



**Certification**

I, **Annabelle S. Guzman, Vice President - Controller of PHINMA Corporation** with SEC registration number **12397** with principal office at **Level 12, PHINMA Plaza, Plaza Drive, Rockwell Center, Makati City**, on oath state:

- 1) That on behalf of **PHINMA Corporation**, I have caused this report on **SEC Form 20-IS (Definitive Information Statement) CY2021** to be prepared;
- 2) That I read and understood its contents which are true and correct of my own personal knowledge and/or based on true records;
- 3) That the company **PHINMA Corporation** will comply with the requirements set forth in SEC Notice dated June 24, 2020 for a complete and official submission of reports and/or documents through electronic mail; and
- 4) That I am fully aware that documents filed online which requires pre-evaluation and/or processing fee shall be considered complete and officially received only upon payment of a filing fee.

IN WITNESS WHEREOF, I have hereunto set my hand this 21<sup>st</sup> day of March, 2022.

*Annabelle S. Guzman*  
Annabelle S. Guzman  
Vice President - Controller

MAR 21 2022

SUBSCRIBED AND SWORN to before me this \_\_\_\_ day of \_\_\_\_\_, 2022 in **MAKATI CITY**, affiant exhibited to me her Driver's License No. N01-01-266669 issued on April 19, 2019 at Makati DO with expiration date of April 15, 2024.

NOTARY PUBLIC

Doc. No. 84  
Page No. 18  
Book No. 255  
Series of 2022

*George David D. Siton*  
**ATTY. GEORGE DAVID D. SITON**  
NOTARY PUBLIC FOR MAKATI CITY  
APPT. No. 00-062 - UNTIL DEC. 31, 2023  
ROLL NO. 68402 / MILE COMPLIANCE NO. VII-0010136/2-15-2022  
IDP O.R No. 234 - LIFETIME MEMBER MAY 5, 2017  
PTR No. 0522766 - JAN 03, 2022-MAKATI CITY  
EXECUTIVE BLDG. CENTER MAKATI AVE., COR. JUPITER ST., MAKATI CITY

**NOTICE OF ANNUAL SHAREHOLDERS' MEETING**

TO ALL SHAREHOLDERS:

Please be informed that the Annual Shareholders Meeting of PHINMA CORPORATION will be conducted through remote communication via [www.asm.phinmacorp.ph](http://www.asm.phinmacorp.ph) on Tuesday, 12 April 2022, at 10:00 a.m. with the following agenda :

1. Call to Order
2. Proof of Notice and Determination of Quorum
3. Minutes of Previous Meeting
4. Annual Report of Management
5. Ratification of all acts of the Board of Directors, Committees and Management
6. Election of Directors
7. Appointment of External Auditor
8. Other Matters
9. Adjournment

For the explanation of each agenda item, please refer to the attached Annex "A".

The record date for the determination of the shareholders entitled to notice of said meeting and to vote thereat is March 15, 2022.

In view of the current COVID-19 environment, attendance will be allowed only through remote communication.

Duly accomplished proxies should be submitted on or before April 08, 2022 by email to [phncorpsec@phinma.com.ph](mailto:phncorpsec@phinma.com.ph). Validation of proxies is set on April 08, 2022 starting at 9:00 a.m.



**PHINMA Corporation**

Stockholders who wish to participate by remote communication should notify the Corporation by email to [phncorpsec@phinma.com.ph](mailto:phncorpsec@phinma.com.ph) on or before April 08, 2022.

Procedures for participating in the meeting through remote communication and for voting will be included in the Information Statement to be disclosed on March 21, 2022.



**TROY A. LUNA**  
Corporate Secretary

**PHINMA CORPORATION**  
**ANNUAL SHAREHOLDERS MEETING**  
**Tuesday, April 12, 2022, 10:00 am**  
**Through livestreaming at [asm.phinmacorp.ph](http://asm.phinmacorp.ph)**

**Explanation of Each Item on the Agenda**

**1. Call to Order**

The Chairman, Mr. Oscar J. Hilado, will formally begin the annual meeting of the stockholders of PHINMA Corporation (the "Corporation").

**2. Proof of Notice and Determination of Quorum**

The Corporate Secretary, Atty. Troy A. Luna, will certify the date when the notice of meeting and Information Statement were sent to the stockholders of record as of March 15, 2022 and to the Securities and Exchange (SEC) and Philippine Stock Exchange (PSE), as well as the date of publication of the notice in a newspaper of general circulation. The Corporate Secretary will likewise certify as to the existence of a quorum.

Stockholders may participate in the meeting only by remote communication. Stockholders who have informed the Corporation of their attendance by email to [phncorpsec@phinma.com.ph](mailto:phncorpsec@phinma.com.ph) on or before April 08, 2022 shall be considered present at the meeting, subject to the procedure set forth in Annex "F" of the Information Statement to be posted on the Company's website.

The following are the rules of conduct and procedures for the meeting:

- i) Votes of all stockholders may only be cast through ballots or proxies submitted on or before April 08, 2022. A sample of the Ballot/Proxy will be included in the Information Statement.

All Ballots/Proxies should be received by the Corporate Secretary on or before April 08, 2022 by email to [phncorpsec@phinma.com.ph](mailto:phncorpsec@phinma.com.ph).

- ii) All the items in the agenda for approval by the stockholders, except the election of directors, will need the affirmative vote of stockholders, in person or by proxy, representing at least a majority of the shares of stock present or represented at the meeting. Each of the proposed resolutions will be shown on the screen as the same is taken-up at the meeting.
- iii) Election of directors will be based on the number of votes cast by each stockholder present at the meeting, as described below.

- iv) The Committee of Inspectors of Proxies and Ballots will tabulate all votes cast and received, and an independent third party will validate the results. The Corporate Secretary will report the results of voting during the meeting.
- v) Stockholders may email to [phncorpsec@phinma.com.ph](mailto:phncorpsec@phinma.com.ph) questions or comments on matters that are relevant and of general concern to them on or before April 08, 2022. These will be answered during the meeting or via email to the stockholder sending the question, subject to appropriateness, relevance and time limits.
- vi) A link to the recorded webcast of the meeting will be posted on the Company's website after the meeting. Stockholders shall have one week from posting to send to the Company through the same email address, questions or concerns on matters arising from and relevant to the meeting held.

### **3. Minutes of Previous Meeting**

The minutes of the Annual Shareholders' Meeting held on April 14, 2021 are available at the Company website, [www.phinma.com.ph](http://www.phinma.com.ph).

### **4. Annual Report of Management**

Management will deliver the report on the performance of the Company for 2021 and other matters deemed relevant to the stockholders.

The Audited Financial Statements as of December 31, 2021 and management's report will be included in the Information Statement.

### **5. Ratification of all acts of the Board of Directors, Committees and Management**

The acts of the Board of Directors, Committees and Management of the Corporation since the last Annual Meeting of Shareholders will likewise be presented to the stockholders for confirmation, ratification and approval. Details will be provided in the Information Statement.

### **6. Election of Directors**

The Corporate Secretary will present the nominees qualified for election to the Board of Directors, including the Independent Directors. A brief description of the qualifications and business experience of the nominees for election to the Board of Directors will be included in the Information Statement.

Each shareholder is entitled to one (1) vote per share multiplied by the number of board seats to be filled, i.e. eleven (11), and may cumulate his/her votes by giving as many votes as he/she wants to any candidate provided that the total

votes cast shall not exceed the total votes to which he/she is entitled. In the event the votes cast by a stockholder exceeds that to which he/she is entitled to vote, the Corporate Secretary in his discretion shall deduct such votes cast by the stockholder in favor of any nominee as may be necessary under the circumstances.

In the event that only eleven (11) are nominated to fill eleven (11) seats in the Board, the Chairman shall direct the Corporate Secretary to cast all votes in favor of those nominated, except the votes of stockholders who wish to have their votes differently recorded.

**7. Appointment of External Auditor**

The stockholders will be requested to vote and ratify the selection by the Audit Committee and the Board of Directors of the external auditors for the current fiscal year. Details will be provided in the Information Statement.

**8. Other Matters**

The Chairman will inquire whether there are other relevant matters and concerns to be discussed. Other matters which the stockholders wish to be discussed or responded to, which are relevant to the meeting and the matters discussed and voted upon thereat, may be raised by the stockholders by emailing them to [phncorpsec@phinma.com.ph](mailto:phncorpsec@phinma.com.ph) within one week from posting of the recorded webcast of the meeting on the Company's website.

**9. Adjournment**

The Chairman will adjourn the meeting when the scheduled order of business is completed.

# BALLOT / PROXY

Please mark as applicable :

**Vote by ballot**

The undersigned stockholder of **PHINMA CORPORATION** (the "Company") hereby casts his/her vote on the agenda items below for the 2022 PHINMA CORPORATION ASM, as indicated by the mark "X" across each agenda item below.

**Vote by proxy**

The undersigned, being a stockholder of **PHINMA CORPORATION** (the "Company"), hereby appoints \_\_\_\_\_ or in his absence, the Chairman of the meeting, as *attorney* and *proxy*, with power of substitution, to represent and vote all shares registered in his/her/its name as proxy of the undersigned stockholder, at the Annual Meeting of Stockholders of the Company on **April 12, 2022** and at any adjournment thereof for the purpose of acting or voting on the following matters:

1. Approval of the Minutes of the previous meeting.  Yes  No  Abstain
2. Approval of the Annual Report of Management  Yes  No  Abstain
3. Ratification of all acts of the Board of Directors and Management since the last Annual Shareholders' Meeting  Yes  No  Abstain
4. Election of Directors  
 Vote for all nominees listed below:  
Oscar J. Hilado  
Ramon R. del Rosario, Jr.  
Magdaleno B. Albarracin, Jr.  
Victor J. del Rosario  
Jose L. Cuisia, Jr.  
Eduardo A. Sahagun  
Meliton B. Salazar, Jr.  
Edgar O. Chua (*Independent*)  
Juan B. Santos (*Independent*)  
Lilia B. de Lima (*Independent*)  
Rizalina B. Mantaring (*Independent*)  
 Withhold vote/authority for all nominees listed on the left side  
 Withhold authority to vote for the nominees listed below :  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
6. Appointment of Sycip Gorres Velayo & Co. as external auditor for CY 2022  Yes  No  Abstain
7. At their discretion, the proxies named above are authorized to vote upon such other matters as may properly come before the meeting.  Yes  No  Abstain

\_\_\_\_\_  
**Printed Name of Stockholder**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Signature of Stockholder / Authorized Signatory**

**QUESTION / COMMENT :** \_\_\_\_\_

\_\_\_\_\_



This PROXY should be received by the Corporate Secretary **ON OR BEFORE April 8, 2022**. Proxies need not be notarized. Please attach a photocopy of any government-issued identification card/document with photo and signature such as passport, driver's license or SSS ID for identification purposes.

A stockholder giving a proxy has the power to revoke the same on before the last day of submission of proxies on April 8, 2022. A proxy is also considered revoked if the stockholder registers his attendance and delivers a later-dated Ballot/Proxy indicating that he/she/it is voting by ballot.

This proxy, when properly executed, will be voted in the manner as directed herein by the stockholder(s). If no direction is made, this proxy will be voted for the election of all nominees and for the approval of the matters stated above and for such other matters as may properly come before the meeting in the manner described in the Information Statement and/or as recommended by Management or the Board of Directors.

## **APPENDIX 1**

### **PROCEDURE FOR ATTENDING THE MEETING**

1. The meeting will be held via livestreaming at [www.asm.phinmacorp.ph](http://www.asm.phinmacorp.ph). Stockholders of record as of March 15, 2022 are entitled to attend and vote on each item of the agenda of said meeting.
2. Stockholders who intend to attend the meeting should notify the Company by email to [phncorpsec@phinma.com.ph](mailto:phncorpsec@phinma.com.ph) on or before April 8, 2022. Stockholders whose shares are lodged with brokers are requested to contact their brokers for guidance on their participation in the meeting.

For validation purposes, the email should contain the following information:

- (i) Name of the stockholder;
- (ii) address;
- (iii) telephone number;
- (iv) email address through which the stockholder may be reached; and
- (v) a scanned copy of any valid government-issued identification card ("ID") with photo and signature of the stockholder;
- (vi) if attending through a duly-appointed Proxy, the name of the Proxy, together with a scanned copy of his/her valid government-issued ID with photo and signature; and
- (vii) If the stockholder is a corporation or other entity, the name of its authorized representative, the valid government-issued ID with photo and signature of the representative, together its Corporate Secretary's certification stating the representative's authority to represent the corporation or entity in the meeting.

Only stockholders who have notified the Company of their intention to participate through remote communication as above-described, by themselves or through their proxies or representatives, and have been validated to be stockholders of record of the Company as of March 15, 2022 will be considered in determining attendance at the meeting.

3. Stockholders who do not register their participation in the meeting may still watch the same by accessing the livestreaming link indicated, but will not be considered present at the meeting.
4. Stockholders can vote only through a Ballot/Proxy emailed to [phncorpsec@phinma.com.ph](mailto:phncorpsec@phinma.com.ph) on or before April 8, 2022. The Ballot/Proxy form may be downloaded from <https://www.phinma.com.ph/#investor-section>.

Only signatures of stockholders or their proxies or representatives on Ballots/Proxies that match their signatures appearing on the scanned copy of their government-issued identification card submitted during registration, as explained above, will be honored.

5. Stockholders may email to [phncorpsec@phinma.com.ph](mailto:phncorpsec@phinma.com.ph) their questions or comments on matters that are relevant to the meeting and the matters discussed on or before April 8, 2022. These will be answered during the meeting, subject to appropriateness, relevance and time limits, or via email to the stockholder sending the said questions.
6. The proceedings of the meeting will be recorded. A link to the recorded webcast of the meeting will be posted on the Company's website after the meeting. Stockholders may, within one (1) week from posting of the said link, send questions, seek clarification of and/or raise concerns on matters discussed in the meeting, by email to [phncorpsec@phinma.com.ph](mailto:phncorpsec@phinma.com.ph)



SEC Number 12397  
File Number  
\_\_\_\_\_

**PHINMA CORPORATION**

12<sup>th</sup> Floor, Phinma Plaza, 39 Plaza Drive, Rockwell Center, Makati City

Telephone No.: 8870-0100

Company's Calendar Year Ending: December 31

**DEFINITIVE INFORMATION STATEMENT**  
**(SEC FORM 20 - IS)**

\_\_\_\_\_  
Amendment Designation (If Applicable)

**December 31, 2021**

Period-Ended Date

\_\_\_\_\_  
Secondary License Type and File No.

# 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 Registrant as specified in its charter:

**PHINMA CORPORATION**

3. Province, country or other jurisdiction of incorporation or organization:

**Manila, Philippines**

4. SEC Identification Number: **12397**

5. BIR Tax Identification Code: **321-000-107-026**

6. Address of principal office:

**12/F PHINMA Plaza, 39 Plaza Drive, Rockwell Center, Makati City 1210**

7. Registrant's telephone number, including area code: **(632) 88700-100**

8. Date, time and place of the meeting of security holders:

**Date** - **April 12, 2022, Tuesday**  
**Time** - **10:00 a.m.**  
**Place** - **Makati City**  
**Livestream** - **By remote communication via [www.asm.phinmacorp.ph](http://www.asm.phinmacorp.ph)**  
**[www.asm.phinmacorp.ph](http://www.asm.phinmacorp.ph)**

9. Approximate date when the Information Statement is first to be posted on the Company website (<https://www.phinma.com.ph>): **March 21, 2022**

10. Securities registered pursuant to Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	No. of shares of Common Stock Outstanding or Amount of Debt Outstanding (as of Jan. 31, 2022)
Common shares	<b>271,900,365 shares</b>
Amount of Debt	<b>₱10.68 billion</b>

11. Are any or all registrant's securities listed on the Philippine Stock Exchange?

Yes

No

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

**Philippine Stock Exchange, Inc. - common shares**

**PHINMA CORPORATION**  
**Information Statement**

This Information Statement is dated as of March 21, 2022 and is being furnished to stockholders of record of PHINMA CORPORATION, (the “Company” or “PHN”) as of March 15, 2022 in connection with its Annual Stockholders Meeting.

***WE ARE NOT SOLICITING YOUR PROXY.***

***A. BUSINESS AND GENERAL INFORMATION***

***ITEM 1. Date and Time of Annual Meeting of Security Holders: Conduct via Livestream***

Due to CoVID-19 health concerns, PHINMA Corporation (“PHN” or the “Company”) will not hold a physical meeting and will instead conduct the meeting through livestreaming via [www.asm.phinmacorp.ph](http://www.asm.phinmacorp.ph) Stockholders can therefore only attend the meeting by remote communication.

Stockholders intending to attend the meeting by remote communication should notify the Company by email to [phncorpsec@phinma.com.ph](mailto:phncorpsec@phinma.com.ph) or before April 8, 2022. The procedure and further details for attending the meeting through remote communication are set forth in Appendix 1 of the notice of meeting in this Definitive Information Statement.

Votes will be cast through a Ballot/Proxy form. The deadline for the submission of Ballots/Proxies is on April 8, 2022. Ballots/Proxies may be sent by email to [phncorpsec@phinma.com.ph](mailto:phncorpsec@phinma.com.ph). For the convenience of the stockholders of the Company, a sample of a Ballot/Proxy is attached to this Definitive Information Statement.

For an individual, his/her Ballot/Proxy must be accompanied by a valid government-issued ID with a photo. For a corporation, its Ballot/Proxy must be accompanied by its Corporate Secretary's certification stating the representative's authority to represent the corporation in the meeting, together with a copy of the valid government-issued ID of the said authorized representative. Ballots/Proxies need not be notarized. Validation of Ballots/Proxies will be on April 8, 2022 starting at 9:00 a.m. at the office of Stock Transfer Services, Inc. at 34/f Unit D, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City.

Stockholders may email to [phncorpsec@phinma.com.ph](mailto:phncorpsec@phinma.com.ph) questions or comments on matters that are relevant to the meeting and matters discussed on or before April 8, 2022.

Date	:	<b>April 12, 2022</b>
Time	:	<b>10:00 a.m.</b>
Place	:	<b>Makati City</b> <b>by remote communication via</b> <b><a href="http://www.asm.phinmacorp.ph">www.asm.phinmacorp.ph</a></b>
Livestream	:	<b><a href="http://www.asm.phinmacorp.ph">www.asm.phinmacorp.ph</a></b>
Principal Office	:	<b>12<sup>th</sup> Floor, PHINMA Plaza,</b> <b>39 Plaza Drive, Rockwell Center</b> <b>Makati City, Philippines 1210</b>

Approximate date when the Information Statement is first to be posted on the Company website (<https://www.phinma.com.ph>): **March 21, 2022**



## **ITEM 2. Dissenters' Right of Appraisal**

There are no matters to be taken-up at the meeting that will give rise to the right of appraisal pursuant to Title X, Section 80 of the Revised Corporation Code of the Philippines (the "Code") governing the exercise of Appraisal Rights which states that:

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 the 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.

