

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

Securities and Exchange Commission  
G/F 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, 2021 and 2020**, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

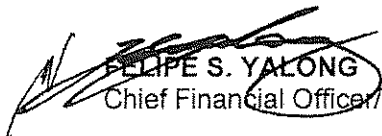
The Board of Directors is responsible for overseeing the Company's financial reporting process.

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

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

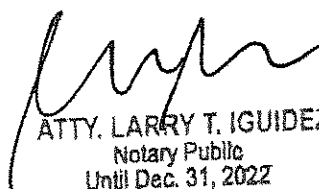
  
**GILBERTO R. DUAVIT, JR.**  
President and Chief Executive Officer

  
**FELIPE S. YALONG**  
Chief Financial Officer/Treasurer

Signed this 25<sup>th</sup> day of March 2022.

SUBSCRIBED AND SWORN to before me this APR 08 2022 day of April 2022, affiants exhibited to me their TIN 106-174-605 (Felipe L. Gozon), TIN 158-147-748 (Gilberto R. Duavit, Jr.), and TIN 102-874-052 (Felipe S. Yalong).

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Page No. 16  
Book No. 1  
Series of 2022

  
**ATTY. LARRY T. IGUIDEZ**  
Notary Public  
Until Dec. 31, 2022  
PTR No. 2443413/1-03-22, Q.C  
IBP No. 171610/1-03-22, Q.C  
Roll No. 20434  
MCLE Compliance No. VI-0017289, 01-24-18  
Notarial Comm. Adm Matter  
APR 08 2022, RTC, Q.C

# 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)

U N I T 3 K , N O R T H W I N G , F A I R W A Y S  
T O W E R C O N D O M I N I U M , 5 T H A V E N U E  
C O R N E R M C K I N L E Y R O A D , F O R T B O N  
I F A C I O T A G U I G

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

rpmastriili@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.



## INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders  
GMA Holdings, Inc.  
Unit 3K, North Wing, Fairways Tower Condominium,  
5th Avenue corner McKinley Road,  
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, 2021 and 2020, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2021, and notes to the financial statements, including a summary of significant accounting policies.

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

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

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



**Report on the Supplementary Information Required Under Revenue Regulations 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

Tax Identification No. 301-105-435

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

SEC Partner Accreditation No. 110259-SEC (Group A)

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

SEC Firm Accreditation No. 0001-SEC (Group A)

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

BIR Accreditation No. 08-001998-136-2021, November 10, 2021, valid until November 9, 2024

PTR No. 8853-476, January 3, 2022, Makati City

March 25, 2022



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

	December 31	
	2021	2020
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Notes 7, 14 and 15)	₱54,510,327	₱49,088,997
Accounts receivable (Notes 14 and 15)	1,889,215	1,258,984
Other current assets	—	22,829
Total Current Assets	56,399,542	50,370,810
Total Assets	₱56,399,542	₱50,370,810
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable and other current liabilities (Notes 9, 14 and 15)	₱851,424	₱882,688
Due to selling shareholders (Notes 13, 14 and 15)	47,271,600	47,271,600
Income tax payable	234,243	—
Total Current Liabilities	48,357,267	48,154,288
Total Liabilities	48,357,267	48,154,288
<b>Equity</b>		
Capital stock (Note 10)	100,000	100,000
Retained earnings (Note 10)	7,942,275	2,116,522
Unrealized gain on debt instrument at fair value through other comprehensive income - net of tax (Note 8)	—	—
Total Equity	8,042,275	2,216,522
	₱56,399,542	₱50,370,810

*See accompanying Notes to Financial Statements.*



**GMA HOLDINGS, INC.****STATEMENTS OF COMPREHENSIVE INCOME**

	Years Ended December 31		
	2021	2020	2019
<b>REVENUE</b>			
Interest income (Notes 7 and 8)	₱1,739,683	₱1,291,764	₱2,379,912
Exercise fees (Note 6)	9,346,668	2,018,049	275,991
	11,086,351	3,309,813	2,655,903
<b>OPERATING EXPENSES (Note 11)</b>	982,820	1,002,591	948,333
<b>INCOME BEFORE INCOME TAX</b>	10,103,531	2,307,222	1,707,570
<b>PROVISION FOR INCOME TAX (Note 12)</b>	2,177,778	273,295	420,822
<b>NET INCOME</b>	7,925,753	2,033,927	1,286,748
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>			
<i>Item not 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
<b>TOTAL COMPREHENSIVE INCOME</b>	₱7,925,753	₱1,866,660	₱2,732,277
<b>Basic/Diluted Earnings Per Share (Note 16)</b>	₱792.58	₱203.39	₱128.67

*See accompanying Notes to Financial Statements.*



**GMA HOLDINGS, INC.**

**STATEMENTS OF CHANGES IN EQUITY**

**FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019**

	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, 2021	₱100,000	₱2,116,522	₱—	₱2,216,522
Net income	—	7,925,753	—	7,925,753
Other comprehensive loss	—	—	—	—
Total comprehensive income	—	7,925,753	—	7,925,753
Cash dividends at ₱1.35 per share	—	(2,100,000)	—	(2,100,000)
Balance as at December 31, 2021	₱100,000	₱7,942,275	₱—	₱8,042,275
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 income	—	—	(167,267)	(167,267)
Total comprehensive income	—	2,033,927	(167,267)	1,866,660
Cash dividends at ₱0.30 per share	—	(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 loss	—	—	1,445,529	1,445,529
Total comprehensive income	—	1,286,748	1,445,529	2,732,277
Cash dividends at ₱0.45 per share	—	(2,210,000)	—	(2,210,000)
Balance as at December 31, 2019	₱100,000	₱1,382,595	₱167,267	₱1,649,862

*See accompanying Notes to Financial Statements.*



**GMA HOLDINGS, INC.**  
**STATEMENTS OF CASH FLOWS**

	Years Ended December 31		
	2021	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income before income tax	₱10,103,531	₱2,307,222	₱1,707,570
Adjustment for interest income (Notes 7 and 8)	(1,739,683)	(1,291,764)	(2,379,912)
Operating income (loss) before working capital changes	8,363,848	1,015,458	(672,342)
Decrease (increase) in:			
Accounts receivable	(638,380)	(1,098,505)	(79,075)
Other current assets	22,829	44,752	(35,357)
Increase in accounts payable and other current liabilities	(31,264)	203,893	232,176
Cash flows generated from (used in) operations	7,717,033	165,598	(554,598)
Interest received	1,747,832	1,437,708	2,424,997
Income taxes paid	(1,943,535)	(277,791)	(421,027)
Net cash generated from operating activities	7,521,330	1,325,515	1,449,372
<b>CASH FLOW FROM AN INVESTING ACTIVITY</b>			
Redemption of debt instrument at fair value through other comprehensive income (Note 8)	—	21,000,000	—
<b>CASH FLOW FROM A FINANCING ACTIVITY</b>			
Payment of cash dividends (Notes 10 and 17)	(2,100,000)	(1,300,000)	(2,213,886)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>5,421,330</b>	<b>21,025,515</b>	<b>(764,514)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>49,088,997</b>	<b>28,063,482</b>	<b>28,827,996</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 7)</b>	<b>₱54,510,327</b>	<b>₱49,088,997</b>	<b>₱28,063,482</b>

*See accompanying Notes to Financial Statements.*



**GMA HOLDINGS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**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 Unit 3K, North Wing, Fairways Tower Condominium, 5th Avenue corner McKinley Road, 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. 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 PDR holders pursuant to the PDR instrument.

Since the start of its operations, the BOD has approved to pass on the entire amount of the cash dividends received from GMA without deducting the Company's projected operating expenses. Such expenses shall be covered by the interest income from the Company's cash and cash equivalents and previously existing investment in FVOCI (see Notes 6 and 13).

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 25, 2022.

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**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 adoption of new standards effective in 2021. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

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

#### ▪ Amendment to PFRS 16, *COVID-19-related Rent Concessions beyond 30 June 2021*

The amendment provides 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 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, 2022; 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 is effective for annual reporting periods beginning on or after January 1, 2021. Early adoption is permitted.

The Company adopted the amendment beginning January 1, 2021. These amendments had no impact on the financial statements of the Company.

#### ▪ Amendments to PFRS 9, PAS 39, 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 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 Company adopted the amendments beginning January 1, 2021. 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 they become effective.

*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-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.

The amendments are not expected to have a significant impact on 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. The amendments are not expected to have a material impact on the Company.

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. The amendments are not expected to have a material impact on the Company.

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 a material impact on the Company.



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

*Effective beginning on or after January 1, 2023*

▪ *Amendments to PAS 12, Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented for annual reporting periods on or after January 1, 2023.

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

▪ *Amendments to PAS 8, Definition of Accounting Estimates*

The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

An entity applies the amendments to changes in accounting policies and changes in accounting estimates that occur on or after January 1, 2023 with earlier adoption permitted. The amendments are not expected to have a material impact on the Company.

▪ *Amendments to PAS 1 and PFRS Practice Statement 2, Disclosure of Accounting Policies*

The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

The amendments to the Practice Statement provide non-mandatory guidance. Meanwhile, the amendments to PAS 1 are effective for annual periods beginning on or after January 1, 2023. Early application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Company.

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



*Effective beginning on or after January 1, 2024*

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

The amendments clarify paragraphs 69 to 76 of PAS 1, *Presentation of Financial Statements*, to specify the requirements for classifying liabilities as current or non-current. 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. However, in November 2021, the International Accounting Standards Board (IASB) tentatively decided to defer the effective date to no earlier than January 1, 2024.

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

*Effective beginning on or after January 1, 2025*

▪ 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

On December 15, 2021, the FRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB.

PFRS 17 is effective for reporting periods beginning on or after January 1, 2025, with comparative figures required. Early application is permitted.



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 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.

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#### 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.

*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. *Revenue from Contracts with Customers.*

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.

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

The Company has no financial assets at FVTPL as at December 31, 2021 and 2020.

*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, 2021 and 2020, 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.

The Company has no financial assets at FVOCI as at December 31, 2021 and 2020.

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

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

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

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

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

- if the Company transfers substantially all the risks and rewards of ownership of the financial asset, the Company shall derecognize the financial asset and recognize separately as assets or liabilities any rights and obligations created or retained in the transfer.



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

*Impairment of Financial Assets.* The Company recognizes an allowance for expected credit 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, 2021 and 2020, the Company's accounts payable and other current liabilities (excluding deferred output VAT and withholding tax payable) and due to selling shareholders are included under this category.

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

*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 comprehensive income.

#### 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.

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### **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.

*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 ₱5,520 and ₱39,799 as at December 31, 2021 and 2020, respectively as management believes that sufficient taxable profit will not be available against which the deductible temporary differences can be utilized (see Note 12).

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### **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 ₱9.35 million, ₱2.02 million and ₱0.28 million in 2021, 2020 and 2019, 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.

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	
	2021	2020	2021	2020
Balance at beginning of year	<b>₱5,800,916,800</b>	₱6,185,153,350	<b>682,460,800</b>	727,665,100
Exercise of PDRs	<b>(1,779,605,492)</b>	(384,236,550)	<b>(209,365,352)</b>	(45,204,300)
Balance at end of year	<b>4,021,311,308</b>	₱5,800,916,800	<b>473,095,448</b>	682,460,800

On March 26, 2021, the Company's BOD approved a cash distribution to PDR holders of ₱1.35 per share totaling ₱909.9 million, in relation to dividends declared by GMA to all shareholders of record as at April 22, 2021. These were remitted to the PDR holders on May 19, 2021.

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.

The BOD approved a resolution to pass on the entire amount of the cash dividends received from GMA without deducting the Company's 2021, 2020 and 2019 projected operating expenses on March 26, 2021, June 9, 2020 and March 29, 2019, respectively. Such expenses shall be covered by the interest income from the Company's cash and cash equivalents and previously existing investment in FVOCI. Accordingly, the entire amount of the cash dividends received from GMA were remitted to the PDR holders.

