

SEC Number 39121
File Number _____

PHILWEB CORPORATION

(Company's Full Name)

**41st Floor, One San Miguel Avenue Condominium,
San Miguel Avenue corner Shaw Boulevard, Ortigas Center, Pasig City, Philippines**

(Company's Address)

8236-5577

(Telephone Number)

December 31

(Fiscal Year Ending)
(month & day)

SEC Form 17-A (Annual Report)

Form Type

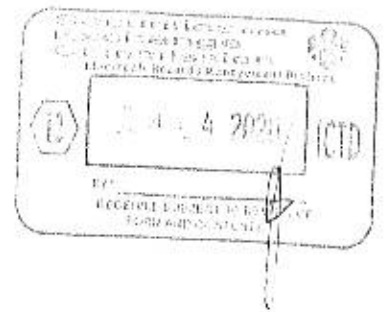
Amendment Designation (if applicable)

December 31, 2019

Period Ended Date

N/A

(Secondary License Type and File Number)



SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended December 31, 2019
2. SEC Identification Number 39121 3. BIR Tax Identification No. 000-141-527-000
4. Exact name of issuer as specified in its charter PhilWeb Corporation
5. Province, country or other jurisdiction of incorporation or organization Philippines
6. Industry Classification Code: _____ (SEC Use Only)
7. Address of principal office: 41st Floor, One San Miguel Avenue Condominium, San Miguel Avenue corner Shaw Boulevard, Ortigas Center, Pasig City, Philippines
8. Registrant's telephone number (632) 82365577 Zip Code 1605
9. Former name, former address, and former fiscal year, if changed since last report: _____
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

<u>Title of each Class</u>	<u>Number of shares of common stock and amount of debt outstanding</u>
Common P1.00 par value	1,435,776,680 (net of treasury shares)

11. Are any or all of the securities listed on the Philippine Stock Exchange?
Yes
12. Indicate whether the issuer:
 - a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period the registrant was required to file such reports)
Yes
 - b) has been subject to such filing requirements for the past 90 days
Yes

Part I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

PhilWeb Corporation, the Company, was originally a mining and exploration company incorporated in August 20, 1969 under the name "South Seas Oil and Mineral Exploration Co. Inc." with an authorized capital stock of P50 million divided into five billion shares with a par value of P0.01 per share. On March 29, 1984, the stockholders authorized the change in the Company's name to "South Seas Natural Resources, Inc." which was approved by the SEC. The stockholders subsequently authorized on September 22, 1987 an increase in the Company's authorized capital stock to P200 million divided into 20 billion shares with a par value of P0.01 each share, 60% of which were classified as Class "A" shares which may be held only by Filipino citizens, and 40% of which were classified as Class "B" shares which may be held by non-Filipinos. The SEC approved the increase in capital and classification of shares of stock.

The Company became an Internet company in January 18, 2000 upon the stockholders' approval of a restructuring plan which involved changes in the Company's name, primary purpose, increase in capital stock, declassification of shares, increase in the number of directors, and adoption of new by-laws, among other matters. At the same meeting, the stockholders likewise authorized the Board of Directors to sell all or substantially all of the assets of the Company, and approved the sale of the mining properties and tangible mining assets.

On January 18, 2000, the Parent Company entered into a Deed of Assignment with All-Acacia Resources, Inc. whereby the Parent Company transferred all its rights over its mining claims located in the Provinces of Samar and Surigao and all of its mining assets, both tangible and intangible, used in the Parent Company's mining operations. In consideration therefore, All-Acacia agreed to assume all liabilities and obligations of the Parent Company, including those relating to the assignment of advances from stockholders and/or deposits on subscriptions in excess of P18 million which had been agreed to be converted to equity of the Parent Company, and arrange for the resignation, retirement or termination of all the Parent Company's personnel relating to the mining business and pay their corresponding separation or retirement pay, as well as hold the Parent Company free and harmless from any expense, liability or obligation arising from the operation of the Parent Company as of the date of the Agreement.

The change in the Company's corporate name to "PhilWeb.Com, Inc.", its primary purpose from a mining and oil exploration company to that of an Internet company, increase in the number of directors to 15, and adoption of new By-laws became effective upon their approval by the SEC on February 8, 2000. The SEC subsequently approved the increase in the Company's authorized capital stock to P2.6 Billion and the declassification of its common shares to one class on March 6, 2000.

At the annual stockholders' meeting on May 31, 2002, the stockholders approved the change in corporate name from "PhilWeb.com, Inc." to "PhilWeb Corporation". The SEC approved these changes on November 5, 2002.

At the annual stockholders' meeting on May 29, 2003, the stockholders approved the amendment of the Company's Articles of Incorporation by changing the primary purpose to that of application service provider for gaming and including the current internet business activities as an additional secondary purpose of the Company. The SEC approved these amendments on November 10, 2005.

At the annual stockholders' meeting on May 28, 2009, the stockholders approved the amendment to the Company's Articles of Incorporation changing the par value of the Company's common stock from P0.01 per share to P1.00 per share, with the authorized capital stock unchanged at P2.6 Billion but with a concurrent decrease in the number of shares from 260 Billion shares to 2.6 Billion shares. On September 22, 2009, the Securities and Exchange Commission approved the said amendment.

1.1 PAGCOR e-Games cafés

e-Games was licensed by the Philippine Amusement and Gaming Corporation (PAGCOR) in 2003 to launch e-Games Stations, which are Internet cafés exclusively dedicated to casino games. With technology provided by PhilWeb, patrons can choose from more than 300 casino games, including baccarat, blackjack, various slot machine games, video poker and sports betting. Most e-Games cafés operate on a 24/7 basis.

There were 288 operating e-Games cafés across the country, majority of which are owned and operated by independent operators. These e-Games Operators handle day-to-day operations and get a commission based on the casino winnings of the café.

On August 11, 2016, PAGCOR decided not to renew the Intellectual Property License and Management Agreement (IPLMA) with PhilWeb. Following the expiration of the said IPLMA with PAGCOR for the e-Games service, PhilWeb has been unable to provide services to the e-Games operators. During that time, PhilWeb continued to comply with PAGCOR instructions on the release of operator funds as well as player credits in their gaming accounts.

On August 14, 2017, PAGCOR published guidelines for the Accreditation of Electronic Gaming System (EGS) Service Provider. PAGCOR issued its first EGS accreditation to PhilWeb on October 30, 2017. On December 1, 2017, the first 16 electronic gaming locations were allowed to operate under PhilWeb's Electronic Gaming System platform.

On February 20, 2018, PAGCOR then allowed the Company to offer its services to an additional 21 electronic gaming location. On March 7, 2018, PAGCOR issued a memorandum accepting and processing applications of new and existing operators to resume the use of the Company's electronic gaming system, thereby allowing the Company to fully resume its operations.

Operator Partnerships

As of the preparation of this report, there are 66 locations across the country that are operating under PhilWeb.

Content and Services

PhilWeb's Electronic Gaming System platform resumed with the Magic Macau suite of casino games. These games include wide-area progressive slots, video poker, and electronic table games such as Blackjack and Baccarat. The Company implemented two more gaming softwares containing various games during the year. This gives more variety and options for the customers of eGaming locations.

Apart from these, PhilWeb also resumed support services being provided to Operators, such as Accounting and Reporting, jackpot fund management, remittance management, technical support, marketing and customer service.

Marketing

At the resumption of its Electronic Gaming service, PhilWeb launched a number of marketing initiatives to build awareness of the return of its platform. Operating sites were provided with support collaterals covering regulatory announcements, branded content and promotional activities. PhilWeb also provided financial and logistical support for relaunch activities under the new platform.

PhilWeb also conducted customer experience enhancement activities such as the daily "Power Hour" draw and the weekly "Platinum Customer" draw which rewarded customers for playing and staying loyal to the PhilWeb gaming platform.

1.2 BigGame, Inc.

From 10 operating locations at the start of 2017 to 26 operating location in 2018, BigGame ended 2019 with 30 operating locations across the country. This was achieved partly through the acquisition of electronic gaming sites in different parts of the country.

BigGame's network of cafés functions as the Company's "R&D laboratory" where new games, strategies and other innovative ideas are first tested. Results, whether positive or negative, are reported to e-Games operators during the quarterly General Assemblies. If a new game or idea delivers positive results and is approved unanimously by the operators, the BigGame café in question becomes the standard by which all other BigGame and e-Games cafés will follow. Because of this rigorous process, BigGame continues to bring in improved gaming configurations and upgrades for the Company's various services and amenities.

Best Gaming Experience

BigGame continues to provide the Best Gaming Experience to its customers. Continuous daily food service has become a mainstay at the BigGame locations since its introduction in 2016.

BigGame continues its site expansion, renovation and refurbishment activities in 2018. The year ahead will also see more innovations and improvements in player experience.

Player acquisition efforts will also be a focus through activation activities in various entertainment establishments. BigGame remains committed to increasing customer service levels, as well as adding site amenities and creating an ambiance that extends the best gaming experience for our target market.

1.3 e-Bingo

In an effort to expand and diversify operation, PhilWeb, thru Easy e-Bingo, Inc. (a wholly-owned subsidiary) acquired two electronic bingo sites located in the National Capital Region. This provides PhilWeb with valuable insights into another segment of the gaming industry.

Easy e-Bingo, Inc. is currently operating seven e-Bingo locations.