Section 81 of the Revised Corporation Code provides the following procedure on how the appraisal right may be exercised by any stockholder who shall have voted against a proposed corporate action on any of the above instances:

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

## **ITEM 3. Interest of Certain Persons in Matters to be Acted Upon**

- a) There is no substantial interest, direct or indirect, by security holdings or otherwise, of any director or officer of the Company, any nominee or associate thereof, in any matter to be acted upon, other than election to office of directors.

- b) The Board of Directors of the Company is not aware of any party who has indicated an intention to oppose the motions set forth in the Agenda.

**B. CONTROL AND COMPENSATION INFORMATION**

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

**a) Voting Securities**

As of January 31, 2022, there are 271,900,365 shares of the Company's common stock that are outstanding. Of the said outstanding voting shares, 257,258,415 shares are owned by Filipinos and 14,641,950 shares are owned by foreign nationals. Each share is entitled to notice of and to one vote at the Annual Stockholders' Meeting.

**b) Record Date**

Only holders of the Company's stock of record at the close of business on March 15, 2022 are entitled to the notice of and to vote in the Annual Meeting to be held on April 12, 2022.

**c) Voting Rights**

In accordance with Section 23 of the Revised Corporation Code, and consistent with Company's By-Laws (the "Company's By-Laws"), directors of the Company shall be elected by cumulative. Each stockholder may vote in person or by proxy the number of shares of stock standing in his own name in the books of the Company as of the record date of the meeting. A stockholder may: a) vote such number of shares for as many persons as there are directors to be elected; b) cumulate said shares and give one (1) candidate as many votes as the number of directors to be elected multiplied by the number of his shares, or (c) 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 as shown in the books of the Company multiplied by the whole number of directors to be elected, and provided further, that no delinquent stock shall be used to vote.

**d) Security Ownership of Certain Record and Beneficial Owners**

The table below shows persons or groups known to PHN as of January 31, 2022 to be directly or indirectly the record or beneficial owners of more than 5% of the company's voting securities:

**Table 1 - Owners of Voting Securities**

Title of Class	Name & Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	# of Shares held	%
Common	Phil. Investment Mgmt.(PHINMA), Inc. <sup>1</sup> Level 12, Phinma Plaza, No. 39 Plaza Drive Rockwell Center, Makati City Stockholder	Phil. Investment Mgmt. (PHINMA), Inc. which is also the record owner.  Mr. Oscar J. Hilado, Chairman of Board, is the person appointed to exercise voting power.	Filipino	181,111,650	66.61%
Common	Philippine Depository and Trust Corporation <sup>2</sup> MSE Bldg. Ayala Avenue Makati City Stockholder	Various	Filipino	44,038,683	16.20%

Common	Philippine Depository and Trust Corporation <sup>2</sup> MSE Bldg. Ayala Avenue Makati City Stockholder	Various	Foreign	14,368,880	5.28%
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<sup>1</sup> Phinma Inc.'s principal stockholders are: 1) EMAR Corporation (44.28%), a Filipino company principally owned by the immediate family of the late Amb. Ramon V. del Rosario, Sr., 2) Mariposa Properties, Inc. (28.62%), which is owned by Mr. Oscar J. Hilado and the members of his immediate family, and 3) Dr. Magdalena B. Albarracin, Jr. who owns 13.61% of Phinma Inc.'s outstanding shares. The Del Rosario and Hilado Families are expected to direct the voting of the shares held by EMAR Corp. and Mariposa Properties, Inc.

<sup>2</sup> Philippine Depository and Trust Corporation ("PDTC") is a wholly-owned subsidiary of Philippine Central Depository, Inc., ("PCD") which acts as trustee-nominee for all shares lodged in the PCD system. It was formerly known as PCD Nominee Corporation. The beneficial owners of such shares are PCD participants who hold the shares on their behalf or in behalf of their clients.

### **Security Ownership of Management**

The table below shows the securities beneficially owned by all directors, nominees and executive officers of PHN as of January 31, 2022.

**Table 2 - Security Ownership of Management**

Title of Class	Name of Beneficial Owner	No. of shares	Nature of Beneficial Ownership	Citizenship	% of Ownership
Common	Oscar J. Hilado	400,000	Direct	Filipino	.147%
		2,361,685	Indirect		.869%
Common	Magdaleno B. Albarracin, Jr.	11,155,000	Direct	Filipino	4.103%
Common	Victor J. del Rosario	1,069,245	Direct	Filipino	.393%
		854,080	Indirect	Filipino	.314%
Common	Ramon R. del Rosario, Jr.	432,661	Direct	Filipino	.159%
		4,491,123	Indirect	Filipino	1.652%
Common	Jose L. Cuisia, Jr.	17,927	Direct	Filipino	.007%
Common	Meliton B. Salazar Jr.	1	Direct	Filipino	.000%
Common	Eduardo A. Sahagun	1	Direct	Filipino	.000%
Common	Rizalina G. Mantaring	1	Direct	Filipino	.000%
Common	Juan B. Santos	1	Direct	Filipino	.000%
Common	Lilia B. de Lima	1	Direct	Filipino	.000%
Common	Edgar O. Chua	1	Direct	Filipino	.000%
Common	Roberto M. Laviña	1,249,306	Direct	Filipino	.459%
Common	Pythagoras L. Brion	333,586	Direct	Filipino	.123%
Common	Regina B. Alvarez	442,571	Direct	Filipino	.163%
Common	Jose Mari del Rosario	349,785	Direct	Filipino	.129%
		475,902	Indirect	Filipino	.175%
Common	Raphael B. Felix	-	Direct	Filipino	.000%
Common	Danielle R. del Rosario	100,000	Direct	Filipino	.037%
		30	Indirect	Filipino	.000%
Common	Rolando D. Soliven	31,000	Direct	Filipino	.011%
Common	Nanette P. Villalobos	21,450	Direct	Filipino	.008%
Common	Peter V. Perfecto	9,000	Direct	Filipino	.003%
Common	Edmund Alan A. Qua Hiansen	11,900	Direct	Filipino	.004%
Common	Annabelle S. Guzman	-	Direct	Filipino	.000%
Common	Grace M. Purisima	200	Direct	Filipino	.000%
Common	Grace Aglubat Florendo	-	Direct	Filipino	.000%
Common	Troy A. Luna	-	Direct	Filipino	.000%
Common	Ma. Concepcion Z. Sandoval	-	Direct	Filipino	.000%
		15,623,637	Direct		5.746%
		8,182,820	Indirect		3.010%
<b>Directors and Officers as a Group</b>		<b>23,806,457</b>			<b>8.756%</b>

### **Voting Trust Holders of 5% or more**

None of the Directors and Officers own 5% or more of the outstanding capital stock of the Company. Also, the Company is not aware of any individual holding more than 5% of the Company's outstanding shares.

### **Changes in Control**

There are no arrangements that may result in a change in control of the registrant, nor has there been any change in control since the beginning of the last calendar year.

## **ITEM 5. Directors and Executive Officers**

### **a) Board of Directors**

The Company's Board of Directors is responsible for the overall management and direction of the Company. The Board meets quarterly or as often as required, to review and monitor the Company's financial position and operations.

The directors of the Company are elected at the Annual Stockholders Meeting to hold office for one year and until their respective successors have been elected and qualified. No director has resigned nor declined to stand for re-election to the Board since the date of the last annual meeting of the Company because of a disagreement with the Company on matters relating to the Company's operations, policies and practices. The Board of Directors has no reason to believe that any of the aforesaid nominees will be unwilling or unable to serve if elected as a director.

The attendance of the directors at the meetings of the Board of Directors ("Board") and of stockholders held in 2021 is as follows:

<b>Directors</b>	<b>No. of Meetings</b>	<b>Percent Present</b>
Oscar J. Hilado	7/7	100%
Ramon R. del Rosario, Jr.	7/7	100%
Magdaleno B. Albarracin, Jr.	7/7	100%
Victor J. del Rosario	7/7	100%
Meliton B. Salazar, Jr.	6/6*	100%
Eduardo A. Sahagun	6/6*	100%
Amb. Jose L. Cuisia, Jr.	7/7	100%
Juan B. Santos	7/7	100%
Lilia B. de Lima	7/7	100%
Rizalina G. Mantaring	7/7	100%
Edgar O. Chua	6/6*	100%

*\*In 2021 and during the incumbency of the director*

Except for Dr. Magdaleno B. Albarracin, Jr., a member of the Board of Directors who directly owns 4.103% of PHN shares, none of the members of the Board of Directors and Officers directly own more than 2% of PHN shares.

Listed are the incumbent directors of the Company with their qualifications which include their ages, citizenship, current and past positions held and business experience for the past five years.

**Table 3 - Board of Directors**

Directors	Citizenship	Age	Position
Oscar J. Hilado	Filipino	84	Chairman of the Board
Ramon R. del Rosario, Jr.	Filipino	77	Vice Chairman, President & CEO
Magdaleno B. Albarracin, Jr.	Filipino	85	Director
Victor J. del Rosario	Filipino	73	Director
Meliton B. Salazar, Jr.	Filipino	56	Executive Vice President – Education and COO
Eduardo A. Sahagun	Filipino	64	Executive Vice President – Construction Materials
Amb. Jose L. Cuisia, Jr.	Filipino	77	Director
Juan B. Santos	Filipino	83	Independent Director
Lilia B. de Lima	Filipino	81	Independent Director
Rizalina G. Mantaring	Filipino	62	Independent Director
Edgar O. Chua	Filipino	65	Independent Director

**Oscar J. Hilado** has been the Chairman of the Board of the Company since 2003. He is also Chairman of the Board of PHINMA, Inc., and Vice-Chairman of PHINMA Properties Holding Corp., and UnionGalvasteel Corporation. Mr. Hilado is also an Independent Director and Chairman of the Audit Committee of A. Soriano Corporation, Philex Mining Corporation, Smart Communications, Inc., Rockwell Land Corporation and Roxas Holdings Inc. He is also a Director of Seven Seas Resort and Leisure, Inc. PHINMA Solar Corporation, Digital Telecommunications Philippines, Inc., Manila Cordage Company, Beacon Property Ventures, Inc., Pueblo de Oro Development Corporation, UPPC, Philcement, PHINMA Hospitality, PHINMA Education and the PHINMA Education Schools; Cebu Light Industries Phils., Inc., and Pamalican Resort, Inc. Mr. Hilado is a Certified Public Accountant with a Bachelor of Science Degree in Commerce from the De La Salle College in Bacolod and a Master's Degree in Business Administration from the Harvard Graduate School of Business. He has been a Director of the Company since 1969 and is also the Chairman of the Executive Committee and Retirement Committee of the Company. He attended the Annual Corporate Governance Enhancement Session in 2021.

**Ramon R. del Rosario, Jr.** is the President and CEO of PHINMA, Inc. and PHINMA Corporation. He is Chairman of the Board of Trustees of PHINMA Education Holdings, Inc., Araullo University, Cagayan de Oro College, University of Iloilo, University of Pangasinan, Southwestern University, St. Jude College, Republican College, Rizal College of Laguna and Union College of Laguna. He is also President of the Board of Commissioners of PT and Phil Management, Vice Chairman of PHINMA Property Holdings Corp., Chairman of United Pulp and Paper Co., Inc. of the Siam Cement Group, PHINMA Microtel Hotels, Microtel Hospitality, Inc. and other PHINMA-managed companies. He currently serves as a member of the Board of Directors of The Bank of the Philippine Islands (BPI). He served as Secretary of Finance of the Philippines from 1992 to 1993. He is Chairman of Philippine Business for Education (PBEd). He was the Chairman of the Makati Business Club, the Integrity Initiative, National Museum of the Philippines and Ramon Magsaysay Award Foundation. He was selected as the Most Outstanding Student of the Philippines in 1967, one of the Ten Outstanding Young Men (TOYM) of the Philippines in 1978, the MAP Management Man of the Year in 2010 and received the "Business as a Noble Vocation Award" in November 2018 awarded by the International Christian Union of Business Executives or UNIAPAC at the XXVI UNIAPAC World Congress in Lisbon, Portugal. He is the brother of Mr. Victor J. del Rosario and Mr. Jose Mari del Rosario. Mr. del Rosario obtained his BSC-Accounting and AB-Social Sciences degree (Magna cum Laude) from De La Salle University and Master's degree in Business Administration from the Harvard Business School. He has been a director of the company since 2002. He attended the Annual Corporate Governance Summit, Risk Management and Sustainability Summit on October 21, 2021.

**Magdaleno B. Albarracin, Jr.** is the Vice-Chairman of Philippine Investment Management, Inc. (PHINMA, Inc.) and the Chairman of its Executive Committee. He is a director of PHINMA Corporation and is a Member of the Board of all the companies in the PHINMA Group. He was president and a former director of Holcim Philippines, Inc. Dr. Albarracin was a member of the Board of Regents of the University of the Philippines (U.P.) as well as Board of Trustees of U.P. Engineering Research and Development Foundation, Inc. (UPERDF). He was the Chairman of the Board of

Trustees of the University of San Carlos, Cebu City. He served as Dean of the UP College of Business Administration and was President of the ASEAN Federation of Cement Manufacturers. Dr. Albarracin has a Bachelor of Science degree in Electrical Engineering from the University of the Philippines and a Master of Science degree in Electrical Engineering from the University of Michigan. He obtained his Master in Business Administration degree from the University of the Philippines and his Doctorate in Business Administration from Harvard University. He has been with PHINMA, Inc. since June 23, 1971 and has been a Director of PHINMA Corporation since 1980. He recently attended trainings on, AMLA for Insurance Companies & Financial Institutions in August 2021 and the Annual Corporate Governance Seminar conducted by SEC-accredited training provider Center for Global best Practices in October 2021.

**Victor J. del Rosario** is an Economics and Accounting graduate of De La Salle University and holds a Master's degree in Business Administration from Columbia University. He was elected as director on September 15, 2008. He is the Chairman of UGC and Philcement. He is also a member of the Board of Directors of PHINMA, Inc. and other PHINMA-managed companies. Mr. Del Rosario is the brother of Mr. Ramon R. del Rosario and Mr. Jose Mari del Rosario. He attended the Annual Corporate Governance seminar conducted by SEC-accredited training provider CGBP on October 22, 2021.

**Jose L. Cuisia, Jr.** was the Philippine Ambassador Extraordinary and Plenipotentiary to the United States of America and non-resident Ambassador to Trinidad & Tobago, the US Virgin Islands, Grenada, Puerto Rico, the Commonwealth of Jamaica and the Republic of Haiti, Antigua & Barbuda, Barbados, the Commonwealth of Dominica, The Federation of St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines. Ambassador Cuisia previously served the Philippine Government as Governor of the Philippine Central Bank and Chairman of its Monetary Board from 1990-1993, was Governor for the Philippines to the International Monetary Fund and Alternate Governor to the World Bank. He was also Administrator and CEO of the Philippine Social Security System from 1986-1990. He was also appointed Commissioner, representative of the Employer's Group, for the Social Security System (SSS) from September-December 2010. He was President and CEO of Philam Life for 16 years. He is the Chairman of the Board of The Covenant Car Company, Inc. and FWD Life Insurance Company, Adlemi Properties Inc., Five J's Diversified Inc. and JVC Holdings Corporation. He was Vice-Chairman of the Board and Lead Independent Director of SM Prime Holdings and former director of Manila Water Company, Inc. He holds directorates in Century Properties Group, Inc., PHINMA, Inc., and Asian Breast Center, Inc. He previously held the Chairmanship of the Board of Far East Bank and Trust Company, Union Bank of the Philippines, Asian Institute of Management, BPI-Philam Life Assurance Co., Philam Foundation, Tower Club, Inc., and De La Salle University. Ambassador Cuisia was elected as Chairman of the Board of Trustees of the University of Asia & the Pacific in 2019; elected to the Board of Trustees of the De La Salle Medical & Health Sciences Institute and De La Salle University -Dasmariñas in December 12, 2019 and the former Chairman, Current Trustee and Treasurer of the Ramon Magsaysay Awards Foundation. He is a Convenor-Trustee of the PBED and a Trustee of the Makati Business Club. Ambassador Cuisia is a recipient of numerous awards including 2016 Ten Outstanding Filipino, 2016 Order of the Sikatuna, and Management Man of the Year Award for 2007 from the MAP, among others. He obtained his BSC-Accounting and AB-Social Sciences degrees (Magna cum Laude) from De La Salle University and Master's degree in Business Administration from University of Pennsylvania. He has been a Director of the Company since 1994. He attended the Annual Corporate Governance Seminar conducted by SEC-accredited training provider Center for Global Best Practices in October 2021.

**Meliton B. Salazar, Jr.**, is the President and Chief Executive Officer of PHINMA Education and also a Senior Vice President of PHINMA, Inc. from 2003 to present. He carried out several management positions at the Ateneo De Manila University, the latest of which was being the Vice Chairman, Board of Trustee of the said University. He is a Co-Founder and President of the PBED and a member and private sector representative, Governing Board of the Philippine Statistical Research and Training Institute. He is a member of the Board of Directors of PHILAM Asset Management, Inc. and PHINMA Saytanar Education Company, Ltd. He is the Vice Chairman of the Philippine Press Council-National Council from 2011 to present. He was the President and Chief Executive Officer of STI International, Inc., iAcademy, and STI, Inc. from 2001 to 2003. In addition, he was part of the academe, when he became a part-time Associate Professor at the School of Management and at the School of Social Sciences of the Ateneo de Manila University from 2007 to 2010 and Part-time Lecturer from 1998 to

1992, with the Department of Economics, Department of English and Department of Math also at the Ateneo de Manila University. He was a part-time Lecturer at the Economics Department of Assumption College and an Associate Professor at the Asian Institute of Management. He was a Consultant at the Institute of Environmental Studies and United National Environmental Programme Project from 1997 to 1998. He became a Research Assistant to both Dr. James Mittelman, Chair of the Department of Regional and Comparative Studies and Dr. Steven Arnold, Director of the International Development Program at the American University from 1993-1995. In 1991, he was an Assistant to Dr. Henry Schwalbenberg, Director of the Program in International Political Economy and Development of Fordham University. Mr. Salazar obtained his B.S. Management Engineering Degree at the Ateneo de Manila University in 1987. After 5 years, he obtained his Master of Arts Degree in International Political Economy and Development from Fordham University, Bronx, New York USA and Doctor of Philosophy in International Relations, majoring in International Development and Development Management School of Internal Service at The American University, Washington, D.C., 8 years thereafter. Dr. Salazar was first elected as Director of the Company at the most recent Annual Stockholders' Meeting held on April 14, 2021, and will serve as such for the ensuing year, until his successor is duly elected.