## 7. Cash and Cash Equivalents

	2021	2020
Cash on hand and in bank	₱7,189,453	₱907,104
Short-term deposits	47,320,874	48,181,893
	<b>₱54,510,327</b>	<b>₱49,088,997</b>

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 ₱1.74 million, ₱1.14 million and ₱1.25 million in 2021, 2020 and 2019, 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, UB, redeemed the note at face amount plus the interest earned and accrued on the note.

The movements in this account are as follows:

	2021	2020
<b>Cost</b>		
Balance at beginning of year	₱—	₱21,000,000
Disposal during the year		21,000,000
Balance at end of year	—	—
<b>Cumulative unrealized gain (loss) on debt instrument at FVOCI</b>		
Balance at beginning of year	—	238,953
Unrealized gain (loss) during the year	—	(238,953)
Balance at end of year	—	—
	<b>₱—</b>	<b>₱—</b>



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, 2021 and 2020 are as follows:

	2021	2020
Balance at beginning of year	P-	P167,267
Unrealized gain (loss) due to changes in fair value of debt instrument at FVOCI		(238,953)
Tax impact (Note 12)	-	71,686
	-	(167,267)
Balance at end of year	P-	P-

Interest income earned from the UBP Tier Note amounted to Pnil million, P0.15 million, and P1.13 million in 2021, 2020 and 2019, respectively.

#### 9. Accounts Payable and Other Current Liabilities

	2021	2020
Accounts payable		
Third party	P76,723	P79,071
Related party (Note 13)	-	104,314
Accrued professional fees (Note 13)	578,400	563,400
Deferred output VAT	196,301	127,903
Withholding tax payable	-	8,000
	P851,424	P882,688

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 P10.00 par value per share. As at December 31, 2021 and 2020, 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	P8.50

As at December 31, 2021 and 2020, the total number of PDR holders, which includes Philippine Central Depository Nominee Corporation, is 148 and 151, respectively.



b. Retained Earnings

On March 26, 2021, the BOD approved the Company's declaration and distribution of cash dividends amounting to ₱2.10 million to all stockholders of record as at April 22, 2021 and were paid on May 18, 2021.

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.

# 11. Operating Expenses

	2021	2020	2019
Professional fees	₱535,000	₱515,000	₱475,000
Listing fees	410,019	396,876	393,412
Taxes and licenses	21,513	36,965	36,029
Others	16,288	53,750	43,892
	<b>₱982,820</b>	<b>₱1,002,591</b>	<b>₱948,333</b>

# 12. Income Taxes

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

	2021	2020	2019
Final tax on interest income	₱103,972	₱170,360	₱415,302
RCIT	2,073,806	102,935	—
MCIT	—	—	5,520
	<b>₱2,177,778</b>	<b>₱273,295</b>	<b>₱420,822</b>

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:

	2021	2020	2019
Provision for income tax computed at statutory income tax rate of 25%	₱2,525,883	₱692,167	₱512,271
Income tax effects of:			
Interest income subjected to final tax	(330,949)	(217,169)	(298,672)
Expired NOLCO and MCIT	34,279	—	154,935
Movement in unrecognized deferred tax assets	(34,279)	(201,703)	52,288
Adjustment to current income tax due to change in tax rate	(17,156)	—	—
	<b>₱2,177,778</b>	<b>₱273,295</b>	<b>₱420,822</b>



### Deferred Tax Assets

The components of unrecognized deferred tax assets are as follows:

	2021	2020
MCIT	<b>₱5,520</b>	₱39,799
NOLCO	—	—
	<b>₱5,520</b>	<b>₱39,799</b>

As at December 31, 2021, MCIT amounting to ₱5,520 can be claimed as deduction from RCIT with carryforward benefit up to December 31, 2022.

The movements in NOLCO and MCIT follow:

	2021	2020
<b>NOLCO:</b>		
Balance at beginning of year	<b>₱—</b>	₱672,342
Application	—	(672,342)
Balance at end of year	<b>₱—</b>	<b>₱—</b>
<b>MCIT:</b>		
Balance at beginning of year	<b>₱39,799</b>	₱39,799
Expiration	<b>(34,279)</b>	—
Balance at end of year	<b>₱5,520</b>	<b>₱39,799</b>

### Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act

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

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

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

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

The Company recognized in its financial statements as at and for the year ended December 31, 2021, a reduction in Provision for income tax - current to ₱17.156 pertaining to the change in tax rate for the year ended December 31, 2020.



### 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.

The Company has an approval requirement such that material related party transactions (RPTs) shall be reviewed by the Audit and Risk Management Committee (the Committee) and submitted to the BOD for approval. Material RPTs are those transactions that meet the threshold value amounting to ten percent (10%) or higher of the Company's total assets based on its latest audited financial statements either individually, or in aggregate over a twelve (12)-month period with the same related party.

#### 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
<b>Shareholders</b>					
Portion of proceeds retained from the issuance of PDRs	2021	<b>P-</b>	<b>P47,271,600</b>	On demand upon	Unsecured
	2020	-	47,271,600	exercise of PDRs, noninterest-bearing	
<i>(Forward)</i>					
Belo, Gozon, Elma Law Firm (see Note 9)	2021	-	<b>428,400</b>	On demand, noninterest-	Unsecured
	2020	80,000	428,400	bearing	
GMA Network, Inc. (see Note 9)	2021	<b>104,314</b>	-	On demand, noninterest-	Unsecured
	2020	104,314	104,314	bearing	

The outstanding balance of "Due to selling 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 P0.05 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. 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 selling 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.
- *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:

2021				
	On Demand	3 to 12 Months	More than 1 year	Total
<b>Financial assets at amortized cost</b>				
Cash and cash equivalents	₱54,510,327	₱-	₱-	₱54,510,327
Accounts receivable	1,889,215	-	-	1,889,215
	56,399,542	-	-	56,399,542
<b>Loans and borrowings</b>				
Accounts payable and other current liabilities*	655,123	-	-	655,123
Due to selling shareholders	23,616,828	23,654,772	-	47,271,600
	24,271,951	23,654,772	-	47,926,723
<b>Liquidity portion (gap)</b>	<b>₱32,127,591</b>	<b>(₱23,654,772)</b>	<b>₱-</b>	<b>₱8,472,819</b>

\*Excluding deferred output VAT and withholding tax payable amounting to ₱196,301.

2020				
	On Demand	3 to 12 Months	More than 1 year	Total
<b>Financial assets at amortized cost</b>				
Cash and cash equivalents	₱49,088,997	₱-	₱-	₱49,088,997
Accounts receivable	1,258,984	-	-	1,258,984
<b>Financial asset at FVOCI</b>				
Debt instrument at FVOCI	-	-	-	0
	50,347,981	-	-	50,347,981
<b>Loans and borrowings</b>				
Accounts payable and other current liabilities*	746,785	-	-	746,785
Due to selling shareholders	13,148,560	34,123,040	-	47,271,600
	13,895,345	34,123,040	-	48,018,385
<b>Liquidity portion (gap)</b>	<b>₱36,452,636</b>	<b>(₱34,123,040)</b>	<b>₱-</b>	<b>2,329,596</b>

\*Excluding deferred output VAT amounting to ₱135,903.



#### 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 ₱54.02 million and ₱48.58 million as at December 31, 2021 and 2020, 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 ₱0.50 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, 2021 and 2020, 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, 2021 and 2020.

#### 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, 2021 and 2020. 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, 2021, 2020 and 2019.

The Company's capital management is undertaken by GMA. The Company's capital includes the total equity, before other comprehensive income, which amounted to ₱8.04 million and 2.22 million as at December 31, 2021 and 2020, respectively.

The Company is not subject to externally imposed capital requirements.

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### **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 Selling Shareholders

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



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**16. Basic/Diluted Earnings Per Share Computation**

Basic/diluted EPS is computed as follows:

	2021	2020	2019
Net income attributable to equity holders (a)	₱7,925,753	₱2,033,927	₱1,286,748
Common shares issued at beginning and end of year (b)	10,000	10,000	10,000
Basic/diluted earnings per share (a/b)	₱792.58	₱203.39	₱128.67

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:

	2021	2020
Dividends payable, at beginning of year	₱-	₱-
Dividend declaration (Note 10)	2,100,000	1,300,000
Cash outflow	(2,100,000)	(1,300,000)
Dividends payable, at end of year	₱-	₱-

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**18. Events after the Reporting Period**

Cash Distribution and Dividends

On March 25, 2022, the Company's BOD approved a cash distribution to PDR holders of ₱1.45 per share in relation to dividends declared by GMA to all shareholders of record as at April 25, 2022 and will be paid on May 18, 2022.

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 to cover for these expenses. Further, the BOD approved the Company's declaration and distribution of cash dividends amounting to ₱7.9 million to all stockholders of record as at April 25, 2022.

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**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 2021:

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 ₱1,053,202 for the year based on the gross receipts of exercise fees of ₱8,776,865 as included in the "Exercise fee" account in the statement of comprehensive income.

b. Input VAT

Balance at January 1, 2021	₱19,860
Current year's domestic purchases for services	49,340
Total input VAT	69,200
Applied against output VAT	(69,200)
Balance at December 31, 2021	₱-

Other Taxes and Licenses

All other local and national taxes paid for the year ended December 31, 2021 consist of:

Local taxes and license fees	₱21,013
Registration fees	500
	₱21,513

Withholding Taxes

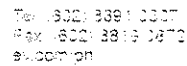
Withholding taxes paid and/or withheld for the year ended December 31, 2021 consist of:

Final withholding tax	₱29,788,750
Expanded withholding tax	36,700
	₱29,825,450

Tax Assessments and Cases

As at December 31, 2021, 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, 2021.





## INDEPENDENT AUDITOR'S REPORT COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Board of Directors and Stockholders  
GMA Holdings, Inc.  
Unit 3K, North Wing, Fairways Tower Condominium,  
5th Avenue corner McKinley Road,  
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, 2021 and 2020 and for each of the three years in the period ended December 31, 2021, and have issued our report thereon dated March 25, 2022. 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, 2021 and 2020 and for each of the three years in the period ended December 31, 2021 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.



