

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. Exact name of the Registrant as specified in its charter: **PHILWEB CORPORATION**

Province, Country or other jurisdiction of Industry Classification Code Incorporation or Organization: **Philippines**

4. SEC Identification Number: **39121**

5. BIR Tax Identification Number: **000-141-527-000**

6. Address of principal office: **41st Floor, One San Miguel Avenue Condominium, San Miguel Avenue corner Shaw Boulevard, Ortigas Center, Pasig City, Philippines**

7. Registrant's Telephone No.: **(632) 82365577**

8. Date, time and place of the meeting of security holders: **May 25, 2022 at 10:00 a.m. and shall be conducted by remote communication via Zoom at https://us02web.zoom.us/webinar/register/WN_PiMkk64_TGS1g2fmMmvKWg. Thus, the stockholders may only attend by remote communication or by appointing the Chairman as proxy.**

9. Approximate date on which the Information Statement is first to be sent or given to security holders: **May 2, 2022**

10. Securities registered pursuant to Sections 4 and 8 of the RSA:

| Title of Each Class | Number of Shares of Common Stock Outstanding |
|---|---|
| Common Stock P1.00 par value | 1,435,776,680 common shares (net of treasury shares of 81,380,938) |

11. Are any or all these securities listed on the Philippine Stock Exchange:

Yes No

WE ARE NOT ASKING YOU FOR A PROXY

AND YOU ARE REQUESTED NOT TO SEND US A PROXY

INFORMATION STATEMENT

GENERAL INFORMATION

Date, Time and Place of Meeting of Security Holders

The annual stockholders' meeting will be held on May 25, 2022 at 10:00 a.m. by remote communication via Zoom at https://us02web.zoom.us/webinar/register/WN_PiMKK64_TGSIg2fmMmvKWg. Due to the COVID-19 pandemic, the Corporation will dispense with the physical attendance of the stockholders at the meeting. Thus, the stockholders may only attend by remote communication or by appointing the Chairman as proxy.

The complete mailing address of the principal office of the Corporation is 41st Floor, One San Miguel Avenue Condominium, San Miguel Avenue corner Shaw Boulevard, Ortigas Center, Pasig City, Philippines.

The approximate date when the information statement will be first sent to security holders will be on May 2, 2022.

Participation by Remote Communication

The 2022 Annual Stockholders' Meeting will be conducted by remote communication via Zoom at https://us02web.zoom.us/webinar/register/WN_PiMKK64_TGSIg2fmMmvKWg. The stockholders may attend and participate at the meeting by following the instructions below:

- a. Stockholders should notify the Corporation by sending an email to corpsec@philweb.com.ph on or before 11 May 2022.
- b. All successfully registered stockholders will receive an invitation by email containing the link to the meeting and password and the meeting procedures.
- c. Stockholders who have notified the Corporation and were registered will be included in the determination of the existence of a quorum.
- d. Stockholders who intend to attend and vote by proxy should submit their proxies to the Office of the Corporate Secretary at 41st Floor, One San Miguel Avenue Condominium, San Miguel Avenue corner Shaw Boulevard, Ortigas Center, Pasig City, Philippines or email to corpsec@philweb.com.ph not later than 11 May 2022 at 5:00 p.m.

- e. The meeting shall be recorded in audio and video formats and copies thereof shall be retained by the Corporation.

Dissenters' Right of Appraisal

There are no matters to be taken up during the annual stockholders' meeting with respect to which the law allows the exercise of appraisal right by any dissenting stockholder. The Corporation Code limits the exercise of the appraisal right to the following instances:

- a. In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of share, or of authorizing preferences in respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
- b. In case of the sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets;
- c. In case of merger or consolidation;
- d. In case of investment of corporate funds for any purpose other than the primary purpose of the corporation.

Since the matters to be taken up do not include any of the foregoing, the appraisal right will not be available.

However, if at any time after this Information Statement has been sent out, an action which may give rise to the right of appraisal is proposed at the meeting, any stockholder who voted against the proposed action and who wishes to exercise such right must make a written demand, within thirty (30) days after the date of the meeting or when the vote was taken, for the payment of the fair market value of his shares. Upon payment, he must surrender his certificates of stock. No payment shall be made to any dissenting stockholder unless the Company has unrestricted retained earnings in its books to cover such payment.

INTEREST OF CERTAIN PERSONS IN OR OPPOSITION TO MATTERS TO BE ACTED UPON

The directors, officers, nominees for directors and their associates do not have a substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon, other than election to office.

No person has informed the Corporation in writing that he intends to oppose any action to be taken by the Corporation at the meeting.

CONTROL AND COMPENSATION INFORMATION

Voting Securities and Principal Holders Thereof

There are 1,435,776,680 outstanding common shares (net of treasury shares of 81,380,938) as of March 31, 2022 entitled to notice and to vote during the meeting. Each common share is entitled to one vote, except with respect to the election of directors where the stockholders are entitled to cumulative voting. There is no classification of voting securities.

The record date to determine the stockholders entitled to notice and to vote at the meeting is on April 30, 2022.

The election of the members of the board of directors for the current fiscal year will be taken up and all stockholders have the right to cumulate their votes in favor of their chosen nominees for director in accordance with Section 24 of the Revised Corporation Code. Section 24 provides that a stockholder, may vote such number of shares registered in his name as of the record date for as many person as there are directors to be elected, or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit. The total number of votes cast by such stockholders should not exceed the number of shares owned by him as shown in the books of the corporation multiplied by the whole number of directors to be elected.

No person has informed the Corporation in writing that he intends to oppose any action to be taken by the Corporation at the meeting.

Security Ownership of Certain Record and Beneficial Owners and Management

(1) Security Ownership of Certain Record and Beneficial Owners

As of March 31, 2022, the 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> |
|-----------------------|--|--|--------------------|---|---------------------|
| | | | | | |

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| <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 21/F Citibank Tower, Paseo de Roxas, Makati City Stockholder | Gregorio Araneta III Proxy/Representative | Filipino | 829,574,354 (r&b - direct) | 57.78% |
| 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% |

(2) Security Ownership of Management

As of March 31, 2022, 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 Ma. Araneta III Chairman/CEO | Filipino | 100 (direct) 829,574,254 (indirect) | 0.00% 57.78% |
| Common | Crisanta Ray B. Alcib Vice Chairman | Filipino | 100 (direct) | 0.00% |
| Common | Edgar Brian K. Ng Director/President | Filipino | 326,500 (direct) | 0.02% |
| Common | Edgar N. Ang Director | Filipino | 50,000 (direct) | 0.00% |
| Common | Affonso M. Araneta Director | Filipino | 1,000 (direct) | 0.00% |
| Common | Luis M. Araneta Director | Filipino | 100 (direct) | 0.00% |
| Common | Ferry Weinne S. Lato | Filipino | 1,000 (direct) 70,637,333 | 0.00% 4.92% |
| Common | Mario A. Orela | Filipino | 1 (direct) | 0.00% |

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| | | | | |
|--|---|----------|------------------|--------|
| Common | Independent Director Rafael B. Ortigas Independent Director | Filipino | 1,200 (direct) | 0.00% |
| Common | Philip S. Tuazon Independent Director | Filipino | 371,500 (direct) | 0.00% |
| Common | William M. Valtos, Jr. Independent Director | Filipino | 100 (direct) | 0.00% |
| Common | Alexius D. Cohat CFO/Treasurer | Filipino | 0 (direct) | 0.00% |
| Common | Ricky E. Rosario CFO/Comptroller | Filipino | 0 (direct) | 0.00% |
| Common | Mona Liza I. Navarro Vice President | Filipino | 11,500 (direct) | 0.01% |
| Common | Raymond S. Aquino Corporate Secretary/Vice President | Filipino | 117,866 (direct) | |
| Aggregate Ownership of Directors and Officers as a Group | | | 901,092,554 | 62.76% |

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 Corporation has occurred since the beginning of its last fiscal year.

Directors and Executive Officers

PhilWeb's Board of Directors is composed of 11 members elected by and from among the Company's stockholders. The Board is responsible for providing overall management and direction to the Company.

