating, nonvoting, redeemable and convertible at the option of the Company.
- b. Cash dividend rate initially at 4.50% per annum based on par value, which shall be automatically adjusted to 11.00% per annum upon full payment of the subscription price.
- c. The Company may, at any time at its option, wholly or partially redeem the outstanding preferred stock plus accrued dividends thereon. When such call for redemption is made, the holders of the preferred stock may opt to convert the preferred stock to common stock.

As discussed in Note 1, in 2022, the BOD and shareholders approved the amendment of the AOI of the Company to reflect the increase, declassification of preferred shares and common shares into one class of common shares and deletion of all provisions relating to the preferred shares. As of 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.

The Company shall issue 150,000,000 common shares which will be applied for listing with the Philippine Stock Exchange.

As of September 30, 2023 and December 31, 2022, there is no accrued and unpaid preferential dividend.

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## 11. Income Tax

The provision for current income tax represents MCIT in 2022.

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 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:

	<b>2022</b>
Income tax computed at statutory tax rate	<b>(P1,240,989)</b>
Changes in unrecognized deferred tax assets	<b>979,552</b>
Tax effects of:	
Nondeductible expenses	<b>192,600</b>
Expired MCIT	<b>71,360</b>
Interest income already subjected to final tax	<b>(2,093)</b>
Change in statutory income tax rate	-
	<b>P430</b>

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

	<b>2022</b>
Allowance for impairment losses on receivables	<b>P12,928,401</b>
NOLCO	<b>1,206,749</b>
MCIT	<b>145,119</b>
	<b>P14,280,269</b>

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 September 30, 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
2022	₱–	₱5,252,413	₱–	₱5,252,413	2025
2020	781,334	–	–	781,334	2025
	<b>₱781,334</b>	<b>₱5,252,413</b>	<b>₱–</b>	<b>₱6,033,747</b>	

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 September 30, 2023, unused MCIT that can be claimed as deduction from future income tax payable are as follows:

Year Incurred	Beginning Balance	Incurred	Expired	Ending Balance	Expiry Date
2022	₱–	₱430	₱–	₱430	2025
2021	91,689	–	–	91,689	2024
2020	53,000	–	–	53,000	2023
2019	71,360	–	(71,360)	–	2022
	<b>₱216,049</b>	<b>₱430</b>	<b>(₱71,360)</b>	<b>₱145,119</b>	

## 12. Related Party Transactions

Outstanding balances and transactions with related parties are as follows:

	Nature of Transaction	Amount of Transaction		Outstanding Balance	
		2023	2022	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
<b>Receivables</b>					
<i>Loans Receivable</i>					
Entity under common control	Loan	₱–	₱–	₱–	₱–
	Interest income	–	–	–	–
<i>Rent Receivables</i>					
Entity under common control	Rent income	–	–	–	–
				–	–
	Less: Allowance for impairment loss	–	–	–	–
				<b>₱–</b>	<b>₱–</b>
<b>Due from related parties</b>					
Entities under common control	Advances (Settlement)	<b>(₱1,896,563)</b>	₱5,364,349	<b>₱420,992</b>	₱2,317,555
<b>Due to related parties</b>					
Entities under common control	Advances (Settlement)	<b>(₱636,744)</b>	₱636,744	<b>₱–</b>	₱636,744
Parent Company	Management fee	–	–	<b>13,880,000</b>	13,880,000
				<b>₱13,880,000</b>	<b>₱14,516,744</b>

## **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 recognizing an impairment loss amounting to ₱5.5 million. Further, interest from loan receivable was waived for 2021, thus 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 of September 30, 2023 and December 31, 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 operate.

### **Compensation of Key Management Personnel**

There is no compensation of key management personnel in for the period ended September 30, 2023 and for the year ended December 31, 2022. The Company's accounting and administrative functions are provided by a related party at no cost to the Company.

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## **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 September 30, 2023 and December 31, 2022.

Moreover, the Company has cash in its custody of ₱13.9 million as at September 30, 2023 and December 31, 2022 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:

	September 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)
Net income (loss)	<b>₱4,897,562</b>	(₱3,715,825)
Less dividend rights of preferred stockholders for the year	<b>1,581,671</b>	1,581,671
Income (loss) attributable to common stockholders	<b>3,315,891</b>	(5,297,496)
Divided by weighted average number of common stock	<b>902,798,616</b>	700,298,616
Basic income (loss) per share	<b>₱0.004</b>	(₱0.008)

The convertible feature of the Company's preferred stock has potential antidilutive effect. The Company has no diluted income per share in for the period ended September 30, 2023 and 2022.

#### 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.

	September 30, 2023 (Unaudited)			
	12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired	Total
<b>Financial assets at amortized cost:</b>				
Cash in banks	<b>₱49,427,628</b>	<b>₱-</b>	<b>₱-</b>	<b>₱49,427,628</b>
Receivables*	<b>-</b>	<b>-</b>	<b>62,515,672</b>	<b>62,515,672</b>
Due from related parties	<b>373,420,992</b>	<b>-</b>	<b>-</b>	<b>373,420,992</b>
<b>Financial assets at FVOCI -</b>				
Investment in a joint venture	<b>20,400,000</b>	<b>-</b>	<b>-</b>	<b>20,400,000</b>
Investment in a club share	<b>3,300,000</b>	<b>-</b>	<b>-</b>	<b>3,300,000</b>
	<b>₱446,548,620</b>	<b>₱-</b>	<b>₱62,515,672</b>	<b>₱509,064,292</b>

\*Excluding advances to officers, employees and service providers amounting to ₱2.5 million.

	December 31, 2022 (Audited)			Total
	12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired	
<b>Financial assets at amortized cost:</b>				
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
<b>Financial assets at FVOCI -</b>				
Investment in a club share	3,300,000	–	–	3,300,000
	<b>₱39,451,721</b>	<b>₱–</b>	<b>₱62,515,672</b>	<b>₱101,967,393</b>

\*Excluding advances to officers, employees and service providers amounting to ₱2.4 million.

The aging analyses of financial assets are as follows:

	September 30, 2023 (Unaudited)				Total
	Neither Past Due Nor Impaired	Past Due But Not Impaired Less Than 30 Days	31-60 Days	Past Due and Impaired	
<b>Financial Assets at Amortized Cost</b>					
Cash in banks	₱49,427,628	₱–	₱–	₱–	₱49,427,628
Receivables*	–	–	–	62,515,672	62,515,672
Due from related parties	373,420,992	–	–	–	373,420,992
	<b>422,848,620</b>	<b>–</b>	<b>–</b>	<b>62,515,672</b>	<b>485,364,292</b>
<b>Financial Assets at FVOCI</b>					
Investment in a joint venture	20,400,000	–	–	–	20,400,000
Investment in a club share	3,300,000	–	–	–	3,300,000
	<b>₱446,548,620</b>	<b>₱–</b>	<b>₱–</b>	<b>₱62,515,672</b>	<b>₱509,064,292</b>

\*Excluding advances to officers, employees and service providers amounting to ₱2.5 million.

	December 31, 2022 (Audited)				Total
	Neither Past Due Nor Impaired	Past Due But Not Impaired Less Than 30 Days	31-60 Days	Past Due and Impaired	
<b>Financial Assets at Amortized Cost</b>					
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
	<b>36,151,721</b>	<b>–</b>	<b>–</b>	<b>62,515,672</b>	<b>98,667,393</b>
<b>Financial Assets at FVOCI</b>					
Investment in a club share	3,300,000	–	–	–	3,300,000
	<b>₱39,451,721</b>	<b>₱–</b>	<b>₱–</b>	<b>₱62,515,672</b>	<b>₱101,967,393</b>

\*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 is 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 September 30, 2023 and December 31, 2022, accrued expenses and other current liabilities (excluding statutory payable) and due to related parties aggregating ₱193.2 million and ₱195.2 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 as of September 30, 2023 and December 31, 2022.

### **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:

	<b>September 30, 2023 (Unaudited)</b>		<b>December 31, 2022 (Audited)</b>	
	<b>Carrying Amount</b>	<b>Fair Value</b>	<b>Carrying Amount</b>	<b>Fair Value</b>
<b>Financial Assets</b>				
Cash	<b>₱49,437,628</b>	<b>₱49,437,628</b>	₱33,839,166	₱33,839,166
Receivables*	–	–	–	–
Due from related parties	<b>373,420,992</b>	<b>373,420,992</b>	2,317,555	2,317,555
Investment in a joint venture	<b>20,400,000</b>	<b>20,400,000</b>	–	–
Investment in a club share	<b>3,300,000</b>	<b>3,300,000</b>	3,300,000	3,300,000
	<b>₱446,558,620</b>	<b>₱446,558,620</b>	₱39,456,721	₱39,456,721
<b>Financial Liabilities</b>				
Accrued expenses and other current liabilities**	<b>₱179,327,048</b>	<b>₱179,327,048</b>	₱180,670,310	₱180,670,310
Due to a related party	<b>13,880,000</b>	<b>13,880,000</b>	14,516,744	14,516,744
	<b>₱193,207,048</b>	<b>₱193,207,048</b>	₱195,187,054	₱195,187,054

\*Excluding advances to officers, employees and service providers amounting to ₱2.5 million and ₱2.4 million as at September 30, 2023 and December 31, 2022, respectively.