Meynard A. Bonoer

Partner

CPA Certificate No. 0110259

Tax Identification No. 301-105-435

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

SEC Partner Accreditation No. 110259-SEC (Group A)

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

SEC Firm Accreditation No. 0001-SEC (Group A)

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

BIR Accreditation No. 08-001998-136-2021, November 10, 2021, valid until November 9, 2024

PTR No. 8853476, January 3, 2022, Makati City

March 25, 2022



**GMA HOLDINGS, INC.**  
**Index to the Supplementary Schedules**  
**December 31, 2021**

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

**GMA HOLDINGS, INC.****Supplementary Schedules Required by Revised Securities Regulation Code Rule 68,  
Annex 68-J  
December 31, 2021****Schedule A. Financial Assets**

Name of issuing entity and association of each issue	Amount shown in the statements of financial position	Income received and accrued
<b>Cash and cash equivalents</b>		
Cash on hand	5,000	P-
Cash in bank - Union Bank of the Philippines	7,184,453	6,099
<b>Total cash on hand and in banks</b>	<b>7,189,453</b>	<b>6,099</b>
Cash equivalents - Unicapital, Inc.	26,092,956	1,645,134
Cash equivalents - Abacus Capital & Investment Corp.	21,227,918	88,450
<b>Total cash equivalents</b>	<b>47,320,874</b>	<b>1,733,584</b>
	<b>P54,510,327</b>	<b>P1,739,683</b>
<b>Debt instrument at fair value through other comprehensive income</b>	<b>P-</b>	<b>P-</b>

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

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

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

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

**SCHEDULE 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, 2021.

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

Name of related party	Balance at January 1, 2021	Balance at December 31, 2021
-----------------------	----------------------------	------------------------------

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

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

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

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

**Schedule G. Capital Stock**

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related statement of financial position caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers, and employees	Others
Common stock	10,000	10,000	—	—	10,000	—

**GMA HOLDINGS, INC.****Reconciliation of Retained Earnings Available for Dividend Declaration  
As at December 31, 2021**

Unappropriated retained earnings, beginning	₱2,116,522
Net income during the year closed to retained earnings	7,925,753
Dividend declaration during the year	(2,100,000)
Unappropriated retained earnings available for dividend declaration, end	₱7,942,275

**GMA HOLDINGS, INC.**  
**Supplementary Schedule on Financial Soundness Indicators**  
**As at December 31, 2021**

Ratio	Formula	2021	2020
Current Ratio	Total Current Assets divided by Total Current Liabilities  <div> <div>Total Current Assets</div> <div>Divided by: Total Current Liabilities</div> <div>Current Ratio</div> </div>	1.17	1.05
Asset-to-Equity Ratio	Total Assets divided by Total Equity  <div> <div>Total Assets</div> <div>Divided by: Total Equity</div> <div>Asset-to-Equity Ratio</div> </div>	7.01	22.73
Debt-to-Equity Ratio	Total Debt divided by Total Equity  <div> <div>Total Debt</div> <div>Divided by: Total Equity</div> <div>Debt-to-Equity Ratio</div> </div>	6.01	21.73
Return on Equity	Net Income divided by Average Total Equity  <div> <div>Net Income</div> <div>Divided by: Average Total Equity</div> <div>Return on Equity</div> </div>	154.52%	105.21%
Return on Assets	Net Income divided by Average Total Assets  <div> <div>Net Income</div> <div>Divided by: Average Total Assets</div> <div>Return on Assets</div> </div>	14.85%	4.07%
EBITDA Margin	Earnings Before Interest, Tax and Depreciation and Amortization divided by Total Revenue  <div> <div>Earnings Before Interest, Tax and Depreciation and Amortization</div> <div>Divided by: Total Revenue</div> <div>EBITDA Margin</div> </div>	91.13%	69.71%
Net Profit Margin	Net Income divided by Total Revenue  <div> <div>Net Income</div> <div>Divided by: Total Revenue</div> <div>Net Profit Margin</div> </div>	71.49%	61.45%

## Quinto, Abelardo T.

---

**From:** Areola, Farley D.  
**Sent:** Monday, April 18, 2022 11:19 AM  
**To:** Quinto, Abelardo T.  
**Subject:** FW: Your BIR AFS eSubmission uploads were received

**From:** eafs@bir.gov.ph <eafs@bir.gov.ph>  
**Sent:** Monday, April 18, 2022 11:00 AM  
**To:** Areola, Farley D. <FDAreola@gmanetwork.com>  
**Cc:** Areola, Farley D. <FDAreola@gmanetwork.com>  
**Subject:** Your BIR AFS eSubmission uploads were received

You don't often get email from [eafs@bir.gov.ph](mailto:eafs@bir.gov.ph). [Learn why this is important](#)  
Hi GMA HOLDINGS INC,

### Valid files

- EAFS244658896ITRTY122021.pdf
- EAFS244658896AFSTY122021.pdf
- EAFS244658896RPTTY122021.pdf

### Invalid file

- <None>

Transaction Code: **AFS-0-4QXT211N0CFJ7976HQ4W3VWR10M4MVN4SQ**  
Submission Date/Time: **Apr 18, 2022 11:00 AM**  
Company TIN: **244-658-896**

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

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

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## 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)	Chairman	2021-present
GMA Network, Inc. and GMA Holdings, Inc.	Independent Director	2007-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.	President	2021-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.

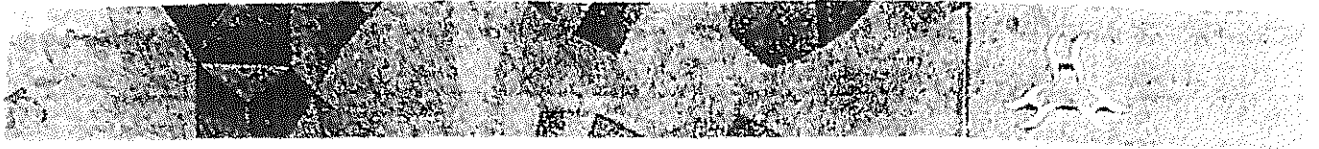
Done this \_\_\_\_ day of APR 06 2022, 2022 at Makati City.

  
**JAIME C. LAYA**  
Affiant

SUBSCRIBED AND SWORN to before me this APR 06 2022 day of APR 06 2022 2022 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. 474  
Page No. 24  
Book No. 265  
Series of 2022.

  
**ATTY. GEORGE DAVID D. SISON**  
NOTARY PUBLIC FOR MAKATI CITY  
APPT. NO. 5A-001 - UNTIL DEC. 31, 2023  
ROLL NO. 68402 / RICLE COMPLIANCE NO. VII-0010136/2-15-2022  
IBP O.R No. C02202-LIFETIME MEMBER MAY 5, 2017  
PTR No. 8852036- JAN 03, 2022-MAKATI CITY  
EXECUTIVE BLDG. CENTER MAKATI AVE., COR. JUPITER ST., MAKATI CITY



**Cultural Center of the Philippines**  
SENTRONG PANGKULTURA NG PILIPINAS

**To Whom It May Concern:**

This is to certify that Mr. JAIME C. LAYA is an incumbent Trustee (Director) of the Cultural Center of the Philippines (CCP).

There is nothing in the law (P.D 15, as amended) governing the CCP which prohibits a trustee of the CCP from becoming a director of a private corporation. Thus, Mr. Laya has the authorization of CCP to be a Director of a private sector corporation.

Issued this 6th day of March 2018.

  
**ARSENIO C. LIZASO**  
President

# 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 companies or organizations:

Company/Organization	Position/ Relationship	Period of Service
GMA Network, Inc.	Independent Director	2007 - present
Metro Pacific Investments Corporation	Independent Director	2007 - present
Meralco	Independent Director	2008 - present
Petron Corporation	Independent Director	2010 - present
Asian Terminals, Inc.	Independent Director	2010 - present
PLDT, Inc.	Independent Director	2013 - present
JG Summit Holdings, Inc.	Independent Director	2021 - present
RL Commercial REIT, Inc.	Independent Director	2021 - present
Jollibee Foods Corporation	Non-Executive Director	2012 - present
Metropolitan Bank & Trust Company	Senior Adviser	2007 - present
Double Dragon Properties Corp.	Adviser	2014 - present
Merry Mart Consumer Corporation	Adviser	2020 - present
Bank of the Philippine Islands	Member, Advisory Council	2016 - present
(For my full bio(For my full bio-data, log on to my personal website: <a href="http://cjpanganiban.com">cjpanganiban.com</a>		

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, 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 \_\_\_\_\_ day of APR 06 2022, 2022 at Makati City.

  
ARTEMIO V. PANGANIBAN

*Affiant*

APR 06 2022

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of \_\_\_\_\_ 2022 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. 470

Page No. 83

Book No. 365

Series of 2022.

  
ATTY. GEORGE DAVID D. SITON

NOTARY PUBLIC FOR MAKATI CITY

ATTY. NO. M-051 - UNTIL DEC. 31, 2023

ROLL NO. 66403 / MCLE COMPLIANCE NO. V-1-2019/16/2-15-2022

IDP OR No. 002202-LIFETIME EXTENSION MAY 5, 2017

PR No. 8832835- JAN 03, 2013-MAKATI CITY


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

CERTIFICATION

ANNEX "H-2"

I, ANNA TERESA M. GOZON-VALDES, of legal age, Filipino, with address at GMA Network, Center, EDSA Corner Timog Avenue, Diliman Quezon City, after being duly sworn in accordance with law, hereby depose and state that:


1. I am the Corporate Secretary of GMA Holdings, Inc. with SEC Registration No. CS200602356, a corporation duly organized and existing under the laws of the Philippines, with office address at Unit 3K, North Wing, Fairways Tower Condominium, 5th Avenue corner McKinley Road, Fort Bonifacio Taguig City, Philippines.
2. In compliance with Article 9(B) of the 1987 Philippine Constitution, none of the Directors, Independent Directors and Officers of GMA Holdings, Inc. are elected as public servants and or appointed 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. Attached as Annex "A" hereof is the authorization of CCP in favor of Dr. Laya to be a director of a private sector corporation.
3. I am issuing this Certificate in compliance with the requirement of the Securities and Exchange Commission.

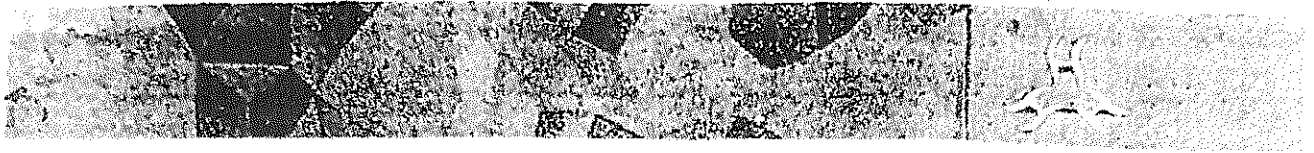
  
ANNA TERESA M. GOZON-VALDES  
Corporate Secretary  
GMA Holdings, Inc.

APR 18 2022

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2022. Affiant exhibited to me her \_\_\_\_\_.

Doc. No. 261  
Page No. 58  
Book No. 716  
Series of 2022.

  
ATTY. GEORGE DAVID D. SITON  
NOTARY PUBLIC FOR MAKATI CITY  
APPT. NO. AT-061 - UNTIL DEC. 31, 2023  
ROLL NO. 68402 / MCLE COMPLIANCE NO. VII-0010136/2-15-2022  
IDP O.R. NO. 02282-LIFETIME MEMBER MAY 5, 2017  
PTR NO. 852066 - JAN 03, 2022-MAKATI CITY  
EXECUTIVE BLDG. CENTER MAKATI AVE., COR. JUPITER ST., MAKATI CITY



**Cultural Center of the Philippines**  
SENTRONG PANGKULTURA NG PILIPINAS

To Whom It May Concern:

This is to certify that Mr. JAIME C. LAYA is an incumbent Trustee (Director) of the Cultural Center of the Philippines (CCP).

There is nothing in the law (P.D 15, as amended) governing the CCP which prohibits a trustee of the CCP from becoming a director of a private corporation. Thus, Mr. Laya has the authorization of CCP to be a Director of a private sector corporation.

Issued this 6th day of March 2018.

  
**ARSENIO C. LIZASO**  
President

ANNUAL MEETING OF THE STOCKHOLDERS  
GMA HOLDINGS, INC.

May 28, 2021

via Remote Communication using Zoom Application

ANNEX "I"

**PRESENT:**

Stockholders	Percentage of Shares
Felipe L. Gozon	33.3%
Gilberto R. Duavit, Jr.	33.3%
Joel Marcelo G. Jimenez	33.3%
Dr. Jaime C. Laya	.0%
Chief Justice Artemio V. Panganiban	.0%
Felipe S. Yalong	.0%

**PRESENT DIRECTORS:**

Felipe L. Gozon  
Gilberto R. Duavit, Jr.  
Joel Marcelo G. Jimenez  
Jaime C. Laya  
Artemio V. Panganiban

**ALSO PRESENT:**

Farley D. Areola  
Maria Estelita B. Arles-Gozon  
Ayahl Ari Augusto P. Chio  
Anna Teresa M. Gozon-Valdes  
Ronaldo P. Mastrili  
Joan C. Rumbaoa  
Eduardo P. Santos  
Roy G. Sanico

**Representatives from SGV & Co. (External Auditor):**

Crystal Aleli R. Cornell  
Meynard A. Bonoen  
Marydith C. Miguel  
Belinda T. Beng Hui

**I. CALL TO ORDER**

The Chairman of the meeting, Felipe L. Gozon, called the meeting to order at 10:00 a.m. Atty. Anna Teresa M. Gozon-Valdes, assisted by Atty. Maria Estelita A. Gozon, acted as the secretary and recorded the minutes.

