



MARKETS AND SECURITIES REGULATION DEPARTMENT

IN THE MATTER OF :
GMA NETWORK, INC. :
MSRD Order No. 25
Series of 2021
X-----X

ORDER

WHEREAS, the Company distributed its DIS on April 27 and 28, 2021; however, after the submission of the Company's DIS there is an amendment to be made thereto.

WHEREAS, on May 6, 2021, the Company filed with the Commission a request for approval to amend the said DIS, particularly to include in the agenda: 1) the investment by the Company in GMA Ventures, Inc. ("GVI") to make GVI a wholly owned subsidiary of the Company which is envisioned to primarily invest in non-core related business, and 2) the authorization of the Company to be an incorporator and subscriber of the shares of GVI initially to the extent of 24,999,993 shares with par value of Php1.00 per share. The foregoing information may be found on pages 20, 56, 57, 58, 59, 60, and 66 of the aforementioned DIS. The amendments shall be read as follows:

Page 20: Item 2. Dissenters' Right of Appraisal

X x x

The matter of the investment by the Company in GMA Ventures, Inc. ("GVI") - to be a wholly owned subsidiary envisioned to primarily invest in non-core related business will give rise to the right of appraisal of a dissenting stockholders pursuant to Sections 81 and 82 of the Revised Corporation Code.

Pages 56, 57, 58, 59, 60 and 61: Item 12. Merger, Consolidations, Acquisition and Similar Matters

X xx

For the stockholders' information, the Company hereby disclose that it intends to invest in GMA Ventures, Inc. ("GVI") to be a wholly subsidiary envisioned to primarily invest in non-core related business. For this purpose, the Company intends to be an incorporator and subscriber of the shares of GVI initially to the extent of 24,999,993 shares with par value of Php1.00 per share.

1. The name, address of the principal executive office of the proposed subsidiary:
The proposed name and address of the subsidiary will be GMA Ventures, Inc. ("GVI").
The proposed principal office address of GVI will be: GMA Network Center, EDSA cor. Timog Avenue, Diliman, Quezon
2. A brief description of the general nature of the business to be conducted by GVI
 - a. A brief description of the general nature of the business conducted by GVI:
GVI will invest primarily in companies and ventures that are not directly related to the core business of the GMA Network, Inc. (i.e., broadcasting, media and entertainment). Guided by the diversification approach approved by top management, GVI will:
 - Invest in companies and ventures that are not directly related to the core business of the Network;
 - Explore sunrise industries (e.g., digital/tech) with substantial growth horizon, and industries that continue to expand (e.g., manufacturing, agriculture, etc.) based on geographical (local and foreign), population, and economic trends; and
 - Engage in activities that may include mergers and acquisitions, partnerships such as joint ventures and investment in funds, within or outside the Philippines.
3. A summary of the material features of the proposed transaction

- a) A brief summary of the terms of the proposed investment:

GMA Ventures, Inc. will be organized as a holding company, 100% owned by GMA Network, Inc.;

Corporate Name: GMA Ventures, Inc. (GMAV)

Address: GMA Network Center, EDSA cor. Timog Avenue, Diliman, QC

Term: Perpetual (as provided in the New Corporation Code, unless otherwise specified)

Capitalization: Fifty Million Pesos (Php50,000,000.00)

Authorized capital stock: Fifty Million common stocks

Par Value: One Peso (Php1.00)

Subscribed Capital Stock: Twenty Five Million shares

Paid-up Capital: php500,000.00

- b) The reason for engaging in the transaction:

The reason for the investment by GMA Network, Inc. in GVI is to continue to protect and increase shareholder value as GMA Network, Inc. adapts and becomes more aggressive in identifying other viable revenue streams. GVI will enable and lead the GMA Network, Inc. Group to widen its market and revenue reach.

- c) An explanation of any change/difference in the rights of security holders of GMA Network, Inc. as a result of this transactions:

The proposed investment will not result in any change or difference in the rights of security holders of GMA Network, Inc.;

- d) A brief statement as to the accounting treatment of the transaction. On the books of GMA Network, Inc., once GVI is set up and subscribed capital will be paid up, the transaction will be reflected as paid-up capital stock of GVI.
4. There are no dividends in arrears or defaults in principal or interest in respect of any security of GMA Network, Inc. or GVI.
 5. GVI has nor applicable historical financial information as of this time as it has yet to be incorporated.
 6. GVI has no applicable share data as of this time excepts its proposed shareholdings structure as set forth in item no. 3 above.
 7. A statement whether any regulatory requirement must be complied with or approval must be obtained in connection with the transaction and, if so, the status of such compliance or approval:

The requirements of the Securities and Exchange Commission (SEC) in relation to the incorporation of GMA Ventures, Inc. ("GVI") must be complied with and its approval must be obtained for the purpose. Efforts shall be undertaken to complete these requirements and to facilitate the incorporation of GVI with the SEC. Moreover, the Company or GVI will comply with any further regulatory requirement/s that pertain/s to it, for any business/activity/investments that may be undertaken as a result of this transaction. Upon its incorporation, GVI shall also comply with post-incorporation regulatory requirements of the Bureau of Internal Revenue and relevant local government units/agencies, among others.