\*\*Excluding statutory payables amounting to ₱12,224 and ₱79,037 as at September 30, 2023 and December 31, 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).



*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 of September 30, 2023 and December 31, 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 as of September 30, 2023 and December 31, 2022. The Company is not subject to externally-imposed capital requirements.

**COVER SHEET**

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S.E.C. Registration Number

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(Company's Full Name)

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

<b>DIANE MADELYN C. CHING</b>
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Contact Person

<b>8831-4479</b>
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Company Telephone Number

1	2	3	1
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Month      Day  
Fiscal Year

SEC FORM 17-A
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FORM TYPE

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Month      Day  
Annual Meeting

N/A
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Secondary License Type, If Applicable

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Dept. Requiring this Doc.

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Amended Articles Number/Section

Total Amount of Borrowings

<b>1,588</b>
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Total No. of Stockholders

nil
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Domestic

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Foreign

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To be accomplished by SEC Personnel concerned

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File Number

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Document I.D.

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STAMPS
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**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, 2022**
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. **16<sup>th</sup> 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
<b>Preferred stock, PHP 1.00 par value</b>	<b>14,366,260</b>
<b>Common Stock, Php 1.00 par value</b>	<b>700,298,616</b>

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 ₱331,884,022 computed on the basis of 159,559,626 representing 22.78% of the outstanding common shares at the closing price as of December 31, 2022 of Pesos ₱2.08 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 current 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.

#### **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. Please refer to Note 7 of the 2020 Audited Financial Statements (AFS).

#### **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.

Please see Note 15 of the attached 2020 AFS.

#### **Item 4. Submission of Matters to a Vote of Security Holders**

During the Annual Shareholders' Meeting held last 23 September 2022, 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 December 31, 2021;
5. Amendment of the Articles of Incorporation (AOI) to reduce the par value of all Series A Preferred Shares from Php1.00 to PhP0.04 per share;
6. Amendment of the AOI to convert all Series A Preferred Shares into Common Shares at the conversion rate of 25:1;
7. Amendment of the AOI to create a new class of Preferred Shares which shall be referred to as Series C Preferred Shares and to authorize the conversion of the remaining foreign-owned shares to Series C Preferred Shares subsequent to the conversion of all Series A Preferred Shares, with said foreign-owned shares approximately numbering Three Hundred Forty Thousand Six Hundred Sixty Four (340,664) based from records as of 30 July 2022;
8. Amendment of the AOI to reclassify all Series B Preferred Shares into Common Shares;
9. Approval to redeem all Series C Preferred Shares with redemption price set at its par value per share and payable in cash;
10. Amendment of the AOI to reclassify Series A and Series C shares into Common Shares;
11. Approval of the amended Memorandum of Agreement with Atty. Hermogene H. Real and Ms. Michelle F. Ayangco (as "Golden Peregrine Shareholders") for issuance of One Billion Six Hundred Seventy-Nine Million Nine Hundred Sixty Six Thousand Four Hundred (1,679,966,400) Common Shares to be issued out of the proposed increase in authorized capital stock for Three Hundred Forty Nine Thousand Nine Hundred Ninety Three (349,993) shares of stock of Golden Peregrine;
12. Amendment of the Articles of Incorporation to increase the authorized capital stock up to Seven Billion Pesos (Php 7,000,000,000.00);
13. Waiver by the minority stockholders of the rights or public offer requirement under the PSE Additional Listing Rule;
14. Ratification of Management Acts;
15. Election of Board of Directors;
16. Appointment of External Auditor;
17. Other Matters;
18. 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, 2022 is 700,298,616 of which 663,713,458 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 2020 to 2022 are given below:

Year	Quarter	High	Low
2020	1 <sup>st</sup>	1.29	0.68

Year	Quarter	High	Low
	2 <sup>nd</sup>	0.98	0.69
	3 <sup>rd</sup>	0.96	0.68
	4 <sup>th</sup>	1.00	0.76
2021	1 <sup>st</sup>	4.25	0.81
	2 <sup>nd</sup>	3.55	2.53
	3 <sup>rd</sup>	3.10	1.76
	4 <sup>th</sup>	1.89	1.10
2022	1 <sup>st</sup>	1.88	1.10
	2 <sup>nd</sup>	3.48	1.21
	3 <sup>rd</sup>	3.03	1.50
	4 <sup>th</sup>	2.28	1.46

## (2) Holders of Securities

### Common Shareholders

The number of common shareholders on record as of December 31, 2022 is 1,588. The list of the top twenty common shareholders as of December 31, 2022 is provided below:

	Name of Stockholders	No. of shares	%age of ownership
1	PCD Nominee Corporation (Filipino)	672,150,424	95.98
2	First Producers Holdings, Corp. FAO Ray Burton Dev't Corporation	6,175,789	0.88
3	First Producers Holdings, Corp. FAO Producers Properties, Inc.	4,903,852	0.70
4	Ray Burton Development Corporation	3,213,293	0.46
5	Producers Properties, Inc.	3,013,701	0.43
6	Mercantile Investment Company, Inc.	1,585,989	0.23
7	Albert Del Rosario ITF Anthony Salim	1,289,279	0.18
8	Lucio W. Yan &/or Clara Yan	600,000	0.09
9	Joel B. Vargas	534,876	0.08
10	PCD Nominee Corporation (Foreign)	285,001	0.04
11	Merlene So &/or So Peng Kee	239,000	0.03
12	Maria T. Uy	211,200	0.03
13	Jose Yu Go, Jr.	210,000	0.03
14	Solar Securities, Inc.	200,000	0.03
15	Jovy Lim Go	150,000	0.02
16	Ponciano V. Cruz, Jr.	150,000	0.02
17	Qeu Lu Kiong	150,000	0.02
18	Rufino H. Abad	142,011	0.02
19	Luciano H. Tan	139,600	0.02
20	Leonardo Navalta	132,294	0.02

## Preferred Shareholders

The number of preferred shareholders of record as of December 31, 2022 was 267. Preferred shares outstanding as of December 31, 2022 were 14,366,260. The top twenty shareholders are as follows:

No.	Name of Stockholders	No. of shares	%age 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.

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

While the Company is still non-operational, it is looking to close an acquisition. Its current activities comprise mainly of transferring asset related to its development bank operation to BDO & PDIC. Thus, the company has continued to incur losses resulting to a capital



deficiency of ₱149.81 million and ₱145.15 million as at December 31, 2022 and 2021, respectively. The Stockholders, however, have continued to provide the necessary financial support to sustain company operations. The stockholders converted their preferred stock of ₱48.60 million into common stock in 2016 and converted their advances of ₱600.50 million to additional capital in 2014 and infused capital aggregate ₱119.00 million in 2014 and 2013 to reduce capital deficiency.

The Company undergone an equity restructuring to reduce capital deficiency.

The Company entered into a Memorandum of Agreement (2022 MOA) with the majority stockholders of Golden Peregrine (GP) to acquire a mass media entity, Philippine Collective Media Corporation (“PCMC Shareholders”). In the 2022 MOA (as amended), the GP Shareholders shall jointly subscribe to 1,645,000,000 common shares of the Company to be paid in the form of GP shares in order to obtain the business, assets and ownership of PCMC. After the transaction, the PCMC Shareholders will jointly gain control and majority ownership of approximately 70% of outstanding capital stock of the Company. The parties are currently pursuing actions to meet the closing conditions under the 2022 MOA (as amended). With PCMC’s national franchise, the Company may use this as leverage to provide other content providers an avenue to broadcast their contents regionally and nationwide for profit.

**Explanations for the material changes in the Company’s accounts between 2022 and 2021 are as follows:**

**Statement of Financial Position**

	<b>Audited</b>		<b>Increase (Decrease)</b>	
	<b>2022</b>	<b>2021</b>	<b>Amount</b>	<b>%</b>
	<i>(in PhP Millions)</i>			
<b>Assets</b>	<b>₱45.46</b>	₱48.75	(₱3.29)	(6.75%)
<b>Liabilities</b>	<b>195.27</b>	193.90	1.37	0.70%
<b>Capital Deficiency</b>	<b>(149.81)</b>	(145.15)	4.66	3.21%

The Company’s total Assets of ₱45.46 million declined by ₱3.29 million or 6.75% compared with the same period last year. The movement in total Assets is attributable to the following:

- Cash balance of ₱33.84 million is higher by ₱26.73 million compared with the same period last year. The significant increase is mainly attributable to collection of the Company’s loan receivable from Marcventures Mining and Development (MMDC), a related party under common control, amounting to ₱26.0 million.
- The increase in Investment in a club share is mainly due to recognition of the fair value changes amounting to ₱1.55 million during the year.
- Decrease in equipment of ₱0.38 million is attributed to the depreciation recognized for the year. No addition and/or disposal was made during the year.

