

**SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 20-IS  
INFORMATION STATEMENT PURSUANT TO SECTION 20  
OF THE SECURITIES REGULATION CODE**

1. Check the appropriate box:  
[  ] Preliminary Information Statement  
[  ] Definitive Information Statement
2. Name of Corporation as specified in charter: **PHILCOMSAT HOLDINGS CORPORATION**
3. Province, country or other jurisdiction of incorporation or organization: **PHILIPPINES**
4. SEC Identification Number **11163**
5. BIR Tax Identification Code **000-471-497**
6. **12/F TELECOM PLAZA BUILDING, SEN. GIL PUYAT AVENUE, MAKATI CITY 1200**  
Address of principal office Postal Code
7. Corporation's telephone number, including area code: **(02) 8815-8406**
8. Date, time and place of the meeting of security holders: **16 November 2020, 10:00 A.M., via Remote Communication Only. The link to the meeting will be sent to all registered stockholders. Please refer to Annex "A" for the Guidelines in Participating via Remote Communication.**
9. Approximate date on which the Information Statement is first to be sent or given to security holders: **22 October 2020 via PSE Edge and on the Company website**
10. In case of Proxy Solicitations: **N/A**  
Name of Person filing the Statement  
Address and Telephone Number:
11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate Corporations):

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
<b>COMMON</b>	<b>996,391,254</b>
12. Are any or all of Corporation's securities listed in a Stock Exchange?  
Yes ✓ No

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

**PHILIPPINE STOCK EXCHANGE/Common Stock**

**PART I.**

**INFORMATION REQUIRED IN INFORMATION STATEMENT**

**A. GENERAL INFORMATION**

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

In light of the current conditions that have befallen our country and in support of government measures to help prevent the spread of Covid-19, there will be no physical Annual Stockholders' Meeting. Instead, the 2020 Annual Stockholders' Meeting of Philcomsat Holdings Corporation (the "Company") will be held on **Monday, 16 November 2020 at 10:00 via remote communication**. The link to the meeting will be sent to all registered stockholders. Please refer to Annex "A" for the Guidelines in Participating via Remote Communication.

**COMPLETE MAILING ADDRESS OF PRINCIPAL OFFICE OF THE CORPORATION:  
12/F TELECOM PLAZA BUILDING, 316 SEN. GIL PUYAT AVENUE, MAKATI CITY**

This Information Statement, Management Report, Annual Report and other pertinent reports will not be distributed in physical form to the Company's stockholders. Instead, the Company will use an authorized and alternative mode of distribution which is the publish the said report through the Company's website and the PSE Edge on 22 October 2020. In addition, the Notice of Meeting will be published in the business section of two (2) newspapers of general circulation in print and online format for two (2) consecutive days with the last publication at least 21 days prior to the meeting.

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

**Item 2. Dissenters' Right of Appraisal**

As provided in Title X of the Revised Corporation Code of the Philippines: Any stockholder of a corporation shall have the right to dissent and demand payment of the fair value of the shares in the following instances:

- (a) In case an amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
- (b) In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in this Code;
- (c) In case of merger or consolidation; and

(d) In case of investment of corporate funds for any purpose other than the primary purpose of the corporation.

A dissenting stockholder who votes against a proposed corporate action may exercise the right of appraisal by making a written demand on the corporation for the payment of the fair value of shares held within thirty (30) days from the date on which the vote was taken: *Provided*, That failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented, the corporation shall pay the stockholder, upon surrender of the certificate or certificates of stock representing the stockholder's shares, the fair value thereof as of the day before the vote was taken excluding any appreciation or depreciation in anticipation of such corporate action.

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

From the time of demand for payment of the fair value of a stockholder's shares until either the abandonment of the corporate action involved or the purchase of the said shares by the corporation, all rights accruing to such shares, including voting and dividend rights shall immediately be restored.

No demand for payment may be withdrawn unless the corporation consents thereto. If, however, such demand for payment is withdrawn with the consent of the corporation, or if the proposed corporate action is abandoned or rescinded by the corporation or disapproved by the SEC where such approval is necessary, or if the SEC where such stockholder is not entitled to the appraisal right, then the right of the stockholder to be paid the fair value of the shares shall cease, the status as the stockholder shall be restored, and all dividend distributions which would have accrued on the shares shall be paid to the stockholder.

The costs and expenses of appraisal shall be borne by the corporation, unless the fair value ascertained by appraisers is approximately the same as the price which the corporation may have offered to pay the stockholder, in which the corporation may have offered to pay the stockholder, in which case they shall be borne by the latter. In the case of an action to recover such fair value, all costs and expenses shall be assessed against the corporation, unless the refusal of the stockholder to receive payment was unjustified.

Within ten (10) days after demanding payment for shares held, a dissenting stockholder shall submit the certificates of stock representing the shares to the corporation for notation that such shares are dissenting shares. Failure to do so shall, at the option of the corporation, terminate the rights of such dissenting stockholder. If shares represented by the certificates bearing such

notation are transferred, and the certificates consequently cancelled, the rights of the transferor as a dissenting stockholder shall cease and the transferee shall have all the rights of a regular stockholder; and all dividend distributions which would have accrued on such shares shall be paid to the transferee.

There is no matter that will be discussed during the meeting that will give rise to the exercise of a stockholder's appraisal right.

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

Apart from election to office, there is no transaction or matter to be acted upon in the Annual Stockholders' Meeting in which a director, executive officer, or any associate of the foregoing persons, has any substantial interest, direct or indirect, by security holdings or otherwise. No director has informed the Corporation in writing that he intends to oppose any action to be taken by the Corporation at the meeting.

**B. CONTROL AND COMPENSATION INFORMATION**

**Item 4. Voting Securities and Principal Holders Thereof**

- (a) **Classification of share entitled to vote.** As of September 30, 2020, there are 996,391,254 common shares outstanding, all of which are entitled to vote.
- (b) **Record Date.** All stockholders of record as of the close of business hours on 26 October 2020 are entitled to notice of, and to vote, at the Annual Stockholders' Meeting.

No solicitation shall be conducted, and no proxies shall be solicited for this annual stockholders' meeting.

