

COVER SHEET

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S.E.C. Registration Number

		G	M	A		H	O	L	D	I	N	G	S		I	N	C				

(Company's Full Name)

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P	L	A	C	E		N	E	W		G	L	O	B	A	L						
B	O	N	I	F	A	C	I	O		T	A	G	U	I	G		C	I	T	Y	

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

Atty. Anna-Teresa M. Gozon-Valdes

Contact Person

88163716-19

Company Telephone Number

Dec.

Month

31

Day

Fiscal Year

SEC FORM 20-IS

Preliminary Information Statement

Month

Day

Annual Meetings

FORM TYPE

Secondary License Type, If Applicable

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Dept. Requiring this Doc.

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Amended Articles Number/Section

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Total No. of Stockholders

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Domestic

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Foreign

To be accomplished by SEC Personnel concerned

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File Number

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Document I.D.

Cashier

STAMPS



April 22, 2021

NOTICE TO STOCKHOLDERS:

Gilberto R. Duavit, Jr.
Felipe L. Gozon
Joel Marcelo G. Jimenez
Jaime C. Laya
Artemio V. Panganiban
Manuel P. Quiogue (Deceased)
Felipe S. Yalong

Dear Stockholder:

Please be informed that the Annual Meeting of the Stockholders of GMA Holdings, Inc. ("Company") is on **May 28, 2021 (Friday) at 10:00 a.m.** via remote communication through Zoom application through: <https://us02web.zoom.us/j/82385437942>

to consider, discuss or vote on the following:

1. Call to order
2. Certification and Notice of Quorum
3. Approval of the Minutes of the Stockholders' Meeting held on July 24, 2020 and March 26, 2021.
4. Report of the President
5. Ratification of Acts of the Board of Directors for the previous year
6. Approval of the Meritorious Justifications for the Retention of Chief Justice Artemio V. Panganiban and Dr. Jaime C. Laya as Independent Directors
7. Election of Directors, including the Independent Directors
8. Election of the External Auditor
9. Consideration of such other business as may properly come before the meeting
10. Adjournment

For purposes of determining the stockholders entitled to notice, or to vote at the stockholders' meeting, the Board of Directors has set the record date of April 29, 2021.

Due to the COVID-19 global pandemic, the Company will be conducting the annual stockholders' meeting via remote communication. The conduct of the annual stockholders' meeting including the attendance and participation thereto will be through Zoom application.

Stockholders who intend to attend and participate via remote communication shall notify the Company by email to omcawile@bgcpal.com beginning April 29, 2021 until May 27, 2021 and shall register in accordance with the procedure set forth in the attached *Procedure for Registration, Participation, Attendance and Voting in the Meeting by Remote Communication* (Annex "A") and in the Information

Statement. Upon successful registration, the password for the meeting link will be sent to the participant/stockholder.

A copy of the Definitive Information Statement, Management Report, and Audited Financial Statements may be viewed and downloaded from: <https://www.gmanetwork.com/corporate/disclosures> or through <http://www.gmaholdingsinc.com/>.

On April 21, 2021 the Nomination Committee prepared a Final List of Candidates for regular and independent directors. The requirements and procedure for nomination and election are set forth in detail under the Rationale for the Salient Matters Contained in the Agenda (Annex "B" hereof).

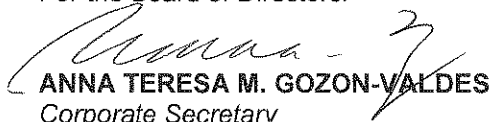
A video and audio recording of the Annual Stockholders' Meeting will be available on-line ten (10) days after the meeting and the recording shall be available for access by the stockholder within thirty (30) days from posting date, subject to the stockholder's compliance with the requirements set forth in Annex "A".

We are not soliciting your proxy. However, if you are unable to attend the meeting but would like to be represented thereat, you may accomplish the sample proxy form attached to the Notice of the Meeting (Annex "C" hereof). Stockholders who wish to appoint a proxy should submit advance electronic copies of their duly accomplished forms during registration and must send originals on or before 5:00 p.m. of May 27, 2021 at the Office of the Corporate Secretary at 15/F Sagittarius Building, H.V. De la Costa Street, Salcedo Village, Makati City. Any stockholder may vote by proxy provided that such authorization remains unrevoked and on file with, or is submitted to, the undersigned Corporate Secretary. Pursuant to Section 7 of the Company's By-laws "all proxies must be in the hands of the secretary, before the time set for the meeting. Such proxies filed with the Secretary may be subsequently revoked by the stockholders either in an instrument in writing duly presented and recorded with the Secretary prior to a scheduled meeting or by their personal presence at the meeting."

For complete information on the annual meeting, kindly visit: <https://www.gmanetwork.com/corporate/disclosures> or through <http://www.gmaholdingsinc.com/>. A copy of the Definitive Information Statement, Management Report, Audited Financial Statements, relevant certifications and related documents may be viewed and downloaded from <https://www.gmanetwork.com/corporate/disclosures> or <http://www.gmaholdingsinc.com/>.

Hard copies of the Definitive 20-IS will be available upon request of the stockholder by sending an email to gmcafile@bgepai.com.

For the Board of Directors:


ANNA TERESA M. GOZON-VALDES
Corporate Secretary

ANNEX "A"

**2021 Annual Stockholders' Meeting
GMA Holdings, Inc.**

**Procedure for: (1) Registration, Participation and Attendance in the GMA Holdings, Inc.'s Annual
Stockholders' Meeting 2021 by Remote Communication**

In light of the COVID-19 Pandemic, there will be no physical meeting. GMA Holdings, Inc.'s (the "Company" or GHI) 2021 Annual Stockholders' Meeting will be conducted via remote communication through the Zoom application through <https://us02web.zoom.us/j/82385437942>

I. Registration to participate/attend at the meeting or vote *in absentia*

- 1.) Participants must have or must create a free personal Zoom account.
- 2.) Stockholders who wish to attend and participate at the meeting by remote communication or vote *in absentia* shall notify the Corporate Secretary of his or her intention.
- 3.) Upon validation, the stockholder will receive an email with the link and the password for the meeting.

Registration shall run until **May 27, 2021**.

- 4.) Stockholders may send questions any time before the meeting to the following email address gmcawile@bgepal.com;

II. Procedure before the GHI Annual Stockholders' Meeting 2021

- 1.) The participant will log into Zoom using the registered account;
- 2.) The participant will click on the meeting link and enter the password for the meeting;
- 3.) The participant will choose/confirm the meeting title: "GMA Holdings, Inc. 2021 Annual Stockholders' Meeting";
- 4.) The participant will wait for him/her to be admitted by the Host to the meeting;
- 5.) The participant will wait for the Host to start the meeting.

III. Procedure during the GHI Annual Stockholders' Meeting 2021

- 1.) The members of the Company's Board of Directors and the Corporate Secretary will be the panelists for the meeting.
- 2.) Each of the proposed resolutions and/or items in the Agenda will be shown on the screen while such resolution or item is passed during the meeting.
- 3.) During the meeting, the attendees at the meeting can participate by asking questions or providing comments.

IV. Procedure for Voting During the Meeting

- 1.) Voting for matters to be submitted for approval including the election of directors shall be made in person via remote communication or by proxy.
- 2.) Voting shall be done by yeas or nays during the meeting.
- 3.) Motions, in general, require the affirmative vote of a majority of the shares of the Company's common stock present and/or represented and entitled to vote.
- 4.) Directors will be elected by plurality of votes and every stockholder will be entitled to cumulate his votes. In the absence of any specific instruction from the stockholder on the manner by which he or she shall wish to cumulate his or her votes among his or her preferred nominee/s, the votes of such stockholder shall be cast equally among the names of the nominees voted by him or her.
- 5.) The Corporate Secretary will tabulate all votes received on every matter stated in the agenda.
- 6.) The Corporate Secretary shall report the results of voting during the meeting.

V. After the Meeting

- 1.) The recording of the meeting will be available ten (10) days after the meeting, and the recording shall be available for access by GHI's stockholders within thirty (30) days from posting date. Any stockholder of GHI who wishes to access the recording of the 2021 Annual Stockholders' Meeting shall send his or her request therefor to gmcauile@bgepal.com. Upon receipt of the stockholder's request and upon proper validation, the recording will be sent via email to the stockholder.
- 2.) Stockholders shall have two weeks from posting of the recording of the meeting to inform GHI of any issues, clarifications and concerns on the matters arising from the meeting conducted.

ANNEX "B"

RATIONALE FOR THE SALIENT MATTERS CONTAINED IN THE AGENDA

Call to Order

The Chairman will call the meeting to order at 10:00 a.m. on May 28, 2021.

Certification of Notice and Quorum

The Corporate Secretary will certify that a written notice for the meeting was duly sent to the stockholders and that a quorum exists for the transaction of business. Kindly see Procedure for Registration, Participation, and Attendance in the GHI Annual Stockholders' Meeting 2021 by Remote Communication and Procedure under Annex "A" of the Notice above.

Approval of the Minutes of the Annual Stockholders' Meeting Held on July 24, 2020 and the Special Stockholders' Meeting Held on March 26, 2021

The approval of the minutes of the previous Stockholders' Meetings on July 24, 2020 and on March 26, 2021 is made part of the agenda for transparency and in order to comply with the requirements of the Company's By-laws, the Revised Corporation Code of the Philippines (Republic Act No. 11232), as well as the pertinent rules and regulations of the Securities and Exchange Commission ("SEC").

Annual Report of the Chairman and Chief Executive Officer

The annual report of the Chief Executive Officer is made part of the Agenda in order to inform the stockholders of the Company's financial performance during the previous year and to adhere to the principles of transparency and good corporate governance.

Financial Report

The Company's financial performance during the year 2020 has been detailed in the Audited Financial Statements (AFS) of the Company which were reviewed in audit by the Company's independent external auditor. The AFS have been reviewed and approved by the Board of Directors, as recommended by the Audit and Risk Management Committee.

Ratification of the Acts of the Board of Directors/Corporate Officers

The Acts of the Board of Directors/Corporate Officers were duly deliberated upon prior to their approval and were conducted in the Company's ordinary course of business. The aforementioned acts of the Board of Directors are submitted for approval to the stockholders in compliance with the Company's By-laws, the Revised Corporation Code of the Philippines, as well as the pertinent rules and regulations of the SEC.

Approval of the Meritorious Justifications for the Retention of Chief Justice Artemio V. Panganiban and Dr. Jaime C. Laya as Independent Directors

On March 26, 2021, the Board of Directors of the Company provided meritorious reasons for the retention of Chief Justice Artemio V. Panganiban and Dr. Jaime Laya as Independent Directors, subject to stockholders' approval at the May 28, 2021 Annual Stockholders' Meeting. The meritorious reasons for their recommended retention are set for as **Annex "B-1"** hereof.

Election of Directors (including the Independent Directors)

The incumbent Directors have been recommended by the Company's Nomination Committee for re-election. On the basis of the nominated directors' proven track record as shown by the results of the Company's performance and after review of their qualifications, the said Directors were recommended for re-election by the Nomination Committee. Their appointment is submitted for approval to the stockholders in compliance with the Company's By-laws, the Revised Corporation Code of the Philippines, as well as the pertinent rules and regulations of the SEC.

Procedure for Nomination of Directors

Under Section 1 of the Corporation's By-laws, the Board of Directors shall be elected by and from among the stockholders.

Under Section 9 of the Corporation's By-laws:

1. Nomination of Independent Director/s shall be conducted by the Nomination Committee prior to the stockholders' meeting.
2. All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominees.
3. The Nomination Committee shall pre-screen the qualifications and prepare a final list of all candidates and put in place screening policies and parameters to enable it to effectively review the qualifications of the nominees for Independent Director/s.
4. After the nomination, the Committee shall prepare a Final List of Candidates which shall contain all the Information about all the nominees for Independent Directors.
5. The name of the person or group of persons who recommended the nomination of the Independent Directors shall be identified in such report including any relationship with the nominee.
6. Only the nominees whose names appear on the Final List of Candidates shall be eligible for election as Independent Director/s. No other nomination shall be entertained after the Final List of Candidates shall have been prepared. No further nomination shall be entertained or allowed on the floor during the actual stockholders' meeting.

Election of the External Auditor

Upon the recommendation of the Audit and Risk Management Committee and after proper deliberation, the Board approved the re-appointment of SyCip Gorres & Velayo & Co. (SGV) as the Company's external auditor for 2021. The SGV's appointment is submitted for approval to the stockholders in compliance with the Company's By-laws, the Revised Corporation Code of the Philippines, as well as the pertinent rules and regulations of the SEC.

ANNEX "B-1"

JUSTIFICATIONS FOR THE RETENTION OF CHIEF JUSTICE ARTEMIO V. PANGANIBAN AND DR. JAIME C. LAYA AS INDEPENDENT DIRECTORS, AFTER SERVING THE MAXIMUM CUMULATIVE TERM OF NINE (9) YEARS (RECKONED FROM 2012) PRESCRIBED UNDER SEC MC NO. 4-2017

"The wealth of experience of Chief Justice Panganiban and Dr. Jaime Laya as shown by their educational and professional background will contribute immensely to the corporate objectives of the Company with due observance of good corporate governance.

Chief Justice Artemio V. Panganiban was named a Justice of the Supreme Court and in 2005, he was appointed Chief Justice of the Philippines—a position he held until December 2006. He was named a Member of the Permanent Court of Arbitration based in The Hague, Netherlands.

Upon his retirement, he was unanimously conferred a Plaque of Acclamation by the Associate Justices of the Supreme Court as the "Renaissance Jurist of the 21st Century;" and an Award of Honor by the Philippine Bar Association. In recognition of his role as a jurist, lawyer, civic leader, Catholic lay worker, business entrepreneur and youth leader, he had been the recipient of over 250 other awards from various governments, civic clubs, consumer associations, bar groups, religious movements and other non-government organizations, both local and international.

He obtained his Associate in Arts, "With Highest Honors" and later his Bachelor of Laws, *as cum laude* and "Most Outstanding Student" from the Far Eastern University. He placed sixth among more than 4,200 candidates who took the 1960 Bar examinations. He is likewise the recipient of several honorary doctoral degrees from various universities.

Given his unique educational and professional background, Independent Director Chief Justice Panganiban is able to effectively guide and judiciously counsel the Board on the Company's issues and matters concerning compliance with all pertinent laws, jurisprudence, codes of best business practices and good corporate governance.

Independent Director Chief Justice Panganiban diligently reviews all matters for approval by the Board and asks necessary probing questions on them, and seeks clarifications and explanations when necessary. Independent Director Chief Justice Panganiban has been instrumental in resolving management, legal and regulatory related issues which is primarily attributable to his exceptional legal background and experience.

Dr. Jaime C. Laya, on the other hand, was Minister of Budget, 1975-1981; Minister of Education, Culture and Sports, 1984-86; Chairman of the Monetary Board and Governor, Central Bank of the Philippines, 1981-1984; Chairman, National Commission for Culture and the Arts, 1996-2001. He was faculty member of the University of the Philippines, 1957-1978 and Dean of the College of Business Administration, 1969-1974. In 1986, he founded J.C. Laya & Co., Ltd. (Certified Public Accountants and Management Consultants) later the Philippine member firm of KPMG International; he served as the firm's Chairman until his retirement in 2004. Dr. Laya earned his Bachelor of Science in Business Administration, *magna cum laude*, University of the Philippines, 1957; Master of Science in Industrial Management, Georgia Institute of Technology, 1960; Doctor of Philosophy in Financial Management, Stanford University, 1966. He is a Certified Public Accountant.

Due to Independent Director Dr. Laya's unique financial and accounting background he is able to effectively oversee the company's financial and internal and external audit processes. He is able to lead the Audit Committee to provide a general evaluation and assistance in the overall improvement of the risk management, control and governance process of the Company. During the meetings of the Audit Committee Independent Director Dr. Laya evaluates the audit plans, and programs and evaluates significant issues reported by the Internal Audit and External Auditor relating to the efficiency and effectiveness of policies and controls of the Company.

Independent Director Dr. Laya has been instrumental in resolving audit and risk related issues that only a person with his sterling qualifications can offer the Board of Directors.

As Independent Directors, Chief Justice Panganiban and Dr. Jaime C. Laya provide and/or give due consideration to independent views during Board Meetings. They recommend sound strategic advice on programs relating to the Corporation's business plans and Management's overall performance. They participate on critical matters before the Board and the Board Committees of which they are members. They ensure that their personal interests do not bias their vote on matters submitted for the approval of the Board.

Both Independent Directors Dr. Jaime Laya and Chief Justice Artemio V. Panganiban have shown unquestionable integrity, probity and independence in the exercise of their functions as Chairman and Member of the Audit and Risk Management Committee, respectively."

ANNEX "C"

SAMPLE PROXY FORM (FOR INDIVIDUAL STOCKHOLDERS)

I/We hereby name and appoint _____, or in his/her absence, the Chairman of the Meeting, as my/our proxy at the Annual Stockholders' Meeting of GMA Holdings, Inc. to be held by remote communication using the Zoom Application on Friday, May 28, 2021 at 10:00 a.m. and at any postponement or adjournment thereof.

1. Approval of the minutes of the Annual Stockholders' Meeting held on July 24, 2020 and the minutes of the Special Stockholders' Meeting held on March 26, 2021:

___ For ___ Against ___ Abstain

2. Approval of the Annual Report and Audited Financial Statements as of December 31, 2020

___ For ___ Against ___ Abstain

3. Ratification of all Acts and Resolutions of the Board of Directors and Management Adopted During the Preceding Year

___ For ___ Against ___ Abstain

4. Approval of the Meritorious Justifications for the Retention of Chief Justice Artemio V. Panganiban and Dr. Jaime C. Laya as Independent Directors as set forth in the Notice of the Meeting and Information Statement

___ For ___ Against ___ Abstain

5. Election of Directors (including the Independent Directors)

(Note: By checking the space provided before the name of the nominee, you are casting your vote in favor of the said nominee. By not checking the space provided across the name of the nominee, you are withholding the authority to vote for the said nominee.)

___ Chief Justice Artemio V. Panganiban (as Independent Director)
___ Dr. Jaime C. Laya (as Independent Director)
___ Mr. Gilberto R. Duavit, Jr.
___ Atty. Felipe L. Gozon
___ Mr. Joel Marcelo G. Jimenez

For any specific instruction on the manner by which you wish to cumulate your votes for the nominees, please indicate the same in the space provided below. In the absence of any such instruction the vote shall be cast equally among your voted nominees:

6. Appointment of Sycip Gorres Velayo & Co. as the External Auditor:

___For ___ Against ___ Abstain

Name

Signature

Date

No. of Shares Held

THE DULY ACCOMPLISHED PROXY MUST BE SUBMITTED TO AND RECEIVED BY THE OFFICE OF THE CORPORATE SECRETARY AT 15/F SAGITTARIUS BUILDING, H.V. DE LA COSTA STREET, SALCEDO VILLAGE, MAKATI ON OR BEFORE MAY 27, 2021. THE FORM MAY BE SENT IN ADVANCE BY EMAIL TO gmcawile@bgepal.com.

THIS PROXY IS NOT REQUIRED TO BE NOTARIZED. UPON PROPER VALIDATION, THE PROXY WILL BE VOTED IN THE MANNER DIRECTED THEREIN BY THE STOCKHOLDER. IF NO DIRECTION IS INDICATED, THE PROXY WILL BE VOTED IN FAVOR OF THE AGENDA ITEMS, THE ELECTION OF ALL THE NOMINEES AND SUCH OTHER MATTERS AS MAY PROPERLY COME BEFORE THE MEETING, IN ACCORDANCE WITH THE PROCEDURE SET FORTH IN THE INFORMATION STATEMENT.

THIS PROXY SHALL CONTINUE UNTIL SUCH TIME AS THE SAME IS WITHDRAWN OR SUPERSEDED AT ANY TIME BEFORE THE RIGHT GRANTED IS EXERCISED, BY AN APPROPRIATE NOTICE IN WRITING TO THE CORPORATE SECRETARY OF **GMA HOLDINGS, INC.**

ANNEX "D"

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

GMA HOLDINGS, INC.

1. Check the appropriate box:
☒ Preliminary Information Statement
☐ Definitive Information Statement
2. Name of Registrant as specified in its charter: **GMA HOLDINGS, INC.**
3. Province, country or other jurisdiction of incorporation or organization: **PHILIPPINES**
4. SEC Identification Number **CS200602356**
5. BIR Tax Identification Code **244-658-896-000**
6. Address of principal office Postal Code 1634
UNIT 5D TOWER ONE, ONE MCKINLEY PLACE, NEW BONIFACIO GLOBAL CITY, FORT BONIFACIO, TAGUIG CITY (IN THE PROCESS OF BEING AMENDED TO UNIT 3K, NORTH WING, FAIRWAYS TOWER CONDOMINIUM, 5TH AVENUE CORNER MCKINLEY ROAD, FORT BONIFACIO TAGUIG CITY, PHILIPPINES)
7. Registrant's telephone number, including area code **(632) 89827777**
8. Date, time and place of the meeting of security holders
DATE : May 28, 2021
TIME : 10:00 a.m.
PLACE: via remote communication/virtual meeting using Zoom application through: <https://us02web.zoom.us/j/82385437942>
9. Approximate date on which the Information Statement is first to be sent or given to security holders **May 6, 2021**
10. In case of Proxy Solicitations:
Name of Person Filing the Statement/Solicitor: NOT APPLICABLE

Address and Telephone No.: **NOT APPLICABLE**

11. Securities registered pursuant to Sections 8 and 12 of the Securities Regulation Code (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Philippine Deposit Receipts ("PDRs")	673,992,175

12. Are any or all of registrant's securities listed in a Stock Exchange?

PDRs/PHILIPPINE STOCK EXCHANGE

GMA HOLDINGS, INC.

This Information Statement dated April 22, 2021, is being furnished to the stockholders of record of GMA Holdings, Inc. as of April 29, 2021 in connection with the Annual Stockholders' Meeting.

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

A. GENERAL INFORMATION

Item 1. Date, time and place of meeting of security holders.