**Eduardo A. Sahagun**, is the President and Chief Executive Officer of UGC, PHINMA Solar, and Philcement. He has held the roles for these companies, since 2017. He is also a director of UGC, Philcement, PHINMA Solar, PPHC, T-O Insurance Brokers, Inc., PHINMA Renewable Energy Corporation, PHINMA Corporation, Song Lam Joint Stock Company, First Batangas Hotel Corporation, and Cagayan de Oro College, Inc., as well as a member of the PHINMA Foundation, Inc.'s Board of Trustees. He is also the Chairman of Edcommerce Corporation and an Independent Director of Philippine Savings Bank. He formerly served as Chairman and President of Holcim Philippines, Inc., as a Director of Holcim Philippines Manufacturing Corporation, and as a Director of Holcim Mining and Development Corporation. He attended the Senior Management Program, Senior Leadership Program, and Managing Change Program at the Institute for Management Development, based in Lausanne, Switzerland. He obtained his graduate degree in Management Science from the Arthur D. Little Management Education Institute (now known as Hult International Business School) in Cambridge, MA, USA, in 1994. Prior to that, he obtained a Master's in Business Administration from the Ateneo Graduate School of Business in the Philippines and is a Certified Public Accountant. In 1978, he obtained his Bachelor of Science in Commerce degree, with a major in Accounting, from Holy Angel University. Mr. Sahagun was first elected as a Director of the Company at the most recent Annual Stockholders' Meeting held on April 14, 2021, and will serve as such for the ensuing year, until his successor is duly elected. He attended the Annual Corporate Governance Seminar conducted by SEC-accredited training provider Center for Global Best Practices in January 2022.

**Juan B. Santos** was elected as an Independent Director in 2018. He is also a Director of Rizal Commercial Banking Corporation, Sunlife Grepa Financial, Inc., Allamanda Management Corporation, House of Investment Inc; Trustee of Dualtech Training Center Foundation, Inc.; St. Luke's Medical Center; Member of the Board of Advisors of East-West Seeds Co., Mitsubishi Motor Phil. Corporation; Consultant of Marsman-Drysdale Group of Companies. His past experiences include: Chairman of Social Security System; Secretary of Trade and Industry, Philippines ; Chairman and CEO of Nestle Philippines, Singapore and Thailand; Director of Philex Mining Corporation, Philippine Long Distance Telephone Company, San Miguel Corporation; Educational Background: Advanced Management from International Institute of Management Development (IMD), Lausanne, Switzerland; Post-graduate studies on Foreign Trade from Thunderbird School of Global Management, Arizona, USA; and Bachelor of Science in Business Administration from Ateneo De Manila University, Philippines. He attended the Annual Corporate Governance Seminar conducted by SEC-accredited training provider Center for Global Best Practices in October 2021.

**Lilia B. de Lima** received the 2017 Ramon Magsaysay Award for her sustained leadership as Director General of the Philippine Economic Zone Authority, in building a credible and efficient ("PEZA") during her 21 years of service from its creation in 1995 to 2016. She is the first woman honored as "Management Man of the Year" by the Management Association of the Philippines in 2010. In 2014 The Philippine-Japan Society recognized her Outstanding Achievement in the Promotion of Philippine-Japan Relation, the first woman to receive the award in 36 years. The Joint Foreign Chambers of Commerce of the Philippines awarded her The Arangkada Lifetime Achievement Award in 2014. She was awarded the Robert Storey International Award for Leadership by The Center for

American and International Law in Dallas, Texas in 2013. She was awarded the ASEAN CEO Award in 2011 and in 2010 the Government of Japan bestowed on her the highest award given to a non-head of State, the Order of the Rising Sun, Gold and Silver Star. She is twice a recipient of the Presidential Medal of Merit from the Philippine government. Miss de Lima was also recognized as Outstanding Women in the Nation's Service Award in the field of law in 1983. She was elected Delegate to the 1971 Constitutional Convention, served as Director of the Bureau of Domestic Trade, Executive Director of the Price Stabilization Council, Department of Trade and Industry, Chief Operating Officer of World Trade Center Manila and Commissioner of the National Amnesty Commission. She earned her Associate in Arts from the Centro Escolar University and her Bachelor of Laws from the Manuel L. Quezon University and subsequently passed the Philippine BAR. She was conferred a Doctor of Laws Honoris Causa by Manuel L. Quezon University and is a fellow of the Center for American and International Law in Dallas, Texas, USA. She is Independent Director of IONICS, Inc., IONICS EMS, and FWD Life Insurance Corporation. She is a Director of RCBC, Dusit Thani Philippines, Science Park of the Philippines, RFM Science Park of the Philippines, Pueblo de Oro Development Corporation, Regatta Properties Inc. She is an Executive-in-Residence in the Asian Institute of Management, Trustee of Fatima Center for Human Development and a Board Advisor of AC Industries. She was elected as Independent Director of the Company on April 19, 2018. She attended the Annual Corporate Governance Seminar conducted by SEC-accredited training provider Center for Global Best Practices in October 2021.

**Rizalina G. Mantaring** was the CEO of Sun Life Financial Philippines until her retirement in June 2018, after which she assumed the chairmanship of Sun Life Financial Philippine Holding Co. until she stepped down in August 2019. She started her career in Information Technology, joining Sun Life in 1992 as Senior Manager for Asia Pacific of its Information Systems Department and progressively took on a variety of roles until she was appointed Chief Operations Officer for Asia in 2008. She is an Independent Director of Ayala Corporation Inc., Ayala Land, Inc., First Philippine Holdings Corporation Inc., Universal Robina Corp. Inc., East Asia Computer Center Inc. and MicroVentures Foundation. She is also a director of Sun Life Grepa Financial Inc. Among her other affiliations are as Board of Trustees of Makati Business Club, Philippine Business for Education, Parish-Pastoral Council for Responsible Voting, and Operation Smile Philippines. She was also President of the Management Association of the Philippines and the Philippine Life Insurance Association. A recipient of the Asia Talent Management Award in the Asia Business Leaders Award organized by the global business news network Consumer News and Business Channel, she has also been recognized by the International Association of Business Communicators (Philippines) with the CEO Excel award, and was named by Moneysense Magazine as one of the 12 Most Influential in Personal Finance. She was selected as one of the 100 Most Outstanding Alumni of the past century by the University of the Philippines College of Engineering and received the PAX award, the highest award given to outstanding alumnae, in 2019 from St. Scholastica's College Manila. She holds a BS Electrical Engineering degree from the University of the Philippines where she graduated with honors. She obtained her MS degree in Computer Science from the State University of New York at Albany. She is also a Fellow, Life Management Institute (with distinction) and Associate, Customer Service (with honors) of the Life Office Management Association. She was elected as Independent Director of the Company on April 12, 2019.

**Edgar O. Chua** is currently the President and Chief Executive Officer of Cavitex Holdings, Inc. and Amber Kinetics Inc. He has been an Independent Director of Metropolitan Bank and Trust Company since 2017, Philcement and Integrated Micro-Electronics, Inc. since 2014 and First Gen since 2021. He currently holds the position of Chairman of the Philippine Eagle Foundation since 2017, Philippine Business for the Environment, De La Salle University Board, De La Salle Science Foundation since 2017 and Makati Business Club since 2016. He is currently the Chairman for the College of Saint Benilde, University of La Salle Bacolod and CEO of De La Salle Philippines. He is a Trustee/Treasurer of PBED and Trustee for the De La Salle Greenhills since 2019, The English-Speaking Union of the Philippines, Inc. since 2009, Gawad Kalinga Community Development Foundation Inc. since 2005, and Pilipinas Shell Foundation Inc. 2003. He is also a Member of the Advisory Board of Mitsubishi Motors Phil. Corp. and Coca Cola Bottlers Phils. Mr. Chua is affiliated with the Integrity Initiative, National Resilience Council, and the Phil. Disaster and Resilience Foundation. He held senior positions within various Shell group of companies, both locally and outside of the Philippines, including but not limited to being the Chairman and President of Pilipinas Shell Petroleum from September 2003 to May 2017 and being the Country Chairman of Shell companies in the Philippines from September 2003 to October 2016. He earned his Bachelor of Science degree in Chemical Engineering from De



La Salle University in 1978 and attended various international seminars and courses including the senior management course in INSEAD in Fontainebleau, France. Mr. Chua was first elected as Director of the Company at the most recent Annual Stockholders' Meeting held on April 14, 2021 and will serve as such for the ensuing year, until his successor is duly elected. He attended the Annual Corporate Governance Seminar conducted by SEC-accredited training provider Center for Global Best Practices in October 2021.

***b) Executive Officers***

The officers of PHINMA Corporation are elected annually by the Board of Directors and serve for one (1) year and until their respective successors are elected and qualified.

None of the officers of the Company holds more than two percent (2%) of the Company's shares.

**Table 4 – Executive Officers**

<b>Name</b>	<b>Citizenship</b>	<b>Age</b>	<b>Position</b>
Ramon R. del Rosario, Jr	Filipino	77	President and CEO
Roberto M. Laviña	Filipino	71	Board Advisor
Meliton B. Salazar, Jr.	Filipino	56	Executive Vice President – Education and COO
Eduardo A. Sahagun	Filipino	64	Executive Vice President – Construction Materials
Pythagoras L. Brion	Filipino	69	Executive Vice President and Group CFO
Regina B. Alvarez	Filipino	55	Senior Vice President and CFO
Jose Mari del Rosario	Filipino	65	Senior Vice President - Hospitality
Raphael B. Felix	Filipino	50	Senior Vice President - Properties
Danielle R. del Rosario	Filipino	44	Vice President, Director for Strategy and Chief Risk Officer
Nanette P. Villalobos	Filipino	49	Vice President and Treasurer
Edmund Alan A. Qua Hiansen	Filipino	38	Vice President and Investor Relations Officer
Annabelle S. Guzman	Filipino	49	Vice President – Controller
Rolando Soliven	Filipino	47	Vice President – Group Corporate Assurance and Compliance Officer
Peter Angelo V. Perfecto	Filipino	56	Vice President – Public Affairs
Grace Aglubat Florendo	Filipino	44	Vice President - Data Protection Officer
Ma. Gracia M. Purisima	Filipino	39	Assistant Treasurer
Troy A. Luna	Filipino	59	Corporate Secretary
Ma. Concepcion Z. Sandoval	Filipino	41	Assistant Corporate Secretary

***Ramon R. del Rosario, Jr.*** is the President and CEO of PHINMA, Inc. and PHINMA Corporation. He is Chairman of the Board of Trustees of PHINMA Education Holdings, Inc., Araullo University, Cagayan de Oro College, University of Iloilo, University of Pangasinan, Southwestern University, St. Jude College, Republican College, Rizal College of Laguna and Union College of Laguna. He is also President of the Board of Commissioners of PT and Phil Management, Vice Chairman of PHINMA Property Holdings Corp., Chairman of United Pulp and Paper Co., Inc. of the Siam Cement Group, PHINMA Microtel Hotels, Microtel Hospitality, Inc. and other PHINMA-managed companies. He

currently serves as a member of the Board of Directors of The Bank of the Philippine Islands (BPI). He served as Secretary of Finance of the Philippines from 1992 to 1993. He is Chairman of Philippine Business for Education (PBEd). He was the Chairman of the Makati Business Club, the Integrity Initiative, National Museum of the Philippines and Ramon Magsaysay Award Foundation. He was selected as the Most Outstanding Student of the Philippines in 1967, one of the Ten Outstanding Young Men (TOYM) of the Philippines in 1978, the MAP Management Man of the Year in 2010 and received the "Business as a Noble Vocation Award" in November 2018 awarded by the International Christian Union of Business Executives or UNIAPAC at the XXVI UNIAPAC World Congress in Lisbon, Portugal. He is the brother of Mr. Victor J. del Rosario and Mr. Jose Mari del Rosario. Mr. del Rosario obtained his BSC-Accounting and AB-Social Sciences degree (Magna cum Laude) from De La Salle University and Master's degree in Business Administration from the Harvard Business School. He has been a director of the company since 2002. He attended the Annual Corporate Governance Summit, Risk Management and Sustainability Summit on October 21, 2021.

**Roberto M. Laviña** was appointed Board Advisor on April 14, 2021. Mr. Laviña is currently the Chairman of the Board of Phinma Property Holdings Corp and is a Member of the Board of Phinma Inc. and the companies in the Phinma Group which include companies in education, hotels, steel roofing, property development, and insurance brokerage. He holds a Bachelor of Arts degree in Economics from Ateneo de Manila University and obtained his Master's degree in Business Management from the Asian Institute of Management. He also finished the Program for Management Development at Harvard University. He became a Director of the Company on May 20, 2004. He recently attended trainings on, AMLA for Insurance Companies & Financial Institutions in August 2021 and the Annual Corporate Governance Seminar conducted by SEC-accredited training provider Center for Global best Practices in October 2021.

**Meliton B. Salazar, Jr.**, is the President and Chief Executive Officer of PHINMA Education and also a Senior Vice President of PHINMA, Inc. from 2003 to present. He carried out several management positions at the Ateneo De Manila University, the latest of which was being the Vice Chairman, Board of Trustee of the said University. He is a Co-Founder and President of the PBED and a member and private sector representative, Governing Board of the Philippine Statistical Research and Training Institute. He is a member of the Board of Directors of PHILAM Asset Management, Inc. and PHINMA Saytanar Education Company, Ltd. He is the Vice Chairman of the Philippine Press Council-National Council from 2011 to present. He was the President and Chief Executive Officer of STI International, Inc., iAcademy, and STI, Inc. from 2001 to 2003. In addition, he was part of the academe, when he became a part-time Associate Professor at the School of Management and at the School of Social Sciences of the Ateneo de Manila University from 2007 to 2010 and Part-time Lecturer from 1998 to 1992, with the Department of Economics, Department of English and Department of Math also at the Ateneo de Manila University. He was a part-time Lecturer at the Economics Department of Assumption College and an Associate Professor at the Asian Institute of Management. He was a Consultant at the Institute of Environmental Studies and United National Environmental Programme Project from 1997 to 1998. He became a Research Assistant to both Dr. James Mittelman, Chair of the Department of Regional and Comparative Studies and Dr. Steven Arnold, Director of the International Development Program at the American University from 1993-1995. In 1991, he was an Assistant to Dr. Henry Schwalbenberg, Director of the Program in International Political Economy and Development of Fordham University. Mr. Salazar obtained his B.S. Management Engineering Degree at the Ateneo de Manila University in 1987. After 5 years, he obtained his Master of Arts Degree in International Political Economy and Development from Fordham University, Bronx, New York USA and Doctor of Philosophy in International Relations, majoring in International Development and Development Management School of Internal Service at The American University, Washington, D.C., 8 years thereafter. Dr. Salazar was first elected as Director of the Company at the most recent Annual Stockholders' Meeting held on April 14, 2021, and will serve as such for the ensuing year, until his successor is duly elected.

**Eduardo A. Sahagun**, is the President and Chief Executive Officer of UGC, PHINMA Solar, and Philcement. He has held the roles for these companies, since 2017. He is also a director of UGC, Philcement, PHINMA Solar, PPHC, T-O Insurance Brokers, Inc., PHINMA Renewable Energy Corporation, PHINMA Corporation, Song Lam Joint Stock Company, First Batangas Hotel Corporation, and Cagayan de Oro College, Inc., as well as a member of the PHINMA Foundation, Inc.'s Board of Trustees. He is also the Chairman of Edcommerce Corporation and an Independent

Director of Philippine Savings Bank. He formerly served as Chairman and President of Holcim Philippines, Inc., as a Director of Holcim Philippines Manufacturing Corporation, and as a Director of Holcim Mining and Development Corporation. He attended the Senior Management Program, Senior Leadership Program, and Managing Change Program at the Institute for Management Development, based in Lausanne, Switzerland. He obtained his graduate degree in Management Science from the Arthur D. Little Management Education Institute (now known as Hult International Business School) in Cambridge, MA, USA, in 1994. Prior to that, he obtained a Master's in Business Administration from the Ateneo Graduate School of Business in the Philippines and is a Certified Public Accountant. In 1978, he obtained his Bachelor of Science in Commerce degree, with a major in Accounting, from Holy Angel University. Mr. Sahagun was first elected as a Director of the Company at the most recent Annual Stockholders' Meeting held on April 14, 2021, and will serve as such for the ensuing year, until his successor is duly elected. He attended the Annual Corporate Governance Seminar conducted by SEC-accredited training provider Center for Global Best Practices in January 2022.

**Pythagoras L. Brion, Jr.** was appointed as Executive Vice President and Group CFO on November 10, 2021. He concurrently serves as Executive Vice President and Group CFO of PHINMA, Inc. He serves in the Board of Directors of SJCI, RCI, PHINMA Solar Corporation, CDCC, API and PHINMA PRISM Property Development Inc. He received his Bachelor of Science in Management Engineering degree from Ateneo de Manila University and holds a Master in Business Administration degree from the University of the Philippines.

**Regina B. Alvarez** was appointed Senior Vice President - Finance of the company in April 2005. Ms. Alvarez is concurrently Senior Vice President – Deputy Group CFO of PHINMA, Inc. and holds various executive posts in PHINMA-managed companies. She is a director of AU, COC, SWU and T-O Insurance Brokers, Inc. Ms. Alvarez is a Certified Public Accountant and holds a Bachelor of Science degree in Business Administration and Accountancy from the University of the Philippines and a Master's degree in Business Administration from the Wharton School of Business

**Jose Mari del Rosario** Senior Vice President – Hospitality of PHINMA Corporation (PHN), is concurrently the President and CEO of PHINMA Microtel Hotels Inc. and PHINMA Hospitality, Inc. These two companies are the master franchise holder and management company respectively of Microtel by Wyndham & TRYP by Wyndham in the Philippines. Microtel & TRYP are international hotel chains under Wyndham Hotels & Resorts with properties operating in key business hubs and leisure destinations in the country. Mr. del Rosario is also the President and CEO of Paramount Hotels & Facilities Management Co. Inc., which provides property management and consultancy services to hotels, food & beverage facilities, and office/commercial buildings. Presently, he sits on the Board of Directors of the Philippine Hotel Owners Association and Philippine Franchise Association. In 2015, he was honored with the Ernst & Young Entrepreneur of the Year - Industry Entrepreneur award for his game-changing role in the hospitality industry. In 2007, he was recognized by GoNegosyo as Most Inspiring Tourism Entrepreneur. He earned his Diploma in Hotel & Restaurant Management in Hotelconsult Schulhotels (now César Ritz Colleges) Valais, Switzerland. He is also an alumnus of Cornell University's General Managers Program. He took up his MBA at Arthur D. Little School of Management (now Hult International Business School) in Cambridge, Massachusetts. He is the brother of Mr. Ramon R. del Rosario, Jr. and Mr. Victor J. del Rosario. He attended the Annual Corporate Governance Seminar conducted by SEC-accredited training provider Center for Global Best Practices in October 2021.

