

# COVER SHEET

SEC Registration Number

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Company Name

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Principal Office (No./Street/Barangay/City/Town/Province)

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Form Type

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Department requiring the report

C	F	D
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Secondary License Type, If Applicable

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## COMPANY INFORMATION

Company's Email Address

corporatesecretary@lopezinc.com.ph

Company's Telephone Number/s

**(632) 8878-0000**

Mobile Number

**98175270140**

No. of Stockholders

**8**

Annual Meeting  
Month/Day

**Any date in May**

Fiscal Year  
Month/Day

**December 31**

## CONTACT PERSON INFORMATION

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

Name of Contact Person

**Atty. Enrique I. Quiason**

Email Address

**equiason@qmbti.com**

Telephone Number/s

**(632) 8631-0981**

Mobile Number

**09175270140**

Contact Person's Address

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**Note:** 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.



March 1, 2023

## NOTICE OF ANNUAL COMMON STOCKHOLDERS' MEETING

To: All Stockholders of ABS-CBN Holdings Corporation

Please be advised that the annual meeting of the common stockholders of ABS-CBN Holdings Corporation will be held on Thursday, March 31, 2023 at 2:00 p.m., via remote communication at <https://us02web.zoom.us/j/88106475667?pwd=NThTQW9JK3ZXWTZJaE5EdzBUdVhMUT09> to discuss the following:

### AGENDA

1. Call to Order
2. Proof of Service of Notice
3. Certification of Quorum
4. Approval of Minutes of Previous Stockholders' Meeting Held on February 28, 2022
5. Chairman's Message
6. Report of Management
7. Ratification of the Audited Financial Statements for the year ending December 31, 2021
8. Ratification of the Acts of the Board and of Management
9. Election of Directors for Ensuing Year
10. Appointment of External Auditor
11. Other Business
12. Adjournment

For purposes of the meeting, only common stockholders of record as of February 28, 2023 are entitled to attend and vote in the said meeting.

Given the current circumstances, common stockholders may only attend the meeting by remote communication, by voting in absentia, or by appointing the Chairman of the meeting as proxy.

Online participation and voting by remote communication will be available for all common stockholders. Common stockholders who wish to participate and vote online by remote communication will be required to register starting March 1, 2023 until March 21, 2023. Stockholders who are not able to register by March 21, 2023 can no longer avail of online voting but may still participate by remote communication.

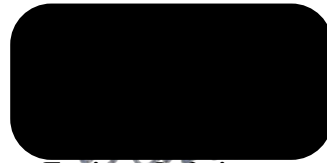
An email will be sent to all common stockholders which will enable them to register to participate in the annual stockholders' meeting and to vote by remote communication. A Zoom link for the annual stockholders' meeting will be emailed to all common stockholders who are able to register successfully.

All common stockholders who will not, are unable, or do not expect to attend the virtual meeting in person may choose to execute and send a valid proxy in writing to the Office of the Corporate Secretary, at **16th Floor, North Tower, Rockwell Business Center, Sheridan St. corner United St., Bgy. Highway Hills, Mandaluyong City, 1550** or in digital/electronic form at [equiason@qmbti.com](mailto:equiason@qmbti.com) on or before March 21, 2023. Proxies shall be validated beginning on March 2, 2023.

Electronic copies of the Corporation's Information Statement, Management Report, SEC 17-A and other pertinent documents are available at its website at <https://www.abs-cbnpr.com/> and uploaded at the PSE's EDGE disclosure system.

Should you be unable to attend the meeting in person, you may execute the necessary proxy and have it delivered to the undersigned on or before March 21, 2023.

By order of the Board of Directors



**Enrique I. Quiason**  
Corporate Secretary

# ABS-CBN HOLDINGS CORPORATION

## INFORMATION STATEMENT

**This Information Statement is dated March 1, 2023 and is being furnished to stockholders of record of ABS-CBN Holdings Corporation as of February 28, 2023 in connection with the Annual Common Stockholders' Meeting.**

**WE ARE NOT ASKING YOU FOR A PROXY AND  
YOU ARE REQUESTED NOT TO SEND US A PROXY.**

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### **A. General Information**

#### **Date, Time and Place of Meeting of Common Stockholders**

Date: March 31, 2023

Time: 2:00 p.m.

Place: Via remote communication at

<https://us02web.zoom.us/j/88106475667?pwd=NThTQW9JK3ZXWTZJaE5EdzBUdVhMUT09>

Meeting ID: 881 0647 5667

Passcode: 740769

Principal Office: 16th Floor, North Tower, Rockwell Business Center  
Sheridan St. corner United St., Bgy. Highway Hills  
Mandaluyong City, 1550

Approximate date on which the Information Statement is first to be sent or given to common stockholders: **March 1, 2023.**

#### **Dissenter's Right of Appraisal**

A stockholder has a right to dissent and demand payment of the fair value of his share:

- (i) in case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholders or class of shares of authorizing preferences over the outstanding shares or of extending or shortening the term of corporate existence;
- (ii) in case any sale, lease mortgage or disposition of all or substantially all the corporate property assets; and
- (iii) in case of merger or consolidation.

The Company is not aware of any action or matter to be taken up at the Annual Stockholders' Meeting that will give rise to the exercise by a shareholder of the right of appraisal.

However, if any time after the Information statement has been sent out, an action which may give rise to the right of appraisal is proposed at the meeting, any shareholder who wishes to exercise such right and who voted against the proposed action must make a written demand within 30 days after the date of the meeting or when the vote was taken for the payment of fair market value of his share. Upon payment, he must surrender his certificate of stock. No payment shall be made to any dissenting stockholder unless the Company has unrestricted retained earnings in its books to cover such payment.

## Interest of Certain Persons in or Opposition to Matters to be Acted Upon

No director, officer or associate of directors and officers has any substantial interest, direct or indirect, in any matter to be acted upon during the Annual Stockholders' Meeting, other than the election to office of the nominees.

The Company has not received any information than an officer, director or stockholder intends to oppose any action to be taken at the Annual Stockholders' Meeting.

## B. CONTROL AND COMPENSATION INFORMATION

### Voting Securities and Principal Holders Thereof

- (a) The Company has 400 shares subscribed and outstanding as of January 31, 2023. Each stockholder shall be entitled to one vote for each share of stock held as of the established record date.
- (b) All stockholders of record as of February 28, 2023 are entitled to notice and to vote at the Annual Stockholders' Meeting.
- (c) With respect to the election of directors, the stockholders may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many vote as the number of directors to be elected or he may distribute them on the same principle among as many candidates 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 whole number of directors to be elected.
- (d) Pursuant to Article I, Section 5 of the By-Laws of the Company, a quorum of any meeting of the stockholders shall consist of a majority of the subscribed capital stock of the Company represented in person or by proxy, and a majority of such quorum shall decide any question that may come before the meeting, except in those several matters in which the laws of the Philippines require the affirmative vote of a greater proportion.

Voting upon all questions at all meetings of the stockholders shall be by shares of stock. One share has one vote. The stockholders may vote at all meetings the number of shares registered in their respective names either in person or by proxy duly represented to the Secretary for inspection and record.

- (e) As of January 31, 2023 the Company knows of no beneficial owner or voting trust holder of 5% or more among the stockholders except as set forth below:

(1) Title of Class	(2) Name and address record owner and relationship with the issuer	(3) Name of Beneficial and Relationship with Record Owner	(4) Citizenship	(5) No. of shares held	(6) Percent of class
Common	Lopez, Inc. 16th Floor, North Tower, Rockwell Business Center, Sheridan St. corner United St., Bgy. Highway Hills, Mandaluyong City Stockholder	Record owner same as beneficial owner*	Domestic	239	59.75%
Common	Oscar M. Lopez 16th Floor, North Tower, Rockwell Business Center,	Record owner same as beneficial owner	Filipino	40	10%

	Sheridan St. corner United St., Bgy. Highway Hills, Mandaluyong City Director of Issuer				
Common	Manuel M. Lopez 16th Floor, North Tower, Rockwell Business Center, Sheridan St. corner United St., Bgy. Highway Hills, Mandaluyong City Stockholder	Record owner same as beneficial owner	Filipino	40	10%
Common	Eugenio Lopez III 16th Floor, North Tower, Rockwell Business Center, Sheridan St. corner United St., Bgy. Highway Hills, Mandaluyong City Stockholder	Record owner same as beneficial owner	Filipino	40	10%
Common	Salvador G. Tirona 16th Floor, North Tower, Rockwell Business Center, Sheridan St. corner United St., Bgy. Highway Hills, Mandaluyong City Comptroller of Issuer	Record owner same as beneficial owner	Filipino	38	9.5%
Common	Justice Jose C. Vitug c/o 16th Floor, North Tower, Rockwell Business Center, Sheridan St. corner United St., Bgy. Highway Hills, Mandaluyong City Director of Issuer	Record owner same as beneficial owner	Filipino	1	0.25%
Common	Emmanuel S. De Dios c/o 16th Floor, North Tower, Rockwell Business Center, Sheridan St. corner United St., Bgy. Highway Hills, Mandaluyong City Director of issuer	Record owner same as beneficial owner	Filipino	1	0.25%
Common	Benjamin R, Lopez c/o 16th Floor, North Tower, Rockwell Business Center, Sheridan St. corner United St., Bgy. Highway Hills, Mandaluyong City Director of issuer	Record owner is a corporate officer of the beneficial owner	Filipino	1	0.25%

\* *Lopez, Inc. is the holding company of the Lopez family. It is owned by the respective holding companies of the family of Oscar M. Lopez, the late Manuel M. Lopez, the late Eugenio Lopez, Jr. and the late Presentacion L. Psinakis.*

Address of all the record and beneficial owners of more than 5%:

16th Floor, North Tower, Rockwell Business Center,  
Sheridan St. corner United St., Bgy. Highway Hills,  
Mandaluyong City

Mr. Benjamin R. Lopez, Senior Executive Vice President of Lopez, Inc., is authorized to vote for the shares of Lopez, Inc.

(f) There are no arrangements which have resulted in a change in control of the registrant during the periods covered by this Information Statement.

(g) Security Ownership of Management as of January 31, 2023:

<b>(1) Title of Class</b>	<b>(2) Name of beneficial owner</b>	<b>(3) Amount and nature of beneficial ownership</b>	<b>(4) Citizenship</b>	<b>(5) Percent ownership</b>
Common	Manuel M. Lopez	40 r (sole voting)	Filipino	10.00%
Common	Salvador G. Tirona	38 r (sole voting)	Filipino	9.50%
Common	Justice Jose C. Vitug	1 r (sole voting)	Filipino	0.25%
Common	Emmanuel S. De Dios	1 r (sole voting)	Filipino	0.25%
Common	Benjamin R. Lopez	1 r (sole voting)	Filipino	0.25%
Common	All directors and executive officers as a group	80 r (sole voting)	Filipino	20.25%

(h) Changes in Control

The Company is not aware of any arrangement which have resulted in a change in control of the Company during the period covered by this report. The Company is not aware of the existence of any voting trust arrangement among shareholders.

(i) Voting Trust Holders of 5% or More

The Company is not aware of persons holding more than 5% of the outstanding common shares under a voting trust or similar agreement.

(j) Interest of Certain Persons in or Opposition to Matters to be Acted Upon

No director, officer or associate of directors and officer has any substantial interest, direct or indirect, in any matter to be acted upon during the Annual Stockholder's Meeting, other than the election to office of the nominees.

The Company has not received any information that an officer, director or stockholder intends to oppose any action to be taken at the Annual Stockholders' Meeting.



## Other Items in Relation to Section 49 of the Revised Corporation Code

### (a) Manner of Voting / Submission of Questions

Article II, Sections 5 and 7 of the By-Laws of the Company provides that a quorum of any meeting of the stockholders shall consist of a majority of the outstanding capital stock of the Company, and a stockholder may vote in person or by proxy. A majority of such quorum shall decide any question that may come before the meeting, except for those matters where Philippine law requires the affirmative vote of a greater proportion. Voting upon all questions at all meetings of the stockholders shall be by shares of stock, one share has one vote.

The manner of voting during the annual stockholders' meeting held on February 28, 2022 was non-cumulative, except as to the election of directors. Each stockholder had one vote for each share entitled to vote and registered in his name. The stockholders had the option to either vote in favor of, or against a matter for approval, or to abstain. The vote of the stockholders representing at least a majority of the shares present or represented was sufficient to approve any of the matters for approval.

For the election of directors, each stockholder could vote such number of shares for as many persons as there are directors to be elected or he could cumulate such shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he could distribute them on the same principle among as many candidates as he saw fit, provided, that the total number of votes cast by him did not exceed the number of shares owned by him multiplied by the whole number of directors to be elected.

In light of the Covid-19 situation, voting could only be done *in absentia*. Stockholders were provided a listing of the requirements and procedures for voting and participation in the annual stockholders' meeting via remote communication or voting in absentia. The same were provided in the Information Statement which was accessible to all stockholders through the Company's website and the annual stockholders' meeting portal, as well as, in the EDGE disclosure system of the Philippine Stock Exchange.

Stockholders who wished to participate in the stockholders' meeting through remote communication were required to register online. Stockholders who successfully registered received an email with instructions on how to access a secure online portal, which allowed them to participate and vote at the meeting, either by voting electronically or through the Chairman of the meeting as proxy. A stockholder who chose to vote electronically was able to vote on the agenda items through the secure online portal. A stockholder who did not wish to vote electronically appointed the Chairman of the meeting as proxy. A stockholder either executed the proxy form electronically, or downloaded, filled-up, scanned and uploaded the proxy form. A stockholder who participated in the meeting by remote communication or *in absentia* was deemed present for purposes of quorum.

Votes received through electronic voting or voting in absentia and votes cast through proxies were tabulated by the Office of the Corporate Secretary. The results of the voting with full details of the affirmative and negative votes, as well as abstentions, were reflected in the minutes of the meeting.

Questions and comments were allowed to be submitted until the date of the meeting but none were received.

### (b) Matters Discussed and Resolutions Reached

The following was the agenda for the 2021 annual stockholders' meeting held on February 28, 2022:

1. Call to Order
2. Proof of Service of Notice
3. Certification of Quorum
4. Approval of Minutes of Previous Stockholders' Meeting Held on November 27, 2020
5. Chairman's Message
6. Report of Management
7. Ratification of the Audited Financial Statements for the year ending December 31, 2020

8. Ratification of the Acts of the Board and of Management
9. Election of Directors for Ensuing Year
10. Appointment of External Auditors
11. Other Business
12. Adjournment

Resolutions relating to the Approval of the Minutes of the Previous Stockholders' Meeting, the Ratification of the Audited Financial Statements, Ratification of the Acts of the Board and Management, and the Appointment of External Auditors were formally tabled and approved by the stockholders, and reflected in the minutes.

(c) Record of Voting Results

Out of the 400 common shares of the Corporation issued and outstanding, there were present in the meeting, virtually or by proxy, 400 shares of the common stock representing 100% of the issued and outstanding voting stock.

Voting Results of the Annual Stockholders' Meeting Held on February 28, 2022

Agenda Item	Action		
	For	Against	Abstain
Approval of the Minutes of the Previous Stockholders' Meeting	400 (100%)	0	0
Ratification of the Audited Financial Statements	400 (100%)	0	0
Ratification of the Acts of the Board and of Management	400 (100%)	0	0
Election of Directors:			
Manuel M. Lopez	400 (100%)	0	0
Benjamin R. Lopez	400 (100%)	0	0
Salvador G. Tirona	400 (100%)	0	0
Jose C. Vitug*	400 (100%)	0	0
Emmanuel De Dios*	400 (100%)	0	0
*Nominated and elected as Independent Directors			
Appointment of Sycip Gorres Velayo & Co. as External Auditors	400 (100%)	0	0

(d) Attendance at the 2021 Annual Stockholders' Meeting

Out of the 400 common shares of the Corporation issued and outstanding, there were present in the annual stockholders' meeting held on February 28, 2022, virtually or by proxy, 400 shares of the common stock representing 100% of the issued and outstanding voting stock.

The following directors attended the 2021 annual stockholders' meeting:

- Amb. Manuel M. Lopez - Chairman, President, Chief Executive Officer & Chief Finance Officer
- Justice Jose C. Vitug - Independent Director & Chairman of Audit Committee & Risk Management Committee
- Mr. Emmanuel De Dios - Independent Director & Chairman of Corporate Governance Committee
- Mr. Salvador G. Tirona - Treasurer
- Mr. Benjamin R. Lopez

The following officers were also present:

- Mr. Enrique I. Quiason - Corporate Secretary and Compliance Officer

Ms. Maria Amina O. Amado – Assistant Corporate Secretary  
Ms. Marifi H. Hernandez – Comptroller

(e) Material Information on the Current Stockholders and their Voting Rights

The rights of the stockholders in relation to the following are recognized and respected:

- (a) Right to Information. The shareholders have the right to receive timely and transparent information about the Corporation. Shareholders shall have the right to be informed of the rules and procedures related to stockholders' meetings as well as decisions concerning fundamental corporate changes. Shareholders are also encouraged to consult each other on issues concerning their basic shareholder rights as defined by the law, the By-Laws and the Manual on Corporate Governance. The Corporation shall not put up barriers or impediments that shall prevent shareholders from consulting or communicating with one another.
- (ii) Right to Nominate Candidates to the Board and Voting Right. The Board recognizes that shareholders, including non-controlling shareholders, have the right to nominate, vote for, remove and replace directors and vote on certain corporate acts pursuant to the Corporation Code, the Articles of Incorporation and the By-Laws. The nomination shall be in writing. The Corporate Secretary shall immediately transmit any nomination he receives to the Corporate Governance Committee and which shall pass upon the qualification of the nominees.

Shareholders are entitled to vote for each share held as of the established record date. Voting upon all matters included in the agenda of a stockholders meeting shall be by polling and by shares of stock. One share has one vote. A stockholder may vote at all meetings the number of shares registered in his name either in person or by proxy. The Corporation's by-laws provide that proxies should be sent to the corporate secretary for verification at least ten (10) calendar days prior to the date of the stockholders meeting. The Board shall not allow the introduction into the agenda of a stockholders' meeting any item that has not been included in the notice of the stockholders' meeting. The voting results shall be made available to all shareholders no later than the next business day after the stockholders meeting.

With respect to the election of directors, in accordance with Section 23 of the Revised Corporation Code of the Philippines, a stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected or he may distribute them on the same principle among as many candidates 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 whole number of directors to be elected.

The Corporation Code requires the following matters to be approved by stockholders, and as such the Corporation's stockholders have the right to vote on the same:

1. Amendment of the articles of incorporation and by-laws;
2. Increase or decrease in capital stock, and incurring, creation of or increase in bonded indebtedness;
3. Extending or shortening of the corporate term;
4. Sale of all or substantially all assets of the corporation;
5. Denial of pre-emptive rights; and
6. Declaration of stock dividends.

The shareholders shall approve the appointment of the external auditor.

Should extraordinary circumstance demand that the Corporation make any special arrangement where a special class of shares shall be issued with a disproportionate claim on voting rights, such action shall be fully disclosed and justified, and shareholder approval shall be sought on the same. The Corporation shall disclose any practice that may lead to the awarding of disproportionate voting rights to select shareholders such as through shareholders' agreements, voting caps, and multiple voting rights for certain shares.

The Corporation is committed to providing adequate protection to minority shareholders from abusive and inequitable conduct on the part of the majority shareholders, directors, officers, and employees of the Corporation. Rules shall be adopted on the explicit prohibition against any shareholder, director, officer or employee benefiting from knowledge not available to minority shareholders and the general public.

(iii) Appraisal Right. Pursuant to the Revised Corporation Code, shareholders may exercise their appraisal rights under the manner provided in Section 81 of the Corporation Code in the following instances:

1. In case of 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 any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
2. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets;
3. In case of merger or consolidation; and
4. In case of investment of corporate funds for any purpose other than the primary purpose of the corporation.

(iv) Right to Dividends. The Corporation subscribes to the basic principle that the major responsibility of the Board is to optimize the long-term value of the Corporation, and that all shareholders have the right to participate in the benefits arising from the same. Shareholders shall have the right to receive dividends as may be determined by the Board in accordance with the Corporation's By-Laws, and relevant agreements, including subscription agreements. The Corporation observes a policy of treating all shareholders equitably, in particular with respect to the timing in receiving dividends after they have been declared and finally cleared. Dividends shall be paid to all shareholders thirty (30) days after final regulatory clearance is received for the payment of dividends. Any declaration of a stock dividend shall be subject to approval by the stockholders.

(v) Right of Inspection and to Financial Statements. Shareholders are allowed to inspect corporate books and records at reasonable hours during business days in accordance with Section 73 of the Revised Corporation Code. Under Section 74, stockholders have the right to be furnished the most recent financial statement upon written request.

(vi) Pre-emptive Right. Shareholders shall have the pre-emptive right to all stock issuances of the Corporation subject to the provisions of the Articles and relevant agreements.

(f) Appraisal, Performance and Assessment of the Board

An assessment of the performance of the individual members of the board, board committees and the Board is undertaken by members of the Board annually. The performance assessment aims to evaluate their performance with a view to improvement, and strengthening the Corporation's corporate governance standards.

The board assessment questionnaire and individual director self-assessment questionnaire are available on the company website.

(g) Directors' Disclosures on Self-Dealing and Related Party Transactions

The Manual on Corporate Governance requires directors to always put the interest of the Corporation above personal interest. Except for salaries and other employment benefits, the directors shall not directly derive any personal profits or advantage by reason of their positions in the Corporation. All directors are required to disclose any interest in any transactions of the Corporation that may place them in a conflict of interest position. If an actual or potential conflict of interest should arise, it should be fully disclosed and the

concerned director should not participate in the decision-making process. In case there is a refusal to abstain, such director's attendance shall not be counted for purposes of determining approval.

Directors are required by the Manual on Corporate Governance to fully disclose to the Board all material facts related to any material related party transaction (RPT), as well as, any direct and indirect financial interest he may have in any transaction or matter that may affect or is affecting the Corporation. Such disclosure is required to be made at the board meeting where the material RPT will be presented for approval and before the completion or execution of the material RPT.

Where a director, by virtue of his office, acquires for himself a business opportunity which should belong to the Corporation, thereby obtaining profits to the prejudice of the Corporation, the director must account to the latter for all such profits, unless his act has been ratified by a vote of the stockholders representing two-thirds (2/3) of the outstanding capital stock of the Corporation.

In 2020 and 2021, there were no disclosures by any director of any of the transactions described above.

### **Directors and Executive/Corporate Officers**

- (a) The directors of the Company have a term of one year and are elected annually. The present directors and officers of the Company are as follows:

#### Board of Directors

Mr. Salvador G. Tirona  
Mr. Benjamin R. Lopez  
Justice Jose C. Vitug – Independent Director  
Mr. Emmanuel S. De Dios– Independent Director

#### Executive / Corporate Officers

Salvador G. Tirona	Treasurer
Marifi H. Hernandez	Comptroller
Enrique I. Quiason	Corporate Secretary and Compliance Officer
Maria Amina O. Amado	Assistant Corporate Secretary

#### **MANUEL M. LOPEZ**

Mr. Lopez, aged 80, was the Chairman of the Board, President, Chief Executive Officer and Chief Operating Officer from 2020 and up to the time of his passing on January 12, 2023. He was the Philippine Ambassador to Japan from December 2010 until June 2016. He was the Chairman and Chief Executive Officer of Manila Electric Company from July 2001 to June 2010. He was concurrently the Chairman and CEO of Lopez Holdings Corporation and was the Chairman of Rockwell Land Corporation, and Rockwell Leisure Club. He was also the Vice Chairman of First Philippine Holdings Corporation, President of Eugenio Lopez Foundation, Inc. and a director at Meralco, First Philippine Realty Corp. and Lopez Group Foundation, Inc. He last attended corporate governance training on October 21, 2022.

#### **MR. BENJAMIN R. LOPEZ**

Mr. Benjamin R. Lopez, aged 52, Filipino, has been a director since 2020. He is the Treasurer and Senior Executive Vice President of Lopez, Inc. He is a director and the President of Lopez, Inc. subsidiary INAEC Aviation Corporation. He is a director of Rockwell Land Corporation. He is also a Vice President of First Philippine Holdings Corporation and a director of its various subsidiaries such as First Balfour, Inc., Terraprime, Inc., First Philippine Electric Corp., and First Philec, Inc. He graduated with a Bachelor of Arts Degree in International Affairs (1992) from George Washington University. He obtained his Executive Masters in Business Administration degree from the Asian Institute of Management (2001). He last attended corporate governance training on October 21, 2022. He has been nominated for re-election.

