

COVER SHEET

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SEC Registration Number

[illegible]

(Company's Full Name)

[illegible]

(Business Address: No. StreetCity/Town/Province)

ATTY. KENNETH JOEY H. MACEREN

(Contact Person)

(02) 8726-8888

(Company Telephone Number)

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Month Day
(Fiscal Year)

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(Form Type)

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Month *Day*
(Annual Meeting)

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(Secondary License Type, If Applicable)

SEC-MSRD

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

[illegible]

File Number

LCU

[illegible]

Document ID

Cashier

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NOTICE OF ANNUAL STOCKHOLDERS' MEETING

Notice is hereby given that the Annual Stockholders' Meeting (ASM) of Philippine Telegraph and Telephone Corporation ("Company") will be held on 29 November 2022 at 10:00 A.M. The Presiding Officer will be presiding the meeting at Spirit of Communications Center, 106 C. Palanca Street, Legaspi Village, Makati City.


The order of business will be as follows:

1. Call to Order
2. Certification of the existence of quorum
3. Approval of the minutes of the last ASM held last 24 September 2021
4. Report of the President
5. Election of the Members of the Board of Directors
6. Amendments to the Articles of Incorporation
7. Ratification of actions taken by the Board of Directors and Officers since 24 September 2021
8. Confirmation of the approved increase in Common Shares
9. Appointment of Alas Oplas & Co. CPAs
10. Approval of the Audited Financial Statements for the period ending 31 December 2021
11. Adjournment

For purposes of the meeting, the close of business on 20 October 2022 has been fixed as the Record Date for the determination of the stockholders entitled to notice and to vote during the meeting.

We are not soliciting your proxy. However, if you cannot personally participate in the meeting and you wish to be represented, you may coordinate by email to investors@ptt.com.ph so that we can assist you in the submission of proxy forms.

The proxy forms together with voting instructions and other documents required for stockholders submitting a proxy must be received by the Office of the Corporate Secretary on or before 5:00 P.M. of 18 November 2022 by email to investors@ptt.com.ph or by mail or personal delivery at Spirit of Communications Center 106 C. Palanca Street, Legaspi Village, Makati City. The proxies will be validated by the Office of the Corporate Secretary at the principal office of the Company beginning on 22 November 2022 at 10:00 A.M.


ATTY. KENNETH JOEY H. MACEREN
Corporate Secretary

EXPLANATION OF AGENDA ITEMS

1. Call to Order

The Chairman will formally open the meeting at approximately 10:00 o'clock in the morning.

2. Certification of the existence of quorum and sending of notices

The Corporate Secretary will certify that notice for the meeting was duly sent to stockholders and that a quorum exists for the transaction of business.

3. Approval of Minutes of the Annual Stockholders' Meeting held on 24 September 2021

The Minutes of the Annual Stockholders' Meeting held on 24 September 2021 will be posted in PT&T's website, www.ptt.com.ph.

The vote required for the approval is indicated in the Information Statement.

4. Report of the President

The President and Chief Executive Officer, James G. Velasquez, will deliver a report to the stockholders on the performance of the company in 2021 and the outlook for 2022. The audited financial statements as of 31 December 2021 is attached to the Information Statement which will be made available to the stockholders.

5. Election of Directors

The profiles of the nominees to the Board of Directors and the manner of voting are included in the Information Statement.

6. Amendments on the Articles of Incorporation

The proposed amendment to increase the members of the Board of Directors is necessary for the company to comply with corporate governance requirements.

The proposed amendment to increase the authorized capital will allow the company to fully implement and comply with the provisions of its Rehabilitation Plan.

The proposed amendment to remove the restriction of foreign ownership of common shares in the company is intended to increase the number of potential investors and to raise additional funds for the company's business operations.

The vote required for the approval of the proposed amendment is indicated in the Information Statement.

7. Ratification of actions of the Board of Directors and officers

The acts and resolutions of the Board of Directors, Management and all Committees of the company were those adopted from 24 September 2021 until 28 November 2022. This includes the approval of agreements, projects, investments, finance related matters and other matters covered by disclosures with the Securities and Exchange Commission and the Philippine Stock Exchange. The acts of the officers were those taken to implement the resolutions of the Board or its Committees or in the general conduct of business.

The vote required for the ratification is indicated in the Information Statement.

8. Confirmation of the approved increase in common shares

The company will seek the stockholders' confirmation on the issuance of additional common shares in an amount and number to be determined by the Board of Directors but not exceeding 3,000,000,000 as approved by the stockholders during the Annual Stockholders' Meeting last 24 September 2021.