(a) State the date, time and place of the meeting

Date : May 28, 2021
Time : 10:00 a.m.
Place: Remote Communication using Zoom application through:

<https://us02web.zoom.us/j/82385437942>

(b) Approximate date on which copies of the information statement are first to be sent to the security holders:

May 6, 2021

Item 2. Dissenters' Right of Appraisal

Title X of the Revised Corporation Code of the Philippines grants to a shareholder the right to dissent and demand payment of the fair value of his share in certain instances, to wit: (1) in case any amendment to the corporation's articles of incorporation has the effect of changing and restricting the rights of any shareholder 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 any sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property or assets; (3) in case of merger or consolidation; and (4) in case of investment corporate funds for any purpose other than the primary purpose or in another corporation or business.

Under Section 41 of the Revised Corporation Code of the Philippines, a stockholder is likewise given an appraisal right in cases where a corporation decides to invest its funds in another corporation or business or any other purpose.

The appraisal right may be exercised in accordance with Sections 81 and 82 of the Revised Corporation Code of the Philippines, viz.:

"SEC. 81. How Right is Exercised. – The dissenting stockholder who votes against a proposed corporate action may exercise the right of appraisal by making a written demand on the corporation for the payment of the fair value of shares held within thirty (30) days from the date on which the vote was taken: *Provided*, That failure to make the demand within such

period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented, the corporation shall pay the stockholder, upon surrender of the certificate or certificates of stock representing the stockholder's shares, the fair value thereof as of the day before the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If, within sixty (60) days from the approval of the corporate action by the stockholders, the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the corporation, and the third by the two (2) thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after such award is made: *Provided*, That no payment shall be made to any dissenting stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment: *Provided, further*, That upon payment by the corporation of the agreed or awarded price, the stockholder shall forthwith transfer the shares to the corporation.

SEC. 82. Effect of Demand and Termination of Right. — From the time of demand for payment of the fair value of a stockholder's shares until either the abandonment of the corporate action involved or the purchase of the said shares by the corporation, all rights accruing to such shares, including voting and dividend rights, shall be suspended in accordance with the provisions of this Code, except the right of such stockholder to receive payment of the fair value thereof: *Provided*, That if the dissenting stockholder is not paid the value of the said shares within thirty (30) days after the award, the voting and dividend rights shall immediately be restored."

None of the proposed corporate actions for the Company qualifies as an instance for a possible exercise by security holders of their appraisal rights under Title X of the Revised Corporation Code of the Philippines.

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

- (a) There is no matter to be acted upon in which any Director or Executive Officer is involved or had a direct, indirect or substantial interest.
- (b) No Director has informed the Company of his opposition to any matter to be acted upon.

B. CONTROL AND COMPENSATION INFORMATION

Securities and Principal Holders Thereof

- (a) The "Company has 10,000 common shares subscribed and outstanding as of March 31, 2021. Every stockholder shall be entitled to one vote for each common share held as of the established record date.
- (b) All stockholders of record as of the closing of business on April 29, 2021 are entitled to notice of and to vote at the Company's Annual Stockholders' Meeting.
- (c) With respect to the election of directors, a stockholder may vote such number of shares for as many persons as there are directors to be elected or he may accumulate 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 total number of shares owned by him multiplied by the whole number of directors to be elected.

- (d) The following are the information on security ownership of certain record and beneficial owners and management:

Security Ownership of Certain Record and Beneficial Owners as of March 31, 2021

As of March 31, 2021, the following persons owned at least 5% of the Company's outstanding common shares:

Title of class	Name, Address of Record Owner and Relationship with Company	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percentage of Class
Common	Felipe L. Gozon GMA Network Center, EDSA corner Timog Avenue, Diliman	The Record Owner is the Beneficial Owner	Filipino	3,330	33.30
Common	Gilberto R. Duavit, Jr. GMA Network Center, EDSA corner Timog Avenue, Diliman	The Record Owner is the Beneficial Owner	Filipino	3,330	33.30
Common	Joel Marcelo G. Jimenez GMA Network Center, EDSA corner Timog Avenue, Diliman	The Record Owner is the Beneficial Owner	Filipino	3,330	33.30
			Total	9,990	99.90

Felipe L. Gozon, Gilberto R. Duavit, Jr. and Joel Marcelo G. Jimenez are significant stockholders of the Company.

Security Ownership of Management as of March 31, 2021:

As of March 31, 2021, the Company's directors and senior officers owned an aggregate of 96,996 common shares of the Company, equivalent to 99.96% of the Company's issued and outstanding common capital stock.

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percentage of Class
Common	Felipe L. Gozon	Direct 3,330	Filipino	33.30
Common	Gilberto R. Duavit, Jr.	Direct 3,330	Filipino	33.30
Common	Joel Marcelo G. Jimenez	Direct 3,330	Filipino	33.30
Common	Artemio V. Panganiban	Direct	Filipino	.04

		4		
Common	Jaime C. Laya	Direct 1	Filipino	.01
Common	Felipe S. Yalong	Direct 1	Filipino	.01
	Total	99,996		99.96

Voting Trust Holders of more than 5%

The Company is not aware of any person holding more than 5% of shares under a voting trust or similar arrangement.

Changes in Control

The Company is not aware of any arrangement which may have resulted in a change in control of the Company during the period covered by this report.

Philippine Deposit Receipts (PDRs)

The Company's equity (consisting of common shares) are wholly-owned by Filipinos. While the PDRs issued by the Company under the Philippine Deposit Receipt Instrument pursuant to the Registration Statement approved by the Securities and Exchange Commission may be owned by any person regardless of citizenship or nationality. The holders of the PDRs are granted the right to convert the PDRs into common shares pursuant to the Philippine Deposit Receipt Instrument, the exercise of which is subject to the nationality restriction under the Philippine Constitution prohibiting foreign ownership in mass media companies. As a result, the Underlying Shares (GMA Network, Inc. common shares) owned by the Company resulting from an exercise of the PDRs pursuant to the Philippine Deposit Receipt Instrument may only be issued to Philippine citizens or corporations, cooperatives or associations wholly owned and managed by Philippine citizens. Although holders of PDRs will enjoy economic rights upon occurrence of certain events in respect of the Underlying Shares, they will not have any voting rights in respect of or ownership over the Underlying Shares prior to the exercise of the right to convert under the Philippine Deposit Receipt Instrument. The voting rights over the Underlying Shares will, until exercise of the right to convert under the Philippine Deposit Receipt Instrument, be exercised by GHI or the Company. Pending exercise of the PDRs right to convert, the Shares deliverable on exercise of the PDRs shall be owned by and registered in the name of the PDR Issuer, GHI. The Shares underlying the PDRs have been delivered and pledged by the Issuer to the Pledge Trustee, and held to the order and for the benefit of the Holders as security for the delivery of the Shares upon exercise of the PDRs right to convert under the Philippine Deposit Receipt Instrument pursuant to the Pledge. Until an exercise of a PDR right to convert, the Issuer, as owner of Shares underlying the relevant PDR, will retain and exercise such voting rights relating to such Shares.

Item 5. Directors and Executive Officers

Nominees for Election as Members of the Board of Directors

The following are nominated as members of the Board of Directors for the ensuing year (2021-2022):

Gilberto R. Duavit, Jr.
Felipe L. Gozon
Joel Marcelo G. Jimenez

Jaime C. Laya (*Independent Director*)
Artemio V. Panganiban (*Independent Director*)

All the final nominees as approved by the Nomination Committee are incumbent directors. Atty. Felipe L. Gozon, Joel Marcelo G. Jimenez and Gilberto R. Duavit, Jr. have been nominated by the following nominating stockholders:

1. Gilberto R. Duavit, Jr.
2. Felipe L. Gozon
3. Joel Marcelo G. Jimenez
4. Felipe S. Yalong

The Independent Directors, were formally nominated by Gilberto R. Duavit, Jr. Gilberto R. Duavit, Jr. has no relationship with the nominated Independent Directors, Jaime C. Laya and Artemio V. Panganiban.

The incumbent Independent Directors have been recommended by the Company's Nomination Committee for re-election on the justification that their wealth of experience will contribute immensely to the corporate objectives of the Company with due observance of good corporate governance.

The nominees for Independent Directors as evaluated by the Nomination Committee are qualified based on the qualifications set forth under Rule 38 of the Securities Regulation Code ("SRC").

In the coming Annual Stockholders' Meeting Chief Justice Artemio V. Panganiban and Dr. Jaime C. Laya will be serving their 9th year as independent directors reckoned from 2012 (as prescribed under SEC MC No. 4 Series of 2017). The Company is aware of the requirements under the said Circular, which states the instance that when it "wants to retain an independent director who has served for nine (9) years, the Board should provide meritorious justifications and seek shareholders' approval during the annual shareholders' meeting." In compliance thereto, on March 26, 2021 the Board of Directors of the Company convened in a Special Meeting and provided meritorious justifications (*Annex "B-1" of the Rationale for the Salient Matters in the Agenda*) for the retention of Chief Justice Artemio V. Panganiban and Dr. Jaime C. Laya, subject to the Stockholders' Approval at the May 28, 2021 Stockholders' Meeting.

The Company's Independent Directors are Former Chief Justice Artemio V. Panganiban and Dr. Jaime C. Laya. The nominee Independent Directors have also executed sworn Certifications on Independent Directors, attached herewith as Annex "G". The Independent Directors are elected in accordance with SRC Rule 38 on Independent Directors and pursuant to applicable rules and regulations issued by this Honorable Commission. The Company's By-Laws sets forth the qualifications required of Independent Directors under the Securities Regulation Code.

Procedure for Nomination of Directors

Under Section 1 of the Company's By-laws the Board of Directors shall be elected by and from among the stockholders.

Under Section 9 of the Company's By-laws:

1. Nomination of Independent Director/s shall be conducted by the Nomination Committee prior to a stockholders' meeting.

2. All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominees.
3. The Nomination Committee shall pre-screen the qualifications and prepare a final list of all candidates and put in place screening policies and parameters to enable it to effectively review the qualifications of the nominees for Independent Director/s.
4. After the nomination, the Committee shall prepare a Final List of Candidates which shall contain all the information about all the nominees for Independent Directors.
5. The name of the person or group of persons who recommended the nomination of the Independent Directors shall be identified in such report including any relationship with the nominee.
6. Only the nominees whose names appear on the Final List of Candidates shall be eligible for election as Independent Director/s. No other nomination shall be entertained after the Final List of Candidates shall have been prepared. No further nomination shall be entertained or allowed on the floor during the actual stockholders' meeting.

The members of the Nomination Committee are as follows:

Felipe L. Gozon (Chairman)
 Gilberto R. Duavit, Jr.
 Joel Marcelo G. Jimenez
 Jaime C. Laya (*Independent Director*)
 Artemio V. Panganiban (*Independent Director*)

The profiles of the said nominees for election to the Board of Directors for 2021-2022 including the independent directors are as follows:

NOMINEES AS INDEPENDENT DIRECTORS

Chief Justice Artemio V. Panganiban, Filipino, 84 years old, has been an Independent Director of the Company since 2009. In 1995, he was named a Justice of the Supreme Court and was appointed Chief Justice of the Philippines in 2005 - a position he held until December 2006. At present, he is also an Independent Director of these listed firms: First Philippine Holdings Corp., Metro Pacific Investments Corp., Manila Electric Company, Robinsons Land Corp., GMA Holdings, Inc., Philippine Long Distance Telephone Co., Petron Corporation, Asian Terminals, and a non-Executive Director of Jollibee Foods Corporation. He is also an Adviser of Metropolitan Bank and Trust Company and Bank of the Philippine Islands (BPI), Chairman, Board of Advisers of Metrobank Foundation, Adviser of DoubleDragon Properties Corp. and MerryMart Consumer Corp., Chairman of the Board of the Foundation for Liberty and Prosperity, President of the Manila Cathedral Basilica Foundation, Chairman Emeritus of Philippine Dispute Resolution Center, Inc., and Member, Advisory Board of the World Bank (Philippines) and of the Asian Institute of Management Corporate Governance Council. He was named a Member of the Permanent Court of Arbitration based in The Hague, Netherlands, last August 2017 and is the designated Chairperson of the Philippine National Group. He also is a column writer of *The Philippine Daily Inquirer*.

Upon his retirement, he was unanimously conferred a Plaque of Acclamation by the Associate Justices of the Supreme Court as the "Renaissance Jurist of the 21st Century," and an Award of Honor by the Philippine Bar Association. In recognition of his role as a jurist, lawyer, civic leader, Catholic lay worker, business entrepreneur, and youth leader, he had been the recipient of over 250 other awards from various governments, civic clubs, consumer associations, bar groups, religious movements, and other nongovernment organizations, both local and international.

He obtained his Associate in Arts, "With Highest Honors" and later his Bachelor of Laws, as *cum laude* and "Most Outstanding Student" from the Far Eastern University. He placed sixth among more than 4,200 candidates who took the 1960 Bar examinations. He is likewise the recipient of several honorary doctoral degrees from various universities.

Other Relevant Information:

Corporate Governance Trainings/Seminars Attended: "2020 Annual Corporate Governance Enhancement Session for Directors, Advisory Board Members, Officers and Advisors: How to Lead Courageously During a Crisis" on September 25, 2020; "2020 Annual Corporate Governance Enhancement Session for Directors, Advisory Board members, Officers and Advisors: Lessons from a Pandemic: The MPIC Hospital Group Covid-19 Experience and Best Practices" on September 25, 2020; "Corporate Governance Enhancement Session: 5G Technology Strategy and Governance: Market Trends and New Business Applications, Risks and Challenges; and Cyber Security: Protecting Critical Business Infrastructure" on September 26, 2019; "Corporate Governance Seminar" by SGV & Co. on August 8, 2018; "Corporate Governance Seminar" provided by SGV & Co on August 9, 2017 and "Corporate Governance Seminar" provided by SGV & Co. on February 5, 2016.

Board Attendance: 100% (6 out of 6 Meetings of the Board of Directors in 2020)

Date of First Appointment: May 29, 2009

Length of Service in the Corporation: 12 years

Shareholdings: please refer to Item 4 of the Information Statement

Board representations in other Corporations: please refer to the profile of the nominee above

Committee Membership and Attendance in Committee Meetings: please refer to discussion on Corporate Governance under the Management Report (Annex "E")

Nominee's Appraisal and Performance Report: please refer to page 30 on Appraisals and Performance Report of the Members of the Board of Directors

Jaime C. Laya, Filipino, 82 years old, has been an Independent Director of GMA Holdings, Inc. since 2008. He is the Chairman and President of Philippine Trust Company (Philtrust Bank), Director of Manila Water Company, Inc., Philippine AXA Life Insurance Company, Inc., and Charter Ping An Insurance Corporation. He also serves as Chairman of Don Norberto Ty Foundation, Inc.; Trustee of St. Paul University - Quezon City, Cultural Center of the Philippines, Metropolitan Museum of Manila, Yuchengco Museum, Fundación Santiago, Inc., Ayala Foundation, Inc., and other organizations. He writes a weekly column for the *Manila Bulletin*.

He was Minister of Budget, 1975-1981; Minister of Education, Culture and Sports, 1984-86; Chairman of the Monetary Board and Governor, Central Bank of the Philippines, 1981-1984; Chairman, National Commission for Culture and the Arts, 1996-2001. He was a faculty member of the University of the Philippines, 1957-1978 and Dean of the College of Business Administration, 1969-1974. In 1986, he founded J.C. Laya & Co., Ltd. (Certified Public Accountants and Management Consultants) later the Philippine member firm of KPMG International; he served as the firm's Chairman until his retirement in 2004.

Laya earned his Bachelor of Science in Business Administration, *magna cum laude*, University of the Philippines, 1957; Master of Science in Industrial Management, Georgia Institute of Technology, 1960; Doctor of Philosophy in Financial Management, Stanford University, 1966. He is a Certified Public Accountant.

Other Relevant Information:

Corporate Governance Trainings/Seminars Attended: "Corporate Governance Seminar" provided by SGV & Co. on December 10, 2020; "Advanced Corporate Governance Training" on October 12, 2019; "Corporate Governance Seminar" provided by SGV & Co. on December 12, 2018; "Annual Corporate Governance Training Program" held on August 11, 2017 by the Institute of Corporate Directors and "Corporate Governance Training Program" provided by the Institute of Corporate Governance on September 17, 2016.

Board Attendance: 100% (6 out of 6 Meetings of the Board of Directors in 2020)

Date of First Appointment: May 30, 2008

Length of Service in the Corporation: 13 years

Shareholdings: please refer to Item 4 of the Information Statement

Board representations in other Corporations: please refer to the profile of the nominee above

Committee Membership and Attendance in Committee Meetings: please refer to discussion on Corporate Governance under the Management Report (Annex "E")

Nominee's Appraisal and Performance Report: please refer to page 30 on Appraisals and Performance Report of the Members of the Board of Directors

NOMINEES AS REGULAR DIRECTORS

Felipe L. Gozon, Filipino, 81 years old, is the Chairman of the Board of Directors and Chief Executive Officer of GMA Network, Inc.

Atty. Gozon is a Senior Partner at the Law Firm of Belo Gozon Elma Parel Asuncion & Lucila. He is also the Chairman of the Board/President/CEO of various companies including GMA Holdings, Inc., Citynet Network Marketing & Productions, Inc., RGMA Network, Inc., Alta Productions Group, Inc., GMA New Media, Inc., Media Merge Corporation, Digify, Inc., RGMA Marketing & Productions, Inc., Philippine Entertainment Portal, Inc., Script2010, Inc., FLG Management and Development Corporation, Gozon Development Corporation, Vista Montana Realty Development, Inc., Mont-Aire Realty and Development Corporation, BGE Holdings, Inc., Kenobe, Inc., Jeata Holdings and Management, Inc., Vitezon, Inc., Palawan Power Generation, Inc., Catanduanes Power Generation, Inc., Sycamore International Shipping Corp., Lex Realty, Inc., Justitia Realty & Management Corp., Gozon Foundation, Inc., GMA Kapuso Foundation, Kapwa Ko Mahal Ko Foundation, Inc., and The Potter and Clay Christian School Foundation, Inc.

He is also a Director of GMA Worldwide, Inc., GMA Network Films, Inc., Antipolo Agri-Business & Land Development Corp., and Chamber of Commerce of the Philippine Islands. He is a Trustee of the

Philippine Center for Entrepreneurship Foundation, Inc., the Environmental Heroes Foundation, Inc., and the Akademyang Filipino.

Atty. Gozon is a recipient of many awards for his achievements in law, media, public service, and business, including the prestigious Chief Justice Special Award given by the Chief Justice of the Philippines (1991), Presidential Award of Merit given by the Philippine Bar Association (1990 & 1993), CEO of the Year given by Uno Magazine (2004), Master Entrepreneur-Philippines (2004) by Ernst and Young, Outstanding Citizen of Malabon Award for Legal and Business Management by the Kalipunan ng Samahan sa Malabon (KASAMA) (2005), People of the Year by People Asia Magazine (2005), Business Excellence Award given by BizNews Asia (2009), Outstanding Manilan Award in the field of Social Responsibility and Broadcasting given by the City Government of Manila (2011), Quezon City Gawad Parangal Most Outstanding Citizen given by the City Government of Quezon (2011), Tycoon of the Decade Award given by BizNews Asia (2011), Lifetime Achievement Award given by the UP Alumni Association (2012), Certificate of Recognition given by the Civil Aeronautics Board (2012), Platinum Business Icon Award given by BizNews Asia (2012), Personality of the Year for Broadcast Media given by SKAL International Makati (2013), Outstanding Member-Achiever given by Phi Kappa Phi UP Chapter (International Honor Society) (2013), Visionary Management CEO Award given by BizNews Asia (2013), Lifetime Achievement Award given by UP Preparatory High School Alumni (2014), Entrepreneurship Excellence Award and Best Broadcast CEO Award given by BizNews Asia (2014), The Rotary Golden Wheel Award for Corporate Media Management given by Rotary International District 3780 and Quezon City Government (2014), Global Leadership Award for Excellence in Media Sector (first Filipino to win the award) given by The Leaders International together with the American Leadership Development Association in Kuala Lumpur, Malaysia (2015), Visionary Management Excellence Award given by BizNews Asia (2015, 2016), Management Excellence Award given by BizNews Asia (2017, 2019), and Asia's Best Broadcast CEO given by BizNews Asia (2018). He is also listed among BizNews Asia's Power 100 (2003 to 2010).

Atty. Gozon earned his Bachelor of Laws degree from the University of the Philippines (among the first 10 of his class) and his Master of Laws degree from Yale University Law School. He was admitted to the Bar in 1962, placing 13th in the Bar examinations:

Other Relevant Information:

Corporate Governance Trainings/Seminars Attended: Corporate Governance Seminar by Sycip Gorres Velayo & Co. on December 10, 2020; Corporate Governance Seminar by Sycip Gorres Velayo & Co. on December 3, 2019; Corporate Governance Seminar by SGV & Co. on December 12, 2018; Corporate Governance Seminar by Sycip Gorres & Velayo on September 21, 2017 and Corporate Governance Seminar by Sycip Gorres & Velayo on November 10, 2016.

Board Attendance: 100% (6 out of 6 Meetings of the Board of Directors in 2020)

Date of First Appointment: February 15, 2006

Length of Service in the Corporation: 15 years

Shareholdings: please refer to Item 4 of the Information Statement

Board representations in other Corporations: please refer to the profile of the nominee above

Committee Membership and Attendance in Committee Meetings: please refer to item H (on Corporate Governance) of the Management Report (Annex "E")

Nominee's Appraisal and Performance Report: please refer to page 30 on Appraisals and Performance Report of the Members of the Board of Directors

Gilberto R. Duavit, Jr., Filipino, 57 years old, is the President and Chief Executive Officer of the Company. He has been a Director of the Company since 2006 and is currently the Chairman of the Network's Executive Committee. Aside from GMA Network, Inc., he is the Chairman of the Board of GMA Network Films, Inc. and GMA Worldwide, Inc. He also serves as President and CEO of GMA Holdings, Inc., RGMA Marketing and Productions, Inc., Film Experts, Inc., and Dual Management and Investments, Inc. He is the Chairman and President/CEO of Group Management and Development, Inc.; President and Director of MediaMerge Corp., Citynet Network Marketing and Productions, Inc.; Director of RGMA Network, Inc., GMA New Media, Inc., Alta Productions Group, Inc., Optima Digital, Inc., and Mont-Aire Realty and Development Corp. He also serves as the President and a Trustee of GMA Kapuso Foundation, Inc. and a Trustee of the Guronasyon Foundation, Inc. and the HERO Foundation.