**JUSTICE JOSE C. VITUG, INDEPENDENT DIRECTOR**

Justice Vitug, aged 88, Filipino, was Associate Justice of the Supreme Court from 1993 to 2004. He has been a Consultant of the Ethics Committee and Rules Committee of the Supreme Court of the Philippines. He has been the Chairman of the Angeles University Foundation (AUF) Medical Center since 2007, and is the Dean of the AUF School of Law. He has been an Independent Director of Aboitiz Equity Ventures Inc. since 2005. He is a Senior Professor of the Philippine Judicial Academy, Supreme Court of the Philippines, and a Professor at the SBC Graduate School of Law. He is the Ombudsman of ABS-CBN. He has been an independent director of the Company since 2011. He last attended corporate governance training on October 21, 2022.

**MR. EMMANUEL S. DE DIOS, INDEPENDENT DIRECTOR**

Mr. Emmanuel S. de Dios, aged 68, Filipino, has been a Professor of Economics at the University of the Philippines School of Economics since 1989. He is also the President of Human Development Network (Philippines) since July 2012. He was the Dean of the University of the Philippines School of Economics from 2007 to 2010. He was a member of the Board of Advisers to the Board of Directors of the Company from 2011 until his election as an Independent Director in 2013. He became chair of the Board of Trustees of Pulse Asia Research, Inc. as of 2016. He received his AB Economics degree from the Ateneo de Manila University (cum laude) in 1978 and his Ph.D. in Economics from the University of the Philippines in 1987. He pursued post-doctoral studies at the Universität Konstanz in Germany from 1987 to 1988 and is the author or editor of various books, monographs, articles and reviewers in economics. Mr. De Dios has been an independent director of ABS-CBN Corporation since April 23, 2013. He last attended corporate governance training on October 21, 2022. He has been nominated for re-election.

**SALVADOR G. TIRONA**

Salvador G. Tirona, aged 68, Filipino, has been a director since 2020 and was appointed as the Treasurer in the same year. He is the President, Chief Operating Officer, and Chief Finance Officer of LHC. He is a director of ABS-CBN. He holds a Bachelor's degree in Economics from the University of Ateneo de Manila and a Master of Business Administration from the same university. He was the Comptroller of the Company from 2010 to 2020. He last attended corporate governance training on October 21, 2022. He has been nominated for re-election.

**ENRIQUE I. QUIASON, CORPORATE SECRETARY**

Mr. Enrique I. Quiason, aged 62, Filipino, received a Bachelor of Science degree in Business Economics and a Bachelor of Laws degree from the University of the Philippines, and a Master of Laws degree in Securities Regulation from Georgetown University. He is a senior partner of the Quiason Makalintal Barrot Torres & Ibarra Law Office. He is the corporate secretary of FPHC, LHC, Lopez, Inc., Rockwell, ABS-CBN and Sky Cable Corporation. He has been the Corporate Secretary of the Company since 1999. He last attended corporate governance training on October 21, 2022.

**MARIA AMINA O. AMADO, ASSISTANT CORPORATE SECRETARY**

Maria Amina O. Amado, aged 59, Filipino, has been the Assistant Corporate Secretary since 1994. She is currently Assistant Corporate Secretary, Vice President for Legal and Compliance Officer of Lopez Holdings Corporation. She is also the corporate secretary and assistant corporate secretary of various Lopez Holdings subsidiaries and affiliates. She graduated with an A.B. Political Science degree in 1984 and a Bachelor of Laws degree in 1989 from the University of the Philippines. She completed the academic requirements for the Executive Masters in Business Administration program of the Asian Institute of Management. She last attended corporate governance training on October 21, 2022. She has been nominated for election as a director.

**MARIFI H. HERNANDEZ, COMPTROLLER**

Marifi H. Hernandez, aged 51, Filipino, was appointed as the Comptroller in 2020. She has been Head of Internal Audit of Lopez Holdings Corporation since 2014. She is the Senior Vice President - Comptroller of Lopez, Inc., having been with said company since 1996. She worked with SyCip, Gorres, Velayo & Co. from 1991 to 1995. She is a Certified Public Accountant and a member of the Philippine Institute of Certified

Public Accountants. She received her Bachelor of Science Degree in Business Administration Major in Accounting from the University of Santo Tomas in 1991, and completed the Strategic Business Economic Program of the University of Asia and the Pacific in 2008. She last attended corporate governance training on October 21, 2022.

The Directors of the Company are elected at the Annual Stockholders' Meeting to hold office until the next succeeding annual meeting and until their respective successors have been elected and qualified.

Officers are appointed or elected annually by the Board of Directors at its first meeting following the Annual Meeting of Stockholders, each to hold office until a successor shall have been appointed.

(b) Family Relationships

There are no family relationships among the existing directors and officers listed above.

(c) Involvement of Directors and Executive Officers in Certain Legal Proceedings

With respect to the last five years and up to the date of this information statement, the Company is not aware of: (i) any bankruptcy proceedings filed by or against any business of which a director, person nominated to become a director, executive officer, or control person of the Company is party of which any of their property is subject; (ii) any conviction by final judgment in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, of any of its director, person nominated to become a director, executive officer, or control person, (iii) any order, judgment, or decree not subsequently reversed, superseded, or vacated, by any court of competent jurisdiction, domestic, or foreign, permanently or temporarily enjoining, barring, suspending, or otherwise limiting the involvement of a director, person nominated to become a director, executive officer, or control person of the Company in any type of business, securities, commodities, or banking activities; nor, (iv) any findings 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 electronic marketplace or self-regulatory organization, that any of its director, person nominated to become a director, executive officer, or control person has violated a securities or commodities law.

(d) Certain Relationships and Related Transactions

There have been no material transactions during the past two years, nor is any material transactions presently proposed, to which any director, executive officer of the Company or security holder of more than 10% of the Company's voting securities, any relative or spouse of any director or executive officer or owner of more than 10% of the Company's voting securities had or is to have direct or indirect material interest.

Lopez, Inc. is the registered and beneficial owner of 60% of the voting stock of the Company, as of January 31, 2023.

- (e) No person who is not an executive officer is expected by the Company to make a significant financial contribution to the business
- (f) No director has resigned or declined to stand for re-election to the Board of Directors since the date of the last annual meeting of the Company because of a disagreement with the Company on matters relating to the Company's operations, policies and practices.
- (g) The Company is not involved in any pending legal proceedings up to this date.
- (h) There is no other person who is not an executive officer but expected by the Company to make significant contribution to the business.

## Nominees for Election of Directors

As of February 10, 2023, the nominations committee received nominations for the following as members of the Board of Directors for the ensuing year:

Mr. Benjamin R. Lopez  
Mr. Salvador G. Tirona  
Ms. Maria Amina O. Amado  
Mr. Emmanuel de Dios (independent director)  
Mr. Monico V. Jacob (independent director)

Except for the independent directors, all the directors were nominated by Lopez, Inc. Mr. Emmanuel de Dios and Mr. Monico V. Jacob were nominated by Mr. Salvador G. Tirona. The nominees for independent directors are not related to Mr. Tirona. The following describes Mr. Jacob's most recent business experience:

**Monico V. Jacob** (aged 77), Filipino, received his Bachelor of Laws degree from the Ateneo de Manila University in 1971. He has been the vice chairman and CEO of STI Education Services Group, Inc. since 2016 and president of STI Education Systems Holdings, Inc. (publicly listed) since 2010. He is a director of Lopez Holdings Corporation and was its independent director from 2013-2022. He is an independent director of Rockwell Land (since 2016), and a regular director of Phoenix Petroleum Philippines, Inc. (since 2010), and Asian Terminals, Inc. (since 2009), all publicly listed companies. He has been a director of Information and Communications Technology (iACADEMY), Inc. (since 2003), Maestro Holdings, Inc. (formerly STI Investments, Inc.) (since 2007), Philippines First Insurance Company, Inc. (since 2016), Philippine Life Financial Assurance, Inc. (since 2013), Philhealthcare, Inc. (since 2013), PhilPlans First, Inc. (since 2017), Rosehills Memorial Management, Inc. (since 2014), and Total Consolidated Asset Management, Inc. (since 1999). He last attended corporate governance training on October 21, 2022. He has 1 common share.

Ms. Maria Amina O. Amado, the Assistant Corporate Secretary, has been nominated as director. She has 1 common share.

The Corporate Governance Committee reviews and evaluates the qualifications of all persons nominated to the Board. The current members of the Corporate Governance Committee are Mr. Emmanuel S. De Dios, Chairman, Justice Jose C. Vitug and Mr. Salvador G. Tirona.

The equity securities of the Company are not traded or listed on the Exchange. The Company does not have 200 or more stockholders, at least 200 of which are holding at least 100 shares of its equity securities. It has also not sold a class of equity securities to the public.

The Company issued PDRs in September 1999. The PDRs were then listed in the PSE the following month. The PDRs give the holder thereof the right to the delivery or sale of one share of ABS-CBN Broadcasting Corporation (now ABS-CBN Corporation) and distribution in cash in respect of cash dividends relating to the Shares. The PDRs are not equity securities issued by the Company. The PDRs have no voting rights in both ABS-CBN Holdings Corporation and ABS-CBN Corporation.

In this regard, the Company is not subject to the requirements of Section 38 of the Securities Regulation Code (SRC) requiring the election of independent directors.

## Compensation of Directors and Executive Officers



Information as to the aggregate compensation paid or accrued during the last two fiscal years and to be paid in the ensuing fiscal year to the Company's Chief Executive Officer and four other most highly compensated executive officers: Not Applicable.

- 1) The directors receive standard per diems of ₱10,000 for each board meeting. There are no other arrangements for compensation either by way of payments for committee participation or consulting contracts.
- 2) There are no other arrangements or consulting contracts on which any director is compensated, whether directly or indirectly.
- 3) There are no existing employment contracts with executive officers. There are no arrangements for compensation to be received from the Company in the event of a resignation, retirement or termination of the executive officer's employment or a change of control of the Company. There are no outstanding warrants or stock options held by any of the Company's executives.
- 4) There are no outstanding warrants or options held by the directors or officers.

### **Appointment of External Auditors**

The accounting firm of SyCip Gorres Velayo & Co. (SGV) has been the Company's Independent Public Accountants for the last 19 years. Representatives of SGV 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.

Pursuant to SRC Rule 68 (3)(b)(iv) re: compliance with the five year Rotation of External Auditors, the Company has not engaged an SGV partner for more than five years. Mr. Erwin A. Paigma was assigned as partner for the Company in 2019.

There was no event in the past five years where SGV had any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosure or auditing scope or procedure. The Independent Public Accountants, SGV, are willing to stand for re-appointment.

The audit fees billed for the last three (3) fiscal years for professional services rendered by the external auditor amounted to P130,000 for each of 2022, 2021, and 2020.

The Audit Committee pre-approves all audit and non-audit services as these are proposed or endorsed. The members of the Audit Committee are Justice Jose C. Vitug, Chairman, Emmanuel S. De Dios, and Mr. Salvador G. Tirona.

In 2019, SGV was engaged by the Company solely to audit its annual financial statements. It was not engaged to provide any other (non-audit).

In 2020 and 2021, SGV was engaged to audit its annual financial statements and to provide other (non-audit) services.

SGV is being recommended for re-election at the scheduled Annual Stockholders' Meeting to be held on March 31, 2023.

Representatives of SGV for the current year and for the most recently completed fiscal year are expected to be present at the Annual Stockholders' 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.

### **Compensation Plans**

No action is to be taken with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed.

## C. ISSUANCE AND EXCHANGE OF SECURITIES

### Financial and Other Information

The registrant's audited financial statements for the calendar year ended December 31, 2021 as well as the Management's discussion and analysis and plan of operations for the same period are provided for in the Annual Report. The audited financial statements for the year ended December 31, 2021 will be distributed to the stockholders for approval/ratification.

## D. OTHER MATTERS

### Action with Respect to Reports

The minutes of the previous Annual Stockholders' Meeting shall be submitted to the stockholders for approval. The minutes of the said meeting contain discussions of the following items:

- Approval of Minutes of the Previous Annual Stockholders' Meeting
- Report of Management
- Approval of the Audited Financial Statements
- Election of Directors for Ensuing Year
- Appointment of External Auditor

Also to be submitted for approval or ratification is the audited financial statements for the year 2021.

### Voting Procedures

#### *Vote Required*

A quorum for any meeting of stockholders shall consist of the majority of the outstanding capital stock of the Corporation, and a majority of such quorum shall decide any question in the meeting except those matters which the Corporation Code requires a greater proportion of affirmative vote.

Regarding the election of members of the Board of Directors, nominees who receive the highest number of votes shall be declared elected pursuant to Section 24 of the Corporation Code of the Philippines. Likewise, the nominee – for the Company's external auditor – who receives the highest number of votes shall be declared elected.

The manner of voting is non-cumulative, except as to the election of directors and each stockholder shall have one vote for each share entitled to vote and registered in his name. Unless a motion is duly made and seconded, voting shall be made viva voce and counted manually by the Corporate Secretary. Voting shall be done by balloting upon motion duly made and seconded and the transfer agent shall count and canvass the ballots.

#### *The Method by which the votes will be counted*

In the election of directors, the top five (5) nominees with the most number of votes will be elected as directors. If the number of nominees does not exceed the number of directors to be elected all the shares present or represented at the meeting will be cast in favor of the nominees. If the number of nominees exceeds the number of directors to be elected, voting will be done by ballots. On the election of directors, each stockholder may vote such number of shares for as many person (s) as there are directors to be elected or he may cumulate such shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as may candidates 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 whole number of directors to be elected.

The manner of voting is non-cumulative, except as to the election of directors and each stockholder shall have one vote for each share entitled to vote and registered in his name. Unless a motion is duly made and seconded, voting shall be made viva voce and counted manually by the Corporate Secretary. Voting shall be done by balloting upon motion duly made and seconded and the transfer agent shall count and canvass the ballots.

Other than the nominees' election as directors, no director, executive officer, nominee or associate of the nominees has any substantial interest, direct or indirect by security holdings or otherwise in any way of the matters to be taken upon during the meeting.

***Participation via Remote Communication***

To comply with applicable regulations on mass gatherings, and/or requirements of social distancing to prevent the spread of COVID-19 and to ensure the safety, security, and welfare of our directors and stockholders, the Company will dispense with the physical attendance of stockholders at the meeting and will only allow attendance through remote communication or by voting in absentia or by voting through the Chairman of the meeting as proxy.

**Upon the written request of a stockholder, the Company undertakes to furnish said stockholder with a copy of the Company's annual report on SEC Form 17-A free of charge. Any written request for a copy of the annual report shall be addressed to the following:**

**Mr. Enrique I. Quiason**  
**Corporate Secretary**  
16th Floor, North Tower, Rockwell Business Center,  
Sheridan St. corner United St., Bgy. Highway Hills,  
Mandaluyong City, 1554

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 hereunto authorized.

**ABS-CBN HOLDINGS CORPORATION**

By:



**ENRIQUE I. QUIASON**  
Corporate Secretary

February 27, 2023  
Date

## The Company

ABS-CBN Holdings Corporation (the “Company”) was incorporated on March 30, 1999 as Worldtech Holdings Corporation, for the primary purpose of investing, purchasing and holding real and personal property including but not limited to shares of stock, bonds, debentures, notes, evidences of indebtedness or other securities or obligations. On September 16, 1999, the Securities and Exchange Commission approved the change in the Company’s corporate name to ABS-CBN Holdings Corporation.

The Company issued Philippine Deposit Receipts (PDRs) in September 1999. The PDRs were then listed on the Philippine Stock Exchange the following month.

For as long as the PDRs are outstanding, the Company will not engage in any activities other than in connection with the issuance of PDRs, the performance of obligations under the PDRs and the acquisition and holding of shares of ABS-CBN Corporation (ABS-CBN) in respect of which PDRs are issued.

Any cash dividends received or other cash distributions in respect of the underlying ABS-CBN shares shall be applied towards the operating expenses of the Company and any amounts remaining shall be distributed pro rata among outstanding PDR holders.

Each PDR grants the holders, upon payment of the exercise price and subject to certain other conditions, the delivery of one ABS-CBN share or the sale of and delivery of the proceeds of such sale of one ABS-CBN share. The Company remains to be the registered owner of the ABS-CBN shares covered by the PDRs. The Company also retains the voting rights over the ABS-CBN shares.

The ABS-CBN shares are still subject to ownership restrictions on shares of corporations engaged in mass media and ABS-CBN may reject the transfer of shares to persons other than Philippine nationals. The PDRs were listed in the Philippine Stock Exchange on October 7, 1999, and it may be exercised at any time from said date. Any cash dividend or other cash distributions distributed in respect of ABS-CBN shares received by the Company (or the Security Agent on its behalf) shall be applied towards the operating expenses then due of the Company (including but not limited to applicable taxes, fees and maintenance costs charged by the Philippine Stock Exchange shown as “Operating Expenses” in the statements of income) for the current and preceding years. Any further amount equal to the Operating Expenses in the preceding year (the “Operating Fund”) shall be set aside to meet operating or other expenses for the succeeding years. Any amount in excess of the aggregate of the Operating Expenses paid and the Operating Fund for such period (referred to as “Interest”) shall be distributed to Holders pro-rata on the day after such cash dividends are received by the Company.

Upon exercise of the PDRs, an exercise price of 0.10 per share is paid by the PDR holders.

Immediately prior to the closing of the PDR offering described above, the Lopez, Inc., to which the Company is affiliated, transferred 132,000,000 ABS-CBN shares to the Company in relation to which the PDRs were issued. For as long as the PDRs are not exercised, these shares underlying the PDRs are, and will continue to be registered in the name of and owned by, and all rights pertaining to these shares, including voting rights, shall be exercised by the Company. The obligations of the Company to deliver the ABS-CBN shares on exercise of the right contained in the PDRs are secured by the Pledge of Shares in favor of the Security Agent acting on behalf of each holder of a PDR over the ABS-CBN shares.

At any time after the initial offering, a PDR Holder may, at his option and from time to time, deliver shares to the Company in exchange for an equal number of PDRs. The exchanges are based on prevailing traded values of ABS-CBN shares at the time of transaction with the corresponding PDR option price.

### Market for Registrant’s Common Equity and Related Stockholder Matters

#### Market Information

The Company’s Common Equity is not traded in any stock exchange.

However, the Company’s Philippine Depositary Receipts relating to ABS-CBN Broadcasting Corporation’s shares are listed and traded in the Philippine Stock Exchange since September 29, 1999. The following are share prices of PDRs.

Stock Prices  
High                      Low

2022		
First Quarter	13.48	10.92
Second Quarter	12.70	9.00
Third Quarter	13.46	8.50
Fourth Quarter	8.60	7.50
2021		
First Quarter	10.50	10.34
Second Quarter	13.80	12.80
Third Quarter	13.50	13.20
Fourth Quarter	12.10	12.00
2020		
First Quarter	14.00	13.84
Second Quarter	14.62	14.36
Third Quarter	6.69	6.64
Fourth Quarter	11.90	12.60
2019		
First Quarter	20.50	19.00
Second Quarter	17.00	16.84
Third Quarter	17.80	17.60
Fourth Quarter	15.10	14.70
2018		
First Quarter	27.85	27.60
Second Quarter	25.00	24.20
Third Quarter	19.50	19.20
Fourth Quarter	18.80	18.70

As of February 10, 2023, the PDRs are trading at P7.50 per share.

#### Shareholder Information

The number of common shareholders of record as of January 31, 2023 was 8. Common shares subscribed as of January 31, 2023 were 400 or ₱40,000, including subscriptions receivable of ₱30,000.

List of stockholders as of January 31, 2023:

<u>Name of Stockholders</u>	<u>Title of Class</u>	<u>No. of Shares Held</u>	<u>% to Total</u>
1. Lopez, Inc.	Common	239	59.75
2. Oscar M. Lopez	Common	40	10.00
3. Manuel M. Lopez	Common	40	10.00
5. Eugenio Lopez III	Common	40	10.00
6. Salvador G. Tirona	Common	38	9.50
7. Jose C. Vitug	Common	1	0.25
8. Emmanuel S. De Dios	Common	1	0.25
9. Benjamin R. Lopez	Common	1	0.25
Total		400	

List of top 20 PDR holders as of January 31, 2023

STOCKHOLDER	OUTSTANDING SHARES	PERCENTAGE
1 PCD NOMINEE CORP - NON FILIPINO	167,590,667.00	63.839
2 PCD NOMINEE CORP - FILIPINO	76,756,783.00	29.239
3 LOPEZ, INC.	11,507,379.00	4.383
4 LOPEZ, INC.	1,578,430.00	0.601
5 MANUEL LOPEZ &/OR MA. TERESA LOPEZ	1,280,881.00	0.488

6	DONA SALUSTIANA DEE FOUNDATION, INC	519,000.00	0.198
7	AVESCO MARKETING CORPORATION	499,090.00	0.190
8	ELERS REALTY & DEVELOPMENT CO., INC.	370,000.00	0.141
9	LOPEZ HOLDINGS CORPORATION	369,900.00	0.141
10	MANTES INSURANCE TRADERS INC.	310,260.00	0.118
11	MA. ROSARIO N. SANTOS-CONCIO	274,678.00	0.105
12	BP INSURANCE AGENCY, INC.	266,340.00	0.101
13	MA. CONSUELO R. LOPEZ	261,400.00	0.100
14	HMR ENTERPRISES, INC.	120,000.00	0.046
15	LIANG OUYANG	53,400.00	0.020
16	VICKY CHAN	50,000.00	0.019
17	NARDO R. LEVISTE	50,000.00	0.019
18	ROLANDO P. VALDUEZA	44,464.00	0.017
19	MERCEDES L. VARGAS	41,556.00	0.016
20	CESAR B. BAUTISTA	33,000.00	0.013
	TOTAL OUTSTANDING – TOP 20 PDR HOLDERS	261,977,228.00	

#### Dividend Information

The Company is authorized to pay dividends on the shares in cash, in additional shares, in kind, or in a combination of the foregoing. Dividends paid in cash are subject to approval by the Board and no stockholder approval is required. Dividends paid in the form of additional shares are subject to approval by the Board and holders of at least two-thirds of the outstanding capital stock of the Company. Holders of outstanding Shares on a dividend record date for such Shares will be entitled to the full dividend declared without regard to any subsequent transfer of such Shares.

Any cash dividends or other cash distributions in respect of the underlying ABS-CBN shares shall be applied by the Company towards its operating expenses and any amounts remaining shall be distributed pro rata among outstanding PDR holders. Cash Distributions are made to the PDR holders and declared as interest. Dividends declared as interest due to PDR holders amounted to P173.1 million in 2019, P287.2 million in 2018.

There are no restrictions that limit the ability to pay dividends on common equity.

There are no recent Sales of Unregistered Securities - None.

#### **Management Discussion and Analysis of Results of Operations and Financial Condition**

The following discussion should be read in conjunction with the Financial Statements of the Company that is incorporated to this Annual Report by reference. Such Consolidated Financial Statements have been prepared in accordance with PFRS.

The Company has undertaken not to conduct any business other than in connection with the issuance of Philippine Depositary Receipts [PDRs (see Note 4 of the financial statements)], the performance of obligations under the PDRs and the acquisition and holding of shares of ABS-CBN Broadcasting Corporation (ABS-CBN) in respect of which PDRs are issued.

Any cash dividends or other cash distributions distributed in respect of ABS-CBN shares received by the Company (or the Security Agent on its behalf) shall be applied towards its operating expenses then due (including but not limited to applicable taxes, fees and maintenance costs charged by the Philippine Stock Exchange) of the Company (the “Operating Expenses”) for the current and preceding year. Any further amount equal to the operating expenses in the preceding year (The “Operating Fund”) shall be set aside to meet operating or other expenses for the succeeding year. Any amount in excess of the aggregate of the Operating Expenses paid and the Operating Fund for such period (referred to as “Interest”) shall be distributed to Holders *pro rata* on the day after such cash dividends are received by the Company.

The Company’s **key performance indicators** are focused only on the dividends received by the registrant to meet the PDR holders’ expectation and monitor the cash and cash equivalents level to meet its obligations with respect to the Company’s current and preceding year’s operations.

The Company is not aware of (i) any known trends or events or uncertainties that will impact on the Company’s liquidity, (ii) any events that will trigger direct or contingent financial obligations material to the Company including a default or acceleration of an obligation, (iii) any material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Company with unconsolidated entities or other persons, (iv) any material commitments for capital expenditures, (v) any terms, events or uncertainties that will have a material impact on the Company’s operations, (vi) any significant elements of income or loss from continuing operations, , (vii) any other causes for any material changes for the year 2022, and (viii) any seasonal aspects that has a material effect on the financial condition or results of operations of the Company.

The Company received cash dividends for its investment in ABS-CBN shares and in turn distributed interest to its PDRs holders as follows:

	Cash Dividend	Interest Paid	Interest Paid per Share
March 2019	₱173,528,080	₱173,077,568	₱0.5486
March 2018	298,580,204	287,194,631	0.8849
March 2017	338,053,976	334,184,570	1.0281
May 2016	246,885,825	239,858,214	0.7287
April 2015	197,880,660	196,600,944	0.5961

**Results of Operations of ABS-CBN Holdings Corporation for the year ended December 31, 2021 compared with year ended December 31, 2020**

The Company posted revenues of P3.63 million for the year ended December 31, 2021 or 27.5% decrease from P4.9 million in 2020. This was mainly due to the decrease in exercise fees during the year.