Stockholders may participate in the virtual Meeting by remote communication by themselves or by proxy. All stockholders who will not participate in the meeting via remote communication may vote through the Chairman of the Meeting (as Proxy) and/or submit duly accomplished proxies by email to the office of the Corporate Secretary at 2020asm@phc.com.ph for inspection, validation, and recording at least ten (10) days before the Meeting, or on/before Friday, 6 November 2020. The Proxy Validation Committee will inspect, examine, and validate the sufficiency of the proxy forms received. Unless otherwise provided in the proxy, it shall be valid only for the meeting for which it is intended. No proxy shall be valid and effective for a period longer than five (5) years at one time. No broker or dealer shall give any proxy, consent or authorization, in respect of any security carried for the account of a customer, to a person other than the customer, without the express written authorization of such customer. Any stockholder may revoke or cancel his proxy and attend the annual stockholders' meeting via remote communication provided he has complied with the registration procedures and requirements.

(c) **Voting Rights.** Each share is entitled to one (1) vote. However, with respect to the election of directors, the stockholder may vote such number of shares for as many persons as there are directors to be elected, or he may cumulate said shares and give one candidate as many votes as the number of directors elected, or he may distribute them on the same principle among as many candidates as he shall see fit; provided, that the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by the number of directors to be elected.

(d) **Security Ownership of Certain Record and Beneficial Owners of more than 5% of the voting securities.** The following stockholders appear as record or beneficial owner of more than 5% of the total voting securities of the Corporation as of 30 September 2020.

Class	Name/Address of Registered Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Beneficial Owner	Citizenship	No. of Shares	%
common	Philippine Communications Satellite Corporation, 316 Sen. Gil Puyat Avenue, Makati (represented by its President and proxy, Ms. Erlinda I. Bildner) [R]	n/a	Filipino	796,595,590	79.95%
common	Prudencio C. Somera Jr., c/o 316 Sen. Gil Puyat Avenue, Makati [R]	n/a	Filipino	100,000,100	10.04%

The following lists the security ownership of Management (Directors and Officers) of the Corporation as of 30 September 2020:

Class	Name	Amount and Nature of Beneficial Ownership	Citizenship	%
Common	Prudencio C. Somera, Jr.	R	Filipino	10.04%
Common	Erlinda Bildner	R	Filipino	Neg
Common	Katrina Ponce-Enrile	R	Filipino	Neg
Common	Daniel C. Gutierrez	R	Filipino	Neg
Common	Jose Ramon Ozamiz	R	Filipino	Neg
Common	Santiago Ranada	R	Filipino	Neg
Common	Julie Y. Daza	R	Filipino	Neg
Common	Marietta K. Ilusorio	R	Filipino	Neg
Common	Pablo L. Lobregat	R	Filipino	Neg
Common	Oliverio L. Laperal Jr.	R	Filipino	Neg
Common	Victoria C. de los Reyes	R	Filipino	Neg
Common	Lorna Patajo-Kapunan	R	Filipino	Neg
Common	John Benedict L. Sioson	R	Filipino	Neg
Common	Directors and Executive Officers as a Group Unnamed	R	Filipino	10.04%

The foreign ownership level in the Corporation is 0.08% as of 30 September 2020.

**Item 5. Directors and Executive Officers**

**(a) Board of Directors.**

Name, Age and Citizenship	Position	Period Served	Professional and Business Experience
Katrina C. Ponce-Enrile, 60, Filipino	Chairman	April 2007 to Present	President and CEO- Philippine Overseas Telecommunication Corporation, President and CEO-Montemar Beach Club, Inc., Director and CFO- Philippine Communications Satellite Corporation, President and CEO-JAKA Group of Companies. Ms. Ponce-Enrile has a degree in Political Science from the University of the Philippines.
Erlinda I. Bildner, 74, Filipino	Director	April 2007 to Present	President and CEO-Philippine Communications Satellite Corporation, Vice-Chair and Director- Philippine Overseas Telecommunication Corporation, Director-Montemar Beach Club, Inc., Director and Chair, Finance Committee – Baguio Country Club. Ms. Bildner has an MBA from Columbia University, New York.
Daniel C. Gutierrez, 65, Filipino	Director	December 2007 to Present	Partner-Soo Gutierrez Leogardo & Lee Law Offices; Law Professor and Bar Reviewer- Arellano University, Director- IBP, former Trustee-GSIS. Atty. Gutierrez graduated from the University of the Philippine College of Law.
Marietta K. Ilusorio, 69, Filipino	Director	May 2010 to Present	Director and Vice President, Philippine Overseas Telecommunication Corporation; Director and Vice-President, Philippine Communications Satellite Corporation; Director, Montemar Beach Club, Inc. Ms. Ilusorio graduated from Judson School, Scottsdale, Arizona.
Julie Y. Daza, 78, Filipino	Director	December 2015 to Present	Journalist, editor-in-chief, columnist, book author, and award-winning television talk show host. Ms. Daza graduated summa cum laude in Literature, major in Journalism, from the University of Sto. Tomas.
Pablo L. Lobregat, 66, Filipino	Director	April 2007 to Present	President-Crystal Sugar Co., Inc., President/Chairman-Oceanic Wireless Network, Inc., President-Aerocom Investors & Managers, Inc., Director - Philippine Communications Satellite Corporation, Director-Philippine Overseas Telecommunication Corporation. Mr. Lobregat received his degree in Business Management from the Instituto Catolico de Artes Empresariales in Madrid, Spain.
Oliverio L. Laperal, Jr., 71, Filipino	Director	November 2017 to present	Co-President and Director of Imperial Resources; Co-President and Managing Director of Filipinas Golf & Country Club; President & Managing Director of R.S. Video & Film Productions. Mr. Laperal has an MBA from Cornell University, New York.
Santiago J. Ranada, 83, Filipino	Director	December 2013 to Present	Partner, Ranada, Malaya Sanchez & Simpao, Specializes in the banking, insurance, maritime and real estate industries and in corporate rehabilitation proceedings, 28 years of service in

			the Philippine Judiciary as RTC Judge and CA Justice. Justice Ranada graduated from the Ateneo College of Law.
Victoria C. de los Reyes, 70, Filipino	Director	November 2019 to Present	Partner, Roxas de los Reyes Laurel & Rosario Law Office, Atty. de los Reyes graduated with a Master of Law degree from the University of Michigan.
Jose Ramon C. Ozamiz, 61, Filipino	Director	December 2013 to Present	Surgeon – Makati Medical Center; 23 years of practice; Diplomate, Philippine Board of Surgery, Fellow, Philippine College of Surgeons, Member, Philippine Medical Association, Makati Medical Society, Philippine Society of General Surgeons. Dr. Ozamiz finished his medical degree from the Cebu Institute of Medicine.
Prudencio C. Somera, Jr. 75, Filipino	Director	August 2004 to Present	Director – TKC Steel Corporation; Licensed Stockbroker; Columnist – Philippine Daily Inquirer. Mr. Somera holds an MBA from the University of the Philippines.