The present directors and executive officers of the Company and a brief description of their business experience for the past five years are discussed below:

| Name | Age | Position/Citizenship/Period Served/Term of Office |
|------------------------|-----|---|
| Gregorio Araneta III | 74 | Director & Chairman/Filipino/7 years/1 year |
| Crisanto Roy B. Alcid | 52 | Director & Vice-Chairman/Filipino/6 years/1 year |
| Edgar Brian K. Ng | 52 | Director & President/Filipino/1 year/1 year |
| Edgar N. Ang | 70 | Director/Filipino/4 years/1 year |
| Alfonso M. Araneta | 37 | Director/Filipino/7 months/1 year |
| Luis M. Araneta | 36 | Director/Filipino/4 years/1 year |
| Perry Weinne S. Lato | 39 | Director/Filipino/7 months/1 year |
| Mario A. Oreta | 75 | Director/Filipino/4 years/1 year |
| Rafael B. Ortigas | 61 | Director/Filipino/19 years/1 year |
| Philip S. Tuazon | 70 | Director/Filipino/4 years/1 year |
| William M. Valtos, Jr. | 61 | Director/Filipino/4 years/1 year |
| Ricky E. Rosario | 34 | CFO & Comptroller/Filipino/1 year/1 year |

| | | |
|----------------------|----|---|
| Alexius D. Coliat | 46 | CFO & Treasurer/Filipino/1 year/1 year |
| Mona Liza I. Navarro | 42 | Vice President/Filipino/4 years/1 year |
| Raymund S. Aquino | 53 | Corporate Secretary/Filipino/4 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. 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 was 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.

Alfonso M. Araneta was elected Director of the Company in May 2021. He is a Director of Araneta Properties, Inc. ARAZA Resources Corp., ATSI PETC, Inc., Pagrel, Inc., Gamma Properties, Inc., Securicor Security Investigation Services, Inc., Alumma Foods, Inc., Belisama Hydropower Corporation and Gregorio Araneta Energy Holdings, Inc. He is currently the Executive Vice-President and Director of Envirotest, Inc., Vice President and Director of Carmel Development, Inc., and Vice-President and Director of Gregorio Araneta, Inc. Mr. Araneta graduated at De La Salle-College of St. Benilde, Manila where he earned his degree in Bachelor of Science in 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.

Perry Weinne S. Lato was elected Director of the Company in May 2021. He currently operates a Business Process Outsourcing service company catering to licensed online gaming operators. His previous experience includes executive positions in the fields of finance, accounting, property management and leasing, running the following types of business: rice trading, dormitory and apartment leasing, e-bingo shops, manufacturing, marketing, and distribution of slot machines and gaming software, and offshore gaming. He is also a licensed real estate broker and is engaged in real estate subdivision and housing development. Mr. Lato graduated from the University of Southern California, Marshall School of Business, major in Accounting.

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 Itogon-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 Managing Director of Tao Corporation. He is also an Independent Director of Investree Philippines, Phizzle Inc., Transweath Fleet Management Corp. and Transweath Parking Services Corp. Prior to joining Tao Corporation, Mr. Valtos held a number of senior executive and Director positions in the ICCP Group over 24 years, including being a Director and CEO of Investment & Capital Corporation of the Philippines and a Director and Senior Managing Director of ICCP SBI Venture Partners. Prior to joining the ICCP Group, Mr. Valtos was Managing Director of Strategic Asset Management, Inc., a Chicago-based private direct investment firm. Mr. Valtos is a former Director of the Investment House Association of the Philippines. He is an Executive-in-Residence at the Asian Institute of Management. 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.

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, commerce and industry. He is a member of the Philippine Institute of Certified Public Accountants and registered as an 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 ITIL 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.

As of the date of this information statement, the foregoing will be nominated for re-election to the Board of Directors at the meeting. None of the above mentioned directors have declined to stand for re-election to the Board of Directors since the date of the last annual stockholders' meeting because of a disagreement with the Company on any matter relating to the Company's operations, policies, or practices.

Independent Directors / Nomination Committee

Under its Manual on Corporate Governance submitted with the Securities and Exchange Commission (SEC), the Board of Directors created a Corporate Governance Committee, which may have at least three voting members. It shall pre-screen and shortlist all candidates nominated to become a member of the Board of Directors including the Independent Directors in accordance with the guidelines provided in the Manual on Corporate Governance and conformably with SRC Rule 38.

The following are the Company's incumbent Independent Directors:

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

In compliance with SRC Rule 38 and the Company's Manual on Corporate Governance, the following are the incumbent members of the Corporate Governance Committee:

1. Rafael B. Ortigas (Chairman/Independent Director)
2. Philip S. Tuazon (Member/Independent Director)
3. William M. Valtos, Jr. (Member/Independent Director)

Procedures for the Nomination of the Independent Directors

The Corporate Governance Committee prior to a stockholders' meeting shall conduct the nomination of independent directors. The nominating stockholders together with the acceptance and conformity by the would-be nominees shall sign all the recommendations. The Corporate Governance Committee shall pre-screen the qualification and prepare a final list of all candidates and put in place screening policies and parameters to enable it to effectively review the qualifications of the nominees for independent directors. After the nomination, the Corporate Governance Committee shall prepare a Final List of Candidates which shall contain all the information about all the nominees for independent directors, as required under Part IV (A) and (C) of Annex "C" of SRC Rule 12, which list, shall be made available to the SEC and to all stockholders through the filing and distribution of the Information Statement, in accordance with SRC Rule 20, or in such other reports the Company is required to submit to the SEC. The name of the independent director shall be identified in such report including any relationship with the nominee.

Only nominees whose names appear on the Final List of Candidates shall be eligible for election as Independent Directors. No further nominations shall be entertained or allowed on the floor during the actual annual stockholders' meeting.

The SEC approved the amendment of the Company's By-Laws, which include among others, the procedure for the nomination and election of independent directors on November 10, 2005.

As of the date of this Information Statement, the Corporate Governance Committee has received and approved the following nominations for independent director:

| Nominee for Independent Director (a) | Person/Group recommending nomination (b) | Relation of (a) and (b) |
|--------------------------------------|--|-------------------------|
| Mario A. Oreta | Edgar Brian K. Ng | None |
| Rafael B. Ortigas | Edgar Brian K. Ng | None |
| Philip S. Tuazon | Edgar Brian K. Ng | None |
| William M. Valtos, Jr. | Edgar Brian K. Ng | None |

Family Relationship of Directors and Officers

Messrs. Alfonso M. Araneta and Luis M. Araneta are the sons of Mr. Gregorio Araneta III.

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

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 2020.

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 57.78% of the Company's voting securities. No person, natural or juridical, owns more than 50% of the Company's voting securities.

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.

Involvement of Directors and Officers in Certain Legal Proceedings

The Company is not aware that any of its directors and officers is involved during the past five years and up to the date of the filing of this report in any bankruptcy proceedings. Neither have they been convicted by final judgment in any criminal proceeding or been subject to any order, judgment or decree by a court of competent jurisdiction, permanently or temporarily 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.

Legal Proceedings

1. Rodrigo R. Gacionco, 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 (Antigua) Ltd. (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.

5. PhilWeb Corporation vs. Commissioner of Internal Revenue
CTA Case No. 10563

On 13 January 2021, PhilWeb received the Formal Assessment Notice/Formal Letter of Demand (FAN/FLD) issued by the Bureau of Internal Revenue (BIR) assessing PhilWeb of deficiency VAT for taxable year 2015 (inclusive of surcharges, interests, and compromise penalty) in the aggregate amount of Php23,693,960.11. On 10 February 2021, PhilWeb filed its Protest Letter to the FAN/FLD refuting the remaining assessments of the BIR. On 28 May 2021, PhilWeb received a copy of the Final Decision on Disputed Assessment (FDDA) of the BIR denying the protest and assessing PhilWeb of deficiency VAT (inclusive of surcharges, interests, and compromise penalty) in the aggregate amount of Php19,568,262.20. On 28 June 2022, PhilWeb filed with the Court of Tax Appeals (CTA) a Petition for Review appealing the FDDA. The case was set for pre-trial last 21 February 2022. PhilWeb also filed last 18 August 2021 with the BIR an Offer of Compromise Settlement by offering to pay the amount of P1,804,854.57 to immediately settle, close and terminate this assessment. This offer is pending resolution with the BIR.

6. PhilWeb Corporation vs. Commissioner of Internal Revenue
CTA Case No. 10619

On 26 September 2016, PhilWeb received the FAN/FLD assessing PhilWeb of deficiency Income Tax, Expanded Withholding Tax, Documentary stamp Tax, and Value-Added Taxes for taxable year 2011 (inclusive of surcharges, interests, and compromise penalty) in the aggregate amount of Php698,871,318. On 26 October 2016, PhilWeb filed its Protest Letter to the FAN/FLD refuting the assessments of the BIR. On 2 September 2021, PhilWeb received a copy of the FDDA of the BIR denying the protest and assessing PhilWeb of deficiency Income Tax, Expanded Withholding Tax, Documentary stamp Tax, and Value-Added Taxes (inclusive of surcharges, interests, and compromise penalty) in

the aggregate amount of Php954,880,386. On 4 October 2021, PhilWeb filed with the CTA a Petition for Review appealing the FDDA.