Duavit holds a Bachelor of Arts degree in Philosophy from the University of the Philippines.

Other Relevant Information:

Corporate Governance Trainings/Seminars Attended: Corporate Governance Seminar by Sycip Gorres Velayo & Co. on December 10, 2020; Corporate Governance Seminar by Sycip Gorres Velayo & Co. on December 3, 2019; Corporate Governance Seminar by SGV & Co. on December 12, 2018; Corporate Governance Seminar by Sycip Gorres & Velayo on September 21, 2017 and Corporate Governance Seminar by Sycip Gorres & Velayo on November 10, 2016.

Board Attendance: 100% (6 out of 6 Meetings of the Board of Directors in 2020)

Date of First Appointment: February 15, 2006

Length of Service in the Corporation: 15 years

Shareholdings: please refer to Item 4 of the Information Statement

Board representations in other Corporations: please refer to the profile of the nominee above

Committee Membership and Attendance in Committee Meetings: please refer to discussion on Corporate Governance under the Management Report (Annex "E")

Nominee's Appraisal and Performance Report: please refer to page 30 on Appraisals and Performance Report of the Members of the Board of Directors

Joel Marcelo G. Jimenez, Filipino, 57 years old, has been a Director of the Company since 2006. He is currently the Vice-Chairman of the Executive Committee of GMA Network, Inc., President & CEO of Menarco Holdings, and the Chief Executive Officer of Alta Productions Group, Inc. He is a Director of RGMA Network, Inc., Executive Committee Chairman and Director of GMA New Media, Inc., Scenarios, Inc., GMA Worldwide, Inc., Citynet Network Marketing and Productions, Inc., Malayan Savings and Mortgage Bank, Unicapital Securities, Inc., and Nuvoiland Philippines. He is also a Trustee of GMA Kapuso Foundation, Inc.

Jimenez is a graduate of Loyola Marymount University in Los Angeles, California where he obtained a Bachelor's degree in Business Administration, Major in International Marketing. He earned his Masters in Management from the Asian Institute of Management

Other Relevant Information:

Corporate Governance Trainings/Seminars Attended: Corporate Governance Seminar by Sycip Gorres Velayo & Co. on December 10, 2020; Corporate Governance Seminar by Sycip Gorres Velayo & Co. on December 3, 2019; Corporate Governance Seminar by SGV & Co. on December 12, 2018; Corporate Governance Seminar by Sycip Gorres & Velayo on September 21, 2017 and Corporate Governance Seminar by Sycip Gorres & Velayo on November 10, 2016.

Board Attendance: 100% (6 out of 6 Meetings of the Board of Directors in 2020)

Date of First Appointment: February 15, 2006

Length of Service in the Corporation: 15 years

Shareholdings: please refer to Item 4 of the Information Statement

Board representations in other Corporations: please refer to the profile of the nominee above

Committee Membership and Attendance in Committee Meetings: please refer to discussion on Corporate Governance under the Management Report (Annex "E")

Nominee's Appraisal and Performance Report: please refer to page 30 on Appraisals and Performance Report of the Members of the Board of Directors

Board of Directors, Officers and Senior Management

Under the Articles of Incorporation of the Company, the Board of Directors of the Company comprises five directors, two of whom are independent. The directors have a term of one year and are elected annually at the Company's stockholders meeting. A director who is elected to fill a vacancy holds the office only for the unexpired term of his predecessor. As of May 31, 2020, the Company's Board of Directors and Senior Management were composed of the following:

Board of Directors				Senior Management		
Directors and Senior Management	Nationality	Position	Year Position was Assumed	Position	Year Position was Assumed	Age
Felipe L. Gozon	Filipino	Chairman/Director	2006	N/A	N/A	81
Gilberto R. Duavit, Jr.	Filipino	Director	2006	President/Chief Executive Officer	2007	57
Joel Marcelo G. Jimenez	Filipino	Director	2006	N/A	N/A	57
Felipe S. Yalong	Filipino	Corporate Treasurer	2007	Chief Financial Officer/Chief Operating Officer	2012	64

Artemio V. Panganiban	Filipino	Independent Director	2009	N/A	N/A	84
Jaime C. Laya	Filipino	Independent Director	2008	N/A	N/A	82
Ronaldo P. Mastrili	Filipino	N/A	N/A	Comptroller/Chief Accounting Officer	2007	55
Anna Teresa M. Gozon-Valdes	Filipino	Corporate Secretary	2007	N/A	N/A	49
Roberto Rafael V. Lucila	Filipino	N/A	N/A	Vice-President/Compliance Officer	2013	64

The members of the Board of Directors of the Company (including the Independent Directors) are elected at the annual stockholders' meeting to serve as such for the ensuing year and until the election and qualification of their successors. Once elected, the Independent Directors' term of office shall be deemed to be in compliance with Section 22, Title III of the Revised Corporation Code of the Philippines, in relation to SEC Memorandum Circular No. 4, Series of 2017 on the term limits for Independent Directors.

The Company's officers are appointed/elected by the Board of Directors to serve as such for the ensuing year and until a successor shall have been elected, appointed, or shall have qualified.

The Company's directors are expected to exercise discretion in accepting to be member of the Board of Directors of other companies. The directors are required to notify the Company before accepting directorships in other companies.

The following are the business experiences of the Company's directors, officers and senior management:

Felipe L. Gozon, Filipino, 81 years old, is the Chairman of the Board of Directors of GMA Holdings, Inc.

Atty. Gozon is a Senior Partner at the Law Firm of Belo Gozon Elma Parel Asuncion & Lucila. He is also the Chairman of the Board/President/CEO of various companies including GMA Network, Inc., Citynet Network Marketing & Productions, Inc., RGMA Network, Inc., Alta Productions Group, Inc., GMA New Media, Inc., Media Merge Corporation, Digify, Inc., RGMA Marketing & Productions, Inc., Philippine Entertainment Portal, Inc., Script2010, Inc., FLG Management and Development Corporation, Gozon Development Corporation, Vista Montana Realty Development, Inc., Mont-Aire Realty and Development Corporation, BGE Holdings, Inc., Kenobe, Inc., Jeata Holdings and Management, Inc., Vitezon, Inc., Palawan Power Generation, Inc., Catanduanes Power Generation, Inc., Sycamore International Shipping Corp., Lex Realty, Inc., Justitia Realty & Management Corp., Gozon Foundation, Inc., GMA Kapuso Foundation, Kapwa Ko Mahal Ko Foundation, Inc., and The Potter and Clay Christian School Foundation, Inc.

He is also a Director of GMA Worldwide, Inc., GMA Network Films, Inc., Antipolo Agri-Business & Land Development Corp., and Chamber of Commerce of the Philippine Islands. He is a Trustee of the Philippine Center for Entrepreneurship Foundation, Inc., the Environmental Heroes Foundation, Inc., and the Akademyang Filipino.

Atty. Gozon is a recipient of many awards for his achievements in law, media, public service, and business, including the prestigious Chief Justice Special Award given by the Chief Justice of the Philippines (1991), Presidential Award of Merit given by the Philippine Bar Association (1990 & 1993), CEO of the Year given by Uno Magazine (2004), Master Entrepreneur-Philippines (2004) by Ernst and Young, Outstanding Citizen of Malabon Award for Legal and Business Management by the Kalipunan ng Samahan sa Malabon (KASAMA) (2005), People of the Year by People Asia Magazine (2005), Business

Excellence Award given by BizNews Asia (2009), Outstanding Manilan Award in the field of Social Responsibility and Broadcasting given by the City Government of Manila (2011), Quezon City Gawad Parangal Most Outstanding Citizen given by the City Government of Quezon (2011), Tycoon of the Decade Award given by BizNews Asia (2011), Lifetime Achievement Award given by the UP Alumni Association (2012), Certificate of Recognition given by the Civil Aeronautics Board (2012), Platinum Business Icon Award given by BizNews Asia (2012), Personality of the Year for Broadcast Media given by SKAL International Makati (2013), Outstanding Member-Achiever given by Phi Kappa Phi UP Chapter (International Honor Society) (2013), Visionary Management CEO Award given by BizNews Asia (2013), Lifetime Achievement Award given by UP Preparatory High School Alumni (2014), Entrepreneurship Excellence Award and Best Broadcast CEO Award given by BizNews Asia (2014), The Rotary Golden Wheel Award for Corporate Media Management given by Rotary International District 3780 and Quezon City Government (2014), Global Leadership Award for Excellence in Media Sector (first Filipino to win the award) given by The Leaders International together with the American Leadership Development Association in Kuala Lumpur, Malaysia (2015), Visionary Management Excellence Award given by BizNews Asia (2015, 2016), Management Excellence Award given by BizNews Asia (2017, 2019), and Asia's Best Broadcast CEO given by BizNews Asia (2018). He is also listed among BizNews Asia's Power 100 (2003 to 2010).

Atty. Gozon earned his Bachelor of Laws degree from the University of the Philippines (among the first 10 of his class) and his Master of Laws degree from Yale University Law School. He was admitted to the Bar in 1962, placing 13th in the Bar examinations.

Gilberto R. Duavit, Jr., Filipino, 57 years old, is the President and Chief Executive Officer of the Company. He has been a Director of the Company since 2006 and is currently the Chairman of the Network's Executive Committee. Aside from GMA Network, Inc., he is the Chairman of the Board of GMA Network Films, Inc. and GMA Worldwide, Inc. He also serves as President and CEO of GMA Holdings, Inc., RGMA Marketing and Productions, Inc., Film Experts, Inc., and Dual Management and Investments, Inc. He is the Chairman and President/CEO of Group Management and Development, Inc.; President and Director of MediaMerge Corp., Citynet Network Marketing and Productions, Inc.; Director of RGMA Network, Inc., GMA New Media, Inc., Alta Productions Group, Inc., Optima Digital, Inc., and Mont-Aire Realty and Development Corp. He also serves as the President and a Trustee of GMA Kapuso Foundation, Inc. and a Trustee of the Guronasyon Foundation, Inc. and the HERO Foundation.

Duavit holds a Bachelor of Arts degree in Philosophy from the University of the Philippines.

Joel Marcelo G. Jimenez, Filipino, 57 years old, has been a Director of the Company since 2006. He is currently the Vice-Chairman of the Executive Committee of GMA Network, Inc., President & CEO of Menarco Holdings, and the Chief Executive Officer of Alta Productions Group, Inc. He is a Director of RGMA Network, Inc., Executive Committee Chairman and Director of GMA New Media, Inc., Scenarios, Inc., GMA Worldwide, Inc., Citynet Network Marketing and Productions, Inc., Malayan Savings and Mortgage Bank, Unicapital Securities, Inc., and Nuvoland Philippines. He is also a Trustee of GMA Kapuso Foundation, Inc.

Jimenez is a graduate of Loyola Marymount University in Los Angeles, California where he obtained a Bachelor's degree in Business Administration, Major in International Marketing. He earned his Masters in Management from the Asian Institute of Management.

Chief Justice Artemio V. Panganiban, Filipino, 84 years old, has been an Independent Director of the Company since 2009. In 1995, he was named a Justice of the Supreme Court and was appointed Chief Justice of the Philippines in 2005 - a position he held until December 2006. At present, he is also an Independent Director of these listed firms: First Philippine Holdings Corp., Metro Pacific Investments Corp., Manila Electric Company, Robinsons Land Corp., GMA Holdings, Inc., Philippine Long Distance Telephone Co., Petron Corporation, Asian Terminals, and a non-Executive Director of Jollibee Foods

Corporation. He is also an Adviser of Metropolitan Bank and Trust Company and Bank of the Philippine Islands (BPI), Chairman, Board of Advisers of Metrobank Foundation, Adviser of DoubleDragon Properties Corp. and MerryMart Consumer Corp., Chairman of the Board of the Foundation for Liberty and Prosperity, President of the Manila Cathedral Basilica Foundation, Chairman Emeritus of Philippine Dispute Resolution Center, Inc., and Member, Advisory Board of the World Bank (Philippines) and of the Asian Institute of Management Corporate Governance Council. He was named a Member of the Permanent Court of Arbitration based in The Hague, Netherlands, last August 2017 and is the designated Chairperson of the Philippine National Group. He also is a column writer of *The Philippine Daily Inquirer*.

Upon his retirement, he was unanimously conferred a Plaque of Acclamation by the Associate Justices of the Supreme Court as the "Renaissance Jurist of the 21st Century," and an Award of Honor by the Philippine Bar Association. In recognition of his role as a jurist, lawyer, civic leader, Catholic lay worker, business entrepreneur, and youth leader, he had been the recipient of over 250 other awards from various governments, civic clubs, consumer associations, bar groups, religious movements, and other nongovernment organizations, both local and international.

He obtained his Associate in Arts, "With Highest Honors" and later his Bachelor of Laws, as *cum laude* and "Most Outstanding Student" from the Far Eastern University. He placed sixth among more than 4,200 candidates who took the 1960 Bar examinations. He is likewise the recipient of several honorary doctoral degrees from various universities.

Jaime C. Laya, Filipino, 82 years old, has been an Independent Director of GMA Network, Inc. and GMA Holdings, Inc. since 2008. He is the Chairman and President of Philippine Trust Company (Philtrust Bank), Director of Manila Water Company, Inc., Philippine AXA Life Insurance Company, Inc., and Charter Ping An Insurance Corporation. He also serves as Chairman of Don Norberto Ty Foundation, Inc.; Trustee of St. Paul University - Quezon City, Cultural Center of the Philippines, Metropolitan Museum of Manila, Yuchengco Museum, Fundación Santiago, Inc., Ayala Foundation, Inc., and other organizations. He writes a weekly column for the *Manila Bulletin*.

He was Minister of Budget, 1975-1981; Minister of Education, Culture and Sports, 1984-86; Chairman of the Monetary Board and Governor, Central Bank of the Philippines, 1981-1984; Chairman, National Commission for Culture and the Arts, 1996-2001. He was a faculty member of the University of the Philippines, 1957-1978 and Dean of the College of Business Administration, 1969-1974. In 1986, he founded J.C. Laya & Co., Ltd. (Certified Public Accountants and Management Consultants) later the Philippine member firm of KPMG International; he served as the firm's Chairman until his retirement in 2004.

Laya earned his Bachelor of Science in Business Administration, *magna cum laude*, University of the Philippines, 1957; Master of Science in Industrial Management, Georgia Institute of Technology, 1960; Doctor of Philosophy in Financial Management, Stanford University, 1966. He is a Certified Public Accountant.

Felipe S. Yalong, Filipino, 64 years old, is the Chief Financial Officer, Chief Operating Officer and Corporate Treasurer of the Company. Aside from GMA Holdings, Inc., he is also the Executive Vice President and Chief Financial Officer of GMA Network, Inc.. He also serves as Director and Corporate Treasurer of GMA Holdings, Inc., Scenarios, Inc., and GMA Network Films, Inc.; Director of Unicapital, Inc., and Majalco Finance and Investments, Inc.; Corporate Treasurer of RGMA Network, Inc., MediaMerge Corp.; Executive Vice President of RGMA Marketing and Productions, Inc.; and Corporate Treasurer and a Trustee of GMA Kapuso Foundation, Inc.

Yalong was named CFO of the Year by ING FINEX in 2013.

He obtained a Bachelor of Science degree in Business Administration Major in Accounting from the Philippine School of Business Administration and completed the Management Development Program at the Asian Institute of Management. He is a Certified Public Accountant.

Anna Teresa M. Gozon-Valdes, Filipino, 49 years old, has been the Corporate Secretary of the Company since 2007. She graduated valedictorian from grade school and high school at Colegio San Agustin. She graduated *cum laude*, with a Bachelor of Science degree in Management Engineering from Ateneo de Manila University. She obtained her Bachelor of Laws degree from the University of the Philippines where she graduated valedictorian and *cum laude*. She later obtained her Master of Laws from Harvard University.

She is a junior partner in Belo Gozon Elma Parel Asuncion & Lucila and is an Associate Professor at the University of the Philippines, College of Law where she taught Taxation and Legal History.

She is currently the Programming Consultant to the Chairman/CEO of GMA Network, Inc., the President of GMA Films, Inc. former GMA Worldwide, Inc. President, and Treasurer of Citynet Network Marketing & Productions, Inc. She is also a Trustee of the GMA Kapuso Foundation.

Roberto Rafael V. Lucila, Filipino, 64 years old, is the co-managing partner/senior partner of the Law Firm of Belo Gozon Elma Parel Asuncion & Lucila. He has been the Compliance Officer of the GMA Holdings, Inc. since August 18, 2017. He is also the Corporate Secretary and Compliance Officer of GMA Network, Inc.. He currently sits as director in the affiliates of certain European and American companies in the Philippines namely: eMerchant Asia Inc., Evonik (Philippines) Inc., Time-Life International (Phil.) Inc. and MeteoGroup Philippines Inc.. He is the Chairman and President of Lucilex, Inc., Chairman of H&WB Asia Pacific (Pte. Ltd.) Corporation, and the President of Assetlex Development Corporation, Inc., and eMerchant Asia Inc. all local companies doing business in the Philippines. He is a Court of Appeals Mediator and serves as a Trainor for the Court of Appeals Mediation Training Program. He is presently a lecturer on Constitutional Law I and II at the University of the Philippines, College of Law and the University of Asia and the Pacific, Institute of Law. He was also a lecturer at the University of the Philippines College of Business Administration, San Sebastian College Institute of Law and Lyceum College of Law, as well as in local and international conferences such as the Integrated Bar of the Philippines (IBP) National Convention in 2010 (Subic), Avenue Capital Global Investor Conference in 2005 (New York City), The Law Association for Asia and the Pacific (LAWASIA) Conference in 1997 (Manila), and Global Best Practices for several years (Makati and Mandaluyong). He was OIC for the Legal Department of GMA Network, Inc. from 2001 to 2004 and for the Office of the President of Express Telecommunications, Inc. in 1998. He represented the Avenue Asia Capital Group and Avenue Capital Group in the Board of Directors of Citra Metro Manila Tollway Corporation (CMMTC) from 2004 thru 2012 and in East Asia Power Resources Corporation.

He served in the Office of the President of the Philippines as Assistant Executive Secretary for Legislation from 1990 to September 1992; Chairman of the Presidential Staff in 1991; Chairman of the Philippine Retirement Authority from 1991 to August 1992; Chairman of the South China Sea Fishery Disputes Committee from 1991 to July 1992; and Board Member of the Special Operations Team (now Bases Conversion Development Authority [BCDA]) in 1991. In the Department of Transportation and Communications, he was a Board Member of the Civil Aeronautics Board from 1990-1991 and of the Philippine National Railways from 1989-1991.

He holds Bachelor of Laws (1980) and Bachelor of Arts in Psychology (1976) degrees from the University of the Philippines. He was admitted to the Philippine Bar in 1981. He has completed the Strategic Business Economics Program (SBEP) from the University of Asia and the Pacific in 1999. He has contributed legal articles for the Supreme Court Reports Annotated (SCRA), The Lawyer's Review, IBP Law Journal and Magazine, World Bulletin, Clifford Chance's 2018 Asia Pacific Guide on Insolvency, Getting the Deal Done, and TheBicolBloc.com. He wrote the following books: "Corporate Rehabilitation in

the Philippines," (2007), "The Benefit of the Doubt"(2020), and Fundamental Powers of the State & Civil and Political Rights" (2021). Atty. Lucila has been recognized as one of the 2013 Asialaw Asia-Pacific Leading Lawyers in Dispute Resolution, and as a law professional actively engaged in the areas of Technology Media Telecommunications (TMT) and Insolvency in the Philippines. He sits in the Board of Regents of the Bicol University representing the private sector.

Ronaldo P. Mastrili, Filipino, 55 years old, is the Company's Comptroller and Chief Accounting Officer. He obtained his Bachelor of Science in Business and Economics, Major in Accounting from De La Salle University. He attended the Master in Business Administration Program from the same university and completed the Executive Development Program of the Asian Institute of Management.

Mr. Mastrili is a Certified Public Accountant with expertise in the fields of accounting, auditing, finance, taxation, and general management. He was formerly the Assistant Vice President of Controllershship of ABS-CBN and also served as its Group Internal Auditor before joining GMA Network in March 2001. He also worked with SGV and Co. for 8 years in the early part of his career. Mr. Mastrili concurrently holds key positions in GMA Subsidiaries namely: Comptroller/Chief Accounting Officer of GMA Holdings, Treasurer of Alta Productions, Director of Script2010, Scenarios and GMA Kapuso Foundation, and Comptroller of GMA Films, GMA Kapuso Foundation, and GMA Worldwide. He is also a Trustee of GMA Kapuso Foundation, Inc.

Significant Employees

Although the Company will continue to rely on the individual and collective contributions of their executive officers, the Company is not dependent on the services of any particular employee.

Family Relationships

Anna Teresa M. Gozon is the daughter of Felipe L. Gozon. Felipe L. Gozon's sister, Carolina L. Gozon Jimenez, is the mother of Joel Marcelo G. Jimenez.

Involvement in Certain Legal Proceedings

To the best of the Company's knowledge, during the past five years and up to the date of this Information Statement, there has been no occurrence of any of the following events which are material to an evaluation of the ability or integrity of any director, person nominated to become a director, executive officer, or control person of the Company:

To the best of the Company's knowledge, during the past five (5) years and up to date, there had been no occurrence of any of the following events which are material to an evaluation of the ability or integrity of any director, person nominated to become a director, executive officer, or control person of the Company:

- Any filing of an insolvency or bankruptcy petition by or against any business of which such person was a general partner or executive officer, either at the time of the insolvency or within two (2) years prior to that time;

- Any conviction by final judgment in a criminal proceeding, domestic or foreign, or any pending criminal proceeding, domestic or foreign, of any such person, excluding traffic violations and other minor offenses;
- Any final and executory order, judgment, or decree of any court of competent jurisdiction, domestic or foreign, against any such person, permanently or temporarily enjoining, barring, suspending, or otherwise limiting involvement in any type of business, securities, commodities, or banking activities; and,
- Any final and executory judgment of any such person by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC, or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization, for violation of a securities or commodities law.

Related Party Transactions with Subsidiaries and Affiliates

Please refer to the disclosures on certain relationships and related transactions are set forth on page 33.