**(b) Executive Officers.** The following are the Executive Officers:

Name, Age and Citizenship	Position	Period Served	Professional and Business Experience
Katrina C. Ponce-Enrile, 60, Filipino	President	November 2019 to Present	President and CEO- Philippine Overseas Telecommunication Corporation, President and CEO-Montemar Beach Club, Inc., Director and CFO- Philippine Communications Satellite Corporation, President and CEO-JAKA Group of Companies. Ms. Ponce-Enrile has a degree in Political Science from the University of the Philippines.
Erlinda I. Bildner, 74, Filipino	Treasurer/EVP	April 2007 to Present/November 2019 to Present	President and CEO-Philippine Communications Satellite Corporation, Vice-Chair and Director- Philippine Overseas Telecommunication Corporation, Director-Montemar Beach Club, Inc., Director and Chair, Finance Committee – Baguio Country Club. Ms. Bildner has an MBA from Columbia University, New York.
Manolita L. Morales, 62 Filipino	Asst. Treasurer	May 2010 to Present	Treasurer – Philippine Overseas Telecommunication Corporation; Asst. Treasurer – Philippine Communications Satellite Corporation; Ms. Morales holds an MBA from the University of the Philippines.
Victoria C. de los Reyes, 70, Filipino	Corporate Secretary	December 2007 to Present	Partner, Roxas de los Reyes Laurel & Rosario Law Office, Atty. de los Reyes graduated with a Master of Law degree from the University of Michigan.
John Benedict L. Sioson, 52, Filipino	Asst. Corporate Secretary	December 2007 to Present	Legal Counsel, Philcomsat Group of Companies. Vice-President for Internet Marketing – Key Discovery Consulting, Inc. Atty. Sioson holds an MBA from the École Supérieure de Commerce de Paris.

**(c) Involvement in Certain Legal Proceedings.** The Corporation is not aware of the involvement of the its directors and executive officers in any bankruptcy petition, conviction by final judgment, violation of a securities or commodities law or being subject to any such order, judgment or decree within the last 5 years and up to the

latest date that is material to their evaluation as directors and executive officers of the Corporation.

The legal proceedings to which the Corporation is a party is contained in the attached Annual Report (SEC Form 17-A, **Annex "B"**).

- (d) **Voting trust holders.** No person holds more than five percent (5%) of any class of the Corporation's securities under a voting trust agreement.
- (e) **Changes in control.** No arrangements exist which may result in a change in control of the Corporation. There has been no change in control of the Corporation since the beginning of its last fiscal year.
- (f) **Nomination of Directors.** The Nomination Committee is composed of Julie Yap-Daza (Chairman), Pablo L. Lobregat and Marietta K. Ilusorio. Written nominations for the position of director of the Corporation are accepted until the close of business hours on Friday, 30 October 2020 at the principal office of the Corporation. Philcomsat (through its President, Ms. Erlinda I. Bildner) has nominated the following as directors of the corporation for the ensuing year: Katrina C. Ponce-Enrile, Erlinda I. Bildner, Pablo L. Lobregat, Santiago J. Ranada, Daniel C. Gutierrez, Marietta K. Ilusorio, Prudencio C. Somera, Victoria C. de los Reyes, Oliverio Laperal, Jr., Jose Ramon Ozamiz and Julie Yap-Daza, with the last three (3) as independent directors of the Corporation. Mr. Laperal, Dr. Ozamiz and Ms. Daza are not related to either Philcomsat or to Ms. Bildner.

In its meeting held on 25 September 2020, the Nomination and Election Committee determined that all the above nominees possess all the qualifications and none of the disqualifications of a director provided in the Code of Corporate Governance and the new Manual on Corporate Governance. In addition, the Committee evaluated the nominees for Independent Director and certified that they are duly qualified in accordance with the Securities Regulation Code. The Certificates of Qualification of the Independent Directors is attached to this Information Statement as **Annex "E"**.

- (g) **Significant Employees.** The Corporation has no employee who is not an executive officer and who is expected to make a significant contribution to the business.
- (h) **Family Relationships.** Except for Ms. Erlinda I. Bildner and Ms. Marietta K. Ilusorio who are sisters, none of the other nominees are related to each other or to an executive officer within the fourth (4<sup>th</sup>) civil degree of consanguinity or affinity.

**(i) Certain Relationships and Related Transactions.**

1. Among these related party transactions are promissory notes from MBCI and Philcomsat that bear interest at 5%-6%, contract for services with Professional Stock Transfer, Inc., a lease agreement for the rent of office space with Philcomsat and a corporate guaranty for Philcomsat. Aside from the foregoing, the Corporation does not have contractual

or other commitments with related parties not in the normal course of business. Details of significant related party transactions are enumerated in Note 18 of the attached Consolidated Audited Financial Statements.

2. There are no arrangement with parties that fall outside the definition "related parties" 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 available from independent parties on an arm's length basis.

#### Item 6. Compensation of Directors and Executive Officers

- (1) The following lists the aggregate compensation of the directors and executive officers for 2018:

NAME	POSITION	SALARY	ALLOWANCE	BONUS	TOTAL
RAMON JACINTO	President				
KATRINA PONCE-ENRILE	Chairman/EVP				
ERLINDA I. BILDNER	Treasurer				
MANOLITA L. MORALES	Asst. Treasurer				
VICTORIA DELOS REYES	Corporate Secretary				
All the above-named officers as a Group		3,520,000	2,250,000	0	5,770,000
All the other officers as a Group unnamed		135,000	2,410,000	0	2,545,000
Total		3,655,000	4,660,000	0	8,315,000

NAME	POSITION	SALARY	ALLOWANCE	BONUS	TOTAL
KATRINA PONCE ENRILE	Director				
RAMON P. JACINTO	Director				
ERLINDA I. BILDNER	Director				
DANIEL GUTIERREZ	Director				
PABLO LOBREGAT	Director				
CARLO CARAG	Director				
JULIE DAZA	Director				
MARIETTA K. ILUSORIO	Director				
JOSE RAMON OZAMIZ	Director				
SANTIAGO RANADA	Director				
PRUDENCIO SOMERA	Director				
TOTAL		3,655,000	4,660,000	0	8,315,000