7. **PhilWeb Corporation vs. Commissioner of Internal Revenue**
CTA Case No. 10671

On 24 October 2016, PhilWeb received the FAN/FLD assessing PhilWeb of deficiency Income Tax, Expanded Withholding Tax, Documentary stamp Tax, and Value-Added Taxes for taxable year 2012 (inclusive of surcharges, interests, and compromise penalty) in the aggregate amount of Php1,114,293,563.55. On 22 November 2016, PhilWeb filed its Protest Letter to the FAN/FLD refuting the assessments of the BIR. On 20 September 2021, PhilWeb received a copy of the FDDA of the BIR denying the protest and assessing PhilWeb of deficiency Income Tax, Expanded Withholding Tax, Documentary stamp Tax, and Value-Added Taxes (inclusive of surcharges, interests, and compromise penalty) in the aggregate amount of Php306,146,489.37. On 20 October 2021, PhilWeb filed with the CTA a Petition for Review appealing the FDDA.

8. **John Rimus T. Abadiano vs. PhilWeb Corporation**
NLRC NCR Case No. 02-00545-21
For Separation Pay, Backwages and damages

John Rimus T. Abadiano filed an illegal dismissal case with a claim for separation pay, backwages and damages. In a decision dated 29 November 2021, the labor arbiter held that Abadiano was illegally dismissed. PhilWeb appealed said decision to the National Labor Relations Commission.

Compensation of Directors and Executive Officers

A director's compensation consists solely of a per diem of P40,000.00 for every meeting of the Board of Directors. Since the Board of Directors held two meetings for the year 2021, each of the directors received a total of P80,000.00.

The aggregate amount of compensation paid by the Company to all of its directors and management as a group for fiscal years 2020 and 2021 were P16,287,538.00 and P25,001,246.00, respectively. The estimated aggregate compensation for 2022 is P25,896,000.00.

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. Edgar Brian K. Ng

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- President
(elected February 2020)
2. Mona Liza I. Navarro
Vice President
(effective March 2014)
3. Raymund S. Aquino
Vice President
(effective August 2015)
4. Ronald M. Cuevas
Vice President
(effective January 2014)
5. Alexander C. Manabal
Assistant Vice President
(effective August 2009)

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

| | | | |
|-------------------|------------|---|-----------|
| 2020 ¹ | 8,820,869 | - | 718,769 |
| 2021 | 13,149,086 | - | 161,619 |
| 2022 ² | 13,248,000 | - | 1,104,000 |

All Officers and Directors as a Group
Unnamed

| | | | |
|-------------------|------------|---|-----------|
| 2020 ³ | 16,287,538 | - | 1,250,492 |
| 2021 | 25,001,246 | - | 815,711 |
| 2022 ⁴ | 25,896,000 | - | 2,158,000 |

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

¹ Figures reflected were an effect of voluntary salary reductions made by officers in 2020.

² Estimate figures

³ Figures reflected were an effect of voluntary salary reductions made by officers in 2020.

⁴ Estimate figures

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 SEC approved the exemption of 4,447,134,695 common shares (equivalent to 44,471,347 shares based on the new par value, effective September 14, 2009) 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 options 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 awarding to selected individuals who have helped develop the business of the Company over the past two years options to subscribe to 500,000,000 common share, at a price of P0.01 per share (the then prevailing market price was P0.012 per share).

On March 2, 2005 the Board of Directors of PhilWeb Corporation approved the recommendation of the Stock Option Committee for additional option grants totaling 1,391,000,000 shares to its officers and employees at a price equivalent to a twenty percent (20%) discount over the average closing price of the Company during the past 30 trading days.

On January 20, 2006, the Stock Option Committee of the Company approved the award to selected officers and employees options to subscribe to total of 1,786,500,000 common shares, at a 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 Corporation.

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

Independent Public Accountants

The independent public accountant recommended for election for the current year is Reyes Tacandong & Co.

The Company has not had any disagreements on accounting and financial disclosures with its current external auditors for the same period or any subsequent interim period.

Representatives of Reyes Tacandong & Co. shall be present at the meeting. They will have the opportunity to make a statement if they choose to do so and will be available to respond to appropriate questions.

The 2021 audit of the Company by Reyes Tacandong & Co. is in compliance with Securities Regulation Code Rule 68, paragraph 3(b)(iv) and SEC Memorandum Circular No. 8, Series of 2003 that provides that the external auditor should be rotated every five (5) years or earlier or the handling partner shall be changed.

The following are the members of the Audit Committee of the Company:

| | | |
|------------------------|---|-------------------------------|
| Mario A. Oreta | - | Independent Director/Chairman |
| Rafael B. Ortigas | - | Independent Director/Member |
| William M. Valtos, Jr. | - | Independent Director/Member |

OTHER MATTERS

Action with Respect to Reports

The Management Report and 2021 Audited Financial Statements, as set forth in the accompanying Annual Report, will be submitted for stockholders' ratification.

Approval of the Annual Report constitutes a ratification of the Company's performance during the previous fiscal year.

Approval of the Minutes of the Stockholders' Meeting held on May 26, 2021 constitutes a ratification of the accuracy and faithfulness of the Minutes to the events, which transpired during the meeting.

During the said meeting, the following significant matters were approved: (i) minutes of the annual stockholder's meeting held on August 12, 2020; (ii) Management Report and Audited Financial Statements for the Year Ended December 31, 2020; (iii) ratification and approval of corporate acts; (iv) election of directors; and (v) appointment of external auditor.

There were no self-dealing and related party transactions by the directors in accordance with the Material Related Party Transaction Policy of the Company and SEC Memorandum Circular No. 10, Series of 2019.

During the Regular Meeting of the Board of Directors held on March 17, 2021, the following matters were discussed/approved: (i) minutes of the board meeting held on August 12, 2020; (ii) minutes of the executive committee meetings held on September 7, 2020 and October 29, 2020; (iii) Management Report for 2020; (iv) strategic plans for 2021 and (v) Audited Financial Statements as at and for the year ended December 31, 2020 of the Company.

During the Organizational Meeting of the Board of Directors held on May 26, 2021, the following matters were discussed/approved: (i) minutes of the board meeting held on March 17, 2021; (ii) minutes of the executive committee meetings held on January 13, 2021, March 8, 2021 and March 17, 2021; (iii) election of officers; (iii) election of members of the Executive Committee; and (iv) election of members to the Corporate Governance, Audit and Stock Option committees.

Copies of the minutes will be made available for review by the stockholders present in the annual meeting.

The affirmative vote of a majority of the votes cast on this matter is necessary for approval of the minutes.

Other Proposed Actions

The acts of Management from the last annual stockholders' meeting to the present will be presented for stockholders' ratification at the meeting.

Voting Procedures

For the election of directors, the eleven (11) nominees receiving the most number of votes will be elected to the Board of Directors. Cumulative voting will apply.

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For all other matters to be taken up, majority vote of the outstanding capital stock present and represented at the meeting where a quorum exists shall be sufficient.

Voting shall be done *viva voce* or by raising of hands and the votes for or against the matter submitted shall be tallied by the Corporate Secretary in case of a division of the house.

UPON THE WRITTEN REQUEST OF A STOCKHOLDER, THE COMPANY WILL PROVIDE, WITHOUT CHARGE, A COPY OF THE COMPANY'S SEC FORM 17-A (ANNUAL REPORT) DULY FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THE STOCKHOLDER MAY BE CHARGED A REASONABLE COST FOR PHOTOCOPYING THE EXHIBITS.

ALL REQUESTS MAY BE SENT TO THE FOLLOWING ADDRESS:

PhilWeb Corporation
41st Floor, One San Miguel Avenue Condominium
San Miguel Avenue corner Shaw Boulevard
Ortigas Center, Pasig City, Philippines
Attention: Mr. Alexius D. Coliat
Treasurer/Chief Finance Officer

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 April 11, 2022.

Issuer: **PHILWEB CORPORATION**

Date: April 28, 2022

Signature and Title:



Edgar Brian K. Ng
President

PHILWEB CORPORATION

MANAGEMENT REPORT

for the
2022 Annual Meeting of Stockholders
Pursuant to SRC Rule 20 (4) (A)

A. *Audited Financial Statements for Fiscal Year Ended December 31, 2021*

Please see attached audited consolidated financial statements as of December 31, 2021.

B. *There were no disagreements with the accountants*

C. *Management's Discussion and Analysis or Plan of Operations*

Plan 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 operating cash requirements. Acquisition of computers and other equipment, which are not expected to be of material amount, shall be funded from internally generated funds.

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.

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.

