

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A, AS AMENDED

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 177
OF THE REVISED CORPORATION CODE OF THE PHILIPPINES

OF

GMA HOLDINGS, INC.

1. For the fiscal year ended: **December 31, 2021**
2. SEC Identification Number: **CS200602356** 3. BIR Tax Identification No. **244-658-896-000**
4. Exact name of issuer as specified in its charter: **GMA HOLDINGS, INC.**
5. **Philippines** 6. Use Only)
Province, Country or other jurisdiction of Industry Classification Code:
incorporation or organization
7. **Unit 3K, North Wing, Fairways Tower Condominium, 5th Avenue corner McKinley Road, Fort Bonifacio Taguig City, Philippines)**
Address of principal office Postal Code 1634
8. **(632) 89827777 or (632) 88163716 to 19**
Issuer's telephone number, including area code
9. **Not Applicable**
Former name, former address, and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Philippine Deposit Receipts ("PDRs")	411,590,049

11. Are any or all of these securities listed on a Stock Exchange.

Yes [] No []

If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange/ PDRs

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 25 and 177 of The Revised

Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes No

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

Yes No

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form. (See definition of "affiliate" in "Annex B").

Not Applicable

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Not Applicable

15. Pages 33 to 44 of the Company's Prospectus <http://aphrodite.gmanetwork.com/pdfs/GMA-Final-Prospectus.pdf> dated July 14, 2007 are incorporated herein by reference insofar as they are relevant to the current operations and business/purpose of GMA Holdings, Inc., as well as pages 3 to 5 of the attached Sustainability Report (Annex "C" hereof) in relation to the relevant risks in the businesses and the procedures undertaken to identify, assess and manage such risks. The rights of the Company's stockholders are set forth under Article 7 of the Company's Amended Articles of Incorporation, among others, which may be viewed or downloaded from: https://aphrodite.gmanetwork.com/corporate/disclosures/1-ghi__amendments_to_articles_of_incorporation_111320_1605512528.pdf

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

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

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

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

The registered office address of the Company is Unit 3K, North Wing, Fairways Tower Condominium, 5th Avenue corner McKinley Road, Fort Bonifacio Taguig City, Philippines.

Transactions with/and or dependence on related parties:

Not applicable. Please refer to Certain Relationships and Related Transactions on page 21.

Cost and Effects of Compliance with Environmental Laws

As part of its business permit renewal, GHI annually pays an Environmental Impact Fee to the local government. In January 2021, it paid Php 5,878.13 to the local government.

Relevant Risks in the Business and the Procedures Undertaken to Identify, Assess and Manage Such Risks

The relevant risks in the businesses and the procedures undertaken to identify, assess and manage such risks are set forth in pages 33 to 44 of GHI's Prospectus <http://aphrodite.gmanetwork.com/pdfs/GMA-Final-Prospectus.pdf> dated July 14, 2007 are incorporated herein by reference insofar as they are relevant to the current operations and business/purpose of GHI, as well as pages 3 to 5 of the attached Sustainability Report (Annex "C" hereof).

Employees:

The Company had no fulltime employees as of December 31, 2021 and does not anticipate acquiring any employees within the next ensuing 12 months. No labor unions are present within the Company.

Item 2. Properties

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

Item 3. Legal Proceedings

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

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

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

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

Market Information

(a) Securities Sold and Consideration therefor

The Company first offered PDRs relating to the Common Shares on July 31, 2007 at the price of Php 8.50. These PDRs were listed on the Philippine Stock Exchange on the same date. Of the PDRs offered, 91,346,000 PDRs were offered on behalf of the Company (the "Primary PDR Offer") and 730,769,000 PDRs were offered on behalf of certain existing shareholders of the Company, namely Group Management and Development, Inc., FLG Management and Development Corporation, M.A. Jimenez Enterprises, Inc., Television International Corporation, Gozon Development Corporation and Gozon Foundation (collectively, "Selling Shareholders") (the "Secondary PDR Offer"). Of the 730,769,000 PDRs relating to Common Shares offered on behalf of the Selling Shareholders, 256,829,164 came from Group Management and Development Corporation, Inc., 212,829,164 from FLG Management and Development Corporation, 147,249,954 from M.A. Jimenez Enterprises, Inc., 108,475,350 from Television International Corporation, 4,516,152 from Gozon Development Corporation and 1,468,846 from Gozon Foundation, Inc..

At that time, GMA Network Inc. expected to raise gross proceeds from the Domestic Share Offer and Primary PDR Offer of approximately P1,552.9 million. After deducting estimated, applicable fees, underwriting fees, commissions and expenses related to the Combined Offer of approximately P129.4 million, net proceeds to GMA Network Inc. from the Combined Offer were expected to be approximately P1,423.5 million.

GMA Network Inc. did not receive any proceeds from the Secondary PDR Offer. Taxes, issue management, underwriting and selling fees and other fees and expenses pertaining to the Secondary PDR Offer were for the account of the Selling Shareholders.

Each of the Company and the Selling Shareholders granted the Deutsche Bank AG (Sole Global Coordinator, Domestic Lead Underwriter and Issue Manager) an option, exercisable for 30 days from the date of listing and when trading of the Common Shares and PDRs on the Philippine Stock Exchange ("PSE"), to purchase or place up to 123,317,000 PDRs.

Other than the foregoing, no securities were sold which were not registered under the Securities Regulation Code within the past three (3) years.

(b) Underwriters and Other Purchasers

ATR KimEng Capital Partners, Inc. acted as Joint Lead Manager, Domestic Lead Underwriter for GHI and the Selling Shareholders. The other underwriters who participated were as follows:

- (1) BDO Capital and Investment Corporation
- (2) First Metro Investment Corporation
- (3) Unicapital Incorporated
- (4) Abacus Capital and Investment Corporation
- (5) Asian Alliance and Investment Corporation
- (6) Pentacapital Investment Corporation
- (7) RCBC Capital Corporation
- (8) Union Bank of the Philippines

Stock Prices GMAP

Period in 2022	Highest Closing	Lowest Closing
1Q	15.00	13.10

Period in 2021	Highest Closing	Lowest Closing
1Q	8.49	5.76
2Q	13.00	7.34
3Q	15.04	10.24
4Q	15.00	13.00

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

The Company's Philippine Deposit Receipts (PDRs) have been listed with the Philippine Stock Exchange since 2007. The price information as of the close of the latest practicable trading date April 13, 2022 is 15.00 for GHI GMAP (PDRs).

Holders

The total number of shareholders as of March 31, 2022 was seven. The number of shares subscribed as of March 31, 2022 was 10,000 or P100,000.00. All the common shareholders of the Company are listed hereunder:

Name of Shareholder	No. of Shares Subscribed	Percentage of Ownership
Felipe L. Gozon	3,330	33.30
Gilberto R. Duavit, Jr.	3,330	33.30
Joel Marcelo G. Jimenez	3,330	33.30
Artemio V. Panganiban	4	.04
Manuel P. Quiogue(deceased)	4	.04
Jaime C. Laya	1	.01
Felipe S. Yalong	1	.01
Total	10,000	100.00

Dividend Information

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

The rights of the Company's stockholders are set forth under Article 7 of the Company's Amended Articles of Incorporation, among others, which may be viewed or downloaded from: https://aphrodite.gmanetwork.com/corporate/disclosures/1-ghi__amendments_to_articles_of_incorporation_111320_1605512528.pdf

Cash Distribution to the Company's PDR Holders

On March 25, 2022, the Company approved a cash distribution to the PDR holders of Php 1.45 per share or at the same rate of the dividend that was paid by GMA Network, Inc. to the latter's common shareholders. The foregoing cash distribution in the amount of Php 1.45 per PDR will be distributed to the PDR holders as of April 25, 2022 and will be paid out to the PDR Holders on May 18, 2022.

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

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

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

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

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

Cash Dividends to Common Shareholders

On March 25, 2021, the Board of Directors approved the Company's declaration and distribution of Php 7,900,000.00 cash dividends from its retained earnings as of December 31, 2021, to be paid on May 17, 2022 to the stockholders of record as of April 25, 2022.

On March 26, 2021, the Board of Directors approved the Company's declaration and distribution of Php 2,100,100.00 cash dividends from its retained earnings as of December 31, 2020 and was paid on May 18, 2021 to its stockholders of record as of April 22, 2021.

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

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

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

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

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

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

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

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

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

Item 6. Management's Discussion and Analysis or Plan of Operation.

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

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

As provided in the Prospectus, any cash dividend or other cash distribution distributed in respect of the Common Shares received by the Company (or the Pledge Trustee on its behalf) shall be applied toward the operating expenses then due (including but not limited to applicable taxes, fees, and maintenance costs charged by the Philippine Stock Exchange) of the Company (the "Operating Expenses") for the current and preceding year (as certified by an independent auditor). An additional amount equal to the operating expenses in the preceding year (as certified by an independent auditor) (the "Operating Fund") shall be set aside to meet operating or other expenses for the succeeding year. Any amount over the aggregate of the Operating Expenses paid and the Operating Fund for such period (as certified by the independent auditor of the PDR Issuer) shall be distributed to Holders pro rata on the first Business Day after such cash dividends are received by the Company. However, with the presence of sufficient cash flows generated from exercise fees and interest income, the Company has not deducted any operating expenses from any cash dividend distribution.

On March 26, 2021, the Company's Board of Directors approved a cash distribution to the PDR holders of P1.35 per PDR, totaling P909.89 million to all PDR holders of record as of April 22, 2021. The amount was remitted to the PDR holders on May 19, 2021.

On June 9, 2020, the Company's Board of Directors approved a cash distribution to the PDR holders of P0.30 per PDR, totaling P216.56 million to all PDR holders of record as of June 24, 2020. The amount was remitted to the PDR holders on July 16, 2020.

On March 29, 2019, the Company's Board of Directors approved a cash distribution to the PDR holders of P0.45 per PDR, totaling P329.20 million to all PDR holders of record as of April 22, 2019. The amount was remitted to the PDR holders on May 15, 2019.

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

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

KEY PERFORMANCE INDICATORS

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

RESULTS OF OPERATIONS

Results of Operations of GMA Holdings Inc. for the years ended December 31, 2021, and 2020

The Company posted Revenues of P11.09 million for 2021, a 235% increase or P7.78 million versus last year's level of P3.31 million due to a sharp increase in Exercise Fees of P9.35 million resulting from the conversion of PDR shares. Moreover, Interest Income increased to P1.74 million in 2021 versus P1.29 million in 2020 due to higher interest income earned on cash placements.

Operating Expenses for the year totaled P983 thousand, a decrease of 2% vis-a-vis P1.00 million in 2020 due to decrease in professional fees, taxes and licenses, and office supplies.

With higher revenues, Net Income after tax increased 290% to P7.93 million versus last year's Net Income after tax of P2.03 million. Consequently, Total Comprehensive Income increased to P7.93 million from last year's level of P1.87 million.

On March 25, 2022, the Board of Directors approved the cash dividend of P7.90 million to be paid to the stockholders from the Company's retained earnings as of December 31, 2021.

Financial Condition. Total assets amounted to P56.40 million, higher by 12% than last year's P50.37 million, primarily due to the increase in Cash and Cash Equivalents and Accounts receivable.

For the years ended December 31, 2020 and 2019

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

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

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

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

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

For the years ended December 31, 2019 and 2018

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

Operating expenses for the year 2019 totaled P948 thousand vis-a-vis P1.01 million in 2018 mainly due to the decrease in listing fees amounting to P393 thousand as compared with P455 thousand in 2018 due to

lower market cap, lower local business tax of P36 thousand from last year's P38 thousand due to lower 2018 tax base, lower PDR conversion, and lower transportation expenses.

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

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

KEY VARIABLE AND OTHER QUALITATIVE OR QUANTITATIVE FACTORS

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

As of December 31, 2021, there were no known trends, demands, commitments, events or uncertainties that will have a material impact on the issuer's liquidity.

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

As of December 31, 2021, there were no events which may trigger a direct or contingent financial obligation that is material to the Company.

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

There were no off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relations of the company with unconsolidated entities or other persons created as of December 31, 2021.

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

For the period January 1, 2021 to December 31, 2021, there were no material commitments for capital expenditures.

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

The Company's results of operations depend largely on its ability to meet PDR holders' expectations from the dividends it receives and to monitor cash and cash equivalents levels to meet its obligations with respect to the Company's current and preceding year's operation. As of December 31, 2021, there were no known trends, events or uncertainties that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations.

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

As of December 31, 2021, there were no significant elements of income or loss that did not arise from the issuer's continuing operations.

vii. Causes for Material Changes in the Financial Statements

Statements of Financial Position (December 31, 2021, vs. December 31, 2020)

1. Current assets increased by P6.09 million to P56.40 million, mainly due to increased cash in the bank and accounts receivables.
2. Current liabilities increased by P203 thousand to P48.36 million due to increased income tax payable.

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

As of December 31, 2021, there are no seasonal aspects that had a material effect on the financial condition or results of operations.

Item 7. Financial Statements

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

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

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

AUDIT AND AUDIT-RELATED FEES

The Company engaged SyCip Gorres Velayo @ Co. (SGV) as the independent auditors to audit the annual financial statements in accordance with Philippine Standards on Auditing and express its opinion on these financial statements as a whole as well as on the Supplemental Schedules Required by Annex 68-E included in Form 17-A in compliance with Securities Regulation Code Rule 68, As Amended (2011). The Company accrued an audit fee of Seventy-Five Thousand Pesos (P75,000) for 2021, the same fee as the year 2020.

TAX FEE

The Company has not engaged SGV for tax accounting, compliance, advice, planning, and any other form of tax services during the years 2021 and 2020 that are reasonably related to the performance of the audit or review of the Company's financial statements.

ALL OTHER FEES

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

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

Board of Directors, Officers and Senior Management

Under the Articles of Incorporation of the Company, the Board of Directors of the Company comprises five directors, two of whom are independent. The directors have a term of one year and are elected annually at the Company's stockholders meeting. A director who is elected to fill a vacancy holds the office only for the unexpired term of his predecessor. As of March 31, 2022, the Company's Board of Directors and Senior Management were composed of the following:

Board of Directors				Senior Management		
Directors and Senior Management	Nationality	Position	Year Position was Assumed	Position	Year Position was Assumed	Age
Felipe L. Gozon	Filipino	Chairman/Director	2006	N/A	N/A	82
Gilberto R. Duavit, Jr.	Filipino	Director	2006	President/Chief Executive Officer	2007	58
Joel Marcelo G. Jimenez	Filipino	Director	2006	N/A	N/A	58
Felipe S. Yalong	Filipino	Corporate Treasurer	2007	Chief Financial Officer/Chief Operating Officer	2012	65
Artemio V. Panganiban	Filipino	Independent Director	2009	N/A	N/A	8
Jaime C. Laya	Filipino	Independent Director	2008	N/A	N/A	82
Ronaldo P. Mastrili	Filipino	N/A	N/A	Comptroller/Chief Accounting Officer	2007	56
Anna Teresa M. Gozon-Vaides	Filipino	Corporate Secretary	2007	N/A	N/A	50
Eduardo P. Santos	Filipino	N/A	N/A	Compliance Officer	2021	65

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

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

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

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

Felipe L. Gozon, Filipino, 82 years old, is the Chairman of the Board of Directors of GMA Holdings, Inc. and the Chairman and Chief Executive Officer of GMA Network, Inc.

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

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

Atty. Gozon is a recipient of many awards for his achievements in law, media, public service, and business, including the prestigious Chief Justice Special Award given by the Chief Justice of the Philippines (1991), Presidential Award of Merit given by the Philippine Bar Association (1990 & 1993), CEO of the Year given by Uno Magazine (2004), Master Entrepreneur-Philippines (2004) by Ernst and Young, Outstanding Citizen of Malabon Award for Legal and Business Management by the Kalipunan ng Samahan sa Malabon (KASAMA) (2005), People of the Year by People Asia Magazine (2005), Business Excellence Award given by BizNews Asia (2009), Outstanding Manilan Award in the field of Social Responsibility and Broadcasting given by the City Government of Manila (2011), Quezon City Gawad Parangal Most Outstanding Citizen given by the City Government of Quezon (2011), Tycoon of the Decade Award given by BizNews Asia (2011), Lifetime Achievement Award given by the UP Alumni Association (2012), Certificate of Recognition given by the Civil Aeronautics Board (2012), Platinum Business Icon Award given by BizNews Asia (2012), Personality of the Year for Broadcast Media given by SKAL International Makati (2013), Outstanding Member-Achiever given by Phi Kappa Phi UP Chapter (International Honor Society) (2013), Visionary Management CEO Award given by BizNews Asia (2013), Lifetime Achievement Award given by UP Preparatory High School Alumni (2014), Entrepreneurship Excellence Award and Best Broadcast CEO Award given by BizNews Asia (2014), The Rotary Golden Wheel Award for Corporate Media Management given by Rotary International District 3780 and Quezon City Government (2014), Global Leadership Award for Excellence in Media Sector (first Filipino to win the award) given by The Leaders International together with the American Leadership Development Association in Kuala Lumpur, Malaysia (2015), Visionary Management Excellence Award given by BizNews Asia (2015, 2016), Management Excellence Award given by BizNews Asia (2017, 2019), and Asia's Best Broadcast CEO given by BizNews Asia (2018). He is listed among BizNews Asia's Power 100 (2003 to 2010) and is a recipient of a Doctor of Humanities degree (Honoris Causa) from the Angeles University Foundation (2008) and a Doctor of Laws degree (Honoris Causa) from the Wesleyan University Philippines (2022).

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

Gilberto R. Duavit, Jr., Filipino, 58 years old, is the President and Chief Executive Officer of the Company. He has been a Director of the Company since 2006. He is the President and Chief Operating Officer of the GMA Network, Inc.. He has been a Director of the GMA Network, Inc. since 1999 and is currently the Chairman of the Network's Executive Committee. He is also the Chairman of the Board of GMA Network Films and serves as President and CEO of GMA Holdings, Inc., RGMA Marketing and Productions, Inc., and Chairman, President, and CEO of Group Management and Development, Inc., Dual Management and Investments, Inc., and Film Experts, Inc. Duavit is the Vice Chairman of GMA Ventures, Inc.

He also serves as the President and a Trustee of GMA Kapuso Foundation, Inc. and is a Trustee of the Guronasyon Foundation, Inc. and the HERO Foundation. Duavit holds a Bachelor of Arts degree in Philosophy from the University of the Philippines.

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

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

Chief Justice Artemio V. Panganiban, Filipino, 85 years old, has been an Independent Director of the Company since 2009. In 1995, he was named a Justice of the Supreme Court and was appointed Chief Justice of the Philippines in 2005—a position he held until December 2006. At present, he is also an Independent Director of these listed firms: Metro Pacific Investments Corp., Meralco, GMA Holdings, Inc., PLDT, Inc., Petron Corporation, JG Summit Holdings, Inc., Asian Terminals, RL Commercial Reit, Inc., and a non-Executive Director of Jollibee Foods Corporation. He is also a Senior Adviser of Metropolitan Bank and Trust Company and a member of the Advisory Council of Bank of the Philippine Islands (BPI), Chairman, Board of Advisers of Metrobank Foundation, Adviser of DoubleDragon Properties Corp. and MerryMart Consumer Corp., Chairman of the Board of the Foundation for Liberty and Prosperity, President of the Manila Cathedral Basilica Foundation, Chairman Emeritus of Philippine Dispute Resolution Center, Inc., and Member, Advisory Board of the World Bank (Philippines) and of the Asian Institute of Management Corporate Governance Council. He was named a Member of the Permanent Court of Arbitration based in The Hague, Netherlands, last August 2017 and is the designated Chairperson of the Philippine National Group. He also is a column writer of The Philippine Daily Inquirer.