8. There is no report, opinion or appraisal that has been received from an outside party in relation to the proposed investment by GMA Network, Inc. in GVI.
9. Since GVI has yet to be incorporated, GMA Network, Inc. and GVI have no past, present or proposed contract or agreement.
10. GVI's shares will not be traded on an exchange.

c) Furnish the information specified below for the registrant and the other person:

1. A description of GMA Network, Inc.'s business, properties and legal proceedings have been disclosed in detail in the relevant portions of this Amended Information Statement, specifically on pages 69-117.

Please refer to item 9b) above for a brief description of the general nature of the business conducted by GVI. GVI has no properties and is not involved in any legal proceedings. GVI has yet to be incorporated.

2. The market price of the dividends on GMA Network, Inc.'s common equity and related stockholders matters have been disclosed in detail in the relevant portions of this Amended Information Statement, specifically on pages 117-122.

GVI's shares will not be listed or traded on an exchange. There is no applicable disclosure on GVI's market price of and dividends on registrant's common equity since GVI has yet to be incorporated. The proposed subscriber of the shares of GVI are as follows:

<u>Name of Subscriber</u>	<u>Citizenship</u>	<u>Number of shares</u>	<u>Amount Subscribed</u>	<u>Amount Paid</u>
GMA Network, Inc.	Filipino	24,999,993	P24,999,993.00	P499,993.00
Felipe L. Gozon	Filipino	1	1.00	1.00
Gilberto R. Duavit, Jr.	Filipino	1	1.00	1.00
Joel Marcelo G. Jimenez	Filipino	1	1.00	1.00
Felipe S. Yalong	Filipino	1	1.00	1.00
Lizelle G. Maralag	Filipino	1	1.00	1.00
Regie C. Bautista	Filipino	1	1.00	1.00
Anna Teresa M. Gozon Valdes	Filipino	1	1.00	1.00
Total		25,000,000	P25,000,000.00	P 500,000.00

3. GMA Network, Inc.'s Financial Statements are incorporated in and form part of this report. GVI has no Financial Statement as of this time as it has yet to be incorporated.
4. GMA Network, Inc.'s Financial Information has been disclosed in detail in the relevant portions of this Amended Information Statement, specifically on pages 80-98. There is no similar information applicable to GVI as it has yet to be incorporated.
5. Information on GMA Network, Inc's Management and Security Holders are incorporated under pages 40-44 7 48-49 of this report.

GVI'S proposed directors are as follows:

<u>Name</u>	<u>Page reference for the proposed directors' profiles</u>
Felipe L. Gozon	Page 42
Gilberto R. Duavit, Jr.	Page 43
Joel Marcelo G. Jimenez	Page 43
Regie C. Bautista	Page 49
Anna Teresa M. Gozon Valdes	Page 43
Felipe S. Yalong	Page 43
Lizelle G. Maralag	Page 48

GVI's proposed officers are as follows:

<u>Position</u>	<u>Name</u>	<u>Page reference for the proposed officers' profiles</u>
<u>Chairman/Chief Executive Officer</u>	Felipe L. Gozon	Page 42
<u>Vice Chairman</u>	Gilberto R. Duavit, Jr.	Page 43
<u>President/Chief Operating Officer</u>	Regie C. Bautista	Page 49
<u>Corporate Secretary</u>	Anna Teresa M. Gozon-Valdes	Page 43
<u>Treasurer</u>	Felipe S. Yalong	Page 43
<u>Compliance Officer</u>	Lizelle G. Maralag	Page 48

Family Relationship among directors/officers of GVI

Anna Teresa Gozon-Valdes is the daughter of Felipe L. Gozon. Felipe L. Gozon's sister, Carolina L. Gozn-Jimenez, is the mother of Jole Marcelo G. Jimenez.

Significant Employees

GVI will not be dependent on the services of any particular employee.

Involvement in Certain Legal Proceedings

To the best of the Company's knowledge, there had been no occurrence of any of the following events which are material to an evaluation of the ability or integrity of any of the foregoing proposed director, person nominated to become a director, executive officer, or control person of GVI:

- 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 proceedings, domestic or foreign, or any pending criminal proceeding, domestic or foreign, of any such person, excluding traffic violation and other minor offenses;
- Any final and executory order, judgement, 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 domestic or foreign exchange or electronic market place or self-regulatory organization, for violation of a securities or commodities law.

Page 66: Item 18. Other Proposed Action

X x x

(f) Investment by the Company in GMA Ventures, Inc. ("GVI") to be wholly owned subsidiary envisioned to primarily invest in non-core related business and the authorization of the Company to an incorporator and subscriber of the shares of GVI initially to the extent of 24,999,993 shares with par value of Php1.00 per share.

WHEREFORE, pursuant to the authority given by the Commission En Banc in SEC Resolution No. 388, Series of 2016, this Department hereby approves on May 12, 2021, the Company's request to make certain corrections to its previously filed DIS subject to its full compliance of SRC Rule 20.3.3.4.

Let this Order be published at the expense of the Company in a newspaper of general circulation and be uploaded on its website within two (2) business days from its issuance. The Company is hereby directed to furnish the Commission with a copy of the affidavit of publication of this Order.

SO ORDERED.

PICC Complex, Pasay City, Philippines, May 12, 2021


VICENTE GRACIANO P. FELIZMENIO, JR.
Director