1.4 Corporate Services

Finance

The PhilWeb Finance Department continued to provide its unwavering support to the growth of the business through the sound implementation of financial systems, processes and internal control policies that safeguard the Company assets and resources.

Finance developed the reporting process and reconciliations of progressive jackpot contributions and actual payouts for slot machine games. This paved the way for PAGCOR to approve the introduction of new games with large progressive payouts, such as Happy Golden Ox, Three Stooges and Rudolf's Revenge. The introduction and implementation of new games was successful not only in creating excitement for our players, but also in delivering additional revenue to all our stakeholders.

Another milestone was the implementation of our closed-loop e-wallet which we branded "e-SAFE". The keys to the implementation of e-SAFE were the internal controls and security measures that we established to ensure that the client's money is safe and secure. Coupled with the introduction of new gaming platforms such as MSW, the e-SAFE will now allow players to place bets to these games using the wallet balance. This will also allow players to receive payouts through their wallets, which they can keep or withdraw any time they want. The Company is looking of re-launching this wallet in the near future.

Finance continues to ensure that all cash from the nationwide network of e-Games are collected on a timely and accurate manner. Through our company-proprietary POS system and 24/7 operation of our Cash Centers, we are able to monitor cash exposure and thereby enabling us to collect or replenish the cash needs of each site almost immediately. Our arrangements with banks, also allow us to replenish the operator and pay the player of the provincial sites on a real-time basis. The strict implementation of collection policies enables us to manage our cash with very minimal risk to the Company and to the operator.

Finance continuously provides financial reports, reconciliations in a timely manner to management and stakeholders to support key business decisions.

Legal

The Legal Department ensures that the interests of the Company as well as its subsidiaries and affiliates are fully protected. Likewise, it makes certain that the Company observes all laws, rules and regulations relevant to the operation of its business and that it complies with all the reportorial requirements of various government offices and agencies such as, but not limited to, the Securities and Exchange Commission, the Philippine Stock Exchange, the Board of Investments and the Philippine Economic Zone Authority. In the same manner, the Legal Department manages and oversees the Company's dealings with concerned local government units with respect to the issuances of permits and licenses.

The Legal Department is also responsible for the registration of trademarks, patents and copyrights that are aimed to protect the intellectual property rights of the Company. Moreover, it is in-charge of reviewing all the contracts that the Company enters into thereby guaranteeing that the terms of every agreement are beneficial to the interests of the Company. Further, the Legal Department handles all cases brought by or against the Company whether these cases involve civil, criminal or administrative matters. In all, the Legal Department serves as the legal adviser and consultant of the Company, ever vigilant and protective of the Company's rights and interests.

Customer Support

In our continued drive to provide fast and reliable support to all e-Games members, operators and site staff, as well as customers of MegaSportsWorld 365 days a year, 24 hours a day, several changes were introduced in the Customer Support department. New channels were opened from the traditional hotline and email, to include SMS and chat support through the Viber app. A new Customer Relationship Management system was likewise implemented giving the team and other key customer facing groups a real time, single source of client engagements and interactions. With such improvements in place, over 250,000 transactions were handled last year across all PhilWeb products and the different channels. Customer Support has maintained a 92% average answer rate for all inbound calls and written customer correspondences (email, SMS and chat) were responded to within 30 minutes. On top of all inbound transactions from various stakeholders, the group has carried out continuous outbound support for other departments: Marketing - for promo related activities; Information Technology - for maintenance advisories; and Finance - for cash collection and replenishment.

The group aims to enrich and further improve customer experience by providing more options for individuals to communicate and interact with us, streamline processes to shorten resolution times, and targeted staff training to reinforce the culture of service in every member of the Customer Support team.

1.5 Information Technology

PhilWeb's Information Technology group is composed of four functional departments, namely: Infrastructure, Software Development, Service Delivery and Service Support. Each department's functions are aligned with PhilWeb's operational requirements as well as its corporate needs.

The Infrastructure Department's primary role is to provide all the components - hardware, software, network resources, facilities and services - needed to deliver IT services for PhilWeb's casino and corporate operations. The team is also responsible for the monitoring and maintenance of these components, providing level two support to ensure that operations are available 24/7.

The Software Development Department is in charge of creating and implementing software vital to PhilWeb's casino operations. As of this writing, a number of home grown applications are in production which will allow PhilWeb to provide a better experience to its operators by providing a point-of-sales system through which they can record and track member transactions in the site. Members are provided a better gaming experience by providing members a facility to manage their membership information as well as loyalty points. Internally, the group has also developed tools to provide the operational teams such as Customer Support, Finance Operations, and Casino Operations with the information they need for their day-to-day activities.

The Service Delivery Department is responsible for the implementation and management of quality IT services. Guided by industry best practices, the group manages delivery of services through the disciplines of Project Management and Service Management. In line to its vision to ensure quality, the team also has a Quality Assurance unit which conducts testing on home grown software prior to customer endorsement in order to ensure that business requirements are met.

The Service Support Department is in-charge of providing first level technical support and service monitoring to ensure that IT services are always available to both internal and external customers of the Company. There are two groups under this department: a) the Technical Support team, which monitors and performs first level troubleshooting on services pertaining to PhilWeb's corporate & casino infrastructure and B) Field Support, which is tasked to provide first level troubleshooting for e-Games sites. Tickets reported by site personnel and operators are first escalated to this team for validation and resolution.

Information Security

PhilWeb transformed the Security and Compliance Group into the Information Security Group. The Group provides guidance on securing and protecting the privacy of information, and ensures that the institution maintains appropriate operational controls, standards, processes and Information security policies. The Information Security Group reports directly to the Office of the President.

After the establishment of the Information Security Group, IT network security was transferred from The Information Technology Group to Information Security in order to provide a better alignment and direction with regards to PhilWeb Security. The IT Network Security team focuses on PhilWeb's perimeter security, on the design and implementation of security appliances, and on ensuring a secured gaming environment.

Information Security Engineering was also established to provide application security, endpoint security and access control management for PhilWeb Corporation.

The Information Security Group is composed of two teams, namely the Information Security Engineering Team and IT Network Security.

1.6 Human Resources and Administration

Organization Structure

PhilWeb's Human Resources and Administration Departments were re-structured in January of 2016 and became one division, Human Resources and Administration. Merging the two departments was effective and cost efficient maximizing the combined competencies of the former 2 departments that gave more solid support for the Company.

The Human Resources Department (HR)

Recruitment & Selection

Recruitment and Selection in PhilWeb continued to follow stringent procedures to ensure that we are hiring only qualified and competent workforce.

New Hires Orientation covering the Company's Vision, Mission and Core Values, Culture and History of PhilWeb, the Organization Chart, Product Training, Policies and Procedures and Code of Conduct as well as explanation on their Employment Contract - comprise the outline of the Induction Program and is given prior to turnover to the requesting department. Technical orientation is handled by the respective department.

As of December 31, 2019, the Company has total of 188 employees.

Compensation and Benefits

The HR Department ensured timely delivery of compensation and benefits to the workforce and their professional and personal growth were charted through based Performance Evaluation/ Appraisal.

Employee Engagement

In addition to workplace learning and development interventions as tool for workforce retention and engagement, regular general assemblies and other means of

communication are undertaken to get the workforce pulse as regards the company's business developments.

Corporate Social Responsibility (CSR)

PhilWeb reaffirms its commitment and responsibility to its stakeholders through sound and efficient fiscal management of its business from top to departmental level. While this is foremost in our minds, the responsibility to our constituents and community and the environment we work in cannot be undermined.

PhilWeb continues to share our resources and propagates its advocacy to bring computer literacy and education to the less privileged of our society even to the farthest and remote areas. Consistent with the government's endeavor of inclusive growth, the donation does not only end in the delivery of the hardware but comes with related trainings and applications on the use of computers and applications.

The Administration Department

The Administration Team continued to place great effort in cost-effective measures to support the company's goal to achieve economy and efficiency in its operations without sacrificing the quality of support they render to PhilWeb.

The Administration Team continued to do their share in the timely delivery of their services, ensured that needs of the company were met and repairs and preventive maintenance on the equipment were planned and executed with the least downtime to the Company.

The Human Resources and Administration Division will continue to be a strategic partner of the different business units of PhilWeb and will continue to contribute to innovation for excellence in all our endeavors.

1.7 Competitive Business Condition and the Registrant's Competitive Position in the Industry and Methods of Competition

The Internet industry in the Philippines is relatively young, but it is experiencing rapid growth and diversification. There is a proliferation of portals, websites, e-commerce ventures and Internet gaming. The latter is undoubtedly one of the most attractive growth areas in the entire Internet business segment. Internet sports betting and Internet casinos dominates most of the Internet gaming revenues.

Sports betting are, to a vast population of Filipinos, a way of life. Betting on cockfighting, horse-racing, basketball and other local sports has been popular nationwide for many years. The gaming market in the Philippines is estimated to be over 100 billion pesos per year.

Capitalizing on its Internet technology experience, PhilWeb in early 2003 made a deliberate decision to focus on Internet gaming. It established partner relationship with leading software providers in addition to establishing its own gaming software

capability. Recognizing PhilWeb's extensive knowledge in Internet technology, software development and expertise and its nationwide marketing distribution network, PAGCOR signed a Memorandum of Agreement with PhilWeb in November 2002, engaging the latter as its technology service provider and marketing consultant for Internet sports betting. Subsequently, PhilWeb and PAGCOR likewise entered into several Supplementary Agreements to cover the expansion programs of PAGCOR on Internet sports betting. PhilWeb excels in the gaming industry by providing superior and innovative products with the highest standards of customer service. It establish strategic partnership to ensure a fair, secure and legal gaming experience for the customers. PhilWeb has created a rewarding and dynamic work environment where it attracts, retains and motivates highly competent, passionate and innovative people, and delivers above-market value for its shareholders.