The Company’s total Liabilities of ₱195.27 million rise by ₱1.37 million or 0.70% compared with the same period last year. The movement in total Liabilities is attributable to the following:

- Due to related parties increased by ₱0.64 million compared with same period last year, which was consequently used by the Company to pay for its general and administrative expenses.
- Cash receipts during the year totaling ₱2.00 million from Bulaong Enterprises, Inc. pursuant to the compromise agreement for a legal case. This represents partial settlement out of the ₱17.0 million settlement fee (exclusive of ₱1.62 million interest), as indicated in the agreement. As the subject property involved in the compromise agreement is included in the list of properties for transfer to PDIC pursuant to the 12 September 2002 Memorandum of Agreement among the Company, PDIC and BDO, collections were accounted for as liability.
- Accrual of legal fees of Ocampo & Manalo Law Firm and audit fee of Reyes Tacandong & Co. amounting to ₱0.07 million and ₱0.45 million, respectively, were recognized.

Capital deficiency is higher by ₱4.66 million compared with same period last year. The Company incurred a net loss of ₱6.21 million and recognized ₱1.55 million gain on fair value changes on its investment in a club share, which net movement resulted to the increase in capital deficiency.

### **Results of Operations**

	<b>Audited</b>		<b>Increase (Decrease)</b>	
	<b>2022</b>	<b>2021</b>	<b>Amount</b>	<b>%</b>
	<i>(in PhP Millions)</i>			
Income	<b>₱0.05</b>	₱9.18	(₱9.12)	(99.42%)
Expenses	<b>6.23</b>	10.79	4.53	(42.01%)

The Company's operating results reflected a net loss of ₱6.21 million and ₱1.71 million in 2022 and 2021, respectively. Comparing with the same period last year, there is a huge decline of ₱4.50 million or 263.21%. The significant changes were mainly due to the following:

- Reversal of long-outstanding payables last year that will no longer be settled amounting to ₱9.17 million resulted to the decrease in income this year.
- Provision of impairment loss recognized last year related to the waiver of interest receivable on loans from MMDC amounting to ₱5.14 million.
- Depreciation decreased by ₱0.24 million or equivalent to 72.50 is due to the sold transportation equipment to MMDC during the year.

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

### **Statement of Financial Position**

	<b>Audited</b>		<b>Increase (Decrease)</b>	
	<b>2021</b>	<b>2020</b>	<b>Amount</b>	<b>%</b>
	<i>(in PhP Millions)</i>			
<b>Assets</b>	<b>₱48.75</b>	₱54.87	(₱6.12)	(11.15%)
<b>Liabilities</b>	<b>193.90</b>	199.06	(5.16)	(2.59%)

<b>Capital Deficiency</b>	<b>(145.15)</b>	(144.19)	(0.96)	(0.66%)
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The Company's total Assets of ₱48.75 million declined by ₱6.12 million or 11.15% compared with the same period last year. The movement in total Assets is attributable to the following:

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

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

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

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

### **Results of Operations**

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

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

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

Decrease in Outside services by ₱0.16 million is due to the postponement of the publication of Annual Stockholder's Meeting.

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

**Statement of Financial Position**

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

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

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

Cash receipts during the year totaling ₱10.80 million from Bulaong Enterprises, Inc. pursuant to the compromise agreement for a legal case, resulted to the increase in Liabilities. This

represents partial settlement out of the ₱17.0 million settlement fee (exclusive of ₱1.62 million interest), as indicated in the agreement. As the subject property involved in the compromise agreement is included in the list of properties for transfer to PDIC pursuant to the 12 September 2002 Memorandum of Agreement among the Company, PDIC and BDO, collections were accounted for as liability.

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

### **Results of Operations**

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

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

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

### **Performance Indicators**

#### **Key Performance Indicators (KPI's)**

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

	2022	2021
Net Loss	<b>(₱6,205,377)</b>	(₱1,708,466)
Current assets	<b>41,524,749</b>	46,743,192
Total assets	<b>45,460,812</b>	48,749,680
Current liabilities	<b>195,266,091</b>	193,899,582
Total liabilities	<b>195,266,091</b>	193,899,582
Stockholders' Equity	<b>(149,805,279)</b>	(145,149,902)

	<b>2022</b>	2021
No. of common shares outstanding	<b>700,298,616</b>	700,298,616
	<b>2022</b>	2021
Current ratio <sup>1</sup>	<b>0.21</b>	0.24
Book value per share <sup>2</sup>	<b>(0.23)</b>	(0.23)
Debt ratio <sup>3</sup>	<b>(1.30)</b>	(1.34)
Loss per share <sup>4</sup>	<b>(0.009)</b>	(0.002)
Return on assets <sup>5</sup>	<b>(0.13)</b>	(0.03)

Note:

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

### **Item 7. Financial Statements**

The 2022 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	
	<b>2022</b>	2021
Audit Fees	<b>₱450,000</b>	₱410,000

**Audit Fees.** Represent professional fees of the external auditor for the audit services rendered on Company's Annual Financial Statements for the year 2022 and 2021.

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:

<b>Name</b>	<b>Age</b>	<b>Citizenship</b>	<b>Period during which individual has served as such</b>
Manolito A. Manalo	54	Filipino	May 28, 2013 to present
Bernadeth A. Lim	42	Filipino	May 28, 2013 to present
Michelle F. Ayangco	51	Filipino	October 13, 2021 to present
Hermogene H. Real	67	Filipino	October 13, 2021 to present
Rolando S. Santos	72	Filipino	January 06, 2017 to present
Johnny Y. Aruego Jr. (independent director)	53	Filipino	May 28, 2013 to present
Francisco L. Layug III (independent director)	68	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:

<b>Name</b>	<b>Age</b>	<b>Position</b>	<b>Citizenship</b>	<b>Period during which individual has served as such</b>
Manolito A. Manalo	54	President & CEO	Filipino	May 2013 to present
Bernadeth A. Lim	42	Vice President	Filipino	May 2013 to present
Rolando S. Santos	72	Treasurer	Filipino	January 06, 2017 to present
Reuben Carlo O. General <i>(resigned effective January 3, 2023)</i>	37	Corporate Secretary/Compliance Officer/Data Privacy Officer and Corporate Information Officer	Filipino	October 2020 to October 13, 2021 as Co-Asst. Corporate Secretary; October 13, 2021 to present as Corporate Secretary/ Compliance Officer/ Data Privacy Officer
Christopher Sam S. Salvador <i>(resigned effective June 14, 2022)</i>	40	Asst. Corporate Secretary/Co-Compliance Officer/Corporate Information Officer	Filipino	December 2014 to June 2022
Dale A. Tongco	58	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. and Southern Estates Integrated Park Inc. She serves as Director of Bright Kindle Resources and Investments Inc., Brightgreen Resources Corp., Southern Alluvial Minerals and Alumina Resources Inc., 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 Loranzana 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.

**Reuben Carlo O. General** was elected Co-Assistant Corporate Secretary in December 2020 and appointed as Corporate Secretary, Compliance Officer and Data Privacy Officer in October 2021. He served as a Senior Legal Counsel of Marcventures Mining and Development Corporation until his resignation on June 3, 2023. He has almost ten (10) years of accumulated experience as a general legal practitioner cultivated from law firm and in-house settings including Bernas Law Offices, Ocampo & Manalo Law Firm, and a local subsidiary of Korea Electric Power Corporation (KEPCO).

**Christopher Sam S. Salvador** was re-elected as Co-Corporate Information Officer in December 2017 and resigned on June 14, 2022. He is a Junior Partner of Ocampo & Manalo Law Firm. He is a Director and the Treasurer of Pureholdings, Inc., Corporate Secretary of Timebound Trading Inc., and Associate Corporate Secretary for Island Tranvoyager, Inc. and Bacuit Airholdings, Inc.

**Dale A. Tongco** was elected Risk Management Officer in October 2021. He was also appointed as the Vice-President for Risk Management / Chief Risk Officer of Bright Kindle Resources & Investments Inc. in October 2020. He concurrently serves as Vice President for Controllership of Marcventures Holdings, Inc. He is a Certified Public Accountant with extensive experience in Public Accounting Firms as External Auditor and with Corporations as an Internal Auditor and Risk Management Officer specifically in the areas of Fraud Management; ISO 9001 and 14001 Audit and Management; Process and Control Review; Policies and Procedures Documentation; Corporate Governance; and Finance and Treasury. His professional experience over 13 years includes stints in KPMG, Deloitte, Phil-Am-AIA, CP de Guzman & Co.-CPAs and Benguet Corporation.