**Raphael B. Felix**, Senior Vice President - Properties of PHINMA Corporation (PHN) is concurrently the President and Chief Executive Officer of PHINMA Property Holdings Corporation (PPHC), the real-estate subsidiary of PHN. He also serves as the President of Community Property Development Group and PHINMA Prism Development Corporation since 2017 and 2019, respectively. He joined PHINMA Properties in 2007 as Business Planning Manager. Mr. Felix is a graduate of AB Economics from the Ateneo de Manila University and has attended business planning and strategy trainings from Asian Institute of Management, Ateneo Graduate School and Harvard Business Review.

**Danielle R. del Rosario** was appointed as Chief Risk Officer for PHINMA Corporation on November 5, 2020 and Vice President for Union Galvasteel Corporation of the PHINMA Construction Materials

Group in March 2022. She is a member of the Board of Directors for PHINMA University of Pangasinan, PHINMA Prism Property Development Corporation, and PHINMA Hospitality. Prior positions include Director for Strategy of PHINMA Corporation, Head of Sales and Marketing as well as Head of Corporate Affairs for PHINMA Energy Corporation, Program Director for PHINMA Foundation, as well as previous experience in the banking industry. She obtained her Bachelor of Science in Business Administration and Accountancy from the University of the Philippines Diliman as Cum Laude, and a Master in Business Administration from the Regis University joint program with the Ateneo Graduate School of Business with highest academic distinction. She is the daughter of Mr. Ramon R. del Rosario, Jr. She is a member of the Makati Business Club and Chairperson of the Financial Executives Institute of the Philippines Women in Finance Committee.

**Nanette P. Villalobos** was appointed Vice President – Treasurer in January 2019. She was previously the Treasurer for PHEN from 2018 to 2019 and Treasurer for South Luzon Thermal Energy Corporation from 2015-2019. Currently, she also holds the following positions: Vice President and Treasurer for PHINMA, Inc., Assistant Treasurer for PPHC, Treasurer for PHINMA Education Holdings, Inc., Treasurer for PHINMA Solar Energy Corp, Treasurer and Compliance Officer for TO Insurance Brokers, Inc. She obtained her degree in Bachelor of Science in Accountancy from University of the East. She passed the Treasury Certification Program at the Ateneo De Manila University Graduate School of Business in 2004. She attended the Basic Management Program at the Asian Institute of Management in 2008. She took up a Certification study for Macro Economics at University of Asia and the Pacific in 2014. She is also a member of the Fund Managers' Association of the Philippines.

**Edmund Alan A. Qua Hiansen** was appointed Vice President on April 14, 2021 and is the Investor Relations Officer since April 2019. Concurrent positions held include: Chief Financial Officer of Song Lam Cement Joint Stock Company, Deputy Chief Finance Officer of PHINMA Prism Development Corporation, and Vice President of PHINMA Foundation, Inc. He is also the Treasurer of Asian Breast Center, Inc. and Chairman of Dream Big Pilipinas Futbol Association. He holds a Bachelor of Science degree in Finance from Butler University in Indianapolis, Indiana, USA where he was recognized as one of the Top 100 Outstanding Students in 2005 and a Master's degree in Global Finance from HKUST-NYU Stern. He is the Chairman of the FINEX Research and Development Foundation Junior FINEX Committee and Vice Chairman of the Financial Executive Institute of the Philippines Ethics Committee.

**Annabelle S. Guzman** joined the company in September 2020 and was appointed Vice President Finance and Controller on April 14, 2021. She is a Certified Public Accountant and holds a Bachelor of Science degree in Business Administration and Accountancy from the University of the Philippines. Prior to joining the Company, she has been working in the financial services industry, as VP - Fund Administration Manager with JP Morgan Chase & Co and as Finance Head with Pepper Financial Services.

**Rolando D. Soliven** was elected Compliance Officer on April 14, 2021 and is concurrently Vice President – Group Corporate Assurance since April 2019. He has been an officer of the company since March 2012. He holds a Bachelor of Science degree in Accountancy from San Beda College. He has also completed the Enterprise Wide Risk Management Program and the Business Analytics Program of the Asian Institute of Management. He is a Certified Public Accountant (“CPA”), Certified Internal Auditor, Certified Risk Management Assurance, Certified Risk Manager, and Certified Fraud Examiner. He is a member of the Institute of Internal Auditors (“IIA”) and the Association of Certified Fraud Examiners.

**Peter Angelo V. Perfecto** was appointed Vice President - Director for Public Affairs in April 2019. Former Executive Director of the Makati Business Club from 2011 to 2018, he concurrently chairs the Oxfam Pilipinas Board as well as its Country Governance Group, sits as private sector representative of the People's Survival Fund and occupies a seat on the Executive Committee of the Bishops-Businessmen's Conference for Human Development. He graduated in Management Engineering at the Ateneo de Manila University in 1987.

**Grace Aglubat Florendo**, was appointed as Data Protection Officer effective August 13, 2021. She is concurrently the Vice President - Information Technology of PHINMA, Inc., the parent company of PHN. She received her Bachelor of Science of Computer Science from Adamson University. She completed Masters of Business Administration from Ateneo Graduate School of Business. She is a certified Information Security ISO 27001 Lead Auditor.

**Grace M. Purisima** joined the company in 2011 and was elected Assistant Treasurer in April 2019. She is also the Assistant Treasurer of PHINMA, Inc. She completed the Ateneo-BAP Treasury Certification Program in 2012. She holds a Bachelor of Arts degree in Management Economics from Ateneo de Manila University.

**Troy A. Luna** was elected as the Corporate Secretary in March 2017. He also acts as Corporate Secretary of PHINMA, Inc., and other PHINMA-related corporations such as the AU, COC, UPang, UI, SWU, SJCI, RC, RCL, UCL, PHINMA Education, Asian Plaza, Inc., UGC, PhilCement, ABCIC, Toon City Animation, Inc. and other unrelated companies such as TCL Sun, Inc., Newminco Pacific Mining Corporation and Philippine Business for Education, Inc., and a Trustee of the Licensing Executives Society of the Philippines. He was elected as Director of the Company on November 5, 2020 until April 2021. He holds a Liberal Arts in Economics degree from the De La Salle University. He is a lawyer by profession, having earned his Bachelor of Laws degree from the Ateneo de Manila University School of Law in 1986 and was admitted to the Philippine Bar in 1987. He is a Senior and name Partner of the Migallos & Luna Law Offices.

**Ma. Concepcion Z. Sandoval** was elected Assistant Corporate Secretary in March 2017. She also acts as Assistant Corporate Secretary of PHINMA, Inc. and other PHINMA-related companies such as UI, PHINMA Education, ABCIC, Asian Plaza, Inc. and unrelated companies such as TCL Sun, Inc. and Philippine Business for Education, Inc. She earned her Bachelor of Laws degree from San Beda College of Law in 2006 and was admitted to the Philippine Bar in 2007. She holds a Bachelor of Arts major in Legal Management degree from the University of Sto. Tomas. She is a Senior Associate of the Migallos & Luna Law Offices.

**c) Family Relationship**

Ramon R. del Rosario, Jr. is the brother of Mr. Victor J. del Rosario and Mr. Jose Mari del Rosario, and the father of Ms. Danielle R. del Rosario. Other than the foregoing family relationships, none of the directors, executive officers or persons nominated to be elected to PHN's Board are related up to the fourth civil degree, either by affinity or consanguinity.

**d) Significant Employees**

Other than the Directors and Officers identified in the item on Directors and Executive Officers in this Information Statement, there are no other employees of the Company who may have significant influence in the Company's major and/or strategic planning and decision-making.

**e) Involvement in Certain Legal Proceedings**

The Company is not aware of any of the following events having occurred during the past five years up to the date of this report that are material to an evaluation of the ability or integrity of any director, nominee for election as Director, executive officer, underwriter or controlling person of the Company :

- 1) any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two (2) years prior to that time ;
- 2) any conviction by final judgment, including the nature of the offense in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic

- or foreign , excluding traffic violations and other minor offenses ;
- 3) being subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities ; and
  - 4) being found 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 other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended or vacated.
  - 5) A securities or commodities law or regulation, and the judgment has not been reversed, suspended or vacated.

Other than the case disclosed in “Legal Proceedings” of Annex C, the Company is not involved in or aware of any material legal proceedings that may significantly affect the Company, or any of its subsidiaries or affiliates.

**f) Warrants and Options Outstanding**

There are no warrants or options granted by the Company to any of its Directors or Executive Officers.

**g) Relationships and Related Transactions**

Parties are considered to be related if one party has the ability, directly or 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 or common significant influence which include affiliates. Related parties may be individual or corporate entities.

The Company, in the regular conduct of business, has entered into transactions consisting of reimbursement of expenses, office space rentals, consultancy fees and grant of non-interest bearing advances with associates and other related parties. Transactions entered into with related parties are at arm’s length and have terms similar to the transactions entered into with third parties.

Outstanding balances at year-end are unsecured and settlement occurs in cash throughout the financial year. There have been no guarantees provided or received for any related party receivables or payables. For the years ended December 31, 2021, 2020 and 2019, the Company’s impairment of receivables from related parties amounted to nil. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

The significant related party transactions entered into by the Company with its associates and entities under common control and the amounts included in the consolidated financial statements with respect to such transactions follow:

2021						
<u>Company</u>	<u>Nature</u>	<u>Amount/ Volume</u>	<u>Amount Due to Related Parties</u>	<u>Amount Due from Related Parties (see Note 11)</u>	<u>Terms</u>	<u>Conditions</u>
<u>Ultimate Parent</u> PHINMA Inc.	Share in expenses, management fees and bonus	₱280,141	₱130,456	₱686	Noninterest-bearing	Unsecured, no impairment
<u>Associates</u> PPHC	Share in expenses	1,575	–	3,139	Noninterest-bearing	Unsecured, no impairment
APHI	Share in expenses	6	–	6	Noninterest-bearing	Unsecured, no impairment
<u>Other related parties</u>						

2021						
Company	Nature	Amount/ Volume	Amount Due to Related Parties	Amount Due from Related Parties (see Note 11)	Terms	Conditions
T-O Insurance Brokers, Inc., PHINMA Hospitality Inc., PHINMA Foundation, Inc. Phinma Prism, PHINMA Plaza Condominium Corp	Share in expenses	19,259	52,363	7,575	Noninterest-bearing	Unsecured, no impairment
PTC Myanmar, IPM	Share in expenses	17	59	1,523	Noninterest-bearing	Unsecured, no impairment
UPPC	Consultancy Fee	3,152	-	800	Noninterest-bearing	Unsecured, no impairment
			<b>₱182,878</b>	<b>₱13,729</b>		
2020						
Company	Nature	Amount/ Volume	Amount Due to Related Parties	Amount Due from Related Parties (see Note 11)	Terms	Conditions
<u>Ultimate Parent</u> PHINMA Inc.	Share in expenses, management fees and bonus	₱165,140	₱98,265	₱1,495	Noninterest-bearing	Unsecured, no impairment
<u>Associates</u> PPHC	Share in expenses	1,126	7	1,743	Noninterest-bearing	Unsecured, no impairment
<u>Other related parties</u> T-O Insurance Brokers, Inc., MDC, PHINMA Foundation, Inc. Phinma Prism	Share in expenses	11,190	52,838	2,514	Noninterest-bearing	Unsecured, no impairment
Phinma Prism	Grant of noninterest-bearing advances	5,140	-	5,140	91 days, 6.15116%	Unsecured, no impairment
Community Developers and Construction Corporation (CDCC), PTC Myanmar	Grant of noninterest-bearing advances	₱599	₱-	₱3,778	Noninterest-bearing	Unsecured, no impairment
UPPC	Consultancy Fee	3,458	-	1,291	Noninterest-bearing	Unsecured, no impairment
			<b>₱151,110</b>	<b>₱15,961</b>		

In last two years, the Company was not a party in any transaction in which a Director or Executive Officer of the Company, any nominee for election as a director, any security holder owning more than 10% of the Company's issued and outstanding shares and/or any member of his immediate family had a material interest thereon, except as disclosed below.

The Company has a management contract with Philippine Investment-Management (PHINMA), Inc. up to June 30, 2024 renewable thereafter upon mutual agreement. Under this contract, PHINMA has a general management authority with the corresponding responsibility over all operations and personnel of the Company including planning, direction, and supervision of finance and other business activities of the Company. Under the existing management agreement, the Parent Company pays PHINMA, Inc. a fixed monthly management fee plus an annual incentive based on a certain percentage of the Parent Company's net income.

As of January 31, 2022, PHINMA Inc. owns 181,111,650 shares, which represent 66.61% of total outstanding shares of stock of the Company.

Material related party transactions are reviewed by the Audit and Related Party Committee of the Board. The Company have approval requirements and limits on the amount and extent of related party transactions in compliance with the requirements under Revised SRC Rule 68.

**Refer to Note 33 – Related Party Transactions of the 2021 Audited Consolidated Financial Statements** for further details.

**h) Election of Directors**

The Directors of the Company are elected at the Annual Stockholders Meeting to hold office for one (1) year and until their respective successors have been elected and qualified.

The functions of the Nominations Committee was tucked into the new Corporate Governance and Nominations Committee which was created on May 15, 2017 at the Organizational Meeting of the Company in compliance with the recommendations of the Securities and Exchange Commission Code of Corporate Governance.

After having conducted the nomination for purposes of the election of Directors and after pre-screening the qualifications of the nominees, the Corporate Governance and Nominations Committee has submitted the following list of candidates who qualify for election to the Board of PHINMA Corporation at the forthcoming Annual Shareholders Meeting on April 12, 2022:

1. Oscar J. Hilado
2. Magdaleno B. Albarracin, Jr.
3. Victor J. del Rosario
4. Ramon R. del Rosario, Jr.
5. Amb. Jose L. Cuisia, Jr.
6. Eduardo A. Sahagun
7. Meliton B. Salazar, Jr.
8. Juan B. Santos *(Independent)*
9. Atty. Lilia de Lima *(Independent)*
10. Rizalina G. Mantaring *(Independent)*
11. Edgar O. Chua *(Independent)*

The foregoing persons were nominated by Mr. Ramon R. del Rosario, Jr. He is not related to any of the director-nominees, either by consanguinity or affinity, except to Mr. Victor J. del Rosario who is his brother.

The abovementioned nominated persons will be presented to the Company's shareholders for election at the annual stockholders' meeting. The nominated individuals possess all the qualifications and none of the disqualifications provided in the SRC and its Implementing Rules and Regulations. Further, no director has declined to stand for re-election to the Board of Directors since the date of the last Annual Shareholders' Meeting because of a disagreement with the Company on any matter relating to its operations, policies or practices.

The securities owned by the nominees as of January 31, 2022 are as follows:

<b>Title of Class</b>	<b>Name of Beneficial Owner</b>	<b>Citizenship</b>	<b>No. of shares</b>	<b>Nature</b>	<b>% of ownership</b>
Common	Oscar J. Hilado	Filipino	400,000	Direct	.147%
			2,361,685	Indirect	.869%
Common	Magdaleno B. Albarracin, Jr.	Filipino	11,155,000	Direct	4.103%
Common	Victor J. del Rosario	Filipino	1,069,245	Direct	.393%
			854,080	Indirect	.314%
Common	Ramon R. del Rosario, Jr.	Filipino	432,661	Direct	.159%
			4,491,123	Indirect	1.652%
Common	Amb. Jose L. Cuisia, Jr.	Filipino	17,927	Direct	.007%
Common	Meliton B. Salazar Jr.	Filipino	1	Direct	.000%
Common	Eduardo A. Sahagun	Filipino	1	Direct	.000%
Common	Juan B. Santos	Filipino	1	Direct	.000%
Common	Atty. Lilia de Lima	Filipino	1	Direct	.000%



Common	Rizalina G. Mantaring	Filipino	1	Direct	.000%
Common	Edgar O. Chua	Filipino	1	Direct	.000%

The Board of Directors has no reason to believe that any of the nominees will be unwilling or unable to serve if re-elected as a director.

The Company's Corporate Governance and Nominations Committee is composed of the following:

Atty. Lilia B. de Lima	-	Chairman
Ms. Rizalina G. Mantaring	-	Member
Mr. Edgar O. Chua	-	Member

***i) Independent Directors***

On June 30, 2004, the SEC approved amendment to the Amended By-Laws of PHINMA Corporation to incorporate a provision stating that it shall conform to the requirement of law to have independent directors. On May 27, 2010, the SEC approved a further amendment to the Amended By-laws adopting and stating that the Company shall comply with Securities Regulation Code (SRC) Rule 38 as amended and all rules and regulations relative to the requirements on nomination and election of independent directors.

The following are the nominees for independent directors, as submitted to and pre-screened by the Corporate Governance and Nominations Committee of the Company using the aforementioned guidelines, pertinent provisions of the Company's Manual on Good Corporate Governance and its Amended By-Laws. They are neither officers nor substantial shareholders of the Company. Mr. Ramon R. del Rosario, Jr. nominated the candidates for independent directors. Mr. Del Rosario is not related to the independent director-nominees by consanguinity or affinity.

Mr. Juan B. Santos  
Atty. Lilia de Lima  
Ms. Rizalina G. Mantaring  
Mr. Edgar O. Chua

All the independent directors possess the qualifications and none of the disqualifications under Securities Regulation Code or the Company's Manual of Corporate Governance.

***ITEM 6. Compensation of Directors and Executive Officers***

The Directors are paid a bonus based on the net income of the Company for each calendar year. The compensation received by the officers who are not included in the Board of Directors of the Company represents salaries and bonuses.