Results of Operation

| | For the Period Ended December 31 2021 | For the Year Ended December 31 2020 | For the Year Ended December 31 2019 | For the Year Ended December 31 2018 |
|---|--|--|--|--|
| Income Statement | | | | |
| Revenues | 537,782,930 | 264,881,733 | 539,862,792 | 424,566,647 |
| Costs and Expenses | 562,244,616 | 319,895,710 | 544,176,264 | 506,202,842 |
| Other Income (Loss) - Net | (5,228,887) | (22,146,038) | (29,687,837) | (11,033,255) |
| Net Loss | (52,205,290) | (59,506,366) | (85,522,377) | (78,066,237) |
| Retained Earnings at Beginning of Period | 856,469,229 | 915,975,595 | 1,485,794,383 | 1,563,374,351 |
| Retained Earnings at End of Period | 804,263,939 | 856,469,229 | 915,975,595 | 1,485,794,383 |
| Balance Sheet | | | | |
| Current Assets | 172,099,029 | 435,459,545 | 412,575,368 | 129,947,380 |
| Total Assets | 1,267,758,793 | 759,675,306 | 793,771,386 | 386,045,369 |
| Total Liabilities | 668,573,846 | 560,891,899 | 533,887,650 | 379,886,037 |
| Total Equity | 599,184,947 | 198,783,407 | 259,883,736 | 6,159,332 |

Performance for the Period Ended December 31, 2021

Cash and Cash Equivalents

The cash and cash equivalents increased by P31.6 million or 77.0% versus last year. The Company generated cash from operation of P47.2 million and collected receivables from sales of treasury shares of P292.0 million, issued preferred shares of P456.4 million and used P6.0 million to pay loans and P758.0 million mainly for the acquisition of eBingo sites and eBingo machine providers.

Receivables (net)

The receivables decreased by P308.1 million or 86.6% versus last year, mainly due to the collection of receivables from sale of treasury shares.

Prepayments and Other Current Assets

Prepayments and other current assets increased by P13.2 million or 34.2% versus last year mainly due to the increase in input VAT and prepaid taxes.

Property and Equipment

The increased in property and equipment of P37.2 million or 51.4% represents the total acquisitions of P91.5 million less depreciation and amortization amounting to P54.3 million.

Right-of-use (ROU) Assets

ROU assets increased by P94.4 million or 128.4% mainly due to recognition of the ROU assets of the acquired eBingo sites as a result of the adoption of new accounting standard, PFRS 16.

Net Deferred Tax Assets

Net Deferred tax assets decreased by P21.5 million or 42.8% mainly due to the expiration of temporary difference arising from Net Operating Losses.

Goodwill

Goodwill increased by P611.2 million mainly due to the recognition of goodwill arising from the acquisition of 16 eBingo sites and two accredited eBingo machine providers.

Other Noncurrent Assets

Other noncurrent assets increased by P50.2 million or 57.1% mainly due to the increase in noncurrent input VAT and performance cash deposit and other deposits from the acquired eBingo sites.

Accounts Payable and other current liabilities

The increased in accounts payable and other current liabilities by P10.2 million or 4.5% was mainly due to the increase in trade payables and accruals.

Notes Payable

Notes payable decreased by P6.0 million or 3.0% due to the payment of loans.

Lease Liabilities

Lease liabilities current and noncurrent increased by P93.1 million or 114.7% mainly due to the recognition of lease liabilities of the acquired eBingo sites as a result of the adoption of new accounting standard, PFRS 16.

Retirement Benefits Liability

The increased in retirement benefits liability of P10.7 million or 28.3% represents additional provision for employees' retirement benefits, net of actuarial gain.

Other Noncurrent Liability

Other noncurrent liability decreased by P0.3 million or 2.2% due to refund of operators' deposit.

Capital stock

The increased in capital stock of P159.3 million is mainly due to issuance of preferred shares during the year.

Additional paid in capital

The increased in additional paid in capital of P589.1 million is mainly due to issuance of preferred shares higher than the par value.

Retained earnings

The decreased in retained earnings of P52.2 million or 6.1% was attributable to the net loss during the year.

Treasury stock

Treasury stock increased by P292.0 million due to the issuance of preferred shares held by subsidiary.

Income and Expenses

Net loss after income tax decreased by P7.3 million or 12.3%, from P59.5 million last year to P52.2 million this year. However, net loss before income tax expense is significantly decreased by 61.5% or P47.5 million from P77.2 million in 2020 to P29.7 million in 2021.

For the year ended December 31, 2021, the Company's EBITDA increased by 448.5% or P60.7 million, from negative P13.5 million last year to positive P47.2 million this year.

The decreased in net loss and the improvement in EBITDA in 2021 is mainly attributable to the higher revenue and continues cost savings measures implemented by the Group.

Revenues

Total revenues increased by P272.9 million or 103.0%, to P537.8 million for the year ended December 31, 2021 from P264.9 million registered last year. The increase in revenue is mainly attributable the contributions of the additional eGames sites in 2021, the consolidation of newly acquired eBingo sites and eBingo machine providers and the implementation of the eGames Remote Gaming Platform at the end of March 2021.

Costs and Expenses

As a result of the increase in operating eGames locations and the consolidation of the expenses of the newly acquired eBingo sites and accredited eBingo machine providers, the costs and expenses for the year 2021 increased by 75.8% or P242.3 million, from P319.9 million in 2020 to P562.2 million in 2021.

Other Income (Charges)

Other charges decreased by P16.9 million or 76.4% mainly due to the gain on rent concession.

Performance for the Period Ended December 31, 2020

Cash and Cash Equivalents

The cash and cash equivalents increased by P3.4 million or 9.1% versus last year. The Company generated cash from operation and obtained working capital advances of P9.0 million and used P3.3 million to pay loans and P2.3 million to acquire fixed assets.

Receivables (net)

The receivables increased by P21.8 million or 6.5% versus last year, mainly due to the loans extended to operators and increase in trade receivables.

Prepayments and Other Current Assets

Prepayments and other current assets decreased by P2.3 million or 5.7% versus last year mainly due to the amortization of prepayments.

Property and Equipment

The decreased in property and equipment of P41.4 million or 36.3% represents the total acquisitions of P2.3 million less depreciation and amortization amounting to P43.7 million.

Right-of-use (ROU) Assets

ROU assets decreased by P37.4 million or 33.7% mainly due to the amortization recognized during the year as a result of the adoption of new accounting standard, PFRS 16.

Net Deferred Tax Assets

Net Deferred tax assets increased by P18.3 million or 57.3% mainly due to the recognition of temporary difference arising from Net Operating Losses.

Other Noncurrent Assets

Other noncurrent assets increased by P3.5 million or 2.8% mainly due to the increase in noncurrent input VAT.

Accounts Payable and other current liabilities

The increased in accounts payable and other current liabilities by P56.2 million or 32.9% was mainly due to the increase in trade payables and accruals.

Notes Payable

Notes payable decreased by P3.3 million or 1.6% due to the payment of loans.

Lease Liabilities

Lease liabilities current and noncurrent decreased by P33.2 million or 29.1% mainly due to the payment of lease liabilities as a result of the adoption of new accounting standard, PFRS 16.

Retirement Benefits Liability

The increased in retirement benefits liability of P7.3 million or 24.0% represents additional provision for employees' retirement benefits, net of actuarial gain.

Other Noncurrent Liability

Other noncurrent liability decreased by P0.1 million or 0.3% due to refund of operators' deposit.

Capital stock

There is no movement for capital stock during the year.

Additional paid in capital

There is no movement for additional paid in capital during the year.

Retained earnings

The decreased in retained earnings of P59.5 million or 6.5% was attributable to the net loss during the year.

Treasury stock

There is no movement for treasury stock during the year.

Income and Expenses

Net loss decreased by P26.0 million or 30.4%, from P85.5 million last year to P59.5 million this year. The decreased is mainly due to the recognition of income tax benefits from the deferred tax assets on net operating loss carryover.

For the year ended December 31, 2020, the Company's EBITDA decreased by 123.2% or P71.9 million, from P58.4 million last year to (P13.5 million) mainly due to the suspension of gaming operation starting Mid-March 2020. However, with the improvements of revenues in the second half of the year and continues management of cost, the Group generated the highest quarterly EBITDA and Net Income in Q4 2020 since the restart of operation in 2017 amounting to P29.7 million and P7.3 million, respectively.

Revenues

Total revenues decreased by P275.0 million or 50.9%, to P264.9 million for the year ended December 31, 2020 from P539.9 million registered last year. The decreased was mainly due to the suspension of gaming operation as a result of the strict community quarantine protocols implemented by the government which started on the second half of March 2020. However, some sites have been gradually reopen starting mid of June 2020 resulting to improvements in revenue. Revenue generated in fourth quarter of 2020 amounts to P105.4 million, better by 235.7% as compared to P31.4 million in third quarter of 2020.

Costs and Expenses

To lessen the impact of the foregone revenue during the strict community quarantine period, cost reduction and saving measures are implemented. This results to reduction of costs and expenses by P231.7 million or 42.6% from P544.2 million in 2019 to P312.5 million in 2020.