#### Item 10. Executive Compensation

The aggregate compensation paid in 2019 and 2020 and estimated to be paid in 2021, 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				
Reuben Carlo O. General	Corporate Secretary				
Rolando S. Santos	Treasurer				
Aggregate for above named officers		2020 2021 2022 (Est.)			₱27,000 25,000 35,000
All Directors and Officers as a group unnamed		2020 2021 2022 (Est.)			₱45,000 40,000 40,000

## 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 2022:

Type of Class	Name and address of record owner and relationship with Issuer	Citizenship	Name of Beneficial Owner & Relationship with Record Owner	No. of Shares Held	Percent of class
Common Shares	PCD Nominee	Filipino	RYM Business Management Corp./ Client	463,555,085	66.19%
Common Shares	PCD Nominee	Filipino	Mairete Asset Holdings, Inc.	77,178,901	11.00%

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, 2020, 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, 2022**

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 25, 2022	<ul style="list-style-type: none"><li>• Notice of Annual Stockholders' Meeting</li><li>• Results of the Board Meeting held on August 15, 2022</li><li>• Termination of Memorandum of Understanding dated 17 March 2021 (“MOU”) between Prime Media Holdings, Inc (the “Company”), RYM Business Management Corporation (“RYM”) and New Era Empire Realty Corp. (“New Era”)</li><li>• Amendment and Restatement to the Memorandum of Agreement</li></ul>
September 1, 2022	<ul style="list-style-type: none"><li>• Amended Results of the Board Meeting held on August 15, 2022</li><li>• Amended Notice of Annual Stockholders' Meeting</li></ul>
September 2, 2022	<ul style="list-style-type: none"><li>• Termination of Memorandum of Understanding dated 17 March 2021 (“MOU”) between Prime Media Holdings, Inc (the “Company”), RYM Business Management Corporation (“RYM”) and New Era Empire Realty Corp. (“New Era”)</li></ul> <p>-Amended to update the SEC form 17C attachment</p> <ul style="list-style-type: none"><li>• Amendment and Restatement to the Memorandum of Agreement</li></ul> <p>-Amended to update the SEC form 17C attachment</p>
September 5, 2022	Amendments of the Articles of Incorporation
September 6, 2022	Amended Amendments of the Articles of Incorporation
September 15, 2022	Board Approval of Quasi-reorganization through Equity Restructuring
September 23, 2022	<ul style="list-style-type: none"><li>• Results of the Annual Stockholders' Meeting held on 23 September 2022</li><li>• Results of Organizational Meeting of the Board of Directors held on 23 September 2022</li><li>• Update in Designation of Atty. Reuben Carlo O. General</li></ul>

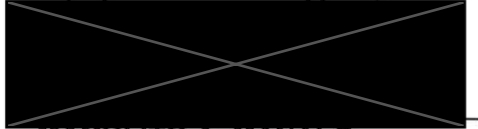
	<ul style="list-style-type: none"><li>• Update on the Amendments of the Articles of Incorporation</li></ul>
November 22, 2022	Amended Amendments of the Articles of Incorporation
December 2, 2022	Signing of the Amended Memorandum of Agreement



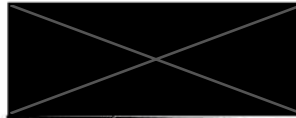
**SIGNATURES**

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 MAY 02, 2023.

By



**MANOLITO A. MANALO**  
President



**ROLANDO S. SANTOS**  
Treasurer



**DIANE MADELYN C. CHING**  
Corporate Secretary

**MAY 02 2023**

**SUBSCRIBED AND SWORN** to before me this \_\_\_\_\_ day of \_\_\_\_\_ 2023 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**



**ATTY. JEBEN P. FLORES**  
NOTARY PUBLIC  
UNIVERSITY OF THE PHILIPPINES

Doc. No. 139  
Page No. 29  
Book No. 7  
Series of 2023.

NOTARY PUBLIC  
UNIVERSITY OF THE PHILIPPINES  
1097 BATA WING, CORRALUPEN RULVO, MAKATI CITY



## Your BIR AFS eSubmission uploads were received

eafs@bir.gov.ph <eafs@bir.gov.ph>  
To: [REDACTED]@marcventures.com.ph  
Cc: [REDACTED]@marcventures.com.ph

Mon, Apr 17, 2023 at 10:25 PM

Hi PRIME MEDIA HOLDINGS, INC.,

### Valid files

- EAFS000491007OTHTY122022.pdf
- EAFS000491007RPTTY122022.pdf
- EAFS000491007AFSTY122022.pdf
- EAFS000491007ITRTY122022.pdf

### Invalid file

- <None>

Transaction Code: **AFS-0-PY3WSYNS0B6EH9HA9NMMWXTMR0ADFCJ7A**  
Submission Date/Time: **Apr 17, 2023 10:25 PM**  
Company TIN: **000-491-007**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

This is a system-generated e-mail. Please do not reply.

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# COVER SHEET

## for AUDITED FINANCIAL STATEMENTS

SEC Registration Number

2 2 4 0 1

**COMPANY NAME**PRIME MEDIA HOLDINGS, INC. (A Subsidiary  
of RYM Business Management Corp.)**PRINCIPAL OFFICE** (No./Street/Barangoy/City/Town/Province)16th Floor, BDO Towers Valero, 8741  
Paseo de Roxas, Makati City

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/s

(02) 8 831-4479

Mobile Number

0966-791-2233

No. of Stockholders

1,588

Annual Meeting (Month / Day)

September 23

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

[REDACTED]

Telephone Number/s

[REDACTED] 6

Mobile Number

[REDACTED]

**OFFICE ADDRESS**

[REDACTED]

**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, 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.

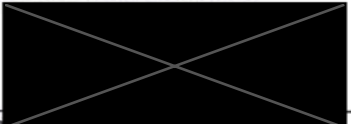
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or 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 13th day of April 2023





APR 13 2023

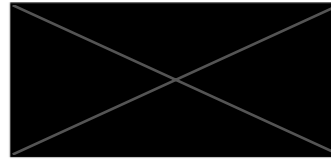
SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of \_\_\_\_\_  
affiant(s) exhibiting to their evidence of identity, as follows:

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

Notary Public

Doc. No. 108;  
Page No. 27;  
Book No. 7;  
Series of 2023.

**ATTY. JOSE FERER FLORES**  
 NOTARY PUBLIC / MAKATI CITY  
 UNTIL DATE:   
 APP:   
 ROLL NO:   
 PTR NO: JAN. 03, 2023 / MAKATI CITY  
 IBP NO: JAN. 03, 2023 / PASIG 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, 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.

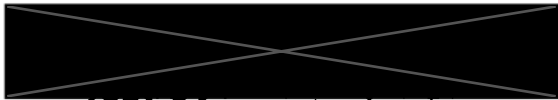
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



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. ESCUADRÓ**

**Partner**

CPA Certificate No. [REDACTED]

Tax Identification No. [REDACTED]

BOA Accreditation No. [REDACTED] Valid until April 13, 2024

SEC Accreditation No. [REDACTED] SEC Group A

Issued March 23, 2021

Valid for Financial Periods 2020 to 2024

BIR Accreditation No. [REDACTED]

Valid until January 24, 2026

PTR No. [REDACTED]

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
<b>ASSETS</b>			
<b>Current Assets</b>			
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
<b>Noncurrent Assets</b>			
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
		<b>P45,460,812</b>	<b>P48,749,680</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
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
<b>EQUITY</b>			
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)
		<b>P45,460,812</b>	<b>P48,749,680</b>

*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
<b>INCOME</b>				
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
		<b>53,511</b>	<b>9,176,109</b>	<b>2,665,187</b>
<b>EXPENSES</b>				
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
		<b>6,258,458</b>	<b>10,792,886</b>	<b>5,588,811</b>
<b>LOSS BEFORE INCOME TAX</b>		<b>(6,204,947)</b>	<b>(1,616,777)</b>	<b>(2,923,624)</b>
<b>PROVISION FOR CURRENT INCOME TAX</b>	11	<b>430</b>	<b>91,689</b>	<b>53,000</b>
<b>NET LOSS</b>		<b>(6,205,377)</b>	<b>(1,708,466)</b>	<b>(2,976,624)</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
<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
<b>TOTAL COMPREHENSIVE LOSS</b>		<b>(P4,655,377)</b>	<b>(P958,466)</b>	<b>(P2,876,624)</b>
<b>Basic/Diluted Loss Per Share</b>	14	<b>(P0.011)</b>	<b>(P0.005)</b>	<b>(P0.007)</b>

See accompanying Notes to Financial Statements.

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

**STATEMENTS OF CHANGES IN EQUITY**

	Note	Years Ended December 31		
		2022	2021	2020
<b>CAPITAL STOCK</b>				
	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
		<b>714,664,876</b>	<b>714,664,876</b>	<b>714,664,876</b>
<b>DEFICIT</b>				
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		<b>(867,570,155)</b>	<b>(861,364,778)</b>	<b>(859,656,312)</b>
<b>CUMULATIVE FAIR VALUE CHANGES ON INVESTMENT IN A CLUB SHARE</b>				
	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		<b>3,100,000</b>	<b>1,550,000</b>	<b>800,000</b>
		<b>(₱149,805,279)</b>	<b>(₱145,149,902)</b>	<b>(₱144,191,436)</b>

*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
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
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)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
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)	-	-
<b>NET INCREASE (DECREASE) IN CASH</b>		<b>26,728,235</b>	<b>(1,122,173)</b>	<b>(1,789,929)</b>
<b>CASH AT BEGINNING OF YEAR</b>		<b>7,110,931</b>	<b>8,233,104</b>	<b>10,023,033</b>
<b>CASH AT END OF YEAR</b>	<b>4</b>	<b>P33,839,166</b>	<b>P7,110,931</b>	<b>P8,233,104</b>

See accompanying Notes to Financial Statements.

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

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**NOTES TO FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2022 AND 2021 AND**  
**FOR THE YEARS ENDED DECEMBER 31, 2022, 2021 AND 2020**

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**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.

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## 2. Summary of Significant Accounting Policies

### **Basis of Preparation**

The financial statements have been prepared in compliance with the Philippine Financial Reporting Standards (PFRS) issued by the Philippine Financial and Sustainability Reporting Standards Council (formerly Financial Reporting Standards Council) and adopted by the SEC, including SEC pronouncements. This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC).