## **II. CERTIFICATION AND NOTICE OF QUORUM**

The Chairman requested the Secretary to certify as to the proper sending of notice and existence of a quorum.

Corporate Secretary stated that for purposes of the Annual Stockholders' Meeting, the participants are being notified that the proceedings are being recorded in accordance with SEC Memorandum Circular No. 6, series of 2020. The Corporate Secretary also stated that a quorum existed to conduct business, after confirming (a) the location of each of the directors, (b) their ability to clearly hear or see the other attendees, (c) their receipt of the notice of the meeting and other materials, and (d) the device they are using. She also certified that notices of the meeting were sent in accordance with the by-laws of the Corporation and Memorandum Circular No. 6, Series of 2020, of the Securities and Exchange Commission.

The Corporate Secretary certified that the notices of the meeting were duly sent to all the stockholders in accordance with the By-Laws of the Company and that 99.9% of the total issued and outstanding common stock were present. She further certified that quorum is present for the transaction of business by the stockholders.

## **III. COMPLIANCE WITH THE REQUIREMENTS UNDER SECTION 49 OF THE REVISED CORPORATION CODE**

The Chairman requested the Corporate Secretary to report, on behalf of the Board of Directors, the Company's compliance with the requirements under Section 49 of the Revised Corporation Code. The Corporate Secretary explained that under Section 49 of the Revised Corporation Code, the Board of Directors shall endeavour to present the stockholders the information flashed on the screen for their consideration:

1. Material Information on the current stockholders, and their voting rights;
2. A detailed, descriptive, balanced and comprehensible assessment of the corporation's performance;
3. An explanation of the dividend policy and the fact of payment of dividends;
4. Directors' profiles which shall include, among others, their qualifications and relevant experience, length of service in the corporations, trainings and continuing education attended, and their board representation in other corporations;
5. A director attendance report in board, committees and in stockholders' meetings;
6. Appraisal reports for the board and the criteria and procedure for assessment;
7. A director compensation report,

8. Director disclosures on self-dealings and related party transactions; and/or
9. The profiles of directors nominated or seeking election or reelection.

The Corporate Secretary likewise stated that the above information were set forth in detail in the Information Statement filed with the SEC and uploaded on the Company's website and the PSE Edge.

Finally, in compliance with Section 49 of the Code, the Corporate Secretary informed the stockholders that the voting and vote tabulation procedures for the meeting were stated in the following summary that was flashed on screen during the meeting for their guidance:

#### VOTING AND VOTING TABULATION 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.

#### **IV. APPROVAL OF THE MINUTES OF THE STOCKHOLDERS' MEETINGS HELD ON JULY 24, 2020 AND MARCH 26, 2021**

The Chairman stated that the first item in the order of business was the review and approval of the Minutes of the Stockholders' Meetings held on July 24, 2020 and March 26, 2021. Copies of the said Minutes have been sent via email prior to the meeting. Director Duavit moved that the minutes be approved and adopted. Director Jimenez seconded the motion.

The results of the votes cast for the Agenda was then shown on the screen for the stockholders' information: *Approval of the Minutes of the Stockholders' Meetings held on July 24, 2020 and March 26, 2021: Yes: 99.9% No: 0% Abstain 0%.*

The following resolution was unanimously approved by the stockholders holding 99.9% of the Company's total issued and outstanding shares present:

"RESOLVED, That the Minutes of the Stockholders' Meetings held on July 24, 2020 and March 26, 2021 are hereby APPROVED."

## V. REPORT OF THE PRESIDENT

The Chairman stated that the next item on the Agenda is the Report of the President. He then called the Company's Comptroller, Mr. Ronaldo P. Mastrili, to present the report of the President. Mr. Mastrili proceeded to read the President's Report as follows:

As the Corona virus wreaked havoc on both the local and global economy, the Philippines' Gross Domestic Product (GDP) contracted by 9.5 percent in 2020. All sectors contributed to the decline as a result of lockdown restrictions except for government spending, which increased by 10.4 percent.<sup>1</sup>

The benchmark Philippine Stock Exchange index went down by 9 percent to close at 7,139.71 from the end-2019 level of 7,815.26. In contrast, the U.S. Dow Jones Industrial Index went up by 7 percent from the previous year fueled by cautious optimism following the results of the presidential election and the roll-out of COVID-19 vaccines.

GMA's PDR, however, bucked the trend and went up by 12% to P5.95 per PDR at the close of the year 2020, coming from P5.30 per PDR as of end-2019.

GMA Common likewise increased in value from P5.33 per share to P5.92 per share or up by 11% as of December 31, 2020.

A total of 45,204,300 PDRs were converted into common shares (GMA7) this year versus 6,182,200 PDRs converted last year. One of the main reasons for the increase in PDR conversion was the price difference between GMA Common shares and PDRs. The average price difference for the second half of 2020 reached 11 centavos per share compared with only 5 centavos for the same period last year.

The total number of PDRs converted since IPO stands at 262,971,200 PDRs bringing down the outstanding balance at end-2020 to 682,460,800 from the original issued PDRs of 945,432,000 in 2007.

Revenues increased by 25% to P3.31 million in 2020 versus last year's level of P2.66 million due to the sharp increase in Exercise Fees amounting to P2.02 million. 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.

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<sup>1</sup> Source: PSA Press Release\_Q4\_2020-NAP (released January 28, 2021)

Operating Expenses for the year totaled P1.00 million, a slight increase of 6% versus P948 thousand in 2019 due to increase in listing fees and professional fees.

With higher revenues and minimal increase in expenses, Net Income after tax went up by 58% to P2.03 million compared with last year's P1.29 million.

By the end of 2020, total assets stood at P50.37 million, or 1% higher than last year's P49.67 million. Liabilities, on the other hand, remained practically unchanged at the P48 million level.

On March 26, 2021, the BOD of GMA Holdings approved the cash distribution to PDR holders in the amount of P1.35 per PDR or the same dividend rate paid by GMA Network to its common shareholders, undiminished by the PDR holders' proportionate share in the operating cost of the company. These were remitted to the PDR holders on May 19, 2021.

The BOD likewise approved the cash dividend declaration of P2.10 million, which was paid to GMA Holdings stockholders on May 18, 2021.

We continue to fulfill our commitment to provide quality financial reporting, adopt the best standards of good governance, comply with our statutory reporting requirements as a listed company, and support GMA Network's initiatives in improving the market value of the Company.

Let me end my report by thanking the Board of Directors and the officers of GMA Holdings for their unwavering support and guidance throughout the years. *Maraning salamat po sa inyong lahat!*

#### *Open forum*

The Chairman opened the floor for questions. He asked if the stockholders had any questions.

There being no questions, Mr. Yalong (CFO/Treasurer/COO) moved that the President/CEO's Annual Report together with the financial statements for the period ending December 31, 2020 be noted and approved. Director Laya seconded.

The results of the votes cast for the Agenda was then shown on the screen for the stockholders' information: *Approval of the Annual Report and the Financial Statements as of December 31, 2020: Yes: 99.9% No: 0% Abstain 0%.*

There being no objection, the following resolution was therefore adopted by the stockholders holding 99.9% of the Company's total issued and outstanding shares present:

"RESOLVED, That, the President/CEO's Annual Report and the Financial Report for the period ending December 31, 2020 be, as they are, hereby NOTED and APPROVED."

## **VI. RATIFICATION OF THE ACTS OF THE MANAGEMENT, THE BOARD OF DIRECTORS, AND THE BOARD COMMITTEES FOR THE PREVIOUS YEAR**

The Chairman stated that the next item on the agenda was the ratification of the various acts of Management, the Board of Directors, and the Board Committees of the Company for July 24, 2020 up to the present. The list of these acts were attached to the agenda for the meeting previously distributed to the stockholders.

The Corporate Secretary explained that the acts of the Management, the Board of Directors and the Committees were all conducted in the ordinary course of business and were reflected in the minutes of the meetings.

Director Laya moved that the various acts of management, the Board of Directors, and the Board Committees from July 24, 2020 up to the present be approved, confirmed and ratified. Director Duavit seconded the motion.

The results of the votes cast for the Agenda was then shown on the screen for the stockholders' information: Approval and Ratification of the Various Acts of Management, the Board of Directors, and the Board Committees from July 24, 2020 up to the present: *Yes: 99.9% No: 0% Abstain 0%.*

After hearing no objections, the following resolution was unanimously approved by the stockholders holding 99.9% of the Company's total issued and outstanding shares present:

"RESOLVED, That the various acts of the Management, the Board of Directors and the Board Committees from July 24, 2020 up to the present are hereby RATIFIED and APPROVED."

## **VII. APPROVAL OF THE MERITORIOUS JUSTIFICATIONS FOR THE RETENTION OF CHIEF JUSTICE ARTEMIO V. PANGANIBAN AND DR. JAIME C. LAYA AS INDEPENDENT DIRECTORS**

The Chairman stated that the next item in the Agenda is the approval of the meritorious justifications of the Board of Directors for the retention of Chief Justice Artemio V. Panganiban and Dr. Jaime C. Laya as Independent Directors. He then requested the Corporate Secretary to explain this item on the agenda.

The Corporate Secretary explained that SEC MC No. 4 Series of 2017, provides that in the instance when the Company wishes to retain an independent director who has served for nine (9) years, the Board should provide meritorious justifications and seek shareholders' approval. On March 26, 2021 the Board of Directors of the Company convened in a Special Meeting and provided

meritorious justifications for the retention of Chief Justice Panganiban and Dr. Laya, subject to the stockholders' approval. The said Meritorious Justifications was previously attached as *Annex "B-1" of the Rationale for the Salient Matters in the Agenda attached to the Notice of this Meeting* and shown on the screen for the convenience of the stockholders.

Director Jimenez moved for the approval of the meritorious justifications for the retention of Chief Justice Artemio V. Panganiban and Dr. Jaime C. Laya as Independent Directors. Mr. Yalong seconded the motion.

The results of the votes cast for the Agenda was then shown on the screen for the stockholders' information: Approval of the meritorious justifications for the retention of Chief Justice Artemio V. Panganiban and Dr. Jaime C. Laya as Independent Directors: *Yes: 99.9% No: 0% Abstain 0%.*

After hearing no objections, the following resolution was unanimously approved by the stockholders holding 99.9% of the Company's total issued and outstanding shares present:

"RESOLVED, as it is hereby resolved, that the meritorious justifications for the retention of Chief Justice Artemio V. Panganiban and Dr. Jaime C. Laya as the Company's Independent Directors be, as they are, hereby APPROVED and RATIFIED."

## VIII. ELECTION OF DIRECTORS

The Chairman stated that the next item on the agenda was the election of directors, including the Independent Directors, for the ensuing year. He requested the Corporate Secretary to explain the Nomination Process of the Company for the information of the stockholders.

The Corporate Secretary explained that the Corporation's nomination process allows the Board of Directors and the stockholders to assess the abilities and sustainability of each candidate. The procedure and requirements for nomination as adopted by the Corporation under its By-laws and in accordance with Section 49 of the Revised Corporation Code are set forth in the Information Statement.

The Chairman then asked Mr. Duavit to present the nominees to the Board of Directors for the year 2021-2022.