In 2021, the unearned revenue, exercise fees and interest income earned during the year are enough to cover the actual operating expenses.

Operating expenses decreased by 27.5% mainly coming from decrease in contracted outside services and taxes and licenses incurred by the Company during the year.

Cash and cash equivalents remained at P9.2 million in 2021 and P18.5 million in 2020.

**Results of Operations of ABS-CBN Holdings Corporation for the year ended December 31, 2020 compared with year ended December 31, 2019**

The Company posted revenues of ₱4.94 million for the year ended December 31, 2020 or 72.49% increase from ₱2.86 million in 2019. This was mainly due to the increase in exercise fees during the year.

In 2020, the unearned revenue, exercise fees and interest income earned during the year are enough to cover the actual operating expenses.

Operating expenses increased by 72% mainly coming from increase in professional fees and taxes and licenses incurred by the Company during the year.

Cash and cash equivalents remained at ₱18.5 million in 2020 and ₱18.9 million in 2019.

**Results of Operations of ABS-CBN Holdings Corporation for the year ended December 31, 2019 compared with year ended December 31, 2018**

The Company posted revenues of ₱2.86 million for the year ended December 31, 2019 or 31.56% decrease from ₱4.12 million in 2018. This was mainly due to the decrease in accrual of “Reimbursements from PDR holders” which is proportionate to the decrease in operating expenses.

In 2019, the unearned revenue, exercise fees and interest income earned during the year are enough to cover the actual operating expenses.

On operating expenses, listing fees and professional fees decreased during the year by 69% and 45%, respectively.

Cash and cash equivalents remained at ₱18.9 million in 2019 and 2018.

**Financial Ratios**

<b>RATIOS</b>	<b>Formula</b>	<b>In Php</b>	<b>2021</b>	<b>In Php</b>	<b>2020</b>
<b>Current Ratio</b>	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	$\frac{10,506,762}{10,506,762}$	1.00	$\frac{19,464,180}{19,464,180}$	1.00
<b>Net Debt-to-equity ratio</b>	$\frac{\text{Interest-bearing loans and borrowings less Cash and Cash equivalent}}{\text{Total Stockholders' Equity}}$	$\frac{-}{-}$	0.00	$\frac{-}{-}$	0.00
<b>Asset-to-equity ratio</b>	$\frac{\text{Total Assets}}{\text{Total Stockholders' Equity}}$	$\frac{10,506,762}{-}$	0.00	$\frac{19,464,180}{-}$	0.00
<b>Interest rate coverage ratio</b>	$\frac{\text{EBIT}}{\text{Interest Expense}}$	$\frac{-}{-}$	0.00	$\frac{-}{-}$	0.00
<b>Profitability ratios</b> Gross Profit Margin	$\frac{\text{Gross Profit}}{\text{Net Revenue}}$	$\frac{-}{3,630,113}$	0.00	$\frac{-}{4,939,239}$	0.00
<b>Net Income Margin</b>	$\frac{\text{Net Income}}{\text{Net Revenue}}$	$\frac{-}{3,630,113}$	0.00	$\frac{-}{4,939,239}$	0.00



## **KEY VARIABLE AND OTHER QUALITATIVE AND QUANTITATIVE FACTORS**

As of December 31, 2021, there are no material event/s and uncertainties known to the Company that would address the past and would have an impact on future operations of the following:

- a. Trends, demands, commitments, events or uncertainties that will have a material impact on the issuer's liquidity;
- b. Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation;
- c. All material off-balance sheet transactions, arrangements, obligation (including contingent obligation), and other relationships of the company with unconsolidated entities or other persons created during the reporting period;
- d. Any material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures;
- e. Any known trend, events or uncertainties that have had or that are reasonably expected to have a material favorable impact on the net sales/revenues/income from continuing operations;
- f. Any significant elements of income or loss that did not arise from the issuer's continuing operation;
- g. The causes for any material change from period to period which shall include vertical and horizontal analyses of any material item.

Any seasonal aspects that had a material effect on the financial condition or results of operations.

### **Financial Statements**

The financial statements of the Company are incorporated herein by reference.

The audited financial statements has been prepared in accordance with Section 17 of the Securities Regulations Code. The company has undertaken not to conduct any business other than in connection with the issuance of Philippine Depository Receipts (PDRs), the performance of obligations under the PDRs and the acquisition and holding of shares of ABS-CBN Broadcasting Corporation in respect of which PDRs are issued.

### **Changes in and Disagreements With Accountants on Accounting and Financial Disclosure**

There are no changes in and disagreements with the external auditors on accounting and financial disclosures.

### **Compliance with Leading Practice on Corporate Governance**

The Board of Directors of the Issuer has adopted a Manual of Corporate Governance to institutionalize corporate governance policies. A Compliance Officer has been appointed who reports to the Board of Directors and monitors compliance of corporate governance matters. The Board of Directors has created an Audit Committee, a Nomination Committee and a Compensation and Remuneration Committee in accordance with its Manual of Corporate Governance. There were no deviations from the Manual of Corporate Governance reported during the year. The Company pursues initiatives to improve corporate governance of the Company such as risk management and improvement of internal auditing processes.

Upon the written request of a stockholder, the Company undertakes to furnish the said stockholder a copy of the Company's annual report on SEC Form 17-A free of charge. Such written request shall be directed to the Corporate Secretary, ABS-CBN Holdings Corporation, 16th Floor, North Tower, Rockwell Business Center, Sheridan St. corner United St., Bgy. Highway Hills, Mandaluyong City.

# ABS-CBN HOLDINGS CORPORATION

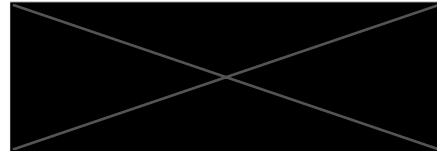
## SECRETARY'S CERTIFICATE

I, ENRIQUE I. QUIASON, Filipino, of legal age, the duly elected and incumbent Corporate Secretary of ABS-CBN HOLDINGS CORPORATION (the "Corporation"), a corporation duly organized and existing under the laws of the Republic of the Philippines, DO HEREBY CERTIFY, That:

I am familiar with the facts herein certified and duly authorized to certify the same; and

None of the Directors and Independent Directors are elected Public Servants.

**WITNESS THE SIGNATURE** of the undersigned this 23<sup>rd</sup> day of February 2023 at Pasig City.




**ENRIQUE I. QUIASON**  
Corporate Secretary


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

SUBSCRIBED AND SWORN TO before me in Pasig City on February 23, 2023 by affiant who personally appeared before me and exhibited to me his competent evidence of identity consisting of his Philippine Passport No. P9908505A with expiry on December 11, 2028 issued by DFA NCR East.

Doc. No. 194 ;  
Page No. 40 ;  
Book No. I ;  
Series of 2023.



**REM JOSHUA T. SERRANO**  
NOTARY PUBLIC  
FOR AND IN THE CITY OF PASIG AND SAN JUAN  
AND IN THE MUNICIPALITY OF PATEROS  
UNTIL DECEMBER 31, 2023  
PTR NO. [REDACTED] 1/06/2023; [REDACTED]  
IBP NO. [REDACTED] 1/05/2023; RIZAL (RSM)  
ROLL NO. [REDACTED] APPOINTMENT NO. [REDACTED] (2022-2023)



## CERTIFICATION OF INDEPENDENT DIRECTOR

I, **EMMANUEL S. DE DIOS**, 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 have been an Independent director of ABS-CBN Holdings Corporation since 27 November 2020.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organization	Position	Period of Service
<i>Listed Companies</i>		
Bank of the Philippine Islands	Independent Director	Apr 2022-present
ABS-CBN Corporation	Independent Director	Apr 2013-present
<i>Non Listed Companies</i>		
Pulse Asia Research Inc.	Trustee and Chair	Mar 2013-present
Peace and Equity Foundation	Trustee	Dec 2020-present
Assisi Development Foundation	Trustee	Aug 2016-present
Phil Human Development Network	President	Aug 2012-present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of ABS-CBN Holdings Corporation, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of ABS-CBN Holdings Corporation and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code (where applicable).

NAME OF DIRECTOR/ OFFICER/ SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
NOT APPLICABLE		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding / I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be):

OFFENSE CHARGED/INVESTIGATED	TRIBUNAL AGENCY INVOLVED	OR	STATUS
NOT APPLICABLE			

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

NOT APPLICABLE

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and Implementing rules and Regulations, Code of Corporate Governance and other SEC issuances.

8. I shall inform the Corporate Secretary of ABS-CBN Holdings Corporation of any changes in the abovementioned information within five days from its occurrence.

Done, this 27th day of February 2023 at Marikina, Philippines.

[REDACTED]

EMMANUEL DE DIOS  
*Affiant*

QUEZON CITY

FEB 27 2023

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_, affiant personally appeared before me and exhibited to me her  
his UMID [REDACTED] issued at \_\_\_\_\_ on \_\_\_\_\_ expiring on \_\_\_\_\_.

Doc. No. 200  
Page No. 41  
Book No. 89  
Series of 2023.

[REDACTED]

ATTY. CONCEPCION P. VILLARENA  
Notary Public for Quezon City  
Until December 31, 2023  
PTR No. [REDACTED] January 3, 2023 Q.C  
IBP No. [REDACTED] November 25, 2021 Q.G  
Roll No. [REDACTED] 05-09-1980  
MCLE VII [REDACTED] 09-21-2021  
ADM. MATTER No. [REDACTED] 2022-2023  
TIN NO. [REDACTED]

## CERTIFICATION OF INDEPENDENT DIRECTOR

I, **MONICO V. JACOB**, 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 a nominee as an Independent director of ABS-CBN Holdings Corporation.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organization	Position	Period of Service
STI Education Systems Holdings, Inc.	Chairman	2012-present
Rockwell Land Corporation	Director	2016-present
Lopez Holdings, Inc.	Director	2016-present
Asian Terminals, Inc.	Director	2009-present
Phoenix Petroleum Philippines, Inc.	Director	2009-present
STI Education Services Group, Inc.	Vice-Chairman and CEO	2016-present
STI West Negros University	Chairman	2016-present
Information and Communications Technology Academy, Inc.	Director	2002-present
Rosehills Memorial Management, Inc.	Chairman	2014-present
PhilPlans First, Inc.	Director	2016-present
Philhealthcare, Inc.	Director	2016-present
Philippine Life Financial Assurance, Inc.	Director	2016-present
Maestro Holdings, Inc.	Director	2012-present
GROW Vite Staffing Services, Inc.	Chairman	2016-present
Global Resource for Outsourced Workers, Inc.	Chairman	2000-present
Total Consolidated Asset Management, Inc.	Chairman	2002-present
TechZone Philippines, Inc.	Director	2022-present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of ABS-CBN Holdings Corporation, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of ABS-CBN Holdings Corporation and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code (where applicable).

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

NOT APPLICABLE


5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding / I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be):

OFFENSE CHARGED/INVESTIGATED	TRIBUNAL AGENCY INVOLVED	OR	STATUS
NOT APPLICABLE			








6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.  
NOT APPLICABLE
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and Implementing rules and Regulations, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of ABS-CBN Holdings Corporation of any changes in the abovementioned information within five days from its occurrence.

Done, this 23rd day of February 2023 at Makati City, Philippines.

  
MONICOV . JACOBY  
✓  
*Affiant*

SUBSCRIBED AND SWORN to before me this 23 day of FEB 27 2023 at QUEZON CITY, affiant personally appeared before me and exhibited to me his PH Passport No.  issued at DFA Manila on 26 January 2021 expiring on 25 January 2031.

Doc. No. 201  
Page No. 42  
Book No. 89  
Series of 2023.

  
ATTY. CONCEPCION P. VILLARENA  
Notary Public for Quezon City  
Until December 31, 2023  
PTR No.  January 3, 2023 Q.C.  
IBP No.  November 25, 2021 Q.C.  
Roll No.  / 05-09-1980  
MCLE VII  09-21-2021  
ADM. MATTER No. NP  (2022-2033)  
TIN NO. 

# COVER SHEET

for  
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

A	1	9	9	9	0	4	5	4	4
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Company Name

A	B	S	-	C	B	N		H	O	L	D	I	N	G	S		C	O	R	P	O	R	A	T	I	O	N				

Principal Office (No./Street/Barangay/City/Town/Province)

1	6	t	h		F	l	o	o	r	,		N	o	r	t	h		T	o	w	e	r	,		R	o	c	k	w					
w	e	l	l		B	u	s	i	n	e	s	s		C	e	n	t	e	r	,		S	h	e	r	i	d	a	n					
S	t	.			C	o	r	.			U	n	i	t	e	d		S	t	.		B	r	g	y	.		H	i	g	h			
w	a	y			H	i	l	l	s	,		M	a	n	d	a	l	u	y	o	n	g		C	i	t	y							

<p>Form Type</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td>1</td><td>7</td><td>-</td><td>A</td></tr> </table>	1	7	-	A	<p>Department requiring the report</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td>C</td><td>R</td><td>M</td><td>D</td></tr> </table>	C	R	M	D	<p>Secondary License Type, If Applicable</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td>N</td><td>/</td><td>A</td><td></td></tr> </table>	N	/	A	
1	7	-	A											
C	R	M	D											
N	/	A												

**COMPANY INFORMATION**

<p>Company's Email Address</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td>-</td></tr> </table>	-	<p>Company's Telephone Number/s</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td>(632) 878-0000</td></tr> </table>	(632) 878-0000	<p>Mobile Number</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td>-</td></tr> </table>	-
-					
(632) 878-0000					
-					
<p>No. of Stockholders</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td>8</td></tr> </table>	8	<p>Annual Meeting Month/Day</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td>Any date in May</td></tr> </table>	Any date in May	<p>Fiscal Year Month/Day</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td>December 31</td></tr> </table>	December 31
8					
Any date in May					
December 31					

**CONTACT PERSON INFORMATION**

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

<p>Name of Contact Person</p> <table border="1" style="width: 100%;"> <tr><td>Atty. Enrique I. Quiason</td></tr> </table>	Atty. Enrique I. Quiason	<p>Email Address</p> <table border="1" style="width: 100%; background-color: #cccccc;"> <tr><td> </td></tr> </table>		<p>Telephone Number/s</p> <table border="1" style="width: 100%; background-color: #cccccc;"> <tr><td> </td></tr> </table>		<p>Mobile Number</p> <table border="1" style="width: 100%; background-color: #cccccc;"> <tr><td> </td></tr> </table>	
Atty. Enrique I. Quiason							

Contact Person's Address

--

**Note:** 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.

**SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 17A**

**ANNUAL REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION  
CODE AND SECTION 141 OF CORPORATION CODE OF THE PHILIPPINES**

1. For the fiscal year ended **December 31, 2021**
2. SEC Identification No. **A199904544**
3. BIR Tax Identification No. **203-420-423**
4. Exact name of the registrant as specified in its charter  
**ABS-CBN HOLDINGS CORPORATION**
5. **Philippines**  
Province, Country or other jurisdiction of  
Incorporation or organization
6. \_\_\_\_\_ (SEC use only)  
Industry Classification code:
7. **16th Floor, North Tower, Rockwell Business Center Sheridan Sheridan St. corner  
United St., Bgy. Highway Hills, Mandaluyong City, 1554**  
Address of principal office Postal code
8. **(632) 878-0000**  
Registrant's telephone number, including area code
9. **Not Applicable**  
Former name, former address, and former fiscal year, if changed since last year
10. Securities registered pursuant to Sections 4 and 8 of the RSA  

Title of Each Class Outstanding <b>Philippine Depository Receipts</b>	Number of Shares of Common Stock and Amount of Debt Outstanding <b>271,328,630 shares</b>
---	---
11. Are any or all of these securities listed on the Philippine Stock Exchange?  
Yes []      No []
12. Check whether the registrant:
  - a) has filed all reports to be filed by Section 11 of the Revised Securities Act (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 that the registrant was required to file such reports):  
Yes []      No []
  - b) has been subject to such filing requirements for the past 90 days.  
Yes []      No []
13. State the aggregate market value of the voting stock held by non-affiliates of the registrant:  
**Not applicable**

(Note: Item No. 14 in the Form is Not Applicable)



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## **PART I - BUSINESS AND GENERAL INFORMATION**

### **1. Business**

ABS-CBN Holdings Corporation (the “Company”) was incorporated on March 30, 1999 as Worldtech Holdings Corporation, for the primary purpose of investing, purchasing and holding real and personal property including but not limited to shares of stock, bonds, debentures, notes, evidences of indebtedness or other securities or obligations. On September 16, 1999, the Securities and Exchange Commission approved the change in the Company’s corporate name to ABS-CBN Holdings Corporation.

The Company issued Philippine Depositary Receipts (PDRs) in September 1999. The PDRs were then listed in the Philippine Stock Exchange the following month.

For as long as the PDRs are outstanding, the Company will not engage in any activities other than in connection with the issuance of PDRs, the performance of obligations under the PDRs and the acquisition and holding of shares of ABS-CBN Corporation (ABS-CBN) in respect of which PDRs are issued.

Any cash dividends received or other cash distributions in respect of the underlying ABS-CBN shares shall be applied against the operating expenses of the Company and any amounts remaining shall be distributed pro-rata among outstanding PDR holders.

The PDRs unlocked the share value of ABS-CBN, allowing foreigners to participate in a media enterprise whose ownership is constitutionally limited to Filipinos. With foreigners allowed to buy PDRs, ABS-CBN shares which have long been undervalued, can now play catch-up with regional media counterparts.

#### Transaction with and/or dependence on related parties

The Company has transactions with ABS-CBN relating to bookkeeping fees and advances consist mainly of non-interest bearing advances for working capital requirements and administrative expenses.

#### Employees

The Company has no full-time employees as of December 31, 2021 and anticipates no employee within the ensuing year. Labor union is not present in the Company.

### **2. Sustainability Report**

Please refer to Annex A enclosed herein as part of this form 17-A

### **3. Properties**

The Company does not own any real property. It does not even lease any real property and has no intention of acquiring any real property in the next twelve months.

### **4. Legal Proceedings**

The Company is not a party to any legal action.

### **5. Submission of Matters to a Vote of Security Holders**

There were no matters submitted to a vote of security holders during the year covered by this report.

## PART II - OPERATIONAL AND FINANCIAL INFORMATION

### 6. Market for Registrant's PDRs and Related Stockholder Matters

#### Market Information

The Company offered PDRs relating to ABS-CBN shares since September 29, 1999. The following are share prices of PDRs:

	<u>Stock Prices</u>	
	<u>High</u>	<u>Low</u>
2021		
First Quarter	10.50	10.34
Second Quarter	13.80	12.80
Third Quarter	13.50	13.20
Fourth Quarter	12.10	12.00
2020		
First Quarter	14.00	13.84
Second Quarter	14.62	14.36
Third Quarter	6.69	6.64
Fourth Quarter	12.60	11.90
2019		
First Quarter	20.05	19.00
Second Quarter	17.00	16.84
Third Quarter	17.80	17.60
Fourth Quarter	15.10	14.70
2018		
First Quarter	27.85	27.50
Second Quarter	24.50	24.20
Third Quarter	19.50	19.20
Fourth Quarter	18.80	18.70

As of May 13, 2022, the Company is trading at ₱10.88 per share.

List of Top 20 PDR holders as of December 31, 2021:

List of top 20 PDR holders as of December 31,  
2021

	Name of PDR Holder	No. of Shares	Percentage
1	PCD NOMINEE CORP - NON-FILIPINO	172,185,392.00	63.46
2	PCD NOMINEE CORP - FILIPINO	90,026,530.00	33.18
3	ABACUS SECURITIES CORPORATION	1,650,000.00	0.61
4	LOPEZ, INC.	1,578,430.00	0.58
5	MANUEL LOPEZ &/OR MA. TERESA LOPEZ	1,280,881.00	0.47
6	DONA SALUSTIANA DEE FOUNDATION, INC	519,000.00	0.19
7	AVESCO MARKETING CORPORATION	499,090.00	0.18
8	OSCAR M. LOPEZ	371,607.00	0.14
9	ELERS REALTY & DEVELOPMENT CO., INC.	370,000.00	0.14
10	LOPEZ HOLDINGS CORPORATION	369,900.00	0.14
11	MANTES INSURANCE TRADERS INC.	310,260.00	0.11
12	MA. ROSARIO N. SANTOS-CONCIO	274,678.00	0.10
13	TOWER SECURITIES, INC. A/C CVARIOUS	273,800.00	0.10
14	BP INSURANCE AGENCY, INC.	266,340.00	0.10
15	MA. CONSUELO R. LOPEZ	261,400.00	0.10

16	FIRST INTEGRATED CAPITAL SECURITIES, INC.	157,000.00	0.06
17	HMR ENTERPRISES, INC.	120,000.00	0.04
18	LIANG OUYANG	53,400.00	0.02
19	VICKY CHAN	50,000.00	0.02
20	NARDO R. LEVISTE	50,000.00	0.02
	TOTAL OUTSTANDING – TOP 20 PDR HOLDERS	270,667,708	

#### Shareholder Information

The number of shareholders of record as of December 31, 2021 was 8. Common shares subscribed as of December 31, 2021 were 400 or ₱40,000, including subscriptions receivable of ₱30,000.

List of stockholders as of December 31, 2021:

<u>Name of Stockholders</u>	<u>Title of Class</u>	<u>No. of Shares Held</u>	<u>% to Total</u>
1. Lopez, Inc.	Common	240	60.00
2. Oscar M. Lopez	Common	40	10.00
3. Manuel M. Lopez	Common	40	10.00
5. Eugenio Lopez III	Common	40	10.00
6. Salvador G. Tirona	Common	38	9.50
7. Jose C. Vitug	Common	1	0.25
8. Emmanuel S. De Dios	Common	1	0.25
Total		400	

#### Dividend Information

The Company is authorized to pay dividends on the shares in cash, in additional shares, in kind, or in a combination of the foregoing. Dividends paid in cash are subject to approval by the Board and no stockholder approval is required. Dividends paid in the form of additional shares are subject to approval by the Board and holders of at least two-thirds of the outstanding capital stock of the Company. Holders of outstanding shares on a dividend record date for such shares will be entitled to the full dividend declared without regard to any subsequent transfer of such shares.

Any cash dividends or other cash distributions in respect of the underlying ABS-CBN shares shall be applied by the Company against its operating expenses and any amounts remaining shall be distributed pro-rata among outstanding PDR holders.

Dividends declared as interest due to PDR holders amounted to nil in 2021, nil 2020 and ₱173.1 million in 2019.

There are no restrictions that limit the ability to pay dividends on common equity.

### **7. Management's Discussion and Analysis of Plan of Operation**

ABS-CBN Holdings Corporation's (the Company) primary purpose is investing, purchasing and holding real and personal properties, including but not limited to, shares of stock, bonds, debentures, notes, evidences of indebtedness or other securities or obligations. The Company has not conducted any business other than in connection with the issuance of PDRs, the performance of obligations under the PDRs and the acquisition and holding of shares of ABS-CBN in respect of PDRs issued.

Any cash dividends or other cash distributions distributed in respect of ABS-CBN shares received by the Company (or the Security Agent on its behalf) shall be applied against its operating expenses then due (including but not limited to applicable taxes, fees and maintenance costs charged by the

Philippine Stock Exchange) of the Company (the “Operating Expenses”) for the current and preceding year. Any further amount equal to the operating expenses in the preceding year (The “Operating Fund”) shall be set aside to meet operating or other expenses for the succeeding year. Any amount in excess of the aggregate of the Operating Expenses paid and the Operating Fund for such period (referred to as “Interest”) shall be distributed to holders pro-rata on the day after such cash dividends are received by the Company.

Key performance indicators

The Company’s key performance indicators are focused on the dividends received by the registrant to meet the PDR holders’ expectation and monitor and maintain the cash and cash equivalents level to meet its obligations with respect to the Company’s current and preceding year’s operations.

The Company received cash dividends for its investment in ABS-CBN shares and in turn distributed interest to its PDR holders. Details are as follows:

Date	Cash Dividend	Interest Paid	Interest Paid per Share
March 2019	₱173,528,080	₱173,077,568	₱0.5486
March 2018	298,580,204	287,194,631	0.8849
March 2017	338,053,976	334,184,570	1.0281
May 2016	246,885,825	239,858,214	0.7287

**Results of Operations of ABS-CBN Holdings Corporation for the year ended December 31, 2021 compared with year ended December 31, 2020**

The Company posted revenues of ₱3.63 million for the year ended December 31, 2021 or 27.5% decrease from ₱4.9 million in 2020. This was mainly due to the decrease in exercise fees during the year.

In 2021, the unearned revenue, exercise fees and interest income earned during the year are enough to cover the actual operating expenses.