The Company's objective is to be the premier Internet gaming firm in the country. Its Internet gaming strategy is anchored on the Company's contractual relationship with PAGCOR and its advanced Internet technology platform and marketing infrastructure.

The Company is the first and largest Internet gaming company in the Philippines. It is the dominant technology-based gaming firm listed on the Philippine Stock Exchange.

The Company excels in the gaming industry by providing superior and innovative products with the highest standards of customer service. It establishes strategic partnerships to ensure a fair, secure and legal gaming experience for the customers. The Company creates a rewarding and dynamic work environment where it attracts, retains and motivates highly competent, passionate and innovative people, and delivers above-market value for its shareholders.

Sources and Availability of Raw Materials and Names of Principal Supplier

The Company is a service business that does not require raw material. It is not dependent on any principal supplier.

Dependence on One or a Few Major Customers and Identification of Such

It is the Company's strategy to offer its services to as broad a market as possible. In 2004, the Company has set up business partnership with various Internet sports betting operators. This partnership continues to expand.

No PeGS operators accounts for a major portion or 20% or more of the revenues of the Company.

Patents, Trademarks, Licenses, Franchises, Concessions, and Royalty Agreements

The Company has the following trademarks registered with the Intellectual Property Office of the Philippines (IPO):

1. PhilWeb Corporation (Registration No. 4-2010-006766 dated 19 May 2011)
2. e-Magine (Registration No. 4-2013-00001693 dated 27 September 2013)

3. e-Games (Registration No. 4-2012-00012726 dated 24 October 2013)
4. e-pitaka and device (Registration No. 4-2014-00005230 dated 7 August 2014)
5. Stylized Bidwars and device (Registration No. 4-2014-00005226 dated 7 August 2014)
6. TV Sabong (Registration No. 4-2014-00005228 dated 18 September 2014)
7. Basketball Jackpot and device (Registration No. 4-2014-00005227 dated 18 September 2014)
8. e-Casino Filipino (Registration No. 4-2014-00005231 dated 16 October 2014)
9. Playaway and device (Registration No. 4-2014-005403 dated 16 October 2014)
10. Wannabet and device (Registration No. 4-2014-005402 dated 16 October 2014)
11. Premyo Sa Resibo (Registration No. 4-2014-00004755 dated 27 November 2014)
12. Gold Lotto 4/38 (Registration No. 4-2012-00011522 dated 5 March 2015)
13. Txtingo 9 (Registration No. 4-2014-00006250 dated 19 March 2015)
14. Txtingo Super 5 (Registration No. 4-2014-00006249 dated 19 March 2015)
15. BigGame (Registration No. 4-2014-00004756 dated 20 August 2015)
16. e-Games Virtual Entertainment City (Registration No. 4-2012-00015429 dated 27 August 2015)
17. eSafe (Registration No. 4-2016-0002563 dated 1 September 2016)
18. PhilWeb Logo (Registration No. 04-2017-00011522 dated 13 October 2019)

Moreover, the Company also registered the following copyrights with the National Library:

1. Premyo Sa Resibo (Registration No. 0-2006-174 dated 26 May 2006)
2. BasketballJackpot.net Program Source Code (Registration No. 0-2006-3055 dated 20 October 2006)
3. Txtingo Super Singko Program Source Code (Registration No. 0-2008-393 dated 17 October 2008)
4. Resibonanza Program Source Code (Registration No. 0-2009-159 dated 12 March 2009)
5. Station Manager PAGCOR E-Games Station POS System Source Code (Registration No. N2010-23 dated 19 February 2010)
6. PAGCOR E-City POS Station Manager Source Code (Registration No. N2010-118 dated 1 October 2010)
7. Basketball 38.Net Program Source Code (Registration No. N2011-102 dated 4 July 2011)
8. Dashboard (Registration No. N2013-112 dated 4 October 2013)
9. PBA Trading Cards TMS (Registration No. N2013-113 dated 4 October 2013)
10. Loyalty System (Registration No. N2013-114 dated 4 October 2013)
11. Kick for Gold Betting and Admin System (Registration No. N2013-115 dated 4 October 2013)
12. Spyder Client (Registration No. N2013-116 dated 4 October 2013)
13. Spyder Server (Registration No. N2013-117 dated 4 October 2013)
14. E-City Launchpad (Registration No. N2013-118 dated 4 October 2013)
15. Kronus Admin (Registration No. N2013-119 dated 4 October 2013)
16. Kronus Alerts (Registration No. N2013-120 dated 4 October 2013)
17. Kronus Cashier (Registration No. N2013-121 dated 4 October 2013)

18. Kronus Prepaid Accounting System (Registration No. N2013-122 dated 4 October 2013)
19. Membership Admin (Registration No. N2013-123 dated 4 October 2013)
20. Membership Portal (Registration No. N2013-124 dated 4 October 2013)
21. MIS Tool (Registration No. N2013-125 dated 4 October 2013)
22. TMS – Indonesia (Registration No. N2013-126 dated 4 October 2013)
23. Voucher/Stacker Management System (Registration No. N2013-127 dated 4 October 2013)
24. TMS – Cambodia (Registration No. N2013-128 dated 4 October 2013)
25. TMS – Timor Leste (Registration No. N2013-129 dated 4 October 2013)
26. TeGS Zentrum Admin (Timor Leste e-Games) (Registration No. N2013-130 dated 4 October 2013)
27. TeGZ Zentrum Portal (Timor Leste e-Games) (Registration No. N2013-131 dated 4 October 2013)
28. Sweeps Admin (Registration No. N2013-132 dated 4 October 2013)
29. Sweepstakes Cashier (Registration No. N2013-133 dated 4 October 2013)
30. Sweeps Deck Management (Registration No. N2013-134 dated 4 October 2013)
31. Sweeps Launchpad (Registration No. N2013-135 dated 5 October 2013)
32. SMS BGI (Registration No. N2013-172 dated 26 December 2013)
33. Launchpad-RSS (Registration No. N2013-171 dated 26 December 2013)
34. Loyalty V2 Web Service (Registration No. N2013-170 dated 26 December 2013)
35. Loyalty V2 Portal (Registration No. N2013-169 dated 26 December 2013)
36. Loyalty V2 Admin (Registration No. N2013-168 dated 26 December 2013)
37. Cambodia Lottery Cashier (Registration No. N2013-167 dated 26 December 2013)
38. Cambodia Lottery Admin (Registration No. N2013-166 dated 26 December 2013)
39. PHP Hotel-Casino Lobby (Registration No. N2013-165 dated 26 December 2013)
40. PHP Hotel-Admin (Registration No. N2013-164 dated 26 December 2013)
41. Mobile Lotto (Registration No. N2013-163 dated 26 December 2013)
42. Friends Online Casino (Registration No. N2013-162 dated 26 December 2013)
43. Fraud Control management System (Registration No. N2013-161 dated 26 December 2013)
44. Bidwars (Registration No. N2013-160 dated 26 December 2013)
45. TV Sabong Admin & Betting System (Registration No. N2013-159 dated 26 December 2013)
46. Wannabet (Registration No. N2013-158 dated 26 December 2013)
47. Jackpot Karera (Registration No. N2013-157 dated 26 December 2013)
48. DBA Tool (Registration No. N2014-34 dated 28 January 2014)
49. Digital Signage System (Registration No. N2014-33 dated 28 January 2014)
50. Generation of Membership Identification (Registration No. N2014-155 dated 7 August 2014)

Pending Applications for Registration of Trademarks

The Company has four (4) pending trademarks applications with the IPO:

1. Gold Master Brand Logo (Application No. 4-2012-011523)
2. Vibrant Vegas Logo (Application No. 4-2012-009142)
3. Magic Macau Logo (Application No. 4-2012-009141)

4. New e-Games (Application No. 04-2017-010066)

The Company has the following Industrial Designs and Utility Model registered with the IPO

1. Computer-Based Automated Terminal (Industrial Design) Registration No. 3-2013-001325 dated 14 October 2015)
2. Printed Surface Ornamentation Applied to an e-Games Membership Card Design (Registration No. 3-2014-000864 dated 4 January 2016)
3. Printed Surface Ornamentation Applied to an e-Games Club Platinum Card (Registration No. 2-2014-000865 dated 4 January 2016)
4. Automated Terminal (Utility Model) Registration No. 2-2013-000658 dated 27 May 2015)

Need for Governmental Approval of Principal Products or Services; Effect of Existing or Probable Governmental Regulations on the Business

The Company's Internet gaming activities are done in partnership with PAGCOR, which is the only entity, authorized by the government to operate any game of chance.

Estimate of Amount Spent for Research and Development Activities in the Next Three Years

The Company does not expect to make any significant investment or expenditure for research and development for the existing bus. It is part of the Company's strategy to obtain its technology through strategic partnerships or similar arrangements with parties that already have access to the technologies, services, or products required by PhilWeb.

Costs and Effects of Compliance with Environmental Laws

The Company's current operations do not require an environmental compliance certificate from the Department of Environment and Natural Resources. In the event environmental laws and regulations cover any of its future operations, the Company intends to comply with such requirements.