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

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

Jaime C. Laya, Filipino, 83 years old, has been an Independent Director of GMA Network, Inc. and GMA Holdings, Inc. since 2008. He is the Chairman of Philippine Trust Company (Philtrust Bank), Independent Director of Philippine AXA Life Insurance Company, Inc. and Charter Ping An Insurance Corporation. He also serves as Chairman of Don Norberto Ty Foundation, Inc.; President of Makati Sports Club, Inc.; Director of BancNet, Inc.; Trustee of the Cultural Center of the Philippines, St. Paul University - Quezon City, Metropolitan Museum of Manila, Yuchengco Museum, Museo del Galeon, Inc., Ayala Foundation, Inc., Filipinas Opera Society Foundation, Inc., Fundación Santiago, Inc., and other organizations. He writes a weekly column for the *Manila Bulletin*.

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

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

Felipe S. Yalong, Filipino, 64 years old, is the Chief Financial Officer, Chief Operating Officer and Corporate Treasurer of the Company. He is the Executive Vice President and Chief Financial Officer of GMA Network, Inc. He is also the Head of the Corporate Services Group of the Network. He has been a Director of GMA Network, Inc. since 2002. Aside from GMA Network, Inc., he also serves as Director and Corporate Treasurer of GMA Holdings, Inc., Scenarios, Inc., and GMA Network Films, Inc.; Director of Unicapital, Inc., and Unicapital Finance and Investments, Inc.; Corporate Treasurer of RGMA Network, Inc., MediaMerge Corp.; Executive Vice President of RGMA Marketing and Productions, Inc.; and Corporate Treasurer and a Trustee of GMA Kapuso Foundation, Inc.

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

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

Anna Teresa M. Gozon-Valdes, Filipino, 50 years old, has been the Corporate Secretary of the Company since 2007. She has been a Director of GMA Network, Inc. since 2000. She graduated valedictorian from grade school and high school at Colegio San Agustin. She graduated *cum laude*, with a Bachelor of Science degree in Management Engineering from Ateneo de Manila University. She obtained her Bachelor of Laws degree from the University of the Philippines where she graduated valedictorian and *cum laude*. She later obtained her Master of Laws from Harvard University.

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

She is currently the Programming Consultant to the Chairman/CEO of GMA Network, President of GMA Films, Inc., and Board Member of RGMA. Atty. Gozon-Valdes is also the Corporate Secretary of GMA Network, GMA Ventures, Inc. and Philippine Entertainment Portal, Inc. (PEP). She is also a stockholder of

GMA New Media, Inc. (NMI), Treasurer of Citynet Network Marketing & Productions, Inc, and a Trustee of the GMA Kapuso Foundation.

Eduardo P. Santos, Filipino, 65 years old, is a CPA with more than 20 years of experience with the media industry having served various roles in audit and finance. He is GMA Holdings, Inc. and GMA Network, Inc.'s Compliance Officer since 2021. Concurrently, Atty. Santos is the Internal Audit Head of GMA Network, Inc. since 2002. He is responsible for providing assurance and consulting services meant to add value and improve the operations of the Network by evaluating and improving the effectiveness of its corporate governance, risk management, and internal control processes. Among other functions, he monitors compliance with the established policies, systems, controls and procedures of the Company. He also serves as the Network's Data Protection Officer since 2017.

His vast experience in audit, as well as in the media industry, best complement his role as the Compliance Officer of the Network.

Atty. Santos obtained his Bachelor of Science degree in Business Administration, Major in Accounting from the Philippine School of Business Administration, and later earned his Bachelor of Laws degree from Arellano University School of Law.

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

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

Significant Employees

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

Family Relationships

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

Involvement in Certain Legal Proceedings

To the best of the Company's knowledge, during the past five years and up to the date of this Information Statement, there has been no occurrence of any of the following events which are material to an evaluation

of the ability or integrity of any director, person nominated to become a director, executive officer, or control person of the Company:

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

- Any filing of an insolvency or bankruptcy petition by or against any business of which such person was a general partner or executive officer, either at the time of the insolvency or within two (2) years prior to that time;
- Any conviction by final judgment in a criminal proceeding, domestic or foreign, or any pending criminal proceeding, domestic or foreign, of any such person, excluding traffic violations and other minor offenses;
- Any final and executory order, judgment, or decree of any court of competent jurisdiction, domestic or foreign, against any such person, permanently or temporarily enjoining, barring, suspending, or otherwise limiting involvement in any type of business, securities, commodities, or banking activities; and,
- Any final and executory judgment of any such person by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC, or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization, for violation of a securities or commodities law.

Related Party Transactions with Subsidiaries and Affiliates

Please refer to the disclosures on certain relationships and related transactions set forth on page 21.

Directors' Disclosures on Self-Dealing and Related Party Transactions

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

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

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

Director's Performance Evaluation Sheet

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

the non-compliance. The duly accomplished *Director's Performance Evaluation Sheet* is submitted to the Company through the Corporate Secretary.

During the year 2021, the members of the Company's Board of Directors indicated their compliance with the following standards set forth in the Director's Performance Evaluation Sheet:

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

Resignation of Directors

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

Item 10. Executive Compensation

Compensation of Directors and Executive Officers

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

Name and Position		Year	Salaries (in thousands)	Bonuses (in thousands)	Other Income (in thousands)	Total (in thousands)
Gilberto R. Duavit, Jr.	President and Chief Executive Officer					
Felipe S. Yalong	Chief Financial Officer/ Chief Operating Officer					
Ronaldo P. Mastrili	Chief Accounting Officer/ Comptroller					
CEO and the highest compensated officers named above		2018	-	-	-	-
		2019	-	-	-	-
		2020	-	-	25	25
		2021	-	-	60	60
		2022 (estimate)	-	-	70	70
Aggregate compensation paid to all officers and directors as a group unnamed		2018	-	-	-	-
		2019	-	-	-	-
		2020	-	-	120	120
		2021	-	-	220	220
		2022 (estimate)	-	-	250	250

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

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

At the Annual Stockholders' Meeting of the Corporation on July 24, 2020, it was resolved that the Corporation's Directors and Officers shall receive a per diem in the amount of Php 5,000.00 each. Since said date, the members of the Company's Board of Directors namely: Atty. Felipe L. Gozon, Gilberto R. Duavit, Jr., Joel Marcelo G. Jimenez, Dr. Jaime C. Laya and Chief Justice Artemio V. Panganiban have each received per diem of Php 5,000.00 for every meeting of the Board of Directors in 2021, as follows:

	Total Per Diem in 2021
--	------------------------

Atty. Felipe L. Gozon	Php 25,000
Gilberto R. Duavit, Jr.	Php 25,000
Joel Marcelo G. Jimenez	Php 25,000
Dr. Jaime C. Laya	Php 25,000
Chief Justice Artemio V. Panganiban	Php 25,000

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

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

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

Item 11. Security Ownership of Certain Beneficial Owners and Management

As of March 31, 2022, the following persons owned at least 5% of the Company's outstanding common shares:

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

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

Security Ownership of Management as of March 31, 2022:

As of March 31, 2022, the Company's directors and senior officers owned an aggregate of 96,996 common shares of the Company, equivalent to 99.96% of the Company's issued and outstanding capital stock.

Title of Class	Name of Beneficial Owner	Amount and Nature of	Citizenship	Percentage of Class
----------------	--------------------------	----------------------	-------------	---------------------

		Beneficial Ownership		
Common	Felipe L. Gozon	Direct 3,330	Filipino	33.30
Common	Gilberto R. Duavit, Jr.	Direct 3,330	Filipino	33.30
Common	Joel Marcelo G. Jimenez	Direct 3,330	Filipino	33.30
Common	Artemio V. Panganiban	Direct 4	Filipino	.04
Common	Jaime C. Laya	Direct 1	Filipino	.01
Common	Felipe S. Yalong	Direct 1	Filipino	.01
	Total	99,996		99.96

Voting Trust Holders of more than 5%

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

Changes in Control

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

Philippine Deposit Receipts (PDRs)

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

Item 12. Certain Relationships and Related Transactions

Certain Relationships and Related Transactions

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

On July 30, 2007, the Company issued PDRs relating to the Common Shares. The proceeds owing to the selling shareholders of GMA Network, Inc. ("Selling Shareholders") whose Common Shares formed part of the underlying shares of the PDRs in the Company's Initial Public Offering was retained by the Company as the PDR issuer in consideration for the rights granted under the PDRs equivalent to 0.05 per PDR. This amount will be used for the liquidation of expenses related to the issuance of the PDRs. Any excess is to be remitted to the selling shareholders.

The Company has an outstanding payable to its affiliate, GMA Network, Inc. pertaining to reimbursable charges on professional fees paid on behalf of the Company.

For relevant information on the nature of the foregoing transactions and the relevant amounts in relation thereto, please see Note 13 of the Financial Statements on Related Party Disclosures.

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

Item 13. Corporate Governance

Please refer to the Integrated Annual Corporate Governance of Report of the Company as of 2020 filed with the Honorable Commission on June 30, 2021 (Annex "B" hereof) and which may be accessed at <https://www.gmaholdingsinc.com/governance/annual>

PART V - EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Form 17-C

(a) Reports attached as Annex to the Annual Report

Annex "A" The Company's latest Audited Financial Statements and Supplementary Schedules

Annex "B" The Company's latest Integrated Annual Corporate Governance Report

Annex "C" The Company's Sustainability Report

(b) Exhibits incorporated by reference

Exhibit 1 – Instruments defining the rights of the Company’s stockholders are set forth under Article 7 of the Company’s Amended Articles of Incorporation, among others, which may be viewed or downloaded from: https://aphrodite.gmanetwork.com/corporate/disclosures/1-ghi__amendments_to_articles_of_incorporation_111320_1605512528.pdf

Exhibit 2 - The economic risk factors set forth in pages 33 to 44 of GHI’s Prospectus <http://aphrodite.gmanetwork.com/pdfs/GMA-Final-Prospectus.pdf> dated July 14, 2007 and are incorporated herein by reference insofar as they are relevant to the current operations and business/purpose of GHI, as well as pages 3 to 5 of the attached Sustainability Report (Annex “C” hereof).

Exhibit 3 – Form 17-Q: The Company currently cannot make available the financial information for the first quarter of 2022. The Company however, undertakes to submit its SEC Form 17-Q on or before May 15, 2022 and to make the same available upon written request therefor by the Stockholder.

Exhibit 4 – Report Furnished to Security Holders; Other documents or statements to Security Holders: The Company’s Latest Information Statement may be viewed at and downloaded from <https://www.gmaholdingsinc.com/disclosures/info>

(c) Reports on 17-C

The following current reports have been reported by GMA Holdings, Inc during the year 2021.

- Notice of Annual Stockholders’ Meeting for 2021 – (January 28, 2021)
- Notice of Special Stockholders’ Meeting for March 2021 (February 10, 2021)
- Amended Notice of Special Stockholders’ Meeting for March 2021 (February 15, 2021)
- Results of Special Board Meeting (March 26, 2021)
- Results of Special Stockholders’ Meeting (March 26, 2021)
- Amended – Results of Special BOD March 26, 2021 – (April 8, 2021)
- Results of Annual Stockholders’ Meeting (May 28, 2021)
- Results of Organizational Meeting of the BOD (May 28, 2021)
- Change in Directors and/or Officers – (September 18, 2021)
- Results of Board Meeting – (October 28, 2021)
- Change in Directors and/or Officers – (October 28, 2021)

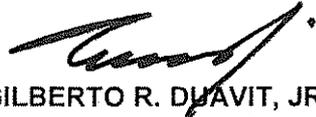
Item 15. Sustainability Report

Please see attached 2021 Sustainability Report of the Company. The Sustainability Report may also be viewed at: <https://www.gmaholdingsinc.com/disclosures/annual-report>

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 177 of the Revised Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of MAKATI CITY on APR 18 2022.

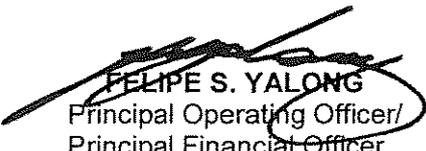
By:



GILBERTO R. DIAVIT, JR.
Principal Executive Officer



RONALDO P. MASTRILI
Comptroller /Prinsipal Accounting Officer



FELIPE S. YALONG
Principal Operating Officer/
Principal Financial Officer



ANNA TERESA M. GOZON-VALDES
Corporate Secretary

APR 18 2022

SUBSCRIBED AND SWORN to before me this _____ day of _____ 2022 affiants exhibiting to me their government issued identification cards, as follows:

Names	Government I.D.	Date of Issue	Place of Issue
Gilberto R. Duavit, Jr.	Passport No.5898410A	February 5, 2018	DFA, Manila
Felipe S. Yalong	Unified Multi- Purpose ID No. CRN-0111- 2468315-3		Manila
Ronaldo P. Mastrili	Passport No. P0540106B	February 4, 2019	DFA, Manila
Anna Teresa M. Gozon-Valdes	P7535518B	September 6, 2021	DFA, Manila

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Book No. 770
Series of 2022.

NOTARY PUBLIC
ATTY. GEORGE DAVID D. SITON
NOTARY PUBLIC FOR MAKATI CITY
ASPT. NO. 18-061 - UNTIL DEC. 31, 2023
ROLL NO. 68407 / MCLE COMPLIANCE NO. VII-0010136/2-15-2022
IBP O.R. NO. 002282-LIFETIME MEMBER MAY 5, 2017
PTR No. 8852066- JAN 03, 2022-MAKATI CITY
EXECUTIVE BLDG. CENTER MAKATI AVE., COR. JUPITER ST., MAKATI CITY



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 25th day of March 2022.

SUBSCRIBED AND SWORN to before me this APR 08 2022 day of 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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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

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. 8853476, January 3, 2022, Makati City

March 25, 2022



GMA HOLDINGS, INC.
STATEMENTS OF FINANCIAL POSITION

	December 31	
	2021	2020
ASSETS		
Current Assets		
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
LIABILITIES AND EQUITY		
Current Liabilities		
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
Equity		
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
REVENUE			
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
OPERATING EXPENSES (Note 11)	982,820	1,002,591	948,333
INCOME BEFORE INCOME TAX	10,103,531	2,307,222	1,707,570
PROVISION FOR INCOME TAX (Note 12)	2,177,778	273,295	420,822
NET INCOME	7,925,753	2,033,927	1,286,748
OTHER COMPREHENSIVE INCOME (LOSS)			
<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
TOTAL COMPREHENSIVE INCOME	₱7,925,753	₱1,866,660	₱2,732,277
Basic/Diluted Earnings Per Share (Note 16)	₱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
CASH FLOWS FROM OPERATING ACTIVITIES			
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
CASH FLOW FROM AN INVESTING ACTIVITY			
Redemption of debt instrument at fair value through other comprehensive income (Note 8)	–	21,000,000	–
CASH FLOW FROM A FINANCING ACTIVITY			
Payment of cash dividends (Notes 10 and 17)	(2,100,000)	(1,300,000)	(2,213,886)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,421,330	21,025,515	(764,514)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	49,088,997	28,063,482	28,827,996
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 7)	₱54,510,327	₱49,088,997	₱28,063,482

See accompanying Notes to Financial Statements.



GMA HOLDINGS, INC.

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

GMA Holdings, Inc. (the Company) is incorporated in the Philippines to invest in, purchase or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, exchange or otherwise dispose real and personal property of every kind and description. The registered office address of the Company is 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.

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.

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.

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).

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	₱5,800,916,800	₱6,185,153,350	682,460,800	727,665,100
Exercise of PDRs	(1,779,605,492)	(384,236,550)	(209,365,352)	(45,204,300)
Balance at end of year	4,021,311,308	₱5,800,916,800	473,095,448	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
	₱54,510,327	₱49,088,997

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



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
	₱982,820	₱1,002,591	₱948,333

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
	₱2,177,778	₱273,295	₱420,822

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)	-	-
	₱2,177,778	₱273,295	₱420,822



Deferred Tax Assets

The components of unrecognized deferred tax assets are as follows:

	2021	2020
MCIT	₱5,520	₱39,799
NOLCO	—	—
	₱5,520	₱39,799

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

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

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 ₱0.05 per PDR. This amount will be used for the liquidation of expenses related to the issuance of the PDRs. Any excess is to be remitted to the selling shareholders.

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

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

14. Financial Risk Management Objectives and Policies

The Company's principal financial instruments include cash and cash equivalents. 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			Total
	On Demand	3 to 12 Months	More than 1 year	
Financial assets at amortized cost				
Cash and cash equivalents	P54,510,327	P-	P-	P54,510,327
Accounts receivable	1,889,215	-	-	1,889,215
	56,399,542	-	-	56,399,542
Loans and borrowings				
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
Liquidity portion (gap)	P32,127,591	(P23,654,772)	P-	P8,472,819

*Excluding deferred output VAT and withholding tax payable amounting to P196,301.

	2020			Total
	On Demand	3 to 12 Months	More than 1 year	
Financial assets at amortized cost				
Cash and cash equivalents	P49,088,997	P-	P-	P49,088,997
Accounts receivable	1,258,984	-	-	1,258,984
Financial asset at FVOCI				
Debt instrument at FVOCI	-	-	-	0
	50,347,981	-	-	50,347,981
Loans and borrowings				
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
Liquidity portion (gap)	P36,452,636	(P34,123,040)	P	2,329,596

*Excluding deferred output VAT amounting to P135,903.



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.

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.



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	₱-	₱-

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.

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 ON SUPPLEMENTARY SCHEDULES

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. 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 schedules listed in the Index to the Supplementary Schedules are the responsibility of the Company's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



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. 8853476, January 3, 2022, Makati City

March 25, 2022



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. 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. 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
Cash and cash equivalents		
Cash on hand	5,000	₱-
Cash in bank - Union Bank of the Philippines	7,184,453	6,099
Total cash on hand and in banks	7,189,453	6,099
Cash equivalents - Unicapital, Inc.	26,092,956	1,645,134
Cash equivalents – Abacus Capital & Investment Corp.	21,227,918	88,450
Total cash equivalents	47,320,874	1,733,584
	₱54,510,327	₱1,739,683
Debt instrument at fair value through other comprehensive income	₱-	₱-

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

Name and designation	Balance as at January 1, 2021	Additions	Deductions		Current	Noncurrent	Balance as at December 31, 2021
			Amount collected	Amount written off			

Not Applicable: The Company has no receivable from directors, officer, employees, related parties and principal stockholders (other than related parties) as at December 31, 2021.

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

Name and designation	Balance as at January 1, 2021	Additions	Deductions		Current	Noncurrent	Balance as at December 31, 2021
			Amount collected	Amount written off			

Not Applicable: The Company has no receivable from related parties which are consolidated as at December 31, 2021.