Other Income (Charges)

Other charges slightly decreased by P0.1 million or 0.4% mainly due to the gain on sale of property and equipment.

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.

The Company's Key Performance Indicators

For the year 2021, the Company's key performance indicators are the following:

- 1.) The Company's Earnings Before Interest, Taxes, and Depreciation and Amortization (EBITDA) was P47,164,881 or 448.5% better as compared last year.
- 2.) Revenues increased in 2021 by 103.0% from P264,881,733 to P537,782,930.
- 3.) Operating loss margin was 2.8%. Operating loss of (P14,801,309) divided by Net Revenues of P537,782,930.
- 4.) Current ratio was at 0.35:1.00. Current Assets of P172,099,029 divided by Current Liabilities of P485,731,597.
- 5.) Asset to equity ratio was at 2.12:1.00. Total Assets of P1,267,758,793 divided by Total Equity of P599,184,947.
- 6.) Debt to equity ratio was at 1.12:1.00. Total Liabilities of P668,573,846 divided by Total Equity of P599,184,947.

For the year 2020, the Company's key performance indicators are the following:

- 1.) The Company's Earnings Before Interest, Taxes, and Depreciation and Amortization (EBITDA) was (P13,532,636) or 123.2% lower compared last year.
- 2.) Revenues decreased in 2020 by 50.9% from P539,862,792 to P264,881,733.
- 3.) Operating loss margin was 18.0%. Operating loss of (P47,584,168) divided by Net Revenues of P264,881,733.
- 4.) Current ratio was at 0.94:1.00. Current Assets of 435,459,545 divided by Current Liabilities of P463,385,755.
- 5.) Asset to equity ratio was at 3.82:1.00. Total Assets of P759,675,306 divided by Total Equity of P198,783,407.
- 6.) Debt to equity ratio was at 2.82:1.00. Total Liabilities of P560,891,899 divided by Total Equity of P198,783,407.

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.

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.

Audit and Audit Related Fees

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.

| | 2021 | 2020 | 2019 |
|------------------------------|----------|----------|----------|
| Audit and Audit-Related Fees | P980,000 | P540,000 | P600,000 |
| Tax Fees | None | None | None |
| Other Fees | None | None | None |
| Total | P980,000 | P540,000 | P600,000 |

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.

D. General Nature and Scope of 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.

On August 14, 2017, PAGCOR published guidelines for the Accreditation of Electronic Gaming System Service Provider. PAGCOR issued its first Electronic Gaming System 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 e-Games Stations. 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 platform, thereby allowing the Company to fully resume its operations.

On March 23, 2021, the Company was granted approval by PAGCOR to operate its Remote Gaming Platform (RGP) to allow high-value customers to enjoy gaming products outside of e-Games venues.

Operator Partnerships

As of the preparation of this report, there are 85 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. During the year, the Company as well implemented two more casino brands, Viva! Las Vegas and Monte Carlo containing various casino, slot, and fishing games from six content providers. This gives more variety and options for the customers of eGaming locations. All of these games are available and accessible to all eGaming locations and its Remote Gaming Platform extension.

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 various marketing activities to promote the business from 2017 up to the present. Operating sites were not only provided with regulatory materials, branded content and promotional activities. PhilWeb strengthened its support to eGames operators through local marketing programs such as site activations, player events, staff incentive and seasonal promos.

PhilWeb leveraged its partnership with game providers by setting up the nationwide tour of Habanero Caravan and engaging customers through RTG Seeing Doubles. High-budget network campaigns like Super 6, Wheels & Thrills and The Great Bike Giveaway, each with over a million worth of prizes ranging from casino credits to luxury cars, were conducted to increase loyalty to the eGames brand.

PAGCOR-certified web-based gaming was introduced in the second quarter of 2021 through PhilWeb's remote gaming platform. Sign Up & Win, Race to P5M Bet and eGames After Dark were launched to provide entertainment and reward its exclusive members during the pandemic.

1.2 BigGame, Inc.

From 10 operating locations at the start of 2017, BigGame ended 2020 with 32 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 six e-Bingo locations.

On March 8, 2021, PhilWeb Corporation acquired sixteen e bingo sites and two electronic bingo machine suppliers from the Palmary Group. Following this acquisition, PhilWeb now operates

twenty-two electronic bingo sites. The acquisition of the two accredited electronic bingo machine supplier companies allows PhilWeb to expand its portfolio of gaming services into electronic bingo sites. At present, these two companies are accredited suppliers to seventy-five electronic bingo sites outlets across the country.

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

To ensure continuity in providing 24 x 7 support to all e-Games members, operators and site staff during the pandemic, several improvements were implemented in the Customer Support department. The call center's telephony system was transitioned from a premise based to a telco grade hosted ACD, IVRS and telephony solution on a cloud-based infrastructure. The new system is now accessible through the internet which allowed all our customer support officers to access the platform and man the eGames hotline anytime, anywhere. Our customer service channels were also expanded and now includes - voice (hotline), email and chat support via SMS, Viber and Facebook. With these enhancements, we are able to handle over 100,000 transactions across all products and channels. Customer Support has also maintained its 92% average answer rate for inbound calls and 30-minute response rate for all its written correspondences via email, SMS and chat.

The group continued to provide outbound support for other departments as well: Marketing - for promo related activities; Information Technology - for maintenance advisories; and Finance - for cash collection and replenishment.

The group is determined to enhance the customer experience even further by strengthening its ability to provide support and engage with customers through other digital channels, streamline processes to shorten resolution times, and continuous staff training to reinforce the culture of service in every member of the team.

1.5 Information Technology

PhilWeb's Information Technology group is composed of five functional departments, namely: Infrastructure, Software Development, Service Delivery, Service Support and Information Security. 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 and members. 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 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.

The Information Security Department 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. There are two groups under this department a) IT Network Security team, which focuses on PhilWeb's perimeter security designing and implementing security rules and policies to maintain a secured gaming and corporate environment. b) Information Security Engineering provides application security, endpoint security and access control management for PhilWeb Corporation.

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, 2021, the Company has total of 152 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.

Subsidiaries

The following are the subsidiaries of the Company:

| <u>Subsidiaries</u> | <u>Line of Business</u> |
|---|--|
| 1. BigGame, Inc. ("BGI") | Operates internet gaming and bingo stations. |
| 2. Premyo sa Resibo, Inc. ("PSR") (g) | Develops and markets computer systems, applications, programs and operate gaming platforms in relation to Premyo Sa Resibo program of the BIR and Philippine Amusement and Gaming Corporation (PAGCOR). |
| 3. PhilWeb Casino Corporation ("PCC") (a) | Develops, engages and maintains gaming systems and applications for all types of casino operations whether land-based, internet-based or virtual. |
| 4. e-Magine Gaming Corporation (b) | Develops technology for the gaming industry. |
| 5. PhilWeb Leisure & Tourism Corporation ("PLTC") (a) | Establishes, operates, and maintains leisure and tourism-oriented activities. |
| 6. PhilWeb Tourism and Entertainment Corporation ("PTEC") (a) | Establishes, operates and maintains leisure-oriented activities, except in the travel agency business, and facilities such as but not limited to hotels, courts, stadiums and other facilities for the conduct of any and all kinds of sports and games. |
| 7. PhilWeb International Gaming Corporation ("PIGC") (c) | Engages in international gaming ventures including all forms of gaming which are legal in the countries in which it will operate. |
| 8. Easy e-Bingo, Inc. (e) | Engage in the business of setting up internet gaming and bingo stations and its operations. |
| 9. PhilWeb Mobile Lottery Corp. ("PMLC") (a) | Operate, as may be permitted by law, either alone or in partnership with others, mobile-based lottery games and other related mobile game offerings. |
| 10. PhilWeb Asia-Pacific Corporation | Engage in international gaming ventures including all forms of gaming which are legal in the countries in which it will operate. |
| 11. PhilWeb (Cambodia) Ltd. | Incorporated under the laws of Kingdom |