Business Transactions with Related Parties

The Company has extended short-term advances to a related party with no interest. The Board of Directors of the respective companies has approved inter-company advances.

The Company has no material business transactions with related parties.

There are no major risks involved in each of the business of the Company and its subsidiaries.

Labor

As of 31 December 2019, the Company has 191 employees broken down as follows: 73 rank and file, 67 supervisors, 35 managers, 16 executives. There is no union and neither is there a collective bargaining agreement with its employees. There have been no strikes or threats to strike in the past three years. Supplemental benefits given to employees include stock option plan to qualified employees, among others.

1.8 Material Events

The significant contracts and commitments entered into by the Company as of December 31, 2019 are as follows:

- On December 17, 2010, the Parent Company entered into an Omnibus Amended Intellectual Property License and Management Agreement for PAGCOR E-Games which supersedes the IPLMA, the Memorandum of Agreement dated November 28, 2002, Supplemental Agreement No. 1 dated March 18, 2003 and a Supplemental Agreement No. 2 dated June 30, 2003. The IPLMA expired on July 11, 2016. PAGCOR agreed to extend the contract for another month. On August 11, 2016, PAGCOR allowed the contract to lapse.
- On October 30, 2017, the Company received its Certificate of Accreditation from PAGCOR as an Electronic Gaming System (EGS) Service Provider of PAGCOR-licensed Gaming Sites for Electronic Games. As an Accredited EGS Service Provider, PhilWeb Corporation can offer its software and other services to the operators of PAGCOR-licensed gaming sites for electronic games.
- On December 1, 2017, the first 16 electronic gaming locations were allowed to operate under PhilWeb's Electronic Gaming System platform. On February 20, 2018, PAGCOR then allowed the Company to offer its services to an additional 21 electronic gaming location.
- On March 7, 2018, PAGCOR issued a memorandum accepting and processing applications of new and existing operators to resume the use of the Company's electronic gaming system, thereby allowing the Company to fully resume its operations.

Other Material Contracts

1. Contract of Lease with Amberland Corporation for the lease of the Company's principal office located at 41st Floor, One San Miguel Avenue Condominium, San Miguel Avenue corner Shaw Boulevard, Ortigas Center, Pasig City. The lease term is from April 15, 2019 to April 14, 2022 for a monthly lease of P525,069.29. The lease agreement is for a period of three (3) years with an option to renew under mutually agreeable terms.

Item 2. Properties

The Company does not own any real property. However, it is presently leasing from Amberland Corporation, located at the Unit 4101, One San Miguel Avenue Condominium, San Miguel Avenue corner Shaw Boulevard, Ortigas Center, Pasig City. The lease term is from April 15, 2019 to April 14, 2022 for a monthly lease of P525,069.29. The lease agreement is for a period of three (3) years with an option to renew under mutually agreeable terms.

No extraordinary purchase or sale of plant and equipment are expected beyond those in the regular course of the Company's operations. All purchases will be financed through internally-generated funds and existing capitalization, except for limited leasing facilities that will be utilized for the purchases of certain computer and transportation equipment.

Item 3. Legal Proceedings

1. Rodrigo R. Gadionco, Jr. vs. PhilWeb (CA G.R. CV-No. 01519) – Rescission of Lease Purchase Agreement.

The parties entered into a Lease Agreement with Option to Purchase on 22 November 2000. For alleged non-fulfillment of its obligation, Gandionco filed a case in the RTC to rescind the contract. PhilWeb stated that it never entered into such agreement for it was not signed by any of PhilWeb's authorized representatives. The Court Ruled in favor of Gandionco and declared the agreement between the parties as rescinded and ordered PhilWeb to pay Gadionco P 20,533.00 in litigation expenses, P20,000 in moral damages, P20,000 in exemplary damages and P50,000 in attorney's fees, in the total amount of P110,533.00. Gadionco was likewise ordered by the court to return to PhilWeb 10 IBM Computers, amounting to approximately P200,000.00 and 5000 pieces of ZOOM cards. PhilWeb appealed the case to the Court of Appeals. The appeal is submitted for decision by the Court of Appeals.

2. PhilWeb vs Sonia K. Pamatmat
I.S. No. 07-J-8470
Qualified Theft

The respondent is a former employee of PhilWeb. During her tenure as a former employee of PhilWeb, she took a company vehicle and did not return the same upon termination of her employment. PhilWeb demanded the return of its vehicle. Despite said demand, she failed to return the said property. PhilWeb then filed a complaint charging the respondent of Qualified Theft.

PhilWeb filed a Petition for Certiorari to annul the Resolution of the Department of Justice dismissing the criminal case against Sonia K. Pamatmat. The case is pending resolution by the Court of Appeals.

3. PhilWeb Corporation vs. BOS (Antigua) Ltd.
Civil Case No. 06 - 712

For Damages with Attachment
Makati RTC Branch 139

The parties entered into a Memorandum of Agreement on November 20, 2005 for the operation of sports betting facility. BOS allegedly violated provisions in the MOA prompting PhilWeb to file a complaint for damages in the amount of P24,000,000.00 against BOS. The case will be litigated upon service of summons to BOS. BOS did not file a counterclaim or a separate complaint.

4. **PhilWeb Corporation vs. Commission on Audit**
Decision No. 2015-097 (CGS-C Decision No. 2012-009) (ND No. 2011-001-(06/07))

On 18 July 2011, the Commission on Audit ("COA"), through its resident auditor, Atty. Resurreccion C. Quieta, ("Atty. Quieta") issued a Notice of Disallowance ("ND") against PhilWeb regarding the payment of PAGCOR of 10% Software License Fee ("SLF") to PhilWeb effective on 6 July 2006. According to Atty. Quieta, there was an excess in the remittance of the SLF during the period 6 July 2006 to 31 August 2007 in the total amount of Php57,926,133.63 since the amended Intellectual Property License and Management Agreement which was entered into by PhilWeb and PAGCOR, and which specified the payment of the 10% SLF, took effect only on 13 September 2007. This Php57,926,133.63 amount has been paid by PAGCOR and COA is claiming its return.

PhilWeb challenged this ND and filed its Appeal Memorandum on 12 December 2011 maintaining that the increase and the payment of the 10% SLF was agreed upon by PAGCOR and PhilWeb to take effect on 6 July 2006. On 6 December 2012, PhilWeb, received a copy of the Decision of the COA through Honorable Rufina S. Laquindanum dated 16 November 2012 denying its appeal and affirming the Notice of Disallowance. Thereafter, PhilWeb filed its Petition for Review with the COA on 8 January 2013. On 8 May 2015, PhilWeb received a copy of the Decision of the COA dated 1 April 2015 dismissing its Petition for Review. On 19 May 2015, PhilWeb seasonably filed its Motion for Reconsideration. This Motion for Reconsideration is now pending resolution by the COA.

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

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

Part II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market Price, Dividends and Related Stockholder Matters

Market Information

PhilWeb Corporation's stocks are listed with the Philippine Stock Exchange.

The following table sets forth the high and low closing sales prices per share of the Common Shares listed on the PSE during the respective periods indicated according to published financial sources.

	Price per Share	
	High	Low
2017		
First Quarter (ending March 2017)	10.86	7.70
Second Quarter (ending June 2017)	11.58	7.06
Third Quarter (ending September 2017)	11.46	9.00
Fourth Quarter (ending December 2017)	9.72	7.46
2018		
First Quarter (ending March 2018)	7.76	6.11
Second Quarter (ending June 2018)	6.50	5.16
Third Quarter (ending September 2018)	5.82	4.39
Fourth Quarter (ending December 2018)	4.28	2.92
2019		
First Quarter (ending March 2019)	3.82	2.54
Second Quarter (ending June 2019)	3.71	2.61
Third Quarter (ending September 2019)	4.38	3.00
Fourth Quarter (ending December 2019)	3.22	2.35
2020		
First Quarter (ending March 2020)	4.12	1.12
May 22, 2020	2.36	2.30

Dividends

PhilWeb declared a cash dividend of P0.10 per share which was paid on September 15, 2014 to the holders of common stock as of September 1, 2014. PhilWeb declared a cash dividend of P0.10 per share which was paid on December 5, 2014 to the holders of common stock as of November 21, 2014. PhilWeb declared a cash dividend of P0.15 per share which was paid on February 16, 2015 to the holders of common stock as of January 30, 2015. PhilWeb declared a cash dividend of P0.15 per share which was paid on May 21, 2015 to the holders of common stock as of May 7, 2015. PhilWeb declared a cash dividend of P0.15 per share which was paid on August 28, 2015 to the holders of common stock as of August 14, 2015. PhilWeb declared a cash dividend of P0.15 per share which was paid on November 26, 2015 to the holders of common stock as of November 12, 2015. PhilWeb declared a cash dividend of P0.20 per share which was paid on March 4, 2016 to the holders of common stock as of February 19, 2016. PhilWeb declared a cash dividend of P0.20 per share which was paid on June 24, 2016 to the holders of common stock as of June 14, 2016.

The Company's future retained earnings corresponding to undistributed equity in net earnings are not available for dividend distribution until declared by the affiliates. There

are no restrictions on the Company that limit the payment of dividends on common shares.

Holders

There were 1,440 shareholders of record holding the Company's outstanding capital stock of 1,435,776,680 common shares as of February 29, 2020 net of treasury shares of 81,380,938.