Schedule D. Long-Term Debt

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related statement of financial position	Amount shown under caption "Long-term debt" in related statement of financial position
---------------------------------------	--------------------------------	---	--

Not Applicable: The Company has no long-term debt as at December 31, 2021.

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

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

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

Schedule F. Guarantees of Securities of Other Issuers

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

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

Schedule G. Capital Stock

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related statement of financial position caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers, and employees	Others
Common stock	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)
<u>Unappropriated retained earnings available for dividend declaration, end</u>	<u>₱7,942,275</u>

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 style="display: flex; justify-content: space-between;"> <div>Total Current Assets</div> <div>₱56,399,542</div> </div> <div style="display: flex; justify-content: space-between;"> <div>Divided by: Total Current Liabilities</div> <div>48,357,267</div> </div> <hr/> <div style="display: flex; justify-content: space-between;"> <div>Current Ratio</div> <div>1.17</div> </div>	1.17	1.05
Asset-to-Equity Ratio	Total Assets divided by Total Equity <div style="display: flex; justify-content: space-between;"> <div>Total Assets</div> <div>₱56,399,542</div> </div> <div style="display: flex; justify-content: space-between;"> <div>Divided by: Total Equity</div> <div>8,042,275</div> </div> <hr/> <div style="display: flex; justify-content: space-between;"> <div>Asset-to-Equity Ratio</div> <div>7.01</div> </div>	7.01	22.73
Debt-to-Equity Ratio	Total Debt divided by Total Equity <div style="display: flex; justify-content: space-between;"> <div>Total Debt</div> <div>₱48,357,267</div> </div> <div style="display: flex; justify-content: space-between;"> <div>Divided by: Total Equity</div> <div>8,042,275</div> </div> <hr/> <div style="display: flex; justify-content: space-between;"> <div>Debt-to-Equity Ratio</div> <div>6.01</div> </div>	6.01	21.73
Return on Equity	Net Income divided by Average Total Equity <div style="display: flex; justify-content: space-between;"> <div>Net Income</div> <div>₱7,925,753</div> </div> <div style="display: flex; justify-content: space-between;"> <div>Divided by: Average Total Equity</div> <div>5,129,399</div> </div> <hr/> <div style="display: flex; justify-content: space-between;"> <div>Return on Equity</div> <div>154.52%</div> </div>	154.52%	105.21%
Return on Assets	Net Income divided by Average Total Assets <div style="display: flex; justify-content: space-between;"> <div>Net Income</div> <div>₱7,925,753</div> </div> <div style="display: flex; justify-content: space-between;"> <div>Divided by: Average Total Assets</div> <div>53,385,176</div> </div> <hr/> <div style="display: flex; justify-content: space-between;"> <div>Return on Assets</div> <div>14.85%</div> </div>	14.85%	4.07%
EBITDA Margin	Earnings Before Interest, Tax and Depreciation and Amortization divided by Total Revenue <div style="display: flex; justify-content: space-between;"> <div>Earnings Before Interest, Tax and Depreciation and Amortization</div> <div>₱10,103,531</div> </div> <div style="display: flex; justify-content: space-between;"> <div>Divided by: Total Revenue</div> <div>11,086,351</div> </div> <hr/> <div style="display: flex; justify-content: space-between;"> <div>EBITDA Margin</div> <div>91.13%</div> </div>	91.13%	69.71%
Net Profit Margin	Net Income divided by Total Revenue <div style="display: flex; justify-content: space-between;"> <div>Net Income</div> <div>₱7,925,753</div> </div> <div style="display: flex; justify-content: space-between;"> <div>Divided by: Total Revenue</div> <div>11,086,351</div> </div> <hr/> <div style="display: flex; justify-content: space-between;"> <div>Net Profit Margin</div> <div>71.49%</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. [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**

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- 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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SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended **2020**
2. SEC Identification Number **CS200602356** 3. BIR Tax Identification No. **244-658-896-000**
4. Exact name of issuer as specified in its charter **GMA HOLDINGS, INC.**
5. **PHILIPPINES** 6. (SEC Use Only)
Province, Country or other jurisdiction Industry Classification Code:
of incorporation or organization
7. **Unit 5D Tower One, One McKinley Place, New Bonifacio Global City, Fort Bonifacio, Taguig City (in the process of being amended to: Unit 3K, North Wing, Fairways Tower Condominium, 5th Avenue Corner Mckinley Road, Fort Bonifacio Taguig City)**
Address of principal office Postal Code 1630
8. **(632)88163716-19**
Issuer's telephone number, including area code
9. **NOT APPLICABLE**
Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
Principle 1: The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.			
Recommendation 1.1			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	<p>For information on the academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors kindly view the following:</p> <p>Information Statement (pages 24-27): https://aphrodite.gmanetwork.com/corporate/disclosures/1-gmaholdings_inc_2021asm_notice__definitive_information_statement_1620005073.pdf</p> <p>Annual Report (pages 12-15): https://aphrodite.gmanetwork.com/corporate/disclosures/1-2020_17-a_1624498909.pdf</p>	
2. Board has an appropriate mix of competence and expertise.	Compliant	<p>Certificate of Attendance in: (a) meetings and (b) corporate governance seminar: https://www.gmanetwork.com/corporate/cgr/certificateofattendance/</p> <p>The directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities to respond to the needs of the organization.</p>	
3. Directors remain qualified for their positions individually and collectively to	Compliant	<p>The qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of their performance may be viewed at:</p>	

<p>enable them to fulfill their roles and responsibilities and respond to the needs of the organization.</p>		<p>Revised Manual on Corporate Governance: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_updated_manual_of_corporate_governance_july_2020__1595824732.pdf (pages 4-7)</p>	
Recommendation 1.2			
<p>1. Board is composed of a majority of non-executive directors.</p>	<p>Compliant</p>	<p>The Company's directors and the type of their directorships are disclosed in the following:</p> <p>Information Statement (pages 24-27): https://aphrodite.gmanetwork.com/corporate/disclosures/1-gmaholdings_inc_2021asm_notice___definitive_information_statement_1620005073.pdf</p> <p>Annual Report pages 12-15): https://aphrodite.gmanetwork.com/corporate/disclosures/1-2020_17-a_1624498909.pdf</p>	
Recommendation 1.3			
<p>1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.</p>	<p>Compliant</p>	<p>The Company's policy on training of directors and compliance therefor are posted at:</p> <p>Revised Manual on Corporate Governance: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_updated_manual_of_corporate_governance_july_2020__1595824732.pdf (page 34)</p> <p>Certificate of Attendance: https://www.gmanetwork.com/corporate/cgr/certificateofattendance/</p>	

2. Company has an orientation program for first time directors.	Compliant	For information on the orientation program and annual continuing training of directors please view the following: Revised Manual on Corporate Governance: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_updated_manual_of_corporate_governance_july_2020__1595824732.pdf (page 34)	
3. Company has relevant annual continuing training for all directors.	Compliant	Certificate of Attendance: https://www.gmanetwork.com/corporate/cgr/certificateofattendance/ Kindly note that none of the current five (5) directors of the Company are first time directors.	
Recommendation 1.4			
1. Board has a policy on board diversity.	Compliant	The Board's policy on diversity is contained in: the Revised Manual on Corporate Governance which states that the Board should be composed of five (5) directors with a collective working knowledge, experience or expertise that is relevant to the Company's business. - https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_updated_manual_of_corporate_governance_july_2020__1595824732.pdf (page 4) The Board of Directors is composed of five (5) men, with varying education, expertise and experience.	
Optional: Recommendation 1.4			
1. Company has a policy on and discloses measurable objectives for	Company adheres to this policy in principle but there is no	The Company's objectives and the reports on progress in achieving its objectives are reflected in the minutes of the Board of Directors which are available for viewing upon written request. Moreover, the significant/material matters approved at the meetings of the Board of Directors may be viewed at:	While the Board welcomes diversity among its members, it opts to have a flexible approach in relation to the diversity of its membership as well as the body

<p>implementing its board diversity and reports on progress in achieving its objectives.</p>	<p>written policy. Please refer to the explanation in the fourth column.</p>	<p>https://www.gmaholdingsinc.com/disclosures/current</p> <p>These minutes show the individual ideas or insights of each member which show the diversity among them.</p>	<p>of stockholders rather than have a fixed policy therefor. The Board's standard of membership shall be objectively based on competence and the needs of the business and such standard shall not be influenced by any gender, age, ethnicity or cultural bias or prejudice.</p>
<p>Recommendation 1.5</p>			
<p>1. Board is assisted by a Corporate Secretary.</p>	<p>Compliant</p>	<p>For information on the Corporate Secretary, including her name, qualifications, duties and functions please view the following:</p> <p>Information Statement (page 28): https://aphrodite.gmanetwork.com/corporate/disclosures/1-gmaholdings_inc_2021asm_notice___definitive_information_statement_1620005073.pdf</p> <p>Annual Report (page 16): https://aphrodite.gmanetwork.com/corporate/disclosures/1-2020_17-a_1624498909.pdf</p>	
<p>2. Corporate Secretary is a separate individual from the Compliance Officer.</p>	<p>Adopted</p>		<p>The positions of Corporate Secretary and Compliance Officer of GMA Holdings, Inc. are held by different individuals.</p>

3. Corporate Secretary is not a member of the Board of Directors.	Complaint	<p>Information on the Company's Corporate Secretary and Compliance Officer are set forth in the Information Statement and the Annual Report.</p> <p>Information Statement (page 28): https://aphrodite.gmanetwork.com/corporate/disclosures/1-gmaholdings_inc_2021asm_notice___definitive_information_statement_1620005073.pdf</p> <p>Annual Report (page 16): https://aphrodite.gmanetwork.com/corporate/disclosures/1-2020_17-a_1624498909.pdf</p>	
4. Corporate Secretary attends training/s on corporate governance.	Complaint	<p>For information on the corporate governance training attended by the Corporate Secretary, please view the following:</p> <p>https://www.gmanetwork.com/corporate/cgr/certificateofattendance/</p>	
Optional: Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days	Compliant	<p>The results of the meetings for which the agenda and the relevant documents are previously distributed may be viewed at:</p> <p>https://www.gmaholdingsinc.com/disclosures/current</p>	

before scheduled meeting.			
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	Compliant	For information on the Compliance Officer, including his name, position, qualification, duties and functions please view the following:	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Not adopted	Information Statement (page 28): https://aphrodite.gmanetwork.com/corporate/disclosures/1-gmaholdings_inc_2021asm_notice___definitive_information_statement_1620005073.pdf Annual Report (page 16): https://aphrodite.gmanetwork.com/corporate/disclosures/1-2020_17-a_1624498909.pdf	The Compliance Officer of the Company holds the rank of Vice-President which has the authority and stature of a Head of a Department.
3. Compliance Officer is not a member of the board.	Compliant	Revised Manual on Corporate Governance: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_updated_manual_of_corporate_governance__july_2020__1595824732.pdf	
4. Compliance Officer attends training/s on corporate governance.	Compliant	For information on the corporate governance training attended by the Compliance Officer please view: https://www.gmanetwork.com/corporate/cgr/certificateofattendance/	
Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.			
Recommendation 2.1			
1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the	Compliant	For information on the resolutions/matters approved by the Board of Directors please view: https://www.gmaholdingsinc.com/disclosures/current	

best interest of the company.			
Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	Information on the matters/resolutions approved by the Board of Directors and on how the directors performed the recommended functions under Recommendation 2.2 please view: https://www.gmaholdingsinc.com/disclosures/current Information Statement (page 35-41): https://aphrodite.gmanetwork.com/corporate/disclosures/1-gmaholdings_inc_2021asm_notice___definitive_information_statement_1620005073.pdf	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant		
Supplement to Recommendation 2.2			
1. Board has a clearly defined and updated vision, mission and core values.	Compliant	During the covered year, the Company shared the vision, mission and core values of its affiliate, GMA Network, Inc. in so far as it is relevant to its business in relation to the issuance of the PDRs relating to GMA Network, Inc.: https://www.gmanetwork.com/corporate/missionvision/ However, considering the nature of its business, the Company has not encountered any instance in which its affiliate's mission and vision found direct relevance to its business operations. At present, the Management's clearly defined and updated vision and mission which are specifically relevant to the Company's business and operations can be viewed in its website: https://www.gmaholdingsinc.com/company/missionvision	

<p>2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.</p>	<p>Compliant</p>	<p>The Company's Revised Manual on Corporate Governance, particularly the fourth item under Specific Duties and Functions of the Board of Directors, states that the Board shall determine the policies and procedures that shall guide its activities, including the means to effectively monitor Management's performance.</p> <p>https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_updated_manual_of_corporate_governance__july_2020__1595824732.pdf (page 10).</p> <p>For a more detailed explanation on the extent of the relevance of this recommendation to the Company kindly refer to the Company's letter to the SEC dated 22 May 2017 posted at:</p> <p>https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_revised_manual_on_corporate_governance__2017__1496026887.pdf</p>	
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Recommendation 2.3

<p>1. Board is headed by a competent and qualified Chairperson.</p>	<p>Compliant</p>	<p>For information on the Chairperson, including his name and qualifications please view:</p> <p>Information Statement at (page 25): https://aphrodite.gmanetwork.com/corporate/disclosures/1-gmaholdings_inc_2021asm_notice___definitive_information_statement_1620005073.pdf</p> <p>Annual Report: please see pages (13-14): https://aphrodite.gmanetwork.com/corporate/disclosures/1-2020_17-a_1624498909.pdf</p>	
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Recommendation 2.4

<p>1. Board ensures and adopts an</p>	<p>Compliant</p>	<p>The Company adopts a succession policy for directors and officers following the provisions of the Revised Corporation Code of the Philippines ("Revised</p>	
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effective succession planning program for directors, key officers and management.		Corporation Code"), the By-laws, the Revised Manual and the rules of the SEC on the qualification and election and retirement of directors and officers. Please refer to the Company's Revised Manual on Corporate Governance at: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_updated_manual_of_corporate_governance_july_2020__1595824732.pdf (see page 10)	
2. Board adopts a policy on the retirement for directors and key officers.	Complaint		
Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Shall be adopted when applicable	Kindly refer to the functions of the Remuneration and Compensation Committee of the Company as set forth in the Company's 2020 Revised Manual on Corporate Governance: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_updated_manual_of_corporate_governance_july_2020__1595824732.pdf (please see pages 22-23)	
2. Board adopts a policy specifying the relationship between remuneration and performance.	Compliant		

<p>3. Directors do not participate in discussions or deliberations involving their own remuneration.</p>	<p>Compliant</p>	<p>The Company adheres to Section 29 of the Revised Corporation Code which disallows directors from participating in the determination of their own per diems or compensation.</p> <p>This policy is stated in Company's Revised Manual on Corporate Governance which may be viewed at: https://aphrodite.gmanetwork.com/corporate/cgr/ghi-_updated_manual_of_corporate_governance__july_2020__1595824732.pdf (page 15)</p>	
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Optional: Recommendation 2.5

<p>1. Board approves the remuneration of senior executives.</p>	<p>Not applicable</p>		<p>The Company has no full-time employees. Except for a per diem of Php 5,000 granted to the Directors and Officers of the Company by the Stockholders, the senior executives of the Company do not receive any other compensation for their services.</p>
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			The accounting and administrative functions of the Company are undertaken by GMA since the Company does not engage in any other business or purpose except in relation to the issuance of the Philippine Depositary Receipts (PDRs) relating to GMA Network, Inc.'s (GMA) common shares ("Common Shares").
2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.	Not applicable		Please see explanation above.
Recommendation 2.6			

1. Board has a formal and transparent board nomination and election policy.	Compliant	<p>For information on the company's nomination and election policy and process and its implementation, including the criteria used in selecting directors, please view the following:</p> <p>Revised Manual on Corporate Governance (pages 16 to 21): https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_updated_manual_of_corporate_governance__july_2020__1595824732.pdf</p>	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant	<p>Information Statement (Annex "B" (Rationale for the Agenda Items) of the Notice): https://aphrodite.gmanetwork.com/corporate/disclosures/1-gmaholdings_inc_2021asm_notice___definitive_information_statement_1620005073.pdf</p>	
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Not adopted	<p>Please refer to the Company's Revised Manual on Corporate Governance: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_updated_manual_of_corporate_governance__july_2020__1595824732.pdf (pages 16 to 21)</p>	<p>The common shares representing the capital stock of GHI are privately-held and are not listed in the PSE.</p> <p>For a more detailed explanation on the inapplicability of the said recommendation to the Company please refer to the Company's letter dated May 22, 2017 attached to the Company's 2017 Revised Manual on Corporate Governance:</p> <p>https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_revised_manual_on_corporate_governance__2017__1496026887.pdf</p>

4. Board nomination and election policy includes how the board shortlists candidates.	Compliant	Please see above	
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	Not applicable		<p>The common shares representing the capital stock of GHI are privately-held and are not listed in the PSE.</p> <p>For a more detailed explanation on the inapplicability of the said recommendation to the Company please refer to the Company's letter dated May 22, 2017 attached to the Company's 2017 Revised Manual on Corporate Governance:</p> <p>https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_revised_manual_on_corporate_governance__2017__1496026887.pdf</p>

<p>6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.</p>	<p>Compliant</p>		
<p>Optional: Recommendation to 2.6</p>			
<p>1. Company uses professional search firms or other external sources of candidates (such as director databases set up</p>	<p>Not adopted</p>		<p>For the Company's explanation for its non-adoption of the said recommendation please refer to the letter dated May 22, 2017 attached to the Company's 2017 Revised Manual on Corporate Governance:</p>

<p>by director or shareholder bodies) when searching for candidates to the board of directors.</p>			<p>https://aphrodite.gmanetwork.com/corporate/cgr/ghi-_revised_manual_on_corporate_governance__2017__1496026887.pdf</p> <p>By way of additional explanation, the Company respects the rights of the stockholders to nominate and elect their Board of Directors.</p>
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Recommendation 2.7

<p>1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.</p>	<p>Adopted</p>	<p>For information on the company's policy on related party transactions (RPT), including policy on review and approval of significant RPTs please view the following link:</p> <p>https://aphrodite.gmanetwork.com/corporate/cgr/policy_on_material_related_party_transactions_1624498154.pdf</p> <p>For RPTs that were approved pursuant to the policy please view the Information Statement and the Annual Report:</p> <p>Information Statement (page 31-32): https://aphrodite.gmanetwork.com/corporate/disclosures/1-gmaholdings_inc_2021asm_notice___definitive_information_statement_1620005073.pdf</p> <p>Annual Report (page 22) https://aphrodite.gmanetwork.com/corporate/disclosures/1-2020_17-a_1624498909.pdf</p>	
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<p>2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.</p>	<p>Compliant</p>	<p>For information on the company's policy on related party transactions (RPT) Policy please view the following link: https://aphrodite.gmanetwork.com/corporate/cgr/policy_on_material_related_party_transactions_1624498154.pdf</p>	
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<p>3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.</p>	<p>Compliant</p>	<p>Please see above</p>	
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Supplement to Recommendations 2.7