The following lists the individual compensation of the directors and executive officers for 2019:

Name	Position	Salary	Allowance	Bonus	Total
Ramon Jacinto*	President	1,500,000.00	0	0	1,500,000.00
Katrina C. Ponce-Enrile*/**	Chairman-EVP/President	600,000.00	300,000.00	50,000.00	950,000.00
Erlinda Bildner	Treasurer	600,000.00		50,000.00	650,000.00
Manolita L. Morales	Asst. Treasurer	1,020,000.00	0	85,000.00	1,105,000.00
Victoria de los Reyes	Corp. Secretary	540,000.00	120,000.00	45,000.00	705,000.00
Santiago J. Ranada **	Chairman		25,000.00	0	25,000.00
Marietta K. Ilusorio	Vice-President	45,000.00	0	0	45,000.00
Total		4,305,000.00	145,000.00	230,000.00	4,680,000.00

Name	Position	Salary	Allowance	Bonus	Total
Katrina C. Ponce Enrile	Director	0	300,000.00	50,000.00	350,000.00
Ramon P. Jacinto*	Director	0	250,000.00	0	250,000.00
Erlinda I. Bildner	Director	0	300,000.00	25,000.00	325,000.00
Daniel C. Gutierrez	Director	0	300,000.00	25,000.00	325,000.00
Pablo L. Lobregat	Director	0	300,000.00	25,000.00	325,000.00
Oliverio L. Laperal, Jr.	Director	0	300,000.00	25,000.00	325,000.00
Victoria de los Reyes**	Director	0	25,000.00	0	25,000.00
Julie Yap Daza	Director	0	300,000.00	25,000.00	325,000.00
Marietta K. Ilusorio	Director	0	300,000.00	25,000.00	325,000.00
Santiago J. Ranada	Director	0	275,000.00	25,000.00	300,000.00
Jose Ramon C. Ozamiz	Director	0	300,000.00	25,000.00	325,000.00
Prudencio C. Somera, Jr.	Director	0	300,000.00	25,000.00	325,000.00
Total		0	3,250,000.00	275,000.00	3,525,000.00

\*Until November 18, 2019

\*\*Beginning November 18, 2019

The following lists the individual compensation of the directors and executive officers for 2020 (estimated):

Name	Position	Salary	Allowance	Bonus	Total
Katrina C. Ponce-Enrile	President	600,000.00	300,000.00	0	900,000.00
Erlinda Bildner	Treasurer	600,000.00	0	0	600,000.00
Manolita L. Morales	Asst. Treasurer	1,020,000.00	0	0	1,020,000.00
Victoria de los Reyes	Corp. Secretary	540,000.00	0	0	540,000.00
Santiago J. Ranada	Chairman	540,000.00	0	0	540,000.00
Marietta K. Ilusorio	Vice-President	45,000.00	0	0	45,000.00
Total		3,345,000.00	300,000.00	0	3,645,000.00

Name	Position	Salary	Allowance	Bonus	Total
Katrina C. Ponce Enrile	Director	0	300,000.00	0	300,000.00
Erlinda I. Bildner	Director	0	300,000.00	0	300,000.00
Daniel C. Gutierrez	Director	0	300,000.00	0	300,000.00
Pablo L. Lobregat	Director	0	300,000.00	0	300,000.00
Oliverio L. Laperal, Jr.	Director	0	300,000.00	0	300,000.00
Victoria de los Reyes	Director	0	300,000.00	0	300,000.00
Julie Yap Daza	Director	0	300,000.00	0	300,000.00
Marietta K. Ilusorio	Director	0	300,000.00	0	300,000.00
Santiago J. Ranada	Director	0	300,000.00	0	300,000.00
Jose Ramon C. Ozamiz	Director	0	300,000.00	0	300,000.00
Prudencio C. Somera, Jr.	Director	0	300,000.00	0	300,000.00
Total		0	3,300,000.00	0	3,300,000.00

The directors and executive officers are not guaranteed a bonus, neither do they receive any profit sharing, options, warrants or right to purchase securities of the Corporation, nor are they covered by any pension or retirement plan. As of the date of this Definitive Information Statement, there has been no discussion in the Board as to the grant of any bonus, profit sharing, pension/retirement plan, or the grant or extension of any option, warrant or right to purchase any securities to any director or executive officer.

(2) Standard Arrangements. All directors receive allowances in the amount of P25,000.00 per month. Other than the foregoing, there is no standard arrangement with respect to additional amounts payable to the directors for other services, committee participation or special assignments.

(3) Other Arrangements. There are no other arrangements, including consulting contracts pursuant to which any director of the Company was compensated, or is to be compensated, directly or indirectly, during the last completed fiscal year, and the ensuing year, for any service provided as a director.

(4) Employment Contracts and Termination of Employment and Change-in-Control Arrangements. There are no employment contracts between the Company and its executive officers, nor any compensatory plan or arrangement, including payments to be received from the Company with respect to its executive officers that will result from the resignation, retirement or any other termination of such executive officer's employment with the Company and its subsidiaries or from a change-in-control of the Company or a change in the named executive officer's responsibilities following a change-in-control.

#### **Item 7. Independent Public Accountants**

The present external auditor of the Corporation is Mendoza Querido & Co who was reappointed in November 2019 after the five (5) year appointment of the previous external auditor, Reyes Tacandong & Co., in accordance with SEC Rules on rotation of external auditors. Management recommends the appointment of Mendoza Querido & Co. as the Corporation's external auditor for the ensuing year.

There have been no disagreements with the accountants on any accounting and financial disclosure during the two most recent fiscal years or any subsequent interim period.

Representatives from the external auditor are expected to be present at the Meeting where they will have the opportunity to make a statement if they desire to do so and/or respond to appropriate questions raised by stockholders.

The Audit Committee of the Corporation is composed of Ms. Jullie Y. Daza (independent), Ms. Erlinda I. Bildner, Ms. Manolita L. Morales, Dr. Jose Ramon Ozamiz (independent) and Mr. Oliverio Laperal, Jr. (independent).