9. Appointment of Alas Oplas & Co. CPAs

The Board shall endorse to the stockholders the appointment of Alas Oplas & Co. CPAs as the company's external auditor.

The vote required for the appointment is indicated in the Information Statement.

10. Approval of the Audited Financial Statements as of 31 December 2021

The Board shall endorse for the approval of the stockholders the company's Audited Financial Statements for the period ending 31 December 2021 prepared by Alas Oplas & Co. CPAs.

The vote required for the approval is indicated in the Information Statement.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 17.1(b) OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

☐ Preliminary Information Statement ☒ Definitive Information Statement

2. Name of Registrant as specified in its charter: **PHILIPPINE TELEGRAPH AND TELEPHONE CORPORATION**

3. Province, country or other jurisdiction of incorporation or organization: **MAKATI CITY, METRO MANILA**

4. SEC Identification Number: **21817**

5. BIR Tax Identification Code: **000-530-631**

6. Address of principal office: **Spirit of Communications Center, 106 C. Palanca Street, Legaspi Village, Makati City 1229**

7. Registrant's telephone number, including area code: **(02) 8726-8888**

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

Date: 29 November 2022 (Tuesday)

Time: 10:00 A.M.

Place where Presiding Officer will preside the meeting: Spirit of Communications Center 106 C. Palanca St. Legaspi Village, Makati City

Link: <https://us06web.zoom.us/j/82435103377?pwd=Qm9YZkpGS2UzT1c1SGUyRUJPbVhEdz09>

9. Approximate date on which the Information Statement is first to be sent or given to security holders: 08 November 2022

10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class

Number of Outstanding Shares

Common Shares

1,500,000,000 at PhP 1.00 par value

11. Are any or all of registrant's securities listed in a Stock Exchange?

Yes ☒ No ☐

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:
Philippine Stock Exchange / 800,000,000 Common Stocks

**PHILIPPINE TELEGRAPH AND TELEPHONE CORPORATION IS NOT
ASKING FOR YOUR PROXY AND YOU ARE REQUESTED NOT TO
SEND US A PROXY.**

PART I.

INFORMATION REQUIRED IN INFORMATION STATEMENT

ITEM 1. INFORMATION REQUIRED BY ITEMS OF SEC FORM 20

(A) GENERAL INFORMATION

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

Date: 29 November 2022 (Tuesday)

Time: 10:00 A.M.

Place where Presiding Officer will preside the meeting: Spirit of Communications Center 106 C. Palanca St. Legaspi Village, Makati City

Link: <https://us06web.zoom.us/j/82435103377?pwd=Qm9YZkpGS2UzT1c1SGUyRUJPaVhEdz09>

Approximate date on which copies of the Information Statement are first to be sent or given to security holder: 08 November 2022

Mailing address of the principal office: Spirit of Communications Center, 106 C. Palanca Street, Legaspi Village, Makati City 1229

Item 2. Dissenter's Right of Appraisal

Stockholders of the Company shall have appraisal right or the right to dissent and demand payment of the fair value of their shares in the manner provided for under Section 81 of the Revised Corporation Code of the Philippines, under any of the following circumstances:

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

The appraisal right may be exercised by any stockholder who shall have voted against the proposed corporate action, by making a written demand on the Company within thirty (30) days from the date on which the vote was taken for payment of the fair value of his shares. Failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented, the Company shall pay to such stockholder, upon surrender of the certificate or certificates of stock representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken excluding any appreciation or depreciation in anticipation of such corporate action.

If within a period of sixty (60) days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and the Company cannot agree on the fair value of the shares, it shall be determined and appraised by three disinterested persons. One shall be named by the stockholder, another by the Company and the third by the two thus chosen. The findings of the majority of the appraisers shall be final and their award shall be paid by the Company within thirty (30) days after such award is made provided, that no payment shall be made to any dissenting stockholder unless the Company has unrestricted retained earnings in its books to cover such payment. Upon payment by the Company of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the Company.

There are no corporate actions or matters to be taken up at the Annual Stockholders' Meeting that may give rise to the exercise by the stockholders of the right of appraisal.

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

No current Director or Officer of the Company or nominee for election as directors of the Company or any associate thereof, has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon other than election to office.