Directors' Disclosures on Self-Dealing and Related Party Transactions

To the best of the Company's knowledge, there is no undisclosed transaction that was undertaken by the Company involving any director, executive officer, or any nominee for election as director with which such director, executive officer, or nominee for director was involved or had material interest.

Directors and members of the Management are required to disclose any business or family-related transactions with the Company to ensure that the Board of Directors and Management are apprised of any possible conflict of interest.

Appraisals and Performance Report of the Members of the Board of Directors

Director's Performance Evaluation Sheet

Under a prescribed form entitled *Director's Performance Evaluation Sheet*, the Company requires every member of the Board of Directors to provide a self-assessment of his performance based on enumerated standards, by indicating whether or not he is compliant with each of the standard. In case of non-compliance to a particular standard, the director is required to disclose the same and state the reason for the non-compliance. The duly accomplished *Director's Performance Evaluation Sheet* is submitted to the Company's Executive Committee to the Corporate Secretary.

During the year 2020, the members of the Company's Board of Directors indicated their compliance with the following standards set forth in the Director's Performance Evaluation Sheet:

DISCHARGE OF BOARD FUNCTIONS	
1.	Whether he possesses all the qualifications required of a director and do not possess any of the permanent and/or temporary disqualifications as set forth in the Corporation's Manual on Corporate Governance.
2.	Whether he attends the special/regular meetings of the Board of Directors and/or the Stockholders regularly.
3.	Whether he provides and/or gives due consideration to independent views during Board Meetings.
4.	Whether he recommends sound strategic advice on programs relating to the Corporation's business plans, operating budgets, and Management's overall performance.
5.	Whether he participates on critical matters before the Board and the Board Committees of which he is a member.
6.	Whether he maintains a harmonious working relationship with the other members of the Board of Directors.
7.	Whether he has working knowledge on the Corporation's regulatory framework.
8.	Whether he receives appropriate training (for his duties as Director and how to discharge the duties) by his regular attendance of a seminar on corporate governance.
9.	Whether he observes confidentiality when required on matters relating to the business of the Corporation.
10.	Whether he appoints qualified members of the Management and monitors their efficiency based on the results of the Corporation's annual financial and operational performance.
11.	Whether he ensures that his personal interest does not bias his vote on matters submitted for the approval of the Board.
12.	Whether he discloses all relevant information necessary to assess any potential conflict of interest that might affect his judgment on board matters.
13.	Whether he recognizes and puts importance on the promotion of a mutually beneficial relationship that allows the Corporation to grow its business while contributing to the advancement of the society where it operates.

Resignation of Directors

No director has resigned or declined to stand for re-election to the Board of Directors since the date of the initial organization of the Company because of a disagreement with the Company on matters relating to the Company's operations, policies and practices.

Certain Relationships and Related Transactions

On May 30, 2008, the Company engaged as its legal counsel Belo Gozon Elma Parel Asuncion & Lucila ("BGEPAL") where Atty. Felipe L. Gozon is a Senior Partner. Atty. Gozon is the Chairman and one of the major stockholders of the Company. The Company and BGEPAL are currently negotiating the fees in relation to the services provided, ensuring that the same is done on an arm's length basis.

On July 30, 2007, the Company issued PDRs relating to GMA Network, Inc. Common Shares. The proceeds owing to the selling shareholders of GMA Network, Inc. ("Selling Shareholders") whose Common Shares formed the underlying shares of the PDRs in the Company's Initial Public Offering were initially held by the Company then remitted to these Selling Shareholders. Please see Note 13 of the Financial Statements on Related Party Disclosures.

Other than the foregoing, the Company has had no material transactions during the past two years, nor is any material transaction presently proposed between the Company and parties that fall outside the definition of "related parties" under SFAS/IAS No. 24, but with whom the registrants or its related parties have a relationship that enables the parties to negotiate terms of material transactions that may not be availed from other, more clearly independent parties on an arm's length basis.

Item 6. Compensation of Directors and Executive Officers

Compensation of Directors and Executive Officers

The following sets forth the summary of the Company's compensation to its executive officers:

Name and Position						
Gilberto R. Duavit, Jr.	President and Chief Executive Officer					
Felipe S. Yalong	Chief Financial Officer/ Chief Operating Officer					
Ronaldo P. Mastrili	Chief Accounting Officer/ Comptroller					
		Year	Salaries (in thousands)	Bonuses (in thousands)	Other Income (in thousands)	Total (in thousands)
CEO and the highest compensated officers named above		2017	-	-	-	-
		2018	-	-	-	-
		2020	-	-	25	25
		2021	-	-	55	55
		(estimate)				
Aggregate compensation paid to all officers and directors as a group unnamed		2017	-	-	-	-
		2018	-	-	-	-
		2019	-	-	-	-
		2020	-	-	120	120
		2021	-	-	235	235
		(estimate)				

No director or officer receives or has received compensation for services. The By-Laws of the Company however, provides that each director is entitled to a reasonable *per diem* allowance for attendance at each meeting of the Board of Directors. The By-Laws further provide that the Board may receive and allocate an amount of not more than 10% of the net income before income tax of the Company during the preceding year. Such compensation shall be determined and apportioned among the directors in such manner as the Board may deem proper, subject to the approval of the stockholders representing at least a majority of the stockholders.

By way of compliance to Sections 29, 177(b)(1), 49(i) of the Revised Corporation Code, the Company sets forth above the following information on the compensation of the members of its Board of Directors:

At the Annual Stockholders' Meeting of the Corporation on July 24, 2020, it was resolved that the Corporation's Directors and Officers shall receive a per diem in the amount of Php 5,000.00 each. Since said date, the members of the Company's Board of Directors namely: Atty. Felipe L. Gozon, Gilberto R. Duavit, Jr., Joel Marcelo G. Jimenez, Dr. Jaime C. Laya and Chief Justice Artemio V. Panganiban have each received per diem of Php 5,000.00 for every meeting of the Board of Directors in 2020, as follows:

	Total Per Diem in 2020
Atty. Felipe L. Gozon	Php 15,000
Gilberto R. Duavit, Jr.	Php 15,000
Joel Marcelo G. Jimenez	Php 15,000
Dr. Jaime C. Laya	Php 15,000
Chief Justice Artemio V. Panganiban	Php 15,000

The Company has no other arrangement with regard to the remuneration of its existing directors and officers aside from the compensation received as herein stated.

Employment Contracts, Termination of Employment, Change-in-control Arrangements

The directors and executive officers do not have any employment contracts, and are elected to their respective positions on a yearly basis. The Company has no compensatory plans or arrangements with respect to any executive officer that would result from the resignation, retirement or any other termination of such executive officer's employment.

Item 7. Independent Public Accountants

- (a) SyCip Gorres Velayo & Co. ("SGV & Co.") has acted as the Company's external auditors since 2007. SGV & Co. is being recommended for re-election at the scheduled Annual Stockholders' Meeting on May 28, 2021.
- (b) Representatives of SGV & Co. 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.

The Company became publicly listed in the Philippine Stock Exchange on July 30, 2007. Pursuant to Rule 68 paragraph 3 (b) (iv), the Company has engaged Meynard A. Bonoan, partner of SGV & Co., to sign the Company's 2020 audited financial statements.

(c) Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Since 2007, SyCip Gorres Velayo & Co. has served as the independent auditors of the Company to audit the Company's financial statements. The Company has not had any material disagreements on accounting matters or financial disclosure matters with SyCip Gorres Velayo & Co.

(d) AUDIT AND AUDIT RELATED FEES

The Company engaged SyCip Gorres Velayo @ Co. (SGV) as the independent auditors to audit the annual financial statements in accordance with Philippine Standards on Auditing and express its opinion on these financial statements as a whole as well as on the Supplemental Schedules Required by Annex 68-E included in Form 17-A in compliance with Securities Regulation Code Rule 68, As Amended (2011). The Company accrued audit fee of Seventy-Five Thousand Pesos (P75,000) for year 2020 which is the same fee with year 2019.

(e) TAX FEE

The Company has not engaged SGV for tax accounting, compliance, advice, planning and any other form of tax services during the years 2020 and 2019 that are reasonably related to the performance of the audit or review of the Company's financial statements.

(f) ALL OTHER FEES

The Company has not engaged SGV for products and services other than the services described under "Audit and Audit Related Fees" above.

- (g) The Company's Audit and Risk Management Committee was formed in 2008. The Audit Committee reviews the fee arrangements with the external auditor and recommends the same to the Board of Directors.

The members of the Audit Committee are as follows:

Dr. Jaime C. Laya (*Chairman*)
Gilberto R. Duavit, Jr.
Chief Justice Artemio V. Panganiban

Item 8. Compensation Plans

No action shall 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

Item 9. Authorization or Issuance of Securities Other than for Exchange

No action shall be taken with respect to the authorization or issuance of any securities otherwise than for exchange for outstanding securities of the Company.

Item 10. Modification or Exchange of Securities

No action shall be taken with respect to the modification of any class of securities of the Company, or the issuance or authorization for issuance of one class of securities of the Company in exchange for outstanding securities of another class.

Item 11. Financial and Other Information

In connection with Item 11 hereof, the Company has incorporated by reference the following as contained in the Management Report prepared in accordance with Rule 68 of the Securities and Regulation Code:

- a. Audited Financial Statements for December 31, 2020 and 2019;
- b. Management's Discussion and Analysis or plan of operation; and
- c. Information on business overview, properties, legal proceedings, market price of securities and dividends paid out, and corporate governance

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

No action is to be taken with respect to the mergers, consolidations, acquisitions and similar matters.

Item 13. Acquisition or Disposition of Property

No action is to be taken with respect to the acquisition or disposition of any property.

Item 14. Restatement of Accounts

No action is to be taken with respect to the restatement of any asset, capital or surplus account of the Company.

D. OTHER MATTERS**Item 15. Action with Respect to Reports**

- a. Approval of the Annual Report of Management and the Audited Financial Statements for the year ending December 31, 2020.
- b. Approval of the Minutes of the Annual Stockholders' Meeting held on July 24, 2020. The salient matters are summarized as follows:
 - (1) Approval of the Minutes of the Stockholders' Meeting held on August 9, 2019.
 - (2) Report of the President/Chief Executive Officer
 - (3) Ratification of Acts of the Board of Directors for the Previous Year
 - (4) Election of Directors, including the Independent Directors
 - (5) Election of the External Auditor
 - (6) Approval of Per Diem of Php 5,000 in favor of Directors and Officers

c. Ratification of Acts of the Board of Directors for the previous year

All acts and resolutions of the Board of Directors and Management for the period covering August 9, 2019 to July 24, 2020 adopted in the ordinary course of business involving

- > Appointment of signatories;
- > Approval of the minutes of the organizational meeting last July 24, 2020
- > Approval of the record date and venue of the Annual Stockholders' Meeting
- > Approval of the Financial Statements

Results of the Company's Previous Regular Stockholders' Meeting on July 24, 2020 (including disclosures under Section 42 of the Revised Corporation Code)

Description of the Voting and Vote Tabulation Procedures in the Previous Meeting

The Company's previous stockholders' meeting was held on July 24, 2020 via remote communication in Taguig City. The meeting was attended by the Corporation's shareholders, Directors, Management, External Auditor and External Counsel. The shareholders in person were allowed to vote on each item presented to them for approval. Voting on the matter for approval was done by yeas or nays during the meeting. Motions, in general, required the affirmative vote of a majority of the shares of the Company's common stock present and/or represented and entitled to vote, except proposed actions that required the vote of at least two thirds (2/3) of the outstanding capital stock of the Company under the law or the rules. The manner of voting is non-cumulative, except as to the election of directors. The stockholders could vote such number of shares for as many person as there are directors to be elected, or he could cumulate said shares and give one candidate as many votes as the number of directors to be elected, or he could distribute them on the same principle among as many candidates as he shall see fit; provided, the total number of votes cast by him did not exceed the number of shares owned by him multiplied by the number of directors to be elected. The Corporate Secretary of the meeting was responsible for the tabulation and verification of the votes. Moreover, stockholder participation was encouraged by the panelists who opened the floor for comments/ questions or comments during the meeting.

The Matters discussed and resolutions reached and record of the voting results for each of the agenda item were as follows:

1. Certification of Notice and Quorum

The Corporate Secretary certified that 99.9% of the total issued and outstanding common shares were represented by the owners of record.

2. Reading and Approval of the Minutes of the Annual Stockholders' Meeting on August 9, 2019

After some discussion and upon motion, the Minutes of the Annual Stockholders' Meeting were ratified and/or approved by 99.9% of the total outstanding common and preferred shares. No stockholder indicated a vote against or of abstention to the reading and approval of the Minutes of the Annual Stockholders' Meeting on August 9, 2019.

3. Ratification of the Acts of the Board of Directors/Corporate Officers

The Corporate Secretary explained that the acts, proceedings, transactions, and resolutions of the Board of Directors and Officers from August 9, 2019 up to July 24, 2020 being sought for ratification were all conducted in the ordinary course of business and were reflected in the minutes of all the Board of Directors and in accordance with good corporate practice, which are on file with the Corporate Secretary and available for inspection upon the request of any stockholder.

Upon motion duly made and seconded by the stockholders, the following resolution was approved, confirmed and ratified by 99.9% of total outstanding common and preferred shares. No stockholder indicated a vote against or of abstention to the ratification of the above-mentioned acts.

4. Election of Directors

The Company's President reported that the names of the five (5) nominees for election and approved by the Nomination Committee for nomination in accordance with the By-laws of the Corporation. Thereafter, upon motion duly made and seconded by the stockholders, the following nominees were approved for election by 99.9% of the total outstanding common and preferred shares, present or represented at the meeting.

Name of Nominee	No. of Votes
Felipe L. Gozon	99.9%
Joel Marcelo G. Jimenez	99.9%
Gilberto R. Duavit, Jr.	99.9%
Artemio V. Panganiban (Independent Director)	99.9%
Jaime C. Laya (Independent Director)	99.9%

No stockholder indicated a vote against or of abstention to the election of the foregoing Directors.

5. Annual Report of the President and Chief Executive Officer

After the President and CEO's report, a stockholder moved for the approval of the President/CEO's Annual Report together with the Financial Statements for the period ending December 31, 2019, and the motion was seconded by another stockholder. The resolution noting and approving the report of the President/CEO was approved by 99.9% of the total outstanding common and preferred shares. No stockholder indicated his or her vote against or of abstention to the Annual Report of the President and CEO.

6. Election of the External Auditor

The Chairman of the Audit Committee informed the stockholders that the Committee has reviewed the performance and the proposed fees of the current external auditor and recommended Sycip Gorres and Velayo & Co., for election as External Auditor.

Upon motion duly made and seconded, 99.9% total outstanding common and preferred shares approved the election of Sycip, Gorres and Velayo as External Auditor. No stockholder indicated a vote against or of abstention to the election of Sycip, Gorres and Velayo as External Auditor.

7. Approval of Per Diem in Favor of Directors/Officers

The Company's Comptroller stated that upon the recommendation of the Company's Compensation and Remuneration Committee, the proposed per diem in favor of the Company's directors and officers is Php 5,000.

Upon motion duly made and seconded, 99.9% total outstanding common and preferred shares approved the recommendation of the Company's Compensation and Remuneration Committee's proposed per diem in favor of the Company's directors and officers of Php 5,000.

A list of the directors, officers and stockholders, external auditors and external counsels who attended the meeting:

Shareholders Present:

Atty. Felipe L. Gozon

Mr. Gilberto R. Duavit, Jr.

Mr. Joel Marcelo G. Jimenez

Dr. Jaime C. Laya

Chief Justice Artemio V. Panganiban

Felipe S. Yalong

Present Directors:

Atty. Felipe L. Gozon

Mr. Gilberto R. Duavit, Jr.

Joel Marcelo G. Jimenez

Dr. Jaime C. Laya

Chief Justice Artemio V. Panganiban

Officers Present

Ayahl Ari Augusto P. Chio

Gilberto R. Duavit, Jr.

Roberto Rafael V. Lucila

Ronaldo P. Mastrili

Eduardo P. Santos

Felipe S. Yalong

External Auditors and External Counsels Present

Maria Estelita A. Gozon (BGEPAL Law Offices)

Belinda T. Beng Hui (Sycip Gorres & Velayo Auditing Firm)

Crystal Aleli R. Cornell (Sycip Gorres & Velayo Auditing Firm)

Ramon Dizon (Sycip Gorres & Velayo Auditing Firm)

For a copy of the minutes of the July 24, 2020 Annual Stockholders' Meeting please kindly refer to the following link

https://aphrodite.gmanetwork.com/corporate/disclosures/1-ghi_-_minutes_of_the_2020_asm_1596449324.pdf

For material information on the current stockholders, and their voting rights, kindly refer to Items 3 and 4 of this Report.

Results of the Company's Previous Special Stockholders' Meeting on March 26, 2021

Description of the Voting and Vote Tabulation Procedures in the Previous Meeting

The Company's previous stockholders' meeting was held on March 26, 2021 via remote communication in 5D Tower One, McKinley Place, New Global Bonifacio City, Fort Bonifacio, Taguig City. The meeting was attended by the Corporation's shareholders, Directors, Management and External Counsel. The shareholders in person were allowed to vote on each item presented to them for approval. Voting on the matter for approval was done by yeas or nays during the meeting. Motions, in general, required the affirmative vote of a majority of the shares of the Company's common stock present and/or represented and entitled to vote, except proposed actions that required the vote of at least two thirds (2/3) of the outstanding capital stock of the Company under the law or the rules. The manner of voting is non-cumulative, except as to the election of directors. The stockholders could vote such number of shares for as many person as there are directors to be elected, or he could cumulate said shares and give one candidate as many votes as the number of directors to be elected, or he could distribute them on the same principle among as many candidates as he shall see fit; provided, the total number of votes cast by him did not exceed the number of shares owned by him multiplied by the number of directors to be elected. The Corporate Secretary of

the meeting was responsible for the tabulation and verification of the votes. Moreover, stockholder participation was encouraged by the panelists who opened the floor for comments/ questions or comments during the meeting.

The Matters discussed and resolutions reached and record of the voting results for each agenda item were as follows:

1. Certification of Notice and Quorum

The Corporate Secretary certified that 99.9% of the total issued and outstanding common shares were represented by the owners of record.

2. Amendment of the Third Article of the Corporation's Amended Articles of Incorporation to Reflect the Change in the Corporation's Principal Office Address.

During the meeting the Corporate Secretary stated that the sole item on the Agenda is the amendment of the Company's Articles of Incorporation to change its principal office address from:

"5D Tower One, McKinley Place, New Global Bonifacio City, Fort Bonifacio, Taguig City to

Unit 3K, North Wing, Fairways Tower Condominium, 5th Avenue corner McKinley Road, Fort Bonifacio Taguig City."

All the stockholders present and represented stated their vote of "Yes" for this sole item in the Agenda."

A list of the directors, officers and stockholders who attended the meeting:

Shareholders Present:

Atty. Felipe L. Gozon

Mr. Gilberto R. Duavit, Jr.

Mr. Joel Marcelo G. Jimenez

Dr. Jaime C. Laya

Chief Justice Artemio V. Panganiban

Felipe S. Yalong

Present Directors:

Atty. Felipe L. Gozon

Mr. Gilberto R. Duavit, Jr.

Joel Marcelo G. Jimenez

Dr. Jaime C. Laya

Chief Justice Artemio V. Panganiban

Officers Present

Ayahl Ari Augusto P. Chio

Gilberto R. Duavit, Jr.

Roberto Rafael V. Lucila

Ronaldo P. Mastrili

Eduardo P. Santos

Felipe S. Yalong

For a copy of the minutes of the March 26, 2021 meeting please kindly refer to the following link:

https://aphrodite.gmanetwork.com/corporate/disclosures/1-ghi_minutes_of_the_special_stockholders_meeting_march_26_2021_1617610192.pdf

For material information on the current stockholders, and their voting rights, kindly refer to Items 3 and 4 of this Report.

Item 16. Matters Not Required to be Submitted

All actions or matters to be submitted in the meeting will require the vote of the security holders.

Item 17. Amendment of Charter, Bylaws or Other Documents

On November 11, 2020 the Board of Directors of the Corporation approved to amend the Third Article of the Company's Amended Articles of Incorporation to reflect the new principal office of the Corporation in Unit 3K, North Wing, Fairways Tower Condominium, 5th Avenue corner McKinley Road, Fort Bonifacio Taguig City, Philippines. The amendment was approved by the stockholders on March 26, 2021.

Item 18. Other Proposed Action

(a) Ratification of the Acts of the Board of Directors/Corporate Officers:

(i) Declaration on March 26, 2021 by the Company of cash distribution to the PDR holders of Php 1.35 per share. The foregoing cash distribution in the amount of Php 1.35 per PDR will be distributed to the PDR holders as of April 22, 2021 and will be paid out to the PDR Holders on May 19, 2021.

(ii) All acts and resolutions of the Board of Directors and Management for the period covering July 24, 2020 to May 28, 2021 adopted in the ordinary course of business involving

- > Appointment of signatories;/authorized representatives for certain actions;
- > Approval of the minutes of the organizational meeting last July 24, 2020
- > Approval of the record date and venue of the Annual Stockholders' Meeting
- > Approval of the Financial Statements
- > Approval of the Audit and Risk Management Committee's recommendation to appoint SYcip Gorres Velayo & Co. as the Company's external auditor for the year 2021, subject to the ratification/approval of the stockholders at the May 28, 2021 Annual Stockholders' Meeting
- > Recommendation to retain Chief Justice Artemio V. Panganiban and Dr. Jaime C. Laya as Independent Directors and the meritorious justifications therefor, subject to the stockholders' approval at the May 28, 2021 Annual Stockholders' Meeting.

(b) Election of the Members of the Board of Directors, including two independent directors for the ensuing calendar year

(c) Approval of the Meritorious Justifications for the Retention of Chief Justice Artemio V. Panganiban and Dr. Jaime C. Laya as Independent Directors

(d) Election of the External Auditor

Item 19. Voting Procedures

(a) **Vote Required:** Motions, in general, require the affirmative vote of a majority of the shares of the Company's common stock present and/or represented and entitled to vote. However, under Philippine law, certain proposed actions may require the vote of at least two thirds (2/3) of the outstanding capital stock of the Company. The manner of voting is non-cumulative, except as to the election of directors.