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|---|--|
| | of Cambodia, and shall engage in the business of operating internet-based and mobile-based games of chance including but not limited to lottery, internet casino café and other games of chance as they become legally available in the Kingdom of Cambodia. |
| 12. PhilWeb Lorosae, Lda. ^(b) | The Company was incorporated under the laws of Timor Leste and is engaged in the business of operating instant Scratch n' Win. |
| 13. Guam Sweepstakes Corp. | Incorporated in the Territory of Guam and entered into a Memorandum of Agreement with a prominent local family. |
| 14. Gold Scratch and Win Co., Ltd. ^(b) | Incorporated under the laws of the Kingdom of Cambodia and engaged in the business of operating instant Scratch n' Win. |
| 15. Best Choice Holdings, Inc. | Engages to purchase, own, and hold stocks of other corporations and to do every act and thing covered generally by the denomination "holding corporation". |
| 16. UMIAC, Inc. | Engages in marketing and distribution of IT equipment, parts, supplies, and related software |
| 17. XO Corporation | Engages in marketing and distribution of IT equipment, parts, supplies, and related software |
| 18. NDM Bingo Center 1, Inc. | Operates electronic bingo station |
| 19. NDM Bingo Center 2, Inc. | Operates electronic bingo station |
| 20. NDM Bingo Center 3, Inc. | Operates electronic bingo station |
| 21. NDM Bingo Center 5, Inc. | Operates electronic bingo station |
| 22. NDM Bingo Center 7, Inc. | Operates electronic bingo station |
| 23. NDM Bingo Center 8, Inc. | Operates electronic bingo station |
| 24. NDM Bingo Center AGP, Inc. | Operates electronic bingo station |
| 25. NDM Bingo Center Anonas, Inc. | Operates electronic bingo station |
| 26. NDM Bingo Center Antpolo, Inc. | Operates electronic bingo station |
| 27. NDM Bingo Center Bagbag, Inc. | Operates electronic bingo station |
| 28. NDM Bingo Center Blumentritt, Inc. | Operates electronic bingo station |
| 29. NDM Bingo Center LGP, Inc. | Operates electronic bingo station |
| 30. NDM Bingo Center Miramar, Inc. | Operates electronic bingo station |
| 31. NDM Bingo Center North EDSA, Inc. | Operates electronic bingo station |
| 32. NDM Bingo Center Tomas Morato, Inc. | Operates electronic bingo station |

| | |
|--|---|
| 33. NDM Bingo Center Visayas, Inc. | Operates electronic bingo station |
| 30% owned with control: | Establishes, operates and provides consultancy services with regards to amusement, recreational, gaming and gaming equipment facilities and enterprises of every kind and nature. |
| 34. Major Games and Amusement Corporation ^(d) | |
| Special Purpose Entity: | Holds 50% ownership in Host Union International Limited |
| 35. Pure Corporate Investments Ltd. ^(f) | |

(a) Not in commercial operations as at December 31, 2018.

(b) Formerly PhilWeb Gaming Solutions Corporation (PGSC), change in registered business activity and name were approved by the SEC on July 17, 2012 and December 17, 2012, respectively.

(c) Currently the parent company of PhilWeb Asia-Pacific Corporation.

(d) Became a subsidiary effective January 1, 2012.

(e) Formerly PhilWeb Homeplay Inc, change in name was approved by the SEC on April 7, 2014.

(f) Acquired in 2012, 100% owned in 2012.

(g) Ceased commercial operations effective October 1, 2014.

(h) Dissolution of PhilWeb Lorosae, Lda and Gold Scratch and Win Co., Ltd. was approved by the Board of Directors on December 19, 2014 and January 16, 2015, respectively.

Directors and Executive Officers

PhilWeb's present Board of Directors is composed of 11 members elected by and from among the Company's stockholders. The Board is responsible for providing overall management and direction to the Company.

The directors and executive officers of the Company and a brief description of their business experience for the past five years are discussed below:

| Name | Age | Position/Citizenship/Period Served/Term of Office |
|------------------------|-----|---|
| Gregorio Araneta III | 74 | Director & Chairman/Filipino/8 years/1 year |
| Crisanto Roy B. Alcid | 52 | Director & Vice-Chairman/Filipino/7 years/1 year |
| Edgar Brian K. Ng | 52 | Director & President/Filipino/2 years/1 year |
| Edgar N. Ang | 70 | Director/Filipino/5 years/1 year |
| Alfonso M. Araneta | 37 | Director/Filipino/7 months/1 year |
| Luis M. Araneta | 36 | Director/Filipino/5 years/1 year |
| Perry Weinne S. Lato | 39 | Director/Filipino/7 months/1 year |
| Mario A. Oreta | 75 | Director/Filipino/5 years/1 year |
| Rafael B. Ortigas | 61 | Director/Filipino/20 years/1 year |
| Philip S. Tuazon | 70 | Director/Filipino/5 years/1 year |
| William M. Valtos, Jr. | 61 | Director/Filipino/6 years/1 year |
| Ricky E. Rosario | 34 | CFO & Comptroller/Filipino/2 years/1 year |
| Alexius D. Coliat | 46 | CFO & Treasurer/Filipino/2 years/1 year |
| Mona Liza I. Navarro | 42 | Vice President/Filipino/5 years/1 year |
| Raymund S. Aquino | 53 | Corporate Secretary/Filipino/ |

5 years/1 year

Gregorio Ma. 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. 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 was 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.

Alfonso M. Araneta was elected Director of the Company in May 2021. He is a Director of Araneta Properties, Inc. ARAZA Resources Corp., ATSI PETC, Inc., Pagrel, Inc., Gamma Properties, Inc., Securicor Security Investigation Services, Inc., Alumma Foods, Inc., Belisama Hydropower Corporation and Gregorio Araneta Energy Holdings, Inc. He is currently the Executive Vice-President and Director of Envirotest, Inc., Vice

President and Director of Carmel Development, Inc., and Vice-President and Director of Gregorio Araneta, Inc. Mr. Araneta graduated at De La Salle-College of St. Benilde, Manila where he earned his degree in Bachelor of Science in 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.

Perry Weinne S. Lato was elected Director of the Company in May 2021. He currently operates a Business Process Outsourcing service company catering to licensed online gaming operators. His previous experience includes executive positions in the fields of finance, accounting, property management and leasing, running the following types of business: rice trading, dormitory and apartment leasing, e-bingo shops, manufacturing, marketing, and distribution of slot machines and gaming software, and offshore gaming. He is also a licensed real estate broker and is engaged in real estate subdivision and housing development. Mr. Lato graduated from the University of Southern California, Marshall School of Business, major in Accounting.

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 Itogon-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 Managing Director of Tao Corporation. He is also an Independent Director of Investree Philippines, Phizzle Inc., Transwealth Fleet Management Corp. and Transwealth Parking Services Corp. Prior to joining Tao Corporation, Mr. Valtos held a number of senior executive and Director positions in the ICCP Group over 24 years, including being a Director and CEO of Investment & Capital Corporation of the Philippines and a Director and Senior Managing Director of ICCP SBI Venture Partners. Prior to joining the ICCP Group, Mr. Valtos was Managing Director of Strategic Asset Management, Inc., a Chicago-based private direct investment firm. Mr. Valtos is a former Director of the Investment House Association of the Philippines. He is an Executive-in-Residence at the Asian Institute of Management. 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.

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, commerce and industry. He is a member of the Philippine Institute of Certified Public Accountants and registered as an 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 ITIL 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.

As of the date of this information statement, the foregoing will be nominated for re-election to the Board of Directors at the meeting. None of the above mentioned directors have declined to

stand for re-election to the Board of Directors since the date of the last annual stockholders' meeting because of a disagreement with the Company on any matter relating to the Company's operations, policies, or practices.

F. 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 of the Common Shares listed on the PSE during the respective periods indicated according to published financial sources.

| | Price per Share | |
|---------------------------------------|-----------------|------|
| | High | Low |
| 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 |
| Second Quarter (ending June 2020) | 2.75 | 1.55 |
| Third Quarter (ending September 2020) | 2.40 | 1.80 |
| Fourth Quarter (ending December 2020) | 3.36 | 2.06 |
| 2021 | | |
| First Quarter (ending March 2021) | 3.08 | 2.60 |
| Second Quarter (ending June 2021) | 2.91 | 2.39 |
| Third Quarter (ending September 2021) | 2.57 | 2.20 |
| Fourth Quarter (ending December 2021) | 2.40 | 1.86 |
| 2022 | | |
| First Quarter (ending March 2022) | 2.36 | 1.86 |
| April 27, 2022 | 2.30 | 2.27 |

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 is no restriction that limits the payment of dividend on common shares.

Holders

There were 1,437 shareholders of record holding the Company's outstanding capital stock of 1,435,776,680 common shares as of March 31, 2022 net of treasury shares of 81,380,938. There is only one class of common shares.