As of filing of this report, the Company has not been informed by any member of the Board nor received anything in writing that a Director intends to oppose any action to be taken by the Company at the Annual Stockholders' Meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

Only holders of shares of common stock as at the Record Date are entitled to vote at the Annual Stockholders' Meeting either in person or by proxy. Pursuant to the Resolution of the Board of Directors at a regular meeting held on 06 October 2022, the Record Date is 20 October 2022 and all stockholders at the close of business hours on 20 October 2022 shall be entitled to notice and to vote at the Annual Stockholders' Meeting.

As of the Record Date, there are 1,500,000,000 subscribed, issued, and outstanding common shares entitled to vote at the meeting, with each share entitled to one vote.

For the election of Directors, stockholders entitled to vote may vote such number of shares for as many persons as there are directors to be elected or may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of their shares shall equal or may distribute them on the same principle among as many candidates as they shall see fit.

Security Ownership of Certain Record and Beneficial Owners:

As of 24 October 2022, the direct or indirect record and/or beneficial owners of more than 5% of common shares are as follows:

Class	Name, Address of Owner and Relationship with the Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percentage¹
Common Shares	Menlo Capital Corporation, Eurovilla 4 Bldg., Arnaiz Avenue, Makati City, Stockholder of Record	Same ²	Filipino	560,000,000	37.33%
Common	Teletronic Systems				

¹ The percentage is based on the total number of commons shares with voting rights and excludes the non-voting preferred shares.

² The Board of Directors of Menlo Capital Corporation has the power to decide how its shares in the Company are to be voted.

Shares	Inc., Spirit of Communications Center, 106 C. Palanca St., Legaspi Village, Makati City, Stockholder of Record	Same ³	Filipino	300,000,241	20.00%
Common Shares	Republic Telecommunications Holdings, Inc., 106 C. Palanca St., Legaspi Village, Makati City, Stockholder of Record	Same ⁴	Filipino	278,873,526	18.59%
Common Shares	PCD Nominee Corporation, 37 Tower 1 The Enterprise Center, 6766 Ayala Avenue, Makati City	Various Stockholders	Filipino	149,981,825	10.00%
Common Shares	TIMCO Holdings, Inc., 106 C. Palanca St., Legaspi Village, Makati City, Stockholder of Record	Same ⁵	Filipino	121,126,474	8.08%

Security Ownership of Management

As of 24 October 2022, the following are the number of common shares beneficially owned by individual Directors of the Company and the percentage of their shareholdings as at the record date.

Directors:

Title of Class	Name of the Beneficial Owner	Amount and Nature of the Beneficial Ownership	Citizenship	Percent of Class
Common Stock	Roberto B. Ortiz (Chairman/Independent Director)	Direct: 1	Filipino	NIL

³ The Board of Directors of Telectronic Systems Inc. has the power to decide how its shares in the Company are to be voted.

⁴ The Board of Directors of Republic Telecommunications Holdings, Inc. has the power to decide how its shares in the Company are to be voted.

⁵ The Board of Directors of Timco Holdings, Inc. has the power to decide how its shares in the Company are to be voted.

Common Stock	James G. Velasquez (Director and President)	Direct: 1	Filipino	NIL
Common Stock	Miguel Marco A. Bitanga (Director)	Direct: 1	Filipino	NIL
Common Stock	Salvador B. Zamora II (Director)	Direct: 1	Filipino	NIL
Common Stock	Salvador T. Zamora III (Director)	Direct: 1	Filipino	NIL
Common Stock	Ma. Cristina Z. Borra (Director)	Direct: 1	Filipino	NIL
Common Stock	Serafin C. Ledesma, Jr. (Independent Director)	Direct: 1,000	Filipino	NIL
Common Stock	Bienvenido S. Santos (Independent Director)	Direct: 1	Filipino	NIL
Common Stock	Carlos Andres V. Reyes (Independent Director)	Direct: 1	Filipino	NIL

The remaining executive officers do not hold, directly or indirectly, any shareholdings in the Company.

Voting Trust Holders of 5% or more

The Board of Directors and Management of the Company have no knowledge of any person who, as of 24 October 2022, was directly or indirectly the beneficial owner of, or who has voting power with respect to, shares comprising more than 5% of shares of common stock.

Changes in Control

On 08 August 2017, Republic Telecommunications Holdings, Inc. ("Retelcom") sold 560,000,000 common shares to Menlo Capital Corporation ("Menlo") which is equivalent to 37.33% of ownership in the Company. While Retelcom lost its control over the Company, Menlo was not able to acquire control insofar as the number of shares it acquired is concerned.