The President reported that the following are the nominees to the Board of Directors for the year 2021-2022:

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

Chief Justice Artemio V. Panganiban and Dr. Jaime C. Laya are being nominated as independent directors.

Director Jimenez moved that the votes be cast. Mr. Yalong seconded the motion.

The Chairman then requested the Corporate Secretary to report the votes cast for each of the nominees.

The Corporate Secretary stated that each of the nominees received votes representing 99.9% of the total issued and outstanding shares of the Company, as follows:

Mr. Gilberto R. Duavit, Jr.	99.9%
Atty. Felipe L. Gozon	99.9%
Mr. Joel Marcelo G. Jimenez	99.9%
Dr. Jaime C. Laya	99.9%
Chief Justice Artemio V. Panganiban	99.9%

Upon motion duly made and seconded, and hearing no objections, the following were unanimously elected as members of the Board of Directors for the ensuing year 2021-2022, until their successors shall have been duly elected, by the stockholders holding 99.9% of the Company's total issued and outstanding shares present and represented:

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

## **X. APPOINTMENT OF EXTERNAL AUDITOR**

The Chairman stated that the next item on the agenda was the appointment of an external auditor. The present external auditor of the Company is the auditing firm of Sycip Gorres Velayo & Co.. The Chairman requested the Chairman of the Audit and Risk Management Committee to give its recommendation from the external auditor of the Company.

Director Laya stated that the Audit and Risk Management Committee has reviewed the performance and fees of the current external auditor. On March 26, 2021, the Board of Directors approved the recommendation of the Audit and Risk Management Committee to appoint Sycip Gorres Velayo & Co as the Company's external auditor, subject to the approval of the stockholders.

Mr. Yalong moved for the appointment of Sycip Gorres Velayo & Co. as the external auditor of the Corporation. Director Jimenez seconded the motion.

The results of the votes cast for the Agenda was then shown on the screen for the stockholders' information: Appointment of SGV& Co. as the external auditor of the Corporation Yes: 99.9% No: 0% Abstain 0%.

After hearing no objections, the following resolution was unanimously approved by the stockholders holding 99.9% of the Company's total issued and outstanding shares present:

"RESOLVED, That the Sycip Gorres Velayo & Co. be appointed as the External Auditor of the Company for FY2021."

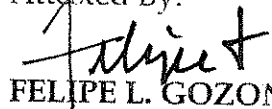
#### XI. ADJOURNMENT

There being no more items to discuss, the meeting was adjourned at 10:30 a.m.

Prepared By:

  
ANNA TERESA M. GOZON-VALDES  
Corporate Secretary

Attested By:

  
FELIPE L. GOZON  
Chairman of the Meeting

SUBJECT TO APPROVAL AT THE NEXT STOCKHOLDERS' MEETING

ANNEX

“J”

# SECURITIES AND EXCHANGE COMMISSION

## SEC FORM 17-C

### CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)  
Dec 4, 2021
2. SEC Identification Number  
CS20062356
3. BIR Tax Identification No.  
244-658-89
4. Exact name of issuer as specified in its charter  
GMA Holdings, Inc.
5. Province, country or other jurisdiction of incorporation  
Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office  
Unit 3K, North Wing, Fairways Tower Condominium, 5th Avenue corner McKinley Road,  
Fort Bonifacio Taguig City  
Postal Code  
1630
8. Issuer's telephone number, including area code  
(632) 8982-7777
9. Former name or former address, if changed since last report  
Unit 5D Tower One, One McKinley Place, New Bonifacio Global City, Fort Bonifacio  
Taguig City
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Philippine Depositary Receipts ("PDRs")	502,836,450
11. Indicate the item numbers reported herein  
-

*The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange.*



## GMA Holdings, Inc. GMAP

### PSE Disclosure Form 4-3 - Amendments to Articles of Incorporation *References: SRC Rule 17 (SEC Form 17-C) and Section 4.4 of the Revised Disclosure Rules*

#### Subject of the Disclosure

Approval of the SEC - Amendment of the Third Article of the Corporation's Amended Articles of Incorporation to reflect the change in the principal office of the Corporation

#### Background/Description of the Disclosure

The change in the principal address of the Corporation will be from 5D Tower One, McKinley Place, New Global Bonifacio City, Fort Bonifacio, Taguig City 1630 to Unit 3K, North Wing, Fairways Tower Condominium, 5th Avenue corner McKinley Road, Fort Bonifacio Taguig City, Philippines

Date of Approval by Board of Directors	Nov 11, 2020
Date of Approval by Stockholders	Mar 26, 2021
Other Relevant Regulatory Agency, if applicable	-
Date of Approval by Relevant Regulatory Agency, if applicable	N/A
Date of Approval by Securities and Exchange Commission	Nov 26, 2021
Date of Receipt of SEC approval	Dec 3, 2021

#### Amendment(s)

Article No.	From	To
Article No. III	That the place where the principal office of the corporation is to be established or located is at 5D Tower One, McKinley Place, New Global Bonifacio City, Fort Bonifacio, Taguig City 1630, Philippines	That the place where the principal office of the corporation is to be established or located is at Unit 3K, North Wing, Fairways Tower Condominium, 5th Avenue corner McKinley Road, Fort Bonifacio Taguig City, Philippines

#### Rationale for the amendment(s)

End of the lease period over the old address

#### The timetable for the effectivity of the amendment(s)

Expected date of filing  
the amendments to the  
Articles of  
Incorporation with the  
SEC Nov 16, 2021

Expected date of SEC  
approval of the  
Amended Articles of  
Incorporation Nov 26, 2021

**Effect(s) of the amendment(s) to the business, operations and/or capital structure of the Issuer, if any**

The change in the address has no effect on the business, operations and/or capital structure of the issuer. The new office address will be in the same City (Taguig) and is near the location of the old address.

**Other Relevant Information**

Amended to reflect the approval of the SEC

**Filed on behalf by:**

**Name**

Ayah! Ari Augusto Chio

**Designation**

Investor Relations Officer



REPUBLIC OF THE PHILIPPINES  
SECURITIES AND EXCHANGE COMMISSION

Ground Floor, Secretariat Building, PICC  
City Of Pasay, Metro Manila

COMPANY REG. NO. CS200602356

CERTIFICATE OF FILING  
OF  
AMENDED ARTICLES OF INCORPORATION

KNOW ALL PERSONS BY THESE PRESENTS:

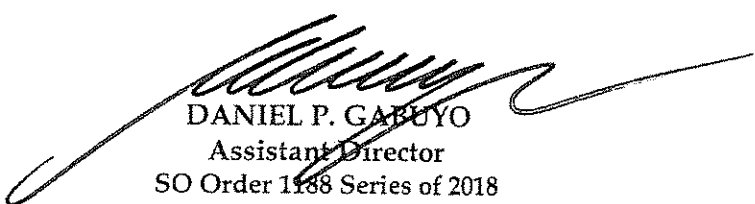
This is to certify that the amended articles of incorporation of the

**GMA HOLDINGS, INC.**  
(Amending Article III thereof)

copy annexed, adopted on November 11, 2020 by majority vote of the Board of Directors and on March 26, 2021 by the vote of the stockholders owning or representing at least two-thirds of the outstanding capital stock, and certified under oath by the Corporate Secretary and a majority of the Board of Directors of the corporation was approved by the Commission on this date pursuant to the provision of Section 15 of the Revised Corporation Code of the Philippines, Republic Act No. 11232, which took effect on February 23, 2019, and copies thereof are filed with the Commission.

Unless this corporation obtains or already has obtained the appropriate Secondary License from this Commission, this Certificate does not authorize it to undertake business activities requiring a Secondary License from this Commission such as, but not limited to acting as: broker or dealer in securities, government securities eligible dealer (GSED), investment adviser of an investment company, close-end or open-end investment company, investment house, transfer agent, commodity/financial futures exchange/broker/merchant, financing/lending company and time shares/club shares/membership certificates issuers or selling agents thereof; nor to operate a fiat money to virtual currency exchange. Neither does this Certificate constitute as permit to undertake activities for which other government agencies require a license or permit.

IN WITNESS WHEREOF, I have set my hand and caused the seal of this Commission to be affixed to this Certificate at Pasay City, Metro Manila, Philippines, this 26<sup>th</sup> day of November, Twenty Twenty One.

  
DANIEL P. GABUYO  
Assistant Director  
SO Order 1188 Series of 2018

MCF/qba

**AMENDED ARTICLES OF INCORPORATION  
OF  
GMA HOLDINGS, INC.**

KNOW ALL MEN BY THESE PRESENTS:

That we, all of legal age, citizens and residents of the Republic of the Philippines, have this day voluntarily associated ourselves for the purpose of forming a corporation under the laws of the Philippines.

**AND WE HEREBY CERTIFY**

FIRST: That the name of the corporation shall be:

**GMA HOLDINGS, INC.**

SECOND: That the primary purpose for which the corporation is formed is:

To invest in, purchase, or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose of real and personal property of every kind and description, including shares of stocks, bonds, debentures, notes, evidence of indebtedness, and other securities or obligations of any corporation or corporations, association or associations, domestic or foreign, for whatever legal purpose or purposes the same may have been organized and to pay therefor in money or by exchanging therefor stocks, bonds, or other evidences of indebtedness or securities of this or any other corporation, and while the owner or holder of any such real or personal property, stocks, bonds, debentures, contracts, or obligations, to receive, collect and dispose of the interest, dividends and income arising from such shares of stocks, and to possess, and exercise in respect thereof, all the rights, powers, and privileges of ownership, including all voting powers of any stock so owned; provided, that the corporation shall not engage in the underwriting of securities or in stock brokerage of financing business.

## SECONDARY PURPOSES

1. To purchase, acquire, own, lease, sell and convey shares of stocks, bonds, debentures, notes, evidence of indebtedness, and other securities or obligations of any corporation or corporations, association or associations, domestic and foreign, and to pay therefore in cash, shares of its capital stock, debentures and other evidence of indebtedness, to issue warrants, options, and Philippine Deposit Receipts (PDRs) for the underlying shares of stocks, and to issue such other securities as may be necessary in the conduct of the corporate business;

2. To purchase, acquire, own, lease, sell, and convey real properties such as lands, buildings, factories and warehouses and machineries, equipment and other personal properties as may be necessary or incidental to the conduct of the corporate business, and to pay in cash, shares of its capital stock, debentures and other evidences of indebtedness, or other securities, as may be deemed expedient, for any business or property acquired by the corporation;

3. To borrow or raise money necessary to meet the financial requirements of its business by the issuance of bonds, promissory notes and other evidence of indebtedness and to secure the repayment thereof by mortgage, pledge, deed of trust or lien upon the properties of the corporation or to issue pursuant to law shares of its capital stock, debentures and other evidences of indebtedness in payment for properties acquired by the corporation or for money borrowed in the prosecution of its lawful business;

4. To invest and deal with the money and properties of the corporation in such manner as may from time to time be considered wise or expedient for the advancement of its interests and to sell, dispose of or transfer the business, properties and goodwill of the corporation or any part thereof for such consideration and under such terms as it shall see fit to accept;

5. To aid in any manner any corporation, association, or trust estate, domestic or foreign, or any firm or individual, any shares of stock in which or any bonds, debentures, notes, securities, evidences of indebtedness, contracts, or obligations of which are held by or for this corporation, directly or indirectly or through other corporation or otherwise;

6. To enter into any lawful arrangement for sharing profits, union of interest, unitization or farm out agreement, reciprocal concession, or cooperation, with any corporation, association, partnership, syndicate, entity, person or governmental, municipal or public authority, domestic or foreign, in the carrying on of any business or transaction deemed necessary, convenient or incidental to carrying out any of the purposes of this corporation;

7. To acquire or obtain from any government or authority, national, provincial, municipal or otherwise, or any corporation, company or partnership or person, such charter, contracts, franchise, privileges, exemption, licenses and concessions as may be conducive to any of the objects of the corporation;

8. To establish and operate one or more branch offices of agencies and to carry on any of all of its operations and business without any restrictions as to place or amount including the right to hold, purchase or otherwise acquire, lease, mortgage, pledge and convey or otherwise deal in and with real and personal property anywhere within the Philippines;

9. To conduct and transact any and all lawful activities, and to do or cause to be done any one or more of the acts and things herein set forth as its purposes, within or without the Philippines, and in any and all foreign countries, and to do everything necessary, desirable or incidental to the accomplishment of the purposes or the exercise of any one or more of the powers herein enumerated, or which shall at any time appear conducive to or expedient for the protection or benefit of this corporation.