(b) **Method:** *Straight and cumulative voting.* In the election of directors, the five (5) nominees garnering the highest number of votes shall be elected directors. The stockholder may vote such number of shares for as many person 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, the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by the number of directors to be elected.

Voting shall be done by a show of hands.

The Corporate Secretary or the Secretary of the meeting shall likewise be responsible if the voting is done by a show of hands.

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. 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.

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

GMA HOLDINGS, INC.
9/F GMA NETWORK CENTER
EDSA corner Timog Avenue
Diliman, Quezon City

Attention: **Ronaldo P. Mastrili**
 Chief Accounting Officer

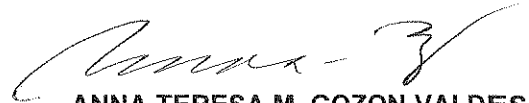
Copies of the latest Unaudited Interim Financial Statements (IFS) report can be currently viewed at <https://www.gmanetwork.com/corporate/disclosures> or through <http://www.gmaholdingsinc.com/> and hard copies of the company's IFS and management discussion may be available upon written request of the stockholder. The availability of the IFS on the website as well as the availability thereof upon request shall be published in two (2) newspapers of general circulation five (5) days before the meeting.

SIGNATURE PAGE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati on April 22, 2021

GMA HOLDINGS, INC.

By:

A handwritten signature in black ink, appearing to read 'Anna - 3', is written over the printed name.

ANNA TERESA M. GOZON-VALDES
Corporate Secretary

ANNEX E

MANAGEMENT'S REPORT

I. Business

GMA Holdings, Inc., (the "Company" or "GHI") was incorporated on February 15, 2006. As a holding Company, its primary purpose is to invest in, purchase, or otherwise acquire own, hold, use, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose of real and personal property, including, but not limited to stocks, bonds and debentures. The Company has no subsidiaries.

The Philippine Deposit Receipts ("PDRs") issued by the Company were listed with the Philippine Stock Exchange ("PSE") on July 30, 2007.

GHI does not engage in any other business or purpose except in relation to the issuance of the PDRs relating to the GMA Network, Inc. common shares ("Common Shares") for as long as the PDRs are outstanding. GHI has undertaken to perform the obligations under the PDRs and the acquisition and holding of the Common Shares underlying the PDRs, which include maintaining the listing with the PSE, and maintaining its status as a Philippine person for as long as Philippine law prohibits ownership of Common Shares by non-Philippine persons.

The registered office address of the Company is Unit 5D Tower One, One McKinley Place, New Bonifacio Global City, Fort Bonifacio, Taguig City.

Transactions with/and or dependence on related parties:

Not applicable.

Employees

The Company had no full-time employees as of March 31, 2021 and does not anticipate in hiring any employees within the next 12 months. No labor unions are present within the Company.

II. Properties

The Company does not own any real property. The Company does not lease any real property and does not intend to acquire any within the next 12 months.

III. Legal Proceedings

The Company is not, and has not been, a party to any legal proceeding.

IV. Market for Issuer's Common Equity and Related Stockholder Matters

The Company first offered PDRs relating to GMA Network, Inc. Common Shares on July 30, 2007. These PDRs were listed on the Philippine Stock Exchange on the same date.

Period in 2021	Highest Closing	Lowest Closing
1Q	8.49	5.76

Period in 2020	Highest Closing	Lowest Closing
1Q	5.49	4.80
2Q	5.29	4.52
3Q	5.50	4.42
4Q	5.95	4.75

Period in 2019	Highest Closing	Lowest Closing
1Q	5.85	5.35
2Q	5.80	4.97
3Q	5.49	5.08
4Q	5.30	5.00

GMA Holdings, Inc.'s (GHI) Philippine Deposit Receipts (PDRs) have been listed with the Philippine Stock Exchange since 2007. The price information as of the close of the latest practicable trading date of April 19, 2021 is 7.55 for GHI GMAP (PDRs).

Holders

The total number of shareholders as of March 31, 2021 was seven. The number of shares subscribed as of March 31, 2021 was 10,000 or P100,000.00. All the common shareholders of are listed hereunder:

Name of Shareholder	No. of Shares Subscribed	Percentage of Ownership
Felipe L. Gozon	3,330	33.30
Gilberto R. Duavit, Jr.	3,330	33.30

Joel Marcelo G. Jimenez	3,330	33.30
Artemio V. Panganiban	4	.04
Manuel P. Quiogue(deceased)	4	.04
Jaime C. Laya	1	.01
Felipe S. Yalong	1	.01
Total	10,000	100.00

Dividend Information

Dividends shall be declared only from the surplus profits of the Company and shall be payable at such times and in such amounts as the Board of Directors shall determine, either in cash, shares or property of the Company, or a combination of the three, as said Board of Directors shall determine. The declaration of stock dividends, however, is subject to the approval of at least two-thirds of the outstanding capital stock. No dividend which will impair the capital of the Company shall be declared.

Cash Distribution to the Company's PDR Holders

On March 26, 2021, the Company approved a cash distribution to the PDR holders of Php 1.35 per share or at the same rate of the dividend that was paid by GMA Network, Inc. to its common shareholders, undiminished by the PDR holders' proportionate share in the Company's operating cost, Inc.. The foregoing cash distribution in the amount of Php 1.35 per PDR will be distributed to the PDR holders as of April 22, 2021 and will be paid out to the PDR Holders on May 19, 2021.

On June 8, 2020, the Company approved a cash distribution to the PDR holders of Php .30 per share or at the same rate of the dividend that was paid by GMA Network, Inc. to its common shareholders, undiminished by the PDR holders' proportionate share in the Company's operating cost, Inc.. The cash distribution in the amount of Php 0.30 per PDR was distributed to the PDR holders as of June 24, 2020 and was paid out to the PDR Holders on July 16, 2020.

On March 29, 2019 the Company approved a cash distribution to the PDR holders of Php .45 per share or at the same rate of the dividend that was paid by GMA Network, Inc. to its common shareholders.. The foregoing cash distribution in the amount of Php 0.45 per PDR was distributed to the PDR holders as of April 22, 2019 and was paid out to the PDR Holders on May 15, 2019.

On April 5, 2018 the Company approved a cash distribution to the PDR holders of Php 0.50 per share or at the same rate of the dividend that was paid by GMA Network, Inc. to its common, shareholders. The foregoing cash distribution in the amount of Php 0.50 per PDR was distributed to the PDR holders as of April 23, 2018 and was paid out to the PDR holders on May 16, 2018.

On March 27, 2017, the Company approved a cash distribution to the PDR holders of Php 0.73 per share or at the same rate of the dividend that was paid by GMA Network, Inc. to its common, shareholders. The foregoing cash distribution in the amount of Php 0.73 per PDR was distributed to the PDR holders as of April 20, 2017 and was paid out to the PDR holders on May 16, 2017.

On April 8, 2016, the Company approved a cash distribution to the PDR holders of P0.40 per PDR or at the same rate of the dividend that was paid by GMA Network, Inc. to its common shareholders. The foregoing cash distribution in the amount P0.40 per PDR was distributed to PDR Holders as of April 25, 2016 and was paid out to the PDR holders on May 17, 2016.

Cash Dividends to Common Shareholders

On March 26, 2021, the Board of Directors approved the Company's declaration and distribution of Php 2,100,1000.0 cash dividends from the retained earnings of the Corporation as of December 31, 2020, to be paid on May 18, 2021 to its common stockholders of record as of April 22, 2021.

On April 13, 2020, the Board of Directors approved the Company's declaration and distribution of Php 1,300,000.00 cash dividends from the retained earnings of the Corporation as of December 31, 2019 and was paid out to the Company's common stockholders on May 22, 2020.

On March 29, 2019, the Board of Directors approved the Company's declaration and distribution of Php 2,210,000.00 cash dividends from the retained earnings of the Company as of December 31, 2018 and was paid out to the Company's common stockholders on May 14, 2019.

On April 5, 2018, the Board of Directors approved the Company's declaration and distribution of Php 3,100,000.00 cash dividends from the retained earnings of the Company as of December 31, 2016 and was paid out to the Company's common stockholders on May 16, 2018.

On March 27, 2017, the Board of Directors approved the Company's declaration and distribution of Php 1,000,000.00 cash dividends from the retained earnings of the Company as of December 31, 2016 and was paid out to the Company's commons stockholders on May 9, 2017.

On April 8, 2016, the Board of Directors approved the Company's declaration and distribution of Php 600,000.00 cash dividends from the retained earnings of the Company as of December 31, 2015 and was paid out to the Company's common stockholders on May 17, 2016.

The Company has not and will not engage in any other business or purpose except in relation to the issuance of the PDRs relating to the underlying Common Shares for as long as the PDRs are outstanding.

Any cash dividends distributed in respect of Common Shares underlying the PDRs received by the Company shall be applied towards its operating expenses then due for the preceding and current year. A further amount equal to the operating expenses in the preceding year shall be set aside to meet operating or other expenses for the succeeding year. Amounts remaining in excess of such requirements shall be distributed pro rata amongst the outstanding PDRs holders pursuant to the Philippine Deposit Receipt Instrument.

Whenever the Company shall receive or become entitled to receive from the GMA Network, Inc. any distribution in respect of the Common Shares which consists of a free distribution of Common Shares, the Company shall grant additional PDRs to holders in respect of such distributions pursuant to the Philippine Deposit Receipt Instrument.

Whenever the Company shall receive or become entitled to receive from the GMA Network, Inc. any distribution in securities (other than Common Shares) or in other property (other than cash) in respect of the Common Shares subject to the PDRs, the Company shall forthwith procure delivery of such securities or other property pro rata to PDR holders or otherwise to the order of the PDR holder pursuant to the Philippine Deposit Receipt Instrument, subject to compliance with applicable laws and regulations in the Philippines and the restriction against foreign ownership in mass media .

There are no restrictions on the Company's ability to pay dividends on common equity.

Recent Sales of Unregistered or Exempt Securities

No sale of unregistered or exempt securities of the Company has occurred within the past three years.

V. Management's Discussion and Analysis or Plan of Operation.

The following discussion should be read in conjunction with the Financial Statements of the Company that are incorporated into this Information Statement by reference. Such Financial Statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS).

As discussed in the previous section, the Company has not and will not engage in any other business or purpose except in relation to the issuance of the PDRs relating to the underlying GMA Network, Inc. Common Shares for as long as the PDRs are outstanding.

Any cash dividends or other cash distributions distributed in respect of Common Shares received by the Company (or the Pledge Trustee on its behalf) shall be applied toward the 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 (as certified by an independent auditor). A further amount equal to the operating expenses in the preceding year (as certified by an independent auditor) (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 (as certified by the independent auditor of the PDR issuer) shall be distributed to Holders pro rata on the first Business Day after such cash dividends are received by the Company.

On June 9, 2020, the Company's Board of Directors approved a cash distribution to the PDR holders of P0.30 per PDR totaling to P216.6 million to all PDR holders of record as of June 24, 2020. The amount was remitted to the PDR holders on July 16, 2020.

On March 29, 2019, the Company's Board of Directors approved a cash distribution to the PDR holders of P0.45 per PDR totaling to P329.2 million to all PDR holders of record as of April 22, 2019. The amount was remitted to the PDR holders on May 15, 2019.

On April 5, 2018, the Company's Board of Directors approved a cash distribution to the PDR holders of P0.50 per PDR totaling to P371.96 million to all PDR holders of record as of April 23, 2018. The amount was remitted to the PDR holders on May 16, 2018.

On March 27, 2017, the Company's Board of Directors approved a cash distribution to the PDR holders of P0.73 per PDR totaling to P595.24 million to all PDR holders of record as of April 20, 2017. The amount was remitted to the PDR holders on May 16, 2017.

On April 8, 2016, the Company's Board of Directors approved a cash distribution to the PDR holders of P0.40 per PDR totaling to P338.54 million to all PDR holders of record as of April 25, 2016. The amount was remitted to the PDR holders on May 17, 2016.

KEY PERFORMANCE INDICATORS

The Company's key performance indicators are focused on the dividends it receives to meet PDR holders' expectations and monitor cash and cash equivalents levels to meet its obligations with respect to the Company's current and preceding year's operation.

RESULTS OF OPERATIONS

Results of Operations of GMA Holdings Inc. for the years ended December 31, 2020 and 2019

GMA Holdings Inc. posted Revenues of P3.31 million for the year 2020, a 25% increase or P654 thousand versus last year's level of P2.66 million due to sharp increase in Exercise Fees to P2.02 million resulting from the conversion of PDR shares. However, Interest Income decreased to P1.29 million in 2020 versus P2.38 million in 2019 due to lower interest income earned on cash placement.

Operating Expenses for the year totaled P1.00 million, an increase of 6% vis-a-vis P948 thousand in 2019 due to increase in listing fees, professional fees, rent expense, and higher transportation expenses.

With higher revenues, Net Income after tax increased 58% to P2.03 million versus last year's Net Income after tax of P1.29 million. On the other hand, Total Comprehensive Income dipped to P1.87 million from last year's level of P2.73 million due to the recognition of unrealized loss of P167 thousand arising from the full redemption of a debt instrument. In 2019, the valuation of this debt instrument resulted to unrealized gain of P1.45 million which resulted to higher Total Comprehensive Income in 2019.

On March 26, 2021 the Board of Directors approved the cash dividend of P2.10 million to be paid to the common stockholders from the retained earnings of the Company as of December 31, 2020.

Financial Condition. Total assets amounted to P50.37 million, higher by 1% than last year's P49.67 million primarily due to the increase in Accounts receivable.

For the years ended December 31, 2019 and 2018

GMA Holdings Inc. ended the year with a total comprehensive income amounting to P2.73 million, 92% higher than last year's total comprehensive income of P1.42 million, due to higher interest income and unrealized gain on debt instrument at FVOCI. Net income after tax settled at P1.29 million, a decrease of P983 thousand from last year's net income after tax of P2.27 million. This year's revenues reached P2.66 million, a decline of 28% or P1.06 million from last year's level of P3.71 million mainly brought about by the decrease in exercise fees. However, interest income grew to P2.38 million in 2019 versus P2.00 million in 2018 due to higher interest income earned on cash placement.

Operating expenses for the year 2019 totaled P948 thousand vis-a-vis P1.01 million in 2018 mainly due to the decrease in listing fees amounting to P393 thousand as compared with P455 thousand in 2018 due to lower market cap, lower local business tax of P36 thousand from last year's P38 thousand due to lower 2018 tax base, lower PDR conversion, and lower transportation expenses.

On April 13, 2020 the Board of Directors approved the cash dividend of P1.30 million to be paid to the common stockholders from the retained earnings of the Company as of December 31, 2019.

Financial Condition. Total assets amounted to P49.67 million, higher by 2% than last year's P48.85 million primarily due to the increase in Debt instrument at FVOCI and Accounts receivable and other current assets.

For the years ended December 31, 2018 and 2017

GMA Holdings Inc. ended the year 2018 with a total comprehensive income amounting to Php 1.42 million, 49% lower than last year's total comprehensive income of Php 2.77 million, due to lower exercise

fees of Php 1.71 million generated from the conversion of 38,392,800 PDR shares to common shares as compared to Php 2.80 million exercise fees from 62,722,000 PDR shares converted in 2017. Likewise, net income after tax settled at Php 2.27 million, a decrease of Php 760 thousand from last year's net income after tax of Php 3.03 million. This year's revenues reached Php 3.71 million, a decline of 21% or Php 1.01 million from last year's level of Php 4.72 million mainly brought about by the decrease in exercise fees as mentioned earlier. However, interest income grew to Php 2.00 million in 2018 versus Php 1.92 million in 2017 due to higher interest income earned on cash placement.

Operating expenses for the year 2018 totaled Php 1.01 million vis-a-vis Php 1.11 million in 2017 mainly due to the decrease in listing fees amounting to Php 455 thousand as compared with Php 498 thousand in 2017 due to lower market cap. Also, professional fees decreased to Php 475 thousand versus Php 518 thousand in 2017, which included the accrual of audit fee, BDO trust fee and legal fee. On the other hand, Local business tax went up to Php 38 thousand from last year's Php 35 thousand due to higher 2017 tax base used in assessing the 2018 business tax payment.

On March 29, 2019, the Board of Directors approved the cash dividend of Php 2.21 million to be paid to the common stockholders from the retained earnings of the Company as of December 31, 2018.

Financial Condition. Total assets amounted to Php 48.85 million, lower by 3% than last year's Php 50.51 million primarily due to the decreases in Available-for-sale (AFS) investment and Accounts receivable subsequent to higher exercise fees.

For the years ended December 31, 2017 and 2016

GMA Holdings Inc. ended the 2017 with a total comprehensive income amounting to Php 2.77 million, 164% higher than last year's total comprehensive income of Php 1.05M, due to higher exercise fees of Php 2.80 million generated from the conversion of 62,722,000 PDR shares to common shares as compared to Php 508 thousand exercise fees from 11,387,000 PDR shares converted in 2016. Likewise, net income after tax grew to Php 3.03 million, an increase of Php 2.00 million from last year's net income after tax of Php 1.03 million. This year's revenues reached Php 4.72 million, an improvement of 88% or Php 2.21 million from last year's level of Php 2.51 million mainly brought about by the increase in exercise fees as mentioned earlier. Interest income, however, declined to Php 1.92 million in 2017 versus Php 2.00 million in 2016 due to lower interest income earned on cash placement.

Operating expenses for the year 2017 totaled Php 1.11 million vis-a-vis Php 1.06 million in 2016 mainly due to the increase in professional fees to Php 518 thousand versus Php 383 thousand in 2016. Local business tax went up to Php 35 thousand from last year's Php 32 thousand due to higher 2016 tax base used in assessing the 2017 business tax payment. On the other hand, listing fees amounted to Php 498 thousand, a decrease of 19% as compared with Php 614 thousand in 2016 due to the offshoot of lower market cap.

On April 5, 2018, the Board of Directors approved the cash dividend of Php 3.10 million to be paid to the common stockholders from the retained earnings of the Company as of December 31, 2017.

Financial Condition. Total assets amounted to Php 50.51 million, higher by 4% than last year's Php 48.71 million primarily due to the increase in cash and cash equivalents, on account of interest received from Unicapital cash placement and Available-for-sale (AFS) investment. Receivables also increased subsequent to higher exercise fees.

KEY VARIABLE AND OTHER QUALITATIVE OR QUANTITATIVE FACTORS

- i. Trends, demands, commitments, events or uncertainties that will have a material impact on the issuer's liquidity.

As of December 31, 2020, there were no known trends, demands, commitments, events or uncertainties that will have a material impact on the issuer's liquidity.

- ii. Events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration or an obligation.

As of December 31, 2020, there were no events which may trigger a direct or contingent financial obligation that is material to the Company.

- iii. Material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relations of the company with unconsolidated entities or other persons created during the reporting period.

There were no off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relations of the company with unconsolidated entities or other persons created as of December 31, 2020.

- iv. Material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures.

For the period January 1, 2020 to December 31, 2020, there were no material commitments for capital expenditures.

- v. Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations.

The Company's results of operations depend largely on its ability to meet PDR holders' expectations from the dividends it receives and to monitor cash and cash equivalents levels to meet its obligations with respect to the Company's current and preceding year's operation. As of December 31, 2020, there were no known trends, events or uncertainties that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations.

- vi. Significant elements of income or loss that did not arise from the issuer's continuing operations.

As of December 31, 2020, there were no significant elements of income or loss that did not arise from the issuer's continuing operations.

- vii. Causes for Material Changes in the Financial Statements

Statements of Financial Position (December 31, 2020 vs. December 31, 2019)

- o Current assets increased by P21.94 million to P50.37 million, mainly as a result of the Note redemption.
- o Current liabilities increased by P202 thousand to P48.15 million due to the VAT payable, unpaid professional and audit fees.

- viii. Seasonal aspects that had a material effect on the financial condition or results of operations.

As of December 31, 2020, there are no seasonal aspects that had a material effect on the financial condition or results of operations.

Interim Periods

The Company currently cannot make available the financial information for the first quarter of 2021. The Company however, undertakes to submit its SEC Form 17-Q on or before May 15, 2021 and to make the same available upon request during the Company's Annual Stockholders' Meeting.

Financial Statements

The Audited Financial Statements including the attached schedules therein are filed as part of this report. The statements were audited by Sycip Gorres Velayo & Co. and signed by Meynard A. Bonoan.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Since 2007, SyCip Gorres Velayo & Co. has served as the independent auditors of the Company to audit the Company's financial statements. The Company has not had any material disagreements on accounting matters or financial disclosure matters with SyCip Gorres Velayo & Co.

AUDIT AND AUDIT RELATED FEES

The Company engaged SyCip Gorres Velayo @ Co. (SGV) as the independent auditors to audit the annual financial statements in accordance with Philippine Standards on Auditing and express its opinion on these financial statements as a whole as well as on the Supplemental Schedules Required by Annex 68-E included in Form 17-A in compliance with Securities Regulation Code Rule 68, As Amended (2011). The Company accrued audit fee of Seventy-Five Thousand Pesos (P75,000) for year 2020 which is the same fee with year 2019.

TAX FEE

The Company has not engaged SGV for tax accounting, compliance, advice, planning and any other form of tax services during the years 2020 and 2019 that are reasonably related to the performance of the audit or review of the Company's financial statements.

ALL OTHER FEES

The Company has not engaged SGV for products and services other than the services described under "Audit and Audit Related Fees" above.

VI. Corporate Governance

The Board of Directors has established a set of policies and initiatives to ensure that GMA Holding's business practices are compliant with the best practices in corporate governance. The Company has adopted a Revised Manual on Corporate Governance to institutionalize the Company's adherence to these principles. This Revised Manual clearly sets out the principles of good management and defines the specific responsibilities of the Board, the Board Committees, and management within the over-all governance framework.

The Revised Manual sets out the principles of good management and defines the specific responsibilities of the Board, the Board Committees, and Management within the over-all governance framework.

The Revised Manual conforms to the requirements of the Philippine Securities and Exchange Commission and covers policies, among others:

(a) Independent Directors, (b) key board committees (e.g. Nomination Committee, Audit Committee, Compensation and Remuneration Committee); (c) independent auditors, (d) internal audit, (e) stockholder rights, (f) monitoring and assessment, and (g) penalties for non-compliance.

The Compliance Officer is responsible for monitoring compliance by the Company with the provisions and requirements of good corporate governance.