Operating expenses decreased by 27.5% mainly coming from decrease in contracted outside services and taxes and licenses incurred by the Company during the year.

Cash and cash equivalents remained at ₱9.2 million in 2021 and ₱18.5 million in 2020.

**Results of Operations of ABS-CBN Holdings Corporation for the year ended December 31, 2020 compared with year ended December 31, 2019**

The Company posted revenues of ₱4.94 million for the year ended December 31, 2020 or 72.49% increase from ₱2.86 million in 2019. This was mainly due to the increase in exercise fees during the year.

In 2020, the unearned revenue, exercise fees and interest income earned during the year are enough to cover the actual operating expenses.

Operating expenses increased by 72% mainly coming from increase in professional fees and taxes and licenses incurred by the Company during the year.

Cash and cash equivalents remained at ₱18.5 million in 2020 and ₱18.9 million in 2019.

**Results of Operations of ABS-CBN Holdings Corporation for the year ended December 31, 2019 compared with year ended December 31, 2018**

The Company posted revenues of ₱2.86 million for the year ended December 31, 2019 or 31.56% decrease from ₱4.12 million in 2018. This was mainly due to the decrease in accrual of “Reimbursements from PDR holders” which is proportionate to the decrease in operating expenses.

In 2019, the unearned revenue, exercise fees and interest income earned during the year are enough to cover the actual operating expenses.

On operating expenses, listing fees and professional fees decreased during the year by 69% and 45%, respectively.

Cash and cash equivalents remained at ₱18.9 million in 2019 and 2018.

#### KEY VARIABLE AND OTHER QUALITATIVE AND QUANTITATIVE FACTORS

As of December 31, 2021, there are no material event/s and uncertainties known to the Company that would address the past and would have an impact on future operations of the following:

- a. Trends, demands, commitments, events or uncertainties that will have a material impact on the issuer’s liquidity;
- b. Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation;
- c. All material off-balance sheet transactions, arrangements, obligation (including contingent obligation), and other relationships of the company with unconsolidated entities or other persons created during the reporting period;
- d. Any material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures;
- e. Any known trend, events or uncertainties that have had or that are reasonably expected to have a material favorable impact on the net sales/revenues/income from continuing operations;
- f. Any significant elements of income or loss that did not arise from the issuer’s continuing operation;
- g. The causes for any material change from period to period which shall include vertical and horizontal analyses of any material item.

Any seasonal aspects that had a material effect on the financial condition or results of operations.

#### **8. Financial Statements**

The financial statements of the Company are incorporated herein by reference. The schedules listed in the accompanying Index to Supplementary Schedules are filed as part of this Form 17-A.

The audited financial statements have been prepared in accordance with Section 17 of the Securities Regulations Code. The Company has undertaken not to conduct any business other than in connection with the issuance of PDRs, the performance of obligations under the PDRs and the acquisition and holding of shares of ABS-CBN in respect of which PDRs are issued.

## 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The accounting firm of SyCip Gorres Velayo & Co. (SGV) has been the Company's Independent Public Accountants for the last 5 years. Pursuant to SRC Rule 68(3)(b)(iv) (Rotation of External Auditors), the Company has not engaged an SGV partner for more than five years. Ms. Christine G. Vallejo was assigned as partner for the Company in 2021.

There was no event in the past 5 years where SGV had any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosure or auditing scope or procedure.

The Independent Public Accountants, SGV, are willing to stand for re-appointment.

The aggregate fees billed for the last two (2) fiscal years for professional services rendered by the external auditor are as follows

	2021	2020
Audit Fees	₱130,000	₱130,000
Non-audit Fees	468,570	492,800

## PART III - CONTROL AND COMPENSATION INFORMATION

### 10. Directors and Executive Officers of the Registrant

#### Board of Directors

Mr. Manuel L. Lopez  
Mr. Salvador G. Tirona  
Mr. Benjamin R. Lopez  
Justice Jose C. Vitug (Independent Director)  
Mr. Emmanuel de Dios (Independent Director)

#### Executive/Corporate Officers

Mr. Manuel L. Lopez	Chairman of the Board, President, Chief Executive Officer and Chief Operating Officer
Salvador G. Tirona	Treasurer
Marifi H. Hernandez	Comptroller
Enrique I. Quiason	Corporate Secretary and Compliance Officer
Maria Amina O. Amado	Assistant Corporate Secretary

The following directors have held their current positions in their respective companies for more than 5 years unless otherwise indicated. Below is a summary of their qualifications:

#### **Manuel M. Lopez, age 79**

Mr. Lopez was the Philippine Ambassador to Japan from December 2010 until June 2016. He was the Chairman and Chief Executive Officer of Manila Electric Company from July 2001 to June 2010. He is concurrently the Chairman and CEO of Lopez Holdings Corporation and is the Chairman of Bayan Telecommunications Holdings Corp., Rockwell Land Corporation, and Rockwell Leisure Club. He is also the Vice Chairman of First Philippine Holdings Corporation and Lopez, Inc., President of Eugenio Lopez Foundation, Inc. and a Director at Meralco, Sky Cable Corporation, Sky Vision Corporation, First Philippine Realty Corp. and Lopez Group Foundation, Inc.

#### **Mr. Benjamin R. Lopez, Filipino, age 51**

Mr. Benjamin R. Lopez is the Treasurer and Senior Executive Vice President of Lopez, Inc. He is a director and the President of Lopez, Inc. subsidiary INAEC Aviation Corporation. He is a director of Rockwell Land Corporation. He is also a Vice President of First Philippine Holdings Corporation and a director of its various subsidiaries such as First Balfour, Inc., Terraprime, Inc., First Philippine Electric Corp., and First Philec, Inc. He graduated with a Bachelor of Arts Degree in International Affairs (1992) from George Washington University. He obtained his Executive Masters in Business Administration degree from the Asian Institute of Management (2001).

#### **Mr. Emmanuel S. de Dios, Filipino, age 67**

Mr. Emmanuel S. de Dios has been a Professor of Economics at the University of the Philippines School of Economics since 1989. He is also the President of Human Development Network (Philippines) since July 2012. He was the Dean of the University of the Philippines School of Economics from 2007 to 2010. He was a member of the Board of Advisers to the Board of Directors of the Company from 2011 until his election as an Independent Director in 2013. He became chair of the Board of Trustees of Pulse Asia Research, Inc. as of 2016. He received his AB Economics degree from the Ateneo de Manila University (cum laude) in 1978 and his Ph.D. in Economics from the University of the Philippines in 1987. He pursued post-doctoral studies at the Universität Konstanz in Germany from 1987 to 1988 and



is the author or editor of various books, monographs, articles and reviewers in economics. Mr. De Dios has been an independent director of ABS-CBN Corporation since April 23, 2013

**Justice Jose C. Vitug, Filipino, age 87 (Independent Director)**

Jose Vitug was Associate Justice of the Supreme Court from 1993 to 2004. He has been a Consultant of the Ethics Committee and Rules Committee of the Supreme Court of the Philippines. He has been the Chairman of the Angeles University Foundation (AUF) Medical Center since 2007, and is the Dean of the AUF School of Law. He has been an Independent Director of Aboitiz Equity Ventures Inc. since 2005. He is a Senior Professor of the Philippine Judicial Academy, Supreme Court of the Philippines, and a Professor at the SBC Graduate School of Law. He is the Ombudsman of ABS-CBN. He has been an independent director of the Company since 2011.

**Salvador G. Tirona, Filipino, age 67**

Salvador G. Tirona president, chief operating officer, and chief finance officer of LHC and director of ABS-CBN. He holds a Bachelor's degree in Economics from the University of Ateneo de Manila and a Master of Business Administration from the same university. He has been the comptroller of the Company since 2010.

**Enrique I. Quiason, Filipino, age 61**

Mr. Enrique I. Quiason received a Bachelor of Science degree in Business Economics and a Bachelor of Laws degree from the University of the Philippines, and a Master of Laws degree in Securities Regulation from Georgetown University. He is a senior partner of the Quiason Makalintal Barrot Torres & Ibarra Law Office. He is the corporate secretary of FPHC, Lopez, Holdings Corporation, Lopez, Inc. Rockwell Land, ABS-CBN and Sky Cable Corporation. He has been the Corporate Secretary of the Company since 1999.

**Maria Amina O. Amado, Filipino, age 58**

Maria Amina O. Amado was appointed as assistant corporate secretary since 1994. She is currently senior assistant vice president for Legal of Lopez Holdings. She was the compliance officer of the Company from 2006-2009. She is also the corporate secretary and assistant corporate secretary of various Lopez Holdings subsidiaries and affiliates. She graduated with an A.B. Political Science degree in 1984 and a Bachelor of Laws degree in 1989 from the University of the Philippines. She completed the academic requirements for the Executive Masters in Business Administration program of the Asian Institute of Management.

Term of Office as Directors and Executive Officers

The Directors of the Company are elected at the Annual Stockholders' Meeting to hold office until the next succeeding annual meeting and until their respective successors have been elected and qualified.

Officers are appointed or elected annually by the Board of Directors at its first meeting following the Annual Meeting of Stockholders, each to hold office until a successor shall have been appointed.

Family Relationships

Mr. Benjamin R. Lopez is the nephew of Mr. Manuel M. Lopez. There are no other family relationships among the directors and officers listed above.

Brief description of the person's business experience during the past five years

The Company was incorporated only in March 1999 and offered PDRs only in September 29, 1999.

The names mentioned above make significant contribution to the business and are expected by the Company to make their own contributions necessary to meet its organizational goals.

Involvement of Directors and Officers in Certain Legal Proceedings

With respect to the last five years and up to the date of this information statement, the Company is not aware of: (i) any bankruptcy proceedings filed by or against any business of which a director, person nominated to become a director, executive officer, or control person of the Company is party of which any of their property is subject; (ii) any conviction by final judgment in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, of any of its director, person nominated to become a director, executive officer, or control person, (iii) any order, judgment, or decree not subsequently reversed, superseded, or vacated, by any court of competent jurisdiction, domestic, or foreign, permanently or temporarily enjoining, barring, suspending, or otherwise limiting the involvement of a director, person nominated to become a director, executive officer, or control person of the Company in any type of business, securities, commodities, or banking activities; nor, (iv) any findings 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 electronic marketplace or self-regulatory organization, that any of its director, person nominated to become a director, executive officer, or control person has violated a securities or commodities law.

**11. Executive Compensation of Directors and Executive Officers**

Information as to the aggregate compensation paid or accrued during the last two fiscal years and to be paid in the ensuing fiscal year to the Company's Chief Executive Officer and four other most highly compensated executive officers: Not Applicable.

The directors receive standard per diem of ₱10,000 each per board meeting. There are no other arrangements for compensation either by way of payments for committee participation or consulting contracts.

There are no other arrangements or consulting contracts on which any director is compensated, whether directly or indirectly.

There are no existing employment contracts with executive officers. There are no arrangements for compensation to be received from the Company in the event of a resignation, retirement or termination of the executive officer's employment or a change of control of the Company. There are no outstanding warrants or stock options held by any of the Company's executives.

## 12. Security Ownership of Certain Beneficial Owners and Management

### (a) Security Ownership of Certain Record and Beneficial Owners as at December 31, 2021

As at December 31, 2021, the Company knows of no one who beneficially owns in excess of 5% of the Company's common stock except as set forth in the table below:

(1) Title of Class	(2) Name and address record owner and relationship with the issuer	(3) Name of Beneficial and Relationship with Record Owner	(4) Citizenship	(5) No. of shares held	(6) Percent of class
Common	Lopez, Inc. 16/F North Tower, Rockwell Business Center Sheridan, Sheridan corner United Streets, Mandaluyong City Stockholder	Record owner same as beneficial owner*	Domestic	240	60%
Common	Oscar M. Lopez 16/F North Tower, Rockwell Business Center Sheridan, Sheridan corner United Streets, Mandaluyong City Stockholder	Record owner same as beneficial owner	Filipino	40	10%
Common	Manuel M. Lopez 16/F North Tower, Rockwell Business Center Sheridan, Sheridan corner United Streets, Mandaluyong City Director of Issuer	Record owner same as beneficial owner	Filipino	40	10%
Common	Eugenio Lopez III 16/F North Tower, Rockwell Business Center Sheridan, Sheridan corner United Streets, Mandaluyong City 5/F Benpres Building Meralco Avenue, Ortigas Center, Pasig City Stockholder	Record owner same as beneficial owner	Filipino	40	10%
Common	Salvador G. Tirona 16/F North Tower, Rockwell Business Center Sheridan, Sheridan corner United Streets, Mandaluyong City Comptroller of Issuer	Record owner same as beneficial owner	Filipino	38	9.5%
Common	Justice Jose C. Vitug 373 Matienza St., San Miguel, Manila Director of Issuer	Record owner same as beneficial owner	Filipino	1	0.25%
Common	Emmanuel S. De Dios 27 Banaba Road, Forbes Park South, Makati City Director of issuer	Record owner same as beneficial owner	Filipino	1	0.25%

\*Lopez, Inc. is the holding company of the Lopez family. It is owned by the respective holding companies of the family of Eugenio L. Lopez, III, Oscar M. Lopez, Manuel M. Lopez.

**(b) Security Ownership of Management as at December 31, 2021**

<b>(1) Title of Class</b>	<b>(2) Name of beneficial owner</b>	<b>(3) Amount and nature of beneficial ownership</b>	<b>(4) Citizenship</b>	<b>(5) Percent ownership</b>
Common	Manuel M. Lopez	40 r (sole voting)	Filipino	10.00%
Common	Salvador G. Tirona	38 r (sole voting)	Filipino	9.50%
Common	Jose C. Vitug	1 r (sole voting)	Filipino	0.25%
Common	Emmanuel S. De Dios	1 r (sole voting)	Filipino	0.25%
Common	All directors and executive officers as a group	80 r (sole voting)	Filipino	20.00%

There have not been any arrangements which have resulted in a change in control of the Company during the period covered by this report. The Company is not aware of the existence of any voting trust arrangement among the shareholders.

**13. Certain Relationships and Related Transactions**

The Company hired the law firm of Quiason Makalintal Barrot Torres and Ibarra, from which Atty. Enrique I. Quiason is a senior partner, for legal services.

## **PART IV – EXHIBITS AND SCHEDULES**

### **14. Corporate Governance**

The Company recognizes the importance of corporate governance in enhancing the stakeholders' interest in the company and the Board of the Directors commits itself to the principles of good corporate governance. The Company is in full compliance of the Code of Corporate Governance.

## **PART V - EXHIBITS AND SCHEDULES**

### **15. Exhibits and Reports on SEC Form 17-C**

(a) Exhibits - There are no accompanying exhibits for Parts I and III

(b) Reports on SEC Form 17-C:

<b>Subject of 17-C</b>	<b>Date Filed</b>
Results of Organizational Meeting	February 28, 2022

## INDEX TO EXHIBITS

### Form 17 - A

<u>No.</u>		<u>Page No</u>
(3)	Plan of Acquisition, Reorganization, Arrangement, Liquidation, or Succession	*
(5)	Instruments Defining the Rights of Security Holders, Including Indentures	*
(8)	Voting Trust Agreement	*
(9)	Material Contracts	*
(10)	Annual Report to Security Holders, Form 17-Q or Quarterly Report to Security Holders	*
(13)	Letter re change in Certifying Accountant	*
(16)	Report Furnished to Security Holders	*
(18)	Subsidiaries of the Registrant	*
(19)	Published Report Regarding Matters submitted to Vote Of Security Holders	*
(20)	Consent of Experts and Independent Counsel	
(21)	Power of Attorney	*
(29)	Additional Exhibits	*

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\* *These exhibits are either not applicable to the Company or require no answer.*

Signatures

SEC 17-A

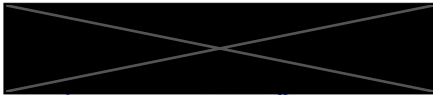
Pursuant to the requirement of Section 17 of the Corporation Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned

**Registrant: ABS-CBN Holdings Corporation**


By:



**Manuel M. Lopez**  
**Chairman of the Board, President and**  
**Chief Executive Officer**






**Marifi H. Hernandez**  
**Comptroller**










**Enrique I. Quiason**  
**Corporate Secretary**

SUBSCRIBED AND SWORN to me before this **MAY 16 2022** day of \_\_\_\_\_, 2022. Affiants exhibiting to me their Passports, as follows:

NAMES	ID Presented	ID No./Passport	DATE OF EXPIRY	PLACE OF ISSUE
Manuel M. Lopez	Passport		5/29/2029	DFA, Manila
Marifi H. Hernandez	Driver's License		08/23/2022	Manila
Enrique I. Quiason	Passport		12/11/2028	DFA NCR East

Doc. No. : 349  
Page No.: 8  
Book No.: IV  
Series of: 2022



**AURELIA BEATRICE M. SANTOS**  
Commission No. 149  
Notary Public for Quezon City  
Until December 31, 2021 extended to June 30, 2022  
per S.C.B.M. No.  dated September 28, 2021  
  
  
PTR No.  1.04.2022/Quezon City  
IBP No.  01.03.2022/Quezon City  
MCLE Compliance No.  Valid until April 14, 2025

## **ANNEX A**

### Contextual Information

<b>Company Details</b>	
Name of Organization	ABS-CBN HOLDINGS CORPORATION
Location of Headquarters	16th Floor, North Tower, Rockwell Business Center Sheridan Sheridan St. corner United St., Bgy. Highway Hills, Mandaluyong City, 1554
Location of Operations	NOT APPLICABLE
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	NOT APPLICABLE
Business Model, including Primary Activities, Brands, Products, and Services	Holding Company for Philippine Depositary Receipts
Reporting Period	As of December 31, 2021
Highest Ranking Person responsible for this report	Atty. Enrique I. Quiason

*\*If you are a holding company, you could have an option whether to report on the holding company only or include the subsidiaries. However, please consider the principle of materiality when defining your report boundary.*

#### *Materiality Process*

The Company has not conducted any business other than in connection with the issuance of PDRs, the performance of obligations under the PDRs and the acquisition and holding of shares of ABS-CBN Corporation in respect of PDRs issued.

ABS-CBN Holdings' operation is limited to receiving dividends from investee, ABS-CBN Corporation and distributing the same to its PDR holders. It has no regular employees and the number of its officers is limited.

<sup>14</sup> See [GRI 102-46](#) (2016) for more guidance.



## ECONOMIC

### Economic Performance

#### Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	N/A	PhP
Direct economic value distributed:		
a. Operating costs	N/A	PhP
b. Employee wages and benefits	N/A	PhP
c. Payments to suppliers, other operating costs	N/A	Php
d. Dividends given to stockholders and interest payments to loan providers	Please see information in the Annual Report on dividends	PhP
e. Taxes given to government	Please see information in the Annual Report on taxes	PhP
f. Investments to community (e.g. donations, CSR)	N/A	PhP

ABS-CBN Holdings' operation is limited to receiving dividends from investee, ABS-CBN Corporation and distributing the same to its PDR holders. It has no regular employees and the number of its officers is limited.

#### Climate-related risks and opportunities<sup>1</sup>

ABS-CBN Holdings' operation is limited to receiving dividends from investee, ABS-CBN Corporation and distributing the same to its PDR holders. It has no regular employees and the number of its officers is limited.

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<sup>1</sup> Adopted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCFD Recommendations apply to non-financial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners. <sup>16</sup> For this disclosure, impact refers to the impact of climate-related issues on the company.

## Procurement Practices

ABS-CBN Holdings' operation is limited to receiving dividends from investee, ABS-CBN Corporation and distributing the same to its PDR holders. It has no regular employees and the number of its officers is limited.

## Anti-corruption

ABS-CBN Holdings' operation is limited to receiving dividends from investee, ABS-CBN Corporation and distributing the same to its PDR holders. It has no regular employees and the number of its officers is limited.

Its Code of Conduct may be accessed through: <https://www.abs-cbnpdr.com/corporate-governance>.

## Training on Anti-corruption Policies and Procedures

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	N/A	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	N/A	%
Percentage of directors and management that have received anti-corruption training	N/A	%
Percentage of employees that have received anti-corruption training	N/A	%

## Incidents of Corruption

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Number of incidents in which directors were removed or disciplined for corruption	0	#
Number of incidents in which employees were dismissed or disciplined for corruption	0	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	#

Resource Management

ABS-CBN Holdings' has no actual operations and is limited to receiving dividends from investee, ABS-CBN Corporation and distributing the same to its PDR holders. It has no regular employees and the number of its officers is limited.

Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (renewable sources)	0	GJ
Energy consumption (gasoline)	0	GJ
Energy consumption (LPG)	0	GJ
Energy consumption (diesel)	0	GJ
Energy consumption (electricity)	0	kWh

Reduction of energy consumption

Disclosure	Quantity	Units
Energy reduction (gasoline)	0	GJ
Energy reduction (LPG)	0	GJ
Energy reduction (diesel)	0	GJ
Energy reduction (electricity)	0	kWh
Energy reduction (gasoline)	0	GJ

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal	0	Cubic meters
Water consumption	0	Cubic meters
Water recycled and reused	0	Cubic meters

### Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume	0	
<input type="checkbox"/> renewable	0	kg/liters
<input type="checkbox"/> non-renewable		kg/liters
Percentage of recycled input materials used to manufacture the organization's primary products and services	0	%

### Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not Applicable	
Habitats protected or restored	0	ha
IUCN <sup>2</sup> Red List species and national conservation list species with habitats in areas affected by operations	-	

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<sup>2</sup> International Union for Conservation of Nature

## Environmental impact management

### Air Emissions

#### GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	0	Tonnes CO <sub>2</sub> e
Energy indirect (Scope 2) GHG Emissions	0	Tonnes CO <sub>2</sub> e
Emissions of ozone-depleting substances (ODS)	0	Tonnes

#### Air pollutants

Disclosure	Quantity	Units
NO <sub>x</sub>	0	kg
SO <sub>x</sub>	0	kg
Persistent organic pollutants (POPs)	0	kg
Volatile organic compounds (VOCs)	0	kg
Hazardous air pollutants (HAPs)	0	kg
Particulate matter (PM)	0	kg

### Solid and Hazardous Wastes

#### Solid Waste

Disclosure	Quantity	Units
Total solid waste generated	0	kg
Reusable	0	kg
Recyclable	0	kg
Composted	0	kg
Incinerated	0	kg
Residuals/Landfilled	0	kg

#### Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	0	kg
Total weight of hazardous waste transported	0	kg

## Effluents

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Total volume of water discharges	0	Cubic meters
Percent of wastewater recycled	0	%

## Environmental compliance

### Non-compliance with Environmental Laws and Regulations

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	#
No. of cases resolved through dispute resolution mechanism	0	#

## SOCIAL

### Employee Management

ABS-CBN Holdings' has no actual operations and is limited to receiving dividends from investee, ABS-CBN Corporation and distributing the same to its PDR holders. It has no regular employees and the number of its officers is limited.

#### Employee Hiring and Benefits

##### Employee data

Disclosure	Quantity	Units
Total number of employees <sup>3</sup>	0	
a. Number of female employees	0	#
b. Number of male employees	0	#
Attrition rate <sup>4</sup>	0	rate
Ratio of lowest paid employee against minimum wage	0	ratio

##### Employee benefits

List of Benefits	Y/N	% of female employees who availed for the Year	% of male employees who availed for the year
SSS	N/A	-	-
PhilHealth	N/A	-	-
Pag-ibig	N/A	-	-
Parental leaves	N/A	-	-
Vacation leaves	N/A	-	-
Sick leaves	N/A	-	-
Medical benefits (aside from PhilHealth))	N/A	-	-
Housing assistance (aside from Pag-ibig)	N/A	-	-
Retirement fund (aside from SSS)	N/A	-	-
Further education support	N/A	-	-
Company stock options	N/A	-	-
Telecommuting	N/A	-	-
Flexible-working Hours	N/A	-	-
(Others)	N/A	-	-

### Employee Training and Development

<sup>3</sup> Employees are individuals who are in an employment relationship with the organization, according to national law or its application ([GRI Standards 2016 Glossary](#))

<sup>4</sup> Attrition are = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

Disclosure	Quantity	Units
Total training hours provided to employees	0	
a. Female employees	0	hours
b. Male employees	0	hours
Average training hours provided to employees	0	
a. Female employees	0	hours/employee
b. Male employees	0	hours/employee

#### Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	0	%
Number of consultations conducted with employees concerning employee-related policies	0	#

#### Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	0	%
% of male workers in the workforce	0	%
Number of employees from indigenous communities and/or vulnerable sector*	0	#

*\*Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).*



## Workplace Conditions, Labor Standards, and Human Rights

### Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	0	Man-hours
No. of work-related injuries	0	#
No. of work-related fatalities	0	#
No. of work related ill-health	0	#
No. of safety drills	0	#

### Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	#

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Please find our company policies at <https://www.abs-cbnpdr.com/corporate-governance>.