Item 5. Directors and Executive Officers

The following are the directors and executive officers of the Company as of the date of distribution of this Information Statement:

Name and Position	Age	Citizenship	Term of Office as Director/Officer	Period Served as Director /Officer
Roberto B. Ortiz Chairman/Independent Director	69	Filipino	4 years and 3 months	Since 30 July 2018 (As Director) Since 24 September 2021 (As Chairman)
James G. Velasquez Director, President and Chief Executive Officer	57	Filipino	4 years and 7 months	Since 01 March 2018 (As Director) Since 28 June 2018 (As

				President)
Salvador B. Zamora II Chairman	76	Filipino	5 years and 2 months	Since 10 August 2017 (As Director)
Miguel Marco A. Bitanga Director, Chief Operating Officer	40	Filipino	3 years and 4 months	Director from August 2017 until September 2018. Re-elected on 28 June 2019.
Salvador T. Zamora III Director	46	Filipino	5 years and 1 month	Since 25 August 2017
Ma. Cristina Z. Borra Director	48	Filipino	2 years and 1 month	Since 25 September 2020
Serafin C. Ledesma, Jr. Independent Director	81	Filipino	4 years and 3 months	Since 30 July 2018
Bienvenido S. Santos Independent Director	64	Filipino	3 years and 4 months	Since 28 June 2019
Carlos Andres V. Reyes Independent Director	47	Filipino	2 years and 1 month	Since 25 September 2020
Concepcion D.S. Roxas Chief People and Culture Officer	61	Filipino	4 years and 3 months	Since 02 July 2018
Patrick Vincent G. Peña Senior Vice-President - Corporate Affairs and Corporate Information Officer	57	Filipino	4 years and 3 months	02 July 2018 – 08 December 2021 (As General Manager for Fixed Broadband) Since 09 December 2021 (As Senior Vice-President - Corporate Affairs and Corporate Information Officer)
Juanita C. Rimando Senior Vice-President - Fixed Broadband, Retail, Carrier and Wholesale Business	52	Filipino	4 years	Since 16 October 2018 – 10 February 2022 (As Vice-President – Carrier and Wholesale Business) Since 11 February 2022 (As Senior Vice President for Fixed Broadband, Retail, Carrier and Wholesale Business)
Jeffrey E. Julian Vice-President - Network Engineering and Operations	48	Filipino	4 years and 4 months	Since 01 June 2019
Alberto P. Ambuyo Chief Information	49	Filipino	2 years	Since 23 November 2020

Officer				
Anthony Gil Jose Vice-President – IT Services	53	Filipino	5 months	Since 02 May 2022
Angelo Miguel R. Isip Chief Finance Officer	30	Filipino	2 years and 10 months	Since 03 January 2020
Kenneth Joey H. Maceren Assistant Vice- President and Corporate Secretary	42	Filipino	4 years and 1 month	Since 20 September 2018 - Present (As Corporate Secretary) Since 02 May 2022 - Present (As Assistant Vice-President)
Maria Nikka Espiritu Assistant Corporate Secretary	30	Filipino	2 years	Since 23 November 2020

Directors and Officers

The names of the Directors and Executive Officers of the Company as of the date of distribution of this Information Statement and their respective current positions held, periods of service and business experience during the past five years are as follows:

Roberto B. Ortiz

Chairman and Independent Director

Mr. Ortiz worked for Price Waterhouse (now Price Waterhouse Coopers) from 1987-1994. He was the former Vice-President for Finance of Consolidated Industrial Gases Inc. from 1994-2003. From 2003-2009, Mr. Ortiz was the Chief Finance Officer of All Asian Countertrade Inc. and its subsidiaries: Sweet Crystals Integrated Sugar Mill Corporation and Basecom Inc.

Since 2010, he is a Director and Chief Financial Officer of Total Nutrition Corporation.

Mr. Ortiz received his B.S. in Management Engineering from Ateneo de Manila University in 1973.

James G. Velasquez

Director, President and Chief Executive Officer

Mr. Velasquez was a Senior Executive for IBM Global Technology Services, Asia Pacific with 30 years experience in running several business units in the Philippines, ASEAN and in Asia Pacific focusing on P&L, IT business management, Operations, IT Infrastructure Management and Regional Sales. He was previously the President and Country General Manager for IBM Philippines where he was responsible for the overall IBM business operations and led both domestic and global delivery growth.

He previously served as Chairman of IBM Philippines and associated IBM subsidiaries, Board of Trustee of the PBSP, Board Member of the Management Association of the Philippines, Director of Asia Pacific College and Board Trustee of UST Engineering Alumni Association. He is currently a board member of Disaster Recovery Institute of the Philippines.