The Board of Directors, led by the Chairman, Atty. Felipe L. Gozon, strongly advocates accountability, transparency and integrity in all aspects of the business and commits themselves to the best practices of governance.

Based on the Revised Manual on Corporate Governance (attached to the Company's letter to the Securities and Exchange Commission dated May 22, 2017) including the recommendations under SEC MC No. 19 Series of 2016 which were adopted under its 2020 Revised Manual on Corporate Governance in accordance with the provisions of the Revised Corporation Code, as well as the Company's Integrated Annual Corporate Governance Report for year 2019 filed with the Securities and Exchange Commission on September 1, 2020, there have been no deviations from the Company's Manual as of date.

Board of Directors

Compliance with the principles of good governance starts with the Company's Board of Directors. The Board is responsible for oversight of the business. The Board of Directors ensures a high standard of governance, and promotes and protects the interests of the Company, its stockholders and other stakeholders.

The Board consists of five directors, two of whom are independent directors. All five members of the Board have the expertise, professional experience and background that allow a thorough discussion and deliberation of issues and matters affecting the Company.

The two Independent Directors – former Chief Justice Artemio V. Panganiban and Dr. Jaime C. Laya – have no relationship with the Company which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

The Board comprises the following members:

Name	Position
Felipe L. Gozon	Chairman
Gilberto R. Duavit, Jr.	President and Chief Executive Officer
Joel Marcelo G. Jimenez	Director
Artemio V. Panganiban	Independent Director
Jaime C. Laya	Independent Director

Board Performance

Directors attend regular or special meetings of the Board and the Stockholders' Meetings. In its meetings, the Board reviews and discusses matters requiring Board attention and approval. The Board met six (6) times in 2020. The attendance of the individual directors at these meetings is duly recorded as follows:

Director's Name	Regular and Special Meetings	
	Present	Absent
Felipe L. Gozon	6	0
Gilberto R. Duavit, Jr.	6	0
Joel Marcelo G. Jimenez	6	0
Artemio V. Panganiban	6	0
Jaime C. Laya	6	0

All directors have individually complied with the SEC's minimum attendance requirement of 50%.

The Chairman, Felipe L. Gozon, presided over all the Board meetings for the year. He likewise presided over the Stockholders' Meetings, with all the members of the Board in attendance.

Board Remuneration

On July 24, 2020, upon the recommendation of the Company's Compensation and Remuneration Committee, the stockholders unanimously approved a per diem of Php 5,000 in favor of the Company's directors and offices in the amount of Php 5,000.

Committees and Meetings of the Board of Directors

Three committees were established to aid in complying with the principles of good governance and address issues requiring the Board's attention:

Nomination Committee

The Nomination Committee is chaired by Felipe L. Gozon, with Gilberto R. Duavit, Jr., Joel Marcelo G. Jimenez and Dr. Jaime C. Laya as members. The mission of the Nomination Committee is to provide the shareholders with an independent and objective evaluation and assurance that the membership of the Board of Directors is competent and will foster the long-term success of the Corporation and secure its competitiveness. The Nomination Committee assists the Board of Directors in ensuring that all nominees to the Board of Directors are competent and qualified to be nominated as Director based on internal guidelines. This is to ensure that: (a) there is a proper mix of competent directors that would continuously improve shareholder's value; and, (b) Directors will ensure a high standard of best practices for the Company and its stakeholders. The Nomination Committee held one (1) meeting in 2020 wherein the Committee reviewed the qualification of the nominees for election as member of the Board of Directors (including Independent Directors) for 2020-2021 including the procedure for their nomination.

Director's Name	Meetings	
	Present	Absent
Felipe L. Gozon (Chairman)	1	0
Gilberto R. Duavit, Jr.	1	0
Joel Marcelo G. Jimenez	1	0
Dr. Jaime C. Laya	1	0

Compensation and Remuneration Committee

The members of the Compensation and Remuneration Committee are Gilberto R. Duavit, Jr. (Chairman), with Joel Marcelo G. Jimenez, Dr Jaime C. Laya and Chief Justice Artemio V. Panganiban as members. The Committee recommends a formal and transparent framework of remuneration and evaluation for the members of the Board of Directors and key executives to enable them to run the Company successfully. The Committee held one (1) meeting in 2020 to evaluate existing remuneration policies affecting the members of the Board of Directors and key officers. During such meeting the Committee recommended a per diem of Php 5,000 to the Directors and Officers.

Director's Name	Meetings	
	Present	Absent
Gilberto R. Duavit, Jr. (Chairman)	1	0
Joel Marcelo G. Jimenez	1	0
Dr. Jaime C. Laya	1	0

Audit and Risk Management Committee

Audit

The Audit and Risk Management Committee is currently composed of the following members: Dr. Jaime C. Laya, (Chairman), with Gilberto R. Duavit, Jr. and Artemio V. Panganiban a members. The Audit and Risk Management Committee assists the Board in its fiduciary responsibilities by providing an independent and objective assurance to the Company's management and stakeholders in the continuous improvement of risk management systems and business operations. The Audit and Risk Management Committee provides a general evaluation and gives assistance in the overall improvement of the risk management, control, and governance process of the Corporation as designed by Management and provides assurance that these are properly functioning.

The Audit and Risk Management Committee held one (1) meeting in 2020 wherein the Committee reviewed and approved, among others, the Company's 2020 Consolidated Audited Financial Statements as prepared by the external auditors and the re-appointment of SGV & Co. as external auditor, subject to the stockholders' approval.

Director's Name	Regular and Special Meetings	
	Present	Absent
Jaime C. Laya (Chairman)	1	0
Gilberto R. Duavit, Jr.	1	0
Artemio V. Panganiban	1	0

Risk Management

The Company's Board of Directors and Management are mindful of the risks and uncertainties inherent in the business. In the formulation of corporate strategy and business decision-making, potential risks are always taken into account. Necessary steps are taken to minimize, if not eliminate, such risks.

The Audit and Risk Management Committee assists the Board in the oversight of the company's risk management, ensures that it has the proper controls in place, identifies and evaluates significant risk exposures and contributes to the improvement of risk management and control systems.

The Board is responsible for presenting a clear, balanced and comprehensive assessment of the Company's financial position, performance and prospects each time it makes available its quarterly and annual financial statements to the public.

Management

The Chairman of the Board is Felipe L. Gozon, while Gilberto R. Duavit, Jr. holds the position of President and Chief Executive Officer.

Management regularly provides the Board with complete and accurate information on the operations and affairs of the Company.

Prompt Disclosures and Timely Reporting

GMA Holdings, Inc. adheres to a high level of corporate disclosure and transparency regarding the company's financial condition and state of corporate governance on a regular basis, through timely disclosures, announcements and periodic reports filed with the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange.

Consolidated audited financial statements are submitted to the SEC on or before the prescribed period and are made available to the shareholders prior to the ASM.

Financial Statements

Kindly see attached Audited Financial Statements.



ANNEX "F"

STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS

Securities and Exchange Commission
G/T Secretariat Building
PICC Complex, Roxas Boulevard
Pasay City, 1307

The management of **GMA Holdings, Inc.** is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the years ended **December 31, 2020 and 2019**, 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.

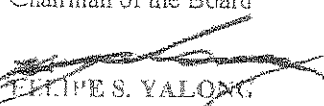
The Board of Directors is responsible for overseeing the Company's financial reporting process.

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

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 their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.


FELIPE L. GOZON
Chairman of the Board

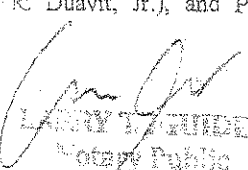

GILBERTO R. DUAVIT, JR.
President and Chief Executive Officer


FELIPE S. YALONG
Chief Financial Officer/Treasurer

Signed this 26th day of March 2021.

SUBSCRIBED AND SWORN to before me this MAR 26 2021 day of MARCH 2021, affiants exhibited to me their TIN 106-174-605 (Felipe L. Gozon), TIN 158-147-748 (Gilberto R. Duavit, Jr.), and Passport No. P2459589A issued on Mar. 27, 2017 (Felipe S. Yalong).

Doc. No. 2018
Page No. 42
Book No. 2
Series of 2021


LARRY I. GUIDEZ
Notary Public

PTR No. APR 276 01-5-21 00
HBP No. 111, 11-4-20, 00
No. 20404

MCLE 01-5-21 00
No. 20404

GMA HOLDINGS, INC.

Unit 5-D Tower One, One McKinley Place, New Bonifacio Global City, Fort Bonifacio, Taguig City 1634 Philippines
MAILING ADDRESS: GMA Network Center, EDSA cor. Timog Ave., Diliman, Quezon City 1103 Philippines

Telephone No. (632) 982-7777 loc. 8001 Fax (632) 928-5133

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C S 2 0 0 6 0 2 3 5 6

COMPANY NAME

G M A H O L D I N G S , I N C .

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

5 D T o w e r O n e , O n e M c K i n l e y P l a
c e , N e w G l o b a l B o n i f a c i o C i t y ,
F o r t B o n i f a c i o , T a g u i g C i t y

Form Type

A A F S

Department requiring the report

S E C

Secondary License Type, If Applicable

COMPANY INFORMATION

Company's Email Address

-

Company's Telephone Number

8816-3716

Mobile Number

-

No. of Stockholders

7

Annual Meeting (Month / Day)

May 28

Fiscal Year (Month / Day)

December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Mr. Ronaldo P. Mastrili

Email Address

rpmastrii@gmanetwork.com

Telephone Number/s

8816-3716

Mobile Number

-

CONTACT PERSON'S ADDRESS

GMA Network Center, Timog Avenue corner EDSA, Quezon City

NOTE 1: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2: All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.





SyCip Gorres Velayo & Co
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8818 0572
sgv.com/ph

BOA/PRC Reg. No. 0001,
October 4, 2018, valid until August 24, 2021
SEC Accreditation No. 0012-FR-5 (Group A),
November 8, 2018, valid until November 5, 2021

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
GMA Holdings, Inc.
5D Tower One, One McKinley Place
New Global Bonifacio City
Fort Bonifacio, Taguig City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of GMA Holdings, Inc. (the Company), which comprise the statements of financial position as at December 31, 2020 and 2019, 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, 2020, and 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, 2020 and 2019, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2020 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for 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.

Key Audit Matter

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. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no 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, 2020, 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, 2020 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 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 15-2010 in Note 19 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 GMA Holdings, Inc. 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 Meynard A. Bonoen.

SYCIP GORRES VELAYO & CO.


Meynard A. Bonoen

Partner

CPA Certificate No. 0110259

SEC Accreditation No. 1739-A (Group A),

February 7, 2019, valid until February 6, 2022

Tax Identification No. 301-105-435

BIR Accreditation No. 08-001998-136-2018,

December 17, 2018, valid until December 16, 2021

PTR No. 8534228, January 4, 2021, Makati City

March 26, 2021



GMA HOLDINGS, INC.**STATEMENTS OF FINANCIAL POSITION**

	December 31	
	2020	2019
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 7, 14 and 15)	₱49,088,997	₱28,063,482
Accounts receivable (Notes 14 and 15)	1,258,984	306,423
Other current assets	22,829	64,613
Total Current Assets	50,370,810	28,434,518
Noncurrent Asset		
Debt instrument at fair value through other comprehensive income (Notes 8, 14 and 15)	—	21,238,953
	₱50,370,810	₱49,673,471
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Notes 9, 14 and 15)	₱882,688	₱678,795
Due to shareholders (Notes 13, 14 and 15)	47,271,600	47,271,600
Income tax payable	—	1,528
Total Current Liabilities	48,154,288	47,951,923
Noncurrent Liability		
Deferred tax liability (see Note 12)	—	71,686
Total Liabilities	48,154,288	48,023,609
Equity		
Capital stock (Note 10)	100,000	100,000
Retained earnings (Note 10)	2,116,522	1,382,595
Unrealized gain on debt instrument at fair value through other comprehensive income - net of tax (Note 8)	—	167,267
Total Equity	2,216,522	1,649,862
	₱50,370,810	₱49,673,471

See accompanying Notes to Financial Statements.



GMA HOLDINGS, INC.

STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2020	2019	2018
REVENUE			
Interest income (Notes 7 and 8)	₱1,291,764	₱2,379,912	₱1,997,599
Exercise fees (Note 6)	2,018,049	275,991	1,713,964
	3,309,813	2,655,903	3,711,563
OPERATING EXPENSES (Note 11)	1,002,591	948,333	1,008,230
INCOME BEFORE INCOME TAX	2,307,222	1,707,570	2,703,333
PROVISION FOR INCOME TAX (Note 12)	273,295	420,822	433,799
NET INCOME	2,033,927	1,286,748	2,269,534
OTHER COMPREHENSIVE INCOME (LOSS)			
<i>Item to be reclassified to profit or loss in subsequent periods:</i>			
Unrealized gain (loss) on debt instrument at fair value through other comprehensive income - net of tax (Note 8)	(167,267)	1,445,529	(848,763)
TOTAL COMPREHENSIVE INCOME	₱1,866,660	₱2,732,277	₱1,420,771
Basic/Diluted Earnings Per Share (Note 16)	₱203.39	₱128.67	₱226.95

See accompanying Notes to Financial Statements.



GMA HOLDINGS, INC.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2020, 2019 AND 2018

	Capital Stock (Note 10)	Retained Earnings (Note 10)	Unrealized (Gain) Loss on Debt Instrument at Fair Value Through Other Comprehensive Income - net of tax (Note 8)	Total
Balance as at January 1, 2020	₱100,000	₱1,382,595	₱167,267	₱1,649,862
Net income	—	2,033,927	—	2,033,927
Other comprehensive loss	—	—	(167,267)	(167,267)
Total comprehensive income	—	2,033,927	—	1,866,660
Cash dividends	—	(1,300,000)	—	(1,300,000)
Balance as at December 31, 2020	₱100,000	₱2,116,522	₱—	₱2,216,522
Balance as at January 1, 2019	₱100,000	₱2,305,847	(₱1,278,262)	₱1,127,585
Net income	—	1,286,748	—	1,286,748
Other comprehensive income	—	—	1,445,529	1,445,529
Total comprehensive income	—	1,286,748	1,445,529	2,732,277
Cash dividends	—	(2,210,000)	—	(2,210,000)
Balance as at December 31, 2019	₱100,000	₱1,382,595	₱167,267	₱1,649,862
Balance as at January 1, 2018	₱100,000	₱3,136,313	(₱429,499)	₱2,806,814
Net income	—	2,269,534	—	2,269,534
Other comprehensive loss	—	—	(848,763)	(848,763)
Total comprehensive income	—	2,269,534	(848,763)	1,420,771
Cash dividends	—	(3,100,000)	—	(3,100,000)
Balance as at December 31, 2018	₱100,000	₱2,305,847	(₱1,278,262)	₱1,127,585

See accompanying Notes to Financial Statements.



GMA HOLDINGS, INC.

STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2020	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱2,307,222	₱1,707,570	₱2,703,333
Adjustment for interest income (Notes 7 and 8)	(1,291,764)	(2,379,912)	(1,997,599)
Operating income (loss) before working capital changes	1,015,458	(672,342)	705,734
Decrease (increase) in:			
Accounts receivable	(1,098,505)	(79,075)	743,895
Other current assets	44,752	(35,357)	219,021
Increase in accounts payable and other current liabilities	203,893	232,176	22,623
Cash flows provided by (used in) operations	165,598	(554,598)	1,691,273
Interest received	1,437,708	2,424,997	1,862,533
Income taxes paid	(277,791)	(421,027)	(432,066)
Net cash provided by operating activities	1,325,515	1,449,372	3,121,740
CASH FLOW FROM AN INVESTING ACTIVITY			
Redemption of debt instrument at fair value through other comprehensive income (Note 8)	21,000,000	—	—
CASH FLOW FROM A FINANCING ACTIVITY			
Payment of cash dividends (Notes 10 and 17)	(1,300,000)	(2,213,886)	(3,099,163)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	21,025,515	(764,514)	22,577
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	28,063,482	28,827,996	28,805,419
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 7)	₱49,088,997	₱28,063,482	₱28,827,996

See accompanying Notes to Financial Statements.



GMA HOLDINGS, INC.

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

GMA Holdings, Inc. (the Company) is incorporated in the Philippines to invest in, purchase or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, exchange or otherwise dispose real and personal property of every kind and description. The registered office address of the Company is 5D Tower One, One McKinley Place, New Global Bonifacio City, Fort Bonifacio, Taguig City. The Company was registered with the Securities and Exchange Commission (SEC) on February 15, 2006.

In 2007, the Company issued Philippine Deposit Receipts (PDRs), which were listed and traded in The Philippine Stock Exchange, Inc. (PSE) (see Note 6).

The Company will not engage in any business or purpose other than in connection with the issuance of the PDRs, the performance of the obligations under the PDRs and the acquisition and holding of the underlying shares of GMA in respect of the PDRs issued. This includes maintaining the Company's listing with the PSE and maintaining its status as a Philippine person for as long as the Philippine law prohibits ownership of GMA's shares by non-Philippine person.

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

The accompanying financial statements of the Company were approved and authorized for issuance in accordance with a resolution of the Board of Directors (BOD) on March 26, 2021.

2. Basis of Preparation and Statement of Compliance

Basis of Preparation

The financial statements of the Company have been prepared on a historical cost basis, except for the debt instrument at fair value through other comprehensive income (FVOCI) which are measured at fair value. The financial statements are presented in Philippine 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 Company's financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS).

3. Summary of Significant Changes in Accounting Policies and Disclosures

Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year, except for the following new pronouncements which the Company adopted starting January 1, 2020. Unless otherwise indicated, the adoption of these pronouncements did not have significant impact on the Company's financial statements.



▪ Amendments to PFRS 3, *Business Combinations, Definition of a Business*

The amendments to PFRS 3 clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all the inputs and processes needed to create outputs.

These amendments had no impact on the financial statements of the Company but may impact future periods should the Company enter into any business combinations.

▪ Amendments to PFRS 7, *Financial Instruments: Disclosures* and PFRS 9, *Financial Instruments, Interest Rate Benchmark Reform*

The amendments to PFRS 9 provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

These amendments had no impact on the financial statements of the Company.

▪ Amendments to Philippine Accounting Standards (PAS) 1, *Presentation of Financial Statements* and PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors, Definition of Material*

The amendments provide a new definition of material that states “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.”

The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

These amendments had no significant impact on the financial statements of the Company.

▪ Conceptual Framework for Financial Reporting issued on March 29, 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The revised Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

The Conceptual Framework had no significant impact on the financial statements of the Company.



▪ Amendments to PFRS 16, *Leases: COVID-19-Related Rent Concessions*

The amendments provide relief to lessees from applying the PFRS 16 requirement on lease modifications to rent concessions arising as a direct consequence of the COVID-19 pandemic. A lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification if it meets all of the following criteria:

- The rent concession is a direct consequence of COVID-19;
- The change in lease payments results in a revised lease consideration that is substantially the same as, or less than, the lease consideration immediately preceding the change;
- Any reduction in lease payments affects only payments originally due on or before June 30, 2021; and
- There is no substantive change to other terms and conditions of the lease.

A lessee that applies this practical expedient will account for any change in lease payments resulting from the COVID-19 related rent concession in the same way it would account for a change that is not a lease modification, i.e., as a variable lease payment.

The amendment applies to annual reporting periods beginning on or after June 1, 2020. Earlier application is permitted.

The Company adopted the amendments beginning January 1, 2020. These amendments had no impact on the financial statements of the Company.

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Company does not expect that the future adoption of the said pronouncements will have a significant impact on its financial statements. The Company intends to adopt the following pronouncements when these become effective.

Effective beginning on or after January 1, 2021

- Amendments to PFRS 9, PFRS 7, PFRS 4 and PFRS 16, *Interest Rate Benchmark Reform – Phase 2*

The amendments provide the following temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR):

- Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform
- Relief from discontinuing hedging relationships
- Relief from the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

The Company shall also disclose information about:

- The about the nature and extent of risks to which the entity is exposed arising from financial instruments subject to IBOR reform, and how the entity manages those risks; and
- Their progress in completing the transition to alternative benchmark rates, and how the entity is managing that transition



The amendments are effective for annual reporting periods beginning on or after January 1, 2021 and apply retrospectively, however, the Company is not required to restate prior periods.

The Company is currently assessing the impact of adopting these amendments.

Effective beginning on or after January 1, 2022

▪ Amendments to PFRS 3, Reference to the Conceptual Framework

The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition principle of PFRS 3, *Business Combinations* to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* or Philippine Interpretation of International Financial Reporting Interpretations Committee (IFRIC) 21, *Levies*, if incurred separately.

At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and apply prospectively.

The Company is currently assessing the impact of adopting these amendments.

▪ Amendments to PAS 16, *Plant and Equipment: Proceeds before Intended Use*

The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

These amendments are not expected to have a significant impact to the Company.

▪ Amendments to PAS 37, *Onerous Contracts – Costs of Fulfilling a Contract*

The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.



The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The Company will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

These amendments are not expected to have any impact to the Company.

■ *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*

The amendment permits a subsidiary that elects to apply paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to PFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of PFRS 1.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted.

These amendments are not expected to have any impact to the Company.

■ Amendments to PFRS 9, *Financial Instruments, Fees in the '10 per cent' Test for Derecognition of Financial Liabilities*

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The Company will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

These amendments are not expected to have a significant impact to the Company.

■ Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*

The amendment removes the requirement in paragraph 22 of PAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of PAS 41.

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after January 1, 2022 with earlier adoption permitted.

The amendments are not expected to have any impact to the Company.



Effective beginning on or after January 1, 2023

▪ Amendments to PAS 1, *Classification of Liabilities as Current or Noncurrent*

The amendments clarify paragraphs 69 to 76 of PAS 1, *Presentation of Financial Statements*, to specify the requirements for classifying liabilities as current or noncurrent. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively.

The Company is currently assessing the impact of adopting these amendments.

▪ PFRS 17, *Insurance Contracts*

PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

PFRS 17 is effective for reporting periods beginning on or after January 1, 2023, with comparative figures required.

The standard is not applicable to the Company since it is not engaged in providing insurance nor issuing 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*

The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or



contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

On January 13, 2016, the Financial Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board (IASB) completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

Adoption of these amendments are not expected to have any impact to the Company.