**THIRD:** That the place where the principal office of the corporation is to be established or located is at Unit 3K, North Wing, Fairways Tower Condominium, 5th Avenue corner McKinley Road, Fort Bonifacio Taguig, 1630 Philippines (As amended on March 26, 2021);

**FOURTH:** That the term for which said corporation is to exist is fifty (50) years from and after the date of incorporation;

**FIFTH:** That the names, nationalities, and residences of the incorporators of said corporation are as follows:

Names	Nationalities	Residences
1. Felipe L. Gozon	Filipino	No. 8 Cabildo Street, Urdaneta Village, Makati City
2. Gilberto R. Duavit, Jr.	Filipino	No. 5 Wilson Street, Greenhills, San Juan, Metro Manila
3. Joel Marcelo G. Jimenez	Filipino	No.2401 Mabolo Street, Dasmarinas Village, Makati City
4. Felipe S. Yalong	Filipino	Unit G3, Cluster 6, Woodside Homes, Doña Hemady Street, New Manila, Quezon City
5. Manuel P. Quiogue	Filipino	No. 25 Phoenix Subd., Capt. Henry Javier Street, Pasig City

**SIXTH:** That the number of directors of the corporation shall be five (5) who are also the incorporators.

**SEVENTH:** That the authorized capital stock of said corporation is One Hundred Thousand Pesos (P100,000.00) divided into Ten Thousand (10,000) shares with a par value of P10.00 each.

No transfer of stock or interest which will reduce the ownership of Filipino citizens to less than the required percentage of the capital stock as provided by existing laws shall be allowed or permitted to be recorded in the proper books of the Corporation and this restriction shall be indicated in all the stock certificates issued by the Corporation

Provided further, that no shareholder shall be entitled to any preemptive right to subscribe for, purchase or receive any part of the shares of the Corporation, whether issued from its unissued capital or its treasury stock.

**EIGHTH:** That the amount of said capital stock which has been actually subscribed is One Hundred Thousand Pesos (P100,000.00) and the following persons, who are all Filipinos, have subscribed for the number of shares and the amount of capital stock indicated opposite their respective names:

Names	Number of Shares Subscribed	Amount Subscribed
1. Felipe L. Gozon	3,330	P33,300.00
2. Gilberto R. Duavit, Jr.	3,330	33,300.00
3. Joel Marcel G. Jimenez	3,330	33,300.00
4. Felipe S. Yalong	5	50.00
5. Manuel P. Quiogue	5	50.00
<b>TOTAL</b>	<b>10,000</b>	<b>P100,000.00</b>

**NINTH:** That the following persons have paid on the shares of capital stock for which they have subscribed the amount set out after their respective names:

Names	Amount Subscribed
1. Felipe L. Gozon	P33,300.00
2. Gilberto R. Duavit, Jr.	33,300.00
3. Joel Marcel G. Jimenez	33,300.00
4. Felipe S. Yalong	50.00
5. Manuel P. Quiogue	50.00
<b>TOTAL</b>	<b>P100,000.00</b>

**TENTH:** That Felipe S. Yalong has been elected by the subscribers as Treasurer of the Corporation to act as such until his successor is duly elected and shall have qualified in accordance with the by-laws; and that, as such Treasurer, he has been authorized to receive for the corporation, and to issue in its name receipts for all subscriptions paid in by the subscribers.

**ELEVENTH:** That the Corporation manifests its willingness to change its corporate name in the event another person, firm or entity has acquired a prior right to use the said name or one deceptively or confusingly similar to it.

IN WITNESS WHEREOF, we have hereunto set our hands, this 6<sup>th</sup> day of February 2006 at Makati City, Philippines.

(SIGNED) FELIPE L. GOZON

(SIGNED) GILBERTO R. DUAVIT, JR.

(SIGNED) JOEL MARCELO G. JIMENEZ

(SIGNED) FELIPE S. YALONG

(SIGNED) MANUEL P. QUIOGUE

WITNESSES:

(SIGNED) J. FAUSTINO

(SIGNED) M. VALENZUELA

ANNEX

"J-1"

# SECURITIES AND EXCHANGE COMMISSION

## SEC FORM 17-C

### CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)  
Mar 25, 2022
2. SEC Identification Number  
CS20062356
3. BIR Tax Identification No.  
244-658-89
4. Exact name of issuer as specified in its charter  
GMA Holdings, Inc.
5. Province, country or other jurisdiction of incorporation  
Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office  
Unit 3K, North Wing, Fairways Tower Condominium, 5th Avenue corner McKinley Road,  
Fort Bonifacio Taguig City  
Postal Code  
1630
8. Issuer's telephone number, including area code  
(632) 8982-7777
9. Former name or former address, if changed since last report  
Unit 5D Tower One, One McKinley Place, New Bonifacio Global City, Fort Bonifacio  
Taguig City
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA
 

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Philippine Depositary Receipts ("PDRs")	411,590,049
11. Indicate the item numbers reported herein  
-

*The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.*



# GMA Holdings, Inc.

## GMAP

### PSE Disclosure Form 4-4 - Amendments to By-Laws

*References: SRC Rule 17 (SEC Form 17-C) and  
Section 4.4 of the Revised Disclosure Rules*

#### Subject of the Disclosure

Amendments to By-Laws

#### Background/Description of the Disclosure

We wish to inform you that our Board of Directors approved the amendments to our By-Laws today.

Date of Approval by Board of Directors Mar 25, 2022

Date of Approval by Stockholders N/A

Other Relevant Regulatory Agency, if applicable -

Date of Approval by Relevant Regulatory Agency, if applicable N/A

Date of Approval by Securities and Exchange Commission TBA

Date of Receipt of SEC approval TBA

#### Amendment(s)

##### Article and Section Nos.

##### From To

The attached Annex "A" provides a summary of the approved changes in the By-Laws.

#### Rationale for the amendment(s)

The amendments are made pursuant to the Revised Corporation Code and to digitalize certain governance processes. Please refer to Annex "A" for the reasons for the changes.

#### The timetable for the effectivity of the amendment(s)

Expected date of filing the amendments to the By-Laws with the SEC TBA

Expected date of SEC approval of the Amended By-Laws TBA

#### Effect(s) of the amendment(s) to the business, operations and/or capital structure of the Issuer, if any

None

#### Other Relevant Information

This matter will be presented to our stockholders at the Annual Stockholders' Meeting on May 27, 2022 for approval. The amendments shall become effective upon approval by the Securities and Exchange Commission (SEC). We will submit the appropriate disclosure upon approval of the SEC of the amendment.

Filed on behalf by:

Name

Ayahl Ari Augusto Chio

Designation

Investor Relations Officer

# ANNEX "d-1a"

Annex "A"

Article/Section	From	To	Reason
<b>ARTICLE I</b> <b><u>SUBSCRIPTION, ISSUANCE AND TRANSFER OF SHARES</u></b>			
Section 1. Subscriptions.	Subscribers to the capital stock of the corporation shall pay the value of the stock in accordance with the terms and conditions prescribed by the Board of Directors. Unpaid subscriptions shall not earn interest unless determined by the Board of Directors.	-No change-	
Section 2. Certificates	Each stockholder shall be entitled to one or more certificates for such fully paid stock subscription in his name in the books of the corporation. The certificates shall contain the matters required by law and the Articles of Incorporation. They shall be in such form and design as may be determined by the Board of Directors and	-No change-	

	<p>numbered consecutively. The certificates, which must be issued in consecutive order, shall bear the signature of the President or Chairman of the Board, manually countersigned by the Secretary or Assistant Secretary, and sealed with the corporate seal.</p>		
Section 3. Transfer of Shares	<p>Subject to the restrictions, terms and conditions contained in the Articles of Incorporation and restated below, shares may be transferred, sold, ceded, assigned or pledged by delivery of the certificates duly indorsed by the stockholder, his attorney-in-fact, or other legally authorized person. The transfer shall be valid and binding on the corporation only upon record thereof in the books of the corporation, cancellation of the certificate surrendered to the Secretary, and the issuance of a new certificate to the transferee.</p>	-No change-	

	<p>All certificates surrendered for transfer shall be stamped "Cancelled" on the face thereof, together with the date of cancellation, and attached to the corresponding stub with the certificate book.</p> <p>No shares of stock against which the corporation holds unpaid claim shall be transferable in the books of Corporation.</p>		
Section 4. Lost Certificates	In case any certificate for the capital stock of the corporation is lost, stolen or destroyed, a new certificate may be issued in lieu thereof in accordance with the procedure prescribed under Section 73 of the Corporation Code.	<p><i>Amendment(s) underscored below:</i></p> <p>In case any certificate for the capital stock of the corporation is lost, stolen or destroyed, a new certificate may be issued in lieu thereof in accordance with the procedure prescribed under <u>existing laws</u> (delete: Section 73 of the Corporation Code). (As amended on March 25, 2022)</p>	To reflect the presently governing law on the matter
<b><u>ARTICLE II MEETINGS OF STOCKHOLDERS</u></b>			

Section 1. Regular Meetings -	The regular meetings of the stockholders, for the purpose of electing directors and for the transaction of such business as may properly come before the meeting, shall be held at the principal office, or at such place in Metro Manila as may be decided by the Board of Directors, or Chairman of the Board, or the President, in such order of priority, every last Friday of May of each year, or if said day be a legal holiday, then on the following Monday which is not a holiday.	<p><i>Amendment(s) underscored below:</i></p> <p>The regular meetings of the stockholders, for the purpose of electing directors and for the transaction of such business as may properly come before the meeting, shall be held at the principal office <u>as stated in the articles, or if not practicable, in the city or municipality where such office is located</u>, every last Friday of May of each year, or if said day be a legal holiday, then on the following Monday which is not a holiday. (As amended on March 25, 2022)</p>	This is pursuant to Section 50 of the Revised Corporation Code which states that stockholders' "(M)eetings may be held in the principal office of the corporation as stated in the articles, or if not practicable, in the city or municipality where such office is located."
Section 2. Special Meeting	The special meetings of the stockholders, for any purpose or purposes, may at any time be called by any of the following: (a) Board of Directors, at its own instance, or at the written request of stockholders representing majority of the outstanding	<p><i>Amendment(s) underscored below:</i></p> <p>The special meetings of the stockholders, for any purpose or purposes, may at any time be called by any of the following: (a) Board of Directors, at its own instance, or at the written</p>	In order to be consistent with SEC Memorandum Circular No. 7 Series of 2021 which states that any number of shareholders that hold at least 10% of outstanding shares of a publicly listed company have the right to call for a special stockholders' meeting, whether in-person or through remote communication.