#### **INFORMATION ON INDEPENDENT ACCOUNTANT**

##### **(a) Audit and Audit-related Fees**

1. The audit of the Corporation's annual financial statements or services that are normally provided with statutory and regulatory filings or engagements for those fiscal years:

The Corporation engaged the services of Reyes Tacandong & Co. to audit its financial statements which comprise the statement of financial position, statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes comprising a summary of significant accounting policies and other explanatory information and to render an opinion on the said statements for the year ended December 2018 for which the aggregate amount billed in Philippine Pesos was P650,000.00. For the year ended December 2019,

the Corporation engaged the services of Mendoza Querido & Co. to audit its financial statements which comprise the statement of financial position, statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes comprising a summary of significant accounting policies and other explanatory information and to render an opinion on the said statements for which the aggregate amount billed in Philippine Pesos was P583,520.00.

2. Other assurance and related services by the external auditor that are reasonably related to the performance of the audit or review of the Corporation's financial statements. The Corporation shall describe the nature of the services comprising the fees disclosed under this category.

For the years 2018 and 2019, Reyes Tacandong & Co. was requested to perform a quarterly review of the financial statements of the Corporation. The fees for this service amounted to P150,000.00 per year.

(b) Tax Fees

The Corporation did not require tax advisory services for the years 2018 and 2019.

(c) All Other Fees

The Corporation did not need any products or services described above, hence there were no fees paid to the external auditor/s other than those reported under (a) and (b) above for 2017 and 2018.

(d) Approval Policies and Procedures

The audit committee reviews the requirements of the corporation for audit and audit related services and approves the fees prior to the auditor undertaking the work. Such services and fees are confirmed by the Board. The financial statements are approved by the Board before release.

**Item 8. Compensation Plans**

No action is proposed to be taken at the meeting with respect to compensation plans.

There are no standard arrangements with, nor any prize, stock, or warrant options in favor of the Corporation's directors and officers.

**C. ISSUANCE AND EXCHANGE OF SECURITIES**

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

No action is intended to be taken with respect to the authorization or issuance of any securities.

#### **Item 10. Modification or Exchange of Securities**

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

#### **Item 11. Financial and Other Information**

No action is intended to be taken with respect to securities that will require a financial report or summary other than that already included in this Information Statement or in the attached Annual Report (**Annex “B”**), Audited Financial Statements (**Annexes “B-1” and “B-2”**) and Quarterly Reports (**Annexes “C” and “D”**).

#### **Item 12. Mergers, Consolidations, Acquisitions and Similar Matters**

No action is intended to be taken with respect to any merger, consolidation, acquisition, or similar matter.

#### **Item 13. Acquisition or Disposition of Property**

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

#### **Item 14. Restatement of Accounts**

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

### **D. OTHER MATTERS**

#### **Item 15. Action with Respect to Reports**

- (1) Approval of Minutes of the Stockholders’ Meeting held on 18 November 2019 where the following matters were approved and/or ratified:
  - a. Approval of the Minutes of the Annual Stockholders’ Meeting held on 19 November 2018;
  - b. Approval of the Management Report and Audited Financial Statements for the period ending 31 December 2018;
  - c. Approval and Confirmation of the acts, proceedings and resolutions of the Board of Directors, Executive Committee and the Board and Management Committees and officers;
  - d. Election of Directors;
  - e. Appointment of External Auditors

(2) Notation and Approval the Management Report including the audited financial statements for the fiscal year ending 31 December 2019. The President and Treasurer will report on the significant business transaction undertaken and the financial targets and achievements of the Company in 2019. The audited financial statements for the period ending 31 December 2019 are attached to the accompanying Annual Report;

**Item 16. Matters Not Required to be Submitted**

Though not required to be submitted to the stockholders, the acts of Management, the Board of Directors and committees done in the regular course of business since the last stockholders' meeting to the present are presented to the stockholders for good corporate governance. These acts are reflected in the Minutes of the Board Meetings held on the following dates:

- a. 18 November 2019
  - 1) Election of Officers
  - 2) Constitution of Committees and Appointing Members
  - 3) Opening and maintaining bank accounts and updating bank signatories
  - 4) Opening and entering into trust/investments management agreements with banks and financial institutions
  - 5) Appointing lawyers for its cases
  - 6) Appointing signatories for reportorial requirements
  - 7) Authority to invest in stock/money market placements
  - 8) Confirmation of authority of President and EVP to sign agreements for and on behalf of the Company
  - 9) Issuance of corporate guaranty
  - 10) Purchase of financial instruments
- b. 29 January 2020
  - 1) Purchase of bonds, notes, investment products and other financial instruments
  - 2) Opening of bank accounts
  - 3) Authority to apply for tax amnesty
  - 4) Authority to sign consent solicitation statement relative to investment products
  - 5) Authority to buy and sell shares of stock
- c. 8 June 2020
  - 1) Approving Financial Statements
  - 2) Approving new Manual on Corporate Governance

These actions are subject to annual review by the external auditor. In addition, copies of the Minutes of the Meetings of the Board of Directors may be examined by stockholders of record at the principal office of the Corporation during business hours

## **Item 17. Amendment of Charter, Bylaws or Other Documents**

There is no proposed action regarding amendment of charter, bylaws or other documents.

## **Item 18. Other Proposed Action**

- (1) Election of the 11 members of the Board of Directors, including the three (3) independent directors for the ensuing calendar year
- (2) Election of External Auditors

## **Item 19. Voting Procedures**

***For the guidelines in registration and voting in absentia, please refer to the Guidelines on Participation by Remote Communication attached herein as Annex "A".***

For matters other than election of directors, each share is entitled to one (1) vote. An affirmative vote of a majority of the stockholders present in person or by proxy is required for a motion to be approved.

With respect to the election of directors, the stockholder may vote such number of shares for as many persons as there are directors to be elected, or he may cumulate said shares and give one candidate as many votes as the number of directors elected, or he may distribute them on the same principle among as many candidates as he shall see fit; provided, that the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by the number of directors to be elected. The eleven (11) nominees garnering the highest number of votes shall be proclaimed as elected directors.

All votes shall be counted and tallied by the Corporate Secretary or her duly authorized representative to be assisted by the Corporation's independent accountants.

## **Item 20. Statement of Management Responsibility and Audited Financial Statements**

The Statement of Management Responsibility for the Corporation's Consolidated and Separate Audited Financial Statements for the year ending 31 December 2019 are attached to the Financial Statements (**Annexes "B-1" and "B-2"**), which in turn are attached to the Annual Report (SEC Form 17-A, **Annex "B"**).