<p>1. Board clearly defines the threshold for disclosure and</p>	<p>Compliant</p>	<p>For information on the company's policy on related party transactions (RPT) Policy please view the following link: https://aphrodite.gmanetwork.com/corporate/cgr/policy_on_material_related_party_transactions_1624498154.pdf</p>	
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<p>approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.</p>			
<p>2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific</p>	<p>compliant</p>	<p>For information on the company's policy on related party transactions (RPT) policy please view the following link: https://aphrodite.gmanetwork.com/corporate/cgr/policy_on_material_related_party_transactions_1624498154.pdf</p>	

types of related party transactions during shareholders' meetings.			
Recommendation 2.8			
1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	<p>The minutes of the Board of Directors' meetings show that the Board of Directors is primarily responsible for the selection of Management. The minutes of the meeting of the Board of Directors containing the resolutions electing/approving the members of the Management may be viewed at the principal office of the Company upon the written request of the stockholder.</p> <p>The profiles of the elected/appointed members of the Management team may be viewed in the Definitive Information Statement and the Annual Report of the Company at:</p> <p>Information Statement (please see pages 25-29): https://aphrodite.gmanetwork.com/corporate/disclosures/1-gmaholdings_inc_2021asm_notice___definitive_information_statement_1620005073.pdf</p> <p>Annual Report (please see pages 12-17): https://aphrodite.gmanetwork.com/corporate/disclosures/1-2020_17-a_1624498909.pdf</p>	
2. Board is primarily responsible for assessing the performance of Management led by the Chief	Complaint	<p>The Board makes the assessment during the annual report of Management. For the results of the meeting please view: Current Reports https://www.gmaholdingsinc.com/disclosures/current</p>	

Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).			
Recommendation 2.9			
1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.	Compliant	<p>The Board of Directors' duties to identify key performance indicators and monitor such indicators achieve the purpose/s of Recommendation 2.9. This responsibility is listed under the "Specific Duties and Functions of the Board of Directors in:</p> <p>https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_updated_manual_of_corporate_governance__july_2020__1595824732.pdf (please see page 11)</p>	
2. Board establishes an effective performance management	Compliant	Among the functions and responsibilities of the members of the Board of Directors under the 2020 Revised Manual on Corporate Governance is to "(e)stablish an effective performance evaluation framework which shall be based on the Company's operational and financial performance as the	

<p>framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.</p>		<p>standard or criteria for assessment. The performance evaluation should ensure that Management performance is at par with the standards set by the Board."</p> <p>https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_updated_manual_of_corporate_governance__july_2020__1595824732.pdf (please see page 13).</p>	
Recommendation 2.10			
<p>1. Board oversees that an appropriate internal control system is in place.</p>	<p>Compliant</p>	<p>Among the specific duties and functions of the Board of Directors is to "(r)evuew the Company's internal control system in order to maintain its adequacy and effectiveness. A regular review of the effectiveness of such system will be conducted to ensure the integrity of the decision-making and reporting process at all times".</p> <p>Please see the Company's Revised Manual on Corporate Governance at: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_updated_manual_of_corporate_governance__july_2020__1595824732.pdf (page 15)</p>	
<p>2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.</p>	<p>Compliant</p>	<p>Under the Revised Manual on Corporate Governance the Board shall "(a)dopt and oversee that an appropriate internal control system of internal check and balances is in place, including setting up a mechanism for monitoring and managing potential/actual conflicts of interest of Board members, management, and shareholders".</p> <p>https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_updated_manual_of_corporate_governance__july_2020__1595824732.pdf (page 11)</p>	

3. Board approves the Internal Audit Charter.	Compliant	<p>The Board appoints the Internal Auditor who performs independent internal audit function. Through the Internal Auditor, the Board is provided with reasonable assurance that its key organizational and procedural controls are effective, appropriate, and complied with.</p> <p>Any Internal Audit Charter or policy to be recommended by the Internal Auditor shall be subject to Board and Management approval.</p> <p>https://aphrodite.gmanetwork.com/corporate/cgr/ghi-_updated_manual_of_corporate_governance_july_2020__1595824732.pdf (page 30).</p>	
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Recommendation 2.11

1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	Adopted	<p>The Revised Manual on Corporate Governance of the Company states that its Board of Directors shall "(a)dopt a strong and effective control system and enterprise risk management system". Please see the Company's Revised Manual on Corporate Governance at: https://aphrodite.gmanetwork.com/corporate/cgr/ghi-_updated_manual_of_corporate_governance_july_2020__1595824732.pdf (page 14)</p> <p>During the covered year, the Company shared in principle its affiliate's (GMA Network, Inc.) Enterprise Risk Management Policy posted at: https://www.gmanetwork.com/corporate/cgr/riskmanagement/</p>	
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of	Adopted.	<p>However, considering that the Company does not engage in any other business or purpose except in relation to the issuance of the Philippine Depositary Receipts (PDRs) relating to GMA Network, Inc.'s (GMA) common shares ("Common Shares"), some of the processes under the aforesaid policy has found no practical application to its business operations</p> <p>At present, the Company's Risk Management Policy, which is specifically relevant to its business and operations can be viewed in its website:</p>	

risk management strategies.		https://www.gmaholdingsinc.com/governance/enterprise	
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	Not adopted		For a more detailed explanation on the reason for the inapplicability of the recommendation to the Company kindly refer to the Company's letter to the SEC dated 22 May 2017 posted at: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_revised_manual_on_corporate_governance__2017__1496026887.pdf
2. Board Charter serves as a guide to the directors in the performance of their functions.	Not adopted		Kindly see explanation above
3. Board Charter is publicly available and posted on the company's website.	Not being adopted		Kindly see explanation under Recommendation 2.12.1
Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	Compliant	The Company has adopted the policy that all material information that could potentially affect share price are publicly disclosed. Moreover, the Company ensures compliance with existing laws, rules and regulations, pertaining to any such material information. Section 27 of the Securities Regulation Code on	

		<p>the Insider's Duty to Disclose When Trading is deemed incorporated as part of the policies of the Company.</p> <p>https://aphrodite.gmanetwork.com/corporate/cgr/insider_trading_policy_1624498247.pdf</p>	
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Optional: Principle 2

<p>1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.</p>	Not applicable	<p>Historically, there had been no situation which called for the issuance of a policy on this subject. The Company follows the Revised Corporation Code on the rights and obligations, as well as the fiduciary responsibilities of the Board directors and executive officers. Generally, as a matter of practice, the Board's approvals include even corporate activities in the ordinary course of business and related party transactions.</p>	
<p>2. Company discloses the types of decision requiring board of directors' approval.</p>	Compliant	<p>The types of decision requiring Board of Directors approval are those listed in the Company's Current Reports and those required by the Company's By-laws, the Revised Corporation Code and the rules and regulations of the SEC to be approved by the Board.</p> <p>https://www.gmaholdingsinc.com/disclosures/current https://www.gmaholdingsinc.com/company/bylaws</p>	

Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.

Recommendation 3.1

<p>1. Board establishes board committees that</p>	Compliant	<p>The Company's 2020 Revised Manual on Corporate Governance contains information on all the board committees established by the Company:</p>	
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<p>focus on specific board functions to aid in the optimal performance of its roles and responsibilities.</p>		<p>https://aphrodite.gmanetwork.com/corporate/cgr/ghi-_updated_manual_of_corporate_governance_july_2020__1595824732.pdf (please refer to pages 16-26)</p>	
Recommendation 3.2			
<p>1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.</p>	<p>Compliant</p>	<p>The Company's 2020 Revised Manual on Corporate Governance contains information on the Audit and Risk Management Committee, including its functions (please see pages 23-26):</p> <p>https://aphrodite.gmanetwork.com/corporate/cgr/ghi-_updated_manual_of_corporate_governance_july_2020__1595824732.pdf</p> <p>It is the Audit Committee's responsibility to recommend the appointment of an external auditor but it is the entire Board of Directors which can appoint/remove the company's external auditor.</p>	
<p>2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.</p>	<p>Compliant</p>	<p>There are only 3 members of the Audit and Risk Management Committee, and two (or a majority) including the Chairman are independent.</p> <p>For information on the members of the Audit Committee, including their qualifications and type of directorship please view:</p> <p>Information Statement (please see page 34 and 57):</p>	

		<p>https://aphrodite.gmanetwork.com/corporate/disclosures/1-gmaholdings_inc_2021asm_notice___definitive_information_statement_1620005073.pdf</p> <p>SEC Form 17-C (Results of the 2020 Organizational Meeting): https://aphrodite.gmanetwork.com/corporate/disclosures/1-ghi_-_results_of_organizational_meeting_of_bod_2020_1595824964.pdf</p>	
<p>3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</p>	Compliant	<p>For information on the profiles of the members of the Audit Committee please view:</p> <p>Information Statement (please see pages 26-27, 34 and 57): https://aphrodite.gmanetwork.com/corporate/disclosures/1-gmaholdings_inc_2021asm_notice___definitive_information_statement_1620005073.pdf</p> <p>Annual Report (please see pages 14-15): https://aphrodite.gmanetwork.com/corporate/disclosures/1-2020_17-a_1624498909.pdf</p>	
<p>4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.</p>	Compliant	<p>For information on the Chairman of the Audit Committee please view:</p> <p>Information Statement (please see page 27): https://aphrodite.gmanetwork.com/corporate/disclosures/1-gmaholdings_inc_2021asm_notice___definitive_information_statement_1620005073.pdf</p>	

		Annual Report (please see page 15): https://aphrodite.gmanetwork.com/corporate/disclosures/1-2020_17-a_1624498909.pdf	
Supplement to Recommendation 3.2			
1. Audit Committee approves all non-audit services conducted by the external auditor.	Compliant	The External Auditor's services to the Company are only limited to financial audit and general tax compliance. The fee arrangements for the said services are reviewed by the Audit Committee.	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Compliant	The attendance contained in the meetings of the Audit Committee with the external auditor show that said meetings were conducted with no executive director present. However, the meeting is attended by the Internal Auditor and the Comptroller.	
Optional: Recommendation 3.2			
1. Audit Committee meet at least four times during the year.	Not adopted	The Company's Audit and Risk Management Committee met once in 2020 wherein the Committee reviewed and approved, among others the Company's 2020 Consolidated Audited Financial Statements as prepared by the external auditors and the re-appointment of SGV&Co. as external auditor.	The recommended Corporate Governance Practice for the Audit Committee to meet at least four time is not applicable to the Company, since it does not engage in any other business or purpose except in relation to the issuance of the Philippine Depositary Receipts (PDRs) relating to GMA Network, Inc.'s (GMA) common shares ("Common Shares"). The underlying common shares of the

			PDRs are registered in the name of GHI.
2. Audit Committee approves the appointment and removal of the internal auditor.	Compliant	The Board of Directors (of which the Audit Committee is a part) appointed the Internal Auditor.	
Recommendation 3.3			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	Not adopted		<p>The Company does not engage in any other business or purpose except in relation to the issuance of the Philippine Depositary Receipts (PDRs) relating to GMA Network, Inc.'s (GMA) common shares ("Common Shares"). The underlying common shares of the PDRs are registered in the name of GHI.</p> <p>For a more detailed explanation on the reason for the non-adoption of the recommendation to the Company kindly refer to the Company's letter to the SEC dated 22 May 2017 posted at: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_revised_manual_on_corporate_governance_2017_1496026887.pdf</p>
2. Corporate Governance Committee is composed of at	Not adopted		Please refer to the explanation for the non-adoption of Recommendation 3.1.1.

least three members, all of whom should be independent directors.			
3. Chairman of the Corporate Governance Committee is an independent director.	Not adopted		Please refer to the explanation for the non-adoption of Recommendation 3.1.1.
Optional: Recommendation 3.3.			
1. Corporate Governance Committee meet at least twice during the year.	Not adopted		Please refer to the explanation for the non-adoption of Recommendation 3.1.1.
Recommendation 3.4			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Adopted	<p>One of the functions of the Company's Audit and Risk Management Committee under the Company's 2020 Revised Manual on Corporate Governance is as follows:</p> <p>https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_updated_manual_of_corporate_governance__july_2020__1595824732.pdf</p> <p>is to "(a)adopt a formal enterprise risk management plan which contains the following elements:</p> <p>(a) common language or register of risks, (b) well-defined risk management goals, objective and oversight, (c) uniform processes of assessing risks and developing strategies to manage prioritized risks, (d) designing and</p>	

		<p>implementing risk management strategies, and (e) continuing assessments to improve risk strategies, processes and measures" (page 26),</p> <p>During the covered year, the Company adopted the Enterprise Risk Management Policy of GMA Network, Inc. posted at: https://www.gmanetwork.com/corporate/cgr/riskmanagement/</p> <p>The Company's current risk management may be viewed at: https://www.gmaholdingsinc.com/governance/enterprise</p>	
<p>2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.</p>	<p>Adopted</p>	<p>There are only 3 members of the Audit and Risk Management Committee (which performs the functions of a BROC), and two (or a majority) including the Chairman are independent.</p> <p>For information on the members of the Audit and Risk Management Committee, including their qualifications and type of directorship please view:</p> <p>Information Statement (please see pages 26-27, 34 and 57): https://aphrodite.gmanetwork.com/corporate/disclosures/1-gmaholdings_inc_2021asm_notice___definitive_information_statement_1620005073.pdf</p> <p>Annual Report (please see pages 14-15): https://aphrodite.gmanetwork.com/corporate/disclosures/1-2020_17-a_1624498909.pdf</p>	
<p>3. The Chairman of the BROC is not the Chairman of the Board or of</p>	<p>Adopted</p>	<p>For information on the Chairman of the Audit and Risk Management Committee (which performs the functions of a BROC) please view:</p> <p>Information Statement (please see page 27): https://aphrodite.gmanetwork.com/corporate/disclosures/1-</p>	

any other committee.		<p>gmaholdings_inc_2021asm_notice___definitive_information_statement_1620005073.pdf</p> <p>Annual Report (please see page 15): https://aphrodite.gmanetwork.com/corporate/disclosures/1-2020_17-a_1624498909.pdf</p>	
4. At least one member of the BROCC has relevant thorough knowledge and experience on risk and risk management.	Adopted	<p>For information on the knowledge and experience of the members of the Audit and Risk Management Committee (which performs the functions of a BROCC) please view:</p> <p>Information Statement (please see pages 26-27, 34 and 57): https://aphrodite.gmanetwork.com/corporate/disclosures/1-gmaholdings_inc_2021asm_notice___definitive_information_statement_1620005073.pdf</p> <p>Annual Report (please see pages 14-15): https://aphrodite.gmanetwork.com/corporate/disclosures/1-2020_17-a_1624498909.pdf</p>	
Recommendation 3.5			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Adopted	<p>It is the function of the Company's Audit and Risk Committee to review material related party transactions of the Company. Please view the Company's 2020 Revised Manual on Corporate Governance at:</p> <p>https://aphrodite.gmanetwork.com/corporate/cgr/ghi-_updated_manual_of_corporate_governance__july_2020__1595824732.pdf (please see page 26).</p> <p>For further information on the Company's Related Party Transactions Policy please view:</p>	

		https://aphrodite.gmanetwork.com/corporate/cgr/policy_on_material_relat ed_party_transactions_1624498154.pdf	
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Adopted	<p>There are only 3 members of the Audit and Risk Management Committee (which performs the functions of an RPT Committee), and two (or a majority) including the Chairman are independent.</p> <p>For information on the members of the Audit and Risk Management Committee, including their qualifications and type of directorship please view: Information Statement (please see pages 26-27, 34 and 57): https://aphrodite.gmanetwork.com/corporate/disclosures/1-gmaholdings_inc_2021asm_notice___definitive_information_statement_1620005073.pdf</p> <p>Annual Report (please see pages 14-15): https://aphrodite.gmanetwork.com/corporate/disclosures/1-2020_17-a_1624498909.pdf</p>	

Recommendation 3.6

1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Not adopted		<p>The Company does not engage in any other business or purpose except in relation to the issuance of the Philippine Depositary Receipts (PDRs) relating to GMA Network, Inc.'s (GMA) common shares ("Common Shares"). The underlying common shares of the PDRs are registered in the name of GHI.</p> <p>For a more detailed explanation on the reason for the non-adoption of the recommendation</p>
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			to the Company kindly refer to the Company's letter to the SEC dated 22 May 2017 posted at: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_revised_manual_on_corporate_governance_2017_1496026887.pdf
2. Committee Charters provide standards for evaluating the performance of the Committees.	Noted adopted		Please see explanation under 3.6.1 above.
3. Committee Charters were fully disclosed on the company's website.	Not adopted		Please see explanation under 3.6.1 above.

Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.

Recommendation 4.1

1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-	Compliant	Information on the process and procedure for board and/or committee meetings are reflected in the minutes of said meetings. The minutes also contain information on the attendance and participation of directors in the meetings. These minutes may be viewed at the principal office of the Corporate Secretary upon prior request stating the purpose of such a request.	
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/videoconferencing conducted in accordance with the rules and regulations of the Commission.			
2. The directors review meeting materials for all Board and Committee meetings.	Compliant	<p>Information on the process and procedure for board and/or committee meetings are reflected in the minutes of said meetings.</p> <p>The minutes also contain information on the attendance and participation of directors in the meetings. These minutes may be viewed at the principal office of the Corporate Secretary upon prior request stating the purpose of such a request.</p>	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	All matters discussed by the directors are duly minuted. These minutes may be viewed by the stockholders at the principal office of the Corporate Secretary upon prior written request stating the purpose of such a request.	
Recommendation 4.2			
1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes,	Not Adopted		Non-executive directors of the Board may concurrently serve as directors to a maximum of five (5) publicly listed companies. The Companies shall respect the inviolable right of the shareholders to vote and be voted for and the Nomination Committee shall ensure that the capacity of such director to serve with diligence is not compromised.

challenge Management's proposals/views, and oversee the long-term strategy of the company.			
Recommendation 4.3			
1. The directors notify the company's board before accepting a directorship in another company.	Compliant insofar as the Company's Independent Directors.	The Company's Independent directors notify the Company of its new directorships which is reported in the Certificate of Independent Director submitted to the SEC.	The Company is updated of the directorships in other Companies of non-independent directors upon the said directors' submission of their profiles to Management for reporting to the SEC under the Annual Report and the Information Statement.
Optional: Principle 4			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.	Compliant	For information on the directorships of the Company's executive director please refer to the following: Information Statement (pages 25-26): https://aphrodite.gmanetwork.com/corporate/disclosures/1-gmaholdings_inc_2021asm_notice___definitive_information_statement_1620005073.pdf Annual Report (pages 13-14): https://aphrodite.gmanetwork.com/corporate/disclosures/1-2020_17-a_1624498909.pdf	
2. Company schedules board of directors' meetings before	Compliant	Please view Current Reports in the website for information on the dates of the meetings https://www.gmaholdingsinc.com/disclosures/current	

the start of the financial year.			
3. Board of directors meet at least six times during the year.	Compliant	Please view Current Reports in the website for information on the dates of the meetings https://www.gmaholdingsinc.com/disclosures/current	
4. Company requires as minimum quorum of at least 2/3 for board decisions.	Not adopted		Although under the Company's By-laws, the quorum required for board decisions is only a majority of the Board, in practice, only those that have the unanimous vote of the Board of Directors are automatically deemed approved. Any matter for votation which is being objected upon by a director is left pending for further study until the issue that is being objected upon is resolved.

Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs

Recommendation 5.1

1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	Adopted	The Company only has five directors, two (or more than one-third) are independent.	
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Recommendation 5.2

1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	<p>For information on the Company's Independent Directors, including their qualifications please view their profiles in the Definitive Information Statement of the Company at:</p> <p>Information Statement (please see pages 26-27): https://aphrodite.gmanetwork.com/corporate/disclosures/1-gmaholdings_inc_2021asm_notice___definitive_information_statement_1620005073.pdf</p>	
Supplement to Recommendation 5.2			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	Complaint	<p>All the material/relevant corporate documents are posted in the Company's website at: https://www.gmaholdingsinc.com</p> <p>None of the said documents contain any limitation on the directors' ability to vote independently.</p>	
Recommendation 5.3			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Compliant	<p>Please view the Certification of Independent Director attached to the Information Statement: https://aphrodite.gmanetwork.com/corporate/disclosures/1-gmaholdings_inc_2021asm_notice___definitive_information_statement_1620005073.pdf</p>	
2. The company bars an	Not adopted		In the instance that the Company wants to retain an independent

independent director from serving in such capacity after the term limit of nine years.			director who has served for nine (9) years, the Board shall provide meritorious justification/s and seek shareholders' approval during the annual shareholders' meeting.
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.	Compliant	This recommendation is being adopted by the Company under the Revised Manual on Corporate Governance which may be viewed at: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_updated_manual_of_corporate_governance__july_2020__1595824732.pdf (page 6)	
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Adopted	The Chairman of the Company is Atty. Felipe L. Gozon. The Chief Executive Officer is Mr. Gilberto R. Duavit, Jr.	
2. The Chairman of the Board and Chief Executive Officer have	Compliant	For information containing the roles and responsibilities of the Chairman of the Board and Chief Executive Officer please refer to the Company's Revised Manual on Corporate Governance posted at	

clearly defined responsibilities.		<p>https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_updated_manual_of_corporate_governance_july_2020__1595824732.pdf (pages 7 to 9)</p> <p>The Chairman of the Board is Atty. Felipe L. Gozon and Chief Executive Officer is Mr. Gilberto R. Duavit, Jr.</p>	
Recommendation 5.5			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	Not adopted		The current composition and roles of the directors are effective in fulfilling the needs of the organization.
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	Compliant	<p>Except for the Company's related party transactions duly reported in the Information Statement posted in https://aphrodite.gmanetwork.com/corporate/disclosures/1-gmaholdings_inc_2021asm_notice___definitive_information_statement_1620005073.pdf (page 25)</p> <p>there has been no matter submitted for approval over which any of the Company's directors had a material interest.</p> <p>Further, the Company's Revised Manual on Corporate Governance it states that "(i)n cases where the Board and/or shareholders' approval is required, interested directors and/or shareholders, respectively, shall abstain and let the disinterest parties decide (page 12)"</p>	
Recommendation 5.7			

1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	Compliant	The non-executive directors meet with the external auditor, without any executive director present.	
2. The meetings are chaired by the lead independent director.	Compliant	The meetings are chaired by an Independent Director.	
Optional: Principle 5			
1. None of the directors is a former CEO of the company in the past 2 years.	Not adopted		Mr. Gilberto R. Duavit, Jr. who is a Director is also the President and Chief Executive Officer of the Company.
Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.			
Recommendation 6.1			
1. Board conducts an annual self-assessment of its	Adopted	The Company's Revised Manual on Corporate Governance states that the Board of Directors shall "have in place a self-assessment system that provides, at the minimum, criteria and process to determine the	

performance as a whole.		performance of the Board, the individual directors and committees." https://aphrodite.gmanetwork.com/corporate/cgr/ghi-_updated_manual_of_corporate_governance_july_2020__1595824732.pdf (page 13)	
2. The Chairman conducts a self-assessment of his performance.	Adopted	The results of the self-assessment system are disclosed in the Company's Information Statement: please refer to pages 18-19: https://aphrodite.gmanetwork.com/corporate/disclosures/1-gmaholdings_inc_2021asm_notice___definitive_information_statement_1620005073.pdf	
3. The individual members conduct a self-assessment of their performance.	Adopted		
4. Each committee conducts a self-assessment of its performance.	Adopted		
5. Every three years, the assessments are supported by an external facilitator.	Not adopted		Please refer to the Company's explanation for the non-adoption of the recommendation contained in the letter dated May 22, 2017 attached to the Company's 2017 Revised Manual on Corporate Governance: https://aphrodite.gmanetwork.com/corporate/cgr/ghi-_revised_manual_on_corporate_governance__2017__1496026887.pdf

Recommendation 6.2

<p>1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.</p>	<p>Compliant</p>	<p>The Company's Revised Manual on Corporate Governance states that the Board of Directors shall "have in place a self-assessment system that provides, at the minimum, criteria and process to determine the performance of the Board, the individual directors and committees." https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_updated_manual_of_corporate_governance_july_2020__1595824732.pdf (page 13)</p> <p>The results of the self-assessment system are disclosed in the Company's Information Statement: https://aphrodite.gmanetwork.com/corporate/disclosures/1-gmaholdings_inc_2021asm_notice__definitive_information_statement_1620005073.pdf (please refer to pages 18-19)</p>	
<p>2. The system allows for a feedback mechanism from the shareholders.</p>	<p>Compliant</p>	<p>The stockholders of the Company are free to ask questions or give suggestions to the Board of Directors upon review of the Information Statement and during the annual stockholders' meeting.</p> <p>Note however that the common shares representing the capital stock of GHI are privately-held and are not listed in the PSE.</p>	

Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.

Recommendation 7.1

<p>1. Board adopts a Code of Business Conduct and</p>	<p>Compliant</p>	<p>During the year covered by this report, the Company shared the Revised Code of Conduct of its affiliate, GMA Network, Inc. in so far as it is relevant to its business of the issuance of PDRs relating to GMA Network, Inc. common</p>	
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<p>Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.</p>		<p>shares: https://aphrodite.gmanetwork.com/corporate/disclosures/revised_code_of_conduct_1595658354.pdf</p> <p>In the management of the Company, GHI's Directors and Officers are guided by Sections 23 and 30 of the Revised Corporation Code and Article 19 of the New Civil Code. Please refer to the Company's Policies on Business Conduct adopting these provision: https://www.gmaholdingsinc.com/governance/code</p>	
<p>2. The Code is properly disseminated to the Board, senior management and employees.</p>	<p>Compliant</p>	<p>The Directors and Management were all furnished copies of the Revised Code of Conduct. Orientations on the Revised Code of Conduct were conducted as of March 30, 2017.</p>	
<p>3. The Code is disclosed and made available to the public through the company website.</p>	<p>Compliant</p>	<p>The Code of Conduct is disclosed and posted at: https://aphrodite.gmanetwork.com/corporate/disclosures/revised_code_of_conduct_1595658354.pdf</p> <p>Presently, the Company's Policies on Business Conduct are posted in its website: https://www.gmaholdingsinc.com/governance/code</p>	
<p>Supplement to Recommendation 7.1</p>			
<p>1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in</p>	<p>Compliant</p>	<p>The Company shares the policy of its affiliate GMA Network, Inc. against "Solicitation/Acceptance of Gifts/Favors".</p> <p>The policy may be viewed at: https://aphrodite.gmanetwork.com/corporate/disclosures/policy_on_solicitation_1595658269.pdf</p>	

offering, paying and receiving bribes.			
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	The members of the Board of Directors and Management were furnished copies of the Code of Conduct and Policies on Business Conduct of the Company and the Board of Directors periodically reviews the Manual on Corporate Governance to ensure the proper and efficient implementation and monitoring of compliance with company internal policies.	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant		
Disclosure and Transparency			
Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.			
Recommendation 8.1			
1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders	Compliant	The Company's disclosure policy is contained in the 2020 Revised Manual on Corporate Governance: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_updated_manual_of_corporate_governance__july_2020__1595824732.pdf (pages 14, 22, 23, 26, 31, 33 and 34)	

<p>and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.</p>		<p>The disclosures of the Company are posted in its website at: https://www.gmanetwork.com/corporate/disclosures</p>	
Supplement to Recommendations 8.1			
<p>1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.</p>	<p>Compliant</p>	<p>For quarterly reporting, the Company submits its Financial Statements on or before the 45th day after the end of each quarter in compliance with the requirements of the Securities and Exchange Commission, except in instances when the SEC has extended the deadline of the filing thereof due to the pandemic.</p> <p>To maximize the time value of money, the Company usually pays its annual income tax due to the Bureau of Internal Revenue on or near April 15 following the close of the taxable year, except in instances when the SEC has extended the deadline of the filing thereof due to the pandemic.</p> <p>Upon payment, the BIR received FS is submitted to the SEC. The Company believes that 105 days is already reasonable time to inform the Company's stockholders and stakeholders of the previous year's financial results.</p>	

<p>2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.</p>	<p>Compliant</p>	<p>The Security Ownership of controlling beneficial owners and management are reported annually in the Information Statement and in SEC Form 17-A (Annual Report):</p> <p>Information Statement (pages 15-17): https://aphrodite.gmanetwork.com/corporate/disclosures/1-gmaholdings_inc_2021asm_notice___definitive_information_statement_1620005073.pdf</p> <p>Annual Report (pages 20-22): https://aphrodite.gmanetwork.com/corporate/disclosures/1-2020_17-a_1624498909.pdf</p> <p>Since there are no principal risks associated with the identity of the Company's controlling shareholders nor are their imbalances between the controlling shareholders' voting power and overall equity position in the Company, no such risks have been reported.</p>	
Recommendation 8.2			
<p>1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.</p>	<p>Adopted when applicable</p>	<p>The Revised Manual on Corporate Governance of the Company states that Board of Directors shall "(a)dopt a policy requiring all directors and officers to disclose/report to the Company any dealings in the Company's shares by the said directors and officers within five (5) business days."</p> <p>https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_updated_manual_of_corporate_governance__july_2020__1595824732.pdf</p>	<p>The Company's shares are not listed in the Philippine Stock Exchange.</p>

2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.	Adopted when applicable	This is reflected in the Company's Conflict of Interest Policy posted in its website. https://aphrodite.gmanetwork.com/corporate/cgr/conflict_of_interest_1624498183.pdf	The Company's shares are not listed in the Philippine Stock Exchange.
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Supplement to Recommendation 8.2

1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).	Compliant	The Company files the following reports containing the shareholdings of its directors, management and shareholders: SEC Form 20-IS, SEC Form 17-A, Public Ownership Report, List of Top 100 Stockholders, among others. These reports are posted in the PSE Edge https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=611 and in the website of the Company: https://www.gmaholdingsinc.com	
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Recommendation 8.3

1. Board fully discloses all relevant and material	Compliant	The directors' academic qualifications, share ownership in the Company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended are disclosed in the SEC Form 20-IS and SEC Form 17-A which are all filed with the Securities and	
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<p>information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p>		<p>Exchange Commission and Philippine Stock Exchange, and posted in the website:</p> <p>https://www.gmaholdingsinc.com https://www.gmaholdingsinc.com/company/bod</p>	
<p>2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p>	<p>Compliant</p>	<p>The members of the senior management's academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended are disclosed in the SEC Form 20-IS and SEC Form 17-A which are all filed with the Securities and Exchange Commission and Philippine Stock Exchange, and posted in the website:</p> <p>https://www.gmaholdingsinc.com https://www.gmaholdingsinc.com/company/bod</p>	
Recommendation 8.4			
<p>1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the</p>	<p>Complied</p>	<p>Except for the grant of per diem of Php 5,000 to the members of the Board of Directors as approved by the Stockholders of the Company, the members of the Board of Directors of GHI do not receive compensation for their directorship in GHI. This is disclosed in the Annual Report and Definitive Information Statement of the Company which may be viewed at:</p>	

level and mix of the same.		<p>https://aphrodite.gmanetwork.com/corporate/disclosures/1-gmaholdings_inc_2021asm_notice__definitive_information_statement_1620005073.pdf (please see pages 32-33)</p> <p>https://aphrodite.gmanetwork.com/corporate/disclosures/1-2020_17-a_1624498909.pdf (please see pages 19-20)</p>	
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	Compliant	<p>Except for the grant of per diem of Php 5,000 to the members of the Company's officers as approved by the Stockholders, the officers of GHI do not receive compensation for their functions in GHI. This is disclosed in the Annual Report and Definitive Information Statement of the Company which may be viewed at:</p> <p>https://aphrodite.gmanetwork.com/corporate/disclosures/1-gmaholdings_inc_2021asm_notice__definitive_information_statement_1620005073.pdf (please see pages 32-33)</p> <p>https://aphrodite.gmanetwork.com/corporate/disclosures/1-2020_17-a_1624498909.pdf (please see pages 19-20)</p>	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Compliant	<p>The directors/officers of GHI do not receive compensation for their functions in GHI. This is disclosed in the Annual Report and Definitive Information Statement of the Company which may be viewed at:</p> <p>https://aphrodite.gmanetwork.com/corporate/disclosures/1-gmaholdings_inc_2021asm_notice__definitive_information_statement_1620005073.pdf (please see pages 32-33)</p> <p>https://aphrodite.gmanetwork.com/corporate/disclosures/1-2020_17-a_1624498909.pdf (please see pages 19-20)</p>	
Recommendation 8.5			
1. Company discloses its policies	Compliant	The Company's RPT Policy is contained in	

governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.		https://aphrodite.gmanetwork.com/corporate/cgr/policy_on_material_related_party_transactions_1624498154.pdf	
2. Company discloses material or significant RPTs reviewed and approved during the year.	Compliant	<p>Information on the Company's RPTs for the previous year is contained in the Definitive 20-IS (page 25) and Annual Report (page 23) filed with the SEC, the PSE and posted in the Company's website: https://www.gmaholdingsinc.com/disclosures/sec</p> <p>and in PSE Edge: https://aphrodite.gmanetwork.com/corporate/cgr/policy_on_material_related_party_transactions_1624498154.pdf</p>	
Supplement to Recommendation 8.5			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	Compliant	<p>The Company adheres to the standards set under its 2020 Revised Manual on Corporate Governance which states that the Board of Directors shall "(a)opt a policy requiring all directors and officers to disclose/report to the Company's shares by the said directors and officers within five (5) business days". https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_updated_manual_of_corporate_governance_july_2020__1595824732.pdf (please see page 14).</p> <p>This is reflected in the Company's Conflict of Interest Policy posted in its website: https://aphrodite.gmanetwork.com/corporate/cgr/conflict_of_interest_1624498183.pdf</p>	

Optional : Recommendation 8.5			
<p>1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.</p>	<p>Compliant</p>	<p>The Company's RPTs are disclosed in its Information Report (page 25), Annual Report (page 23) which are posted in the Company's website:</p> <p>https://www.gmaholdingsinc.com/disclosures/sec and in PSE Edge: https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=611</p> <p>The Company's RPT Policy may be viewed at: https://aphrodite.gmanetwork.com/corporate/cgr/policy_on_material_related_party_transactions_1624498154.pdf</p>	
Recommendation 8.6			
<p>1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.</p>	<p>Compliant</p>	<p>The Company timely discloses such reports in its current reports and in the statements of beneficial ownership posted in the Company's website: https://www.gmaholdingsinc.com/disclosures/sec</p> <p>This is reflected in the Company's Conflict of Interest Policy posted in its website. https://aphrodite.gmanetwork.com/corporate/cgr/conflict_of_interest_1624498183.pdf</p>	

2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	Compliant	The Company shall observe the requirements of the Bureau of Internal Revenue, the Securities and Exchange Commission, the Revised Corporation Code and all related implementing rules and regulations in the event of any such acquisition or disposal of significant assets.	
Supplement to Recommendation 8.6			
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	Compliant	Any such agreement, if any, shall be disclosed to the SEC through Form 17-C (current reports): https://www.gmaholdingsinc.com/disclosures/sec	
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its	Compliant	The Company's 2020 Revised manual on Corporate Governance is posted in the Company's website as well as on the PSE Edge: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_updated_manual_of_corporate_governance_july_2020_1595824732.pdf	

Manual on Corporate Governance (MCG).			
2. Company's MCG is submitted to the SEC and PSE.	Compliant		
3. Company's MCG is posted on its company website.	Compliant		
Supplement to Recommendation 8.7			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	Compliant	Updates on the Company's 2020 Revised Manual on Corporate Governance are posted in the Company's website: https://www.gmaholdingsinc.com/governance/manual and PSE Edge: https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=611	
Optional: Principle 8			

<p>1. Does the company's Annual Report disclose the following information:</p>		<p>The Company's vision and corporate objectives are set forth in I-ACGR which is Annex "B" of its Annual Report.</p> <p>items (a) to (e)</p> <p>Please view the Company's annual report includes information on financial and non-financial indicators, dividend policy and profiles of its Directors</p> <p>Annual Report: https://aphrodite.gmanetwork.com/corporate/disclosures/1-2020_17-a_1624498909.pdf).</p> <p>Item (f)</p> <p>The attendance of the members of the Board in the meetings are filed annually an also reported through https://aphrodite.gmanetwork.com/corporate/disclosures/ghi_-_certificate_of_attendance_-_bod_2019_1580458730.pdf and https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=611</p> <p>Item (g)</p> <p>As previously discussed, other than the per diem granted in favor of the directors and officers by the Company's stockholders, the Company's directors and officers do not receive any other remuneration/compensation. This is also disclosed in the Company's Annual Report (please see pages 19-20): https://aphrodite.gmanetwork.com/corporate/disclosures/1-2020_17-a_1624498909.pdf</p>	
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a. Corporate Objectives	Compliant		
b. Financial performance indicators	Compliant		
c. Non-financial performance indicators	Compliant		
d. Dividend Policy	Compliant		
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	Compliant		

f. Attendance details of each director in all directors meetings held during the year	Compliant		
g. Total remuneration of each member of the board of directors	Compliant		
2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.	Compliant	The Annual Report incorporates by reference and includes as an attachment the Company's Integrated Annual Corporate Governance Report (I-ACGR): https://www.gmaholdingsinc.com/disclosures/annual-report	
3. The Annual Report/Annual CG Report discloses that the	Compliant	The I-ACGR attached to the Annual Report as well as the Annual Information Statement contain the relevant statements confirming compliance:	

<p>board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.</p>		<p>https://www.gmaholdingsinc.com/disclosures/annual-report</p> <p>The Company's current Policy on Risk Management may also be viewed in the Company's website: https://www.gmaholdingsinc.com/disclosures/annual-report</p>	
<p>4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.</p>	<p>Compliant</p>	<p>Under the Company's 2020 Revised Manual on Corporate Governance https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_updated_manual_of_corporate_governance_july_2020__1595824732.pdf , the Audit Committee shall evaluate all significant issues reported by the Internal Audit and External Auditors relating to the adequacy, efficiency and, effectiveness of policies, controls, processes, and activities of the Company (page 12).</p>	
<p>5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial,</p>	<p>Compliant</p>	<p>The Company's Annual Report (including the Sustainability Report) attached thereto) disclosing such key risks may be viewed at: https://aphrodite.gmanetwork.com/corporate/disclosures/1-2020_17-a_1624498909.pdf</p>	

operational including IT, environmental, social, economic).			
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Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.