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	N/A	
Child labor	N/A	
Human Rights	N/A	

### Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy: **None**

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	N/A	
Forced labor	N/A	
Child labor	N/A	
Human rights	N/A	
Bribery and corruption	N/A	

Relationship with Community  
Significant Impacts on Local Communities

ABS-CBN Holdings' operation is limited to receiving dividends from investee, ABS-CBN Corporation and distributing the same to its PDR holders. It has no regular employees and the number of its officers is limited.

Customer Management

ABS-CBN Holdings' operation is limited to receiving dividends from investee, ABS-CBN Corporation and distributing the same to its PDR holders. It has no regular employees and the number of its officers is limited.

Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*	0	#
No. of complaints addressed	0	#

*\*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

### Marketing and labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*	0	#
No. of complaints addressed	0	#

*\*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

### Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	0	#
No. of complaints addressed	0	#
No. of customers, users and account holders whose information is used for secondary purposes	0	#

*\*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

### Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	0	#

## UN SUSTAINABLE DEVELOPMENT GOALS

### Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
PDRs	Decent work and economic growth	No negative impact	No negative impact

*\* None/Not Applicable is not an acceptable answer. For holding companies, the services and products of its subsidiaries may be disclosed.*

# COVER SHEET

for  
**AUDITED FINANCIAL STATEMENTS**

SEC Registration Number

A	1	9	9	9	0	4	5	4	4
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**COMPANY NAME**

A	B	S	-	C	B	N		H	O	L	D	I	N	G	S		C	O	R	P	O	R	A	T	I	O	N		

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

1	6	t	h		F	l	o	o	r	,		N	o	r	t	h		T	o	w	e	r	,		R	o	c	k	w
w	e	l	l		B	u	s	i	n	e	s	s		C	e	n	t	e	r	,		S	h	e	r	i	d	a	n
S	t	.		C	o	r	.		U	n	i	t	e	d		S	t	.		B	r	g	y	.		H	i	g	h
w	a	y		H	i	l	i	s	,		M	a	n	d	a	l	u	y	o	n	g		C	i	t	y			

Form Type

A	A	F	S
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Department requiring the report

C	R	M	D
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Secondary License Type, If Applicable

N	/	A
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**COMPANY INFORMATION**

Company's Email Address	Company's Telephone Number	Mobile Number
-	(02) 8878-0000	-
No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
8	Any date in May	December 31

**CONTACT PERSON INFORMATION**

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

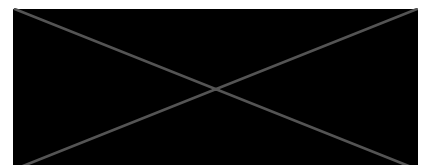
Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Atty. Enrique I. Quiason			

**CONTACT PERSON'S ADDRESS**

--

**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 of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.



## **INDEPENDENT AUDITOR'S REPORT**

The Stockholders and the Board of Directors  
ABS-CBN Holdings Corporation  
16th Floor, North Tower, Rockwell Business Center  
Sheridan Cor. United St., Brgy. Highway Hills  
Mandaluyong City

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of ABS-CBN Holdings Corporation (the Company), which comprise the statements of financial position as at December 31, 2021 and 2020, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2021 and the notes to the financial statements, including a summary of significant accounting policies.

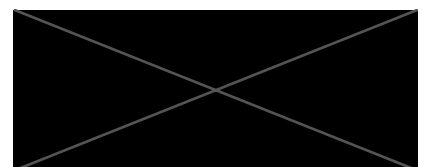
In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2021 in accordance with Philippine Financial Reporting Standards (PFRSs).

#### **Basis of Opinion**

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's 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 our 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 does not conduct any business other than in connection with the issuance of Philippine Depositary Receipts (PDRs), the performance of obligations under the PDRs and the acquisition and holding of shares of ABS-CBN Corporation (ABS-CBN) in respect of PDRs issued. ABS-CBN was a holder of a legislative franchise to construct, install, operate and maintain, for commercial purposes and in the public interest, radio and television broadcasting stations in the Philippines. The legislative franchise lapsed on May 4, 2020. The House of Representatives through the House Committee on Legislative Franchises denied the franchise application on July 10, 2020. The core operation of ABS-CBN depended on the legislative franchise and therefore is a key determinant of ABS-CBN's ability to continue as a going concern.



The denial of the franchise application significantly affected ABS-CBN's free-to-air business. This resulted in a net loss of ₱13.5 billion for the year ended December 31, 2020. This has continued to affect ABS-CBN's financial standing for the year ended December 31, 2021, which resulted in a net loss of ₱5.7 billion. These conditions indicate that a material uncertainty exists that may cast significant doubt on ABS-CBN's ability to continue as a going concern

Previously, on February 10, 2020, the Solicitor General filed before the Supreme Court of the Philippines a quo warranto petition against ABS-CBN, alleging that ABS-CBN breached the constitutional restriction on foreign ownership of mass media by issuing the PDRs to foreigners. While the Supreme Court dismissed the quo warranto petition on June 23, 2020, the same issue was raised during the hearings conducted by the House Committee on Legislative Franchises from May 26, 2020 to July 9, 2020. The findings and recommendations of the technical working group of the House Committee on Legislative Franchises cited the constitutionality of the PDRs as one of the reasons for the denial of the franchise application of ABS-CBN.

As discussed in Note 1, the going concern uncertainty of ABS-CBN and the issue on the purported breach of the constitutional restriction on foreign ownership of mass media by issuing the PDRs to foreigners, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### **Key Audit Matters**

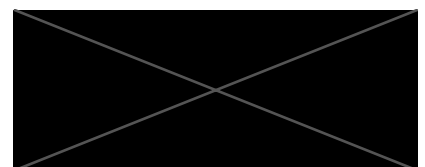
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. Except for the matter described in the Material uncertainty related to going concern section, we have determined that there are no other key audit matters to communicate in our report.

### **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 and Annual Report for the year ended December 31, 2021 but does not include the financial statements and our auditor's report thereon. The SEC Form 20 IS (Definitive Information Statement), SEC Form 17 A and Annual Report for the year ended December 31, 2021 are expected to be made available to us after the date of this auditor's 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 audits 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 and fair presentation of the financial statements in accordance with PFRSs, 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.

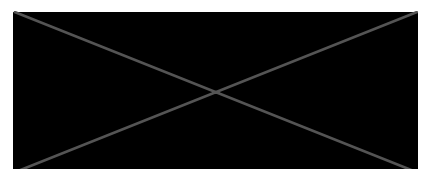
Those charged with governance are responsible for overseeing the Company's financial reporting process.

## **Auditor's 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 auditor's 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 PSAs 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, they 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 PSAs, 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 auditor's 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 auditor's 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 audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to 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 auditor's 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.

#### **Report on the Supplementary Information Required Under Revenue Regulations No. 15-2010**

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations No. 15-2010 as disclosed in Note 15 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of ABS-CBN Holdings Corporation. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is Christine G. Vallejo.

SYCIP GORRES VELAYO & CO.



Christine G. Vallejo

Partner

CPA Certificate No. [REDACTED]

Tax Identification No. [REDACTED]

BOA/PRC Reg. No. [REDACTED] August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. [REDACTED] (Group A)

November 11, 2019, valid until November 10, 2022

SEC Firm Accreditation No. [REDACTED] SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. [REDACTED] November 7, 2019, valid until November 6, 2022

PTR No. [REDACTED] January 3, 2022, Makati City

May 16, 2022

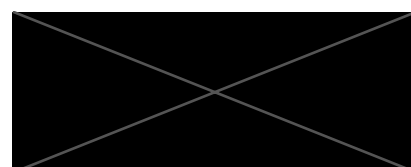




**ABS-CBN HOLDINGS CORPORATION**  
**STATEMENTS OF FINANCIAL POSITION**

	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash in banks (Note 5)	<b>₱9,171,420</b>	₱18,525,628
Receivables (Note 6)	<b>1,325,342</b>	928,552
Deposits	<b>10,000</b>	10,000
<b>TOTAL ASSETS</b>	<b>₱10,506,762</b>	₱19,464,180
<b>LIABILITY AND EQUITY</b>		
<b>Current Liability</b>		
Trade and other payables (Notes 7 and 11)	<b>₱10,506,762</b>	₱19,464,180
<b>Equity</b>		
Capital stock (Note 8)	<b>10,000</b>	10,000
Additional paid-in capital	<b>23,089,356</b>	23,089,356
Deficit	<b>(23,099,356)</b>	(23,099,356)
Total Equity	-	-
<b>TOTAL LIABILITY AND EQUITY</b>	<b>₱10,506,762</b>	₱19,464,180

*See accompanying Notes to Financial Statements.*



**ABS-CBN HOLDINGS CORPORATION**  
**STATEMENTS OF COMPREHENSIVE INCOME**

	<b>Years Ended December 31</b>		
	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>REVENUES</b>			
Reimbursements from PDR holders (Note 4)	<b>₱3,220,240</b>	₱1,702,666	₱930,994
Exercise fees (Note 44)	<b>396,790</b>	3,150,977	1,314,520
Interest income (Note 5)	<b>13,083</b>	85,596	617,974
	<b>3,630,113</b>	4,939,239	2,863,488
<b>OPERATING EXPENSES</b> (Notes 4, 9 and 11)	<b>3,630,113</b>	4,939,239	2,863,488
<b>INCOME BEFORE INCOME TAX</b>	–	–	–
<b>PROVISION FOR INCOME TAX</b> (Note 10)	–	–	–
<b>NET INCOME / TOTAL COMPREHENSIVE INCOME</b>	<b>₱–</b>	<b>₱–</b>	<b>₱–</b>
<b>Basic/Diluted Earnings Per Share</b> (Note 14)	<b>₱–</b>	<b>₱–</b>	<b>₱–</b>

*See accompanying Notes to Financial Statements.*



**ABS-CBN HOLDINGS CORPORATION**  
**STATEMENTS OF CHANGES IN EQUITY**

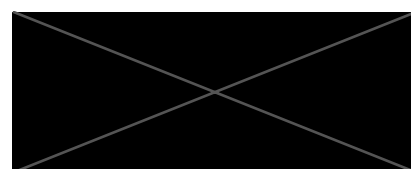
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	<b>Years Ended December 31</b>		
	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>CAPITAL STOCK</b> (Note 8)	<b>₱10,000</b>	<b>₱10,000</b>	<b>₱10,000</b>
<b>ADDITIONAL PAID-IN CAPITAL</b>	<b>23,089,356</b>	<b>23,089,356</b>	<b>23,089,356</b>
<b>DEFICIT</b>			
Balance at beginning of year	<b>(23,099,356)</b>	<b>(23,099,356)</b>	<b>(23,099,356)</b>
Total comprehensive income	<b>–</b>	<b>–</b>	<b>–</b>
Balance at end of year	<b>(23,099,356)</b>	<b>(23,099,356)</b>	<b>(23,099,356)</b>
	<b>₱–</b>	<b>₱–</b>	<b>₱–</b>

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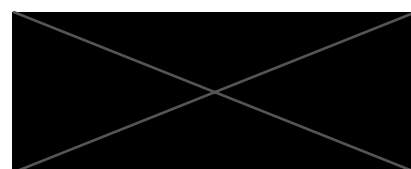
*See accompanying Notes to Financial Statements.*



**ABS-CBN HOLDINGS CORPORATION**  
**STATEMENTS OF CASH FLOWS**

	<b>Years Ended December 31</b>		
	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income before income tax	<b>₱-</b>	<b>₱-</b>	<b>₱-</b>
Adjustment for interest income (Note 5)	<b>(13,083)</b>	<b>(85,596)</b>	<b>(617,974)</b>
Working capital changes:			
Increase in receivables	<b>(396,790)</b>	<b>(927,467)</b>	<b>-</b>
Increase (decrease) in trade and other payables	<b>(8,957,418)</b>	<b>545,013</b>	<b>55,383</b>
Net cash used in operations	<b>(9,367,291)</b>	<b>(468,050)</b>	<b>(562,591)</b>
Interest received	<b>13,083</b>	<b>108,574</b>	<b>594,996</b>
Net cash provided by (used in) operating activities	<b>(9,354,208)</b>	<b>(359,476)</b>	<b>32,405</b>
<b>NET INCREASE (DECREASE) IN CASH IN BANKS</b>	<b>(9,354,208)</b>	<b>(359,476)</b>	<b>32,405</b>
<b>CASH IN BANKS AT BEGINNING OF YEAR</b>	<b>18,525,628</b>	<b>18,885,104</b>	<b>18,852,699</b>
<b>CASH IN BANKS AT END OF YEAR (Note 5)</b>	<b>₱9,171,420</b>	<b>₱18,525,628</b>	<b>₱18,885,104</b>

*See accompanying Notes to Financial Statements.*



# ABS-CBN HOLDINGS CORPORATION

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## NOTES TO FINANCIAL STATEMENTS

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### 1. Corporate Information

ABS-CBN Holdings Corporation (the Company) was incorporated in the Philippines on March 30, 1999 for the primary purpose of investing, purchasing and holding real and personal properties, including but not limited to, shares of stock, bonds, debentures, notes, evidences of indebtedness or other securities or obligations.

The Company does not conduct any business other than in connection with the issuance of Philippine Depositary Receipts (PDRs), the performance of obligations under the PDRs and the acquisition and holding of shares of ABS-CBN Corporation (ABS-CBN) in respect of PDRs issued. Dividends received from ABS-CBN, exercise fees and interest income are distributed to PDR holders less operating expenses incurred and to be incurred. In the event that the dividends received, exercise fees and interest income are no longer enough to cover the expenses, the Company is reimbursed by the PDR holders (see Note 4).

No reportable segment information is presented as the Company's limited operations are adequately presented in the statements of comprehensive income.

The Company is 60%-owned by Lopez, Inc., a Philippine entity.

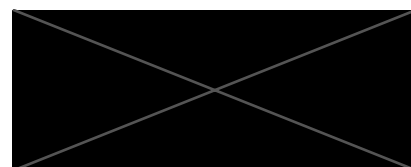
The Company's registered business address is 16th Floor, North Tower, Rockwell Business Center, Sheridan corner United St., Brgy. Highway Hills, Mandaluyong City.

The accompanying financial statements were approved and authorized for issuance by the Board of Directors (BOD) on May 16, 2022.

ABS-CBN was a holder of a legislative franchise to construct, install, operate and maintain, for commercial purposes and in the public interest, radio and television broadcasting stations in the Philippines. The last franchise renewal under Republic Act (R.A.) 7966 was approved on March 30, 1995 for a period of 25 years.

On July 10, 2020, the House Committee on Legislative Franchises (regular and ex-officio members) voted to adopt a resolution denying the franchise application of ABS-CBN (the "Resolution"). The denial of ABS-CBN's franchise application significantly affected ABS-CBN's operations, specifically its free to air business. This resulted in a net loss of ₱13.5 billion for the year ended December 31, 2020. This has continued to affect ABS-CBN's financial standing for the year ended December 31, 2021, which resulted in a net loss of ₱5.7 billion. ABS-CBN's current assets as of December 31, 2021 and 2020 amounted to ₱13,103 million and ₱18,683 million, respectively, and current liabilities as of December 31, 2021 and 2020 amounted to ₱14,010 million and ₱28,399 million, respectively. There are also several factors that can continue to significantly affect the planned activities of ABS-CBN to ensure the continuing operations of the latter, including the impact of COVID-19.

These conditions indicate that a material uncertainty exists that may cast significant doubt on ABS-CBN's ability to continue as a going concern and, therefore, ABS-CBN may not be able to realize its assets and discharge its liabilities in the normal course of business. ABS-CBN's management assessed that ABS-CBN will be able to maintain its positive cash position and settle its liabilities as they fall due within the next 12 months through management's plans on future actions as discussed in Note 3.



On July 13, 2020, the Philippine Stock Exchange (PSE) suspended trading of the common shares and PDRs of ABS-CBN and the Company, respectively, pending the submission by ABS-CBN of an acceptable comprehensive disclosure on the effects of denial by Congress of the grant of the franchise.

ABS-CBN submitted an acceptable disclosure on July 22, 2020, which the PSE approved on July 23, 2020. The PSE lifted the suspension of trading on the same date. On July 24, 2020, the PSE requested information relating to the unusual price movement in the trading of the PDRs from ₱9.10 to ₱6.37 per PDR and the Company responded on the same date.

On February 10, 2020, the Solicitor General filed before the Supreme Court of the Philippines a quo warranto petition against ABS-CBN, alleging that ABS-CBN breached the constitutional restriction on foreign ownership of mass media by issuing PDRs to foreigners. The Constitution expressly prohibits any form of foreign ownership and control of mass media. ABS-CBN responded to disprove the allegation. ABS-CBN filed a comment to the Supreme Court that the PDR holders' rights are not equivalent to the full beneficial ownership of rights of the shareholders of ABS-CBN. On June 23, 2020, the Supreme Court of the Philippines dismissed the quo warranto petition.

On June 11, 2020, the hearing of the House Committee on Legislative Franchises focused on the compliance of the PDRs issued by the Company with the Constitution. ABS-CBN has stated that the PDRs were evaluated and approved by the SEC and the PSE before its public offering. The findings and recommendations of the technical working group of the House Committee on Legislative Franchises cited the constitutionality of the PDRs as one of the reasons for the denial of the franchise application of ABS-CBN.

The going concern uncertainty of ABS-CBN and the issue on the purported breach of the constitutional restriction on foreign ownership of mass media by issuing the PDRs to foreigners indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern since the Company's only business involves the issuance of PDRs, the performance of obligations under the PDRs and the acquisition and holding of shares of ABS-CBN in respect of PDRs issued. Thus, the Company may not be able to realize its assets and discharge its liabilities in the normal course of business.

As of May 16, 2022, the PDRs and the underlying shares of ABS-CBN are still listed in the PSE. In consultation with its legal counsel, the Company's management believes that the issuance of PDRs comply with the Philippine nationality laws on ownership of mass media companies and that it can and will continue to transact issuance of PDRs, deliver the shares or proceeds from the sale of the ABS-CBN shares (see Note 3). As such, the accompanying financial statements of the Company have been prepared on a going concern basis of accounting.

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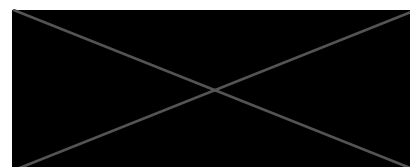
## 2. Summary of Significant Accounting Policies and Financial Reporting Practices

### Basis of preparation

The accompanying financial statements have been prepared on a historical cost basis and are presented in Philippine Peso (Peso), which is the Company's functional and presentation currency. All values are rounded to the nearest Peso, except when otherwise indicated

### Statement of Compliance

The accompanying financial statements of the Company were prepared in compliance with Philippine Financial Reporting Standards (PFRSs).



The Company does not qualify for reporting under the PFRS for Small Entities as set out under Revised Securities Regulation Code (SRC) Rule 68 issued by the SEC since its PDRs are listed in PSE.

#### Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2021. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the financial statements of the Company.

- Amendment to PFRS 16, *COVID-19-related Rent Concessions beyond 30 June 2021*
- Amendments to PFRS 9, PAS 39, PFRS 7, PFRS 4 and PFRS 16, *Interest Rate Benchmark Reform – Phase 2*

#### Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. The Company intends to adopt the following pronouncements when they become effective. Adoption of these pronouncements is not expected to have a significant impact on the Company's financial statements unless otherwise indicated.

##### *Effective beginning on or after January 1, 2022*

- Amendments to PFRS 3, *Reference to the Conceptual Framework*
- Amendments to PAS 16, *Plant and Equipment: Proceeds before Intended Use*
- Amendments to PAS 37, *Onerous Contracts – Costs of Fulfilling a Contract*
- *Annual Improvements to PFRSs 2018-2020 Cycle*
  - Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a First-time Adopter*
  - Amendments to PFRS 9, *Financial Instruments, Fees in the '10 per cent' Test for Derecognition of Financial Liabilities*
  - Amendments to PAS 41, *Agriculture, Taxation in Fair Value Measurements*

##### *Effective beginning on or after January 1, 2023*

- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to PAS 8, *Definition of Accounting Estimates*
- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

##### *Effective beginning on or after January 1, 2024*

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

##### *Effective beginning on or after January 1, 2025*

- PFRS 17, *Insurance Contracts*



*Deferred effectivity*

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Current versus Noncurrent Classification

The Company presents assets and liabilities in the statements of financial position based on current/noncurrent classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as noncurrent.

Deferred income tax assets and deferred income tax liabilities are classified as noncurrent assets and liabilities, respectively.

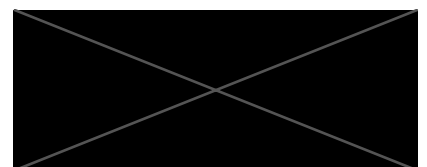
Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

*Initial Recognition and Measurement.* Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under PFRS 15, *Revenue from Contracts with Customers*.





In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include cash in banks and receivables which are classified as financial assets at amortized cost.

The Company has no financial assets at FVOCI, designated at FVOCI and at FVPL.

*Subsequent Measurement.* For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVPL

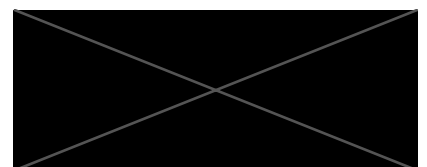
*Financial Assets at Amortized Cost (Debt Instruments).* This category is the most relevant to the Company. The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective 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 SPPI on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

*Derecognition.* A financial asset (or, when applicable a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the statement of financial position) when:

- the rights to receive cash flows from the asset have expired; and
- the Company transfers a financial asset and the transfer qualify for derecognition.



The Company transfers a financial asset if, and only if, it either: (a) transfers the contractual rights to receive the cash flows of the financial asset; or (b) retains the contractual rights to receive the cash flows of the financial asset (the “original asset”), but assumes a contractual obligation to pay the cash flows to one or more recipients (the “eventual recipients”) in an arrangement that meets the following conditions:

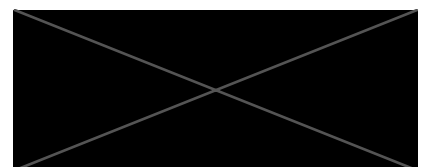
- The Company has no obligation to pay amounts to the eventual recipients unless it collects equivalent amounts from the original asset. Short-term advances by the Company with the right of full recovery of the amount lent plus accrued interest at market rates do not violate this condition.
- The Company is prohibited by the terms of the transfer contract from selling or pledging the original asset other than as security to the eventual recipients for the obligation to pay them cash flows.
- The Company has an obligation to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents during the short settlement period from the collection date to the date of required remittance to the eventual recipients, and interest earned on such investments is passed to the eventual recipients.

When the Company transfers a financial asset, it shall evaluate the extent to which it retains the risks and rewards of ownership of the financial asset. In this case:

- if the Company transfers substantially all the risks and rewards of ownership of the financial asset, the Company shall derecognize the financial asset and recognize separately as assets or liabilities any rights and obligations created or retained in the transfer.
- if the Company retains substantially all the risks and rewards of ownership of the financial asset, the Company shall continue to recognize the financial asset.
- if the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, the Company shall determine whether it has retained control of the financial asset. In this case: (a) if the Company has not retained control, it shall derecognize the financial asset and recognize separately as assets or liabilities any rights and obligations created or retained in the transfer; and (b) if the Company has retained control, it shall continue to recognize the financial asset to the extent of its continuing involvement in the financial asset.

*Impairment of Financial Assets.* The Company recognizes an allowance for expected credit loss (ECL) for all debt instruments not held at FVPL. ECLs are 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, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).



For cash in banks, the Company applies the low credit risk simplification. The Company evaluates whether the debt instrument is considered to have low credit risk based on the external credit rating of the debt instrument. It is the Company's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the loss allowance will be based on the lifetime ECL.

For receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established 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. For other receivables, the Company applies the general approach and calculates ECL based on the 12-month ECLs or lifetime ECLs, depending on whether there has been a significant increase in credit risk on the financial instruments since initial recognition.

The Company considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

#### Financial Liabilities

*Initial Recognition and Measurement.* Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

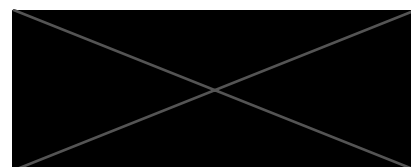
The Company's financial liabilities include trade and other payables which are classified as loans and borrowings.

The Company has no financial liabilities at FVPL or derivative liabilities designated as hedging instruments.

*Subsequent Measurement.* After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as interest expense in the statement of comprehensive income.

*Derecognition.* A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When 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 a new liability, and the difference in the respective carrying amounts is recognized in the statement of comprehensive income.



#### Offsetting of Financial Instruments

Financial assets and financial liabilities are offset with the net amount reported in the statement 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 asset and settle the liability simultaneously. The Company assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Company and all of the counterparties.

#### Fair Value Measurement

The Company discloses the fair values of financial instruments measured at amortized cost.