For the calendar years ended December 2021 and 2020, the total salaries, allowances and bonuses paid by the Company to the directors and executive officers as well as estimated compensation of directors and executive officers for CY 2022 are as follows:

**TABLE 5 - Compensation of Directors and Executive Officers**

Name and Principal Position	Year	Salary	Bonus	Others
<b>CEO and the Top 4</b>				
<b>Ramon R. del Rosario, Jr.</b> Vice Chairman and President and CEO				
<b>Roberto M. Laviña</b> Board Advisor				
<b>Meliton B. Salazar, Jr.</b> Executive Vice President – Education and COO				
<b>Pythagoras L. Brion, Jr.</b> Executive Vice President and Group CFO				

<b>Regina B. Alvarez</b> Senior Vice President and CFO				
<b>TOTAL</b>	2022*	21,728,489	1,727,374	1,350,000
	2021	20,728,489	4,671,644	740,000
	2020	23,241,829	21,845,318	840,000
<b>All other Directors and Officers as a Group unnamed</b>	2022*	14,373,664	1,197,805	635,000
	2021	16,793,632	2,212,989	450,000
	2020	18,986,162	30,252,684	3,184,000

*\*Estimated compensation of directors and executive officers for the year.*

**a) Compensation of Directors**

The Directors receive allowances, per diem and bonus based on a percentage of the net income of the Company for each calendar year.

There are no other existing arrangements/agreements to which said Directors are to be compensated during the last completed calendar year and the ensuing year.

**b) Employment Contracts and Termination of Employment and Change-in-Control Arrangements**

There is no existing contract between the Company, the executive officers or any significant employee.

Under Article VI, Section 1 of the Company's By-Laws, the Officers of the Corporation shall hold office for one (1) year and until their successors are chosen and qualified in their stead. Any Officer elected or appointed by the majority of the Board of Directors may be removed by the affirmative vote of the Board of Directors.

**c) Compensatory Plan or Arrangement**

The compensation received by Officers who are not members of the Board of Directors of the Company represents salaries, bonuses and other benefits.

All permanent and regular employees of the Company and its subsidiaries are covered by PHINMA Group retirement plan (the "Plan"). The Plan provides benefits upon normal retirement beginning at age sixty (60), early retirement beginning at age fifty (50) with completion of at least ten (10) years of service, voluntary separation beginning upon completion of at least ten (10) years of service, total and physical disability, death and involuntary separation. The benefits are based on the employee's final monthly basic salary and length of service.

The Company also provides a defined contribution plan that covers all regular full-time employees under which the Company pays fixed contributions based on the percentage contributed by the employees from their monthly salaries.

**d) Compensation Committee**

The members of the Compensation Committee are as follow:

Amb. Jose L. Cuisia, Jr.	-	Chairman
Mr. Oscar J. Hilado	-	Member
Mr. Ramon R. del Rosario, Jr.	-	Member
Mr. Juan B. Santos	-	Member

## **ITEM 7. Appointment of External Auditors**

As of December 31, 2021, Sycip, Gorres, Velayo and Company (SGV) has been the Company's Independent Public Accountant for the last six (6) years. The same auditing firm has been endorsed by the Audit Committee to the Board. The Board, in turn, approved the endorsement and will nominate the appointment of the said auditing firm for the stockholders' approval at the scheduled Annual Meeting of Stockholders. The said auditing firm has accepted the Company's invitation to stand for re-election this year.

Audit services of SGV for the calendar year ended December 31, 2021 included the examination of the parent and consolidated financial statements of the Company, preparation of final income tax returns and other services related to filing of reports made with the Securities and Exchange Commission and Philippine Stock Exchange, Inc.

During the past five (5) years, there has been no event in which PHINMA Corporation and SGV has any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosures or auditing scope or procedures.

The Company is in compliance with SRC Rule 68, paragraph 3(b) (ix) requiring the rotation of external auditors or engagement partners who have been engaged by the Company for a period of five (5) consecutive years and the mandatory two-year cooling-off period for the re- engagement of the same signing partner or individual auditor. The engagement partner who conducted the audit for Calendar Year 2021 is Ms. Belinda T. Beng Hui, a SEC accredited auditing partner of SGV. This is the fourth year of Ms. Beng Hui as audit partner of the company.

The members of the Audit and Related Party Transactions Committee are the following:

Mr. Juan B. Santos	-	Chairman
Ms. Rizalina G. Mantaring	-	Member
Edgar O. Chua	-	Member
Amb. Jose L. Cuisia, Jr.	-	Member

The external auditors for the current year and for the most recently completed calendar year are expected to be present at the shareholders' meeting, will have the opportunity to make a statement if they desire to do so, and are expected to be available to respond to appropriate questions.

The Audit Committee recommended SGV with Ms. Belinda T. Beng Hui as partner as the Independent Public Accountant for Calendar Year 2022.

### **External Audit Fees and Related Services**

#### Audit and Audit-Related Fees

The Company paid or accrued the following fees for professional services rendered by SGV and Co. for the past two (2) years:

<b>Year</b>	<b>Audit Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>
2021	3,285,000.00	-	3,400,000.00
2020	3,285,000.00	-	811,500.00

The above audit fees are for the audit of the Company's annual financial statements or services normally provided in connection with statutory and regulatory filings or engagements for CY 2021 and 2020.

Tax Fees - The Company did not engaged SGV & Co. for tax advisory services for the years ended December 31, 2021 and 2020, thus fees amounting to nil, respectively.

All Other Fees represent various SGV engagements like valuation of options, organizational optimization study, transfer pricing and bond offering reporting requirements.

The Audit Committee discusses with the external auditor before the audit commences, the nature and scope of the audit. The Committee also approves audit plans, audit fees, scope and frequency before the conduct of the external audit. It evaluates and determines non-audit work by the external auditor and reviews the non-audit fees paid to the external auditor, both in relation to their significance to the audit and in relation to the Company's total expenditure on consultancy.

The Audit Committee, the Board of Directors and the stockholders of PHINMA Corporation approved the engagement of SGV as the Company's external auditor.

#### ***ITEM 8. Compensation Plans***

No action is to be taken with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed.

### **C. ISSUANCE AND EXCHANGE OF SECURITIES**

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

No action will be presented for stockholders' approval at this year's annual meeting which involves authorization or issuance of any securities.

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

No action will be presented for stockholders' approval at this year's annual meeting which involves the modification of any class of PHN's securities, or the issuance of one class of PHN's securities in exchange for outstanding securities of another class.

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

The Company's financial statements for the year ended December 31, 2021 and Management's Discussion and Analysis or Plan of Operation are attached hereto as **Annexes "B" and "C"** respectively.

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

No action will be presented for stockholders' approval at this year's annual meeting in respect of (1) the merger or consolidation of PHN into or with any other person, or of any other person into or with PHN, (2) acquisition by PHN or any of its stockholders of securities of another person, (3) acquisition by PHN of any other going business or of the assets thereof, (4) the sale or transfer or all or any substantial part of the assets of PHN (5) liquidation or dissolution of PHN.

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

The Company and its subsidiaries purchased and sold parcels of land in the normal course of their business.

No action will be presented for stockholders' approval at this year's annual meeting in respect of any acquisition or disposition of property of PHN.

#### **ITEM 14. Restatement of Accounts**

No action will be presented for stockholders' approval at this year's annual meeting which involves the restatement of any of PHN's assets, capital or surplus account.

#### **D. OTHER MATTERS**

#### **ITEM 15. Actions with Respect to Reports**

At the last Annual Stockholders Meeting held on April 14, 2021, the President and CEO reported to the stockholders the Company and its subsidiaries operational performance in 2020 while the Senior Vice President–Finance reported on the Company's financial performance. The following matters were presented and approved by the stockholders at such meeting:

- a) Minutes of the 2020 Annual Stockholders Meeting;
- b) Ratification of all resolutions of the Board of Directors and acts of Management in 2020 done in the ordinary course of the Company's business;
- c) Amendment of by-laws;
- d) Calendar Year 2020 Audited Financial Statements;
- e) Election of eleven (11) Directors, including four (4) independent Directors for 2021; and
- f) Appointment of SGV as independent external auditor.

For the Annual Stockholders Meeting scheduled on April 12, 2022, the President and CEO will report on the operational performance of the Company and its subsidiaries in 2021 while the Executive Vice President and Group CFO will report on the financial performance. The following matters will also be presented for consideration by the stockholders at such meeting:

- a) Minutes of the 2021 Annual Stockholders Meeting (**Annex D**) ;
- b) Ratification of all acts of the Board of Directors, Committees and Management in 2021 done in the ordinary course of the Company's business (**Annex E**);
- c) 2021 Audited Financial Statements (**Annex B**);
- d) Election of eleven (11) Directors, including four (4) independent Directors for 2022 ; and
- e) Appointment of external auditor

The approval of the Minutes of the previous Annual Shareholders Meeting, the approval of Annual Report of Management including the Audited Financial Statements for the year ended December 31, 2021, the Ratification of all acts of the Board of Directors and of Management since the last Annual Shareholders Meeting, and the approval of the appointment of the Company's external auditor shall require the affirmative vote or written assent of a majority of the stockholders entitled to vote during the Annual Shareholders Meeting.

#### **ITEM 16. Matters Not Required To Be Submitted**

There is no action to be taken with respect to any matter which is not required to be submitted to a vote of security holders.

#### **ITEM 17. Amendment of Charter, By-Laws or Other Documents**

There is no action to be taken with respect to amendment of charter, by-laws or other documents.

#### **ITEM 18. Other Proposed Action**

Other than the matters indicated in the Notice and Agenda included in this Information Statement, there are no other actions proposed to be taken at the annual meeting.

## **ITEM 19. Voting Procedures**

For the election of Directors, each shareholder is entitled to one (1) vote per share multiplied by the number of board seats to be filled, i.e. eleven (11), and may cumulate his/her votes by giving as many votes as he/she wants to any candidate provided that the total votes cast shall not exceed the total votes to which he/she is entitled. In the event the votes cast by a stockholder exceeds that to which he/she is entitled to vote, the Corporate Secretary in his discretion shall deduct such votes cast by the stockholder in favor of any nominee as may be necessary under the circumstances.

In the event that only eleven (11) are nominated to fill eleven (11) seats in the Board, the Chairman shall direct the Corporate Secretary to cast all votes in favor of those nominated, except the votes of stockholders who wish to have their votes differently.

All the items in the agenda for approval by the stockholders will need the affirmative vote of stockholders representing at least a majority of those present at the meeting, provided there is a quorum, except the election of Directors which will be based on the number votes cast by each stockholder present at the meeting, in person or through a proxy, where there is a quorum. Each of the proposed resolutions will be shown on the screen as the same is taken-up at the meeting.

Votes of all stockholders may only be cast through ballots or proxies submitted on or before April 8, 2022. A sample of the Ballot/ Proxy will be included in the Information Statement.

All Ballots/Proxies should be received by the Corporate Secretary on or before April 8, 2022 by email to [phncorpsec@phinma.com.ph](mailto:phncorpsec@phinma.com.ph).

The votes received will be tabulated and validated by an independent third party. The Corporate Secretary shall report the results of voting during the meeting.

Stockholders may email to [phncorpsec@phinma.com.ph](mailto:phncorpsec@phinma.com.ph) questions or comments on matters that are relevant and of general concern to them on or before April 8, 2022. These will be answered during the meeting, subject to appropriateness, relevancy and time limits, or via email to the stockholder sending the said questions.

A link to the recorded webcast of the meeting will be posted on the Company's website after the meeting. Stockholders shall have one week from posting to send to the Company through the same email address, questions and concerns on the matters arising from and relevant to the meeting conducted.

**UPON THE WRITTEN REQUEST OF A STOCKHOLDER, AND WHEN CIRCUMSTANCES PERMIT, THE COMPANY UNDERTAKES TO FURNISH SAID STOCKHOLDER A COPY OF THE ANNUAL REPORT ON SEC FORM 17-A, FREE OF CHARGE. SUCH WRITTEN REQUEST SHOULD BE DIRECTED TO THE FOLLOWING:**

**PHINMA CORPORATION  
7<sup>th</sup> FLOOR, PHINMA PLAZA, 39 PLAZA DRIVE,  
ROCKWELL CENTER, MAKATI CITY 1210.**

**ATTENTION : ATTY. TROY A. LUNA  
CORPORATE SECRETARY**

## **SIGNATURE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati on March 21, 2022.

**PHINMA CORPORATION**

Issuer



**TROY A. LUNA**  
Corporate Secretary

**NOTICE:** The Company will post the full version of this SEC Form 20-IS (Definitive Information Statement), together with all its annexes including the 2021 consolidated audited financial statements of the Company, on the company website [www.phinma.com.ph](http://www.phinma.com.ph) upon its approval by the Securities and Exchange Commission.



Annabelle Guzman &lt;asguzman@phinma.com.ph&gt;

---

**Fwd: PHINMA Corporation Certificates of Independent Director Nominees  
2022\_March 4, 2022**

1 message

---

**Flora Tolarba** <fdtolarba@phinma.com.ph>  
To: Annabelle Guzman <asguzman@phinma.com.ph>

Fri, Mar 18, 2022 at 3:52 PM

Ms. Annabs

Kindly see forwarded email.

Regards  
Flora D. Tolarba  
8-8700632  
fdtolarba@phinma.com.ph

This email, including its attachments, is intended for the exclusive use of the person/s it is addressed to. It may contain personal data, or information that is confidential or privileged, which are protected from unauthorized use or disclosure by law. If you are not the intended recipient, please be aware that printing, copying, dissemination, distribution, disclosure, forwarding of, or acting in reliance upon the information contained in this communication is strictly prohibited. If you received this communication in error, please contact the sender immediately and permanently delete it, including any attachments, from your system. Unless otherwise indicated, the contents of this email and/or its attachments do not necessarily reflect the views of the company.

----- Forwarded message -----

From: **CGFD Account** <cgfd@sec.gov.ph>

Date: Thu, Mar 10, 2022 at 1:51 PM

Subject: Fwd: PHINMA Corporation Certificates of Independent Director Nominees 2022\_March 4, 2022

To: Rolando Soliven &lt;rdsoliven@phinma.com.ph&gt;

Cc: Flora Tolarba &lt;fdtolarba@phinma.com.ph&gt;, Gina Bacilig &lt;gbbacilig@phinma.com.ph&gt;, cgfd cgd &lt;cgfd\_cgd@sec.gov.ph&gt;

Dear Mr. Soliven,

This is to acknowledge receipt of your email. This will be forwarded to our handling Division.



On 12 May 2021, the Commission issued a NOTICE with subject "Revised Guidelines on the Submission of Documents, Issuance of Payment Assessment Form, Other Request and Compliance", as a Guidance for the covered companies indicated therein. To view the complete Notice, please click this link - <https://www.sec.gov.ph/notices/revised-guidelines-on-the-submission-of-documents-issuance-of-payment-assessment-form-other-requests-and-compliance/> . This supersedes CGFD Notices dated June 24, 2020 and July 20, 2020 and adopts the relevant guidelines under SEC Memorandum Circular No. 3, Series of 2021.

Insofar as the covered companies enumerated therein are concerned (and with respect to reports, applications, requests and other documents falling within our Department's jurisdiction), only the submissions that are compliant with the requirements provided in the abovementioned Notice shall be considered as filed with the Commission.

Further, please be informed that due to the surge of COVID-19 cases, the Securities and Exchange Commission (SEC) shall adopt a "Zero Face-to-Face Transaction" policy in its main office within the PICC Complex in Pasay City and former headquarters along EDSA in Mandaluyong City, from 13 January 2022 until further notice.

Please refer to the 11 January 2022 notice (<https://www.sec.gov.ph/notices/zero-face-to-face-transaction-in-sec-main-office-from-13-january-2022-until-further-notice/>) for the interim guidelines and hotline numbers.

We encourage you to regularly monitor the SEC Website ([www.sec.gov.ph](http://www.sec.gov.ph)) and/or the SEC's Facebook page for updates and announcements.

Thank you.

**CORPORATE GOVERNANCE AND FINANCE DEPARTMENT (CGFD)**  
**Securities and Exchange Commission**

**Confidentiality Notice:**

**IMPORTANT:** *This email message, including attachments, if any, contains confidential information which may be privileged or otherwise protected from disclosure and intended solely for the use of the individual or entity to whom it is addressed and others authorized to receive it. If you are not the intended recipient of this message you must not disclose or use the information contained in it. If you have received this email in error, please notify us immediately by return email and delete the document and any copies thereof. Notice is hereby given to you that any use, downloading, copying, review, re-transmission, dissemination, distribution, reproduction or any action taken in reliance upon this email, without the consent of the original sender is prohibited by law, including R.A. No. 4200 (The Anti-Wire Tapping Law), R.A. No. 8792 (The E-Commerce Law), A.M. No. 01-7-01-SC (Rules on Electronic Evidence), or R.A. No. 10173 (The Data Privacy Act of 2012).*

*The Commission is neither liable for the proper and complete transmission of the information nor for any delay in its receipt. The Commission accepts no liability for any damage caused by this email or its attachments due to viruses, interference, interception, corruption or unauthorized access.*

----- Forwarded message -----

From: **Rolando Soliven** <[rdsoliven@phinma.com.ph](mailto:rdsoliven@phinma.com.ph)>

Date: Fri, Mar 4, 2022 at 6:44 PM

Subject: PHINMA Corporation Certificates of Independent Director Nominees 2022\_March 4, 2022

To: ICTD Submission <[ictdsubmission@sec.gov.ph](mailto:ictdsubmission@sec.gov.ph)>

Cc: <[cgfd@sec.gov.ph](mailto:cgfd@sec.gov.ph)>, Flora Tolarba <[fdtolarba@phinma.com.ph](mailto:fdtolarba@phinma.com.ph)>, Gina Baclig <[gbbaclig@phinma.com.ph](mailto:gbbaclig@phinma.com.ph)>

Gentlemen,

We hereby submit the **Certificates of Independent Director Nominees for the year 2022** filed on behalf of **PHINMA Corporation** in compliance with SEC Notice on Options in the Submission of Reports, Applications and Other Documents during the Effectivity of All Community Quarantine Imposed due to COVID-19, dated June 24, 2020.

May we request for an acknowledgment of receipt of this submission.

We hope you find our submission in order.

Thank you.