He was a recipient of the following recognition: UST Engineering Centennial Award for Industry Leadership, UST's The Outstanding Alumni Award for Business Management and Letran Alumni Award for Industry. He also received the CEO EXCeL Awards in 2011 in addition to garnering various recognition for IBM in the Philippines in the areas of Corporate Social Responsibility, Marketing Excellence, HR and ICT.

Miguel Marco A. Bitanga

Director and Chief Operating Officer

Mr. Bitanga received his Bachelor of Arts Degree in Interdisciplinary Studies Cum Laude from Ateneo de Manila University and a Master's in Business Administration from IESE Business School in Barcelona, Spain. He previously held the following positions: Managing Director of Benisons Shopping Center, Corporate Information Officer of MRC Allied, Inc. and Business Director of Flux Design Labs.

He was previously a Director of Mano Amiga Academy, a non-profit organization that provides free education to children in need and employment to their mothers.

Salvador B. Zamora II

Director

Mr. Salvador "Buddy" Zamora II is a renowned Philippine industry player. He is the Chairman and Chief Executive Officer of Tranzen Group Inc., a wholly owned Filipino holding company engaged in renewable energy generation, agro industries, and resort development.

Buddy was educated in the Ateneo de Manila University in the Philippines and in New York University, USA where he received his Masters' in Business Administration.

Mr. Zamora carved a name in the Philippine mining industry in the 1970's by establishing Nickel Asia Corporation, the largest lateritic nickel ore producer in the Philippines and one of the largest in the world. Mr. Zamora was the former president of Nickel Asia Corporation's operational sites: Hinatuan Mining Corporation, Taganito Mining Corporation and Cagdianao Mining Corporation. From 2006 to 2009, Mr. Zamora served as the President and Chief Executive Officer of Nickel Asia Corporation.

In 2008, Mr. Zamora formed Tranzen Group Inc. with a vision to become a leading diversified conglomerate in the country. Tranzen Group along with Carbon Assets Fund of Cayman Island built the Philippines' first methane production plant in Rizal. Also in Tranzen Group's pipeline are significant projects in hydro power generation and mining interest in Dinagat Island.

Mr. Zamora is also the Chairman of the following companies Philippine Phosphate Fertilizer Corporation, Bacavalley Energy, Inc., One Pacstar Realty Corporation, Two Pactstar Realty Corporation, Agusan Power Corporation, Philphos Trading Inc., Lear Aero Ltd., Inc., Libjo Mining Corporation, and Lake Mainit Hydro Holdings Corporation.

Salvador T. Zamora III

Director

Mr. Zamora III is currently connected with the following corporations either as Director, Treasurer or Corporate Secretary: Libjo Mining Corporation, Isarog Renewable Energy Corporation, Skytactic Aero Philippines, Inc., Bacavalley Energy, Inc., La Costa Development Corporation, Inc., Lear Aero Ltd., Inc., Philippine Phosphate Fertilizer Corporation, Tranzen Group, Inc. and 5G Security Inc.

He received his Bachelor of Arts in Music Business from University of New Haven (Connecticut) and MM Music Technology from New York University.

Ma. Cristina Z. Borra

Director

Ms. Borra has been a Director of PT&T since September of 2020. Ms. Borra's work experience spans 24 years. She started her career in 1996 as a part-time Executive Assistant at Hinatuan International Inc. In 1998, she conducted research on both local and international political issues and institutional policies for the Zamora Research Group. She started teaching Literature classes in 2000 for freshmen, sophomore, and graduate students at the University of Asia & the Pacific (UA&P). Deepening her career in teaching, she moved to Manresa School in 2015 as a full-time English Teacher. Most recently, Ms. Borra taught a fully online class for the Junior Academic Assistance

Program of UA&P under Wordprime Reading Lab where she guided students in writing academic essays.

Ms. Borra received her Bachelor of Arts Degree in Humanities from the Center for Research and Communication – College of Arts and Sciences (CRC-CAS), now known as University of Asia & the Pacific. She took her master's degree in Liberal Studies under the Draper Program of New York University.

Serafin C. Ledesma, Jr.

Independent Director

Mr. Ledesma is from Davao City. He was a former Station Manager, News Director and Program Director of various radio stations and news agencies in Mindanao. He was a Branch Manager of Telefast Communications from 1976-1978. He was also an Area Manager of Philippine Telegraph and Telephone Corporation from 1978-1982 and later on, the company's Vice-President for Mindanao from 1982-2001. From 1986-2001, he was a Co-Chairman of the Technical Working Group for the Interconnection of Telecommunications Network in Mindanao.