Top 20 Stockholders

The top 20 stockholders of record as of February 29, 2020 (based on total outstanding capital stock of 1,435,776,680 shares, net of treasury shares of 81,380,938 were:

	<u>No. of Subscribed Common Shares</u>	<u>% to Total Outstanding</u>
1. PCD Nominee Corporation: Filipino – 1,123,971,249 Non-Filipino - 35,985,899	1,159,957,148	80.79%
2. PhilWeb Casino Corporation	156,899,853	10.93%
3. Ang, Ramon S.	44,878,780	3.13%
4. Evermore Trading Limited	24,558,303	1.71%
5. HKPirate Holdings, Inc.	21,223,565	1.48%
6. Gregorio Araneta, Inc.	13,043,478	0.91%
7. Elkhound Resources, Inc.	6,482,549	0.45%
8. Umali, Amparo Cordial	835,400	0.06%
9. Tan, Enrique	473,782	0.03%
10. Filipino Pest Control & General Services, Inc.	420,000	0.03%
11. Valdes, Dennis O.	399,999	0.03%
12. Tan, Tiong	354,328	0.02%
13. Manalo, Josephine A.	250,000	0.02%
14. Ng, Edgar Brian K.	150,000	0.01%
15. Pacheco, Juancho	144,000	0.01%
16. Cabarrus, Estate of Jesus S.	139,304	0.01%
17. Secor Holdings, Inc.	120,000	0.01%
18. Bautista, Jose	93,981	0.01%
19. Santos, Alfredo	93,981	0.01%
20. Tan, Evelina	84,583	0.01%

Recent Sales of Unregistered Securities:

There has been no sale in the past three years of any unregistered securities of the Company.

Item 6. Management's Discussion and Analysis of Financial Condition and Results of Operations

The current capitalization of the Company, and expected future revenues from its various Internet gaming activities are projected to sufficiently meet the Company's current operating cash requirements.

The Company does not expect to conduct any material product research and development in the foreseeable future.

No extraordinary purchase or sale of plant and equipment are expected beyond those in the regular course of the Company's operations. All purchases will be financed through internally-generated funds and existing capitalization, except for the limited leasing facilities that may be utilized for the above-mentioned purchases.

Hiring of employees will continue in the regular course of business.

There are no known trends, events or uncertainties that are reasonably expected to have a material impact on the Company's revenues or continuing operations.

There are no significant elements of income or loss that has not been disclosed.

The Company's Key Performance Indicators

For the year 2019, the Company's key performance indicators are the following:

- 1.) The Company's Earnings Before Interest, Taxes, and Depreciation and Amortization (EBITDA) was P58,400,676 or 529.4% higher compared last year.
- 2.) Revenues increased in 2019 by 27.2% from P424,566,647 to P539,862,792.
- 3.) Operating loss margin was 0.8%. Operating loss of (P4,313,472) divided by Net Revenues of P539,862,792.
- 4.) Current ratio was at 1.01:1.00. Current Assets of P412,642,890 divided by Current Liabilities of P410,078,388.
- 5.) Asset to equity ratio was at 3.05:1.00. Total Assets of P793,771,386 divided by Total Equity of P259,883,736.
- 6.) Debt to equity ratio was at 2.05:1.00. Total Liabilities of P533,887,650 divided by Total Equity of P259,883,736.

For the year 2018, the Company's key performance indicators are the following:

- 1.) The Company's Earnings Before Interest, Taxes, and Depreciation and Amortization (EBITDA) improved to P9,278,305 from loss of P152,578,187 last year.
- 2.) Revenues increased in 2018 by 164.1% from P160,750,753 to P424,566,647.
- 3.) Operating loss margin was 19.2%. Operating loss of (P81,636,195) divided by Net Revenues of P424,566,647.
- 4.) Current ratio was at 0.37:1.00. Current Assets of P129,947,381 divided by Current Liabilities of P349,006,437.
- 5.) Asset to equity ratio was at 62.68:1.00. Total Assets of P386,045,369 divided by Total Equity of P6,159,332.
- 6.) Debt to equity ratio was at 61.68:1.00. Total Liabilities of P379,886,037 divided by Total Equity of P6,159,332.

For the year 2017, the Company's key performance indicators are the following:

- 1.) The Company's Earnings Before Interest, Taxes, and Depreciation and Amortization (EBITDA) was (P152,478,187) or 126.3% lower compared last year.
- 2.) Revenues decreased in 2017 by 84.2% from P1,019,726,562 to P160,750,753.
- 3.) Operating loss margin was 210.2%. Operating loss of (P337,947,995) divided by Net Revenues of P160,750,753.
- 4.) Current ratio was at 0.47:1.00. Current Assets of P161,202,593 divided by Current Liabilities of P344,137,096.
- 5.) Asset to equity ratio was at 5.90:1.00. Total Assets of P438,257,162 divided by Total Equity of P74,222,620.
- 6.) Debt to equity ratio was at 490:1.00. Total Liabilities of P364,034,542 divided by Total Equity of P74,222,620.

Performance for the Period Ended December 31, 2019

Cash and Cash Equivalents

The cash and cash equivalents decreased by P16.7 million or 30.7% versus last year. The Company generated cash from operation of P58.4 million and borrowed additional loan and collected subscription receivables of P100.3 million, and used P44.4 million to pay off aging payables and P114.3 million to acquire fixed assets and pay performance cash deposit to PAGCOR.

Receivables (net)

The receivables increased by P295.8 million or 770.8% versus last year, mainly due to receivable from sale of treasury share.

Prepayments and Other Current Assets

Prepayments and other current assets increased by P3.6 million or 9.5% versus last year mainly due to increase in input VAT.

Property and Equipment

The increased in property and equipment of P14.7 million or 14.8% represents the total acquisitions of P79.3 million less depreciation and amortization amounting to P64.6 million.

The acquisitions mainly pertain to the fair value of property and equipment acquired from existing operators.

Right-of-use (ROU) Assets

ROU assets amounting to P111.0 million are recognized as a result of the adoption of new accounting standard, PFRS 16. These represent the right to use the underlying assets during the lease term.

Net Deferred Tax Assets

Net Deferred tax assets decreased by P48.3 million or 60.2% mainly due to expiration of temporary difference arising from Net Operating Losses.

Other Noncurrent Assets

Other noncurrent assets increased by P47.8 million or 62.4% mainly due to increase in performance cash deposit paid to PACGOR.

Accounts Payable and other current liabilities

The decreased in accounts payable and other current liabilities by P32.2 million or 15.9% was mainly due to payment of aging payables.

Notes Payable

Notes payable increased by P57.4 million or 39.3% due to availment of loans.

Lease Liabilities

Lease liabilities are recognized as a result of the adoption of new accounting standard, PFRS 16. These pertain to the current and noncurrent portion of lease payment amounting to P35.8 million and P78.5 million, respectively.

Retirement Benefits Liability

The increased in retirement benefits liability of P15.4 million or 102.1% represents additional provision for employees' retirement benefits, net of actuarial gain.

Other Noncurrent Liability

Other noncurrent liability decreased by P1.0 million or 6.4% due to refund of operators' deposit.

Capital stock

The increased in capital stock of P11.2 million or 0.7% was due to issuance of shares and collection of unpaid subscribed capital.

Additional paid in capital

The decreased in additional paid in capital of P353.6 million or 35.0% was due to issuance of treasury shares at a price lower than cost.

Retained earnings

The decreased in retained earnings of P569.8 million, or 38.4% was attributable to issuance of treasury shares at a price lower than cost and net loss during the period.

Treasury stock

The decreased in treasury stock of P1,171.0 million or 29.3% was due to reissuance of shares.

Income and Expenses

For the year ended December 31, 2019, the Company's EBITDA increased by 529.4% or P49.1 million, from P9.3 million last year to P58.4 million this year. Loss before income tax decreased by 63.3% or P58.7 million, from P92.7 million last year to P34.0 million this year mainly due to expansion of company's operation at the same time maintaining the level of costs and expenses. However, due to increase in provision for income tax deferred arising from reversal of deferred tax assets on net operating loss carryover, Net loss increased by P7.6 million or 9.6%, from P78.1 million last year to P85.5 million this year.

Revenues

Total revenues increased by P115.3 million or 27.2%, to P539.9 million for the year ended December 31, 2019 from P424.6 million registered last year. The increase was mainly due to the increase in number of operating sites.

Costs and Expenses

Cost and expenses in 2019 increased by P38.0 million or 7.5% as compared last year mainly due to expansion and increase in number of operating locations.

Other Income (Charges)

Other charges increased by P18.7 million or 169.1% mainly due to increase in interest expense.

Performance for the Period Ended December 31, 2018

Cash and Cash Equivalents

The cash and cash equivalents decreased by P57.7 million or 51.5% versus last year. The Company generated cash from operation of P12.7 million and borrowed additional loan and collected subscription receivables of P17.3 million, and used P47.7 million to pay off aging payables and P40.0 million to acquire fixed assets and pay performance cash deposit to PAGCOR.

Receivables (net)

The receivables increased by P15.7 million or 69.2% versus last year, mainly due to increase in trade receivables.

Prepayments and Other Current Assets

Prepayments and other current assets increased by P10.8 million or 40.6% versus last year mainly due to increase in input VAT and prepaid taxes.

Property and Equipment

The decreased in property and equipment of P44.7 million or 31.1% represents the total acquisitions of P19.6 million less depreciation and amortization amounting to P64.3 million.