*Bong*

**Rolando D. Soliven**

Vice President - Corporate Governance

Chief Compliance Officer



*This email, including its attachments, is intended for the exclusive use of the person/s it is addressed to. It may contain personal data, or information that is confidential or privileged, which are protected from unauthorized use or disclosure by law. If you are not the intended recipient, please be aware that printing, copying, dissemination, distribution, disclosure, forwarding of, or acting in reliance upon the information contained in this communication is strictly prohibited. If you received this communication in error, please contact the sender immediately and permanently delete it, including any attachments, from your system. Unless otherwise indicated, the contents of this email and/or its attachments do not necessarily reflect the views of the company.*

*This email, including its attachments, is intended for the exclusive use of the person/s it is addressed to. It may contain personal data, or information that is confidential or privileged, which are protected from unauthorized use or disclosure by law. If you are not the intended recipient, please be aware that printing, copying, dissemination, distribution, disclosure, forwarding of, or acting in reliance upon the information*

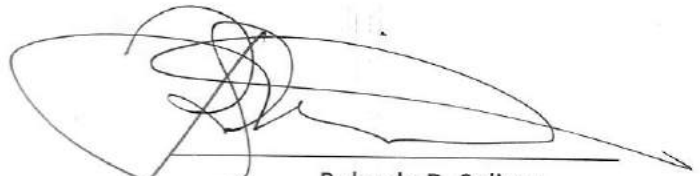


**Certification**

I, **Rolando D. Soliven, Vice President – Group Corporate Assurance and Compliance Officer of PHINMA Corporation** with SEC registration number **12397** with principal office at **Level 12, PHINMA Plaza, Plaza Drive, Rockwell Center, Makati City**, on oath state:


- 1) That on behalf of **PHINMA Corporation**, I have caused this letter on **Certificates of Independent Director Nominees for the year 2022** to be prepared;
- 2) That I read and understood its contents which are true and correct of my own personal knowledge and/or based on true records;
- 3) That the company **PHINMA Corporation** will comply with the requirements set forth in SEC Notice dated June 24, 2020 for a complete and official submission of reports and/or documents through electronic mail; and
- 4) That I am fully aware that documents filed online which requires pre-evaluation and/or processing fee shall be considered complete and officially received only upon payment of a filing fee.

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_ day of \_\_\_\_\_, 2022.

  
\_\_\_\_\_  
Rolando D. Soliven  
Vice President – Group Corporate  
Assurance and Compliance Officer

SUBSCRIBED AND SWORN to before me this **MAR 04 2022** day of \_\_\_\_\_ at **Makati City**, exhibited to me his Driver's License N02-18-006050 issued on December 14, 2019 with expiration date of December 14, 2022.

Doc. No. **277** ;  
Page No. **57** ;  
Book No. **1** ;  
Series of **2022** ;

  
**RALYANA KNUSHARA M. GADDI**  
NOTARY PUBLIC FOR AND IN THE CITY OF MAKATI  
APPOINTMENT NO. M-218 (2021-2022)  
COMMISSION EXPIRES ON DECEMBER 31, 2022  
7th Floor, The PHINMA Plaza, 39 Plaza Drive  
Rockwell Center, Makati City 1210  
PTR No. 8853540; Makati City; 1/3/2022  
IBP O.R. No. 178651; Makati City; 1/3/2022  
TIN 473-816-131  
Attorney's Roll No. 75398  
Admitted to the Philippine Bar: 24 July 2020

March 2, 2022

**SECURITIES AND EXCHANGE COMMISSION**

Secretariat Building, PICC Complex  
Roxas Boulevard, Pasay City 1307

Attention: **MS. RACHEL ESTHER J. GUMTANG-REMALANTE**  
OIC, Corporate Governance & Finance Department

**THE PHILIPPINE STOCK EXCHANGE, INC.**

6<sup>th</sup> Floor, Philippine Stock Exchange Tower  
26<sup>th</sup> Street corner 5<sup>th</sup> Avenue Bonifacio Global City, Taguig City

Attention: **MS. JANET A. ENCARNACION**  
Head, Disclosure Department

**PHILIPPINE DEALING EXCHANGE**

BDO Equitable Tower, 8751 Paseo de Roxas, Makati City


Attention: **ATTY. MARIE ROSE M. MAGALLEN-LIRIO**  
Head, Issuer Compliance and Disclosure Department

Gentlemen:

In compliance with the Commission's requirements for Independent Director Nominees to submit a certification, under oath, that they possess the qualifications and none of the disqualifications as provided for in the Securities Regulation Code, we submit herewith the Certificates of Independent Director of the following nominees for independent director of PHINMA Corporation for the year 2022.

1. Juan B. Santos
2. Lilia B. De Lima
3. Rizalina G. Mantaring
4. Edgar O. Chua

Very truly yours,



**ROLANDO D. SOLIVEN**

VP – Group Corporate Assurance & Compliance Officer

**CERTIFICATION OF INDEPENDENT DIRECTOR**

I, **JUAN B. SANTOS**, Filipino, of legal age and a resident of **2420 Bougainville St., Dasmariñas Village, Makati City**, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **PHINMA Corporation (PHN)** and have been its independent director since April 19, 2018.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

<b>Company / Organization</b>	<b>Position / Relationship</b>	<b>Period of Service</b>
Rizal Commercial Banking Corporation	Independent Director	November 2016 – Present
House of Investments, Inc.	Independent Director	October 2014 – Present
Sun Life Grepa Financial, Inc. (Formerly Grepalife Financial, Inc.)	Independent Director	October 2006 – Present
Allamanda Management Corp.	Director	January 2000 – Present
Mitsubishi Motors Phils. Corp.	Member, Advisory Board	January 2016 – Present
East-West Seeds Corporation	Member, Advisory Board	2008 – Present
Dualtech Training Center Foundation, Inc.	Trustee	May 2012 – Present
St. Luke's Medical Center	Trustee	August 2005 – Present
Marsman-Drysdale Group of Companies	Consultant	September 2007 - Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **PHINMA Corporation (PHN)**, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any director/officer/substantial shareholder of **PHINMA Corporation (PHN)** and its subsidiaries and affiliates, other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code. (where applicable):

<b>NAME OF DIRECTOR/OFFICER/ SUBSTANTIAL SHAREHOLDER</b>	<b>COMPANY</b>	<b>NATURE OF RELATIONSHIP</b>
None	None	None

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

<b>OFFENSE CHARGED/ INVESTIGATED</b>	<b>TRIBUNAL OR AGENCY INVOLVED</b>	<b>STATUS</b>

None	None	None
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6. (For those in government service/affiliated with a government agency or GOCC) I have the required permission from the \_\_ (head of the agency/department) \_\_ to be an independent director in **PHINMA Corporation**, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules. – **Not applicable**
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of **PHINMA Corporation (PHN)**, of any changes in the abovementioned information within five days from its occurrence.

Done, this MAR 04 2022 day of \_\_\_\_\_, at Makati City.




**JUAN B. SANTOS**

Affiant

SUBSCRIBED AND SWORN to before me this MAR 04 2022 day of \_\_\_\_\_ at Makati City affiant personally appeared before me and exhibited to me his/her Passport No. P4425820 issued at DFA Manila valid until September 18, 2022.

Doc. No. 275 ;  
 Page No. 06 ;  
 Book No. 11 ;  
 Series of 2022 ;

  
**RALYANA KNUBHARA M. GADDI**  
 NOTARY PUBLIC FOR AND IN THE CITY OF MAKATI  
 APPOINTMENT NO. M-219 (2021-2022)  
 COMMISSION EXPIRES ON DECEMBER 31, 2022  
 7th Floor, The PHINMA Plaza, 39 Plaza Drive  
 Rockwell Center, Makati City 1210  
 PTR No. 8853540; Makati City; 1/3/2022  
 IBP O.R. No. 178651; Makati City; 1/3/2022  
 TIN 473-816-131  
 Attorney's Roll No. 75398  
 Admitted to the Philippine Bar; 24 July 2020

## CERTIFICATION OF INDEPENDENT DIRECTOR

I, **RIZALINA G. MANTARING**, Filipino, of legal age and a resident of 12 Vicente Lim St., Ayala Heights, Quezon City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **PHINMA Corporation (PHN)** and have been its independent director since April 12, 2019.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Sun Life Grepa Financial, Inc.	Director	2012 - Present
Ayala Corporation	Independent Director	2020 - Present
Ayala Land, Inc.	Independent Director	2014 - Present
First Philippine Holdings, Inc.	Independent Director	2016 - Present
Universal Robina Corp., Inc.	Independent Director	2020 - Present
Microventures Foundation, Inc.	Independent Director	2014 - Present
Makati Business Club	Trustee/Treasurer	2017 - Present
Philippine Business for Education	Director	2018 - Present
East Asia Computer, Inc.	Independent Director	2019 - Present
PPCRV	Trustee	2020 - Present
Operation Smile Philippines	Trustee	2020 - Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **PHINMA Corporation (PHN)**, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of **PHINMA Corporation (PHN)** and its subsidiaries and affiliates, other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code. (where applicable)

NAME OF DIRECTOR/OFFICER/SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
None	None	None

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding / I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be):

OFFENSE CHARGED/INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
None	None	None

6. (For those in government service/affiliated with a government agency or GOCC) I have the required permission from the \_\_ (head of the agency/department) \_\_ to be an independent director in **PHINMA Corporation**, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules. - **Not applicable.**



7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of **PHINMA Corporation (PHN)**, of any changes in the abovementioned information within five days from its occurrence.


Done, this MAR 04 2022 day of \_\_\_\_\_, at Makati City.

  
**RIZALINA G. MANTARING**

Affiant

SUBSCRIBED AND SWORN to before me this MAR 04 2022 day of \_\_\_\_\_ at Makati City,  
affiant personally appeared before me and exhibited to me her Passport No. P7165828B issued on July 15, 2021 and with expiry date of July 14, 2031.

Doc. No. 270 ;  
Page No. 16 ;  
Book No. 4 ;  
Series of 2022 ;

  
**RALYANA KNUSHARA M. GADDI**  
NOTARY PUBLIC FOR AND IN THE CITY OF MAKATI  
APPOINTMENT NO. M-219 (2021-2022)  
COMMISSION EXPIRES ON DECEMBER 31, 2022  
7th Floor, The PHINMA Plaza, 39 Plaza Drive  
Rockwell Center, Makati City 1210  
PTR No. 8853540; Makati City; 1/3/2022  
IBP O.R. No. 178651; Makati City; 1/3/2022  
TIN 473-816-131  
Attorney's Roll No. 75398  
Admitted to the Philippine Bar: 24 July 2020

## CERTIFICATION OF INDEPENDENT DIRECTOR

I, **EDGAR O. CHUA**, Filipino, of legal age and a resident of No. 229 Country Club Drive, Ayala Alabang Village, Muntinlupa City 1708, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **PHINMA Corporation (PHN)**.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Philippine Business for the Environment	Chairman	Current
Philippine Eagle Foundation	Chairman	Current
De La Salle Philippines	Chairman	Current
De la Salle Science Foundation	Chairman	Current
College of Saint Benilde	Chairman	Current
De La Salle Bacolod	Chairman	Current
De La Salle Greenhills	Trustee	Current
De La Salle National Mission Council	Trustee	Current
Integrity Initiative	Trustee	Current
Philippine Business for Education	Trustee/Treasurer	Current
Gawad Kalinga Community Development Foundation, Inc.	Trustee	Current
Zuellig Family Foundation	Trustee	Current
Pilipinas Shell Foundation, Inc.	Trustee	Current
Alvarez Foundation Philippines	Trustee	Current
The English Speaking Union of the Philippines, Inc.	Chairman	Current
Philippine Disaster Relief Foundation	Trustee	Current
National Resilience Council	Co-Vice Chairman	Current
Makati Business Club	Chairman	Current
Employers Confederation of the Philippines	Governor	Current
Metrobank	Independent Director	Current
IMI	Independent Director	Current
Philcement	Independent Director	Current
Mitsubishi Motors Phil. Corp.	Board Advisor	Current
Coca-Cola FEMSA	Board Advisor	Current

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **PHINMA Corporation (PHN)**, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am related to the following director/officer/substantial shareholder of **PHINMA Corporation (PHN)** and its subsidiaries and affiliates, other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code. (where applicable)


NAME OF DIRECTOR/OFFICER/ SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
None	None	None

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding / I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be):

OFFENSE CHARGED/INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
None	None	None


6. (For those in government service/affiliated with a government agency or GOCC) I have the required permission from the (head of the agency/department) to be an independent director in **PHINMA Corporation (PHN)**, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules. **Not applicable**
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of **PHINMA Corporation (PHN)**, of any changes in the abovementioned information within five days from its occurrence.

Done, this MAR 04 2022 day of \_\_\_\_\_, at Makati City.

  
EDGAR O. CHUA  
Affiant

SUBSCRIBED AND SWORN to before me this MAR 04 2022 day of \_\_\_\_\_ at Makati City,  
affiant personally appeared before me and exhibited to me his Tax Identification No. 121-509-950.

Doc. No. 276 ;  
Page No. 57 ;  
Book No. I ;  
Series of 2022 ;

  
**RALYANA KNUSHARA M. GADDI**  
NOTARY PUBLIC FOR AND IN THE CITY OF MAKATI  
APPOINTMENT NO. M-216 (2021-2022)  
COMMISSION EXPIRES ON DECEMBER 31, 2022  
7th Floor, The PHINMA Plaza, 39 Plaza Drive  
Rockwell Center, Makati City 1210  
PTR No. 8853540; Makati City; 1/3/2022  
IBP O.R. No. 178651; Makati City; 1/3/2022  
TIN 473-816-131  
Attorney's Roll No. 75398  
Admitted to the Philippine Bar: 24 July 2020

## CERTIFICATION OF INDEPENDENT DIRECTOR

I, **LILIA B. DE LIMA**, Filipino, of legal age and a resident of **No.8 San Leonardo St. Capitol 8 Subdivision, Pasig City**, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for Independent Director of **PHINMA Corporation (PHN)** and have been its independent director since April 19, 2018.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company / Organization	Position / Relationship	Period of Service
Rizal Commercial Banking Corporation	Director	June 24, 2019
Dusit Thani Philippines	Director	October 24, 2018
FWD Insurance Philippines	Independent Director	June 21, 2018
Asian Institute of Management (AIM)	Executive-in-Residence	June 1, 2018
Science Park of the Philippines	Director	2017
RFM Science Park of the Philippines	Director	2017
Ionics EMS	Independent Director	August 8, 2017
Ionics, Inc.	Independent Director	August 8, 2017
Fatima Center for Human Development	Trustee	2007
Pueblo de Oro Development Corporation	Director	June 2020
Regatta Properties Inc.	Director	June 2020
AC Industries	Board Advisor	

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **PHINMA Corporation (PHN)**, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of **PHINMA Corporation (PHN)** and its subsidiaries and affiliates, other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code. (where applicable)

NAME OF DIRECTOR/OFFICER/ SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
None	None	None

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding / I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be):

OFFENSE CHARGED/INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
None	None	None

6. (For those in government service/affiliated with a government agency or GOCC) I have the required permission from the \_\_ (head of the agency/department) \_\_ to be an independent director in **PHINMA Corporation**, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules. - **Not applicable.**
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of **PHINMA Corporation (PHN)**, of any changes in the abovementioned information within five days from its occurrence.


Done, this MAR 04 2022 day of \_\_\_\_\_, at Makati City.

  
**LILIA B. DE LIMA**

\_\_\_\_\_  
 Affiant

SUBSCRIBED AND SWORN to before me this MAR 04 2022 day of \_\_\_\_\_ at Makati City,  
 affiant personally appeared before me and exhibited to me his/her Passport No. P6254214A issued at  
 \_\_\_\_\_ on March 2, 2018.

Doc. No. 277 ;  
 Page No. 57 ;  
 Book No. 1 ;  
 Series of 2022 ;

  
**RALYANA KNUSHARA M. GADDI**  
 NOTARY PUBLIC FOR AND IN THE CITY OF MAKATI  
 APPOINTMENT NO. M-219 (2021-2022)  
 COMMISSION EXPIRES ON DECEMBER 31, 2022  
 7th Floor, The PHINMA Plaza, 39 Plaza Drive  
 Rockwell Center, Makati City 1210  
 PTR No. 8853540; Makati City; 1/3/2022  
 IBP O.R. No. 178651; Makati City; 1/3/2022  
 TIN 473-816-131  
 Attorney's Roll No. 75398  
 Admitted to the Philippine Bar: 24 July 2020

March 4, 2022

SECURITIES AND EXCHANGE COMMISSION  
Secretariat Building, PICC Complex  
Roxas Boulevard, Pasay 1307

Attention : **DIR. VICENTE GRACIANO P. FELIZMENIO, JR.**  
Markets and Securities Regulation Department

RE : **PHINMA CORPORATION**

Gentlemen :

This is to certify that, to the best of my knowledge as Corporate Secretary, none of the present Directors and officers and nominees for election as Directors of PHINMA Corporation at the scheduled Meeting of Stockholders on 14 April 2021, are connected with any government agency or instrumentality that requires written permission for the head of said agency or instrumentality under the Civil Service Law, rules and regulations, as amended.

Very truly yours,

  
**TROY A. LUNA**  
Corporate Secretary

# ANNEX A

## Compliance Program

## COMPLIANCE PROGRAM

### **Compliance Policy**

In accordance with the State's policy to actively promote corporate governance reforms aimed to raise investor confidence, develop capital market and help achieve high sustained growth for the corporate sector and the economy, the Board of Directors, Management, and Employees of PHINMA Corporation (the "Corporation") commit to the principles and best practices contained in the Manual on Good Corporate Governance approved in August 2002 and as amended in March 2004, February 2008, March 2011 and June 2014. The Manual was further amended to substantially adopt the 2016 Code of Corporate Governance for Publicly-Listed Companies in May 2017 and March 2018. Relevant provisions from the 2019 Revised Corporation Code of the Philippines (R.A. 11232) were incorporated into the Manual in October 2020.

### **Integrated Annual Corporate Governance Report (I-ACGR)**

SEC MC No. 15, Series of 2017 was released in December 2017 which mandates all publicly-listed companies to submit an Integrated Annual Corporate Governance Report (I-ACGR) covering all relevant information for the year on May 30 of each year.

PHINMA Corporation submitted to the Securities and Exchange Commission (SEC) and Philippine Stock Exchange (PSE) its I-ACGR for 2020 on June 29, 2021. For the year 2021, in light of the COVID-19 pandemic, the SEC extended the deadline of submission of the I-ACGR to June 30, 2021.

As of December 31, 2021, PHINMA Corporation has substantially complied with the principles and best practices contained in the Manual on Good Corporate Governance. There were no sanctions imposed on any director, officer or employee for non-compliance with the Manual.