## **Item 21. Management Report contained in Annual Report (SEC Form 17-A), Sustainability Report, 1<sup>st</sup> and 2<sup>nd</sup> Quarter Financial Statements (SEC Form 17-Q)**

The Corporation incorporates by reference the information contained in its latest Annual Report (SEC Form 17-A, **Annex "B"**), Sustainability Report (**Annex "B-3"**) and the 1<sup>st</sup> and 2<sup>nd</sup> Quarter Financial Statements (SEC Form 17-Q) of 2020 (**Annexes "C" and "D", respectively**). The 3<sup>rd</sup> Quarter Financial Statements will likewise be published as soon as the same becomes available.

As a holding company, the Corporation only invests in the money market and financial products. It intends to continue such activities in the next twelve (12) months. The Corporation will be able to satisfy its cash requirements and does not have to raise additional funds in the next twelve (12) months and beyond.

(1) Financial Condition, Changes in Financial Condition and Results of Operations during the last three (3) fiscal years and the interim period.

**(a) Full Fiscal years (Based on Consolidated AFS)**

**Revenues:** In the fiscal year ended December 31, 2019, the Corporation generated revenue of P58.3 million compared to P48.6 million in the year ended December 31, 2018 and P40.9 million in the year ended December 31, 2017. Total comprehensive income for the year ended December 31, 2019 amounted to P60.9 million compared to P47.9 million 2018 and P139.6 million in 2017. Note that the P139.6 million realized in 2017 was the result of the settlement of a loan receivable and is a one-time event, unlikely to be repeated.

**Expenses:** Costs and expenses continue to decrease from P45.4 million in 2017 to P36.7 million in 2018 and P33.5 million in 2019. This decrease contributes to the increase in the revenue of the Corporation.

**Operating and Net Income/Loss:** For the first time in the last 3 fiscal years, revenue exceeded costs and expenses in 2018 and was repeated in 2019. The net loss for 2017 was offset however by the gains on the settlement of the loans receivable and the reversal of allowance for doubtful accounts, thus resulting in positive net income. Net income in 2019 was P20.6 million, compared to P93.8 million in 2018 and P117.9 million in 2017.

**Income Statement (Consolidated)  
(P Million)**

	<b>2019</b>	<b>2018</b>	<b>2017</b>
Revenue	58.3	48.6	40.9
Costs and Expenses	(33.5)	(36.7)	(45.4)
Settlement of L/R	0.0	0.0	151.3
Sale of Investment Property	0.0	99.1	0.0
Gains or Losses on FX and Sales	(4.7)	2.5	(0.8)
Gross Profit	20.1	113.5	146.0
Provision for Tax	(0.5)	19.7	28.1
Net Income (Loss)	20.6	93.8	117.9
Other Comprehensive Income (Loss)	40.3	(45.9)	21.7
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>60.9</b>	<b>47.9</b>	<b>139.6</b>

**Financial Position**

The company's comparative balance sheet is summarized below:

**Balance Sheet (Consolidated)**  
**(P Million)**

	<b>2019</b>	<b>2018</b>	<b>2017</b>
Current Assets	438.1	429.7	330.5
Available-for-sale financial assets	998.2	922.9	879.3
Receivables	37.0	62.0	56.0
Other Assets	5.8	4.2	82.4
Total Assets	1,479.1	1,418.8	1,374.0
Current Liabilities	7.6	10.4	12.5
Non-current Liabilities	19.1	19.6	18.9
Stockholders' Equity	1,452.4	1,388.8	1,342.8

**Balance Sheet Accounts (Consolidated)**

**Current Assets:** Current assets of the Corporation as of December 31, 2019 totaled P438.1 million compared to P429.8 million in 2018 and P330 million in 2017. Of these amounts, cash and cash equivalents totaled P208 million in 2019, compared to P290 in 2018 and P104.9 in 2017. The Corporation has sufficient cash resources to meet any expected requirement during the next twelve (12) months. The Corporation continued to increase its investments in AFS financial assets with P998.1 million in 2019 compared to P922.9 million in 2018 and P879.3 in 2017.

**Liabilities:** The Corporation is substantially debt-free and has no material commitments for capital expenditures. Total current liabilities in 2019 was only P7.6 million compared to P10.4 million in 2018 and P10.4 million in 2017.

**Deposit for Future Subscription :** This represents the excess amount of the market value of the two properties which Philcomsat contributed in exchange for the number of the Corporation's shares received; as such, this amount is for the account of Philcomsat's future subscription to Corporation's common shares.

**Stockholders' Equity:** This is the residual balance sheet amount after subtracting Liabilities from Assets. Stockholders' equity once again increased to P1,452.4 million in 2019 compared to P1,388.8 million in 2018 and P1,342.8 million in 2017.

**Key Performance Indicators ("KPI")**

The Corporation's KPI for the years ended December 31, 2019, 2018, and 2017 follow:

<b>Performance Indicator</b>	<b>Formula</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<i>Liquidity</i>				
Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	57.05:1	40.04:1	26.3:1
<i>Leverage</i>				
Debt to Equity Ratio	$\frac{\text{Total Liabilities}}{\text{Stockholders' Equity}}$	0.02:1	0.02:1	0.02:1

Asset to Equity Ratio	<u>Total Assets</u> Total Equity	1.02:1	1.02:1	1.02:1
<i>Profitability</i>				
Return on Assets	<u>Net Income</u> Total Assets	1.39%	6.61%	8.58%
Return on Equity	<u>Net Income</u> Total Equity	1.42%	6.75%	8.78%

### Liquidity

he Corporation's current ratio for 2019 is 57.05 compared to 40.04 in 2018 and 26.3 in 2017. The Company's liquidity position remains strong.

### Leverage

Leverage is very low at 0.02:1 in 2019, 2018 and 2017.

### Profitability

As stated earlier, the increases in net income in 2017 and 2018 resulted from the settlement of a loan receivable and the sale of an investment property. As these are one-off events, the rate of profitability of the Corporation should normalize beginning 2019.

## **Notes to Financial Statements**

### *Accounting Policies and Principles*

The financial statements for the years 2019, 2018, and 2017 are presented in accordance with generally accepted accounting principles applied on a consistent basis.

### *Seasonality Aspects of the Business*

The operations of PHC are not affected by seasonality or cyclical.