	capital stock; (b) Chairman of the Board; (c) President.	request of stockholders holding at least 10% of the <u>outstanding shares of the Corporation, or such number of percentage of outstanding shares as may be prescribed by law or regulation</u> ; (b) Chairman of the Board; (c) President. (As amended on March 25, 2022)	
Section 3. Place of Meeting	Stockholders' meetings, whether regular or special, shall be held in the principal office of the corporation or at any place designated by the Board of Directors, or by the Chairman of the Board, or by the President, in such order of priority, in Metro Manila.	<i>Amendment(s) underscored below:</i>  Stockholders' meetings, whether regular or special, shall be held in the principal office of the corporation <u>as stated in the articles, or if not practicable, in the city or municipality where such office is located.</u> (As amended on March 25, 2022)	This is pursuant to Section 50 of the Revised Corporation Code which states that stockholders' "(M)eetings may be held in the principal office of the corporation as stated in the articles, or if not practicable, in the city or municipality where such office is located."
Section 4. Notice of Meeting	Notices for regular or special meetings of the stockholders may be sent by the Secretary by personal delivery or by mail at least five (5) days prior to the date of the meeting to each stockholder of record at his last known post office address, or by publication in a	<i>Amendment(s) underscored below:</i>  Notices for regular or special meetings of the stockholders may be sent by the Secretary by personal delivery, by mail, <u>or by electronic transmission</u> at least <u>twenty-</u>	This is in order to digitize corporate and governance practices and processes and to comply with the provisions of the Revised Corporation Code, particularly Section 49 which states that: written notice of regular meetings shall be sent to all stockholders of record at least 21 days prior to meeting, unless a different period is required by law or regulation, and that for special meetings at

	<p>newspaper of general circulation. The notice shall state the place, date and hour of the meeting, and the purpose or purposes for which the meeting is called. In all meetings, any matter stated in the notice and other matters properly taken up, can be the subject of motions or deliberations at such meeting.</p> <p>When the meeting of the stockholders is adjourned to another time or place, it shall not be necessary to give any notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken. At the reconvened meeting, any business may be transacted that might have been transacted on the original date of the meeting.</p>	<p>one (21) days prior to the date of the meeting to each stockholder of record at his last known post office address, or by publication in a newspaper of general circulation. The notice shall state the place, date and hour of the meeting, and the purpose or purposes for which the meeting is called. In all meetings, any matter stated in the notice and other matters properly taken up, can be the subject of motions or deliberations at such meeting.</p> <p>When the meeting of the stockholders is adjourned to another time or place, it shall not be necessary to give any notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken. At the reconvened meeting, any business may be transacted that might have been</p>	<p>least one (1) week written notice shall be sent to all stockholders, unless a different period is provided in the bylaws, law or regulation.</p>
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		<p>transacted on the original date of the meeting.</p> <p><u>For special meetings, at least one week written notice shall be sent to all stockholders of record, unless a different period is provided in the law or regulation. (As amended on March 25, 2022).</u></p>	
Section 5. Quorum	<p>Unless otherwise provided by law, in all regular or special meeting of stockholders, a majority of the outstanding capital stock must be present or represented in order to constitute a quorum. If no quorum is constituted, the meeting shall be adjourned until the requisite amount of stock shall be present.</p>	No change	
Section 6. Conduct of Meeting	<p>The meeting of the stockholders shall be presided over by the Chairman of the Board, or in his absence, the President, or if none of the foregoing is in office and present and acting, by a chairman to be chosen by the stockholders. The Secretary</p>	No change	

	shall act as Secretary of every meeting, but if not present, the chairman of the meeting shall appoint a secretary of the meeting. The chairman of the meeting may adjourn the meeting from time to time, without notice other than announced at the meeting.		
Section 7. Manner of Voting	<p>At all meetings of stockholders, a stockholder may vote in person or by proxy executed in writing by the stockholder or his duly authorized attorney-in-fact. Unless otherwise provided in the proxy, it shall be valid only for the meeting at which it has been presented to the secretary.</p> <p>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</p>	<p><i>Amendment(s) underscored below:</i></p> <p>At all meetings of stockholders, a stockholder may vote in person, <u>through remote communication, in absentia,</u> or <u>by proxy</u> executed in writing by the stockholder or his duly authorized attorney-in-fact. Unless otherwise provided in the proxy, it shall be valid only for the meeting at which it has been presented to the secretary.</p> <p>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</p>	In order to digitize corporate practices and processes.

	<p>scheduled meeting or by their personal presence at the meeting.</p>	<p>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. (As amended on March 25, 2022)</p>	
<p>Section 8. Closing of Transfer Books or Fixing of Record Date</p>	<p>For the purpose of determining the stockholders entitled to notice of, or to vote at, any meeting of stockholders or any adjournment thereof or to receive payment of any dividend or of making a determination of stockholders of any other proper purpose, the Board of Directors may provide that the stock and transfer books be closed for a stated period, but not exceed, in any case, thirty (30) days. If the stock and transfer books be closed for the purpose of <del>determining</del> stockholders entitled to notice of, or to vote at, a meeting of stockholders, such books shall be closed for at least ten (10) working days</p>	<p>No change</p>	

	<p>immediately preceding such meeting. In lieu of closing the stock and transfer books, the Board of Directors may fix in advance a date as the record date which shall in no case be more than thirty (30) days prior to the date on which the particular action requiring such determination of stockholders is to be taken, except in instances where applicable rules and regulations provide otherwise.</p>		
<p><b>ARTICLE III</b>  <b><u>BOARD OF DIRECTORS</u></b></p>			
<p>Section 1.  Powers of the Board</p>	<p>Section 1. Powers of the Board - Unless otherwise provided by law, the corporate powers of the corporation shall be exercised, all business conducted and all property of the corporation controlled and held by the Board of Directors to be</p>	<p>No change</p>	

	<p>elected by and from among the stockholders. Without prejudice to such general powers and such other powers as may be granted by law, the Board of Directors shall have the following express powers:</p> <ul style="list-style-type: none"> <li>a) From time to time, to make and change rules and regulations not inconsistent with these by-laws for the management of the corporation's business and affairs;</li> <li>b) To purchase, receive, take or otherwise acquire in any lawful manner, for and in the name of the corporation, any and all properties, rights, interests or privileges, including securities and bonds of other</li> </ul>		
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	<p>corporations, as the transaction of the business of the corporation may reasonably or necessarily require, for such consideration and upon such terms and conditions as the Board may deem proper or convenient;</p> <p>c) To invest the funds of the corporation in another corporation or business or for any other purposes other than those for which the corporation was organized, whenever in the judgement of the <del>board of directors</del> the interests of the corporation would thereby be</p>		
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	<p>promoted, subject to such stockholders' approval as may be required by law;</p> <p>d) To incur such indebtedness as the Board may deem necessary and, for such purpose, to make and issue evidence of such indebtedness including, without limitation, notes, deeds of trust, instruments, bonds, debentures, or securities, subject to such stockholder approval as may be required by law and/or pledge, mortgage, or otherwise encumber all or part of the properties and</p>		
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	<p>rights of the corporation;</p> <p>e) To guarantee, for and in behalf of the corporation obligations of other corporations or entities in which it has lawful interest;</p> <p>f) To make provisions of the discharge of the obligations of the corporation as they mature, including payment for any property, or in stocks, bonds, debentures, or other securities of the corporation lawfully issued for the purpose;</p> <p>g) To sell, lease, exchange, assign, transfer or otherwise dispose of any property, real or personal, belonging to the</p>		
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	<p>corporation, whenever in the Board's judgment, the corporation's interest would thereby be promoted;</p> <p>h) To establish pension, retirement, bonus, profit-sharing, or other types of incentives or compensation plans for the employees, including officers and directors of the corporation and to determine the persons to participate in any such plans and the amount of their respective participation;</p> <p>i) To prosecute, maintain, defend, compromise or</p>		
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	<p>abandon any lawsuit in which the corporation or its officers are either plaintiffs or defendants in connection with the business of the corporation, and likewise, to grant installments for the payments or settlement of whatever debts are payable to the corporation;</p> <p>j) To delegate, from time to time, any of the powers of the <del>Board which may</del> lawfully be delegated in the course of the current business or businesses of the corporation to any standing or special committee or to any officer or agent and</p>		
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	<p>to appoint any persons to be agents of the corporation with such powers (including the power to sub-delegate) and upon such terms, as may be deemed fit;</p> <p>k) To implement these by-laws and to act on any matter not covered by these by-laws, provided such matter does not require the approval of consent of the stockholders under any existing law, rule or regulation.</p>		
Section 2. Election and Term	The Board of Directors shall be elected during each regular meeting of stockholders and shall hold office for one (1) year and until their successors are elected and qualified.	No change	

Section 3. Vacancies	<p>Any vacancy occurring in the Board of Directors other than by removal by the stockholders or by expiration of term, may be filled by the vote of at least a majority of the remaining directors; if still constituting a quorum; otherwise, the vacancy must be filled by the stockholders at a regular or at any special meeting of the stockholders called for the purpose. A director so elected to fill a vacancy shall be elected only for the expired term of his predecessor in office.</p> <p>Any directorship to be filled by reason of an increase in the number of director shall be filled only by an election at a regular or at a special meeting of stockholders duly called for the purpose, or in the same meeting authorizing the increase of directors if so stated in the notice of the meeting.</p> <p>The vacancy resulting from the removal of a director by the stockholders in the</p>	No change	

	manner provided by the law may be filled by election at the same meeting of stockholders without further notice, or at any regular or at special meeting of stockholders called for the purpose, after giving notice as prescribed in these by-laws.		
Section 4. Meetings	Regular meetings of the Board of Directors shall be held at least once every quarter of the year on such dates and at such times and places as may be called by the Chairman of the Board, and/or by the President, or upon the request of a majority of the directors and shall be held at such places as may be designated in the by-laws.	No change	
Section 5. Notice	Notice of the regular or special meeting of the Board, specifying the date, time and place of the meeting, shall be communicated by the Secretary to each director personally, or by telephone, telex, telegram, or by written or oral message. A director	<i>Amendment(s) underscored below:</i>  Notice of the regular or special meeting of the Board, specifying the date, time and place of the meeting, shall be communicated by the Secretary to each director	In order to digitize corporate practices and processes.

	may waive this requirement, either expressly or impliedly.	personally, or by telephone, telex, telegram, <u>electronic transmission</u> or by written or oral message. A director may waive this requirement, either expressly or impliedly. (As amended on March 25, 2022)	
Section 6. Quorum	A majority of the number of the directors as fixed in the Articles of Incorporation shall constitute a quorum for the transaction of corporate business; and every decision of at least a majority of the directors present at a meeting at which there is a quorum shall be valid as a corporate act, except for the election of officers which shall require the vote of a majority of all the members of the Board.	No change	
Section 7. Conduct of the Meetings	Meetings of the Board of Directors shall be presided by the Chairman of the Board, or in his absence, the President or if none of the foregoing is in the office and present and acting, by any other director chosen by the Board. The	No change	

	Secretary shall act as secretary of every meeting, or if not present, the Chairman of the meeting shall appoint a secretary of the meeting.		
Section 8. Compensation	By resolution of the Board, each director shall receive a reasonable per diem allowance for his attendance at each meeting of the Board. As compensation, the Board may receive and allocate an amount of not more than ten percent (10%) of the net income before income tax of the corporation 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 stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting of the stockholders.	No change	
Section 9. Guidelines on the	The following criteria and guidelines shall be observed	No change	