### **Compliance Monitoring and Improving Corporate Governance**

The Compliance Officer and the Internal Auditor monitor the Corporation's compliance with the Manual and the timely submission of reports and disclosures to SEC, PSE and PDEX. In addition, the SEC, PSE and PDEX websites are constantly monitored for relevant circulars or memorandums affecting, improving, and updating the corporate governance of the Corporation. As appropriate, the Manual and relevant policies are promptly amended and circulated for implementation.

As a result of the Compliance Program, there is effective management of the relationships between shareholders, stakeholders, directors, creditors, government, and employees. Furthermore, the internal workings of the Corporation are directed and controlled leading to corporate integrity, transparency, and enhanced corporate performance, a dominant theme of Good Corporate Governance.



# **ANNEX B**

## **Audited Consolidated Financial Statements And Supplementary Schedules for the Calendar Year 2021**

**STATEMENT OF MANAGEMENT RESPONSIBILITY FOR  
CONSOLIDATED FINANCIAL STATEMENTS**

The management of **PHINMA CORPORATION AND SUBSIDIARIES** is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, as at December 31, 2021 and 2020, and for each of the three years in the period ended December 31, 2021, 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 consolidated 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 consolidated financial statements of the company in accordance with Philippine Standards on Auditing and in its report to the Stockholders, has expressed their opinion on the fairness of presentation upon completion of such audit.

Signed this 18<sup>th</sup> day of March 2022.

  
**OSCAR J. HILADO**  
Chairman of the Board


  
**RAMON R. DEL ROSARIO, JR.**  
President and Chief Executive Officer

  
**REGINA B. ALVAREZ**  
Senior Vice President and Chief Financial Officer

SUBSCRIBED AND SWORN to before me this 18<sup>th</sup> day of March 2022 in Makati City, affiants exhibiting to me their respective identifications, as follows:

Name	ID Presented	Date of Issue	Place of Issue
Oscar J. Hilado	Passport No. P7959521A	July 16,2018 Julv 15.2028	DFA NCR East
Ramon R. del Rosario, Jr.	Passport No. P5770713A	Jan.26,2018 Jan.25,2028	DFA NCR East
Regina B. Alvarez	Driver License No. AO1-91-033632	July 1, 2023	N16 – Quezon City

Doc No.: 87 ;  
Page No.: 19 ;  
Book No.: 255 ;  
Series of 2022

  
**ATTY. GEORGE DAVID D. SITON**  
NOTARY PUBLIC FOR MAKATI CITY  
APPT. NO. M-661 - UNTIL DEC. 31, 2023  
ROLL NO. 68402 / MLE COMPLIANCE NO. VII-0010136/2-15-2022  
IDP O.R No. 002252-LIFETIME MEMBER MAY 5, 2017  
PTR No. 955066- JAN 03, 2022-MAKATI CITY  
EXECUTIVE BLDG. CENVER MAKATI AVE., COR. JUPITER ST., MAKATI CITY

# COVER SHEET

for  
**AUDITED FINANCIAL STATEMENTS**

SEC Registration Number

						1	2	3	9	7
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**COMPANY NAME**

P	H	I	N	M	A		C	O	R	P	O	R	A	T	I	O	N		A	N	D		S	U	B	S	I	D	I
A	R	I	E	S																									

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

1	2	T	H		F	L	O	O	R	,		P	H	I	N	M	A		P	L	A	Z	A	,		3	9		P
L	A	Z	A		D	R	I	V	E	,		R	O	C	K	W	E	L	L		C	E	N	T	E	R	,		M
A	K	A	T	I		C	I	T	Y																				

Form Type

A	A	C	F	S
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Department requiring the report

S	E	C
---	---	---

Secondary License Type, If Applicable

N	A		
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**COMPANY INFORMATION**

Company's Email Address	Company's Telephone Number	Mobile Number
<b>ciobci@phinma.com.ph</b>	<b>8870-0100</b>	<b>09178558312</b>
No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
<b>1,223</b>	<b>April 12</b>	<b>December 31</b>

**CONTACT PERSON INFORMATION**

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
<b>Annabelle S. Guzman</b>	<b>asguzman@phinma.com.ph</b>	<b>8870-0367</b>	<b>09178766377</b>

**CONTACT PERSON'S ADDRESS**

<b>12th Floor, PHINMA Plaza, 39 Plaza Drive, Rockwell Center, Makati City</b>
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**NOTE 1 :** In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

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



## INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders  
PHINMA Corporation  
12th Floor, PHINMA Plaza  
39 Plaza Drive, Rockwell Center  
Makati City

### Opinion

We have audited the consolidated financial statements of PHINMA Corporation and its subsidiaries (the Company), which comprise the consolidated statements of financial position as at December 31, 2021 and 2020, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2021 and 2020, and its consolidated financial performance and its consolidated 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 Consolidated 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 consolidated 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 Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements, as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



### ***Recoverability of Goodwill***

Under PFRS, the Company is required to annually test the amount of goodwill for impairment. As at December 31, 2021, the Company's goodwill arising from its acquisitions of educational institutions amounted to ₱1,871.2 million, which is considered significant to the consolidated financial statements. In addition, management's assessment process requires significant judgment and is based on assumptions which are subject to higher level of estimation uncertainty due to the current economic conditions which have been impacted by the coronavirus pandemic, specifically revenue growth rate and discount rate.

The Company's disclosures about goodwill are included in Notes 5 and 18 to the consolidated financial statements.

### ***Audit Response***

We involved our internal specialist in evaluating the methodologies and the assumptions used. We compared the key assumptions used, such as revenue growth against historical performance of the cash-generating unit, local economic development, industry outlook and other relevant external data, taking into consideration the impact associated with coronavirus pandemic. We tested the parameters used in the determination of the discount rate against market data. We also reviewed the Company's disclosures about those assumptions to which the outcome of the impairment test is most sensitive; specifically those that have the most significant effect on the determination of the recoverable amount of goodwill.

### ***Valuation of Unquoted Investment Classified as Financial Asset at Fair Value through Profit or Loss***

The Company has unquoted equity investment classified as financial assets at fair value through profit or loss (FVPL) amounting to ₱2,105.2 million, comprising 7.0% of total assets as at December 31, 2021. The valuation of this investment is significant to our audit because it is inherently subjective as it involves the use of valuation inputs that are not market observable. Management also applied judgment in selecting the valuation technique and the assumptions to be used. These assumptions include discount rate, explicit forecast period, long-term growth rate, volatility, option-adjusted spread and risk-free rate.

The Company's disclosures about its unquoted equity investment classified as financial assets at FVPL are included in Note 14 to the consolidated financial statements.

### ***Audit Response***

We involved our internal specialists in evaluating the valuation technique and assumptions used. For long-term growth rate, we compared it with the growth rate for the products, industries or relevant country gross domestic product growth rate. We compared the other key assumptions such as the explicit forecast period, volatility, option-adjusted spread and risk-free rate against the historical performance of the investee, industry outlook and other relevant external data, taking into consideration the impact associated with the coronavirus pandemic. We tested the parameters used in the determination of the discount rate against market data. We also reviewed the Company's disclosures about those assumptions to which the outcome of the valuation is most sensitive; specifically, those that have the most significant effect on the determination of the fair value of the unquoted equity investment.



## **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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 Consolidated Financial Statements**

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

In preparing the consolidated 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 Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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 consolidated 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.

The engagement partner on the audit resulting in this independent auditor's report is Belinda T. Beng Hui.

SYCIP GORRES VELAYO & CO.

*Belinda T. Beng Hui*

Belinda T. Beng Hui

Partner

CPA Certificate No. 88823

Tax Identification No. 153-978-243

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

SEC Partner Accreditation No. 88823-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. 08-001998-078-2020, December 3, 2020, valid until December 2, 2023

PTR No. 8853472, January 3, 2022, Makati City

March 1, 2022



**PHINMA CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**(Amounts in Thousands)**

	December 31	
	2021	2020
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Notes 9, 36 and 37)	₱3,695,914	₱2,888,863
Investments held for trading (Notes 10, 36 and 37)	1,310,728	2,129,822
Trade and other receivables (Notes 11, 36 and 37)	4,935,304	3,422,386
Inventories (Note 12)	1,974,054	1,607,981
Input value-added taxes and other current assets (Note 36)	335,241	277,008
Total Current Assets	12,251,241	10,326,060
<b>Noncurrent Assets</b>		
Investment in associates and joint ventures (Note 13)	1,247,086	1,200,471
Financial assets at fair value through profit or loss (Notes 14, 36 and 37)	2,105,243	–
Financial assets at fair value through other comprehensive income (Notes 15, 36 and 37)	108,660	110,105
Property, plant and equipment (Note 16)	10,547,854	9,390,754
Investment properties (Note 17)	627,438	628,669
Intangible assets (Note 18)	1,905,794	1,825,673
Right-of-use assets (Note 38)	335,245	398,503
Deferred tax assets - net (Note 34)	101,013	133,911
Derivative asset (Notes 14, 36 and 37)	510,498	–
Other noncurrent assets (Notes 19 and 36)	341,223	458,269
Total Noncurrent Assets	17,830,054	14,146,355
	₱30,081,295	₱24,472,415
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Notes payable (Notes 20, 36 and 37)	₱930,174	₱1,325,910
Trade and other payables (Notes 21, 36 and 37)	2,314,696	1,960,103
Contract liabilities (Notes 22 and 25)	1,327,142	609,274
Trust receipts payable (Notes 12, 36 and 37)	1,711,433	2,030,876
Derivative liability (Notes 36 and 37)	–	32
Income and other taxes payable	47,614	51,188
Current portion of:		
Long-term debt (Notes 23, 36 and 37)	544,032	519,381
Lease liabilities (Notes 36 and 38)	108,266	105,176
Due to related parties (Notes 33, 36 and 37)	182,878	151,110
Total Current Liabilities	7,166,235	6,753,050
<b>Noncurrent Liabilities</b>		
Long-term debt - net of current portion (Notes 23, 36 and 37)	10,139,083	6,539,023
Non-controlling interest put liability (Notes 7, 36 and 37)	1,862,875	1,585,853
Deferred tax liabilities - net (Note 34)	425,250	422,434
Pension and other post-employment benefits (Note 35)	259,219	253,653
Lease liabilities - net of current portion (Notes 36 and 38)	247,635	314,495
Other noncurrent liabilities	47,937	50,493
Total Noncurrent Liabilities	12,981,999	9,165,951
Total Liabilities	20,148,234	15,919,001

(Forward)



	December 31	
	2021	2020
<b>Equity Attributable to Equity Holders of the Parent</b>		
Capital stock (Note 24)	₱2,863,312	₱2,863,312
Additional paid-in capital	259,248	259,248
Treasury shares (Note 24)	(143,574)	(136,347)
Exchange differences on translation of foreign operations	(581)	297
Equity reserves (Note 7)	(95,484)	34,694
Other comprehensive income (Note 15)	38,167	38,922
Share in other comprehensive income of associates (Note 13)	11,538	(2,137)
Retained earnings (Note 24)	4,534,521	3,522,003
Equity Attributable to Equity Holders of the Parent	7,467,147	6,579,992
<b>Non-controlling Interests</b>	2,465,914	1,973,422
Total Equity	9,933,061	8,553,414
	<b>₱30,081,295</b>	<b>₱24,472,415</b>

*See accompanying Notes to Consolidated Financial Statements.*



**PHINMA CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME**  
(Amounts in Thousands, Except Per Share Data)

	Years Ended December 31		
	2021	2020	2019
<b>REVENUES</b>			
Revenue from contracts with customers (Note 25)	P15,820,133	P12,175,110	P11,120,447
Rental income (Note 17)	69,673	74,025	86,069
Investment income (Note 26)	148,380	52,616	118,395
	<b>16,038,186</b>	<b>12,301,751</b>	<b>11,324,911</b>
<b>COSTS AND EXPENSES</b>			
Cost of sales (Note 27)	10,115,988	7,659,460	6,312,840
Cost of educational, hospital, installation and consultancy services (Note 27)	1,390,155	1,377,370	1,770,415
General and administrative expenses (Note 28)	1,680,114	1,395,853	1,622,954
Selling expenses (Note 29)	595,357	523,694	550,527
	<b>13,781,614</b>	<b>10,956,377</b>	<b>10,256,736</b>
<b>OTHER INCOME (EXPENSES)</b>			
Interest expense and other financing charges (Note 32)	(649,248)	(626,768)	(463,788)
Unrealized gain on change in fair value of financial assets at fair value through profit or loss (Note 14)	172,438	-	-
Net gains (losses) on derivatives (Notes 14 and 37)	56,324	(7,039)	(2,098)
Foreign exchange gains (losses) - net (Note 36)	56,237	(152,625)	(50,799)
Equity in net earnings of associates and joint ventures (Note 13)	32,940	1,968	44,217
Gain on sale of property, plant and equipment - net (Note 16)	214	855	1,314
Loss on deconsolidation (Note 7)	-	(11,188)	-
Loss on sale of investment in an associate	-	-	(13,080)
Provision for unrecoverable input value-added tax	-	-	(8,393)
Gain on sale of investment properties (Note 17)	-	-	7,702
Others - net (Notes 25 and 38)	43,806	73,302	50,226
	<b>(287,289)</b>	<b>(721,495)</b>	<b>(434,699)</b>
<b>INCOME BEFORE INCOME TAX</b>	<b>1,969,283</b>	<b>623,879</b>	<b>633,476</b>
<b>PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 34)</b>			
Current	70,883	136,586	217,638
Deferred	25,663	(34,647)	(21,285)
	<b>96,546</b>	<b>101,939</b>	<b>196,353</b>
<b>NET INCOME</b>	<b>P1,872,737</b>	<b>P521,940</b>	<b>P437,123</b>
<b>Attributable to:</b>			
Equity holders of the Parent	P1,121,206	P172,637	P232,507
Non-controlling interests	751,531	349,303	204,616
Net income	<b>P1,872,737</b>	<b>P521,940</b>	<b>P437,123</b>
<b>Basic/Diluted Earnings Per Common Share - Attributable to Equity Holders of the Parent (Note 40)</b>			
	<b>P4.12</b>	<b>P0.63</b>	<b>P0.83</b>

See accompanying Notes to Consolidated Financial Statements.



**PHINMA CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(Amounts in Thousands)

	Years Ended December 31		
	2021	2020	2019
<b>NET INCOME</b>	<b>₱1,872,737</b>	₱521,940	₱437,123
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>			
<b>Items not to be reclassified to profit or loss in subsequent periods</b>			
Re-measurement loss on defined benefit obligation (Note 35)	(3,865)	(10,805)	(111,937)
Unrealized loss on change in fair value of financial assets at fair value through other comprehensive income (Note 15)	(1,365)	(1,418)	(61,850)
Share in unrealized gain on change in fair value of financial assets at fair value through other comprehensive income and defined benefit obligation of associates and joint venture (Note 13)	13,675	18,828	1,644
Income tax effect	196	2,814	31,236
	<b>8,641</b>	9,419	(140,907)
<b>Items to be reclassified to profit or loss in subsequent periods</b>			
Exchange differences on translation of foreign operations	(1,261)	92	1,684
<b>Total other comprehensive income (loss)</b>	<b>7,380</b>	9,511	(139,223)
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>₱1,880,117</b>	₱531,451	₱297,900
<b>Attributable to:</b>			
Equity holders of the Parent	₱1,133,487	₱181,019	₱98,069
Non-controlling interests	746,630	350,432	199,831
<b>Total comprehensive income</b>	<b>₱1,880,117</b>	₱531,451	₱297,900

*See accompanying Notes to Consolidated Financial Statements.*



**PHINMA CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
(Amounts in Thousands)

	Equity Attributable to Equity Holders of the Parent											
	Capital Stock (Note 24)	Additional Paid-in Capital	Treasury Shares (Note 24)	Exchange Differences on Translation of Foreign Operations	Equity Reserves (Note 7)	Comprehensive Income (Note 15)	Other Comprehensive Income of Associates and Joint Ventures (Note 13)	Retained Earnings (Note 24)		Subtotal	Non- controlling Interests	Total Equity
								Appropriated	Unappropriated			
Balance, January 1, 2021	₱2,863,312	₱259,248	(₱136,347)	₱297	₱34,694	₱38,922	(₱2,137)	₱2,415,500	₱1,106,503	₱6,579,992	₱1,973,422	₱8,553,414
Net income	-	-	-	-	-	-	-	-	1,121,206	1,121,206	751,531	1,872,737
Other comprehensive income (loss)	-	-	-	(878)	-	(755)	13,675	-	239	12,281	(4,901)	7,380
Total comprehensive income	-	-	-	(878)	-	(755)	13,675	-	1,121,445	1,133,487	746,630	1,880,117
Cash dividends (Note 24)	-	-	-	-	-	-	-	-	(108,927)	(108,927)	(132,304)	(241,231)
Business combination (Note 6)	-	-	-	-	3,629	-	-	-	-	3,629	21,381	25,010
Put option over NCI (Note 7)	-	-	-	-	(133,807)	-	-	-	-	(133,807)	(143,215)	(277,022)
Reversal of appropriation (Note 24)	-	-	-	-	-	-	-	(2,250,000)	2,250,000	-	-	-
Appropriation of retained earnings	-	-	-	-	-	-	-	1,600,000	(1,600,000)	-	-	-
Buyback of shares (Note 24)	-	-	(7,227)	-	-	-	-	-	-	(7,227)	-	(7,227)
Balance, December 31, 2021	₱2,863,312	₱259,248	(₱143,574)	(₱581)	(₱95,484)	₱38,167	₱11,538	₱1,765,500	₱2,769,021	₱7,467,147	₱2,465,914	₱9,933,061