The accounting policies adopted are consistent with those of the previous financial year.

### **Measurement Bases**

The financial statements are presented in Philippine Peso (Peso), which is also the Company's functional currency. All amounts are rounded to the nearest Peso, unless otherwise stated.

The financial statements have been prepared on a historical cost basis, except for investment in a club share which was classified and measured as financial asset at fair value through other comprehensive income (FVOCI). Historical cost is generally based on the fair value of the consideration given in exchange for an asset and the fair value of the consideration received in exchange for incurring liability.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the transaction date. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The Company uses observable market data to a possible extent when measuring the fair value of an asset or a liability. Fair values are categorized into different levels in a fair value hierarchy based on inputs used in the valuation techniques as follows:

- Level 1 - Quoted (unadjusted) market prices in active market for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Further information about the assumptions made in measuring fair values is included in Notes 7 and 15.

### **Adoption of Amended PFRS**

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amended PFRS:

Effective for annual periods beginning on or after January 1, 2022:

- Amendments to PFRS 3, *Business Combinations - Reference to Conceptual Framework* – The amendments replaced the reference of PFRS 3 from the 1989 Framework to the current 2018 Conceptual Framework. The amendments include an exception that specifies that, for some types of liabilities and contingent liabilities, an entity applying PFRS 3 should refer to PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, or IFRIC 21, *Levies*, instead of the Conceptual Framework. The requirement ensures that the liabilities recognized in a business combination will remain the same as those recognized applying the current requirements in PFRS 3. The amendments also clarify that an acquirer shall not recognize contingent assets acquired in a business combination.
- Amendments to PAS 16, *Property, Plant and Equipment - Proceeds Before Intended Use* – The amendments prohibit deducting from the cost of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for its intended use. Instead, the proceeds and related costs from such items shall be recognized in profit or loss. There is no transition relief for first-time adopters.
- Amendments to PAS 37, *Onerous Contracts - Cost of Fulfilling a Contract* – The amendments specify which costs shall be included when assessing whether a contract is onerous or loss-making. The ‘costs of fulfilling’ a contract comprise the ‘costs that relate directly to the contract’. These costs can either be incremental (e.g., the costs of direct labor and materials) or can be an allocation of costs directly related to fulfilling a contract (e.g., depreciation of fixed assets). At the date of initial application, the cumulative effect of applying the amendments is recognized as an opening balance adjustment to retained earnings or other component of equity, as applicable. Accordingly, the comparatives are not restated.
- Annual Improvements to PFRS 2018 to 2020 Cycle:
  - Amendments to PFRS 9, *Financial Instruments - Fees in the ‘10 per cent’ Test for Derecognition of Financial Liabilities* – The amendment clarifies which fees an entity shall include when it applies the ‘10 per cent’ test in assessing whether to derecognize a financial liability (i.e. whether the terms of a new or modified financial liability is substantially different from the terms of the original financial liability). These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or the lender on the other’s behalf. The amendment applies to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applied the amendments. Earlier application is permitted.

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

**Amended PFRS Issued But Not Yet Effective**

Relevant amended PFRS which are not yet effective as at December 31, 2022 are summarized below:

Effective for annual periods beginning on or after January 1, 2023:

- Amendments to PAS 1, *Presentation of Financial Statements*, and PFRS Practice Statement 2, *Making Materiality Judgments - Disclosure Initiative - Accounting Policies* – The amendments require an entity to disclose its material accounting policies, instead of its significant accounting policies and provide guidance on how an entity applies the concept of materiality in making decisions about accounting policy disclosures. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and its nature. The amendments clarify (1) that accounting policy information may be material because of its nature, even if the related amounts are immaterial, (2) that accounting policy information is material if users of an entity’s financial statements would need it to understand other material information in the financial statements, and (3) if an entity discloses immaterial accounting policy information, such information should not obscure material accounting policy information. In addition, PFRS Practice Statement 2 is amended by adding guidance and examples to explain and demonstrate the application of the ‘four-step materiality process’ to accounting policy information. The amendments should be applied prospectively. Earlier application is permitted.
- Amendments to PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates* – The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies, and the correction of errors. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. An entity develops an accounting estimate if an accounting policy requires an item in the financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not a correction of an error, and that the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. A change in an accounting estimate may affect only the profit or loss in the current period, or the profit or loss of both the current and future periods. Earlier application is permitted.
- Amendments to PAS 12, *Income Taxes - Deferred Tax Related Assets and Liabilities from a Single Transaction* – The amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The amendments should be applied on a modified retrospective basis. Earlier application is permitted.

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

- Amendments to PAS 1, *Presentation of Financial Statements - Classification of Liabilities as Current or Noncurrent* – The amendments clarify the requirements for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments also specify and clarify the following: (i) an entity’s right to defer settlement must exist at the end of the reporting period, (ii) the classification is unaffected by management’s intentions or expectations about whether the entity will exercise its right to

defer settlement, (iii) how lending conditions affect classification, and (iv) requirements for classifying liabilities where an entity will or may settle by issuing its own equity instruments. The amendments must be applied retrospectively. Earlier application is permitted. If applied in earlier period, the Company shall also apply Amendments to PAS 1 - *Noncurrent Liabilities with Covenants* for that period.

Under prevailing circumstances, the adoption of the foregoing amended PFRS is not expected to have any material effect on the financial statements of the Company. Additional disclosures will be included in the financial statements, as applicable.

### **Financial Assets and Liabilities**

*Date of Recognition.* The Company recognizes a financial asset or a financial liability in the statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable is done using settlement date accounting.

*Initial Recognition and Measurement.* Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at fair value through profit or loss (FVPL), includes transaction cost.

*“Day 1” Difference.* Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a “Day 1” difference) in profit or loss. In cases where there is no observable data on inception, the Company deems the transaction price as the best estimate of fair value and recognizes “Day 1” difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the “Day 1” difference.

*Classification.* The Company classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost, and (c) financial assets at FVOCI. Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or other financial liabilities at amortized cost. The classification of a financial instrument largely depends on the Company’s business model.

As at December 31, 2022 and 2021, the Company does not have financial assets and liabilities at FVPL.

*Financial Assets at Amortized Cost.* A financial asset shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized and through amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

As at December 31, 2022 and 2021, the Company's cash, receivables (excluding advances to officers, employees and service providers) and due from related parties are classified under this category.

*Financial Assets at FVOCI.* Equity securities which are not held for trading may be irrevocably designated at initial recognition under the FVOCI category.

Financial assets at FVOCI are initially measured at fair value plus transaction costs. After initial recognition, financial assets at FVOCI are measured at fair value with unrealized gains or losses recognized in other comprehensive income (OCI) and are included under "Other comprehensive income" account in the equity section of the statements of financial position. These fair value changes are recognized in equity and are not reclassified to profit or loss in subsequent periods. On disposal of these equity securities, any cumulative unrealized valuation gains will be reclassified to retained earnings.

As at December 31, 2022 and 2021, the Company's investment in a club share of Valley Golf & Country Club is classified under this category.

*Financial Liabilities at Amortized Cost.* Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate.

As at December 31, 2022 and 2021, the Company's accrued expenses and other current liabilities (excluding statutory payable) and amounts due to related parties are classified under this category.

#### **Reclassification of Financial Assets**

The Company reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date).

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVPL, any gain or loss arising from the difference between the previous amortized cost of the financial asset and fair value is recognized in profit or loss.

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVOCI, any gain or loss arising from the difference between the previous amortized cost of the financial asset and fair value is recognized in OCI.

For a financial asset reclassified out of the financial assets at FVOCI category to financial assets at amortized cost, any gain or loss previously recognized in OCI, and any difference between the new amortized cost and maturity amount, are amortized to profit or loss over the remaining life of the investment using the effective interest method. If the financial asset is subsequently impaired, any gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

For a financial asset reclassified out of the financial assets at FVOCI category to financial assets at FVPL, the financial asset continues to be measured at fair value.

#### **Impairment of Financial Assets at Amortized Cost**

The Company records an allowance for expected credit loss (ECL) based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The difference is then discounted at an approximation to the asset's original effective interest rate.

#### **Derecognition of Financial Assets and Liabilities**

*Financial Assets.* A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized by the Company when:

- the right to receive cash flows from the asset has expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Company has transferred its right to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the assets, or (b) has neither transferred nor retained substantially all the risk and rewards of the assets, but has transferred control over the asset.

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset, if any, is measured at the lower of original carrying amount of the asset and the maximum amount of consideration that the Company could be required to pay.

*Financial Liabilities.* A financial liability is derecognized when the obligation under the liability is discharged, or cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of the new liability, and the difference in the respective carrying amount is recognized in profit or loss.

#### **Offsetting Financial Assets and Liabilities**

Financial assets and liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statements of financial position.

### **Classification of Financial Instrument between Liability and Equity**

A financial instrument is classified as liability if it provides for a contractual obligation to:

- Deliver cash or another financial asset to another entity;
- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company; or
- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Company does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

### **Other Current Assets**

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

*CWT.* CWT represents the amount withheld by the Company's customers in relation to its income. CWT can be utilized as payment for income taxes provided that these are properly supported by certificates of creditable tax withheld at source subject to the rules on Philippine income taxation. CWT is stated at estimated net realizable value.