<p>Nomination and Election of Independent Directors.</p>	<p>in the pre-screening, short listing and nomination of Independent Directors:</p> <p>A. Definition.</p> <p>1. Independent director means a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director in any corporation that meets the requirements of section 17.2 of the Securities</p>		
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	<p>Regulation Code and includes, among others, any person who:</p> <p>i. Is not a director or officer or substantial stockholder of the corporation or of its related companies or any of its substantial shareholder (other than as an independent director of any of the foregoing);</p> <p>ii. Is not a relative of any director, officer or substantial</p>		
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	<p>shareholder of the corporation, any of its related companies or any of its substantial shareholders . For this purpose, relatives includes spouse, parent, child, brother, sister, and the spouse of such child, brother or sister;</p> <p>iii. Is not acting as a nominee or representative of a substantial shareholder</p>		
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	<p>of the corporation, any of its related companies or any of its substantial shareholders</p> <p>iv. ; Has not been employed in any executive capacity by that public company, any of its related companies or by any of <del>the</del> substantial shareholders within the last five (5) years;</p> <p>v. Is not retained as professional</p>		
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	<p>adviser by that public company, any of its related companies or any of its substantial shareholders within the last five (5) years, either personally or through his firm;</p> <p>vi. Has not engaged and does not engage in any transaction with the corporation or with any of its related companies or with any of its substantial</p>		
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	<p>shareholders , whether by himself or with other persons or through affirm of which he is a director or substantial shareholder, other than transactions which are conducted at arms length and are immaterial or insignificant.</p> <p>2. When used in relation to a company subject to the requirements above:</p> <p>1. Related company means</p>		
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	<p>another company which is: (a) its holding company, (b) its subsidiary, or (c) a subsidiary of its holding company; and</p> <p>ii. Substantial shareholder means any person who is directly or indirectly the beneficial owner of more than ten percent (10%) of any class of its equity security.</p>		
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	<p>B. An independent director shall have the following qualifications:</p> <ul style="list-style-type: none"> <li>i. He shall have at least one (1) share of stock of the corporation;</li> <li>ii. He shall be at least a college graduate or he shall have been engaged or exposed to the business of the corporation for at least (5) years;</li> <li>iii. He shall possess integrity/pr obity; and</li> <li>iv. He shall be assiduous.</li> </ul>		
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	<p>C. No person enumerated under Section II (5) of the Code of Corporate Governance shall qualify as an independent director. He shall likewise be disqualified during his tenure under the following instances or causes:</p> <p>i. He becomes an officer or employee of the corporation where he is such a member of the board of directors/trustees, or becomes <del>any of the persons</del> enumerated under letter (A) hereof;</p>		
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	<p>ii. His beneficial security ownership exceeds 10% of the outstanding capital stock of the company where he is such director;</p> <p>iii. Fails, without any justifiable cause, to attend at least 50% of the total number of Board meetings during his incumbency unless such absences are due to grave illness or</p>		
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	<p>death of an immediate family.</p> <p>iv. Such other disqualifications which the company's Manual on Corporate Governance provides.</p> <p>D. Nomination and Election of Independent Directors.</p> <p>1. Nomination of independent director/s shall be conducted by the Nomination Committee prior to a stockholders' meeting. All recommendations shall be signed by the nominating stockholders together with the</p>		
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	<p>acceptance and conformity by the would-be nominees.</p> <p>2. 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.</p> <p>3. After the nomination, the committee shall prepare a Final List of Candidates which shall contain all the information about all the nominees for independent</p>		
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	<p>directors, as required under Part IV (A) and (C) of Annex "C" of SRC Rule 12, which list, shall be made available to the Commission and to all stockholders through the filing and distribution of the Information Statement or Proxy Statement, in accordance with SRC Rule 17.1(b) or SRC Rule 20, respectively, or in such other reports the company is required to submit to the Commission. The names of the person or group of persons who recommend the nomination of the independent director shall be</p>		
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	<p>identified in such report including any relationship with the nominee.</p> <p>4. Only 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 annual stockholders'/memberships' meeting.</p>		
<p><b>ARTICLE IV</b> <b><u>OFFICERS</u></b></p>			

Section Election/Appoint ment	<p>1. Immediately after their election the Board of Directors shall formally organize by electing the Chairman, the President, one or more Vice Presidents, the Treasurer, and the Secretary, at said meeting.</p> <p>The board may, from time to time, appoint such other officers as it may determine to be necessary or proper.</p> <p>Any two (2) or more positions may be held concurrently by the same person, except that no one shall act as President and Treasurer or Secretary at the same time.</p>	No change	
Section Chairman of the Board	<p>2. The Chairman of the Board of Directors shall preside at the meetings of the directors and the stockholders. He shall also exercise such powers and perform such duties as the Board of Directors may assign to him.</p>	No change	

Section 3. Vice-Chairman of the Board	The Vice-Chairman of the Board shall preside at all meetings of the stockholders and the Board of Directors in the absence of the Chairman. He shall perform such other functions as may from time to time be delegated to him by the Board of Directors.	No change	
Section 4. President	<p>The president, who shall be a director, shall be the Chief Executive Officer of the corporation and shall also have administration and direction of the day-to-day business affairs of the corporation. He shall exercise the following functions:</p> <p>a.) To preside at the meeting of the Board of Directors and of the stockholders in the absence of the Chairman of the Board of Directors;</p>	No change	

	<p>b.) To initiate and develop corporate objectives and policies and formulate long range projects, plans and programs for the approval of the Board of Directors, including those for executive training, development and compensation;</p> <p>c.) To have general supervision and management of the business affairs and property of the corporation;</p>		
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	<p>d.) To ensure that the administrative and operational policies of the corporation are carried out under his supervision and control;</p> <p>e.) Subject to guidelines prescribed by laws, to appoint, remove, suspend or discipline employees of the corporation, prescribe their duties, and determine their salaries;</p>		
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	<p>f.) To oversee the preparation of the budgets and the statements of accounts of the corporation;</p> <p>g.) To prepare such statements and reports of the corporation as may be required of him by law;</p> <p>h.) To present the corporation at all functions and proceedings;</p> <p>i.) To execute on behalf of the corporation all contracts, agreements and other instruments</p>		
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	<p>affecting the interests of the corporation which require the approval of the Board of Directors, except as otherwise directed by the Board of Directors;</p> <p>j.) To make reports to the Board of Directors and stockholder;</p> <p>k.) To sign certificates of stock;</p> <p>l.) To perform such other duties as are incident to his office or are entrusted to him by the</p>		
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	<p style="text-align: center;">Board of Directors.</p> <p>The President may assign the exercise or performance of any of the foregoing powers, duties and function to any other officer(s), subject always to his supervision and control.</p>		
Section 5. The Vice-President(s)	If one or more Vice-Presidents are appointed, he/they shall have such powers and shall perform such duties as may from time to time be assigned to him assigned to him/ them by the Board of Directors or by the President.	No change	
Section 6. The Secretary	The Secretary must be a resident and a citizen of the Philippines. He shall be the custodian of and shall maintain the corporate books and record and shall be the custodian of and shall	No change	

	<p>maintain the corporate books and record and shall be the recorder of the corporation's formal actions and transactions. He shall have the following specific powers and duties:</p> <p>a) To record or see to the proper recording of the minutes and transactions of all meetings of the directors and the stockholders and to maintain minute books of such meetings in the form and manner required by law;</p>		
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	<p>b) To keep or cause to be kept record books showing the details required by law with respect to the stock certificates of the corporation, including ledgers and transfer books showing all shares of the corporation subscribed, issued and transferred;</p> <p>c) To keep the corporate seal and affix it to all papers and documents requiring a seal, and to</p>		
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	<p>attest by his signature all corporate documents requiring the same;</p> <p>d) To attend to the giving and serving of all notices of the corporation required by law or these by laws to be given;</p> <p>e) To certify to such corporate acts, countersign corporate documents or certificates, and make reports or statements as may be required of him by law or</p>		
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	<p>by government rules and regulations;</p> <p>f) To act as the inspector at the election of directors and, as such, to determine the number of shares of stock outstanding and entitled to vote, the shares of the stock represented at the meeting, the existence of a quorum, the validity and effect of proxies, and to receive votes, ballots or consents, hear and determine all challenges and questions</p>		
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	<p> arising in  connection  with the right  to vote, count  and tabulate all  votes, ballots  or consents,  determine the  result, and do  such acts as are  proper to  conduct the  election or  voting. The  Secretary may  assign the  exercise or  performance of  any or all of the  foregoing  duties, powers  and functions  to any other  person or  persons,  subject always  to his  supervision  and control. </p>		
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	<p>g) To perform such other duties as are incident to his office or as may be assigned to him by the Board of Directors or the President.</p>		
Section 7. The Treasurer	<p>The Treasurer of the corporation shall be its chief fiscal officer and the custodian of its funds, securities and property. The Treasurer shall have the following duties:</p> <p>a) To keep full and accurate accounts of receipts and disbursements in the books of the corporation;</p> <p>b) To have custody of, and</p>	No change	

	<p>be responsible for, all the funds, securities and bonds of the corporation;</p> <p>c) To deposit in the name and to the credit of the corporation, in such bank as may be designated from time to time by the Board of Directors, all the moneys, funds, securities, bonds and similar valuable effects belonging to the corporation which may</p>		
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	<p>come under his control;</p> <p>d) To render an annual statements showing the financial condition of the corporation and such other financial report as the Board of Directors, the Chairman or the President may, from time to time, require;</p> <p>e) To prepare such financial reports, statements, certifications and other documents which may, from time to time, be</p>		
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	<p>required by the government rules and regulations and to submit the same to the proper government agencies;</p> <p>f) To exercise such powers and perform such duties and functions as may be assigned to him by the President.</p>		
Section 8. Term of Office	The term of office of all officers shall be for a period of one (1) year and until their successors are duly elected and qualified. Such officers may however be sooner removed for cause.	No change	

Section 9. Vacancies	If any position of the officers becomes vacant by reason of death, resignation, disqualification or for any other cause, the Board of Directors may elect a successor who shall hold office for the unexpired term.	No change	
Section 10. Compensation	The by-laws officers shall receive such remuneration as the Board of Directors may determine. All other officers shall receive such remuneration as the Board of Directors may determine upon recommendation of the President. A director shall not be precluded from serving the corporation in any other capacity as an officer, agent or otherwise, and receiving compensation therefor.	No change	
<b>ARTICLE V</b> <b><u>OFFICES</u></b>			
Section 1.	The principal office of the corporation shall be located at the place stated in the Articles of Incorporation.	No change	

	The corporation may have such other branch offices, either within or outside the Philippines as the Board of Directors may designate or as the business of the corporation may, from time to time, require.		
<b>ARTICLE VI</b> <b><u>AUDIT OF BOOKS AND FISCAL YEAR</u></b>			
Section 1. External Auditors	At the regular stockholders' meeting, the external auditor or auditors of the corporation for the ensuing year shall be appointed. The external auditor or auditors shall examine, verify and report on the earnings and expenses of the corporation.	No change	
Section 2. Fiscal Year	The fiscal year of the corporation shall begin on the first day of January and end on the last day of December of each year.	No change	
Section 3. Dividends	Dividends shall be declared and paid out of the unrestricted earnings which shall be payable in cash, property, or stock to all	No change	

	stockholders on the basis of outstanding stock held by them, as often and at such times as the Board of Directors may determine and in accordance with law and applicable rules and regulations.		
ARTICLE VII AMENDMENTS			
Section 1.	The by-laws may be amended or repealed by the affirmative vote of a majority of the Board of Directors and the stockholders representing a majority of the outstanding capital stock, at any Board of Directors' meeting and stockholders' meeting respectively called for that purpose. However, the power to amend, modify, repeal or adopt new by-laws may be delegated to the Board of Directors by the affirmative vote of stockholders representing not less than two-thirds (2/3) of the outstanding capital stock; provided, however, that any such delegation of powers to	No change	

	the Board of Directors to amend, repeal or adopt new by-laws may be revoked by the vote of the stockholders representing a majority of the outstanding capital stock at a regular or special meeting.		
<b>ARTICLE VIII</b> <b><u>SEAL</u></b>			
Section 1. Form and Inscriptions	The corporate seal shall be determined by the Board of Directors.	No change	
<b>ARTICLE IX</b> <b><u>ADOPTION CLAUSE</u></b>			
	The foregoing by-laws was adopted by all the stockholders of the corporation on 06 February	No change	

	2006 at the principal office of the corporation.		
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