4. Summary of Significant Accounting Policies

Current versus Noncurrent Classification

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

An asset as current when it is:

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

A liability is current when:

- It is expected to be settled in 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.

The Company classifies all other assets and liabilities as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent.

Fair Value Measurement

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 best economic 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.

Assets and liabilities for which fair value is measured or disclosed in the Company's 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) market 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 the end of each reporting date.

The Company determines the policies and procedures for both recurring and non-recurring fair value measurements. At each reporting date, the management analyzes the movements in the values of assets and liabilities which are required to be remeasured or reassessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

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.

Details as to how the fair value of assets and liabilities are measured are provided in Note 15.

Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from dates of placement and are subject to an insignificant risk of change in value.

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

Date of Recognition of Financial Assets. The Company recognizes financial assets in the statement of financial position when it becomes a party to the contractual provisions of the instrument.

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

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

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 fair value through profit or loss, 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.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, 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.

The Company has no financial assets at FVTPL as at December 31, 2020 and 2019.

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 FVTPL

The Company's financial assets are under the financial assets at amortized cost and financial assets at FVOCI with recycling of cumulative gains and losses classification.

▪ *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 solely payments of principal and interest 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.

As at December 31, 2020 and 2019, the Company's cash and cash equivalents and accounts receivable are classified under this category.

- *Financial Assets at FVOCI (Debt Instruments).* The Company measures debt instruments at FVOCI if both the following conditions are met:
 - The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
 - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in statement of comprehensive income and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

As at December 31, 2019, the Company's unquoted debt security is classified under this category. The Company has no financial assets at FVOCI as at December 31, 2020.

Derecognition of Financial Assets. A financial asset (or, where 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; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of Financial Assets. The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. 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 effective interest rate. 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 and cash equivalents, and debt instrument at FVOCI, 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 trade-related accounts receivable, 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 90 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 fair value through profit or loss, loans and borrowings, payables, 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 and payables, net of directly attributable transaction costs.

As at December 31, 2020 and 2019, the Company's accounts payable and other current liabilities (excluding deferred output VAT and withholding tax payable) and due to shareholders are included under this category.

Subsequent Measurement. The subsequent measurement of financial liabilities depends on their classification as described below.

Payables. After initial recognition, payables 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. 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.

Other Current Assets

Other current assets are recorded at cost. Other current assets include prepaid taxes and input value-added taxes (VAT). Prepaid taxes represent taxes that are deductible from the Company's income tax payable.

Equity

Capital Stock. 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.

Retained Earnings. Retained earnings represent the Company's accumulated earnings, net of dividends declared.

Dividends. The Company recognizes a liability to make cash distribution to its equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in the Philippines, a distribution is authorized when it is approved by the BOD. A corresponding amount is recognized directly in the equity. Dividends for the year that are approved after the financial reporting date are dealt with as an event after the reporting date.

Revenue

Revenue from contracts with customers is recognized when control to the 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 services. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer.

Revenue is recognized when the Company satisfies a performance obligation by transferring a promised service to the customer, which is when the customer obtains control of the 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:

Exercise Fees. Revenue is recognized at a point in time upon conversion of PDRs to common shares.



Interest Income

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

Expenses

Expenses presented as "Operating expenses" account in the statement of comprehensive income are recognized as incurred.

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 to be 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 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, if applicable.

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the statement of financial position to the extent of the recoverable amount.

The net amount of VAT recoverable from, or payable to, the taxation authority is presented as part of "Other current assets" or part of "Accounts payable and other current liabilities" accounts in the statement of financial position, respectively.

Deferred Output VAT. Deferred output VAT represents the output VAT from sale of services that are not yet collected. Deferred output VAT is recognized as part of "Accounts payables and other current liabilities" account in the statement of financial position.

Earnings per Share (EPS)

Basic EPS amounts are calculated by dividing net income for the year by the weighted average number of ordinary shares outstanding during the year. The Company has no dilutive potential common shares outstanding, therefore, basic EPS is the same as diluted EPS.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of assets 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 determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of 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 the passage of time is recognized as interest expense. Where the Company expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the receipt of the reimbursement is virtually certain.

Contingencies

Contingent liabilities are not recognized in the financial statements. These 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.

Events after the Reporting Period

Post year-end events that provide additional information about the Company's financial position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to financial statements when material.



5. Summary of Significant Accounting Estimates and Assumptions

The preparation of the financial statements in compliance with PFRS requires the Company to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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 determinable under the circumstances.

The key estimates and assumptions concerning the future and other key sources of estimation uncertainty at 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. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when these occur.

Determining Fair Value of Debt Instrument at FVOCI. The Company has no intention of selling its debt instrument at FVOCI in the near term. It is being held indefinitely and may be sold in response to liquidity requirements or changes in market condition.

Since the debt instrument at FVOCI is not traded in an active market, the fair value is determined using appropriate valuation technique, which is the discounted cash flow methodology. The inputs to the model are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair value.

The determination of the fair value of the debt instrument at FVOCI is discussed in Note 15.

Estimating Realizability of Deferred Income Tax Assets. The Company's assessment on the recognition of deferred income tax assets on carryforward benefits of NOLCO and excess MCIT is based upon the likely timing and level of forecasted taxable income in the subsequent periods. This forecast is based on the Company's future expectations on revenue and expenses.

The Company did not recognize deferred income tax assets amounting to ₱0.04 million and ₱0.24 million as at December 31, 2020 and 2019, respectively as management believes that sufficient taxable profit will not be available against which the deductible temporary differences can be utilized (see Note 12).

6. Philippine Deposit Receipts

On July 30, 2007 and August 21, 2007, the Company issued 822,115,000 and 123,317,000 PDRs relating to GMA shares, respectively. Total number of issued PDRs is 945,432,000 for a consideration of ₱8.50 per share or ₱8,036,172,000.

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



The GMA shares are still subject to ownership restrictions on shares of corporations engaged in mass media and GMA may reject the transfer of shares to persons other than Philippine nationals. The PDRs were listed in the PSE on July 30, 2007, and the same may be exercised at any time from said date. Any cash dividends or other cash distributions in respect of GMA shares received by the Company shall be applied toward the operating expenses of the Company for the current and preceding years. A further amount equal to the operating expenses in the preceding year 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 shall be distributed to PDR holders pro-rata on the first business day after such cash dividends are received by the Company.

Upon exercise of the PDRs, an exercise price of ₱0.05 (VAT inclusive) per share shall be paid by the PDR holders. The exercise price is shown as "Exercise fees" account in the statement of comprehensive income. Exercise fees amounted to ₱2.02 million, ₱0.28 million and ₱1.71 million in 2020, 2019 and 2018, respectively.

Immediately prior to the closing of the PDR offering and additional issuances described above, GMA, to which the Company is affiliated, transferred 945,432,000 GMA shares to the Company in relation to which the PDRs were issued. For as long as the PDRs are not exercised, the shares underlying the PDRs 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 GMA shares on exercise of the right contained in the PDRs are secured by the Pledge of Shares in favor of the Pledge Trustee acting on behalf of each holder of a PDR over the GMA shares.

At any time after the PDR offering, a GMA shareholder may, at his option and from time to time, deliver shares to the Company in exchange for an equal number of PDRs. The exchange is based on prevailing traded value of GMA shares at the time of transaction with the corresponding PDR option price.

As discussed above, the Company retains the rights to receive the cash flows from its investment in GMA and assumes a contractual obligation to pay those cash flows to the PDR holders, net of operating expenses (a "pass-through" arrangement). The "pass-through" test is met because the Company (a) has no obligation to the PDR holders unless it collects equivalent amounts from its investment in GMA, (b) is contractually prohibited from selling or pledging its investment in GMA other than as security to the PDR holders for the obligation to pay the cash flows, and (c) has an obligation to remit any cash flows from the investment in GMA to the PDR holders without material delay.

Under the "pass-through" test, the Company is deemed to have transferred substantially the risks and rewards of its investment in GMA. Accordingly, the investment in GMA and the liabilities related to the issuance of the PDRs are not recognized by the Company.

The following are the details and movements of the PDRs and the underlying GMA shares for the years ended December 31:

	PDRs		Number of Shares	
	2020	2019	2020	2019
Balance at beginning of year	₱6,185,153,350	₱6,237,702,050	727,665,100	733,847,300
Exercise of PDRs	(384,236,550)	(52,548,700)	(45,204,300)	(6,182,200)
Balance at end of year	₱5,800,916,800	₱6,185,153,350	682,460,800	727,665,100



On August 10, 2020, the Company's BOD has approved to purchase and acquire PDRs issued by the Company at ₱4.55 per share but the PDR holders did not avail on the offer.

On June 9, 2020, the Company's BOD approved a cash distribution to PDR holders of ₱0.30 per share totaling ₱216.6 million, in relation to dividends declared by GMA to all shareholders of record as at June 24, 2020. These were remitted to the PDR holders on July 16, 2020.

On March 29, 2019, the Company's BOD approved a cash distribution to PDR holders of ₱0.45 per share totaling ₱329.2 million, in relation to dividends declared by GMA to all shareholders of record as at April 22, 2019. These were remitted to the PDR holders on May 15, 2019.

On April 5, 2018, the Company's BOD approved a cash distribution to PDR holders of ₱0.50 per share totaling ₱371.96 million, in relation to dividends declared by GMA to all shareholders of record as at April 23, 2018. These were remitted to the PDR holders on May 15, 2018.

The BOD approved a resolution to pass on the entire amount of the cash dividends received from GMA without deducting the Company's 2020, 2019 and 2018 projected operating expenses on June 9, 2020, March 29, 2019 and April 5, 2018, respectively. Such expenses shall be covered by the interest income from the Company's cash and cash equivalents and debt instrument at FVOCI.

7. Cash and Cash Equivalents

	2020	2019
Cash on hand and in bank	₱907,104	₱911,679
Short-term deposits	48,181,893	27,151,803
	₱49,088,997	₱28,063,482

Cash in bank earns interest at bank deposit rate. Short-term deposits are made for varying periods of up to three months depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

Interest income earned from cash in bank and short-term deposits amounted to ₱1.14 million, ₱1.25 million and ₱0.87 million in 2020, 2019 and 2018, respectively.

8. Debt Instrument at Fair Value Through Other Comprehensive Income

In 2014, the Company purchased at par a ten-year Union Bank of the Philippines (UBP) Tier Note with a face value of ₱21.00 million bearing a fixed interest rate of 5.38% from the 1st to the 21st interest payment dates and an interest rate based on the five year (5Y) PDST-R2 plus 196 basis point (bps) from the 22nd interest payment date to the last interest payment date. The interest is payable quarterly. The maturity date of this note is on February 20, 2025. However, on February 20, 2020, the issuer, UBP, redeemed the note at face amount plus the interest earned and accrued on the note.



The movements in this account are as follows:

	2020	2019
Cost		
Balance at beginning of year	₱21,000,000	₱21,000,000
Disposal during the year	21,000,000	—
Balance at end of year	—	21,000,000
Cumulative unrealized gain (loss) on debt instrument at FVOCI		
Balance at beginning of year	238,953	(1,278,262)
Unrealized gain (loss) during the year	(238,953)	1,517,215
Balance at end of year	—	238,953
	₱—	₱21,238,953

Movements in the “Unrealized gain (loss) on debt instrument at fair value through other comprehensive income - net of tax” account, presented under equity, as at December 31, 2020 and 2019 are as follows:

	2020	2019
Balance at beginning of year	₱167,267	(₱1,278,262)
Unrealized gain (loss) due to changes in fair value of debt instrument at FVOCI	(238,953)	1,517,215
Tax impact (Note 12)	71,686	(71,686)
	(167,267)	1,445,529
Balance at end of year	₱—	₱167,267

Interest income earned from the UBP Tier Note amounted to ₱0.2 million in 2020, and ₱1.13 million in 2019 and 2018.

9. Accounts Payable and Other Current Liabilities

	2020	2019
Accounts payable		
Third party	₱79,071	₱72,567
Related party (Note 13)	104,314	—
Accrued expenses:		
Professional fees (Note 13)	563,400	595,000
Others	—	1,022
Deferred output VAT	127,903	10,206
Withholding tax payable	8,000	—
	₱882,688	₱678,795

Accounts payable, accrued expenses and withholding tax payable are noninterest-bearing and are normally settled within the next financial year. Accrued expenses represent audit fees, retainer fees, trust fees and miscellaneous expenses.



10. Equity

a. Capital Stock

The Company has 10,000 authorized, issued and outstanding common shares with ₱10.00 par value per share. As at December 31, 2020 and 2019, the total number of shareholders is seven (7).

The following summarizes the information on the Company's registration of securities with the SEC as required by Revised Securities Regulation Code Rule 68:

Date of SEC Approval	Authorized Number of PDRs	Number of Issued PDRs	Issue/ Offer Price
July 30, 2007	945,432,000	945,432,000	₱8.50

As at December 31, 2020 and 2019, the total number of PDR holders, which includes Philippine Central Depository Nominee Corporation, is 151 and 138, respectively.

b. Retained Earnings

On April 13, 2020, the BOD approved the Company's declaration and distribution of cash dividends amounting to ₱1.30 million to all stockholders of record as at April 27, 2020 and were paid on June 2, 2020.

On March 29, 2019, the BOD approved the Company's declaration and distribution of cash dividends amounting to ₱2.21 million to all stockholders of record as at April 22, 2019 and were paid on May 14, 2019.

On April 5, 2018, the BOD approved the Company's declaration and distribution of cash dividends amounting to ₱3.10 million to all stockholders of record as at April 9, 2018 and were paid on May 15, 2018.

11. Operating Expenses

	2020	2019	2018
Listing fees	₱396,876	₱393,412	₱454,622
Professional fees	515,000	475,000	475,000
Taxes and licenses	36,965	36,029	37,923
Others	53,750	43,892	40,685
	<u>₱1,002,591</u>	<u>₱948,333</u>	<u>₱1,008,230</u>

12. Income Taxes

Provision for income tax as shown in the statements of comprehensive income consists of the following:

	2020	2019	2018
Final tax on interest income	₱170,360	₱415,302	₱399,520
RCIT	102,935	—	—
MCIT	—	5,520	34,279
	<u>₱273,295</u>	<u>₱420,822</u>	<u>₱433,799</u>



The reconciliation of the provision for income tax computed at statutory income tax rate to provision for income tax as shown in the statements of comprehensive income is summarized as follows:

	2020	2019	2018
Provision for income tax computed at statutory income tax rate of 30%	₱692,167	₱512,271	₱811,000
Income tax effects of:			
Interest income subjected to final tax	(217,169)	(298,672)	(199,760)
Movement in unrecognized deferred tax assets	(201,703)	52,288	(179,223)
Expired NOLCO and MCIT	—	154,935	1,782
	₱273,295	₱420,822	₱433,799

Deferred Tax Assets

The components of unrecognized deferred tax assets are as follows:

	2020	2019
MCIT	₱39,799	₱39,799
NOLCO	—	201,703
	₱39,799	₱241,502

As at December 31, 2020, MCIT that can be claimed as deduction from RCIT due is as follows:

Date Paid/Incurred	Carryforward Benefit Up To	MCIT
December 31, 2018	December 31, 2021	₱34,279
December 31, 2019	December 31, 2022	5,520
		₱39,799

The movements in NOLCO and MCIT follow:

	2020	2019
NOLCO:		
Balance at beginning of year	₱672,342	₱482,560
Addition	—	672,342
Application	(672,342)	—
Expiration	—	(482,560)
Balance at end of year	₱—	₱672,342
MCIT:		
Balance at beginning of year	₱39,799	₱44,446
Addition	—	5,520
Expiration	—	(10,167)
Balance at end of year	₱39,799	₱39,799



13. Related Party Disclosures

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

Terms and Conditions of Transactions with Related Parties

There have been no guarantees provided or recovered for any related party receivables or payables and settlements occur in cash. The Company's financial statements include the following amounts resulting from the transactions with related parties as at December 31:

Category	Year	Amount/Volume of Transactions	Outstanding Payable	Terms	Conditions
Shareholders					
Portion of proceeds retained from the issuance of PDRs	2020 2019	₱— —	₱47,271,600 47,271,600	On demand upon exercise of PDRs, noninterest-bearing	Unsecured
Belo, Gozon, Elma Law Firm (see Note 9)	2020 2019	80,000 160,000	428,400 520,000	On demand, noninterest- bearing	Unsecured
GMA Network, Inc. (see Note 9)	2020 2019	104,314 —	104,314 —	On demand, noninterest- bearing	Unsecured

The outstanding balance of "Due to shareholders" account in the statements of financial position pertains to the portion of the original proceeds from the issuance of PDRs retained by the Company as the PDR issuer in consideration for the rights granted under the PDRs equivalent to ₱0.05 per PDR. This amount will be used for the liquidation of expenses related to the issuance of the PDRs. Any excess is to be remitted to the selling shareholders.

The outstanding payable to GMA pertain to reimbursable charges on professional fees paid on behalf of the Company.

There is no compensation provided to the Company's key management personnel.

14. Financial Risk Management Objectives and Policies

The Company's principal financial instruments include cash and cash equivalents, and debt instrument at FVOCI. The main purpose of these financial instruments is to finance the Company's operations. The Company has other financial assets and liabilities such as accounts receivable, accounts payable and other current liabilities (excluding deferred output VAT and withholding tax payable) and due to shareholders, which arise directly from its operations.

The main risks arising from the Company's financial statements are as follows:

- *Liquidity Risk.* Liquidity risk arises from the possibility that the Company may encounter difficulties in raising funds to meet commitments from financial instruments.
- *Interest Rate Risk.* Interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates.
- *Credit Risk.* Credit risk arises from default of the counterparty.



The BOD reviews and approves the Company's objectives and policies.

Liquidity Risk

The Company's objective in liquidity management is to ensure that the Company has sufficient liquidity to meet obligations under normal and adverse circumstances and is able to take advantage of investment opportunities as they arise.

The Company manages its liquidity risk by using its cash and cash equivalents from operations, and interest income from cash and cash equivalents and debt instrument at FVOCI to meet its short-term liquidity needs. The Company likewise regularly evaluates other financing instruments and arrangements to broaden the Company's range of financing sources.

The tables below summarize the maturity profile of the Company's financial assets used for liquidity risk management purposes and financial liabilities based on contractual undiscounted payments as at December 31:

	2020			Total
	On Demand	3 to 12 Months	More than 1 year	
Financial assets at amortized cost				
Cash and cash equivalents	₱49,088,997	₱—	₱—	₱49,088,997
Accounts receivable	1,258,984	—	—	1,258,984
	49,088,997	—	—	49,088,997
Loans and borrowings				
Accounts payable and other current liabilities*	746,785	—	—	746,785
Due to shareholders	13,148,560	34,123,040	—	47,271,600
	13,895,345	34,123,040	—	48,018,385
Liquidity portion (gap)	₱36,452,636	(₱34,123,040)	₱—	₱2,329,596

*Excluding deferred output VAT and withholding tax payable amounting to ₱135,903.

	2019			Total
	On Demand	3 to 12 Months	More than 1 year	
Financial assets at amortized cost				
Cash and cash equivalents	₱28,063,482	₱—	₱—	₱28,063,482
Accounts receivable	306,423	—	—	306,423
Financial asset at FVOCI				
Debt instrument at FVOCI	—	965,576	20,273,377	21,238,953
	28,369,905	965,576	20,273,377	49,608,858
Loans and borrowings				
Accounts payable and other current liabilities*	668,589	—	—	668,589
Due to shareholders	10,888,345	36,383,255	—	47,271,600
	11,556,934	36,383,255	—	47,940,189
Liquidity portion (gap)	₱16,812,971	(₱35,417,679)	₱20,273,377	₱1,668,669

*Excluding deferred output VAT amounting to ₱10,206.

Interest Rate Risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt security which is subject to fair value interest rate risk.

Fair Value Interest Rate Risk. The Company's debt security earns interest at a fixed rate of 5.38% from the 1st to the 21st interest payment dates and a rate based on the 5Y PDST-R2 plus 196 bps from the 22nd interest payment date to the last interest payment date. The following table below demonstrates the sensitivity of fair value changes due to possible change in interest rates with all other variables held constant (through the impact on other comprehensive income).



	Increase (Decrease) in Basis Points	Effect on Equity	
		2020	2019
Debt instrument at FVOCI	50	-	(P217,055)
	(50)	-	708,041

Credit Risk

With respect to credit risk arising from cash and cash equivalents, accounts receivable and debt security, the Company's exposure to credit risk arises from default of the counterparty. The maximum exposure of accounts receivables and debt security is equal to their carrying amounts. For cash and cash equivalents, the maximum exposure is P48.58 million and P27.56 million as at December 31, 2020 and 2019, respectively, or the carrying amount less insured amount by the Philippine Deposit Insurance Corporation equivalent to the actual cash in bank balance to a maximum of P0.50 million per depositor per bank. It is the Company's policy to enter into transactions with a diversity of creditworthy parties to mitigate any significant concentration of credit risk. The Company has an internal mechanism to monitor the granting of credit and management of credit exposures. The Company will make provisions, when necessary, for potential losses on credits extended. The Company does not require any collateral for its financial assets.

As at December 31, 2020 and 2019, the financial assets are generally viewed by management as good and collectible considering the credit history of the counterparties. No financial assets were identified by the Company as past due or impaired financial assets as at December 31, 2020 and 2019.

Credit Quality of Financial Assets

The Company's cash and cash equivalents (excluding cash on hand), other receivables and debt instrument at FVOCI are grouped under stage 1 assessment as at December 31, 2020 and 2019. These are financial assets that are considered current and up to 30 days past due, and based on change in rating, delinquencies and payment history, do not demonstrate significant increase in credit risk. All of the Company's financial assets are considered high grade since these are from counterparties who are not expected to default in settling their obligations.

Capital Management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, payoff existing debts, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for the three years ended December 31, 2020, 2019 and 2018.

The Company's capital management is undertaken by GMA. The Company's capital includes the total equity, before other comprehensive income, which amounted to P2.21 million and P1.48 million as at December 31, 2020 and 2019, respectively.

The Company is not subject to externally imposed capital requirements.



15. Fair Value Measurement

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

Cash and Cash Equivalents, Accounts Receivable, Accounts Payable and Other Current Liabilities (excluding Deferred Output VAT and Withholding Tax Payable) and Due to Shareholders

The carrying amounts of these financial instruments approximate their fair values due to the short-term maturities of these financial instruments.