*VAT.* Revenues, expenses and assets are generally recognized net of the amount of VAT, except:

- where the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and
- receivables and payables that are stated with the amount of tax included.

The net amount of VAT recoverable from the taxation authority is included as part of "Other current assets" account in the statements of financial position.

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

### **Property and Equipment**

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

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

Expenditures incurred after the property and equipment have been put into operation, such as repairs, maintenance and overhaul costs, are normally charged to operations in the year the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of

property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment. The cost of replacing a component of an item of property and equipment is recognized if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized.

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

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

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

#### **Impairment of Nonfinancial Assets**

The Company assesses at each reporting date whether there is an indication that nonfinancial assets may be impaired when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists and if the carrying amount exceeds the estimated recoverable amount, nonfinancial assets are written down to its recoverable amount, which is the greater of fair value less cost to sell and value in use. The fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable and willing parties less cost of disposal. In assessing value in use, the estimated future cash flows are discounted to present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. In such instance, the carrying amount of the asset is increased to its recoverable amount. However, that increased amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss.

#### **Equity**

*Capital Stock.* Capital stock is measured at par value for all shares issued and outstanding.

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

*Cumulative Fair Value Changes on Investment in a Club Share.* The account comprises of unrealized fair value changes that is not recognized in profit or loss for the year in accordance with PFRS.

### **Revenue Recognition**

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the amount of revenue can be measured reliably.

Revenue from contract with customers is recognized when the performance obligation in the contract has been satisfied at a point in time or over time.

The Company also assesses its revenue arrangements to determine if it is acting as a principal or as an agent. The Company has assessed that it acts as a principal in all of its revenue source.

The following specific recognition criteria must also be met before revenue is recognized.

*Interest Income.* Interest income is recognized in profit or loss as it accrues, taking into account the effective yield on the asset.

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

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

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

### **Expense Recognition**

Expenses constitute cost of administering the business. These costs are expensed upon receipt of goods, utilization of services, or when the expense is incurred.

### **Income Taxes**

*Current Tax.* Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount is the one that has been enacted or substantively enacted at the reporting date.

*Deferred Tax.* Deferred tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of any unused tax credits from the excess of minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT) and any unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carryforward benefits of unused excess MCIT over RCIT and unused NOLCO can be utilized. Deferred tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax is recognized in profit or loss except to the extent that it relates to a business combination, or items directly recognized in equity as OCI.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates and tax laws that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rate that has been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### **Basic and Diluted Loss per Share**

The Company computes its basic loss per share by dividing net loss for the period attributable to ordinary equity holders of the Company by the weighted average number of common shares outstanding during the period.

Diluted loss per share amounts are computed in the same manner, adjusted for the dilutive effect of any potential common shares. There is no such information in 2022, 2021 and 2020 because the Company has no dilutive potential common shares and is in a net loss position.

#### **Segment Reporting**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Company's other components. The Company has only one segment which is as a holding company.

#### **Related Parties**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Related party transactions are considered material and/or significant if these transactions amount to 10% or higher of the Company's total assets or if there are several transactions or a series of transactions over a twelve-month period with the same related party amounting to 10% or higher of the Company's total assets.

#### **Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are made using the best estimates of the amount required to settle the obligation and are discounted to present values using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Changes in estimates are reflected in profit or loss in the period these arise.

### **Contingencies**

Contingent liabilities are not recognized in the financial statements. They are disclosed in the notes to financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefits is probable.

### **Events after the Reporting Date**

Post year-end events that provide additional information about the Company's financial position at the end of reporting period (adjusting events) are reflected in the financial statements. Post year-end events that are non-adjusting are disclosed in the notes to financial statements when material.

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

The preparation of financial statements in accordance with PFRS requires management to exercise judgment, make estimates and assumptions that affect the amounts reported in the financial statements. The judgment and estimates used in the financial statements are based on management's evaluation of relevant facts and circumstances as at the reporting date. While the Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

### **Judgment**

In the process of applying the Company's accounting policies, management has made the following judgment, apart from those involving estimates, which have the most significant effect on the amounts recognized in the financial statements.

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

*Classifying the Financial Instruments.* The Company exercises judgment in classifying a financial instrument on initial recognition either as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the statements of financial position.

The Company classified its investment in a club share as financial asset at FVOCI (see Note 7).

*Evaluating the Contingencies.* The Company is a party to certain lawsuits or claims arising from the ordinary course of business. However, the Company's management and legal counsel believe that eventual liabilities under these lawsuits or claims, if any, will not have a material effect on the Company's financial statements.

**Estimates and Assumptions**

The key estimates concerning the future and other key sources of estimation uncertainty at the reporting date, that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

*Estimating the Liabilities related to Previous Development Bank Operations.* The estimated liabilities related to previous development bank operations of the Company is based on the management's best estimate of the amount expected to be incurred to settle the obligation.

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

*Assessing the ECL on Financial Assets at Amortized Cost.* The Company applies the simplified approach on its receivables and the general approach on all its other financial assets at amortized cost in measuring the ECL. The Company estimates the ECL on its receivables using a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company assessed that cash in banks are deposited with reputable counterparty banks that possess good credit ratings. For related party transactions and other receivables, the Company considered the available liquid assets of the related parties and letter of guarantee from the stockholders.

The Company assesses that a financial asset is considered credit impaired when one or more events that have a detrimental effect on the estimated future cash flows of the asset have occurred such as significant financial difficulty and cessation of operations of the debtor.

Impairment loss amounted to nil in 2022 and ₱5.5 million in 2021. In 2022, the Company has written-off receivables amounting to ₱5.5 million (see Note 5).

The aggregate carrying amount of cash in banks, receivables (excluding advances to officers, employees and service providers) and due from related parties amounted to ₱36.2 million and ₱42.0 million as at December 31, 2022 and 2021, respectively (see Note 4, 5 and 12).

*Assessing the Impairment of Nonfinancial Assets.* The Company assesses impairment on nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Company considers important which could trigger an impairment review include the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business;  
or
- significant negative industry or economic trends.

No impairment losses were recognized in 2022, 2021 and 2020.



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

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

*Assessing the Realizability of Deferred Tax Assets.* The Company reviews its deferred tax assets at each reporting date and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized in the future. The amount of deferred income tax assets that are recognized is based upon the likely timing and level of future taxable profits together with future tax planning strategies to which the deferred income tax assets can be utilized.

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

#### 4. Cash

This account consists of:

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

Cash in banks earn interest at prevailing bank deposit rates.

The sources of interest income are as follows:

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

## 5. Receivables

This account consists of:

	Note	2022	2021
Loans receivable:			
Third parties		<b>₱62,277,740</b>	₱62,277,740
Related party	12	–	26,000,000
Advances to officers, employees and service providers		<b>2,384,535</b>	2,195,495
Rent receivables:			
Third parties		<b>237,932</b>	261,932
Related party	12	–	1,159,200
Interest receivable	12	–	5,541,667
		<b>64,900,207</b>	97,436,034
Less allowance for impairment losses		<b>64,642,007</b>	70,183,674
		<b>₱258,200</b>	₱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		<b>₱62,277,740</b>	₱62,277,740
Advances to officers, employees and service providers		<b>2,126,335</b>	2,126,335
Rent receivables		<b>237,932</b>	237,932
Interest receivable	12	–	5,541,667
		<b>₱64,642,007</b>	₱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		<b>₱70,183,674</b>	₱64,642,007
Write-off		<b>(5,541,667)</b>	–
Impairment	12	–	5,541,667
Balance at end of year		<b>₱64,642,007</b>	₱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	<b>₱3,159,222</b>	₱3,159,652
Input VAT	<b>1,608,549</b>	1,210,773
Prepayments	<b>342,057</b>	327,572
	<b>₱5,109,828</b>	₱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
<b>Cost</b>	<b>₱200,000</b>	₱200,000
<b>Cumulative unrealized gains on fair value changes</b>		
Balance at beginning of year	<b>1,550,000</b>	800,000
Fair value changes	<b>1,550,000</b>	750,000
Balance at end of year	<b>3,100,000</b>	1,550,000
	<b>₱3,300,000</b>	₱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		Total
	Computer Equipment	Transportation Equipment	
<b>Cost</b>			
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
<b>Accumulated Depreciation</b>			
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
<b>Carrying Amount</b>	<b>₱627,000</b>	<b>₱9,063</b>	<b>₱636,063</b>

	2021		Total
	Computer Equipment	Transportation Equipment	
<b>Cost</b>			
Balance at beginning and end of year	₱85,800	₱1,631,375	₱1,717,175
<b>Accumulated Depreciation</b>			
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
<b>Carrying Amount</b>	<b>₱–</b>	<b>₱256,488</b>	<b>₱256,488</b>

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
	<b>₱180,749,347</b>	<b>₱180,019,582</b>

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.