Top 20 Stockholders

The top 20 stockholders of record of common shares as of March 31, 2022 (based on total outstanding capital stock of 1,435,776,680 common shares, net of treasury shares of 81,380,938) were:

| | | No. of Subscribed Common Shares | % to Total Outstanding |
|----|---|--|---------------------------|
| 1. | PCD Nominee Corporation: Filipino – 1,174,116,166 Non-Filipino - 30,863,095 | 1,204,979,261 | 83.93% |
| 2. | PhilWeb Casino Corporation | 156,899,853 | 10.93% |
| 3. | Evermore Trading Limited | 24,558,303 | 1.71% |
| 4. | HKPirate Holdings, Inc. | 21,223,565 | 1.48% |
| 5. | Gregorio Araneta, Inc. | 13,043,478 | 0.91% |
| 6. | Elkhound Resources, Inc. | 6,482,549 | 0.45% |
| 7. | Umali, Amparo Cordial | 835,400 | 0.06% |
| 8. | Tan, Enrique | 473,782 | 0.03% |

| | | | |
|-----|--|---------|-------|
| 9. | Filipino Pest Control & General Services, Inc. | 420,000 | 0.03% |
| 10. | Valdes, Dennis O. | 399,999 | 0.03% |
| 11. | Tan, Tiong | 354,328 | 0.02% |
| 12. | Manalo, Josephine A. | 250,000 | 0.02% |
| 13. | Ng, Edgar Brian K. | 150,000 | 0.01% |
| 14. | Pacheco, Juancho | 144,000 | 0.01% |
| 15. | Cabarrus, Estate of Jesus S. | 139,304 | 0.01% |
| 16. | Bautista, Jose | 93,981 | 0.01% |
| 17. | Santos, Alfredo | 93,981 | 0.01% |
| 18. | Tan, Evelina | 84,583 | 0.01% |
| 19. | Tenchavez, Roberto S. &/or Betsy B. | 84,000 | 0.01% |
| 20. | Cabarrus, Lim, Pastor, Bernardo, Garcia, Nieto | 73,940 | 0.01% |

Recent Sales of Unregistered/Exempt Securities

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

On December 29, 2021, the Company issued 159,269,484 preferred shares with the Offer Price of P4,709 per share for an aggregate subscription price of P750,000,000.00 to the following stockholders: Gregorio Araneta, Incorporated for 97,260,565 preferred shares and PhilWeb Casino Corporation for 62,008,919 preferred shares. The Company also filed with the Securities and Exchange Commission last 29 December 2021 a Notice of Exempt Transaction (SEC Form 10.1) in connection with the issuance of 159,269,484 preferred shares of the Company for an aggregate subscription price of Php750,000,000.00.

Describe here the issuance of the PS - use the 29 Dec 21 sec cert on this and the PSE disclosure

G. Compliance with Corporate Governance Practices

The Company through its Compliance Officer, Ms. Mona Liza I. Navarro, has monitored the Company's compliance with SEC Memorandum Circular No. 2 dated April 15, 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. 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.

The Company used the following criteria in assessing the board of directors and the individual directors:

1. Fulfillment of the key responsibilities by the board
2. Quality of relationship of the board and management
3. Effectiveness of board processes and meetings
4. Quality of board structure
5. Knowledge and practice of company policies
6. Attendance and participation in meetings
7. Performance of duties and obligations

Rating Range

The Company provided a rating range of: "5" being excellent, "4" being above average, "3" being average, "2" being below average, and "1" being poor.

Procedure

After the scheduled seminar on corporate governance attended by the directors of the Company, the directors accomplished self-assessment questionnaires for individual directors, board of directors as a whole assessment and the executive committee, corporate governance committee and audit committee assessment.

Appraisal Results and Performance Report

The results of the appraisal were as follows: the individual directors earned an average of 4.9; the executive committee, corporate governance committee, and audit committee earned an average of 4.8; and the board as a whole earned an average of 4.88.

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.

- H. UPON THE WRITTEN REQUEST OF A STOCKHOLDER, THE COMPANY WILL PROVIDE, WITHOUT CHARGE, A COPY OF THE COMPANY'S SEC FORM 17-A (ANNUAL REPORT) DULY FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THE STOCKHOLDER MAY BE CHARGED A REASONABLE COST FOR PHOTOCOPYING THE EXHIBITS.**

ALL REQUESTS MAY BE SENT TO THE FOLLOWING ADDRESS:

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

**Attention: Mr. Alexius D. Coliat
Treasurer/Chief Finance Officer**

PhilWeb

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

To All Stockholders:

Please be advised that the annual meeting of the stockholders of PhilWeb Corporation will be held on Wednesday, 25 May 2022 at 10:00 a.m. and shall be conducted by remote communication.

The following is the agenda of the meeting:

1. Call to order
2. Certification of Notice and Quorum
3. Review and Approval of the Minutes of the Previous Meeting held on 26 May 2021
4. Annual Report of Management and Approval of the 2021 Audited Financial Statements
5. Ratification of Acts of the Board of Directors and Management since the Last Annual Stockholders' Meeting
6. Election of Directors
7. Appointment of External Auditor
8. Other Matters
9. Adjournment

For purposes of the meeting, only stockholders of record as of 30 April 2022 are entitled to notice of, and to vote at, the Annual Stockholders' Meeting.

Due to the COVID-19 pandemic, the Corporation will dispense with the physical attendance of the stockholders at the meeting. Thus, the stockholders may only attend by remote communication or by appointing the Chairman as proxy. Stockholders intending to participate by remote communication must notify the Corporation by sending an email to corpsec@philweb.com.ph. Enclosed is the instruction for joining and participating in the meeting by remote communication.

Should you be unable to attend the meeting, you may want to execute a proxy in favor of a representative with the appropriate board resolution for corporate stockholders and special power of attorney for individual stockholders.

Proxies must be filed with and received by the Office of the Corporate Secretary at 41st Floor, One San Miguel Avenue Condominium, San Miguel Avenue corner Shaw Boulevard, Ortigas Center, Pasig City, Philippines or sent to corpsec@philweb.com.ph not later than 11 May 2022 at 5:00 p.m. Validation of proxies shall be made on 19 May 2022 at 2:00 p.m. at 41st Floor, One San Miguel Avenue Condominium, San Miguel Avenue corner Shaw Boulevard, Ortigas Center, Pasig City, Philippines.

If no direction is made, the proxy will be voted "FOR" the election of the nominees, "FOR" the ratification of the board appointment of the independent auditor, and such other matters as may properly come before the meeting in the manner described therein as recommended by Management.

The following documents are available in electronic format in the Corporation's website and PSE Edge and will be available upon request: (i) Minutes of the Annual Stockholders' Meeting held on 26 May

2021; (ii) Information Statement; (iii) Management Report; (iv) Annual Report (SEC Form 17-A); and (v) Consolidated Audited Financial Statements for the year 2021.

7 April 2022



Raymund S. Aquino
Corporate Secretary

Participation by Remote Communication

The 2022 Annual Stockholders' Meeting will be conducted by remote communication via Zoom. The stockholders may attend and participate at the meeting by following the instructions below:

1. Stockholders should notify the Corporation by sending an email to corpsec@philweb.com.ph on or before 11 May 2022.
2. All successfully registered stockholders will receive an invitation by email containing the link to the meeting and password and the meeting procedures.
3. Stockholders who have notified the Corporation and were registered will be included in the determination of the existence of a quorum.
4. The meeting shall be recorded in audio and video formats and copies thereof shall be retained by the Corporation.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **WILLIAM M. VALTOS, JR.**, Filipino, of legal age, with address at 8 Tanguile Road, Forbes Park, Makati City, after having sworn to in accordance with law, hereby depose and state that:


1. I am an Independent Director of PhilWeb Corporation (the "Corporation");
2. I am affiliated with the following companies or organizations:

| Company | Position/Relationship | Period of Service |
|---|------------------------------|--------------------------|
| Tao Corporation | Managing Director | 2021-Present |
| Freit Fund Managers Inc. | Director | 2021-Present |
| Investree Philippines | Director | 2020-Present |
| Phizzle Inc. | Director | 2020-Present |
| Transwealth Fleet Management Corp./Transwealth Parking Services Corp. | Director, Treasurer | 2020-Present |
| Eton Finance Services Ltd. | Director | 2019-Present |
| Starworth Holdings Ltd. | Director | 2011-Present |
| Fiduciary Capital Advisers Ltd. | Director | 2000-Present |

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation as provided for in Section 38 of the Securities Regulations Code, its implementing Rules and Regulations and other SEC issuances;
4. I am not related to any director/officer/substantial shareholder of the Corporation and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3. of the Securities Regulation Code.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I 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.
7. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five days from its occurrence.


W

Done this 4th day of April 2022, Makati City.


WILLIAM M. VALTOS, JR.
Affiant

SUBSCRIBED AND SWORN TO before me this 4th day of April 2022 at Makati City, affiant exhibiting to me his TIN 910-341-569.