The acquisitions mainly pertain to the fair value of property and equipment acquired from existing operators.

Net Deferred Tax Assets

Net Deferred tax assets increased by P15.9 million or 24.7% mainly due to recognition of income taxes recoverable in future periods arising from Net Operating Losses.

Other Noncurrent Assets

Other noncurrent assets increased by P7.8 million or 11.3% mainly due to increase in performance cash deposit paid to PACGOR.

Accounts Payable and other current liabilities

The decreased in accounts payable and other current liabilities by P1.3 million or 0.6% was mainly due to payment of aging payables.

Notes Payable

Notes payable increased by P6.2 million or 4.4% due to availment of loans.

Retirement Benefits Liability

The increased in retirement benefits liability of P7.9 million or 111.1% represents additional provision for employees' retirement benefits, net of actuarial gain.

Other Noncurrent Liability

Other noncurrent liability increased by P3.1 million or 23.9% due to increase in cash deposits as a result of the increase in the number of sites serviced by PhilWeb EGS.

Capital stock

The increased in capital stock of P7.6 million or 0.5% was due to issuance of shares and collection of unpaid subscribed capital.

Additional paid in capital

The decreased in additional paid in capital of P3.4 million or 0.3% was due to issuance of treasury shares at a price lower than cost.

Retained earnings

The decreased in retained earnings of P77.6 million, or 5.0% was attributable to the net loss during the period.

Treasury stock

The decreased in treasury stock of P10.1 million or 0.3% was due to reissuance of shares.

Income and Expenses

For the year ended December 31, 2018, the Company's EBITDA increased by 106.1% or P161.8 million, from (P152.5 million) last year to P9.3 million this year. Net loss decreased by 73.5% or P216.4 million, from P294.4 million last year to P78.1 million this year mainly due to the increase of operating sites from 16 to 60 locations at the end of the year.

Revenues

Total revenues increased by P263.8 million or 164.1%, to P424.6 million for the year ended December 31, 2018 from P160.8 million registered last year. The increase was mainly due to the increase of operating sites from 16 to 60 locations at the end of the year.

Costs and Expenses

Cost and expenses in 2018 slightly increased by P7.5 million or 1.5% compared last year as a result of the increase in number of operating sites. The increased is mitigated by the decreased in noncash expenses and the impact of the implementation of several cost reduction measures despite expansion of operations.

Other Income (Charges)

Other charges increased by P14.1 million or 460.7% mainly due to increase in interest expense.

Performance for the Period Ended December 31, 2017

Cash and Cash Equivalents

The cash and cash equivalents increased by P13.9 million or 14.2% versus last year. The Company collected P139.7 million from sale of investment and receivables and borrowed additional P90.0 million from a bank, and used P220.4 million cash to maintain operations and pay off aging liabilities.

Receivables (net)

The receivables decreased by P169.6 million or 88.2% versus last year, mainly due to collection of receivables.

Prepayments and Other Current Assets

Prepayments and other current assets slightly decreased by P1.1 million or 3.9% versus last year mainly due to decrease in input VAT, net of allowance for impairment.

Property and Equipment

The decreased in property and equipment of P53.1 million or 26.9% represents the total acquisitions of P55.6 million less depreciation and amortization amounting to P108.6 million and disposal of P0.1 million.

The acquisitions mainly pertain to the fair value of property and equipment acquired from existing operators.

Net Deferred Tax Assets

Net Deferred tax assets increased by P37.9 million or 143.3% mainly due to recognition of income taxes recoverable in future periods arising from Net Operating Losses.

Other Noncurrent Assets

Other noncurrent assets decreased by P38.3 million or 35.7% mainly due to disposal of investments in associates and decrease in noncurrent input VAT, net of allowance for impairment.

Accounts Payable and other current liabilities

The decreased in accounts payable and other current liabilities by P105.5 million or 34.1% was mainly due to payment of aging payables.

Notes Payable

Notes payable increased by P90 million or 180.0% due to availment of loans.

Retirement Benefits Liability

The decreased in retirement benefits liability of P6.3 million or 47.0% represents additional provision for employees' retirement benefits, net of actuarial gain.

Operators' deposit

Operator's deposit decreased by P16.6 million or 56.5% due to refund of operators' deposit.

Capital stock

The increased in capital stock of P15.2 million or 1.0% was due to issuance of shares and collection of unpaid subscribed capital.

Additional paid in capital

The decreased in additional paid in capital of P99.1 million or 8.9% was due to issuance of treasury shares at a price lower than cost.

Retained earnings

The decreased in retained earnings of 293.3 million, or 15.8% was attributable to the net loss during the period.

Treasury stock

The decreased in treasury stock of P203.8 million or 4.8% was due to reissuance of shares.

Income and Expenses

For the year ended December 31, 2017, the Company's EBITDA decreased by 126.3% or P732.9 million, from P580.4 million last year to (P152.5) million this year. Net loss decreased by 1.1% or P3.3 million, from P297.7 million last year to P294.4 million this year mainly due to expiration of IPLMA contract and loss on sale of assets in 2016 and PhilWeb was allowed to offer its Electronic Gaming System (EGS) in December 2017.

Revenues

Total revenues decreased by P859.0 million or 84.2%, to P160.8 million for the year ended December 31, 2017 from P1,019.7 million registered last year. The decreased was due to expiration of IPLMA in Aug 2016 and PhilWeb was allowed to offer its EGS in December 2017.

Costs and Expenses

Cost and expenses in 2017 decreased by P177.6 million or 26.3% compared last year mainly due to winding down of eGames operation.

Other Income (Charges)

Other income (charges) increased by P638.2 million or 100.5% mainly due to loss on disposal of assets in 2016.

Key Variable and Other Qualitative and Quantitative Factors

There were no known trends, events or uncertainties that will have material impact on the Company's liquidity.

There were no events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

There were no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.

The current capitalization of the Company, and expected future revenues from its various activities are projected to sufficiently meet the Company's operating cash requirements.

No extraordinary purchase of plant and equipment are expected beyond those in the regular course of the Company's operations.

There were no known trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the Company's revenues or continuing operations.

There are no significant elements of income that did not arise from the Company's continuing operations.

There were no known causes for any material changes from period to period of financial statements, which shall include vertical and horizontal analyses of any material item.

There are no seasonal aspects that have material effect on the Company's financial condition or results of operation.

Item 7. Financial Statements

See attached.

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

Audit fees in relation with the services rendered for the examination and preparation of the Company's financial statements. The following table sets out the aggregate fees billed for each of the last three years for professional services rendered by the independent public accountant.

	2018	2017	2016
Audit and Audit-Related Fees	P600,000	P570,000	P570,000
Tax Fees	None	None	None
Other Fees	None	None	None
Total	P600,000	P570,000	P570,000

The auditor of the Company conducted its audit in accordance with the auditing standards generally accepted in the Philippines with the objective of expressing an opinion as to whether the presentation of the financial statements, taken as a whole conforms with the accounting principles generally accepted in the Philippines. They performed tests of the accounting records and such other procedures, as they considered necessary in the circumstances to provide a reasonable basis for an opinion on the financial statements. They also assessed the accounting principles used and significant

estimates made by the management and evaluated overall financial statements presentation.

The auditor also considered the Company's internal control in order to determine the nature, timing and extent of the audit procedures for the purpose of expressing an opinion on the financial statements. There were no additional fees related to this.

There were no products and services provided by the external auditor other than the services reported under the above items.

The Audit Committee approved the policies and procedures in relation to the services of the external auditor.

Part III – CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Registrant

Name	Age	Position/Citizenship/Period Served/Term of Office
Gregorio Araneta III	72	Director & Chairman/Filipino/6 years/1 year
Crisanto Roy B. Alcid	50	Director & Vice-Chairman/Filipino/5 years/1 year
Edgar Brian K. Ng	50	Director & President/Filipino/1 month/1 year
Edgar N. Ang	68	Director/Filipino/3 years/1 year
Luis M. Araneta	35	Director/Filipino/3 years/1 year
Mario A. Oreta	73	Director/Filipino/3 years/1 year
Rafael B. Ortigas	59	Director/Filipino/18 years/1 year
Philip S. Tuazon	68	Director/Filipino/3 years/1 year
William M. Valtos, Jr.	59	Director/Filipino/3 years/1 year
Ricky E. Rosario	32	CFO & Comptroller/Filipino/4 months/1 year
Alexius D. Coliat	44	CFO & Treasurer/Filipino/4 months/1 year
Mona Liza I. Navarro	40	Vice President/Filipino/3 years/1 year
Raymund S. Aquino	51	Corporate Secretary/Filipino/ 3 years/1 year

Gregorio Araneta III was elected Chairman of the Company in September 2016. He was elected Director of the Company in May 2014. He is the Chairman and Chief Executive Officer of Araneta Properties, Inc. since 2010. He is the Chairman and President of Gregorio Araneta, Inc., ARAZA Resources Corporation, H. E. Heacocks Resources Corp., Gregorio Araneta Management Corporation, Gamma Properties Inc. and Carmel Development Inc. He is also the Chairman of Energy and Gas Holdings Inc. Mr. Araneta attended the University of San Francisco and the Ateneo de Manila University, where he received his degree in Bachelor of Arts in Economics.