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## 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
	<u>5,000,000,000</u>	<u>₱5,000,000,000</u>
	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
	<u>714,664,876</u>	<u>₱714,664,876</u>

The preferred stock Series A and B has the following salient features:

- a. Cumulative, nonparticipating, nonvoting, redeemable and convertible at the option of the Company.
- b. Cash dividend rate initially at 4.50% per annum based on par value, which shall be automatically adjusted to 11.00% per annum upon full payment of the subscription price.
- c. The Company may, at any time at its option, wholly or partially redeem the outstanding preferred stock plus accrued dividends thereon. When such call for redemption is made, the holders of the preferred stock may opt to convert the preferred stock to common stock.

As discussed in Note 1, in 2022, the BOD and shareholders approved the amendment of the AOI of the Company to reflect the increase, declassification of preferred shares and common shares into one class of common shares and deletion of all provisions relating to the preferred shares. As at April 11, 2023, the application for the additional amendments of Articles of Incorporation is pending approval from the SEC.

Other planned amendments are also discussed in Note 1.

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

## 11. Income Tax

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

On March 26, 2021, the “Corporate Recovery and Tax Incentives for Enterprise” (CREATE) was approved and signed into law by the country’s President. Under the CREATE, the RCIT of domestic corporations was revised from 30% to 25% or 20% depending on the amount of total assets or total amount of taxable income. In addition, the MCIT was changed from 2% to 1% of gross income for a period of three years. The changes in the income tax rates shall retrospectively became effective beginning July 1, 2020. The impact of change in 2020 was applied in 2021.

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

The reconciliation of benefit from current income tax at the statutory income tax rate to the provision for current income tax shown in the statements of comprehensive income are as follows:

	2022	2021	2020
Income tax computed at statutory tax rate	(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	-
	<b>P430</b>	<b>P91,689</b>	<b>P53,000</b>

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
	<b>P14,280,269</b>	<b>P13,300,717</b>

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
	<b>P781,334</b>	<b>P5,252,413</b>	<b>P-</b>	<b>P6,033,747</b>	

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
	<b>P216,049</b>	<b>P430</b>	<b>(P71,360)</b>	<b>P145,119</b>	

## 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
<b>Receivables</b>					
<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
				<b>P-</b>	<b>P27,159,200</b>
<b>Due from related parties</b>					
Entities under common control	Advances (Settlement)	<b>(P5,364,349)</b>	(P91,724)	<b>P2,317,555</b>	P7,681,904
<b>Due to related parties</b>					
Entities under common control	Advances	<b>P636,744</b>	P-	<b>P636,744</b>	P-
Parent Company	Management fee	-	-	<b>13,880,000</b>	13,880,000
				<b>P14,516,744</b>	<b>P13,880,000</b>

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.

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### **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.



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#### 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
<b>Financial assets at amortized cost:</b>				
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
<b>Financial assets at FVOCI -</b>				
Investment in a club share	3,300,000	-	-	3,300,000
	<b>P39,451,721</b>	<b>P-</b>	<b>P62,515,672</b>	<b>P101,967,393</b>

\*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
<b>Financial assets at amortized cost:</b>				
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
<b>Financial assets at FVOCI -</b>				
Investment in a club share	1,750,000	-	-	1,750,000
	<b>P43,721,276</b>	<b>P-</b>	<b>P68,057,339</b>	<b>P111,778,615</b>

\*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			Total
		Less Than 30 Days	31-60 Days	Past Due and Impaired	
<b>Financial Assets at Amortized Cost</b>					
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
	<b>36,151,721</b>	<b>-</b>	<b>-</b>	<b>62,515,672</b>	<b>98,667,393</b>
<b>Financial Assets at FVOCI</b>					
Investment in a club share	3,300,000	-	-	-	3,300,000
	<b>P39,451,721</b>	<b>P-</b>	<b>P-</b>	<b>P62,515,672</b>	<b>P101,967,393</b>

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

2021					
	Neither Past Due Nor Impaired	Past Due But Not Impaired			Total
		Less Than 30 Days	31-60 Days	Past Due and Impaired	
<b>Financial Assets at Amortized Cost</b>					
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
	<b>41,971,276</b>	<b>-</b>	<b>-</b>	<b>68,057,339</b>	<b>110,028,615</b>
<b>Financial Assets at FVOCI</b>					
Investment in a club share	1,750,000	-	-	-	1,750,000
	<b>P43,721,276</b>	<b>P-</b>	<b>P-</b>	<b>P68,057,339</b>	<b>P111,778,615</b>

\*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
<b>Financial Assets</b>				
Cash	<b>₱33,839,166</b>	<b>₱33,839,166</b>	₱7,110,931	₱7,110,931
Receivables*	–	–	27,183,200	27,183,200
Due from related parties	<b>2,317,555</b>	<b>2,317,555</b>	7,681,904	7,681,904
Investment in a club share	<b>3,300,000</b>	<b>3,300,000</b>	1,750,000	1,750,000
	<b>₱39,456,721</b>	<b>₱39,456,721</b>	<b>₱43,726,035</b>	<b>₱43,726,035</b>

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

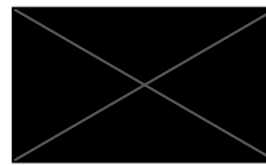
*Current Financial Assets and Liabilities.* The carrying amounts of cash, receivables (excluding advances from officers, employees and service providers), due from related parties and accrued expenses and other current liabilities (excluding statutory payable) and due to related parties approximate their 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.

Tax Identification No.

BOA Accreditation No. valid until April 13, 2024

SEC Accreditation No. SEC Group A

Issued March 23, 2021

Valid for Financial Periods 2020 to 2024

BIR Accreditation No.

Valid until January 24, 2026

PTR No.

Issued January 3, 2023, Makati City

April 11, 2023

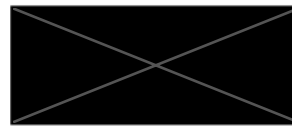
Makati City, Metro Manila

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



**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. 


Tax Identification No. 

BOA Accreditation No.  Valid until April 13, 2024

SEC Accreditation No.  SEC Group A

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Issued January 3, 2023, Makati City

April 11, 2023

Makati City, Metro Manila

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

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**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.)**

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**SEC SUPPLEMENTARY SCHEDULES AS REQUIRED BY**  
**PAR. 6 PART II OF REVISED SRC RULE 68**  
**DECEMBER 31, 2022**

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<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.)**

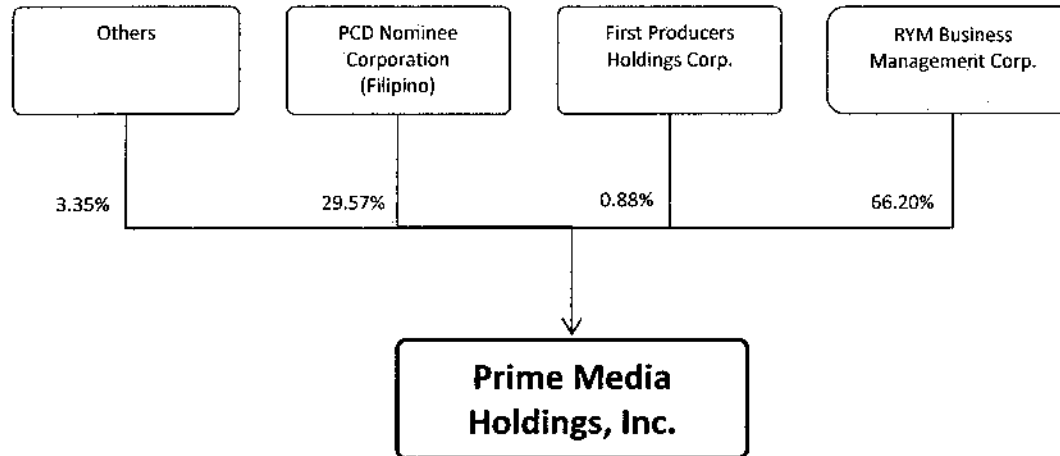
**SCHEDULE G - CAPITAL STOCK**  
**DECEMBER 31, 2022**

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.)

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**CONGLOMERATE MAP**  
**DECEMBER 31, 2022**





**PRIME MEDIA**  
*Holdings, Inc.*

# 2022 Sustainability Report



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# Profile

Prime Media Holdings Inc. (PMHI) is one with the government in supporting the sustainable development goal for economic growth, as it continues its path towards revival and relevance.

<b>Name of Organization</b>	Prime Media Holdings, Inc. (PMHI)
<b>Principal Office</b>	16th Floor BDO Towers Valero (formerly Citibank Center), 8741 Paseo de Roxas, Makati City
<b>Business Model</b>	The company is listed on the Philippine Stock Exchange (PSE). It is engaged in the purchase, exchange, assignment, and holding of shares or equity.
<b>Reporting Period</b>	January 1 to December 31, 2022

# Sustainable business model

PMHI was originally incorporated as the Private Development Corporation of the Philippines (PDCP) in 1963. In 2000, the Company changed its name to First e-Bank Corporation, and later on, in 2003, the Company adopted its current name.

The Company's Board of Directors and stockholders approved an amendment to its Articles of Incorporation in 2002 changing its primary purpose to a holding and investment company with investments in the media industry. Since then, its activities are focused on cleaning-up efforts covering its erstwhile operations as a banking entity.

In 2010, given its minimal operations and the company's plans to reorganize and to further assess its business model, PMHI gradually retired all its employees and outsourced its administration and operations to consultants and service providers.