*Past and Future Financial Condition and Results of Operations* – For 2018 and 2017, please refer to the above discussion. For prior years, please refer to the Corporation's previous annual reports. Inasmuch as there are no known material events or commitments that are likely to affect the Corporation, it is expected that the future financial condition and results of operation would remain the same as the present.

### *Material Changes*

#### (a) Any Known Trends, Events or Uncertainties (Material Impact on Liquidity)

There is no known trend, event or uncertainty that would have a material impact on liquidity.

#### (b) Event that will trigger direct or contingent financial obligations that is material to the company, including any default or acceleration of an obligation

The only event that may trigger a contingent financial obligation that is material to the Corporation is a default by its 79% owner, Philcomsat, of the latter's obligation to Speedcast Limited where the Corporation issued a guarantee for Philcomsat. The Corporation's exposure is less than 15% of the Corporation's total assets.

(c) All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

There is no off-balance sheet transaction, arrangement, obligation or other relationship with unconsolidated entities or persons during the reporting period.

(d) Material Commitments for capital expenditures and expected sources of funds for such expenditures.

The company has no material commitment for capital expenditures.

(e) Any Known Trends, Events or Uncertainties (Material Impact on Sales)

There is no known trend, event or uncertainty that will have a material impact on sales.

(f) Any Significant Elements of Income or Loss (from continuing operations)

There is no significant element of income from continuing operations except for payments on the loan receivable which were booked in 2017 and 2016 and the sale of the investment property in 2018.

(g) Causes for Any Material Changes from Period to Period of FS which shall include vertical and horizontal analyses of any material item (5%)

- a. Decrease in cash and cash equivalent due to an increase in the financial assets.
- b. Increase in current receivables due to their being estimated as the present value of all future cash flows discounted using applicable rates of similar types of instruments as at reporting date.
- c. Increase in other current assets due to the recognition of creditable withholding tax.
- d. Decrease in non-current receivables due to payment.
- e. Decrease in property and equipment as a result of depreciation.
- f. Decrease in trade payables due to the Corporation's policy of ensuring that there are sufficient capital inflows to match repayments of trade payables.

(h) Seasonal Aspects that have a Material Effect on the FS

None.

## (b) Interim Periods

**Revenues:** In the 2<sup>nd</sup> Quarter 2020, the Corporation generated P13.4 million in revenue consisting mainly of interest income thus bringing the total revenue for the 1<sup>st</sup> Semester 2019 to P26.6 million, while in the 2<sup>nd</sup> Quarter 2019, the revenue generated was P15.7 million while the total revenue of the 1<sup>st</sup> Semester 2019 was P30.2 million. Interest income from money market placements and deposits traditionally represent the bulk of the Corporation's revenue.

Net income for the 2<sup>nd</sup> Quarter 2020 was P6.2 million and the total net income for the 1<sup>st</sup> Semester 2020 was P6.6 million. Net income for the 2<sup>nd</sup> Quarter 2019 was P7.5 million and the net income for the 1<sup>st</sup> Semester 2019 was P15.7 million.

**Expenses:** Costs and expenses in the 2<sup>nd</sup> Quarter 2020 was P5.9 million and the total costs and expenses for the 1<sup>st</sup> Semester 2020 was P18.9 million; while in the 2<sup>nd</sup> Quarter 2019, costs and expenses was P7 million and the total for the 1<sup>st</sup> Semester 2019 was P14.3 million.

### Consolidated Income Statement (P million)

	2Q 2020	2Q 2019	1 <sup>st</sup> Sem 2020	1 <sup>st</sup> Sem 2019
Revenue	13.39	15.66	26.57	30.19
Cost of Service	(0.94)	(0.32)	(1.77)	(0.58)
General and Administrative Expenses	(4.91)	(7.02)	(17.10)	(13.79)
Gain on Investments	(1.26)	(1.55)	(0.86)	(1.32)
Income before Income Tax	6.28	7.09	6.84	14.49
Provision for Income Tax	0.12	0.43	0.22	1.23
Net Income	6.15	7.52	6.61	15.72
Other Income	34.37	11.53	(1.96)	30.99
<b>Total Comprehensive Income</b>	<b>40.52</b>	<b>19.06</b>	<b>4.65</b>	<b>46.73</b>

### Financial Position

The company's comparative balance sheet is summarized below:

### Consolidated Balance Sheet (P Million)

	2Q 2020	2Q 2019
Current Assets	485.45	402.51
Notes & Interest Receivable	8.00	55.00
Available-for-sale financial assets	987.96	1000.64
Property & Equipment	0.44	0.44
Investment Property	2.25*	2.25*
Other Non-current Assets	2.16	2.43
Total Assets	1486.26	1463.27
Liabilities	10.48	10.73

Deposit for Future Subscription	18.89	18.89
Stockholders' Equity	1456.89	1433.65

*Note: The investment property of P2.25 million belongs to the Corporation's subsidiary, PMEI.*

### Balance Sheet Accounts

**Current Assets:** Current assets of the Corporation as of the 2<sup>nd</sup> Quarter 2020 totaled P485.45 million compared to 402.51 million in the same period 2019. This included cash and cash equivalents of P225.92 million as of the 2<sup>nd</sup> Quarter 2020 compared to P266.43 in the same period 2019. The Corporation has sufficient cash resources to meet any expected requirement during the next twelve (12) months.

**Liabilities:** The Corporation is substantially debt-free and has no material commitments for capital expenditures. Accrued expenses and other current liabilities as of the 2<sup>nd</sup> Quarter 2020 amounted to P10.23 million compared to P10.72 million as of the 2<sup>nd</sup> Quarter 2019.

**Deposit for Future Subscription:** This represents the excess amount of the market value of the two properties which Philcomsat contributed in exchange for the number of the Corporation's shares received; as such, this amount is for the account of Philcomsat's future subscription to Corporation's common shares which remains constant at P18.89 million.

**Stockholders' Equity:** This is the residual balance sheet amount after subtracting Liabilities from Assets. Total equity once again increased to P1,456.89 million as of the 2<sup>nd</sup> Quarter 2020 compared to P1,433.65 million in the same period 2019.