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 measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

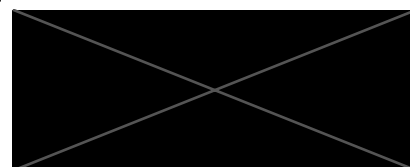
- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3: Valuation techniques for which the lowest level 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 reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at every financial reporting date.

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.

#### Cash in Banks

Cash in banks earn interest based on their respective bank deposit rates.



### Equity

Capital stock is measured at par value for all shares issued. Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax. Proceeds and/or fair value of considerations received in excess of par value, if any, are recognized as additional paid-in capital.

Deficit represents the accumulated losses as of reporting date.

Deficit may also include the effect of changes in accounting policy as may be required by the standards' transitional provisions.

### Revenue Recognition

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services, excluding amounts collected on behalf of third parties. The Company assesses its revenue arrangement against specific criteria in order to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements.

Revenue is recognized when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognized is the amount allocated to the satisfied performance obligation.

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

*Reimbursements from PDR holders.* This represents the amortization of unearned revenue when it is applied to the actual operating expenses. Unearned revenue is any cash dividend or other cash distribution distributed in respect of ABS-CBN shares withheld by the Company to be applied against operating expenses for the current and preceding years. If the balance of unearned revenue, exercise fees and interest income earned during the year is not enough to cover the actual operating expenses for the year, the reimbursement is accrued and is reflected as "Receivables from PDR holders" account in the statement of financial position.

*Interest income.* Revenue is recognized as the interest accrues taking into account the effective yield on the asset.

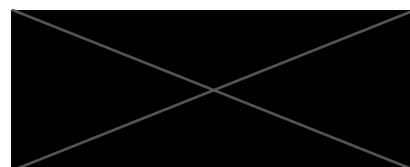
*Exercise fees.* Revenue is recognized upon exercise by the PDR holders.

### Expenses

Expenses are decreases in economic benefits during the accounting period in the form of outflows or decreases of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Expenses are recognized in the statement of comprehensive income in the year these are incurred. These are measured at the fair value of the consideration paid or payable.

### Taxes

*Current Tax.* Current tax assets and liabilities for the current period 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 are those that are enacted or substantially enacted as at reporting date.



Current tax relating to items recognized directly in equity is recognized in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and net operating loss carryover (NOLCO), to the extent that it is probable that taxable income will be available against which the deductible temporary differences, and the carryforward benefits of excess MCIT over RCIT and NOLCO can be utilized except:

- When the deferred tax asset relating to the deductible temporary difference 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 income nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries and associates and interest in joint arrangements, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable income will be available against which the temporary differences can be utilized.

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 income tax assets to be utilized. Unrecognized deferred income 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 income tax assets to be recovered.

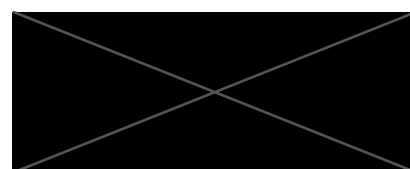
Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred income tax liability arises from the initial recognition of goodwill or 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; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates applicable to the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have 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.

Income tax relating to other comprehensive income (OCI) is recognized in OCI section of the statements of comprehensive income.



*Value-Added Tax (“VAT”)*

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

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

The net amount of VAT payable to the taxation authority is presented as part of “Trade and other payables” account in the statement of financial position.

Provisions

Provisions, if any, 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. If the effect of the time value of money is material, provisions are discounted using a discounted pre-tax rate that reflects current market assessments or the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to passage of time is recognized as an interest expense.

Contingencies

Contingent liabilities are not recognized in the financial statements but 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 in the notes to financial statements when an inflow of economic benefits is probable.

Basic/Diluted Earnings per Share

Basic/diluted earnings per share amounts are calculated by dividing the net income for the year attributable to shareholders by the weighted average number of common shares outstanding during the year.

Events after Financial Reporting Period

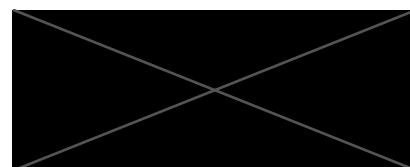
Post year-end events that provide additional information about the Company’s financial position at reporting period (adjusting event) are reflected in the financial statements. Post year-end events that are not adjusting events, if any, are disclosed in the notes to financial statements, when material.

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### 3. Significant Accounting Judgments, Estimates and Assumptions

The Company’s financial statements prepared under PFRSs require management to make judgments, estimates and assumptions that affect certain amounts reported in the financial statements and related notes. Future events may occur which will cause the judgments and assumptions used in arriving at the estimates to change. In preparing the financial statements, management has made its best judgments, estimates and assumptions of certain amounts, giving due consideration to materiality.

Judgments, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.



### Judgments

Management makes judgment in the process of applying the Company's accounting policies. Judgment that has the most significant effect on the reported amounts in the financial statements is discussed below.

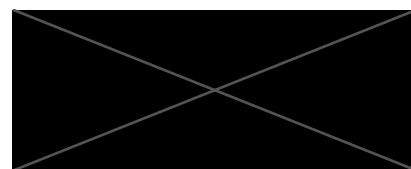
*Use of Going Concern Assumption.* As discussed in Note 1, the Company does not conduct any business other than in connection with the issuance of PDRs, the performance of obligations under the PDRs and the acquisition and holding of shares of ABS-CBN in respect of PDRs issued. On July 10, 2020, the House Committee on Legislative Franchises (Regular and Ex-Officio members) voted to adopt a Resolution denying the franchise application of ABS-CBN. The Resolution significantly affected the media, networks, and studio entertainment operations of ABS-CBN, specifically the free-to-air business of ABS-CBN in the Philippines which resulted in a net loss of ₱5,670 million and ₱13,531 million for the years ended December 31, 2021 and 2020, respectively, negative operating cash flows of ₱3,701 million for the year ended December 31, 2020, current assets as of December 31, 2021 and 2020 amounting to ₱13,103 million and ₱18,683 million, respectively, and current liabilities as of December 31, 2021 and 2020 amounting to ₱14,010 million and ₱28,399 million, respectively. There are also several factors that can continue to significantly affect the planned activities of ABS-CBN to ensure the continuing operations of ABS-CBN, including the impact of COVID-19. These factors have affected and may continue to affect ABS-CBN's ability to settle its liabilities as they fall due within the next 12 months.

Based on the Company's management's discussion with the management of ABS-CBN, disclosures in the financial statements of ABS-CBN and with the PSE, management of ABS-CBN assessed that to mitigate the impact of the denial of the franchise application and of COVID-19:

1. ABS-CBN has and will continue to pursue partnerships with various reputable companies that will allow ABS-CBN to share its Free-to-Air produced content nationwide.
2. ABS-CBN continues to operate in other businesses that do not require a legislative franchise, such as, international licensing and distribution, digital and cable businesses, as well as, continue with the syndication of content through various streaming services.
3. ABS-CBN has adopted and continues to implement cost control measures, reducing general and administrative expenses (GAEX) or overhead, rationalizing capital expenditures, and streamlining its manpower requirements.
4. ABS-CBN continues to service its loan obligations with the banks in accordance with the standstill agreement.
5. ABS-CBN continues to explore and intends to pursue all available remedies and courses of action, and will comply with relevant legal, regulatory and contractual requirements, to be able to sustain its current and future business operations, which do not necessarily involve broadcast only.

After considering the events resulting from the Resolution and the responses of ABS-CBN to address these uncertainties, management of ABS-CBN assessed that it will be able to maintain its positive cash position and settle its liabilities as they fall due within 12 months from the end of the reporting period. Accordingly, the consolidated financial statements of ABS-CBN are prepared on a going concern basis.

In addition, in consultation with its legal counsel, the Company's management believes that the PDRs comply with the Philippine nationality laws on ownership of mass media companies. As such, the accompanying financial statements of the Company have been prepared on a going concern basis of accounting.





### Estimates and Assumptions

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

*Simplified Approach for Receivables.* The Company uses a provision matrix to calculate ECLs for receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Company's historical observed default rates. The Company calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every financial reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

In 2021 and 2020, the Company did not recognize provision for impairment of its receivables. The Company's receivables amounted to ₱1,325,342 and ₱928,552 as of December 31, 2021 and 2020, respectively (see Note 6).

*Recognition of Deferred Tax Assets.* Management uses judgment in reviewing the carrying amount of deferred tax assets. The carrying amount of the Company's deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized. However, there is no assurance that sufficient future taxable income will be generated against which all or part of deferred tax assets can be applied.

The Company did not recognize deferred income tax asset on the carry forward benefits of NOLCO since management believes that sufficient future taxable income may not be available against which this can be utilized. Unrecognized deferred tax assets on NOLCO amounted to ₱1,862,030 and ₱3,060,143 as at December 31, 2021 and 2020, respectively (see Note 10).

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#### **4. Philippine Depository Receipts (PDRs)**

On September 29, 1999, the Company offered 132,000,000 PDRs relating to 132,000,000 ABS-CBN shares. Each PDR was issued for a total consideration of ₱46.00, which consists of a deposit of ₱45.90 and a PDR option price of ₱0.10.

Each PDR grants the holder, upon payment of the exercise price and subject to certain other conditions, the delivery of one ABS-CBN share or the sale of and delivery of the proceeds of such sale of one ABS-CBN share. The Company remains to be the registered owner of the ABS-CBN shares covered by the PDRs. The Company also retains the voting rights over the ABS-CBN shares.

ABS-CBN shares are still subject to ownership restrictions on shares of corporations engaged in mass media and ABS-CBN may reject the transfer of shares to persons other than Philippine nationals. The PDRs were listed in the PSE on October 7, 1999, and these may be exercised at any time from said date. Any cash dividend or other cash distributions distributed in respect of ABS-CBN shares received by the Company (or the Security Agent on its behalf) shall be applied towards the operating expenses then due of the Company (including but not limited to applicable taxes, fees and maintenance costs charged by the PSE shown under "Operating expenses" account in the statements of comprehensive income) for the current and preceding years. Any further amount equal to the operating expenses in the preceding year (the "Operating Fund") is set aside to meet operating or other expenses for the succeeding years. Any amount in excess of the aggregate of the operating expenses paid and the Operating Fund for such period (referred to as "Interest") is distributed to Holders pro-rata on the first business day after such cash dividends are received by the Company.



The obligations of the Company in respect of the PDRs are secured by a pledge dated October 5, 1999 in favor of a security agent acting on behalf of the holders of the PDR. The pledge secures the delivery by the Company of the ABS-CBN shares upon exercise of the PDRs. The number of PDRs outstanding will always be matched by an equal number of ABS-CBN shares subject to the pledge. The Company undertakes that, at all times, it will own sufficient number of ABS-CBN shares to discharge its obligation under the PDR.

On March 27, 2019, the Company remitted to PDR holders cash distribution of ₱0.55 per share, in relation to the dividends declared by ABS-CBN to all shareholders of record as at March 14, 2019. There was no cash distribution in 2021 and 2020.

Upon exercise of the PDRs, an exercise price of ₱0.10 per share is paid by the PDR holders, where qualified to acquire the ABS-CBN shares. This exercise price is shown under “Exercise fees” account in the statements of comprehensive income.

Immediately prior to the closing of the PDR offering described above, Lopez, Inc. transferred 132,000,000 ABS-CBN shares to the Company in relation to which the PDRs were issued. For as long as the PDRs are not exercised, these shares underlying the PDRs are, and will continue, to be registered in the name of and owned by the Company, and all rights pertaining to these shares, including voting rights, shall be exercised by the Company. The obligations of the Company to deliver the ABS-CBN shares on exercise of the right contained in the PDRs are secured by the Pledge of Shares in favor of the Security Agent acting on behalf of each holder of a PDR over the ABS-CBN shares.

At any time after the initial offering, a shareholder of ABS-CBN may, at his option and from time to time, deliver shares to the Company in exchange for an equal number of PDRs. The exchanges are based on prevailing traded values of ABS-CBN shares at the time of transaction with the corresponding PDR option price.

ABS-CBN shares were converted into PDRs at a range of ₱10.34 to ₱14.70 in 2021 and ₱6.74 to ₱16.47 in 2020.

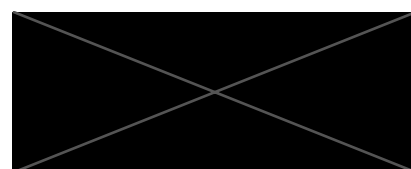
The details and movements of PDRs and the underlying ABS-CBN shares follow:

	Number of Shares	PDRs
Balance at December 31, 2019	306,806,300	₱14,703,810,124
Conversion of PDRs	(31,509,770)	(407,821,607)
Balance at December 31, 2020	275,296,530	14,295,988,517
Conversion of PDRs	(3,967,900)	(52,519,608)
<b>Balance at December 31, 2021</b>	<b>271,328,630</b>	<b>₱14,243,468,909</b>

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## 5. Cash in banks

Cash in banks amounted to ₱9,171,420 and ₱18,525,628 as of December 31, 2021 and 2020, respectively. In 2021, 2020, and 2019, interest income earned from cash in banks amounted to ₱13,083, ₱85,596 and ₱617,974, respectively.



## 6. Receivables

Receivables amounted to ₱1,325,342 and ₱928,552 as of December 31, 2021 and 2020, respectively. This pertains to amounts collectible from the stock transfer agents on unremitted exercise fees relating to conversion of PDRs. These are non-interest bearing and are collectible on demand.

The Company did not recognize provision for impairment of receivables in 2021 and 2020.

## 7. Trade and Other Payables

	2021	2020
Trade:		
PDR holders	₱6,639,962	₱5,330,394
Related party (Note 11)	80,030	934,979
Unearned revenue	2,553,639	6,207,922
Accruals for:		
Maintenance fees	292,600	870,270
Legal and professional fees	203,400	161,000
Others (Note 11)	137,153	138,353
Due to related parties (Note 11)	234,037	5,444,436
Statutory payables	14,605	434
Others	351,336	376,392
	<b>₱10,506,762</b>	<b>₱19,464,180</b>

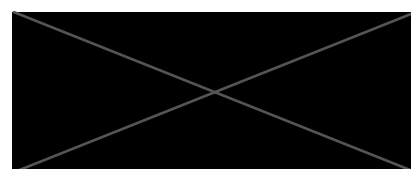
Trade payables include payables to PDR holders that are noninterest-bearing and are payable on demand.

Unearned revenue represents any cash dividend or other cash distributions distributed in respect of ABS-CBN shares withheld by the Company to be applied against operating expenses for the current and preceding years.

Due to related parties consist mainly of noninterest-bearing advances for working capital requirements and administrative expenses from ABS-CBN, an entity under common ultimate ownership with the Company.

## 8. Equity

	2021		2020	
	Number of shares	Amount	Number of shares	Amount
Authorized - ₱100 par value	1,000	₱100,000	1,000	₱100,000
Subscribed, net of subscriptions receivable of ₱30,000	400	₱10,000	400	₱10,000



The Company was incorporated in the Philippines on March 30, 1999 as “Worldtech Holdings Corporation”. On September 16, 1999, the SEC approved the change in the Company’s corporate name to “ABS-CBN Holdings Corporation”.

Corporate Name	Date of Approval	Authorized Capital Stock	Issue/ Offer Price
Worldtech Holdings Corporation	March 30, 1999	1,000	₱100
ABS-CBN Holdings Corporation	September 16, 1999	–	–

The total number of shareholders is eight (8) and seven (7) as at December 31, 2021 and 2020, respectively.

As at December 31, 2021 and 2020, the total number of PDR holders, which includes Philippine Central Depository Nominee Corporation, is 125 and 123, respectively.

## 9. Operating Expenses

	2021	2020	2019
Professional services (Note 11)	<b>₱1,593,247</b>	₱878,936	₱246,444
Outside services	<b>1,397,826</b>	1,546,606	1,543,641
Listing fees	<b>386,621</b>	530,312	755,022
General services (Note 11)	<b>200,176</b>	195,506	261,351
Taxes and licenses	<b>38,768</b>	1,758,609	600
Others	<b>13,475</b>	29,270	56,430
	<b>₱3,630,113</b>	₱4,939,239	₱2,863,488

## 10. Income Tax

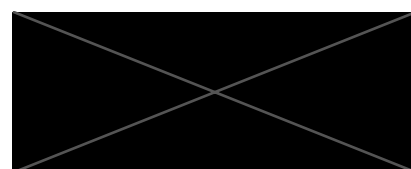
There is no provision for income tax in 2021, 2020 and 2019 since the Company is on a taxable loss position.

As at December 31, 2021 and 2020, the deferred tax asset on NOLCO amounting to ₱1,862,030 and ₱3,060,143, respectively, were not recognized because management believes that the corresponding benefits will not be realized in the future.

As at December 31, 2021, NOLCO that can be applied as deductions from future taxable income follows:

Year Incurred	Expiry Dates	Amounts
2019	December 31, 2022	₱2,863,488
2020	December 31, 2025	3,213,340
2021	December 31, 2026	3,233,323
		<b>₱9,310,151</b>

The NOLCO incurred by the Company in 2021 and 2020 amounting to ₱3,223,323 and ₱3,213,340, respectively, can be claimed as deduction from taxable income until 2026 and 2025, respectively. On September 30, 2020, the Bureau of Internal Revenue (BIR) issued Revenue Regulations (RR) No. 25-2020 implementing Section 4(b) of “Bayanihan to Recover as One Act” which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.



NOLCO amounting to ₱4,123,648, ₱4,924,839 and ₱5,924,622 expired in 2021, 2020 and 2019, respectively.

The reconciliation between the provision for income tax computed at statutory rate of 20% for 2021 and 30% in 2020 and 2019 and provision for income tax as shown in the statements of comprehensive income is as follows:

	<b>Years ended December 31</b>		
	<b>2021</b>	2020	2019
Provision for income tax computed at statutory tax rate	<b>₱-</b>	<b>₱-</b>	<b>₱-</b>
Add (deduct) income tax effects of:			
Expired NOLCO	<b>824,730</b>	1,477,452	1,777,387
Change in value of unrecognized deferred tax asset	<b>(822,113)</b>	(513,450)	(918,341)
Interest income already subjected to final tax	<b>(2,617)</b>	(25,679)	(185,392)
Reimbursements from PDR holders	-	(510,800)	(279,298)
Exercise fees	-	(945,293)	(394,356)
Voluntary Assessment and Payment Program payment	-	517,770	-
	<b>₱-</b>	<b>₱-</b>	<b>₱-</b>

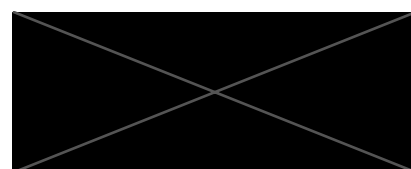
Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act

President Rodrigo Duterte signed into law on March 26, 2021 the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act to attract more investments and maintain fiscal prudence and stability in the Philippines. R.A. 11534 or the CREATE Act introduces reforms to the corporate income tax and incentives systems. It took effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation or April 11, 2021.

The following are the key changes to the Philippine tax law pursuant to the CREATE Act which have an impact on the Company:

- Reduction in the RCIT rate from 30% to 20% for entities with net taxable income not exceeding ₱5.0 million and with total assets not exceeding ₱100.0 million (excluding the value of land on which the business entity's office, plant and equipment are situated);
- Reduction in the RCIT from 30% to 25% for all other corporations;
- Reduction in the MCIT rate from 2% to 1% of gross income for 3 years or until June 30, 2023; and
- Repeal of the imposition of 10% improperly accumulated earnings tax (IAET).

Applying the provisions of the CREATE Act, the Company has been subjected to the lower RCIT rate of 20% of taxable income or the reduced MCIT rate of 1% of gross income, effective July 1, 2020.



## 11. Related Party Transactions and Disclosures

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. This includes: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Company; (b) subsidiaries; and (c) individuals owning, directly or indirectly, an interest in the voting power of the Company that give them significant influence over the Company and close members of the family of any such individual.

Significant transactions of the Company with the related parties are as follows:

Description	Nature	Terms and Conditions	Years ended December 31		
			2021	2020	2019
Service fees for accounting services rendered by ABS-CBN Shared Services Regional Operating Headquarters*	General services (Note 9)	30 days upon receipt of billings; noninterest-bearing	<b>₱200,176</b>	₱195,506	₱261,351
Directors	Directors' Allowance (Note 9)	30 days upon receipt of billings; noninterest-bearing	<b>77,778</b>	77,193	11,111
Working capital requirements and administrative expenses advanced by ABS-CBN*	Advances	30 days upon receipt of billings; noninterest-bearing	<b>₱-</b>	₱1,338,358	₱678,885

\* Entities under control of Lopez, Inc.

Payables to related parties, presented under "Trade and other payables" account in the statements of financial position are as follows:

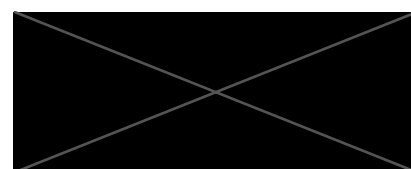
Related Party	Terms and Conditions	As at December 31	
		2021	2020
<b>Trade payables</b>			
ABS-CBN Shared Services Regional Operating Headquarters*	Unsecured; 30 days upon receipt of billings; noninterest-bearing	<b>₱80,030</b>	₱934,979
<b>Accrued expenses</b>			
Directors	Unsecured; 30 days upon receipt of billings; noninterest-bearing	<b>82,353</b>	82,353
<b>Due to a related party</b>			
ABS-CBN*	Unsecured; 30 days upon receipt of billings; noninterest-bearing	<b>₱234,037</b>	₱5,444,436

\* Entities under control of Lopez, Inc.

The administrative and accounting functions of the Company are being performed by ABS-CBN Shared Services, a related party. Fees paid to these are recognized in "General services" under the "Operating expenses" account in the statements of comprehensive income (see Note 9).

### Key Management Personnel of the Company

Allowances of BOD, recorded in "Professional services" under "Operating expenses" in the statements of comprehensive income amounted to ₱0.08 million in 2021 and 2020 (see Note 9).



Terms and Conditions of Transactions with Related Parties

Outstanding balances as at year-end are unsecured, noninterest-bearing, payable on demand and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

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## 12. Financial Risk Management Objectives and Policies

The Company's principal financial instruments comprise of cash in banks which are used to finance the Company's operations. Other financial assets consist of receivables and deposits. The Company's financial liabilities are trade and other payables which arise directly from its operations.

It is, and has been throughout the year under review, the Company's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Company's financial instruments are credit risk and liquidity risk. The BOD reviews and approves the policies for managing each of these risks and these are summarized below.

Credit Risk

There are no significant concentrations of credit risks within the Company. Credit risk arises from default of the counterparty.

The maximum exposure to credit risk for cash in banks and receivables presented in the table below is equivalent to their carrying amounts in the statements of financial position.

	2021	2020
Cash in banks	<b>₱9,171,420</b>	₱18,525,628
Receivables	<b>1,325,342</b>	928,552
Deposits	<b>10,000</b>	10,000
	<b>₱10,506,762</b>	₱19,464,180

As at December 31, 2021 and 2020, the Company's financial assets are neither past due nor impaired and are considered to be of high quality since these are deposits or placements to counterparties with good credit rating or bank standing. Due to insignificance, the Company has not recorded any ECL in 2021 and 2020.

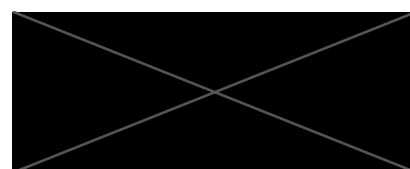
Liquidity Risk

The Company's liquidity risk arises from its financial liabilities. Liquidity risk on financial liabilities is minimal since funding comes from dividends from ABS-CBN.

As at December 31, 2021 and 2020, the Company's trade and other payables, excluding statutory payables, amounted to ₱10,492,157 and ₱19,463,746, respectively, are classified as current and payable on demand.

Capital Risk Management

As discussed in Note 1, the Company has not conducted any business other than in connection with the issuance of PDRs, the performance of obligations under the PDRs and the acquisition and holding of shares of ABS-CBN in respect of PDRs issued. Capital includes capital stock, additional paid-in capital and deficit. The Company adopts a prudent approach on capital management to ensure that it maintains its net assets.



Dividends received from ABS-CBN, exercise fees and the related interests are distributed to PDR holders less operating expenses incurred. Any excess over the interest distribution to PDR holders and actual operating expenses is deferred and amortized when applied to the actual operating expenses of the succeeding years. On the other hand, if the balance of the unearned revenue, exercise fees and the interest income earned during the year is not enough to cover the actual operating expenses for the year, the expenses are reimbursed from the PDR holders.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders. No changes were made in the objectives, policies or processes during the years ended December 31, 2021 and 2020. The Company is not subject to any externally imposed capital requirement.

As at December 31, 2021 and 2020, the Company considers its total paid-in capital of ₱23,099,356 as capital.