PMHI is still currently non-operational, and recently it has been working towards aligning the transition process with the UN Sustainable Development Goal on Economic Growth.

PMHI 2023 Sustainability report was prepared following Principle 10 of the Code of Corporate Governance for Publicly Listed Companies (PLCs) which ensures that material non-financial and sustainability issues are disclosed.

This signifies the Company's commitment to good corporate governance and demonstrates that PMHI's reporting process is in place, covering both financial and sustainability aspects. PMHI fully affirms that its economic growth should also be based on sustainable grounds.



With the easing of COVID-19 mobility restrictions in 2022 and robust economic growth, PMHI continues to assess possible avenues in adopting a business model that will attain sustainability. This is in line with the global call to strengthen the 17 Sustainable Development Goals (SDG).

The universal call to action seeks to end poverty, protect the planet and improve the lives and prospects of everyone, everywhere. The 17 Goals were adopted by all UN Member States in 2015, as part of the 2030 Agenda for Sustainable Development, which set out a 15-year plan to achieve the goals.

In 2022 the United Nations (UN) called for the strengthening of the commitment to support the SDG, amid a climate emergency brought about by the COVID-19 pandemic and the war in Ukraine.

The pandemic is in its third year, and while restrictions have been reduced, it will take time before the world will be completely out of danger. The year 2022 was further challenged by the war in Ukraine alleviating the food and energy crises, and creating a global shift toward emergency measures.

The Sustainable Development Goals Report 2022 discussed how the crises interlink with the 2030 Agenda for Sustainable Development. Its impact on food and nutrition, health, education, the environment, and peace and security calls for more urgent action for meaningful progress.

UN Secretary General Antonio Guterres called for the creation of a “global economy that will work for all” citing that both the pandemic and the Ukraine war “have further delayed the urgently needed transition to greener economies.”

The 2022 report further emphasized the importance of data infrastructure “to efficiently target investments, anticipate future demands, avoid crisis from descending into full-blown conflict”.

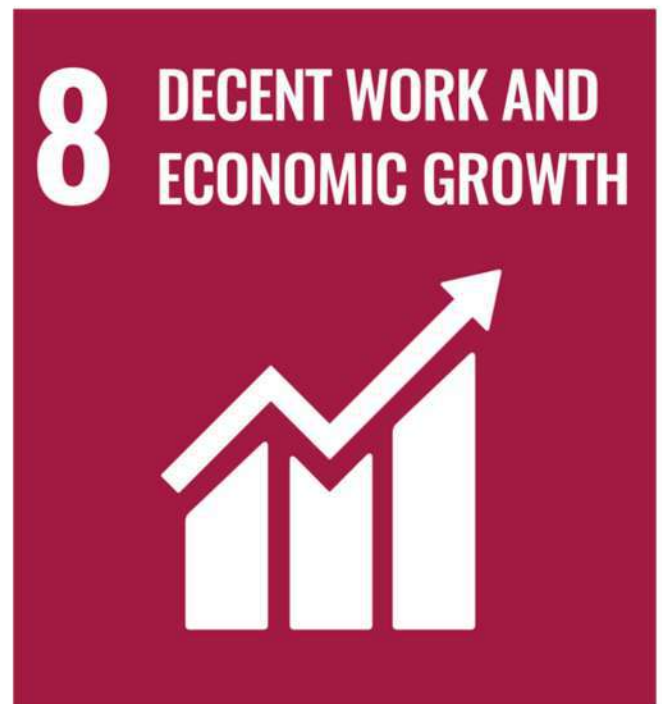


# Seeking New & Viable Businesses

PMHI continues to support the sustainable goal for economic growth in seeking potential new and viable businesses.

In May 2021 PMHI signed a Memorandum of Understanding with Philippine Collective Media Corporation (PCMC) following a share-for-share swap agreement. In June of the following year, while implementing the Memorandum of Agreement (MOA) with PCMC to formalize its media and broadcasting venture. PMHI released its expansion plans to the media.

PCMC is a local broadcast company and was established in 2008 in Tacloban. It has several radio stations under the FMR (Favorite Music Radio) network and a television PRTV in Tacloban. With the amendment of its franchise in 2020 for nationwide broadcasting it currently airs on television via Signal Channel 317 and operates radio stations FMR Tacloban in Ormoc, Borongan, Calbayog, Catbalogan and Catarman, and other FMR stations in Baguio, Cagayan, Nueva Vizcaya,



Quezon Province, Catanduanes, Albay, Sorsogon, Bacolod, Maasin, Camiguin, Dipolog, Ipil, Pagadian, Zamboanga, Butuan, Digos, Iligan and Nabunturan. It is also affiliated with FMR Happy Radio in Tumauni, FMR Radyo Partido Goa, FMR University FM in Nabua, YK FM Montevista, Radyo Asenso Mokayo, and Radio Ignacia Cotabato.

The media expansion also includes the acquisition of additional frequencies for both free tv and radio and a digital technology platform to support its television and radio channels. Aside from providing information and entertainment, there are plans for a mobile payment gateway to address services like streaming-on-demand, pay-per-view, home TV shopping, etc.

PMHI confirmed discussions for potential partnerships in digital infrastructure, software applications like data mining and storage, including other value-added services such as an e-wallet system.

Towards the end of 2021, PMHI and the majority shareholders of Golden Peregrine Holdings, Inc. executed an amended Memorandum of Agreement (“Amended MOA”) that led to the acquisition of Golden Peregrine Holdings, Inc. as a direct subsidiary, and PCMC, as an indirect subsidiary.



# Economic Performance

With a confirmation statement seeking to ensure continuous adherence and compliance with corporate governance rules, regulations, and requirements imposed by the Philippine Securities and Exchange Commission (SEC) and the PSE, PMHI paid a total of Php 8,576,570.87 to suppliers and other operating expenses. Despite its non-operational status it also remitted taxes to the Philippine government in the amount of Php 302,920.63.

**Php 8.57 M**

paid to suppliers and other operating expenses.

The Company continues to promote Good Corporate Governance as it moves towards its revitalization and reinventions plans.

**Php 302,920.63**

remitted taxes to the Philippine government

The figures may not be deemed substantial from a business standpoint, but it is an indication of PMHI's commitment to contribute and comply with its obligation to the Philippine government and the local economy.



# Transparency

The Company's audited financial performance was presented to its shareholders during the virtual annual stockholders' meeting held on September 23, 2022. In line with SEC's regulations the meeting via remote communication format aims to further safeguard everyone's safety and health due to the ongoing threat of the COVID-19 pandemic.

Vital information on the Company is also freely accessible via its website, which also includes its current Annual Report, Information Statement and Sustainability Reports.



# Data Security

Data security is a vital material topic relative to the Company's plans to lay the groundwork to revitalize its operations in the future. PMHI has a duly appointed Data Privacy Officer to ensure strict implementation of confidentiality measures that comply with Philippine data privacy laws. More stringent measures will be adopted in order to be attuned with future plans and business expansion goals.

In summary, PMHI demonstrates good corporate governance as it focuses on pursuing strategic investments for its future growth and reversion to a going concern status.



# Materiality Assessment

The report was prepared following the Sustainability Reporting Guidelines for Publicly Listed companies of the Philippines, released by the Securities and Exchange Commission.

PMHI expects to further develop its materiality assessment and sustainability reporting process once it completes its corporate reorganization, determines the optimal business model, and resumes operations.

In 2019, the Company, for its first Sustainability Report, engaged the services of Atty. Teodoro Kalaw IV, is certified both as a sustainability trainer by the Global Reporting Initiative and a sustainability report assurer by the Institute of Certified Sustainable Practitioners. Atty. Kalaw facilitated an extensive sustainability orientation and materiality assessment workshop for key officers and staff of the Firm. The same key officers and staff are tasked to provide continuity in preparing the current Sustainability Report.

In light of PMHI's dormancy, it was determined that most of the prospective material topics in the economic, environmental, and social domains described in SEC Memorandum Circular No. 4 s. of 2019 are presently not relevant to our stakeholders.



As it moves toward pursuing a more active business operations, PMHI expects to be able to specifically demonstrate its contributions to the Sustainable Development Goals promoted by the United Nations. The transition would support sustainable economic growth and increase employment opportunities.

For 2022, the results of the materiality assessment are substantially similar to the previous year as the Company remains in the process of determining the optimal business model to embark on.

Ultimately, the real benefit of this initial process is to prepare the Company for a more robust sustainable operations and reporting in future fiscal years. This will provide a foundation for more accountability and transparency in its future disclosures and other reporting processes.



# Index of Material Topics

According to Annexes A (Reporting Template) and B (Topic Guide) of the SEC Memorandum Circular No. 4 (Sustainability Reporting Guidelines for Publicly-listed Companies), the following are the topics PMHI has identified as material for the reporting period which were addressed in this report.

<b>TOPIC</b>	<b>PAGE NUMBER IN ANNEX A OF SEC GUIDELINES</b>	<b>PAGE NUMBER IN THIS REPORT</b>
<b>Data Privacy and Security Protection</b>	<b>41</b>	<b>11</b>
<b>Economic Performance</b>	<b>19</b>	<b>9</b>
<b>UN SDG 8: Decent Work and Economic Growth</b>	<b>14</b>	<b>7</b>