Recommendation 9.1

1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	Compliant	The Audit and Risk Management Committee recommends an external auditor for appointment to the Board of Directors and the Stockholders. The minutes of the Stockholders' Meeting may be viewed at the principal office of the Company upon prior written request of the stockholder.	
2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	Compliant	The stockholders present and represented at the meeting unanimously approved the re-appointment of the External Auditor.	
3. For removal of the external auditor, the	Complaint	Should the appointed external auditor be removed for one reason or another, the Company will accordingly disclose the reason for such removal and disclose the fact and reason for the removal to the regulators.	

reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.			
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Supplement to Recommendation 9.1

1. Company has a policy of rotating the lead audit partner every five years.	Compliant	Please view the information on the Company's external auditor (handling partner) in the Information Statement (page 33) and in the Annual Report (page 11) as well as in the Independent Auditor's Report attached to the Annual Financial Statements.	
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Recommendation 9.2

<p>1. Audit Committee Charter includes the Audit Committee's responsibility on:</p> <p>i. assessing the integrity and independence of external auditors;</p>	Not adopted	<p>The Company's Revised Manual on Corporate Governance sets forth the policies of its Audit and Risk Management Committee https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_updated_manual_of_corporate_governance_july_2020__1595824732.pdf (pages 23-26). These policies are also posted in the Board Committee's section of the website: https://www.gmaholdingsinc.com/governance/manual</p> <p>In the past the Company has shared the Audit and Risk Management Committee Charter of its affiliate (GMA). The Company has not encountered any instance that necessitated the need to form a separate Audit and Risk Management Charter as it does not engage in any other business or purpose except in relation to the issuance of the Philippine Depositary Receipts (PDRs)</p>	
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<p>ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity ; and</p> <p>iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.</p>		<p>relating to GMA Network, Inc.'s (GMA) common shares ("Common Shares"). The underlying common shares of the PDRs are registered in the name of GHI.</p>	
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2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	Compliant	The Company's Revised Manual on Corporate Governance sets forth the policies of its Audit and Risk Management Committee https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_updated_manual_of_corporate_governance__july_2020__1595824732.pdf (pages 23-26). These policies are also posted in the Board Committee's section of the website: https://www.gmaholdingsinc.com/governance/manual	
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Supplement to Recommendations 9.2

1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	Compliant	The Company's Revised Manual on Corporate Governance sets forth the standards/qualifications of the Company's External Auditor. https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_updated_manual_of_corporate_governance__july_2020__1595824732.pdf (page 29)	
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2. Audit Committee ensures that the external auditor has adequate quality control procedures.	Compliant	The Company's Revised Manual on Corporate Governance sets forth the standards/qualifications of the Company's External Auditor. https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_updated_manual_of_corporate_governance__july_2020__1595824732.pdf (page 29)	
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Recommendation 9.3

<p>1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.</p>	<p>Compliant</p>	<p>The Definitive Information Statement and Annual Report (SEC Form 17-A) disclose that the Company's External Auditors services are limited to audit the annual financial statements in accordance with Philippine Standards on Auditing, and express its opinion on these financial statements as a whole as well as the Supplemental Schedules. The Company has not engaged SGV for tax accounting, compliance, advice, planning and any other form of tax services during the year 2020 that are reasonably related to the performance of the audit or review of the Company's financial statements.</p> <p>Information Statement: https://aphrodite.gmanetwork.com/corporate/disclosures/1-gmaholdings_inc_2021asm_notice___definitive_information_statement_1620005073.pdf (please see page 34).</p> <p>and</p> <p>Annual Report: https://aphrodite.gmanetwork.com/corporate/disclosures/1-2020_17-a_1624498909.pdf (please see page 12).</p>	
<p>2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.</p>	<p>Compliant</p>	<p>The Audit Committee monitors that the non-audit work provided by the External Auditor is not in conflict with his/her functions as External Auditor. This duty of the said Committee is contained in the Company's 2020 Revised Manual on Corporate Governance: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_updated_manual_of_corporate_governance__july_2020__1595824732.pdf (please see page 25).</p>	

Supplement to Recommendation 9.3

<p>1. Fees paid for non-audit services do not outweigh the fees paid for audit services.</p>	<p>Compliant</p>	<p>The Definitive Information Statement and Annual Report (SEC Form 17-A) disclose that the Company's External Auditors services are limited to audit the annual financial statements in accordance with Philippine Standards on Auditing, and express its opinion on these financial statements as a whole as well as the Supplemental Schedules. The Company has not engaged SGV for tax accounting, compliance, advice, planning and any other form of tax services during the year 2020 that are reasonably related to the performance of the audit or review of the Company's financial statements.</p> <p>Information Statement (please see page 34): https://aphrodite.gmanetwork.com/corporate/disclosures/1-gmaholdings_inc_2021asm_notice___definitive_information_statement_1620005073.pdf</p> <p>and</p> <p>Annual Report (please see page 12): https://aphrodite.gmanetwork.com/corporate/disclosures/1-2020_17-a_1624498909.pdf</p>	
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Additional Recommendation to Principle 9

<p>1. Company's external auditor is duly accredited by the SEC under Group A category.</p>	<p>Compliant</p>	<p>The following external auditor of the Company is duly accredited by the SEC under Group A category:</p> <ol style="list-style-type: none"> 1. External Auditor: Meynard A. Bonoen 2. Accreditation number: 1739-A (Group A) 3. Date Accredited: February 7, 2019 4. Expiry date of accreditation: February 6, 2022 5. Name, address, contact number of the audit firm: Sycip Gorres Velayo & Co., 6760 Ayala Avenue, 1228, Makati City; (632)8910307 	
<p>2. Company's external auditor agreed to be subjected to the</p>	<p>Compliant</p>	<p>SGV&Co. was subjected to SOAR inspection on November 12 to 23, 2018. The names of the members of the engagement team were provided to the SEC during the SOAR inspection.</p>	

SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).			
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Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.

Recommendation 10.1

1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (ESG) issues of its business, which underpin sustainability.	Compliant	<p>The Company's policy on non-financial and sustainability reporting are set forth in its Revised Manual on Corporate Governance, particularly on pages 30-31 thereof:</p> <p>https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_updated_manual_of_corporate_governance_july_2020__1595824732.pdf (pages 30-31)</p> <p>Please also view the Sustainability Report of the Company as attached to its 2020 Annual Report as follows:</p> <p>https://aphrodite.gmanetwork.com/corporate/disclosures/1-2020_17-a_1624498909.pdf</p>	
2. Company adopts a globally recognized	Adopted	Please also view the Sustainability Report of the Company as attached to its 2020 Annual Report as follows:	

standard/framework in reporting sustainability and non-financial issues.		https://aphrodite.gmanetwork.com/corporate/disclosures/1-2020_17-a_1624498909.pdf	
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Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.

Recommendation 11.1

1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.	Compliant	<p>The Company does not engage in any other business or purpose except in relation to the issuance of the Philippine Depositary Receipts (PDRs) relating to GMA Network, Inc.'s (GMA) common shares ("Common Shares").</p> <p>However, considering that GHI's PDRs have underlying GMA Network, Inc. common shares, GHI adopts GMA Network's adherence to a high level of corporate disclosure and transparency regarding its condition and state of corporate governance on a regular basis. Through the Investor Relations and Compliance Division (IRCD), Shareholders are provided disclosures, announcements and periodic reports filed with the Securities and Exchange Commission and the Philippine Stock Exchange. These are also available on line through the Company's Investor Relations website: www.gmanetwork.com/corporate/ir</p> <p>GMA Network, Inc., through the IRCD and Corporate Affairs and Communications Department, publishes press releases on the financial performance of the Company. Meetings with Fund Managers, Investment, Financial and Research Analysts are likewise handled by the IRCD.</p> <p>Consolidated audited financial statements are submitted to the SEC on or before the prescribed period and are made available to the shareholders prior to the ASM.</p>	
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Supplemental to Principle 11

1. Company has a website disclosing	Compliant	Please view the following website of the GMA Network, Inc. which contains the disclosures/reports of GHI (containing items 1.a to 1.f):	
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up-to-date information on the following:		https://www.gmanetwork.com/corporate/ or the Company's Website at: www.gmaholdingsinc.com	
a. Financial statements/reports (latest quarterly)	Compliant		
b. Materials provided in briefings to analysts and media	Compliant		
c. Downloadable annual report	Compliant		
d. Notice of ASM and/or SSM	Compliant		
e. Minutes of ASM and/or SSM	Compliant		
f. Company's Articles of Incorporation and By-Laws	Compliant		
Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.	Compliant	Please view the following website of the GMA Network, Inc. which sets forth the required disclosures/reports pertaining to GHI following the SEC-prescribed website template: https://www.gmanetwork.com/corporate/ or view GHI's website at http://www.gmaholdingsinc.com	

Internal Control System and Risk Management Framework			
Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			
Recommendation 12.1			
1. Company has an adequate and effective internal control system in the conduct of its business.	Compliant	The Company's internal control system is guided by the Internal Audit Charter of GMA, insofar as the same is applicable to it. https://aphrodite.gmanetwork.com/corporate/disclosures/internal_audit_charter_1526452919.pdf	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	The Company's Risk Management policy during the covered year may be viewed at: https://www.gmanetwork.com/corporate/cgr/riskmanagement/ The current risk management of the Company may be viewed at: https://aphrodite.gmanetwork.com/corporate/cgr/conflict_of_interest_1624498183.pdf	
Supplement to Recommendations 12.1			
1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program	Compliant	The Company's compliance with laws and regulations are reviewed annually prior to the filing of relevant reports disclosing said compliance. The members of the Company's Board of Directors and key officers annually attend a corporate governance seminar by an SEC accredited seminar provider in order for them to be apprised of the latest laws and relevant regulations for compliance.	

<p>includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.</p>			
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Optional: Recommendation 12.1

<p>1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.</p>	<p>Not adopted</p>		<p>The Company does not engage in any other business or purpose except in relation to the issuance of the Philippine Depositary Receipts (PDRs) relating to GMA Network, Inc.'s (GMA) common shares ("Common Shares"). The underlying common shares of the PDRs are registered in the name of GHI.</p> <p>For the Company's explanation for the non-adoption of the said recommendation, kindly refer to the Company's letter to the SEC dated 22 May 2017 posted at: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_revised_manual_on_corporate_governance__2017__1496026887.pdf</p>
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Recommendation 12.2

1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	Compliant	The Company has an in-house internal auditor. Please see page 30 of the Company's Revised Manual on Corporate Governance on the functions of the Company's Internal Auditor: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_updated_manual_of_corporate_governance__july_2020__1595824732.pdf	
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Recommendation 12.3

1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Not adopted		<p>The Company does not engage in any other business or purpose except in relation to the issuance of the Philippine Depository Receipts (PDRs) relating to GMA Network, Inc.'s (GMA) common shares ("Common Shares").</p> <p>For the Company's explanation for the non-adoption of the said recommendation, kindly refer to the Company's letter to the SEC dated 22 May 2017 posted at: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_revised_manual_on_corporate_governance__2017__1496026887.pdf</p>
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2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third-party service provider.	Not adopted		Kindly see explanation above.
3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	Not applicable		Kindly see explanation under Recommendation 12.3.1.
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess	Compliant	Among the specific duties and functions of the Company's Board of Directors is to "(i)identify key risk areas and key performance indicators and monitor these factors with due diligence." Please see page 11 of the Company's Revised Manual on Corporate Governance at https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_updated_manual_of_corporate_governance_july_2020__1595824732.pdf	

and monitor key risk exposures.		The Company's Risk Management policy may be viewed at: https://www.gmaholdingsinc.com/governance/enterprise	
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Supplement to Recommendation 12.4

1. Company seeks external technical support in risk management when such competence is not available internally.	Not adopted		<p>The Company does not engage in any other business or purpose except in relation to the issuance of the Philippine Depositary Receipts (PDRs) relating to GMA Network, Inc.'s (GMA) common shares ("Common Shares"). The underlying common shares of the PDRs are registered in the name of GHI.</p> <p>For the Company's explanation for the non-adoption of the said recommendation, kindly refer to the Company's letter to the SEC dated 22 May 2017 posted at: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_revised_manual_on_corporate_governance_2017_1496026887.pdf</p>
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Recommendation 12.5

1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate	Not adopted		The Company does not engage in any other business or purpose except in relation to the issuance of the Philippine Depositary Receipts (PDRs) relating to GMA Network, Inc.'s (GMA) common shares ("Common Shares"). The underlying common shares of the
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<p>champion of Enterprise Risk Management (ERM).</p>			<p>PDRs are registered in the name of GHI.</p> <p>For the Company's explanation for the non-adoption of the said recommendation, kindly refer to the Company's letter to the SEC dated 22 May 2017 posted at: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_revised_manual_on_corporate_governance_2017__1496026887.pdf</p>
<p>2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.</p>	<p>Not adopted</p>		<p>Please refer to the explanation above.</p>
<p>Additional Recommendation to Principle 12</p>			
<p>1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.</p>	<p>Compliant</p>	<p>The Chief Executive Officer and the Chairman of the Audit and Risk Management Committee sign the Integrated Annual Corporate Governance of the Company as filed with the SEC and the PSE.</p> <p>https://www.gmaholdingsinc.com/governance/annual</p>	

Cultivating a Synergic Relationship with Shareholders

Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
Recommendation 13.1			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	The shareholders' rights are disclosed in the 2020 Revised Manual on Corporate Governance of the Company at: https://aphrodite.gmanetwork.com/corporate/cgr/ghi-_updated_manual_of_corporate_governance__july_2020__1595824732.pdf (please see pages 36 to 39).	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	The shareholders' rights are disclosed in the 2020 Revised Manual on Corporate Governance of the Company at the following website: https://aphrodite.gmanetwork.com/corporate/cgr/ghi-_updated_manual_of_corporate_governance__july_2020__1595824732.pdf (please see pages 36 to 39).	
Supplement to Recommendation 13.1			
1. Company's common share has one vote for one share.	Compliant	Please see the Articles of Incorporation of the Company posted in its website: https://aphrodite.gmanetwork.com/corporate/ as well as the prospectus of the Company at: http://aphrodite.gmanetwork.com/pdfs/GMA-Final-Prospectus.pdf (page 163)	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Compliant	Please see the Articles of Incorporation of the Company posted in its website: https://aphrodite.gmanetwork.com/corporate/ as well as the prospectus of the Company at: http://aphrodite.gmanetwork.com/pdfs/GMA-Final-Prospectus.pdf (page 163)	
3. Board has an effective, secure, and efficient voting system.	Compliant	The voting by the Board of Directors is by show of hands or viva voce.	

<p>4. Board has an effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.</p>	<p>Not adopted</p>		<p>The common shares representing the capital stock of GHI are privately-held and are not listed in the PSE.</p> <p>For the Company's explanation for the non-adoption of the said recommendation, kindly refer to the Company's letter to the SEC dated 22 May 2017 posted at: https://aphrodite.gmanetwork.com/corporate/cgr/ghi-_revised_manual_on_corporate_governance__2017__1496026887.pdf</p>
<p>5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.</p>	<p>Compliant</p>	<p>The Company complies with the requirements of the Revised Corporation Code, the Securities Regulation Code, the applicable rules and regulations of the SEC and its By-laws on the holding of a special stockholders meeting and the requirements to call for such meeting. Note however, that the common shares representing the capital stock of GHI are privately-held and are not listed in the PSE.</p> <p>The Company's Revised Manual on Corporate Governance states that stockholders shall be granted a right to propose the holding of a meeting. https://aphrodite.gmanetwork.com/corporate/cgr/ghi-_updated_manual_of_corporate_governance__july_2020__1595824732.pdf (page 39).</p>	

6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	Compliant	<p>Please refer to the 2020 Revised Manual on Corporate Governance of the Company as well as the compliance of the Company with the disclosure requirements (SEC Form 17-C) for the protection of minority shareholders found in the Company's website at: https://www.gmaholdingsinc.com/disclosures/current</p> <p>Note however, that the common shares representing the capital stock of GHI are privately-held and are not listed in the PSE.</p>	
7. Company has a transparent and specific dividend policy.	Compliant	<p>Kindly see the Company's dividend policy in the following document: http://aphrodite.gmanetwork.com/pdfs/GMA-Final-Prospectus.pdf.</p> <p>The common shares representing the capital stock of GHI are privately-held and are not listed in the PSE.</p>	

Optional: Recommendation 13.1

1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.	Not adopted		<p>Unlike the PDRs, the common shares representing the capital stock of GHI are privately-held and are not listed in the PSE.</p> <p>For the Company's explanation for the non-adoption of the said recommendation, kindly refer to the Company's letter to the SEC dated 22 May 2017 posted at: https://aphrodite.gmanetwork.com/corporate/cgr/ghi-_revised_manual_on_corporate_governance__2017__1496026887.pdf</p>
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Recommendation 13.2

<p>1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.</p>	<p>Compliant</p>	<p>The preliminary notice and agenda were sent more than 30 days ahead of the meeting, please view the Preliminary Information Statement at: https://aphrodite.gmanetwork.com/corporate/disclosures/ghi_-_preliminary_information_statement_-_asm_2020_1592790308.pdf</p>	
<p>Supplemental to Recommendation 13.2</p>			
<p>1. Company's Notice of Annual Stockholders' Meeting contains the following information:</p>	<p>Compliant</p>	<p>Please see the Company's Information Statement at: https://aphrodite.gmanetwork.com/corporate/disclosures/1-gmaholdings_inc_2021asm_notice___definitive_information_statement_1620005073.pdf</p>	
<p>a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in</p>	<p>Compliant</p>	<p>Please see the Company's Definitive Information Statement at: https://aphrodite.gmanetwork.com/corporate/disclosures/1-gmaholdings_inc_2021asm_notice___definitive_information_statement_1620005073.pdf (please pages 24-29).</p>	

other listed companies)			
b. Auditors seeking appointment/re-appointment	Compliant	Please see the Company's Information Statement at: https://www.gmanetwork.com/corporate/disclosures/informationstatement / (Annex "B" of the Notice of the Meeting attached to the Information Statement, page 34-35): https://aphrodite.gmanetwork.com/corporate/disclosures/1-gmaholdings_inc_2021asm_notice___definitive_information_statement_1620005073.pdf	
c. Proxy documents	Compliant	Please see the Company's Information Statement at: https://aphrodite.gmanetwork.com/corporate/disclosures/1-gmaholdings_inc_2021asm_notice___definitive_information_statement_1620005073.pdf / (Annex "C" of the Notice of the Meeting attached to the Information Statement)	
Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting	Compliant	Please see the Company's Information Statement at: https://aphrodite.gmanetwork.com/corporate/disclosures/1-gmaholdings_inc_2021asm_notice___definitive_information_statement_1620005073.pdf / (Annex "B" of the Notice of the Meeting attached to the Information Statement)	
Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or	Adopted	The results of the meeting, during which matters are put to vote, are immediately disclosed (same day) to the PSE (through the PSE Edge) after the meeting. https://www.gmaholdingsinc.com/disclosures/current	

Special Shareholders' Meeting publicly available the next working day.		Moreover, the minutes of the Annual Stockholders' meeting are also posted at: https://www.gmaholdingsinc.com/disclosures/minutes within five (5) business days from the said meeting.	
2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.	Compliant	For the Minutes of the Annual Shareholders' Meeting please view: https://www.gmaholdingsinc.com/disclosures/minutes	
Supplement to Recommendation 13.3			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	Compliant	The external auditor and other relevant individuals were present during the ASM.	
Recommendation 13.4			
1. Board makes available, at the option of a shareholder, an	Compliant	Under the Company's 2020 Revised Manual on Corporate Governance the Board of Directors shall establish and maintain an alternative dispute resolution system in the Company in accordance with established and	

<p>alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.</p>		<p>generally accepted Alternative Dispute Resolution procedures, which shall be available at the option of the shareholder.</p> <p>https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_updated_manual_of_corporate_governance__july_2020__1595824732.pdf (page 13).</p>	
<p>2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.</p>	<p>Compliant</p>	<p>Under the Company's 2020 Revised Manual on Corporate Governance the Board of Directors shall establish and maintain an alternative dispute resolution system in the Company in accordance with established and generally accepted Alternative Dispute Resolution procedures, which shall be available at the option of the shareholder.</p> <p>https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_updated_manual_of_corporate_governance__july_2020__1595824732.pdf (page 13).</p>	
<p>Recommendation 13.5</p>			
<p>1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.</p>	<p>Compliant</p>	<p>Below are the contact details of the Investor Relations Officer of the Company:</p> <p>Ayahl Ari Augusto P. Chio 10/F GMA Network Center 982-7777 ext 8042 APChio@gmanetwork.com</p>	
<p>2. IRO is present at every shareholder's meeting.</p>	<p>Compliant</p>	<p>The IRO of the Company is present at the Annual Stockholders and Board Meetings.</p>	
<p>Supplemental Recommendations to Principle 13</p>			

1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	Compliant	The Company shall comply with the relevant rules and regulations of the Revised Corporation Code, the Securities Regulation Code and its Revised Implementing Rules and Regulations as well as the guidelines of the Securities and Exchange Commission pertaining to changes in control and or Management in the Company.	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Not adopted		Unlike the PDRs, the common shares representing the capital stock of GHI are privately-held and are not listed in the PSE.