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RAYMUND NONATO S. AQUINO
Appointment No. M-70
Notary Public for Makati City
Until December 31, 2022
c/o Adamson Centre, 121 L.P. Leviste St.
Salcedo Village, Makati City
Roll No. 39348
PTR No. 8853282; 1-3-2022/ Makati City
IBP No. 178576; 1-3-2022/ RSM
MCLE Comp. No. VI-0018345; 2-18-19/ TIN 167-317-782

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **MARIO A. ORETA**, Filipino, of legal age, with address at 10/F Alphaland Southgate Tower 2258 Roces Avenue corner EDSA, Makati City, after having sworn to in accordance with law, hereby depose and state that:

1. I am an Independent Director of PhilWeb Corporation (the "Corporation");
2. I am affiliated with the following companies or organizations:

| Company | Position/Relationship | Period of Service |
|---|------------------------------|----------------------------|
| Alphaland Makati Place, Inc. | President | February 2010 - present |
| The City Club at Alphaland Makati Place, Inc. | President | October 18, 2010 - present |
| Atok-Big Wedge Co., Inc. | Director | November 2009 - present |
| Major Holdings Corporation | Chairman | July 1982 - present |
| Major Homes, Inc. | Chairman | January 1987 - present |
| Major Properties Corporation | Chairman | June 1982 - present |
| La Finca Farm and Country Resort | Chairman | September 2005 - present |


3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation as provided for in Section 38 of the Securities Regulations Code, its implementing Rules and Regulations and other SEC issuances;
4. I am not related to any director/officer/substantial shareholder of the Corporation and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3. of the Securities Regulation Code.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I 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.
7. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five days from its occurrence.

Done this 4th day of April 2022, Makati City.


MARIO A. ORETA
Affiant

SUBSCRIBED AND SWORN TO before me this 4th day of April 2022 at Makati City,
affiant exhibiting to me his TIN 106-196-040.

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RAYMUNDO NONATO S. AQUINO
Appointment No. M-70
Notary Public for Makati City
Until December 31, 2022
G/F Adamson Centre, 121 L.P. Leviste St.
Salcedo Village, Makati City
Roll No. 39348
PTR No. 8853282; 1-3-2022/ Makati City
IBP No. 178576; 1-3-2022/ RSM
MCLF Comp. No. VI-0018345; 2-18-19/ TIN 167-317-782

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **RAFAEL B. ORTIGAS**, Filipino, of legal age, with address at 6 Calle Industria, Barangay Bagumbayan, Quezon City, after having sworn to in accordance with law, hereby depose and state that:

1. I am an Independent Director of PhilWeb Corporation (the "Corporation");
2. I am affiliated with the following companies or organizations:

| Company | Position/Relationship | Period of Service |
|-------------------------------|-----------------------|-------------------|
| Leafar Commercial Corporation | Chairman/ President | 2009 to present |
| Sagitro, Inc. | Director | 2009 to present |
| Ortigas Foundation | Trustee | 2010 to present |
| Leafar Foundation | Trustee & President | 2012 to present |

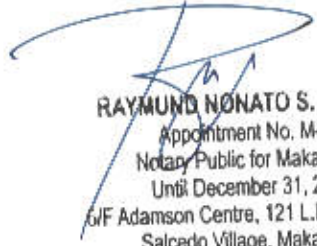
3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation as provided for in Section 38 of the Securities Regulations Code, its implementing Rules and Regulations and other SEC issuances;
4. I am not related to any director/officer/substantial shareholder of the Corporation and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3. of the Securities Regulation Code.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I 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.
7. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five days from its occurrence.

Done this 4th day of April 2022, Makati City.


RAFAEL B. ORTIGAS
Affiant

SUBSCRIBED AND SWORN TO before me this 4th day of April 2022 at Makati City, affiant exhibiting to me his TIN 190-639-264.

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RAYMUND NONATO S. AQUINO
Appointment No. M-70
Notary Public for Makati City
Until December 31, 2022
G/F Adamson Centre, 121 L.P. Leviste St.
Salcedo Village, Makati City
Roll No. 39348
PTR No. 8853282; 1-3-2022/ Makati City
IBP No. 178576; 1-3-2022/ RSM
MCLE Comp. No. VI-0018345; 2-18-19/ TIN 167-317-782

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **PHILIP S. TUAZON**, Filipino, of legal age, with address at Unit 14-D Twin Towers Condominium, Ayala Avenue, Makati City, after having sworn to in accordance with law, hereby depose and state that:

1. I am an Independent Director of PhilWeb Corporation (the "Corporation");
2. I am affiliated with the following companies or organizations:

| Company | Position/Relationship | Period of Service |
|----------------------------|------------------------------|--------------------------|
| Philippine Ports Authority | Director | 2017 to present |
| JYT Investment Corp. | Director | 1986 to present |
| Fairwind Harbor Services | Director/ Vice President | 2010 to present |
| Chen Yi Agventures, Inc. | Independent Director | 2018 to present |

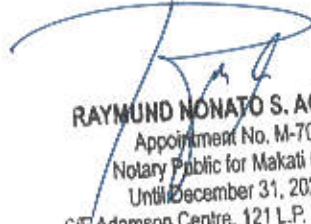
3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation as provided for in Section 38 of the Securities Regulations Code, its implementing Rules and Regulations and other SEC issuances;
4. I am not related to any director/officer/substantial shareholder of the Corporation and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3. of the Securities Regulation Code.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I have the required written permission or consent from the Philippine Ports Authority to be an independent director of the Corporation pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five days from its occurrence.

Done this 4th day of April 2022, Makati City.


PHILIP S. TUAZON
Affiant

SUBSCRIBED AND SWORN TO before me this 4th day of April 2022 at Makati City,
affiant exhibiting to me his TIN 101-825-490.

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RAYMUND NONATO S. AQUINO
Appointment No. M-70
Notary Public for Makati City
Until December 31, 2022
6/F Adamson Centre, 121 L.P. Leviste St.
Salcedo Village, Makati City
Roll No. 39348
PTR No. 8853282; 1-3-2022/ Makati City
IBP No. 178576; 1-3-2022/ RSM
MCLE Comp. No. VI-0018345; 2-18-19/ TIN 167-317-782




CERTIFICATION

Pursuant to Republic Act No. 10149 otherwise known as the GOCC Governance Act of 2011, GCG Memorandum Circular No. 2012-05 on Fit and Proper Rule for Appointive Directors and Chief Executive Officers, and the Philippine Ports Authority (PPA) Manual of Corporate Governance, PPA interposes no objection to the nomination of Mr. Philip S. Tuazon, Appointive Director of PPA Board of Director, representing the Private Sector, as an Independent Director of PhilWeb Corporation (PhilWeb). This is, however, subject to the following conditions:

1. That Mr. Tuazon shall, at all times, avoid any conflict of interest as prescribed in the Code of Conduct and Ethical Standards for Public Officials;
2. That Mr. Tuazon shall disclose or inform PPA immediately of any potential or actual conflict of interest; and,
3. That Mr. Tuazon shall inhibit himself from any and all deliberations regarding issues or matters which may have actual or potential conflict between the interest of PPA and PhilWeb.

This Certification is being issued upon the request of Mr. Tuazon in connection with his nomination as an Independent Director of PhilWeb and for whatever legal purpose this may serve.

Issued this 25th day of March 2022, City of Manila.


JAY DANIEL R. SANTIAGO
General Manager and Vice-Chairman
PPA Board of Directors

**List of Directors, Officers and Stockholders who attended the Annual Stockholders' Meeting
on May 26, 2021**

Directors

Gregorio Araneta III
Crisanto Roy B. Alcid
Edgar Brian K. Ng
Edgar N. Ang
Alfonso M. Araneta
Luis M. Araneta
Perry Weinne S. Lato
Mario A. Oreta
Rafael B. Ortigas
Philip S. Tuazon
William M. Valtos, Jr.

Officers

Mona I. Navarro
Raymund S. Aquino

Stockholders

Dennis O. Valdes
Julius S. Sanvictores
Abigail Sy
Gregorio Araneta Inc.
PhilWeb Casino Corporation

Voting Results of the Annual Stockholders' Meeting on May 26, 2021

(i) minutes of the annual stockholder's meeting held on August 12, 2020: approved by stockholders owning 1,059,980,730 shares representing 73.83% of the capital stock of the company

(ii) Management Report and Audited Financial Statements for the Year Ended December 31, 2020: approved by stockholders owning 1,059,980,730 shares representing 73.83% of the capital stock of the company

(iii) ratification and approval of corporate acts: approved by stockholders owning 1,059,980,730 shares representing 73.83% of the capital stock of the company

(iv) election of directors

For Regular Directors:

1. Gregorio Araneta III
2. Crisanto Roy B. Alcid
3. Edgar Brian K. Ng
4. Edgar N. Ang
5. Alfonso M. Araneta
6. Luis M. Araneta
7. Perry Weinne S. Lato

For Independent Directors:

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

Each director received 1,059,980,730 votes.

(v) appointment of the accounting firm of Reyes Tacandong & Co. as external auditor for the current year: approved by stockholders owning 1,059,980,730 shares representing 73.83% of the capital stock of the company