Debt Instrument at FVOCI

The estimated fair value of debt instrument at FVOCI is based on the discounted values of future cash flows. The discount rates used were based on the spot yield curve derived from government securities of different tenors plus an estimate of the counterparty's credit spread, which is based on the counterparty's credit rating. The fair value is under level 3 of the fair value hierarchy.

The following table below demonstrates the sensitivity of credit spread (through the impact on other comprehensive income).

	Increase (Decrease) in Basis Points	Effect on Equity	
		2020	2019
Debt instrument at FVOCI	50	—	(P456,008)
	(50)	—	469,088

As at December 31, 2020, the carrying value of the debt instrument at FVOCI is nil since it was redeemed in 2020 (see Note 8).

16. Basic/Diluted Earnings Per Share Computation

Basic/diluted EPS is computed as follows:

	2020	2019	2018
Net income attributable to equity holders (a)	P2,033,927	P1,286,748	P2,269,534
Common shares issued at beginning and end of year (b)	10,000	10,000	10,000
Basic/diluted earnings per share (a/b)	P203.39	P128.67	P226.95

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

17. Note to Statements of Cash Flows

Changes in liability arising from a financing activity are as follows:

	2020	2019
Dividends payable, at beginning of year	P—	P3,886
Dividend declaration (Note 10)	1,300,000	2,210,000
Cash outflow	(1,300,000)	(2,213,886)
Dividends payable, at end of year	P—	P—



18. Events after the Reporting Period

Cash Distribution and Dividends

On March 26, 2021, the Company's BOD approved a cash distribution to PDR holders of ₱1.35 per share in relation to dividends declared by GMA to all shareholders of record as at April 22, 2021 and will be paid on May 19, 2021.

On the same date, the BOD approved a resolution to pass on the entire amount of the cash dividends received from GMA without deducting its operating expenses and approved the use of the interest income from its cash and cash equivalents and debt instrument at FVOCI to cover for these expenses. Further, the BOD approved the Company's declaration and distribution of cash dividends amounting to ₱2.1 million to all stockholders of record as at April 22, 2021.

Corporate Recovery and Tax Incentive for Enterprise Act (CREATE)

President Rodrigo Duterte signed into law on March 26, 2021 the CREATE Act to attract more investments and maintain fiscal prudence and stability in the Philippines. Republic Act (RA) 11534 or the CREATE Act introduces reforms to the corporate income tax and incentives systems. It takes 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:

- Effective July 1, 2020, RCIT rate is reduced from 30% to 25% for domestic corporations. For domestic corporations with net taxable income not exceeding Php5 million and with total assets not exceeding Php100 million (excluding land on which the business entity's office, plant and equipment are situated) during the taxable year, the RCIT rate is reduced to 20%.
- MCIT rate reduced from 2% to 1% of gross income effective July 1, 2020 to June 30, 2023.
- Imposition of improperly accumulated earnings tax (IAET) is repealed.

As clarified by the Philippine Financial Reporting Standards Council in its Philippine Interpretations Committee Q&A No. 2020-07, the CREATE Act was not considered substantively enacted as of December 31, 2020 even though some of the provisions have retroactive effect to July 1, 2020. The passage of the CREATE Act into law on March 26, 2021 is considered as a non-adjusting subsequent event. Accordingly, current and deferred taxes as of and for the year ended December 31, 2020 continued to be computed and measured using the applicable income tax rates as of December 31, 2020 (i.e., 30% RCIT / 2% MCIT) for financial reporting purposes.

Applying the provisions of the CREATE Act, the Company would have been subjected to lower regular corporate income tax rate of 20% effective July 1, 2020.

This will result in lower provision for current income tax for the year ended December 31, 2020 and higher prepaid tax as of December 31, 2020, which will be reflected in the Company's 2020 annual income tax return but will only be recognized for financial reporting purposes in its 2021 financial statements. Pending clarification from the tax authorities on how the taxable income for the period beginning July 1, 2020 will be computed, the Company has not quantified the impact of the lower corporate income tax rate on the 2020 current income tax.



19. Supplementary Tax Information Required Under Revenue Regulations (RR) 15-2010

In compliance with the requirements set forth by RR 15-2010, hereunder are the information on taxes and license fees accrued and paid during the taxable year.

The Company reported and/or paid the following types of taxes in 2020:

VAT

The Company's sales and receipts are subject to output VAT while its purchases from other VAT-registered individuals or corporations are subject to input VAT. The VAT rate is 12%.

- a. Net sales/receipts and output VAT declared in the Company's VAT returns

The Company is a VAT-registered Company with output VAT declaration of ₱124,469 for the year based on the gross receipts of exercise fees of ₱1,161,710 as included in the "Exercise fee" account in the statement of comprehensive income.

- b. Input VAT

Balance at January 1, 2020	₱64,613
Current year's domestic purchases for services	79,717
Total input VAT	144,330
Applied against output VAT	124,469
Balance at December 31, 2020	₱19,861

Other Taxes and Licenses

All other local and national taxes paid for the year ended December 31, 2020 consist of:

Local taxes and license fees	₱36,465
Registration fees	500
	₱36,965

Withholding Taxes

Withholding taxes paid and/or withheld for the year ended December 31, 2020 consist of:

Final withholding tax	₱10,075,711
Expanded withholding tax	15,599
	₱10,091,310

Tax Assessments and Cases

As at December 31, 2020, the Company has no final tax assessments and cases pending before the Bureau of Internal Revenue (BIR). Likewise, the Company has no other pending tax cases outside the administration of the BIR as at December 31, 2020.





Sycip Gorres Velayo & Co.
5750 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

BOA/PRC Reg. No. 0001,
October 4, 2018, valid until August 24, 2021
SEC Accreditation No. 0012-FR-5 (Group A),
November 5, 2018, valid until November 5, 2021

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Board of Directors and Stockholders
GMA Holdings, Inc.
5D Tower One, One McKinley Place
New Global Bonifacio City
Fort Bonifacio, Taguig City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of GMA Holdings, Inc. as at December 31, 2020 and 2019, and for each of the three years in the period ended December 31, 2020 and have issued our report thereon dated March 26, 2021. 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 Financial Statements and 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.

Meynard A. Bonoeng

Partner

CPA Certificate No. 0110259

SEC Accreditation No. 1739-A (Group A),

February 7, 2019, valid until February 6, 2022

Tax Identification No. 301-105-435

BIR Accreditation No. 08-001998-136-2018,

December 17, 2018, valid until December 16, 2021

PTR No. 8534228, January 4, 2021, Makati City

March 26, 2021





Sycip Gorres Velayo & Co.
8760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

BCA/PRC Reg. No. 0001,
October 4, 2018, valid until August 24, 2021
SEC Accreditation No. 0012-FR-5 (Group A),
November 6, 2018, valid until November 5, 2021

INDEPENDENT AUDITOR'S REPORT COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Board of Directors and Stockholders
GMA Holdings, Inc.
5D Tower One, One McKinley Place
New Global Bonifacio City
Fort Bonifacio, Taguig City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of GMA Holdings, Inc. (the Company) as at December 31, 2020 and 2019 and for each of the three years in the period ended December 31, 2020, and have issued our report thereon dated March 26, 2021. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Company's financial statements as at December 31, 2020 and 2019 and for each of the three years in the period ended December 31, 2020 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Meynard A. Bonoan

Partner

CPA Certificate No. 0110259

SEC Accreditation No. 1739-A (Group A),

February 7, 2019, valid until February 6, 2022

Tax Identification No. 301-105-435

BIR Accreditation No. 08-001998-136-2018,

December 17, 2018, valid until December 16, 2021

PTR No. 8534228, January 4, 2021, Makati City

March 26, 2021



GMA HOLDINGS, INC.
Index to the Financial Statements and
Supplementary Schedules
December 31, 2020

Schedule I: Supplementary Schedules Required by Revised Securities Regulation Code Rule 68, Annex 68-J

Schedule II: Reconciliation of Retained Earnings Available for Dividend Declaration

SCHEDULE I

GMA HOLDINGS, INC.

Supplementary Schedules Required by Revised Securities Regulation Code Rule 68, Annex 68-J

December 31, 2020

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
Cash and cash equivalents		
Cash on hand	P5,000	P-
Cash in bank - Union Bank of the Philippines	902,104	15,292
Total cash on hand and in banks	907,104	15,292
Cash equivalents - Unicapital, Inc.	27,995,350	912,748
Cash equivalents - Abacus Capital & Investment Corp.	20,186,543	211,776
Total cash equivalents	48,181,893	1,124,524
	P49,088,997	P1,139,816
Debt instrument at fair value through other comprehensive income	P-	P151,948

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, 2020	Additions	Deductions		Current	Noncurrent	Balance as at December 31, 2020
			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, 2020.							

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

Name and designation	Balance as at January 1, 2020	Additions	Deductions		Current	Noncurrent	Balance as at December 31, 2020
			Amount collected	Amount written off			
Not Applicable: The Company has no receivable from related parties which are consolidated as at December 31, 2020.							

SCHEDULE I

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, 2020.

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

Name of related party	Balance at January 1, 2020	Balance at December 31, 2020
-----------------------	----------------------------	------------------------------

Not Applicable: The Company has no long-term loan from a related party as at December 31, 2020.

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, 2020.

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	10,000	10,000	-	-	10,000	-

SCHEDULE II

GMA HOLDINGS, INC.

Reconciliation of Retained Earnings Available for Dividend Declaration
As at December 31, 2020

Unappropriated retained earnings, beginning	₱1,382,595
Net income during the year closed to retained earnings	2,033,927
Dividend declaration during the year	(1,300,000)
Unappropriated retained earnings available for dividend declaration, end	₱2,116,522

GMA HOLDINGS, INC.
Supplementary Schedule on Financial Soundness Indicators
As at December 31, 2020

Ratio	Formula	2020	2019
Current Ratio	Total Current Assets divided by Total Current Liabilities	1.05	0.59
	Total Current Assets	₱50,370,810	
	Divided by: Total Current Liabilities	48,154,288	
	Current Ratio	1.05	
Asset-to-Equity Ratio	Total Assets divided by Total Equity	22.73	30.11
	Total Assets	₱50,370,810	
	Divided by: Total Equity	2,216,522	
	Asset-to-Equity Ratio	22.73	
Debt-to-Equity Ratio	Total Debt divided by Total Equity	21.73	29.11
	Total Debt	₱48,154,288	
	Divided by: Total Equity	2,216,522	
	Debt-to-Equity Ratio	21.73	
Return on Equity	Net Income divided by Average Total Equity	105.21%	92.66%
	Net Income	₱2,033,927	
	Divided by: Average Total Equity	1,933,192	
	Return on Equity	105.21%	
Return on Assets	Net Income divided by Average Total Assets	4.07%	2.61%
	Net Income	₱2,033,927	
	Divided by: Average Total Assets	50,022,141	
	Return on Assets	4.07%	
EBITDA Margin	Earnings Before Interest, Tax and Depreciation and Amortization divided by Total Revenue	69.71%	64.29%
	Earnings Before Interest, Tax and Depreciation and Amortization	₱2,307,222	
	Divided by: Total Revenue	3,309,813	
	EBITDA Margin	69.71%	
Net Profit Margin	Net Income divided by Total Revenue	61.45%	48.45%
	Net Income	₱2,033,927	
	Divided by: Total Revenue	3,309,813	
	Net Profit Margin	61.45%	

ANNEX "G"

CERTIFICATION

I, ROBERTO RAFAEL V. LUCILA, of legal age, Filipino, with office address at the 15th Floor of Sagittarius Condominium, 111, H.V. Dela Costa St., Salcedo Village, Makati City, after being duly sworn in accordance with law, hereby depose and state that:

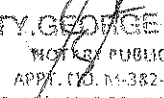
1. I am the Compliance Officer of GMA Holdings, Inc. with SEC Identification Number CS200602356, a corporation duly organized and existing under the laws of the Philippines, with office address at with principal office at Unit 5D Tower One, One McKinley Place, New Bonifacio Global City, Fort Bonifacio, Taguig City (in the process of being amended to: Unit 3K, North Wing, Fairways Tower Condominium, 5th Avenue Corner McKinley Road, Fort Bonifacio Taguig City);
2. In compliance with Article 9(B) of the 1987 Philippine Constitution, none of the Directors, Independent Directors and Officers of GMA Network, Inc. are elected as public servants and or appointment in any government agency, local or foreign, without authority of law; provided however that it must be disclosed that as of this date, Dr. Jaime C. Laya is a Trustee (Director) of the Cultural Center of the Philippines and Atty. Roberto Rafael V. Lucila is a member of the Bicol University Board of Regents;
3. I am issuing this Certificate in compliance with the requirement of the Securities and Exchange Commission.


ROBERTO RAFAEL V. LUCILA
Compliance Officer
GMA Holdings, Inc.

SUBSCRIBED AND SWORN to before me this APR 13 2021, 2021. Affiant exhibited to me his SSS ID No. 03-6383452-8.

NOTARY PUBLIC

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Book No. 193
Series of 2021.


ATTY. GEORGE DAVID D. SITON
NOTARY PUBLIC FOR MAKATI CITY
APPL. NO. M-382- UNTIL DEC. 31, 2021
ROLL NO. 68402 / MCLE COMPLIANCE NO. VI-0021936/3-29-2019
IBP O.R. No. 2275859-LIFETIME MEMBER MAY. 8, 2017
PTR No. 8533053- JAN 04, 2021- MAKATI CITY
EXECUTIVE BLDG. CENTER MAKATI AVE., COR., JUPITER ST. MAKATI CITY

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **JAIME C. LAYA**, Filipino, of legal age and a resident of 11 Panay Avenue, Quezon City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of GMA HOLDINGS, INC. and have been its independent director since 2007;
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organization	Position	Period of Service
Philippine Trust Company (Philtrust Bank)	Director and President	2004-present
GMA Network, Inc. and GMA Holdings, Inc.	Independent Director	2007-present
Ayala Land, Inc.	Independent Director	2010-present
Manila Water Company, Inc.	Independent Director	2014-present
Philippine AXA Life Insurance Co., Inc.	Independent Director	2005-present
Charter Ping An Insurance Corporation	Independent Director	2016-
Don Noberto Ty Foundation, Inc.	Chairman	2005-present
Society for Cultural Enrichment, Inc.	Vice Chairman	2009-present
Filipinas Opera Society Foundation, Inc.	Vice Chairman	2014-present
Museo del Galeon, Inc.	Trustee and Treasurer	2016-present
Makati Sports Club, Inc.	Director and Treasurer	2019-present
Cofradia de la Inmaculada Concepcion	Trustee	1979-present
Heart Foundation of the Philippines, Inc.	Trustee	ca. 1985-present
St. Paul University – Quezon City	Trustee	2002-present
Fundacion Santiago, Inc.	Trustee	2002-present
Cultural Center of the Philippines	Trustee	2003-present
Metropolitan Museum of Manila	Trustee	ca. 2004-present
Yuchengco Museum	Trustee	ca. 2007-present
Ayala Foundation, Inc.	Trustee	2013-present
Escuela Taller Foundation of the Philippines, Inc.	Chairman Emeritus	2013-present
Various other NGOs	Trustee	ca. 1990-present
Various family corporations	Director	ca. 1960-present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of GMA HOLDINGS, INC., as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. To the best of my knowledge, I am not related to any director/officer/substantial shareholder of GMA HOLDINGS, INC. and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3. of the Securities Regulation Code.

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

6. I have the required written or consent from the President of the Cultural Center of the Philippines to be an independent director in GMA HOLDINGS, INC. pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.

7. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC Issuances.

8. I shall inform the Corporate Secretary of GMA HOLDINGS, INC., of any changes in the above-mentioned information within five (5) days from its occurrence.

Done this APR 08 2021 day of APR 08 2021, 2021 at Makati City

JAIME C. LAYA

Affiant

APR 08 2021

SUBSCRIBED AND SWORN to before me this APR 08 2021 day of APR 08 2021 2021 at Makati City, affiant personally appeared before me and exhibited to me his Passport Number P2436933B by the DFA, Manila issued on July 4, 2019.

Doc. No. 64;
Page No. 15
Book No. ap
Series of 2021.

ATTY. GEORGE DAVID D. SITON

NOTARY PUBLIC FOR MAKATI CITY

APPT. NO. 462-UNTIL DEC. 31, 2021

EDLL NO. 68402/MCLE COMPLIANCE NO. VI-0021936/1-29-2019

IBP-C.R. NO. 2273459-LIFETIME MEMBER MAY. 8, 2017

PTR No. 3533055- JAN 04, 2021- MAKATI CITY

EXECUTIVE BLDG. CENTER MAKATI AVE., COR., JUPITER ST. MAKATI CITY

CERTIFICATION OF INDEPENDENT DIRECTOR


I, ARTEMIO V. PANGANIBAN, Filipino, of legal age and a resident of 1203 Acacia Street, Damariñas Village, Makati City, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for independent director of GMA HOLDINGS, INC. and have been its independent director since 2009;
2. I am affiliated with the following publicly-listed companies:

Company/Organization	Position/ Relationship	Period of Service
GMA Network, Inc.	Independent Director	2007 - present
First Philippine Holdings Corporation	Independent Director	2007 - present
Metro Pacific Investments Corporation	Independent Director	2007 - present
Meralco	Independent Director	2008 - present
Robinsons Land Corporation	Independent Director	2008 - present
Petron Corporation	Independent Director	2010 - present
Asian Terminals, Inc.	Independent Director	2010 - present
PLDT, Inc.	Independent Director	2013 - present
Jollibee Foods Corporation	Non-Executive Director	2012 - present
Metropolitan Bank & Trust Company	Senior Adviser	2007 - present
Double Dragon Properties Corp.	Adviser	2014 - present
Bank of the Philippine Islands	Member, Advisory Council	2016 - present
Merry Mart Consumer Corporation	Adviser	2020 - present
For my full bio-data, log on to my personal website: cjpanganiban.com		

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of GMA HOLDINGS, INC., as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. To the best of my knowledge, I am not related to any director/officer/substantial shareholder of GMA HOLDINGS, INC. and its subsidiaries and affiliates.
5. To the best of my knowledge, I am not the subject of any criminal or administrative investigation or proceeding pending in court.
6. To the best of my knowledge, I am neither an officer nor an employee of any government agency or government-owned and controlled corporation.
7. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC Issuances.
8. I shall inform the Corporate Secretary of GMA HOLDINGS, INC., of any changes in the above-mentioned information within five (5) days from its occurrence.


Done this APR 08 2021 day of _____, 2021 at Makati City.


ARTEMIO V. PANGANIBAN
Affiant

APR 08 2021

SUBSCRIBED AND SWORN to before me this _____ day of _____ 2021 at Makati City, affiant personally appeared before me and exhibited to me his Passport Number P0388884B issued on January 24, 2019 by the DFA Manila and will expire on January 23, 2029.

Doc. No. 67
Page No. 15
Book No. 692
Series of 2021.


ATTY. GEORGE DAVID D. SITON
NOTARY PUBLIC FOR MAKATI CITY
APPT. NO. 1-322- UNTIL DEC. 31, 2021
ROLL NO. 68452/ MCLE COMPLIANCE NO. VI-0621936/3-29-2019
IBP O.B. No. 22/5850-LIFETIME MEMBER MAY. 8, 2017
PTR No. 2513058- JAN 04, 2021- MAKATI CITY
EXECUTIVE BLDG. CENTER MAKATI AVE., COR., JUPITER ST. MAKATI CITY

CERTIFICATION OF INDEPENDENT DIRECTOR


I, **ARTEMIO V. PANGANIBAN**, Filipino, of legal age and a resident of 1203 Acacia Street, Damariñas Village, Makati City, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for independent director of GMA HOLDINGS, INC. and have been its independent director since 2009;
2. I am affiliated with the following publicly-listed companies:

Company/Organization	Position/ Relationship	Period of Service
GMA Network, Inc.	Independent Director	2007 - present
First Philippine Holdings Corporation	Independent Director	2007 - present
Metro Pacific Investments Corporation	Independent Director	2007 - present
Meralco	Independent Director	2008 - present
Robinsons Land Corporation	Independent Director	2008 - present
Petron Corporation	Independent Director	2010 - present
Asian Terminals, Inc.	Independent Director	2010 - present
PLDT, Inc.	Independent Director	2013 - present
Jollibee Foods Corporation	Non-Executive Director	2012 - present
Metropolitan Bank & Trust Company	Senior Adviser	2007 - present
Double Dragon Properties Corp.	Adviser	2014 - present
Bank of the Philippine Islands	Member, Advisory Council	2016 - present
Merry Mart Consumer Corporation	Adviser	2020 - present
For my full bio-data, log on to my personal website: cjpanganiban.com		

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of GMA HOLDINGS, INC., as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. To the best of my knowledge, I am not related to any director/officer/substantial shareholder of GMA HOLDINGS, INC. and its subsidiaries and affiliates.
5. To the best of my knowledge, I am not the subject of any criminal or administrative investigation or proceeding pending in court.
6. To the best of my knowledge, I am neither an officer nor an employee of any government agency or government-owned and controlled corporation.
7. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC Issuances.
8. I shall inform the Corporate Secretary of GMA HOLDINGS, INC., of any changes in the above-mentioned information within five (5) days from its occurrence.


Done this APR 08 2021 day of _____, 2021 at Makati City.


ARTEMIO V. PANGANIBAN
Affiant

APR 08 2021

SUBSCRIBED AND SWORN to before me this _____ day of _____ 2021 at Makati City, affiant personally appeared before me and exhibited to me his Passport Number P0388884B issued on January 24, 2019 by the DFA Manila and will expire on January 23, 2029.

Doc. No. 67
Page No. 18
Book No. 192
Series of 2021.


ATTY. GEORGE DAVID D. SITON
NOTARY PUBLIC FOR MAKATI CITY
APPT. NO. 1-382- UNTIL DEC. 31, 2021
ROLL NO. 6852/ MCLE COMPLIANCE NO. VI-0621936/3-29-2019
IBP O.R. No. 2275859-LIFETIME MEMBER MAY. 8, 2017
PTR No. 13058- JAN 04, 2021- MAKATI CITY
EXECUTIVE BLDG. CENTER MAKATI AVE., COR., JUPITER ST. MAKATI CITY