Crisanto Roy B. Alcid was elected Vice-Chairman of the Company in September 2017. He was elected Director of the Company in April 2015. He is the President and Chief Operating Officer of Araneta Properties, Inc. while concurrently serving as Director and Executive Vice President of Gregorio Araneta, Inc., Carmel

Development Corp., Gregorio Araneta Management Corporation, and Araza Resources Corporation. He is also a Director of Philippine Coastal Storage & Pipeline Corp. Before joining the Araneta Group, he was formerly connected with Ayala Land, Inc., Asiatrust Development Bank, and Citibank N.A. Mr. Alcid holds a Bachelor of Science Degree in Management Engineering from the Ateneo de Manila University and has completed the General Management Program at the Harvard Business School.

Edgar Brian K. Ng was elected Director of the Company in February 2020. He is the President of the Company. In the past, he served as Managing Director/Country Manager of Affinity Express Philippines, Inc., Vice President & Country Manager of RR Donnelley Global Outsourcing, Director for Operations of OfficeTiger Philippines Corporation, and Director of Special Projects (Global Operations Support) for SPi. He also spent six years with The Print Town Group starting as a Prepress Manager for FEP Printing Corp and ending as Senior Vice President of LexMedia Digital. Aside from the corporate world, Mr. Ng has been heavily involved in the academe, as an instructor at both the undergraduate and graduate levels of Ateneo Universities. He has a Bachelor of Arts degree from the Ateneo de Manila University and an MBA from the Ateneo Graduate School of Business.

Edgar N. Ang was elected Director of the Company in September 2017. He is the Chairman and President of both The Angcore Group of Companies and AB&T Resources, Inc., which are engaged in Automotive Distribution. He is also the President of Rubiken Trading Corporation, a fertilizer-chemical company. Previously, he was the founder and managing director of Davao Cable World Network and Filipino Cable Corporation prior to its sale. He is also currently serving as Honorary Consul of the Republic of Korea to Davao City. He studied at the Ateneo de Manila University and Sophia University in Tokyo, graduating with Bachelor of Science degrees in Economics & Business Administration.

Luis M. Araneta was elected Director of the Company in September 2017. He is a Director and the Business Development Manager of Araneta Properties, Inc. He is the President of Estancias Holdings, Inc. and Cerros Corp, Vice-President and Treasurer of ARAZA Resources Corporation, Director and Corporate Secretary of Carmel Development, Inc., Director of PAGREL, Inc. He is a Director of Belisama Hydropower Corporation and Gregorio Araneta Energy Holdings, Inc. and Corporate Secretary of Gamma Properties, Inc. He studied at the Pace University in New York City where he earned his degree in Business Administration in Management.

Mario A. Oreta was elected Director of the Company in May 2016. He is also a former President and Vice-Chairman of Alphaland Development, Inc., Alphaland Balesin Island Resort Corporation, Alphaland Makati Place, Inc., The City Club at Alphaland Makati Place, Inc., Alphaland Balesin Island Club, Inc., and Alphaland Property Management Corporation. He is also a Director of Atok-Big Wedge Co., Inc. Mr. Oreta graduated with honors from the Ateneo De Manila University with a degree of Bachelor of Laws and immediately joined the law firm of Siguion Reyna,

Montecillo and Ongsiako. He was also the founder and managing partner of Tanjuatco Oreta and Factoran Law Offices.

Rafael B. Ortigas was elected Director of the Company in April 2002. He is the Chairman and President of Leafar Commercial Corporation, a Director of Sagitro, Inc. and ISM Communications Corporation. He was a director of Ilogon-Suyoc Resources, Inc., and OCLP Holdings, Inc. and former General Partner of Ortigas and Company Ltd. Partnership. He is also a Trustee and President of Leafar Foundation, Inc. and a Trustee of the Ortigas Foundation, Inc. He has a Bachelor of Science degree in Computer Science from De La Salle University and an MBA from Ateneo de Manila Graduate School of Business.

Philip S. Tuazon was elected Director of the Company in September 2017. He is currently a Director of the Philippine Ports Authority as Private Sector Representative, which position he also held in 1993 to 1999. Concurrently he is also a Director of JYT Investment and Vice President/Director of Fairwind Harbor Services, Incorporated. He was formerly connected with New Filipino Maritime Agencies, Incorporated as Executive Vice President/Director and Director/President of Dolomite Mining Corporation. He was appointed as Administrator of Maritime Industry Authority (MARINA) where he served for almost seven years. He attended his collegiate years in Ateneo De Manila University, where he received his degree in Bachelor of Arts in Economics.

William M. Valtos, Jr. was elected Director of the Company in September 2017. He is a Director of ICCP SBI Venture Partners and Fiducia Asset Management Pte. Ltd. and serves as Chairman of DirectWithHotels Ltd. Prior to joining the ICCP Group, Mr. Valtos was Managing Director of Strategic Asset Management, Inc., a Chicago-based private direct investment firm managing over US\$600 million in assets. Mr. Valtos holds an MBA from the Kellogg School of Management at Northwestern University. He earned a BA in Economics and Political Science from the University of Illinois, where he was a Rhodes Scholar Candidate. Mr. Valtos is an active member of the Philippines-Singapore Business Council.

Ricky E. Rosario was elected as the CFO and Comptroller of the Company in August 2019. Mr. Rosario is a certified public accountant. His previous work experience includes being senior auditor of SGV & Co. He is an accredited tax practitioner and accredited CPA in public practice, and commerce and industry. He is a member of the Philippine Institute of Certified Public Accountants and registered as ASEAN Chartered Professional Accountant.

Alexius D. Coliat was elected as the CFO and Treasurer of the Company in August 2019. Mr. Coliat is a certified public accountant. His previous work experience includes being the Global Internal Audit Manager of Tyche Consulting Limited Phils. and a senior risk consultant of Hill & Associates Risk Consulting Philippines, Inc. He is a member of the Philippine Institute of Certified Public Accountants.

Mona Liza I. Navarro is currently a Vice President of the Company. She has been an IT practitioner for over 17 years with experience in Software Development, Project

Management and IT Operations. She has a degree of Bachelor of Science in Computer Science from the University of the Philippines. She is an IITL certified professional and a Certified IT Manager.

Raymund Nonato S. Aquino was elected Corporate Secretary of the Company in September 2017. He was a director of SGV & Co. He has a Juris Doctor Degree from the Ateneo de Manila University College of Law and a Bachelor of Arts degree major in Legal Management from the Ateneo de Manila University. He is a member of the Integrated Bar of the Philippines.

The following are the Company's independent directors:

1. Mario A. Oreta
2. Rafael B. Ortigas
3. Philip S. Tuazon
4. William M. Valtos, Jr.

Significant Employees

There are no persons other than the executive officers that are expected by the Company to make a significant contribution to the business.

Family Relationship of Directors and Officers

Mr. Luis M. Araneta is the son of Mr. Gregorio Araneta III.

The Company does not know any other family relationship of directors and officers other than the ones provided.

Involvement of Directors and Officers in Certain Legal Proceedings

The Company is not aware that any of its directors and officers is involved in the past five years up to the date of the filing of this Statement in any bankruptcy proceeding. Neither have they been convicted by final judgment in any criminal proceeding, nor been subject to any order, judgment or decree of competent jurisdiction, permanently enjoining, barring, suspending, or otherwise limiting their involvement in any type of business, securities, commodities or banking activities, nor found in action by any court or administrative body to have violated a securities or commodities law.

Item 10. Executive Compensation

The aggregate amount of compensation paid by the Company to all of its directors and management as a group for fiscal years 2018 and 2019 were P34,068,000.00 and P32,197,500.00, respectively. The estimated aggregate compensation for 2020 is P24,684,000.00

Annual Compensation of Five Most Highly-Paid Executives including the CEO

(a) Name and Principal Position	(b) Year	(c) Salary	(d) Bonus	(e) Other Annual Comp.
1. Dennis O. Valdes President (elected in July 2006 and resigned January 31, 2020)				
2. Edgar Brian K. Ng President (elected in February 1, 2020) Vice President (effective January 2011 until January 31, 2020)				
3. Mona Liza I. Navarro Vice President (effective March 2014)				
4. Raymund S. Aquino Vice President (effective August 2015)				
5. Alexander C. Manabal Assistant Vice President (effective August 2009)				

Aggregate Compensation of the CEO
& Five Most Highly-Paid Executives

2018	20,388,000	-	1,699,000
2019	17,688,000	-	1,474,000
2020 ¹	13,248,000	-	1,104,000

All Officers and Directors as a Group
Unnamed

2018	34,068,000	-	2,839,000
2019	34,068,000	-	2,839,000
2020 ²	24,684,000	-	2,057,000

There are no standard arrangements with regard to election, bonus, profit sharing, pension/retirement plan granting or extension of any option, warrant or right to

¹ Estimate figures

² Estimate figures

purchase any securities. The Company has a stock option plan, which is administered by a stock options committee.

Employment - Contracts and Termination of Employment and Change-in-Control Arrangements

The abovementioned executive officers have employment contracts with the Company.

There has been no change in control arrangements with the present management.

Warrants and Options Outstanding

On February 16, 2001, the Securities and Exchange Commission ("SEC") approved the exemption of 4,447,134,695 common shares under the Company's Stock Option Plan from the registration requirements under the Securities Regulation Code (SEC Resolution No. 005, Series of 2001).

On November 18, 2003, the Stock Option Committee approved the awarding to selected individuals who have helped develop the business of the Company over the past two years option to subscribe to a total of One Billion Three Hundred Million (1,300,000,000) common shares at a price of P0.01 per share (the then prevailing market price was P0.012 per share).