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### 13. Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

*Cash in banks, Receivables and Trade Payables and Other Payables.* Due to the short-term nature of transactions, the fair values of these instruments approximate the carrying amounts as at financial reporting date.

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### 14. Earnings Per Share

The following table presents information necessary to calculate earnings per share:

	2021	2020	2019
Net income	₱—	₱—	₱—
Divide by weighted average shares outstanding	400	400	400
Basic/diluted earnings per share	₱—	₱—	₱—

The Company has no dilutive potential common shares outstanding, therefore, basic EPS is the same as diluted EPS.

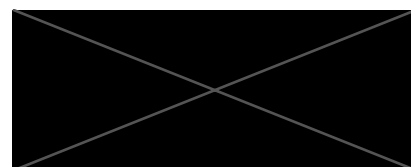
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### 15. Supplementary Information Required Under Revenue Regulations (RR) No. 15-2010

Below is the additional information required by RR No. 15-2010 for the year ended December 31, 2021. This information is presented for purposes of filing with the Bureau of Internal Revenue (BIR) and is not a required part of the basic financial statements.

#### Value-added Tax (VAT)

The Company does not conduct any business involving sale of goods and services other than in connection with the issuance of PDRs, the performance of obligations under the PDRs and the acquisition and holding of shares of ABS-CBN in respect of PDRs issued.





*Output VAT.* Output VAT declared for the year ended December 31, 2021 are as follows:

	Net Sales/ Receipts	Output VAT
Taxable sales:		
Sale of services	₱3,597,022	₱431,643

*Input VAT.* Input VAT arising from domestic purchases of goods and services as at December 31, 2021, are detailed as follows:

Beginning balance		₱-
Current year's domestic purchases/payments for:		
Domestic purchase of services		282,768
		<u>282,768</u>
Claims for tax credit/refund and other adjustments		(282,768)
Balance at December 31		<u>₱-</u>

Importations

The Company has no importations for the year ended December 31, 2021.

Excise Tax

The Company has no excise tax for the year ended December 31, 2021.

Documentary Stamp Tax

The Company has no documentary stamp tax for the year ended December 31, 2021.

Taxes and Licenses

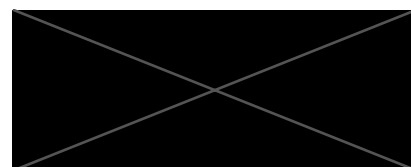
This includes registration fees amounting to ₱38,768 for the year ended December 31, 2021.

Withholding Taxes

The Company accrued and paid expanded withholding taxes amounting to ₱32,016 and ₱31,145, respectively, for the year ended December 31, 2021.

Tax Assessments and Cases

The Company has no outstanding final assessment notice and no tax cases, litigation and/or prosecution in courts or bodies outside the BIR as at December 31, 2021.



## **INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES**

The Stockholders and the Board of Directors  
ABS-CBN Holdings Corporation  
16th Floor, North Tower, Rockwell Business Center  
Sheridan Cor. United St., Brgy. Highway Hills  
Mandaluyong City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of ABS-CBN Holdings Corporation (the Company) as at December 31, 2021 and 2020, and for each of the three years in the period ended December 31, 2021 included in this Form 17-A, and have issued our report thereon dated May 16, 2022. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Company's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Christine G. Vallejo

Partner

CPA Certificate No. [REDACTED]

Tax Identification No. [REDACTED]

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. [REDACTED]-AR-2 (Group A)

November 11, 2019, valid until November 10, 2022


SEC Firm Accreditation No. [REDACTED]-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. [REDACTED] November 7, 2019, valid until November 6, 2022

PTR No. [REDACTED], January 3, 2022, Makati City

May 16, 2022



## **ABS-CBN Holdings Corporation**

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### **INDEX TO THE SUPPLEMENTARY SCHEDULES**

#### Annex A: Supplementary Schedules Required by Annex 68-J

- Schedule A. Financial Assets
- Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)
- Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements
- Schedule D. Long-term Debt
- Schedule E. Indebtedness to Related Parties
- Schedule F. Guarantees of Securities of Other Issuers
- Schedule G. Capital Stock

#### Annex B: Reconciliation of Retained Earnings Available for Dividend Declaration

**Annex A**

**ABS-CBN HOLDINGS CORPORATION**

**Supplementary Schedules Required by Annex 68-J  
December 31, 2021**

**Schedule A. Financial Assets**

Name of issuing entity and association of each issue	Amount shown in the statements of financial position	Income received and accrued
<b>Cash and cash equivalents</b>		
Cash in banks	P9,171,420	P13,083
<b>Debt instrument at fair value through other comprehensive income</b>		
	P-	P-

**Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other Than Related Parties)**

Name and designation	Balance as at January 1, 2021	Additions	Deductions		Current	Noncurrent	Balance as at December 31, 2021
			Amount collected	Amount written off			
Not Applicable: The Company has no receivable from directors, officer, employees, related parties and principal stockholders (other than related parties) as at December 31, 2021.							

**Schedule C. Amounts of Receivables from Related Parties which are Eliminated during Consolidation of Financial Statements**

Name and designation	Balance as at January 1, 2021	Additions	Deductions		Current	Noncurrent	Balance as at December 31, 2021
			Amount collected	Amount written off			
Not Applicable: The Company has no receivable from related parties which are consolidated as at December 31, 2021.							

**Schedule D. Long-Term Debt**

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption “Current portion of long-term debt” in related statement of financial position	Amount shown under caption “Long-term debt” in related statement of financial position
Not Applicable: The Company has no long-term debt as at December 31, 2021.			

**Schedule E. Indebtedness to Related Parties (Long-term Loans from Related Parties)**

Name of related party	Balance at January 1, 2021	Balance at December 31, 2021
Not Applicable: The Company has no long-term loan from a related party as at December 31, 2021.		

**Schedule F. Guarantees of Securities of Other Issuers**

Name of issuing entity of Securities guaranteed by the Company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which the statement is filed	Nature of guarantee
---	--	---	---	------------------------

Not Applicable: The Company has no guarantees of securities of other issuers as at  
December 31, 2021.

**Schedule G. Capital Stock**

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related statement of financial position 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	1,000	1,000	-	-	1,000	-

**Annex B**

**ABS-CBN HOLDINGS CORPORATION**

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**Reconciliation of Retained Earnings Available for Dividend Declaration  
December 31, 2021**

Unappropriated retained earnings (deficit), beginning	(P23,099,356)
Net income during the year closed to retained earnings	—
<u>Unappropriated retained earnings (deficit) available for dividend declaration, end</u>	<u>(P23,099,356)</u>

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**STATEMENT OF MANAGEMENT'S RESPONSIBILITY  
FOR FINANCIAL STATEMENTS**

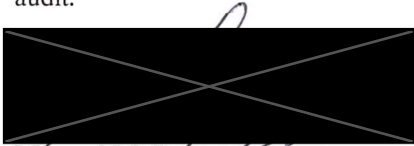
The management of **ABS-CBN Holdings Corporation** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2021 and 2020, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

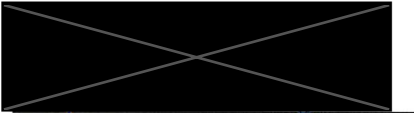
The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders or members.

SyCip Gorres Velayo & Co., the independent auditors, appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.





**Manuel M. Lopez**  
Chairman of the Board/President/  
Chief Executive Officer









**Marifi H. Hernandez**  
Comptroller

**MAY 16 2022**

SUBSCRIBED AND SWORN to me before this \_\_\_\_\_ day of \_\_\_\_\_, 2022. Affiants exhibiting to me their IDs, as follows:

NAMES	ID Presented	ID No./Passport	DATE OF EXPIRY	PLACE OF ISSUE
Manuel M. Lopez	Passport		5/29/2029	DFA, Manila
Marifi H. Hernandez	Driver's License		08/23/2022	Manila

Doc. No. : 350  
Page No.: 8  
Book No.: IV  
Series of: 2022

  
**AURELIA BEATRICE M. SANTOS**  
Commission No. 149  
Notary Public for Quezon City  
Until December 31, 2021 extended to June 30, 2022  
per   
  
PTR No.  1.04.2022/Quezon City  
IBP No.  1.03.2022/Quezon City  
M.C.L.E Compliance No.  Valid until April 14, 2025

**ABS-CBN HOLDINGS CORPORATION**  
**INDEX TO THE FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY SCHEDULES**  
**DECEMBER 31, 2021**

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I. Supplementary Schedules required by Annex 68-E

Schedule A. Financial Assets	
Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)	*
Schedule C. Amounts Receivable/Payable from/to Related Parties which are Eliminated during the Consolidation of Financial Statements	*
Schedule D. Intangible Assets - Other Assets	*
Schedule E. Long-Term Debt	*
Schedule F. Indebtedness to Related Parties (Long-Term Loans from Related Companies)	*
Schedule G. Guarantees of Securities of Other Issuers	*
Schedule H. Capital Stock	

II. Reconciliation of Retained Earnings Available for Dividend Declaration \*

III. Schedule of Effective Standards and Interpretations

IV. Map of the Relationships of the Companies within the Group \*

V. Financial Ratios

\* Not applicable



**ABS-CBN HOLDINGS CORPORATION****Schedule A – Financial Assets**

December 31, 2021

<b>Name of Issuing Entity and Description of Each Issue</b>	<b>Number of Shares or Principal Amount of Bonds and Notes</b>	<b>Amount Shown in the Balance Sheet</b>	<b>Value Based on Market Quotations at end of reporting period</b>	<b>Income received &amp; accrued</b>
<i>Cash and Cash Equivalents</i>				
Cash in Banks		PHP 9,171,420	PHP 9,171,420	PHP 13,083
<i>Loans and Receivables</i>				
Receivables from PDR holders		1,325,342	1,325,342	-
Deposits		10,000	10,000	
		<b>PHP 10,506,762</b>	<b>PHP 10,506,762</b>	<b>PHP 13,083</b>

**ABS-CBN HOLDINGS CORPORATION**

**Schedule B – Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Affiliates)**

December 31, 2021

Name and Designation of debtor	Balance at beginning of period	Additions	Deductions		Current	Not current	Balance at end of period
			Amounts collected	Amounts written off			

**NOT APPLICABLE**

**ABS-CBN HOLDINGS CORPORATION**

**Schedule C.1 – Amounts Receivable from Related Parties which are eliminated during Consolidation of Financial Statements**

December 31, 2021

DEDUCTIONS							
Name and Designation of debtor	Balance at beginning of period	Additions	Amounts Collected	Amounts Written Off	Current	Non Current	Balance at end of Period

**NOT APPLICABLE**

**ABS-CBN HOLDINGS CORPORATION**

**Schedule C.2 – Amounts Payable from Related Parties which are eliminated during Consolidation of Financial Statements**

December 31, 2021

DEDUCTIONS							
Name and Designation of creditor	Balance at beginning of period	Additions	Amounts Paid	Amounts Written Off	Current	Non-Current	Balance at end of Period

**NOT APPLICABLE**

**ABS-CBN HOLDINGS CORPORATION**

**Schedule D – Intangible Assets - Other Assets**

December 31, 2021

Description	Beginning balance	Additions at cost	Deductions			Ending balance
			Charged to Cost and Expenses	Charged to other accounts (Disposal)	Other changes additions (deductions)	

**NOT APPLICABLE**

**ABS-CBN HOLDINGS CORPORATION**

**Schedule E – Long-Term Debt**

December 31, 2021

Title of Issue and type of obligation	Amount of authorized indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-term debt" in related balance sheet
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**NOT APPLICABLE**

**ABS-CBN HOLDINGS CORPORATION**

**Schedule F – Indebtedness to Related Parties**

December 31, 2021

Name of Related Parties	Balance at beginning of period	Balance at end of period
<b>NOT APPLICABLE</b>		-

**ABS-CBN HOLDINGS CORPORATION**

**Schedule G – Guarantees of Securities of Other Issuers**

December 31, 2021

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee
--	---	---	---	---------------------

**NOT APPLICABLE**



**ABS-CBN HOLDINGS CORPORATION**

**Schedule H – Capital Stock**

December 31, 2021

<b>Title of Issue</b>	<b>Number of shares authorized</b>	<b>Number of shares issued and outstanding as shown under related balance sheet caption</b>	<b>Number of shares reserved for options, warrants, conversion and other rights</b>	<b>Number of shares held by related parties</b>	<b>Directors, officers and employees</b>	<b>Others</b>
Common Shares - ₱100 Par value	1,000	400	-	240	80	80

**ABS-CBN HOLDINGS CORPORATION**

**Financial Ratios**

December 31, 2021

<b>RATIOS</b>	<b>Formula</b>	<b>In Php</b>	<b>2021</b>	<b>In Php</b>	<b>2020</b>
<b>Current Ratio</b>	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	$\frac{10,506,762}{10,506,762}$	1.00	$\frac{19,464,180}{19,464,180}$	1.00
<b>Net Debt-to-equity ratio</b>	$\frac{\text{Interest-bearing loans and borrowings less Cash and Cash equivalent}}{\text{Total Stockholders' Equity}}$	$\frac{-}{-}$	0.00	$\frac{-}{-}$	0.00
<b>Asset-to-equity ratio</b>	$\frac{\text{Total Assets}}{\text{Total Stockholders' Equity}}$	$\frac{10,506,762}{-}$	0.00	$\frac{19,464,180}{-}$	0.00
<b>Interest rate coverage ratio</b>	$\frac{\text{EBIT}}{\text{Interest Expense}}$	$\frac{-}{-}$	0.00	$\frac{-}{-}$	0.00
<b>Profitability ratios</b>					
Gross Profit Margin	$\frac{\text{Gross Profit}}{\text{Net Revenue}}$	$\frac{-}{3,630,113}$	0.00	$\frac{-}{4,939,239}$	0.00
<b>Net Income Margin</b>	$\frac{\text{Net Income}}{\text{Net Revenue}}$	$\frac{-}{3,630,113}$	0.00	$\frac{-}{4,939,239}$	0.00

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Submission Date/Time: **May 17, 2022 06:20 PM**

Company TIN: **203-420-423**

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# COVER SHEET

SEC Registration Number

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Company Name

A	B	S	-	C	B	N		H	O	L	D	I	N	G	S		C	O	R	P	O	R	A	T	I	O	N		

Principal Office (No./Street/Barangay/City/Town/Province)

1	6	t	h		F	l	o	o	r	,		N	o	r	t	h		T	o	w	e	r	,		R	o	c	k	w
w	e	l	l		B	u	s	i	n	e	S	s		C	e	n	t	e	r	,		S	h	e	R	i	d	a	n
S	t	.		C	o	r	.		U	n	I	t	e	d		S	t	.		B	r	g	y	.		H	i	g	h
w	a	y		H	i	l	l	s	,		M	a	n	d	a	l	u	y	o	n	g		C	i	T	y			

Form Type

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Department requiring the report

S	E	C
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Secondary License Type, If Applicable

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### COMPANY INFORMATION

Company's Email Address

-
---

Company's Telephone Number/s

<b>(02) 8878-0000</b>
-----------------------

Mobile Number

-
---

No. of Stockholders

7
---

Annual Meeting  
Month/Day

<b>Any Date in May</b>
------------------------

Fiscal Year  
Month/Day

<b>December 31</b>
--------------------

### CONTACT PERSON INFORMATION

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

Name of Contact Person

<b>Atty. Enrique I. Quiason</b>
---------------------------------

Email Address

--

Telephone Number/s

--

Mobile Number

--

Contact Person's Address

--

**Note:** 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.

**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 quarter ended: **September 30, 2022**
2. SEC Identification No.: **A199904544**
3. BIR Tax Identification No.: **203-420-423**
4. Exact name of the registrant as specified in its charter: **ABS-CBN Holdings Corporation**
5. **Philippines**  
Province, Country or other jurisdiction of Incorporation or organization
6.  (SEC use only)  
Industry Classification code:
7. **16th Floor, North Tower, Rockwell Business Center, Sheridan St. corner United St., Bgy. Highway Hills, Mandaluyong City, 1554**  
Address of principal office Postal code
8. **(632) 8878-0000**  
Registrant's telephone number, including area code
9. **Not Applicable**  
Former name, former address, and former fiscal year, if changed since last year
10. Securities registered pursuant to Sections 8 and 12 of the Code. Or Sections 4 and 8 of the Revised Securities Act (RSA)

<u>Title of Each Class</u>	<u>Number of Issued and Outstanding Shares</u>
<b>Philippine Depository Receipts (PDR)</b>	<b>265,666,930 shares</b>

11. Are any or all of these securities listed on the Philippine Stock Exchange?

Yes []      No []

12. Check whether the registrant:

- a) has filed all reports to be filed by Section 11 of the Revised Securities Act (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 that the registrant was required to file such reports):

Yes []      No []

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

Yes []      No []

**ABS-CBN HOLDINGS CORPORATION  
QUARTERLY REPORT**

**SIGNATURES**

<b>PART I: FINANCIAL INFORMATION</b>	<b>2</b>
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## PART I: FINANCIAL INFORMATION

### 1. Management’s Discussion and Analysis of Financial Condition and Results of Operations

ABS-CBN Holdings Corporation’s (the Company) primary purpose is investing, purchasing and holding real and personal properties, including but not limited to, shares of stock, bonds, debentures, notes, evidences of indebtedness or other securities or obligations. The Company has not conducted any business other than in connection with the issuance of Philippine Depository Receipts (PDRs), the performance of obligations under the PDRs and the acquisition and holding of shares of ABS-CBN Corporation (ABS-CBN) in respect of PDRs issued.

Any cash dividend or other cash distributions distributed in respect of ABS-CBN shares received by the Company (or the Security Agent on its behalf) shall be applied towards the operating expenses then due of the Company (including but not limited to applicable taxes, fees and maintenance costs charged by the Philippine Stock Exchange shown as “Operating Expenses” in the statements of comprehensive income) for the current and preceding years. Any further amount equal to the Operating Expenses in the preceding year (the “Operating Fund”) shall be set aside to meet operating or other expenses for the succeeding years. Any amount in excess of the aggregate of the Operating Expenses paid and the Operating Fund for such period (referred to as “Interest”) shall be distributed to Holders pro-rata on the day after such cash dividends are received by the Company.

The Company’s key performance indicators are focused on the dividends received by the registrant to meet the PDR holders’ expectation and monitor and maintain the cash’s level to meet its obligations with respect to the Company’s current and preceding year’s operations.

The Company received cash dividends for its investment in ABS-CBN shares and in turn distributed interest to its PDR holders. Details are as follows:

	Cash Dividend	Interest Paid	Interest Paid per Share
March 2019	₱173,528,080	₱173,077,568	₱0.5486
March 2018	₱298,580,204	₱287,194,631	₱0.8849
March 2017	₱338,053,976	₱334,185,858	₱1.0281
May 2016	₱246,885,825	₱239,858,214	₱0.7287

The table below summarizes the results of operations for the period ended September 30, 2022.

	Nine Months Ended September 30 (Unaudited)		Variance	
	2022	2021	Amount	%
<b>Revenues</b>	<b>₱2,349,476</b>	₱3,136,856	(₱787,380)	<b>(25)</b>
Reimbursement from PDR holders	<b>1,798,570</b>	3,126,016	(1,327,446)	(42)
Exercise fees	<b>547,000</b>	-	547,000	-
Interest income	<b>3,906</b>	10,840	(6,934)	(64)
<b>Operating Expenses</b>	<b>2,349,476</b>	3,136,856	(787,380)	<b>(25)</b>
<b>Net Income</b>	<b>₱-</b>	<b>₱-</b>	<b>₱-</b>	<b>-</b>

The Company posted revenues of ₱2,349,476 for the nine months ended September 30, 2022 or 25% decrease year-on-year. This is mainly driven by the decrease in “Reimbursement from PDR holders”. Decrease in revenue is proportionate to the decrease in operating expenses.

Operating expense decreased by 25% mainly due to the decrease in Professional and Outside Services.

Cash decreased to ₱6,283,044 or 31% from December 31, 2021 mainly due payments made of its obligations. Trade and other payables decreased by ₱3,201,681 or 30% from December 31, 2021 due to timing of payments of its obligations.

## **2. Financial Statements**

The unaudited financial statements for the period ended September 30, 2022 with comparative audited figures for the year ended December 31, 2021 are filed as part of this form. It is prepared in conformity with Philippine Financial Reporting Standards.



**ABS-CBN HOLDINGS CORPORATION**  
**INTERIM CONDENSED STATEMENTS OF FINANCIAL POSITION**  
(Unaudited)

	<b>September 30,</b> <b>2022</b> (Unaudited)	December 31, 2021 (Audited)
<b>ASSETS</b>		
Cash and cash equivalents (Note 5)	<b>₱6,283,044</b>	₱9,171,420
Receivables (Note 6)	<b>928,552</b>	1,325,342
Deposits	<b>10,000</b>	10,000
Other current assets	<b>83,485</b>	–
<b>TOTAL ASSETS</b>	<b>₱7,305,081</b>	₱10,506,762
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities</b>		
Trade and other payables (Notes 7 and 11)	<b>₱7,305,081</b>	₱10,506,762
<b>Equity</b>		
Capital stock (Note 8)	<b>10,000</b>	10,000
Additional paid-in capital	<b>23,089,356</b>	23,089,356
Deficit	<b>(23,099,356)</b>	(23,099,356)
Net Equity	–	–
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>₱7,305,081</b>	₱10,506,762

*See accompanying Notes to Financial Statements.*

**ABS-CBN HOLDINGS CORPORATION****INTERIM CONDENSED STATEMENTS OF COMPREHENSIVE INCOME**

(Unaudited)

	For the Quarter Ended		Nine Months Ended	
	September 30		September 30	
	2022	2021	2022	2021
<b>REVENUE</b>				
Reimbursement from PDR holders (Note 4)	<b>₱425,784</b>	₱1,140,528	<b>₱1,798,570</b>	₱3,126,016
Exercise fees (Note 4)	<b>59,107</b>	–	<b>547,000</b>	–
Interest income (Note 5)	<b>1,143</b>	3,332	<b>3,906</b>	10,840
	<b>486,034</b>	1,143,860	<b>2,349,476</b>	3,136,856
<b>OPERATING EXPENSES</b> (Notes 4, 9 and 11)	<b>486,034</b>	1,143,860	<b>2,349,476</b>	3,136,856
<b>INCOME BEFORE INCOME TAX</b>	–	–	–	–
<b>PROVISION FOR INCOME TAX</b> (Note 10)	–	–	–	–
<b>NET INCOME/TOTAL COMPREHENSIVE INCOME</b>	<b>₱–</b>	<b>₱–</b>	<b>₱–</b>	<b>₱–</b>
<b>Basic/Diluted Earnings Per Share</b> (Note 14)	<b>₱–</b>	<b>₱–</b>	<b>₱–</b>	<b>₱–</b>

**ABS-CBN HOLDINGS CORPORATION****INTERIM CONDENSED STATEMENTS OF CHANGES IN EQUITY  
FOR THE PERIODS ENDED SEPTEMBER 30, 2022 AND 2021**

(Unaudited)

	Nine Months Ended September 30 (Unaudited)	
	2022	2021
<b>CAPITAL STOCK</b> (Note 8)	<b>₱10,000</b>	₱10,000
<b>ADDITIONAL PAID-IN CAPITAL</b>	<b>23,089,356</b>	23,089,356
<b>DEFICIT</b>		
Balance at beginning and end of period	<b>(23,099,356)</b>	(23,099,356)
	<b>₱-</b>	₱-

*See accompanying Notes to Financial Statements.*

**ABS-CBN HOLDINGS CORPORATION**  
**INTERIM CONDENSED STATEMENTS OF CASH FLOWS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021**  
(Unaudited)

	<b>Nine Months Ended September 30</b>	
	<b>(Unaudited)</b>	
	<b>2022</b>	<b>2021</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	<b>₱-</b>	<b>₱-</b>
Adjustment for interest income (Note 5)	<b>(3,906)</b>	<b>(10,840)</b>
Working capital changes:		
Decrease in trade and other payables	<b>(3,201,681)</b>	<b>(3,955,552)</b>
Decrease (increase) in other current assets	<b>313,305</b>	<b>(8,154)</b>
Net cash used in operations	<b>(2,892,282)</b>	<b>(3,974,546)</b>
Interest received	<b>3,906</b>	<b>10,840</b>
Net cash flows used in operating activities	<b>(2,888,376)</b>	<b>(3,963,706)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(2,888,376)</b>	<b>(3,963,706)</b>
<b>CASH AND CASH EQUIVALENTS</b>		
<b>AT BEGINNING OF YEAR</b>	<b>9,171,420</b>	<b>18,525,628</b>
<b>CASH AND CASH EQUIVALENTS</b>		
<b>AT END OF YEAR (Note 5)</b>	<b>₱6,283,044</b>	<b>₱14,561,922</b>

*See accompanying Notes to Financial Statement*

# **ABS-CBN HOLDINGS CORPORATION**

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## **NOTES TO FINANCIAL STATEMENTS**

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### **1. Corporate Information**

ABS-CBN Holdings Corporation (the Company) was incorporated in the Philippines on March 30, 1999 for the primary purpose of investing, purchasing and holding real and personal properties, including but not limited to, shares of stock, bonds, debentures, notes, evidences of indebtedness or other securities or obligations. The Company's corporate life is 50 years and can be extended for another 50 years on or within 5 years before the expiration of its term.