Optional: Principle 13

1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting	Compliant	The policies of the Company encouraging shareholders' participation are set forth in the Revised Manual on Corporate Governance which may be viewed at: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_updated_manual_of_corporate_governance_july_2020__1595824732.pdf (please see pages 36-39)	
2. Company practices secure electronic voting	Not adopted		Unlike the PDRs, the common shares representing the capital

in absentia at the Annual Shareholders' Meeting.			<p>stock of GHI are privately-held and are not listed in the PSE.</p> <p>For the Company's explanation for the non-adoption of the said recommendation, kindly refer to the Company's letter to the SEC dated 22 May 2017 posted at: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_revised_manual_on_corporate_governance_2017_1496026887.pdf</p>
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Duties to Stakeholders

Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.

Recommendation 14.1

1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	<p>The Company identifies its various stakeholders and promotes cooperation between them and the company in creating sustainability under its Sustainability Report which is attached to its 2020 Annual Report:</p> <p>https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=611</p> <p>https://aphrodite.gmanetwork.com/corporate/disclosures/1-2020_17-a_1624498909.pdf</p>	
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Recommendation 14.2

1. Board establishes clear policies and	Compliant	The provisions of its 2020 Revised Manual on Corporate Governance relating to the protection of stakeholders may be viewed at:	
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<p>programs to provide a mechanism on the fair treatment and protection of stakeholders.</p>		<p>https://aphrodite.gmanetwork.com/corporate/cgr/ghi-_updated_manual_of_corporate_governance__july_2020__1595824732.pdf (pages 30-31)</p>	
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Recommendation 14.3

<p>1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.</p>	<p>Compliant</p>	<p>Stakeholders can voice their concerns and/or complaints for possible violation of their rights and communicate the same to the Company's Investor Relations Officer whose contact details are set forth above.</p> <p>The Company's policies that protect shareholders' rights may be viewed at https://aphrodite.gmanetwork.com/corporate/cgr/ghi-_updated_manual_of_corporate_governance__july_2020__1595824732.pdf (pages 30-31)</p>	
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Supplement to Recommendation 14.3

<p>1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.</p>	<p>Compliance upon any occurrence of a dispute</p>	<p>Under the 2020 Revised Manual on Corporate Governance states that the Alternative Dispute Resolution procedures of the Company can amicably and effectively settle conflicts or differences between the Company and third parties when appropriate.</p> <p>https://aphrodite.gmanetwork.com/corporate/cgr/ghi-_updated_manual_of_corporate_governance__july_2020__1595824732.pdf (please see page 13).</p>	
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Additional Recommendations to Principle 14

<p>1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.</p>	<p>Due to the limited business of the Company, a request for exemption was submitted to Commission, setting forth the reasons for the request</p>	<p>Upon receipt of the denial of the request for exemption, the Company took diligent steps to comply with the reportorial requirements under the rules and regulations of the Commission.</p>	
<p>2. Company respects intellectual property rights.</p>	<p>Compliant</p>	<p>The Company complies with the provisions of the Intellectual Property Code and all other related laws, rules and regulations for the protection of Intellectual Property Rights.</p>	
Optional: Principle 14			
<p>1. Company discloses its policies and practices that address</p>	<p>Compliant</p>	<p>The Company's policies on its business conduct are set forth its website. https://aphrodite.gmanetwork.com/corporate/cgr/policy_on_business_conduct_1624497620.pdf</p>	

customers' welfare			
2. Company discloses its policies and practices that address supplier/contract or selection procedures	Compliant	The Company's policies on its business conduct are set forth its website. https://aphrodite.gmanetwork.com/corporate/cgr/policy_on_business_conduct_1624497620.pdf	

Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.

Recommendation 15.1

1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	Not applicable		The Company has no employees
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Supplement to Recommendation 15.1

1. Company has a reward/compensation policy that accounts for the performance of the company	Not applicable		Other than the per diem approved by the stockholders, the directors/officers of GHI do not receive compensation for their functions in GHI.
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beyond short-term financial measures.			
2. Company has policies and practices on health, safety and welfare of its employees.	Not applicable		The Company has no employees.
3. Company has policies and practices on training and development of its employees.	Compliant	The Directors and members of the Company's Management annually attend a four (4)-hour Corporate Governance training. Their certificates of attendance are posted in: https://aphrodite.gmanetwork.com/corporate/cgr/certificate_of_gma_-_attendance_in_corporate_governance_training__2020__1608604026.pdf	
Recommendation 15.2			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	Compliant	The Company's policies on its business conduct are set forth its website. During the covered year, the Company shared the Code of Conduct of its affiliate in so far as it is relevant to its business operations: https://aphrodite.gmanetwork.com/corporate/disclosures/revised_code_of_conduct_1595658354.pdf	
2. Board disseminates the policy and program to employees across	Compliant	The Management was furnished copies of the Company's Revised Code of Conduct.	

the organization through trainings to embed them in the company's culture.			
Supplement to Recommendation 15.2			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	Not applicable	<p>While this is not applicable to the Company due to the fact that it has no employees, it supports and shares with the policy of its affiliate (GMA) on penalizing employees involved in corrupt practices are adopted by GHI.</p> <p>During the covered year, the Company shared the Code of Conduct of its affiliate in so far as it is relevant to its business operations: https://aphrodite.gmanetwork.com/corporate/disclosures/revised_code_of_conduct_1595658354.pdf</p>	The Company has no employees
Recommendation 15.3			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	Compliant	<p>Under the Company's Revised Manual on Corporate Governance, the Company shall "(a)opt a suitable framework for whistleblowing that allows Management to freely communicate legitimate concerns about illegal or unethical practices, without fear of retaliation." https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_updated_manual_of_corporate_governance_july_2020__1595824732.pdf (please see page 14).</p> <p>The Company has a mechanism by which anyone can give feedback to top management via the "Letter to the Chairman". The Company prescribes a "no retaliation" policy for any individuals who complain of violation of rules, if any. The Whistle-blowing Policy is disclosed in the website. https://aphrodite.gmanetwork.com/corporate/cgr/whistle-blowing_1624498211.pdf</p>	

2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	Compliant	<p>Under the Company's Revised Manual on Corporate Governance, the Board shall "(a)dopt a suitable framework for whistleblowing that allows Management to freely communicate legitimate concerns about illegal or unethical practices, without fear of retaliation." https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_updated_manual_of_corporate_governance__july_2020__1595824732.pdf (please see page 14).</p> <p>The Company has a mechanism by which anyone can give feedback to top management via the "Letter to the Chairman". The Company prescribes a "no retaliation" policy for any individuals who complain of violation of rules, if any. The Whistle-blowing Policy is disclosed in the website. https://aphrodite.gmanetwork.com/corporate/cgr/whistle-blowing_1624498211.pdf</p>	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	<p>Under the Company's Revised Manual on Corporate Governance, the Board of Directors shall "(a)dopt a suitable framework for whistleblowing that allows Management to freely communicate legitimate concerns about illegal or unethical practices, without fear of retaliation." https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_updated_manual_of_corporate_governance__july_2020__1595824732.pdf (please see page 14).</p>	
Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.			
Recommendation 16.1			
1. Company recognizes and places importance on the	Adopted	The Company re-affirms the importance of the interdependence between business and society, and promotes a mutually beneficial relationship that allows the Company to grow its business, while contributing to the advancement of the society where it operates. This is disclosed in the	

<p>interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.</p>		<p>Company's Sustainability Report which is attached to its 2020 Annual Report posted at: https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=611 https://aphrodite.gmanetwork.com/corporate/disclosures/1-2020_17-a_1624498909.pdf</p>	
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Optional: Principle 16

<p>1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development</p>	<p>Adopted</p>	<p>The Company re-affirms policies and practices that ensure that the Company's value chain is environmentally friendly or is consistent with promoting sustainable development. This is disclosed in its Sustainability Report attached to its 2020 Annual Report posted at: https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=611 https://aphrodite.gmanetwork.com/corporate/disclosures/1-2020_17-a_1624498909.pdf</p>	
<p>2. Company exerts effort to interact positively with the communities in which it operates</p>	<p>Adopted</p>	<p>The Company re-affirms policies and practices that puts importance in efforts to interact positively with the communities in which it operates. This is disclosed in its Sustainability Report attached to its 2020 Annual Report posted at: https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=611</p>	

		https://aphrodite.gmanetwork.com/corporate/disclosures/1-2020_17-a_1624498909.pdf	
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NB: All of the information/data herein provided, are based on the Company's available records, and not necessarily from the personal knowledge of the affiants.

Pursuant to the requirement of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of BAKAT CITY on JUN 29 2020.

SIGNATURES


FELIPE L. GOZON
Chairman of the Board


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


ARTEMIO V. PANGANIBAN
Independent Director


JAIME C. LAYA
Independent Director


ROBERTO RAFAEL V. LUCILA
Compliance Officer


ANNA TERESA M. GOZON-VALDES
Corporate Secretary

GMA HOLDINGS INC.: SUSTAINABILITY REPORT

Contextual Information

Company Details	
Name of Organization	GMA Holdings, Inc.
Location of Headquarters	Unit 3K, North Wing, Fairways Tower Condominium, 5 th Avenue Corner Mckinley Road, Fort Bonifacio Taguig City
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	<p>GMA Holdings, Inc. (“GHI”) report shall be limited to matters applicable/relevant to the sole business and purpose of GHI which is the issuance of the Philippine Deposit Receipts (“PDRs”) relating to GMA Network, Inc. (“GMA”) common shares for as long as the PDRs are outstanding pursuant to the Philippine Deposit Receipt Instrument dated July 16, 2007 (PDR Instrument). GHI has undertaken to perform the obligations under the PDRs and the acquisition and holding of the GMA common shares underlying the PDRs, which include maintaining the listing with the Philippine Stock Exchange (PSE), and maintaining its status as a Philippine person for as long as Philippine law prohibits ownership of GMA common shares by non-Philippine persons.</p> <p>GHI has no subsidiaries.</p>
Business Model, including Primary Activities, Brands, Products, and Services	<p>GHI is incorporated in the Philippines to invest in, purchase or otherwise to acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, exchange or otherwise dispose real and personal property of every kind and description.</p> <p>GHI does not engage in any other business or purpose other than in connection with the issuance of the PDRs, the performance of the obligations under the PDRs and the acquisition of the underlying common shares of GMA in respect of the PDRs issued and listed in the PSE, pursuant to the PDR Instrument.</p>
Reporting Period	2021
Highest Ranking Person responsible for this report	Atty. Anna Teresa M. Gozon-Valdes (Corporate Secretary) and Atty. Eduardo P. Santos (Compliance Officer)

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

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.

The report shall set forth relevant matters specific to the operational and financial state of GHI. Considering that GHI does not engage in any other business or purpose other than in connection with the issuance of the PDRs, the performance of the obligations under the PDRs and the acquisition of the underlying common shares of GMA in respect of the PDRs issued and listed in the PSE, pursuant to the PDR Instrument, GHI does not have relevant disclosures on environmental and social factors since these factors are not material to its business.

In determining the topics applicable to it, it shall state the component or feature of the organization that will be impacted by a particular risk.

This report should be read in conjunction with GHI's 2021 Annual Report. Both the Annual Report and this Sustainability Report may be accessed at <https://www.gmanetwork.com/corporate/disclosures>

SEC Reporting Template

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	11,086,351	PhP
Direct Economic value distributed:		
a. Operating costs	982,820	PhP
b. Employee wages and benefits	The Company has no full time employees considering that GHI does not engage in any other business or purpose other	PhP

	than in connection with the issuance of the PDRs, the performance of the obligations under the PDRs and the acquisition of the underlying common shares of GMA in respect of the PDRs issued and listed in the PSE	
c. Payments to suppliers, other operating costs	Operating costs all pertain to payments to suppliers 982,820	PhP
d. Dividends given to stockholders and interest payments to loan providers	2,100,000	PhP
e. Taxes given to government	2,104,808	PhP
f. Investments to community (e.g. donations, CSR)	While GHI's affiliates actively makes investments to community through donations, CSR, etc. GHI has not directly make investments to the community due to the fact that the nature of its business does not create an opportunity for such an investment.	PhP

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
GMA Holdings Inc. posted Revenues of P11.09 million for the year 2021, a 235% increase or P7.78 million versus last year's level of P3.31 million due to sharp increase in Exercise Fees to P9.35 million resulting from the conversion of PDR shares. Moreover, Interest Income increased to P1.74 million in 2021 versus P1.29 million in 2020 due to higher interest income earned on cash placements.	Common shareholders of GHI	GHI's primary objective is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
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Common shareholders
Investors/Investing Public

The economic risk factors set forth in pages 33 to 44 of GHI's Prospectus and are incorporated herein by reference insofar as they are relevant to the current operations and business/purpose of GHI. Among the relevant risks as set forth therein are as follows:

Risks Relating to GHI PDRs

The prices of securities fluctuate, and an individual security may experience upward or downward movements, and may even lose its value. There is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling securities. There may be a substantial difference between the buying price and the selling price of such securities.

Developments in other emerging market countries may adversely affect the Philippine economy and, therefore, the market price of GHI PDRs.

In the past, the Philippine economy and the securities of Philippine companies have been, to varying degrees, influenced by economic and market conditions in other emerging market countries, especially other countries in Southeast Asia, as well as investors' responses to those conditions.

Although economic conditions are different in each country, investors' reactions to adverse developments in one country may affect the market price of securities of companies in other countries, including the Philippines. Adverse developments in other emerging market countries could lead to a reduction in the demand for, and market price of the PDRs.

GHI cannot predict what future effects these events may have on investors' perceptions of risk regarding investments in equity securities of companies in emerging markets or equity securities generally.

Rights of GHI PDR Holders are limited compared to rights of holders of the GMA common shares.

PDR Holders will have economic rights upon the occurrence of certain events in respect of the GMA common shares, including

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

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

<p>rights to cash distributions, additional PDRs and adjustments to the PDRs, as well as right to convert the PDRs to GMA common shares by qualified Philippine citizens or corporations, cooperatives or associations wholly owned and managed by Philippine citizens, but will not enjoy voting rights with respect to the GMA common shares. Accordingly, PDR Holders will not be able to influence GMA's management or corporate decisions in any way. In addition, PDR Holders cannot bring derivative actions against GMA as holders of PDRs. Further, foreigners are restricted from owning shares in Philippine media companies, and thus foreign holders of PDRs are prohibited from converting their PDRs into GMA common shares.</p> <p>In not acting upon the application of ABS CBN Corporation for the renewal of its franchise, the House of Representatives Committee on Legislative Franchises opined that the Philippine Deposit Receipts of the said applicant are null and void, as they purportedly allow foreigners to own the shares of stock of the said broadcast company. In abundance of caution, GMA has announced that for a limited period of time it will offer to purchase the PDRs issued by GHI to non-Filipinos as a measure of good faith. To this date, the Securities and Exchange Commission (SEC) has not revoked the registration of the GHI PDRs, or declared the same to be no longer valid and legal. Neither has it enjoined GHI to perform its obligations under the PDR Instrument</p>		
<p>What are the Opportunity/ies Identified?</p>	<p>Which stakeholders are affected?</p>	<p>Management Approach</p>
<p>As of the moment no opportunities arising from the foregoing risks have been identified.</p>	<p>Investors</p>	<p>GHI's Management keeps itself informed and up to date to discover opportunity risks with potential to improve its business.</p>

Climate-related risks and opportunities

Governance	Strategy	Risk Management	Metrics and Targets
Climate-related risks and opportunities are not present or material to the nature of GHI's business or its purpose.	No recommended disclosure specific to GHI	No recommended disclosure specific to GHI	No recommended disclosure specific to GHI
Recommended Disclosures			
No recommended disclosure specific to GHI			
No recommended disclosure specific to GHI			
No recommended disclosure specific to GHI			

Procurement Practices

Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	100	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach

<p>The operating expenses of GHI include listing fees, PSE charges (annual maintenance fees), fees for the PDR Agent and the Pledge Trustee, auditors' fees, legal fees and administrative expenses in connection with, among other things, distribution and publication of notices to its common shareholders and PDR holders. It also includes the sending out of accounting forms like billing statements issued to the Stock Transfer Services, Inc. (STSI) during conversion.</p> <p>Operating Expenses for the year totaled P983 thousand, a decrease of 2% vis-a-vis P1.00 million in 2020 due to decrease in professional fees, taxes and licenses, and office supplies.</p>	Suppliers	GHI's Management observes and affirms the Human Relation Provisions under the Civil Code which are deemed incorporated into its corporate policy on contracting with its suppliers, particularly Article 19 of the New Civil Code which states that "every person must, in the exercise of his rights and in the performance of his duties, act with justice, give everyone his due, and observe honesty and good faith."
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<p>The supply/service needs of GHI involve the sending out of notices to its stockholders and PDR holders, accounting forms like billing statements issued to the STSI during conversion. It also includes the engagement of GHI's external auditor for the audit of GHI's AFS and the engagement of the external counsel for its corporate housekeeping and general legal needs. Hence, there are no significant risks relating to the procurement processes of GHI.</p>	Suppliers/ GHI's financial performance	To prevent risks relating to procurement or determination of suppliers, GHI's Management observes and affirms the Human Relation Provisions under the Civil Code which is deemed incorporated into its corporate policy on contracting with its suppliers, particularly Article 19 of the New Civil Code which states that "every person must, in the exercise of his rights and in the performance of his duties, act with justice, give everyone his due, and observe honesty and good faith."
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<p>This will be an opportunity for GHI to review the current suppliers in terms of relevance to the operations of the Company as they have been suppliers since the listing of the Company in the PSE.</p>	Suppliers; Operations/Financials of GHI	The management will review existing contracts and see if there are terms which have been obsolete or irrelevant to the current operations of GHI.