### Key Performance Indicators (KPI)

The Corporation's **consolidated** KPI as of the 1<sup>st</sup> and 2<sup>nd</sup> quarters of 2020 compared to the same period in 2019, and for the years ended 2019 and 2018 are as follows:

Performance Indicator	Formula	2 <sup>nd</sup> Q 2020	2 <sup>nd</sup> Q 2019	1 <sup>st</sup> Q 2020	1 <sup>st</sup> Q 2019	2019	2018
<i>Liquidity</i>							
Current Ratio	<u>Current Assets</u> Current Liabilities	47.43:1	37.53:1	64.58:1	43.75:1	57.05:1	40.04:1
<i>Leverage</i>							
Debt to Equity Ratio	<u>Total Liabilities</u> Stockholders' Equity	0.02:1	0.02:1	0.02:1	0.02:1	0.02:1	0.02:1
Asset to Equity Ratio	<u>Total Assets</u> Total Equity	1.02:1	1.02:1	1.02:1	1.02:1	1.02:1	1.02:1
<i>Profitability</i>							
Return on Assets	<u>Net Income</u> Total Assets	0.45%	1.09%	0.03%	0.57%	1.39%	6.61%
Return on Equity	<u>Net Income</u>	0.45%	1.09%	0.03%	0.58%	1.42%	6.75%

	Total Equity					
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### Liquidity

The Company's liquidity position is stronger at 47.43:1 as of the end of the first semester of 2020 compared to 37.52:1 in the same period in 2019.

### Leverage

Leverage remains constant at 0.02:1 in the 1<sup>st</sup> semester of 2020. The Company's leverage position is negligible.

Except for the contingent financial obligation to Speedcast Limited discussed earlier, there are no other known trends, events, or uncertainties that will have a material impact on liquidity or that will trigger direct or contingent financial obligation that is material to the company, or any off-balance sheet transactions, arrangements, obligations and other relationships of the company with unconsolidated entities or persons during the reporting period, or material commitments for capital expenditures.

## **MARKET PRICE AND DIVIDENDS**

### **(1) Market Information**

- a. Principal Market
  - i. The principal market where the Corporation's common equity is traded is the Philippine Stock Exchange
  - ii. There have been no high and sales prices for the last two fiscal years and subsequent interim periods as trading of the Corporation's common equity has been suspended since 2 May 2007.
- b. The last trade price of the Corporation's shares on 2 May 2007 was P1.40.

### **(2) Holders**

- a. As of 30 September 2020, there are 1,175 holders of the Corporation's shares. The Corporation only issues common shares.
- b. As of 30 September 2020, the top twenty (20) shareholders are as follows:

Name	Shares Held	%
Philcomsat	796,595,690	79.94
Prudencio Somera	100,000,100	10.03
Oliverio Laperal	49,556,500	4.97
PCD Nominee (Fil)	15,864,534	1.58
RCBC T/A 236-235	4,802,413	0.48
M. J. Villarama	4,000,000	0.40

M. Olondriz y Cia	2,985,600	0.29
Jose M. Ozamiz	2,700,000	0.27
RCBC T/A 36-250	2,689,000	0.26
Phil Oil Dev Corporation	1,500,000	0.15
Imperial Resources	800,000	0.08
Oliverio Laperal Jr.	776,743	0.07
Benjamin Co Ca & Co.	504,300	0.05
Regina Concepcion	481,000	0.04
Rosa Maria Laperal	448,000	0.04
Alexandra Laperal	440,000	0.04
Agrifino T. Cheng	410,000	0.04
Ansaldo Godinez & Co.	332,550	0.03
Nenita Dacillo	320,000	0.03
Bridgestone Securities	307,425	0.03

**(3) Dividends**

There have been no cash dividends declared during the 2 most recent years. There is no restriction that limits payment of dividends on common shares.

**(4) Recent Sales of Unregistered or Exempt Securities**

There have been no recent sales of unregistered or exempt securities by the Corporation or recent issuances of securities constituting an exempt transaction.

**Item 22. Corporate Governance**

**1. Evaluation System**

The Corporation adheres to the highest principles of good corporate governance as embodied in its By-Laws and Corporate Governance Manual. It subscribes to the philosophy of integrity, accountability, and transparency in its manner of doing business dealing fairly with its clients, investors, stockholders, the communities affected by its various activities. The Corporation espouses professionalism among the members of its Board of Directors, executives and employees in managing the Corporation and its subsidiaries and respect for laws and regulations.

The Corporation has adopted the Revised Corporate Governance Manual aligned with recently issued regulatory guidelines. The Corporation's Compliance Officer evaluates and monitors compliance with the Manual and other regulatory guidelines by the Corporation and its directors and responsible officers.

**2. Measures to comply with leading practices on good corporate governance**

For the year 2019, the Directors and key officers attended a Corporate Governance Seminar. The Board of Directors and the key officers of the Corporation are advised to undergo continued training in corporate governance to keep abreast of developments in Corporate Governance.

### **3. Any deviation from the Manual of Corporate Governance**

There have been no material deviations from the Corporation's Manual of Corporate Governance noted by the Corporation's Compliance Officer.

### **4. Any plan to improve corporate governance**

The Corporation shall update its policies and procedures in accordance with current corporate governance guidelines of the SEC and the Philippine Stock Exchange, with the philosophy of integrity, accountability, and transparency.

A copy of the Corporation's Annual Report or SEC Form 17-A, as well as the 1<sup>st</sup> and 2<sup>nd</sup> Quarter Reports for 2020, will be sent together with this information statement. A copy of the 3<sup>rd</sup> Quarter Report for 2020 will be posted on the Company's website as well as on PSE Edge since the same is still due for filing by 14 November 2020.

**THE CORPORATION WILL PROVIDE WITHOUT CHARGE TO EACH PERSON UPON WRITTEN REQUEST OF ANY SUCH PERSON, COPIES OF THE CORPORATION'S ANNUAL/QUARTERLY REPORT OR SEC FORM 17-A/17-Q. SUCH WRITTEN REQUEST SHOULD BE DIRECTED TO THE OFFICE OF THE CORPORATE SECRETARY AT THE 12/F TELECOM PLAZA BUILDING, 316 SEN. GIL PUYAT AVENUE, MAKATI CITY OR VIA EMAIL AT 2020asm@phc.com.ph.**

Pursuant to the requirements of the Securities Regulation Code, the Corporation has duly caused this report to be signed on its behalf by the undersigned hereto duly authorized who, after reasonable inquiry and to the best of his knowledge and belief certifies that the information set forth in this report is true, complete and correct.

Makati City, 13 October 2020.

**FOR THE BOARD OF DIRECTORS:**

  
**JOHN BENEDICT L. SIOSON**  
Assistant Corporate Secretary