The Company does not conduct any business other than in connection with the issuance of Philippine Depository Receipts (PDRs), the performance of obligations under the PDRs and the acquisition and holding of shares of ABS-CBN Corporation (ABS-CBN) in respect of PDRs issued. Dividends received from ABS-CBN, exercise fees and interest income are distributed to PDR holders less operating expenses incurred and to be incurred. In the event that the dividends received, exercise fees and interest income are no longer enough to cover the expenses, the Company is reimbursed by the PDR holders (see Note 4).

No reportable segment information is presented as the Company's limited operations are adequately presented in the statements of comprehensive income.

The Company is 60%-owned by Lopez, Inc., a Philippine entity.

The Company's registered business address is 16th Floor, North Tower, Rockwell Business Center, Sheridan corner United St., Brgy. Highway Hills, Mandaluyong City.

ABS-CBN is a holder of a legislative franchise to construct, install, operate and maintain, for commercial purposes and in the public interest, radio and television broadcasting stations in the Philippines. The latest franchise renewal under Republic Act (R.A.) 7966 was approved on March 30, 1995 for a period of 25 years.

On May 5, 2020, the National Telecommunications Commission (NTC) issued a Cease and Desist Order (CDO) to ABS-CBN prohibiting its continuing broadcast operations effective immediately.

On June 30, 2020, the NTC issued a CDO to ABS-CBN to immediately cease and desist from operating its digital TV transmission in Metro Manila using Channel 43.

On July 10, 2020, the House Committee on Legislative Franchises (regular and ex-officio members) voted to adopt a resolution denying the franchise application of ABS-CBN (the "Resolution"). The denial of ABS-CBN's franchise application significantly affected ABS-CBN's operations, specifically its free to air business. This resulted in a net loss of ₱13.5 billion for the year ended December 31, 2020. This has continued to affect ABS-CBN's financial standing for the year ended December 31, 2021, which resulted in a net loss of ₱5.7 billion. ABS-CBN's current assets as of December 31, 2021 and 2020 amounted to ₱13,103 million and ₱18,683 million, respectively, and current liabilities as of December 31, 2021 and 2020 amounted to ₱14,010 million and ₱28,399 million, respectively. There are also several factors that can continue to significantly affect the planned activities of ABS-CBN to ensure the continuing operations of the latter, including the impact of COVID-19.

On July 13, 2020, the Philippine Stock Exchange (PSE) suspended trading of the common shares and PDRs of ABS-CBN and the Company, respectively, pending the submission by ABS-CBN of an acceptable comprehensive disclosure on the effects of denial by Congress of the grant of the franchise.

ABS-CBN submitted an acceptable disclosure on July 22, 2020, which the PSE approved on July 23, 2020. The PSE lifted the suspension of trading on the same date. On July 24, 2020, the PSE requested information relating to the unusual price movement in the trading of the PDRs from ₱9.10 to ₱6.37 per PDR and the Company responded on the same date.

On February 10, 2020, the Solicitor General filed before the Supreme Court of the Philippines a quo warranto petition against ABS-CBN, alleging that ABS-CBN breached the constitutional restriction on foreign ownership of mass media by issuing PDRs to foreigners. The Constitution expressly prohibits any form of foreign ownership and control of mass media. ABS-CBN responded to disprove the allegation. ABS-CBN filed a comment to the Supreme Court that the PDR holders' rights are not equivalent to the full beneficial ownership of rights of the shareholders of ABS-CBN. On June 23, 2020, the Supreme Court of the Philippines dismissed the quo warranto petition.

On June 11, 2020, the hearing of the House Committee on Legislative Franchises focused on the compliance of the PDRs issued by the Company with the Constitution. ABS-CBN has stated that the PDRs were evaluated and approved by the SEC and the PSE before its public offering. The findings and recommendations of the technical working group of the House Committee on Legislative Franchises cited the constitutionality of the PDRs as one of the reasons for the denial of the franchise application of ABS-CBN.

The going concern uncertainty of ABS-CBN and the issue on the purported breach of the constitutional restriction on foreign ownership of mass media by issuing the PDRs to foreigners indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern since the Company's only business involves the issuance of PDRs, the performance of obligations under the PDRs and the acquisition and holding of shares of ABS-CBN in respect of PDRs issued. Thus, the Company may not be able to realize its assets and discharge its liabilities in the normal course of business.

Based on the Company's management's discussion with the management of ABS-CBN, disclosures in the financial statements of ABS-CBN and with the PSE, management of ABS-CBN assessed that to mitigate the impact of the denial of the franchise application and of COVID-19:

1. ABS-CBN has and will continue to pursue partnerships with various reputable companies that will allow ABS-CBN to share its Free-to-Air produced content nationwide.
2. ABS-CBN continues to operate in other businesses that do not require a legislative franchise, such as, international licensing and distribution, digital and cable businesses, as well as, continue with the syndication of content through various streaming services.
3. ABS-CBN has adopted and continues to implement cost control measures, reducing general and administrative expenses (GAEX) or overhead, rationalizing capital expenditures, and streamlining its manpower requirements.
4. ABS-CBN continues to service its loan obligations with the banks in accordance with the standstill agreement.
5. ABS-CBN continues to explore and intends to pursue all available remedies and courses of action, and will comply with relevant legal, regulatory and contractual requirements, to be able to sustain its current and future business operations, which do not necessarily involve broadcast only.

After considering the events resulting from the Resolution and the responses of ABS-CBN to address these uncertainties, management of ABS-CBN assessed that it will be able to maintain its positive cash position and settle its liabilities as they fall due within 12 months from the end of the reporting period.

Accordingly, the consolidated financial statements of ABS-CBN are prepared on a going concern basis.

As of September 30, 2022 the PDRs and the underlying shares of ABS-CBN are still listed in the PSE. In consultation with its legal counsel, the Company's management believes that the issuance of PDRs comply with the Philippine nationality laws on ownership of mass media companies and that it can and will continue to transact issuance of PDRs, deliver the shares or proceeds from the sale of the ABS-CBN shares (see Note 4). As such, the accompanying financial statements of the Company have been prepared on a going concern basis of accounting.

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## 2. Summary of Significant Accounting Policies

### Basis of Preparation

The accompanying financial statements have been prepared on a historical cost basis and are presented in Philippine peso (Peso), which is the Company's functional and presentation currency. All values are rounded to the nearest peso, except when otherwise indicated.

### Statement of Compliance

The accompanying financial statements were prepared in compliance with Philippine Financial Reporting Standards (PFRS).

The Company does not qualify for reporting under the PFRS for Small Entities as set out under Revised Securities Regulation Code (SRC) Rule 68 issued by the SEC since its PDRs are listed in PSE.

### Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the new accounting standards effective beginning January 1, 2022. Except as otherwise indicated, adoption of the following interpretations and accounting policies did not have a significant impact on the financial position or performance of the Company.

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## 3. Significant Judgments, Estimates and Assumptions

The Company's financial statements prepared under PFRS require management to make judgments, estimates and assumptions that affect the amounts reported in the financial statements and related notes. Future events may occur which will cause the judgments and assumptions used in arriving at the estimates to change. In preparing the financial statements, management has made its best judgments, estimates and assumptions of the certain amounts, giving due consideration to materiality.

Judgments, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### Judgments

Management makes judgment in the process of applying the Company's accounting policies. Judgment that has the most significant effect on the reported amounts in the financial statements is discussed below.

*Use of Going Concern Assumption.* As discussed in Note 1, the Company does not conduct any business other than in connection with the issuance of PDRs, the performance of obligations under the PDRs and the acquisition and holding of shares of ABS-CBN in respect of PDRs issued. On July 10, 2020, the House Committee on Legislative Franchises (Regular and Ex-Officio members) voted to adopt a Resolution denying the franchise application of ABS-CBN. The Resolution

significantly affected the media, networks, and studio entertainment operations of ABS-CBN, specifically the free-to-air business of ABS-CBN in the Philippines which resulted in a net loss of ₱5,670 million and ₱13,531 million for the years ended December 31, 2021 and 2020, respectively, negative operating cash flows of ₱3,701 million for the year ended December 31, 2020, current assets as of December 31, 2021 and 2020 amounting to ₱13,103 million and ₱18,683 million, respectively, and current liabilities as of December 31, 2021 and 2020 amounting to ₱14,010 million and ₱28,399 million, respectively. There are also several factors that can continue to significantly affect the planned activities of ABS-CBN to ensure the continuing operations of ABS-CBN, including the impact of COVID-19. These factors have affected and may continue to affect ABS-CBN's ability to settle its liabilities as they fall due within the next 12 months.

After considering the events resulting from the Resolution and the responses of ABS-CBN to address these uncertainties, management of ABS-CBN assessed that it will be able to maintain its positive cash position and settle its liabilities as they fall due within 12 months from the end of the reporting period. Accordingly, the consolidated financial statements of ABS-CBN are prepared on a going concern basis.

In addition, in consultation with its legal counsel, the Company's management believes that the PDRs comply with the Philippine nationality laws on ownership of mass media companies. As such, the accompanying financial statements of the Company have been prepared on a going concern basis of accounting.

#### Estimates and Assumptions

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

*Recognition of Deferred Tax Assets.* Management uses judgment in reviewing the carrying amount of deferred tax assets. The carrying amount of the Company's deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized. However, there is no assurance that sufficient future taxable income will be generated against which all or part of deferred tax assets can be applied.

The Company did not recognize deferred income tax asset on the carry forward benefits of NOLCO since management believes that sufficient future taxable income may not be available against which this can be utilized. Unrecognized deferred tax assets on NOLCO amounted to ₱2,331,925 and ₱1,862,030 as at September 30, 2022 and December 31, 2021, respectively (see Note 10).

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#### **4. Philippine Depository Receipts (PDR)**

On September 29, 1999, the Company offered 132,000,000 PDRs relating to 132,000,000 ABS-CBN shares. Each PDR was issued for a total consideration of ₱46.00, which consists of a deposit of ₱45.90 and a PDR option price of ₱0.10.

Each PDR grants the holders, upon payment of the exercise price and subject to certain other conditions, the delivery of one ABS-CBN share or the sale of and delivery of the proceeds of such sale of one ABS-CBN share. The Company remains to be the registered owner of the ABS-CBN shares covered by the PDRs. The Company also retains the voting rights over the ABS-CBN shares.

The ABS-CBN shares are still subject to ownership restrictions on shares of corporations engaged in mass media and ABS-CBN may reject the transfer of shares to persons other than Philippine nationals. The PDRs were listed in the PSE on October 7, 1999, and it may be exercised at any time from said date. Any cash dividend or other cash distributions distributed in respect of ABS-CBN shares received



by the Company (or the Security Agent on its behalf) shall be applied towards the operating expenses then due of the Company (including but not limited to applicable taxes, fees and maintenance costs charged by the Philippine Stock Exchange shown as “Operating Expenses” in the statements of income) for the current and preceding years. Any further amount equal to the Operating Expenses in the preceding year (the “Operating Fund”) shall be set aside to meet operating or other expenses for the succeeding years. Any amount in excess of the aggregate of the Operating Expenses paid and the Operating Fund for such period (referred to as “Interest”) shall be distributed to Holders pro-rata on the day after such cash dividends are received by the Company.

The obligations of the Company in respect of the PDRs are secured by a pledge dated October 5, 1999 in favor of a security agent acting on behalf of the holders of the PDR. The pledge secures the delivery by the Company of the ABS-CBN shares upon exercise of the PDRs. The number of PDRs outstanding will always be matched by an equal number of ABS-CBN shares subject to the pledge. The Company undertakes that, at all times, it will own sufficient number of ABS-CBN shares to discharge its obligation under the PDR.

Upon exercise of the PDRs, an exercise price of ₱0.10 per share is paid by the PDR holders, where qualified to acquire the ABS-CBN shares. This exercise price is shown as “Exercise fees” account in the statements of comprehensive income.

Immediately prior to the closing of the PDR offering described above, Lopez, Inc., transferred 132,000,000 ABS-CBN shares to the Company in relation to which the PDRs were issued. For as long as the PDRs are not exercised, these shares underlying the PDRs are, and will continue to be registered in the name of and owned by, and all rights pertaining to these shares, including voting rights, shall be exercised by the Company. The obligations of the Company to deliver the ABS-CBN shares on exercise of the right contained in the PDRs are secured by the Pledge of Shares in favor of the Security Agent acting on behalf of each holder of a PDR over the ABS-CBN shares.

At any time after the initial offering, a shareholder may, at his option and from time to time, deliver shares to the Company in exchange for an equal number of PDRs. The exchanges are based on prevailing traded values of ABS-CBN shares at the time of transaction with the corresponding PDR option price.

ABS-CBN shares were converted into PDRs at a range of ₱10.9 to ₱13.7 in 2022.

The details and movements of PDRs and the underlying ABS-CBN shares follow:

	Number of Shares	PDRs
Balance at December 31, 2020	275,296,530	₱14,295,988,517
Conversion of PDRs	(3,967,900)	(52,519,608)
Balance at December 31, 2021	271,328,630	14,243,468,909
Conversion of PDRs	(5,661,700)	(60,323,090)
Balance at September 30, 2022	265,666,930	₱14,183,145,819

## 5. Cash and Cash Equivalents

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Cash in banks	₱6,283,044	₱9,171,420

For the nine months ended September 30, 2022 and 2021, interest income earned from cash and cash equivalents amounted to ₱3,906 and ₱10,840, respectively.

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## 6. Receivables

Receivables amounted to ₱928,552 and ₱1,325,342 as of September 30, 2022 and December 31, 2021, respectively. This pertains to amounts collectible from the stock transfer agents on unremitted exercise fees relating to conversion of PDRs. These are non-interest bearing and are collectible on demand.

The Company did not recognize provision for impairment of receivables in 2022 and 2021.

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## 7. Trade and Other Payables

	<b>September 30, 2022</b>	December 31, 2021
	(Unaudited)	(Audited)
Trade:		
PDR holders	<b>₱6,272,684</b>	₱7,036,753
Related parties (Note 11)	<b>20,733</b>	80,030
Unearned revenue	<b>142,450</b>	2,156,849
Accruals for:		
Maintenance fees	<b>319,856</b>	292,600
Legal and professional fees	<b>44,957</b>	203,400
Others (Note 11)	<b>147,154</b>	137,153
Statutory payables	<b>8,526</b>	14,605
Due to a related party (Note 11)	<b>18,586</b>	234,037
Others	<b>330,135</b>	351,335
	<b>₱7,305,081</b>	₱10,506,762

Trade payable pertains to payables to PDR holders that are non-interest bearing and are payable on demand.

Unearned revenue represents any cash dividend or other cash distributions distributed in respect of ABS-CBN shares withheld by the Company to be applied against operating expenses for the current and preceding years. It also includes the PDR option price which will be realized upon exercise of the PDR.

Due to a related party consists mainly of non-interest bearing advances for working capital requirements and administrative expense from ABS-CBN, an entity under common ultimate ownership with the Company.

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## 8. Equity

	September 30, 2022 (Unaudited)		December 31, 2021 (Audited)	
	Number of Shares	Amount	Number of Shares	Amount
Authorized - ₱100 par value	1,000	₱100,000	1,000	₱100,000
Subscribed, net of subscriptions receivable of ₱30,000	400	₱10,000	400	₱10,000

The Company was incorporated in the Philippines on March 30, 1999 as “Worldtech Holdings Corporation”. On September 16, 1999, the Philippine Securities and Exchange Commission approved the change in the Company’s corporate name to “ABS-CBN Holdings Corporation”.

Corporate Name	Date of Approval	Authorized Capital Stock	Issue/ Offer Price
Worldtech Holdings Corporation	March 30, 1999	1,000	₱100
ABS-CBN Holdings Corporation	September 16, 1999	–	–

As at September 30, 2022 and December 31, 2021, the total number of shareholders is seven (7).

As at September 30, 2022 and December 31, 2021, the total number of PDR holders, which includes Philippine Central Depository Nominee Corporation, is 125.

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## 9. Operating Expenses

	Nine Months Ended September 30 (Unaudited)	
	2022	2021
Professional services (Note 11)	₱1,129,085	₱1,532,594
Outside services	713,071	1,028,501
Listing fees	246,135	433,015
General services (Note 11)	231,486	102,553
Others	29,699	40,193
	<b>₱2,349,476</b>	<b>₱3,136,856</b>

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## 10. Income Tax

There is no provision for income tax for the period ended September 30, 2022 and 2021 since the Company is on a taxable loss.

As at September 30, 2022 and December 31, 2021, the deferred tax asset on NOLCO amounting to ₱2,331,925 and ₱1,862,030, respectively, were not recognized because management believes that the corresponding benefits will not be realized in the future.

As at September 30, 2022, NOLCO that can be applied as deductions from future taxable income follows:

Dates Incurred	Expiry Dates	Amounts
December 31, 2019	December 31, 2022	₱2,863,488
December 31, 2020	December 31, 2025	3,213,340
December 31, 2021	December 31, 2026	3,233,323
September 30, 2022	December 31, 2027	2,349,476
		<b>₱11,659,627</b>

NOLCO amounting to ₱4,123,648 expired in 2021.

The NOLCO incurred by the Company in 2022 and 2021 amounting to ₱2,349,476 and ₱3,233,323, respectively, can be claimed as deduction from taxable income until 2027 and 2026, respectively. On September 30, 2020, the Bureau of Internal Revenue (BIR) issued Revenue Regulations (RR) No. 25-2020 implementing Section 4(b) of “Bayanihan to Recover as One Act” which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

The reconciliation between the provision for income tax computed at statutory rate of 20% and 30% for the nine months period ended September 30, 2022 and 2021, respectively and provision for income tax as shown in the statements of comprehensive income is as follows:

	<b>Nine Months Ended September 30</b>	
	(Unaudited)	
	<b>2022</b>	2021
Provision for income tax computed at statutory tax rate	<b>₱–</b>	<b>₱–</b>
Add (deduct) income tax effect of:		
Expired NOLCO	<b>1,030,912</b>	1,477,452
Reimbursements from PDR holders	<b>(449,643)</b>	(937,805)
Change in value of unrecognized deferred tax asset	<b>(443,542)</b>	(536,395)
Exercise fees	<b>(136,750)</b>	–
Interest income already subjected to final tax	<b>(977)</b>	(3,252)
	<b>₱–</b>	<b>₱–</b>

## 11. Related Party Transactions and Disclosures

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or under common control with the Company, including holding companies and fellow subsidiaries, are related entities of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related entities.

Significant transactions of the Company with the related parties are as follows:

Description	Nature	Terms and Conditions	Nine Months Ended	
			September 30 (Unaudited)	2021
			2022	
Service fees for accounting services rendered by ABS-CBN Shared Services Regional Operating Headquarters*	General services (Note 8)	30 days upon receipt of billings; noninterest-bearing	<b>₱231,486</b>	₱102,553
Directors	Directors' allowance (Note 8)	30 days upon receipt of billings; noninterest-bearing	<b>77,778</b>	77,778
Working capital requirements and administrative expenses advanced by ABS-CBN*	Advances	30 days upon receipt of billings; noninterest-bearing	–	390,480

\* Entities under control of Lopez, Inc.

Payables to related parties, presented under “Trade and other payables” account in the statements of financial position are as follows:

Related Party	Terms and Conditions	September 30,	December 31,
		2022 (Unaudited)	2021 (Audited)
<b>Trade Payables</b>			
ABS-CBN Shared Services Regional Operating Headquarters*	Unsecured; 30 days upon receipt of billings; noninterest-bearing	<b>₱20,733</b>	₱80,030
<b>Accrued expenses</b>			
Directors	Unsecured; 30 days upon receipt of billings; noninterest-bearing	<b>82,353</b>	82,353
<b>Due to a related party</b>			
ABS-CBN*	Unsecured; 30 days upon receipt of billings; noninterest-bearing	<b>18,586</b>	234,037

\* Entities under control of Lopez, Inc.

The administrative and accounting functions of the Company are being performed of ABS-CBN Shared Services, a related party. Fees paid to these are recognized in “General Services” under the “Operating expenses” account in the statements of comprehensive income (see Note 9).

#### Key Management Personnel of the Company

Allowances of BOD, recorded in “Professional Services” under “Operating expenses” in the statements of comprehensive income amounted to ₱0.08 million for the period ended September 30, 2022 and 2021 (see Note 9).

#### Terms and Conditions of Transactions with Related Parties

Outstanding balances as at year-end are unsecured, noninterest-bearing, payable on demand and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

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## 12. Financial Risk Management Objectives and Policies

The Company's principal financial instruments comprise cash and cash equivalents which are used to finance the Company's operations. Other financial assets consist of receivables and deposits. The Company's financial liabilities are trade and other payables which arise directly from its operations.

It is, and has been throughout the year under review, the Company's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Company's financial instruments are credit risk and liquidity risk. The BOD reviews and approves the policies for managing each of these risks and these are summarized below.

### Credit Risk

There are no significant concentrations of credit risks within the Company. Credit risk arises from default of the counterparty.

The maximum exposure to credit risk for cash and receivables presented in the table below is equivalent to their carrying amounts in the statements of financial position.

	<b>September 30, 2022</b>	December 31, 2021
	(Unaudited)	(Audited)
Cash and cash equivalents	<b>₱6,283,044</b>	₱9,171,420
Receivables	<b>928,552</b>	1,325,342
Deposit	<b>10,000</b>	10,000
Other current assets	<b>83,485</b>	–
	<b>₱7,305,081</b>	₱10,506,762

As at September 30, 2022 and December 31, 2021, the Company's financial assets are neither past due nor impaired and are considered to be of high quality since these are deposits or placements to counterparties with good credit rating or bank standing.

### Liquidity Risk

The Company's liquidity risk arises from its financial liabilities. Liquidity risk on financial liabilities is minimal since funding comes from dividends from ABS-CBN.

As at September 30, 2022 and December 31, 2021, the Company's trade and other payables, excluding statutory payables, amounted to ₱7,303,066 and ₱10,505,457, respectively, are classified as current and are payable on demand.

### Capital Risk Management

As discussed in Note 1, the Company has not conducted any business other than in connection with the issuance of PDRs, the performance of obligations under the PDRs and the acquisition and holding of shares of ABS-CBN in respect of PDRs issued. Capital includes capital stock, additional paid-in capital and deficit. The Company adopts a prudent approach on capital management to ensure that it maintains its net assets.

Dividends received from ABS-CBN, exercise fees and the related interests are distributed to PDR holders less operating expenses incurred. Any excess over the interest distribution to PDR holders and actual operating expenses is deferred and amortized when applied to the actual operating expenses of the succeeding years. On the other hand, if the balance of the unearned revenue, exercise fees and the interest income earned during the year is not enough to cover the actual operating expenses for the year, the expenses are reimbursed from the PDR holders.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders. No changes were made in the objectives, policies or processes during the periods ended September 30, 2022 and December 31, 2021. The Company is not subject to any externally imposed capital requirement.

As at September 30, 2022 and December 31, 2021, the Company considers its total paid-in capital of ₱23,099,356 as capital.

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### 13. Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

*Cash and Cash Equivalents, Receivables, Trade Payables and Other Payables.* Due to the short-term nature of transactions, the fair values of these instruments approximate the carrying amounts as at financial reporting date.

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### 14. Earnings Per Share

The following table presents information necessary to calculate earnings per share:

	Nine Months Ended September 30	
	(Unaudited)	
	2022	2021
Net income	₱—	₱—
Divided by weighted average share outstanding	400	400
Basic/diluted earnings per share	₱—	₱—

The Company has no dilutive potential common shares outstanding, therefore, basic EPS is the same as diluted EPS.

## PART II: OTHER INFORMATION

The Company has no other information that needs to be disclosed other than disclosures made under SEC Form 17-C, if any.

**Exhibit A – Aging of Receivable**

As of September 30, 2022 (Unaudited)

	Neither Past Due nor Impaired	Past Due but not Impaired		Impaired	Allowance	Total
		Less than 30	30 Days and Over			
Receivables	₱928,552	–	–	–	–	₱928,552

As of December 31, 2021 (Audited)

	Neither Past Due nor Impaired	Past Due but not Impaired		Impaired	Allowance	Total
		Less than 30	30 Days and Over			
Receivables	₱1,325,342	–	–	–	–	₱1,325,342



**SIGNATURE**

For the SEC 17-Q Third Quarter 2022  
Report

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.

Registrant:      ABS-CBN                      Holdings

Corporation By:



**MARIFI H. HERNANDEZ**

Comptroller

Signed this 11th day of November,  
2022