	Equity Attributable to Equity Holders of the Parent										Total Equity	
	Capital Stock (Note 24)	Additional Paid-in Capital	Treasury Shares (Note 24)	Exchange Differences on Translation of Foreign Operations	Equity Reserves (Note 7)	Comprehensive Income (Note 15)	Share in Other Comprehensive Income of Associates and Joint Ventures (Note 13)	Retained Earnings (Note 24)		Subtotal		Non- controlling Interests
								Appropriated	Unappropriated			
Balance, January 1, 2020	₱2,863,312	₱259,248	(₱134,460)	₱205	₱153,976	₱40,284	(₱20,965)	₱1,300,000	₱2,195,554	₱6,657,154	₱1,685,521	₱8,342,675
Net income	—	—	—	—	—	—	—	—	172,637	172,637	349,303	521,940
Other comprehensive income (loss)	—	—	—	92	—	(1,362)	18,828	—	(9,176)	8,382	1,129	9,511
Total comprehensive income	—	—	—	92	—	(1,362)	18,828	—	163,461	181,019	350,432	531,451
Cash dividends (Note 24)	—	—	—	—	—	—	—	—	(109,004)	(109,004)	(183,615)	(292,619)
Changes in ownership interests of the Parent Company without loss of control (Note 7)	—	—	—	—	194,793	—	—	—	—	194,793	475,891	670,684
Issuance of shares from stock purchase plan (Note 7)	—	—	—	—	1,341	—	—	—	—	1,341	3,376	4,717
Deconsolidation of subsidiary (Note 7)	—	—	—	—	12,243	—	—	—	(28,008)	(15,765)	—	(15,765)
Put option over NCI (Note 7)	—	—	—	—	(327,659)	—	—	—	—	(327,659)	(358,183)	(685,842)
Reversal of appropriation (Note 24)	—	—	—	—	—	—	—	(1,300,000)	1,300,000	—	—	—
Appropriation of retained earnings (Note 24)	—	—	—	—	—	—	—	2,415,500	(2,415,500)	—	—	—
Buyback of shares (Note 24)	—	—	(1,887)	—	—	—	—	—	—	(1,887)	—	(1,887)
Balance, December 31, 2020	₱2,863,312	₱259,248	(₱136,347)	₱297	₱34,694	₱38,922	(₱2,137)	₱2,415,500	₱1,106,503	₱6,579,992	₱1,973,422	₱8,553,414



	Equity Attributable to Equity Holders of the Parent											
	Capital Stock (Note 24)	Additional Paid-in Capital	Treasury Shares (Note 24)	Exchange Differences on Translation of Foreign Operations	Equity Reserves (Note 7)	Comprehensive Income (Note 15)	Other Income of Associates and Joint Ventures (Note 13)	Retained Earnings (Note 24)		Subtotal	Non- controlling Interests	Total Equity
								Appropriated	Unappropriated			
Balance, January 1, 2019	₱2,863,312	₱259,248	(₱42,717)	(₱1,011)	(₱27,709)	₱66,578	(₱6,177)	₱1,300,000	₱2,371,143	₱6,782,667	₱1,180,386	₱7,963,053
Net income	-	-	-	-	-	-	-	-	232,507	232,507	204,616	437,123
Other comprehensive income (loss)	-	-	-	1,216	-	(57,192)	1,644	-	(80,106)	(134,438)	(4,785)	(139,223)
Total comprehensive income	-	-	-	1,216	-	(57,192)	1,644	-	152,401	98,069	199,831	297,900
Cash dividends (Note 24)	-	-	-	-	-	-	-	-	(225,229)	(225,229)	(161,047)	(386,276)
Changes in ownership interests of the Parent Company without loss of control (Note 7)	-	-	-	-	480,246	-	-	-	-	480,246	1,246,439	1,726,685
Acquisition of non-controlling interest (Note 7)	-	-	-	-	(65,609)	-	-	-	-	(65,609)	(146,812)	(212,421)
Issuance of shares from stock purchase plan (Note 7)	-	-	-	-	18,130	-	-	-	(26,310)	(8,180)	33,535	25,355
Sale of an associate	-	-	-	-	-	-	(16,432)	-	-	(16,432)	-	(16,432)
PPRS 9 adjustment	-	-	-	-	-	-	-	-	(45,553)	(45,553)	(5,349)	(50,902)
Business combination (Note 6)	-	-	-	-	(8,717)	-	-	-	-	(8,717)	139	(8,578)
Sale of equity instruments at FVOCI (Note 15)	-	-	-	-	-	30,898	-	-	(30,898)	-	-	-
Put option over NCI (Note 7)	-	-	-	-	(242,365)	-	-	-	-	(242,365)	(657,646)	(900,011)
Buyback of shares (Note 24)	-	-	(91,743)	-	-	-	-	-	-	(91,743)	-	(91,743)
Balance, December 31, 2019	₱2,863,312	₱259,248	(₱134,460)	₱205	₱153,976	₱40,284	(₱20,965)	₱1,300,000	₱2,195,554	₱6,657,154	₱1,689,476	₱8,346,630





**PHINMA CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Amounts in Thousands)

	Years Ended December 31		
	2021	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income before income tax	<b>₱1,969,283</b>	₱623,879	₱633,476
Adjustments to reconcile income before income tax to net cash flows:			
Interest expense and other financing charges (Note 32)	<b>649,248</b>	626,768	463,788
Depreciation and amortization (Note 31)	<b>602,590</b>	496,677	358,730
Unrealized gain on change in fair value of financial assets at fair value through profit or loss (Note 14)	<b>(172,438)</b>	–	–
Interest income (Note 26)	<b>(132,186)</b>	(24,568)	(65,351)
Pension and other employee benefits expense (Note 35)	<b>79,732</b>	55,924	58,206
Net loss (gain) on derivatives (Notes 14 and 37)	<b>(56,324)</b>	7,039	2,098
Unrealized foreign exchange loss (gain) - net (Note 36)	<b>(56,237)</b>	152,625	50,799
Equity in net earnings of associates and joint ventures (Note 13)	<b>(32,940)</b>	(1,968)	(44,217)
Gain on investments held for trading - net (Note 10)	<b>(15,970)</b>	(27,854)	(52,919)
Gain on pre-termination of long-term leases (Note 38)	<b>(849)</b>	(5,274)	–
Dividend income (Note 26)	<b>(224)</b>	(194)	(125)
Gain on sale of property, plant and equipment (Note 16)	<b>(214)</b>	(855)	(1,314)
Gain on bargain purchase (Note 6)	–	(11,351)	–
Loss on deconsolidation (Note 7)	–	11,188	–
Impairment loss on goodwill (Notes 5, 18 and 28)	–	–	14,120
Loss on sale of investment in an associate (Note 13)	–	–	13,080
Provision of allowance on input VAT	–	–	8,393
Gain on sale of investment properties (Note 17)	–	–	(7,702)
Operating income before working capital changes	<b>2,833,471</b>	1,902,036	1,431,062
Increase in:			
Trade and other receivables	<b>(1,412,103)</b>	(522,821)	(713,386)
Inventories	<b>(366,073)</b>	(228,314)	(39,941)
Input value-added taxes and other current assets	<b>(55,124)</b>	(81,907)	(7,259)
Increase (decrease) in:			
Trade and other payables	<b>306,861</b>	444,995	(666,463)
Trust receipts payable	<b>(319,443)</b>	826,970	326,251
Contract liabilities	<b>717,868</b>	(396,683)	234,539
Net cash provided by operations	<b>1,705,457</b>	1,944,276	564,803
Interest paid	<b>(690,872)</b>	(574,138)	(443,487)
Income tax paid	<b>(70,094)</b>	(199,572)	(235,635)
Contributions to the pension fund	<b>(47,337)</b>	(79,278)	(70,411)
Interest received	<b>11,715</b>	20,732	64,432
Net cash provided by (used in) operating activities	<b>908,869</b>	1,112,020	(120,298)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to:			
Investment held for trading	<b>(2,974,298)</b>	(2,071,095)	(3,261,303)
Financial assets at fair value through profit or loss	<b>(1,932,805)</b>	–	–
Property, plant and equipment (Note 16)	<b>(1,573,268)</b>	(1,259,822)	(1,681,749)
Derivative asset	<b>(202,345)</b>	–	–
Intangible assets	<b>(7,048)</b>	(861)	(12,578)
Investment in associates (Note 13)	–	–	(229,651)
Investment properties	–	–	(34,222)

(Forward)



	<b>Years Ended December 31</b>		
	<b>2021</b>	<b>2020</b>	<b>2019</b>
Proceeds from sale of:			
Investments held for trading	<b>₱3,809,362</b>	₱2,167,391	₱2,032,107
Property, plant and equipment (Note 16)	<b>3,523</b>	6,779	2,016
Investment properties	-	-	7,924
Financial assets at fair value through other comprehensive income	-	-	78,564
Increase in other noncurrent assets	<b>(124,404)</b>	(33,216)	(58,138)
Acquisition of subsidiary - net of cash acquired (Note 6)	<b>(84,466)</b>	(448,452)	(216,075)
Dividends received (Note 13)	<b>224</b>	194	3,925
Proceeds from sale of subsidiary - net of cash disposed (Notes 6 and 7)	-	46,635	-
Proceeds from sale of an associate	-	-	1,814,587
<b>Net cash used in investing activities</b>	<b>(3,085,525)</b>	<b>(1,592,447)</b>	<b>(1,554,593)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payments of:			
Notes payable	<b>(2,398,285)</b>	(1,594,193)	(201,582)
Cash dividends	<b>(188,048)</b>	(226,705)	(339,784)
Treasury shares	<b>(7,227)</b>	(1,887)	(91,743)
Long-term debt	<b>(918,091)</b>	(342,778)	(143,470)
Lease liabilities	<b>(124,617)</b>	(134,426)	(34,938)
Proceeds from availments of:			
Notes payable	<b>2,002,549</b>	1,951,223	926,457
Long-term debt	<b>4,524,477</b>	-	817,766
Issuance of shares to non-controlling interests	<b>7,500</b>	632,286	1,752,040
Decrease in other noncurrent liabilities	<b>(2,556)</b>	(3,967)	(12,493)
Increase in due to related parties	<b>31,768</b>	58,567	13,378
Acquisition of non-controlling interests (Note 7)	-	-	(212,421)
<b>Net cash provided by financing activities</b>	<b>2,927,470</b>	<b>338,120</b>	<b>2,473,210</b>
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>			
	<b>56,237</b>	(152,625)	(50,799)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
	<b>807,051</b>	(294,932)	747,520
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>			
	<b>2,888,863</b>	3,183,795	2,436,275
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 9)</b>			
	<b>₱3,695,914</b>	₱2,888,863	₱3,183,795

*See accompanying Notes to Consolidated Financial Statements.*



# PHINMA CORPORATION AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 1. Corporate Information

PHINMA Corporation (PHN or the Parent Company) was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on March 12, 1957.

The Parent Company is listed in the Philippine Stock Exchange (PSE) since August 15, 1958.

On August 2, 2006, the Philippine SEC approved the extension of the Parent Company's corporate life for another 50 years. On May 27, 2010, the Philippine SEC approved the change in the Parent Company's corporate name from Bacnotan Consolidated Industries, Inc. to PHINMA Corporation. Its principal activity is holding investments in shares in various subsidiaries, associates and investees and other financial instruments.

Following are the subsidiaries of the Parent Company and the nature of their principal business activities:

Subsidiaries	Nature of Business	Calendar/ Fiscal Yearend	December 31, 2021			December 31, 2020		
			PHN Direct Interest	Direct Interest of Subsidiary	PHN Effective Interest	PHN Direct Interest	Direct Interest of Subsidiary	PHN Effective Interest
Union Galvasteel Corporation (UGC)	Manufacturing and distribution of steel products	December 31	98.01	–	98.01	98.01	–	98.01
PHINMA Solar Energy Corporation (PHINMA Solar) <sup>(a)</sup>	Solar rooftop	December 31	–	100.00	98.01	–	100.00	98.01
PHINMA Education Holdings, Inc. (PEHI) <sup>(a and b)</sup>	Holding company	March 31	67.18	–	67.18	67.18	–	67.18
Pamantasan ng Araullo (Araullo University), Inc. (AU) <sup>(a)</sup>	Educational institution	March 31	–	97.57	65.55	–	97.57	65.55
Cagayan de Oro College, Inc. (COC) <sup>(a)</sup>	Educational institution	March 31	–	91.27	61.32	–	91.27	61.32
University of Iloilo (UI) <sup>(a)</sup>	Educational institution	March 31	–	69.23	46.51	–	69.23	46.51
University of Pangasinan (UPANG) and Subsidiary <sup>(a)</sup>	Educational institution	March 31	–	69.33	46.58	–	69.33	46.58
Southwestem University (SWU) <sup>(a)</sup>	Educational institution	March 31	–	84.34	56.66	–	84.34	56.66
St. Jude College, Inc. (SJCI)	Educational institution	December 31	–	98.30	66.04	–	98.30	66.04
Republican College, Inc. (RCI) <sup>(c)</sup>	Educational institution	December 31	–	98.41	66.11	–	98.41	66.11
Rizal College of Laguna (RCL) <sup>(a and d)</sup>	Educational institution	April 30	–	90.00	60.46	–	90.00	60.46
Union College of Laguna (UCLI) <sup>(a and e)</sup>	Educational institution	May 31	–	80.91	54.36	–	–	–
Career Academy Asia, Inc. (CAA) <sup>(f)</sup>	Educational Institution	March 31	90.00	–	90.00	90.00	–	90.00
Philciment Corporation (Philciment)	Manufacturing and distribution of cement products	December 31	60.00	–	60.00	60.00	–	60.00
P & S Holdings Corporation (PSHC)	Investment and real estate holdings	December 31	60.00	–	60.00	60.00	–	60.00
Asian Plaza, Inc. (API)	Lease of real property	December 31	57.62	–	57.62	57.62	–	57.62
One Animate Limited (OAL) and Subsidiary <sup>(b)</sup>	Business process outsourcing - animation services	December 31	80.00	–	80.00	80.00	–	80.00

<sup>(a)</sup> Balances as at and for the year ended December 31 of these subsidiaries were used for consolidation purposes.

<sup>(b)</sup> On January 9, 2020, Asian Development Bank (ADB) subscribed in PEHI shares resulting to change in ownership interest of PHN to 67.18%.

<sup>(c)</sup> On March 12, 2020 and September 8, 2020, PEHI acquired additional 505 shares and 1,010 shares of RCI resulting to an increase in ownership interest to 98.41%.

<sup>(d)</sup> On July 31, 2020, PEHI acquired 100.00% interest in RCL. Subsequently, on December 5, 2020, PEHI sold 10.00% of its ownership interest in RCL reducing its ownership from 100.00% to 90.00%.

<sup>(e)</sup> On May 21, 2021, PEHI acquired 65.76% interest in UCLI. In September 2021, PEHI subscribed to an additional 450,000 shares, increasing its ownership interest to 80.91%.

<sup>(f)</sup> CAA ceased its operations on March 31, 2019.

<sup>(g)</sup> On December 22, 2020, PHN sold its 225.0 million shares in PHINMA Solar to UGC representing 50.00% ownership in PHINMA Solar.

<sup>(h)</sup> OAL owns 100.00% interest in Toon City Animation, Inc. (Toon City). OAL and Toon City ceased operations in April 2013.

The Parent Company and its subsidiaries (collectively referred to as “the Company”) were all incorporated in the Philippines, except for OAL which was incorporated in Hong Kong. The Company's ultimate parent company is Philippine Investment-Management (PHINMA), Inc. (PHINMA, Inc.), which is also incorporated in the Philippines.



The information on the segments of the Company is presented in Note 41 to the consolidated financial statements.

The registered office address of the Parent Company is 12th Floor, PHINMA Plaza, 39 Plaza Drive, Rockwell Center, Makati City.

The consolidated financial statements of the Company as at December 31, 2021 and 2020 and for each of the three years in the period ended December 31, 2021 were reviewed and recommended for approval by the Audit Committee on February 28, 2022. On March 1, 2022, the Board of Directors (BOD) approved the issuance of the Company's consolidated financial statements.

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## 2. **Basis of Preparation and Consolidation and Statement of Compliance**

The consolidated financial statements of the Company have been prepared on a historical cost basis, except for investments held for trading, investments in financial assets at fair value through profit or loss (FVPL), financial assets at fair value through other comprehensive income (FVOCI) and derivative financial instruments that are measured at fair value. The consolidated financial statements are presented in Philippine peso (₱) which is the Parent Company's functional and presentation currency. All values are rounded to the nearest thousand peso, except when otherwise indicated.

### Statement of Compliance

The consolidated financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS).

### Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its controlled subsidiaries. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through power over the investee. Specifically, the Company controls an investee if and only if the Company has:

- power over the investee (i.e., existing rights that give the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

When the Company has less than majority of the voting rights or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Company's voting rights and potential voting rights.

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Company gains control until the date the Company ceases to control the subsidiary.



Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent of the Company and to the non-controlling interests (NCI), even if this results in the NCI having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Company's accounting policies. All intra-group assets and liabilities, equity, income expenses and cash flows relating to transactions between members of the Company are eliminated in full on consolidation.

NCI represents the portion of profit or loss and the net assets not held by owners of the Parent Company and are presented separately in the consolidated statement of income, consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from total equity attributable to owners of the Parent Company.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction and is shown as part of "Equity reserves" under the consolidated statement of changes in equity. If the Company loses control over a subsidiary, it:

- derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- derecognizes the carrying amount of any NCI;
- derecognizes the cumulative translation differences, recorded in equity;
- recognizes the fair value of the consideration received;
- recognizes the fair value of any investment retained;
- recognizes any surplus or deficit in profit or loss; and
- reclassifies the Parent Company's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate.

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### 3. Changes in Accounting Policies and Disclosures

#### Current Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective as at January 1, 2021.

Unless otherwise indicated, adoption of these new standards did not have any significant impact on the consolidated 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, *Leases* 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 April 1, 2021. Early adoption is permitted. The Company adopted the amendment beginning January 1, 2021. There are no rent concessions received by the Company from its lessors.

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

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

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

The Company shall also disclose information about:

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

The Company adopted the amendments beginning January 1, 2021.

#### Future Changes in Accounting Policies and Disclosures

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 consolidated 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 Interpretation International Financial Reporting Interpretations Committee (IFRIC) 21, *Levies*, if incurred separately.

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

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



- Amendments to Philippine Accounting Standards (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.

- 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.

- *Annual Improvements to PFRSs 2018-2020 Cycle*

- Amendments to PFRS 1, *First-time Adoption of Philippine 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.

- 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.

- 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.

*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.

- 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.

- 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.

*Effective beginning on or after January 1, 2024*

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

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

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

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. 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 the amendments will have on current practice and whether existing loan agreements may require renegotiation.

*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 Financial Reporting Standards Council (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.

*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 FRSC 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.

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#### 4. Summary of Significant Accounting and Financial Reporting Policies

##### Financial Instruments - Initial Recognition and Subsequent Measurement

A financial instrument is any contract that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### Financial assets

*Initial Recognition and Measurement.* Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, FVOCI, and FVPL.

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 FVPL, 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 FVOCI, 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. Financial assets with cash flows that are not SPPI are classified and measured at FVPL, irrespective of the business model.

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. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at FVOCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