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
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Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	GHI has no full time employees. The accounting and administrative functions of GHI are undertaken by its affiliate.	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to.	<p>None.</p> <p>In the Management of GHI, its Directors and Employees are guided by Section 30 of the Revised Corporation Code which provides that Directors who wilfully and knowingly vote for or assent to patently unlawful acts of the corporation or who are guilty of gross negligence or bad faith in directing the affairs of the corporation shall be jointly and severally liable for all damages resulting therefrom suffered by the corporation, its stockholders or members and other persons. It further provides that a director or officer shall not attempt to acquire, or acquire any interest adverse to the corporation in respect of any matter which has been reposed in them in confidence, and upon which, equity imposes a disability upon themselves to deal in their own behalf; otherwise, the said director shall be liable as a trustee for the corporation and must account for profits which otherwise would have accrued to the corporation. The Company also adopts Section 23 of the Corporation Code which enjoins directors to "perform their duties as prescribed by law, rules of good corporate governance and bylaws of the corporation."</p> <p>Since the foregoing is a general applicable law on the subject which is expected to be observed by GHI, it has not specifically sent communications on its policies to third parties.</p>	%
Percentage of directors and management that have received anti-corruption training	100 (The Directors of GHI and its officers undergo annual training on good corporate governance)	%
Percentage of employees that have received anti-corruption training	The Company has no full time employees.	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
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There are no risks that relate to corruption considering the strongly held principles of honesty and transparency by the Board of Directors and Management.	Employees/the Organization	GHI's organization has in place mechanisms to assess the organization's risk profile to identify vulnerabilities across all areas of its operations for potential issues such as corruption.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
As explained above, there are no risks of corruption in the operations of GHI.		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Considering the absence of related risks, no corresponding opportunities have been identified.		

Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	None	#

Number of incidents in which employees were dismissed or disciplined for corruption	None	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	None	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
GHI upholds integrity and transparency, and any impropriety or appearance of impropriety to discredit or undermine such strongly upheld values will be detrimental to the reputation and good standing of the company.	Corporate Integrity and Good	GHI's policies against corruption are governed by the relevant provisions of the Revised Corporation Code and the Labor Code. Moreover, GHI's adopts a mechanism by which anyone can give feedback to top management at anytime via the "Letter to the Chairman". The performance appraisal form also has the "Remarks" portion that allows subordinates to give feedback/comments.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
There are no risks relevant to GHI on this matter.		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
GHI can strengthen its Corporate Governance policies pertaining to integrity and transparency within its organization.	Organization/Company's reputation	GHI's Management reiterates applicable laws and rules to prevent corruption within the organization.

ENVIRONMENT

Resource Management

Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (renewable sources)	None	GJ

Energy consumption (gasoline)	None	GJ
Energy consumption (LPG)	None	GJ
Energy consumption (diesel)	None	GJ
Energy consumption (electricity)	None	kWh

Reduction of energy consumption

Disclosure	Quantity	Units
Energy consumption (renewable sources)	None	GJ
Energy consumption (gasoline)	None	GJ
Energy consumption (LPG)	None	GJ
Energy consumption (diesel)	None	GJ
Energy consumption (electricity)	None	kWh

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
There is no relevant disclosure on this aspect which relates to GHI since its corporate, legal and auditing needs are undertaken by its engaged service providers.	There is no relevant disclosure on this aspect which directly relates to GHI.	There is no relevant disclosure on this aspect which directly relates to GHI.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
There is no relevant disclosure on this aspect which relates to GHI.	There is no relevant disclosure on this aspect which directly relates to GHI.	There is no relevant disclosure on this aspect which directly relates to GHI.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
There is no relevant disclosure on this aspect which relates to GHI.	There is no relevant disclosure on this aspect which directly relates to GHI.	There is no relevant disclosure on this aspect which directly relates to GHI.

Water consumption within the organization

Disclosure	Quantity	Units
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Water Withdrawal	None	Cubic meters
Water consumption	None	Cubic meters
Water recycled	None	Cubic meters

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
There is no relevant disclosure on this aspect which relates to GHI since its corporate, legal and auditing needs are undertaken by its engaged service providers.		
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Since GHI has no reportable consumption of water, no relevant risks have been identified.		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Same as above.		

Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume	None	
*renewable	None	kg/liters
*non-renewable	None	kg/liters
There is no relevant disclosure on this aspect which directly relates to GHI, since its administrative financials and operations are done electronically.	None	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
No relevant materials are used by the organization since its administrative financials and operations are done electronically. Similarly, regulatory and compliance submissions are undertaken by its external counsel and external auditor.		
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
There are no reportable risks associated with any use of renewable/non-renewable materials by GHI.		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Same as above		

Ecosystem and biodiversity (whether in upland/watershed or coastal/marine):

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	None	
Habitats protected or restored	None	Ha
IUCN Red list species and national conservation list species with habitats in areas affected by operations	None	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
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The business of GHI does not require the establishment of any operational site in protected areas and areas of high biodiversity value outside protected areas.		
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
The business of GHI does not require the establishment of any operational site in protected areas and areas of high biodiversity value outside protected areas.		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
The business of GHI does not require the establishment of any operational site in protected areas and areas of high biodiversity value outside protected areas.		

Environmental Impact Management

Air Emissions

GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	None	Tonnes CO2e
Energy indirect (Scope 2) GHG Emissions	None	Tonnes CO2e
Emissions of ozone-depleting substances (ODS)	None	Tonnes

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The business of GHI does not involve air emissions hence it has no relevant disclosure on that regard.		
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach

The business of GHI does not involve air emissions hence it has no relevant disclosure on that regard.		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
The business of GHI does not involve air emissions hence it has no relevant disclosure on that regard.		

Air pollutants

Disclosure	Quantity	Units
Nox	None	kg
Sox	None	kg
Persistent organic pollutants (POPs)	None	kg
Volatile organic compounds (VOCs)	None	kg
Hazardous air pollutants (HAPs)	None	kg
Particulate matter (PM)	None	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The business of GHI does not directly/indirectly because air pollutants hence it has no relevant disclosure on that regard.		
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
The business of GHI does not directly/indirectly cause air pollutants hence it has no relevant disclosure on that regard.		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach

The business of GHI does not directly/indirectly cause air pollutants hence it has no relevant disclosure on that regard.		
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Solid and Hazardous Wastes

Solid Waste

Disclosure	Quantity	Units
Total solid waste generated	None	kg
Reusable	None	kg
Recyclable	None	kg
Composted	None	kg
Incinerated	None	kg
Residuals/Landfilled	None	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
There are no solid wastes arising from the organization's business since its administrative financials and operations are done electronically.		
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
There are no solid wastes arising from the organization's business since its administrative financials and operations are done electronically.		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
There are no solid wastes arising from the organization's business since its administrative financials and operations are done electronically.		

Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	None	Kg
Total weight of hazardous waste transported	None	Kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The business/activities of GHI does not produce waste reportable under this section.		
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
The Company has not identified relevant risk relating to Toxic Substance and Hazardous Wastes.		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Considering that toxic substances and hazardous wastes are not relevant to GHI's operations, it has no disclosure on this regard.		

Effluents

Disclosure	Quantity	Units
Total volume of water discharges	None	Cubic meters
Percent of wastewater recycled	None	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
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Considering that effluents are not relevant to GHI's operations, it has no disclosure on this regard.		
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
The business of GHI does not directly/indirectly produce wastewater hence it has no relevant disclosure on that regard.		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
The business of GHI does not directly/indirectly produce wastewater hence it has no relevant disclosure on that regard.		

Environmental compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	None	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	None	#
No. of cases resolved through dispute resolution mechanism	None	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
As part of its business permit renewal, GHI annually pays an Environmental Impact Fee to the local government.	Public in general, Local government	GHI complies with the requirements for environmental compliance insofar as they are relevant to the purpose/function of GHI.

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
The business of GHI does not directly/indirectly have environmental risks hence it has no relevant disclosure on this regard.		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Same as above		

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee data

Disclosure	Quantity	Units
Total number of employee		
a. Number of female employees	No full time employees	#
b. Number of male employees	No full time employees	#
Attrition rate	No full time employees	rate
Ratio of lowest paid employee against minimum wage	No full time employees	ratio

Employee benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS		No full time employees	
PhilHealth			
Pag-ibig			
Parental leaves			

Vacation leaves			
Sick leaves			
Medical benefits (aside from PhilHealth)			
Housing assistance (aside from Pag-ibig)			
Retirement fund (aside from SSS)			
Further education support			
Company stock options			
Telecommuting			
Flexible-working Hours			
(Others)			

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management approach
GHI has no full time employees hence it has not directly granted employee benefits and privileges, except the grant of per diem in favour of the members of its Board of Directors and Management as approved by the Stockholders on July 24, 2020.	
What are the Risk/s Identified?	Management approach
Based on the discussion above, no relevant risks have been identified.	
What are the Opportunity/ies Identified?	Management approach
Based on the discussion above, no relevant opportunities have been identified.	

Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees	No full time employees	
a. Female employees	No full time employees	Hours
b. Male employees	No full time employees	Hours

Average training hours provided to employees		
a. Female employees	No full time employees	hours/employee
b. Male employees	No full time employees	hours/employee

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management approach
GHI has no full time employees. The organization is comprised of the members of the Board of Directors and of Management.	The members of the GHI Board and Management annually attend a corporate governance seminar to facilitate adherence by the Corporation to good corporate practices.
What are the Risk/s Identified?	Management approach
There are no risks relevant to GHI in this aspect.	
What are the Opportunity/ies Identified?	Management approach
Through the Company's Governance Trainings, the members of the Board of Directors and Management are able to enhance their skill on responsible governance of the organization.	The Office of the Compliance Officer facilitates the regular attendance of the Company's members of the Board of Directors and Management to the annual seminar on good corporate governance.

Labor-Management Relations

No full time employees

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	None for GHI	%
Number of consultations conducted with employees concerning employee-related policies	None	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management approach
GHI has no existing Collective Bargaining Agreement.	

What are the Risk/s Identified?	Management approach
GHI has no existing Collective Bargaining Agreement.	
What are the Opportunity/ies Identified?	Management approach
GHI has no existing Collective Bargaining Agreement.	

Diversity and Equal Opportunity

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Disclosure	Quantity	Units
% of female workers in the workforce	No full time employees	%
% of male workers in the workforce	No full time employees	%
Number of employees from indigenous communities and/or vulnerable sector*	No full time employees	#

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

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management approach
GHI has no full time employees. Its key management personnel are employed by its affiliate.	
What are the Risk/s Identified?	Management approach
GHI has no full time employees hence there are no relevant risks to GHI.	
What are the Opportunity/ies Identified?	Management approach

GHI has no full time employees hence there are no relevant opportunities identified.	
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Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	No full time employees	Man-Hours
No. of work-related injuries	No full time employees	#
No. of work-related fatalities	No full time employees	#
No. of work-related ill-health	No full time employees	#
No. of safety drills	No full time employees	#

	Management approach
What is the impact and where does it occur? What is the organization's involvement in the impact? GHI has no full time employees.	
What are the Risk/s Identified? There are no applicable risks to GHI since it has no employees.	Management approach
What are the Opportunity/ies Identified?	Management approach

There are no opportunities identified since GHI has no employees.	
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Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	None	#

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

Topic	Y/N	If Yes, cite reference in the company policy
Forced Labor	Y	Despite not having full time employees, as a matter of good corporate governance, GHI adheres to all the relevant labor standards, laws, rules and regulations on human rights and employee welfare which are deemed integrated into its corporate policies.
Child Labor	Y	Same as above
Human Rights	Y	Same as above

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management approach
GHI has no full time employees	Same as above
What are the Risk/s Identified?	Management approach
GHI has no full time employees	Same as above
What are the Opportunity/ies Identified?	Management approach
GHI has no full time employees	Same as above

Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy: While GHI adopts a supplier policy in principle, its business does not require extensive application to it, since its expenses are limited only to listing fees, Philippine Stock Exchange charges, fees for the PDR Agent and the Pledge Trustee, auditors' fees, legal fees and administrative expenses in connection with, among other things, distribution and publication of notices to common shareholders and PDR holders.

Do you consider the following sustainability topics when accrediting suppliers?

Kindly refer to answer above.

Topic	Y/N	If Yes, cite reference in the company policy
Environmental performance	Y	Not applicable
Forced labor	Y	Not applicable
Child labor	Y	Not applicable
Human rights	Y	Not applicable
Bribery and corruption	Y	Not applicable

<p>What is the impact and where does it occur? What is the organization's involvement in the impact?</p> <p>The operating expenses of GHI are limited to listing fees, Philippine Stock Exchange charges, fees for the PDR Agent and the Pledge Trustee, auditors' fees, legal fees and administrative expenses in connection with, among other things, distribution and publication of notices to common shareholders and PDR holders. Hence the topics below have no relevance to it as an organization.</p>	<p>Management approach</p> <p>Since the business of GHI does not require numerous/various suppliers, for the purpose of dealing with its suppliers, it adopts the relevant provisions of the Revised Corporation Code and the New Civil Code on contracts with third parties.</p>
<p>What are the Risk/s Identified?</p> <p>There are no risks associated with the current supplier accreditation practices of GHI. Other than for the services mentioned above, it has not engaged the services or procured goods from any supplier.</p>	<p>Management approach</p>
<p>What are the Opportunity/ies Identified?</p> <p>There are no risks associated with the current supplier accreditation practices of GHI. Other than for the services mentioned above, it has not engaged the services or procured goods from any supplier.</p>	<p>Management approach</p>

Relationship with Community

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable) *	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
GHI's operations as a holding company does not involve activities with local communities.					

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

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available: GHI has no operations affecting IPs.

Certificates	Quantity	Units
FPIC process is still undergoing	none	#
CP secured	None	#

What are the Risk/s Identified?	Management approach
There are no risks relevant to GHI on the efforts of GMA pertaining to its relationship with the community.	
What are the Opportunity/ies Identified?	Management approach
There are no risks relevant to GHI on the efforts of GMA pertaining to its relationship with the community.	

Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction		N

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management approach
GHI's customers are the public investing in the PDRs listed in the PSE.	GHI adheres to a high level of corporate disclosure and transparency regarding the companies' financial condition and state of corporate governance on a regular basis. Through the Investor Relations and Compliance Division (IRCD), shareholders are provided disclosures, announcements and periodic reports filed with the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange. Audited Financial Statements are submitted to the SEC on or before the prescribed period and are made available to the shareholders prior to the Annual Stockholders Meeting (ASM).
What are the Risk/s Identified?	Management approach
The Risks relating to PDRs on GHI's Prospectus at http://aphrodite.gmanetwork.com/pdfs/GMA-Final-Prospectus.pdf specifically under pages 42-44 thereof are incorporated herein, insofar as they are relevant to present operations of GHI.	As discussed under Economic Impact above, GHI supports and adopts the actions of Management to prevent/avoid or mitigate such risks.
What are the Opportunity/ies Identified?	Management approach
This provides opportunity for Management to reiterate the value of transparency and full disclosure of the results of its operations and financials to its investors.	Please refer to Management's approach on the impact of customer satisfaction above, which puts primacy on the practices to maintain good relationship with investors by facilitating full and transparent operational and financial disclosures.

Health and Safety

Disclosure	Quantity	Units
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No. of substantiated complaints on product or service health and safety*	None	#
No. of complaints addressed	None	#

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

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management approach
This is not applicable to the business of GHI, there are no risks relating to health and safety in the manner that GHI's business is being conducted.	
What are the Risk/s Identified?	Management approach
This is not applicable to the business of GHI, there are no risks relating to health and safety in the manner that GHI's business is being conducted.	
What are the Opportunity/ies Identified?	Management approach
This is not applicable to the business of GHI, there are no risks relating to health and safety in the manner that GHI's business is being conducted.	

Marketing and labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*	None	#
No. of complaints addressed	None	#

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

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management approach
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Except for publicly disclosed registration statement/prospectus and anilliary documents at the time of the listing of the PDRs in the exchange, as well as subsequent regulatory reportorial submissions, there are no publicly released documents or advertisements that involve marketing and labelling in relation to the business of GHI.	
What are the Risk/s Identified?	Management approach
Except for the publicly disclosed registration statement/prospectus and anilliary documents at the time of the listing of the PDRs in the exchange, as well as subsequent regulatory reportorial submissions, there are no publicly released documents or advertisements that involve marketing and labelling in relation to the business of GHI.	
What are the Opportunity/ies Identified?	Management approach
Except for the publicly disclosed registration statement/prospectus and anilliary documents at the time of the listing of the PDRs in the exchange, as well as subsequent regulatory reportorial submissions, there are no publicly released documents or advertisements that involve the marketing and labelling in relation to the business of GHI.	

Customer Privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	None	#
No. of complaints addressed	None	#
No. of customers, users and account holders whose information is used for secondary purposes	None	#

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

	Management approach
What is the impact and where does it occur? What is the organization's involvement in the impact?	
There is a customer privacy policies relating to the receipt of PDR holders' information by GHI or by the transfer agent	GHI executes and adheres to non-disclosure/confidentiality agreements respecting trade secrets and confidential information of other parties transacting business with it.

What are the Risk/s Identified?	Management approach
There are no risks identified since there are processes in place to protect customer privacy.	
What are the Opportunity/ies Identified?	Management approach
Same as above	

Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	None	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management approach
There are data privacy aspects applicable to the handling of common shareholders information by GHI, as well as the handling of PDR holders' information by the transfer agent.	GHI adheres to the provisions of the Data Privacy Act of 2012 and its Implementing Rules and regulations, and adopts reasonable physical and technical security measures to safeguard the same. Moreover, GHI complies with non-disclosure/confidentiality agreements respecting trade secrets and confidential information of other parties transacting business with it.
What are the Risk/s Identified?	Management approach
There are no risks identified since there are agreements in place to prevent data privacy risks.	GHI processes information in accordance with the Data Privacy Act of 2012 and its Implementing Rules and Regulations, and adopts reasonable physical and technical security measures to safeguard the same
What are the Opportunity/ies Identified?	Management approach
Same as above	

UN SUSTAINABLE DEVELOPMENT GOALS

Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach Impact of Contribution
<p>Since GHI's sole business purpose is the issuance of the Philippine Deposit Receipts ("PDRs") relating to GMA Network, Inc. common shares for as long as the PDRs are outstanding pursuant to the Philippine Deposit Receipt Instrument (PDR Instrument), it has no product or service to be disclosed under this category. However GHI supports and values the products of its affiliate, GMA Network, Inc. that contribute to UN Sustainable Development Goals. The products and services may be viewed under the following link:</p> <p>https://www.gmanetwork.com/corporate/disclosures/sustainabilityreports/</p>			

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