On October 14, 2004, the Stock Option Committee of the Company approved the award to selected officer options to subscribe to 500,000,000 common shares, at a subscription price of P0.01 per share (the then prevailing market price was P0.012 per share).

On March 2, 2005, the Stock Option Committee of the Company approved the award to selected officers, employees and third parties options to subscribe to 1,391,000,000 common shares, at a subscription price equivalent to a twenty percent (20%) discount over the average closing price during the past thirty (30) trading days (the then prevailing market price was P0.0169 per share).

On January 20, 2006, the Stock Option Committee of the Company approved the award to selected officers and employees options to subscribe to a total of 1,786,500 common shares, at a subscription price of P0.013 per share (the then prevailing market price was P0.016 per share).

On November 29, 2006, the Stock Option Committee of the Company approved the award to selected officers options to subscribe to total of 1,156,000,000 common shares, at a price of P0.0248 (the then prevailing market price was P0.031 per share).

On April 9, 2008, the PSE approved the Company's application for the listing of additional 1,982,399,858 common shares with a par value of P0.01 per share, to cover the Stock Option Plan of PhilWeb.

On April 19, 2012, the Stock Option Committee of the Company approved the award to selected officers and employees of options to subscribe to a total of 8,900,000 common shares, at a price of P14.00 per share.

On May 29, 2014, the Stock Option Committee of the Company approved the award to selected officers of options to subscribe to a total of 1,500,000 common shares, at a price of P4.15 per share.

Item 11. Security Ownership of Certain Record Beneficial Owners and Management

(1) Security Ownership of Certain Record and Beneficial Owners

As of February 29, 2020, PhilWeb Corporation knows of no one who beneficially owns more than 5% of its common stock except as set forth in the table below:

<i>Title of Class</i>	<i>Name and Address of Record Owner and Relationship with Issuer</i>	<i>Name of Beneficial Owner and Relationship with Record Owner</i>	<i>Citizenship</i>	<i>Amount and Nature of Record / Beneficial Ownership (indicate "r" or "b")</i>	<i>Percent Held</i>
Common	Gregorio Araneta, Incorporated 6/F Adamson Centre, 121 L.P. Leviste Street, Salcedo Village, Makati City Stockholder	Gregorio Araneta III Proxy/Representative	Filipino	784,695,474 (r&b - direct)	54.65%
Common	PhilWeb Casino Corporation 6/F Adamson Centre, 121 L.P. Leviste Street, Salcedo Village, Makati City Stockholder	Edgar Brian K. Ng Proxy/Representative	Filipino	157,044,156 (r&b - direct)	10.94%
Common	Palmary Corporation 1466 General Luna Street, Paco, City of Manila Stockholder	Perry Weinne S. Lato Proxy/Representative	Filipino	97,333,333 (r&b - direct)	6.78%

(2) Security Ownership of Management

As of February 29, 2020, the following are the details of the security ownership of Management based on total outstanding shares of 1,435,776,680:

<i>Title of Class</i>	<i>Name of Beneficial Owner</i>	<i>Citizenship</i>	<i>Number of Shares and Nature of Beneficial Ownership</i>	<i>Percentage of Ownership</i>
-----------------------	---------------------------------	--------------------	------------------------------------------------------------	--------------------------------

Common	Gregorio Aranao III Chairman	Filipino	100 (direct) 784,695,474 (indirect)	0.00% 56.67%
Common	Crisanto Roy B. Alcib Vice Chairman	Filipino	100 (direct)	0.00%
Common	Edgar Brian K. Ng President	Filipino	301,500 (direct)	0.02%
Common	Edgar N. Ang Director	Filipino	50,000 (direct)	0.00%
Common	Luis M. Aranao Director	Filipino	100 (direct)	0.00%
Common	Mario A. Oreta Independent Director	Filipino	1 (direct)	0.00%
Common	Rafael B. Ortigas Independent Director	Filipino	1,200 (direct)	0.00%
Common	Philip S. Tuzson Independent Director	Filipino	371,500 (direct)	0.02%
Common	William M. Valtes, Jr. Independent Director	Filipino	100 (direct)	0.00%
Common	Alexius D. Colist CFO/Treasurer	Filipino	0 (direct)	0.00%
Common	Ricky E. Rossario CFO/Comptroller	Filipino	0 (direct)	0.00%
Common	Mara Liza I. Navarro Vice President	Filipino	11,500 (direct)	0.00%
Common	Raymund S. Aquino Corporate Secretary	Filipino	114,866 (direct)	0.01%
Aggregate Ownership of Directors and Officers as a Group			785,771,761	54.71%

There are no voting trust agreements or any other similar agreement that may result in a change in control of the Company of which the Company has any knowledge. No change in control of the Registrant has occurred since the beginning of its last fiscal year.

Item 12. Certain Relationships and Related Transactions

Please refer to Schedule C of SEC Supplementary Schedule as Required by Part II of SRC Rule 68 as Amended, on Related Party Transactions of the enclosed Consolidated Financial Statements for the year 2019.

Other than the foregoing, there has been no transaction outside of the ordinary course of business during the last two years, nor is any transaction presently proposed, to which the Company was or is to be a party in which any director or executive officer of the Company, or owner of more than 10% of the Company's voting securities or any member of the immediate family of any of the foregoing persons had or is to have a direct or indirect material interest. In the ordinary and regular course of business, the Company had or may have had transactions with other companies in which some of the foregoing persons may have an interest.

Mr. Gregorio Araneta III directly and indirectly owns at least 54.65% of the Company's voting securities. No person, natural or juridical, owns more than 50% of the Company's voting securities.

Item 13. Corporate Governance

The Company through its Compliance Officer, Ms. Mona Liza I. Navarro, has monitored the Company's compliance with SEC Memorandum Circular No. 2 Series of 2002, SEC Memorandum Circular No. 19 Series of 2016 and the relevant SEC Circulars on Corporate Governance and noted that no substantive or major deviations occurred. The Company's directors and officers have complied with the practice and policies contained in the Company's Manual on Corporate Governance. The Company has submitted its self-rating performance assessment sheet in compliance with SEC requirements. All of the Company's directors and officers attended a seminar on corporate governance.

The Company's Board of Directors and officers have been properly briefed on their specific responsibilities as embodied on the Manual on Corporate Governance. The compliance officer monitors the Company's compliance with the provisions and requirements of the manual and determines violations if any.

There were no deviations made from the adopted Manual on Corporate Governance.

The Company's management considers its Manual on Corporate Governance sufficient and believes that there is no need to amend it. It ensures that the provisions of the manual are properly implemented.

Item 14. Sustainability Report

In compliance with SEC Memorandum Circular No. 4 Series of 2019 in relation to SEC Memorandum Circular No. 13 Series of 2020 on the extension of the deadline for the submission of the Sustainability Report, the Sustainability Report of the Company for the year ended December 31, 2019 shall be submitted on or before June 30, 2020.

Part IV – EXHIBITS AND SCHEDULES

Item 15. Exhibit and Reports on SEC Form 17-C

- a. Exhibit
Exhibit A – Material Contracts
Exhibit B – Sustainability Report
- b. Reports on SEC Form 17-C

April 3, 2019

Press Release entitled: PhilWeb's 2018 Revenues Increase 132%

May 21, 2019

Announcement of the results of the annual stockholders' meeting whereby the Company's stockholders elected the Company's nine directors; election by the Board of Directors of the Company's officers, members of the Executive Committee, Compliance Officers, Corporate Information Officers and members of the Corporate Governance, Audit and Stock Option committees.

May 31, 2019

Press Release entitled: PhilWeb signs Cooperation Agreement on e-Bingo

August 2, 2019

Press Release entitled: PhilWeb H1 2019 revenues increase 25% vs. 2018

October 14, 2019

Press Release entitled: PhilWeb Q3 2019 revenues increase 48% vs. 2018

December 31, 2019

Press Release entitled: PhilWeb elects new president.

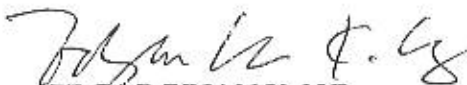
SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Manila on 29 May 2020.

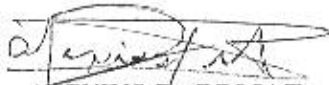
By:



GREGORIO ARANETA III
Chairman



EDGAR BRIAN K. NG
President



ALEXIUS D. COLIAT
Chief Finance Officer/Treasurer



RAYMOND S. AQUINO
Corporate Secretary

JUN 04 2020

SUBSCRIBED AND SWORN to before me this _____ affiants exhibiting to me their
Tax Identification Numbers, as follows:

Name	Tax Identification No.
Gregorio Araneta III	136-998-184
Edgar Brian K. Ng	143-335-323
Raymund S. Aquino	167-317-782
Alexius D. Coliat	179-478-079

Doc No. 470
Page No. 85
Book No. 93
Series of 2020.



JOSHUA P. LAPUZ
Notary Public for Makati City
Appointment No. M-66 / Until 2-31-2021
Roll No. 45790 / IBP Lifetime No. 74897 / 7-3-03
PTR O.R. No. B116016 / 1-2-20 / Makati City
MCLP No. VI-0016505 / 1-14-19
G/F, Forlman Suites, 198 Salcedo St.
Legazpi Village, 1229 Makati City

EXHIBIT "A"

(Please refer to the Registration Statement for copies of other material contracts of PhilWeb Corporation)