He also served as a Director of Davao City Water District from 2014-2016 and is currently a columnist and opinion writer, respectively, of Sun Star Davao and Philippine News Agency.

Mr. Ledesma is likewise active various civic organizations being the former President of the following organizations: Davao Integrated Press Club (1974-1977), Media Dabaw (1978-1980) and Rotary Club of Davao (1997-1998)

Mr. Ledesma received his B.S. in Natural Science from the Mindanao Colleges (now University of Mindanao) in 1964

Bienvenido S. Santos

Independent Director

Mr. Santos received his Bachelor of Science Degree in Management Engineering from Ateneo de Manila University. He is the Chairman of several corporations including, among others, BC Net, Asian Carmakers Corporation, GND Holdings, Beebeele. He is also the Vice-Chairman of Sta. Rosa Motor Works, Inc., Eurobrands Distributor Inc., Columbian Motors Corporation, Columbian Manufacturing Corporation, and Subic Air, Inc. Mr. Santos is also a Director and President of several corporations operating different businesses in the Philippines.

Carlos Andres V. Reyes

Independent Director

Mr. Reyes has been an Independent Director of PT&T since September of 2020. He is currently the Assistant Vice President for Metro Manila Sales of Bluefire LPG Marketing.

Mr. Reyes received his Bachelor of Science Degree in Business Administration Major in Marketing Management from De La Salle College of Saint Benilde.

Concepcion D.S. Roxas

Chief People and Culture Officer

Ms. Roxas is an experienced human resource practitioner. She was employed by companies in various capacities in the field of human resources: Supervisor, Manager, Recruitment Manager, Senior Manager, Consultant, Senior Consultant and HR Director.

In the field of telecommunications, she worked for Smart Communications, Inc. from 1994-2005 where she held the following positions: Recruitment Consultant, Recruitment Manager and Senior Manager. After leaving Smart Communications, Inc. she returned to said company last 2015 as its Senior HR Consultant for Organizational Development. Before joining PT&T, Recie was the HR Director of Conduit Global.

Ms. Roxas is a graduate of University of Santo Tomas where she received her B.S. in Psychology.

Patrick Vincent G. Peña

Senior Vice-President – Corporate Affairs and
Corporate Information Officer

Mr. Peña's experience in the telecommunications industry started in 1996 when he worked for Smart Communications, Inc. His work focused primarily on sales and marketing.

From 2000-2006, he was the Vice-President for Sales and Marketing for Meridian Telekoms Inc., spending the last two years from 2004-2006 establishing Meridian's Broadband Wireless Product for the PLDT Group.

In 2007 he was named as the Vice-President and later, the Senior Vice-President, for Postpaid, Broadband, New Business and Marketing Services of Digitel Mobile Phils., Inc. (Sun Cellular).

Mr. Peña received his B.S. in Industrial Engineering from the University of the Philippines, Diliman.

Juanita C. Rimando

Senior Vice-President
Fixed Broadband, Retail, Carrier, and Wholesale Business

Nitz is a graduate of Polytechnic University of the Philippines (Sta. Mesa) where she completed a Bachelor in Office Administration degree. She also completed a Six Sigma Greenbelt Course in Motorola University in Malaysia and Master's Degree in Development Management in Asian Institute of Management in Makati City.

Nitz has 29 years of sales and executive work experience in the field of information and communications technology. Before joining PT&T, Nitz was the Vice President for Business and Operations in Source Telecoms. She also worked at Wificity as Vice President for Business Development, Comclark Network & Technology Corporation as Division Head for Sales, Bayan Telecommunications, Inc. where she held various sales positions the last of which was Head for Corporate Key Accounts and in Eastern Telecommunications, Inc.

She was formerly a Board of Director of Philippine Electronics and Telecommunications Federation (PETEF) and is currently a member of the Board of Director of Philippine Information and Communications Technology Organization (PICTO).

Jeffrey E. Julian

Vice-President - Network Engineering and Operations

Mr. Julian has 21-years of experience in telecommunications industry having worked in various capacities in different telecommunications companies in the Philippines and abroad. His prior experience includes stints as Senior Project Manager, Senior Consultant, Project Director and National Project Head in various telecommunications projects with Nextel, Sun Cellular, Huawei, Ericsson and Fiber Home.

Mr. Julian received his B.S. in Electronics and Communications Engineering from the University of Santo Tomas, Manila.

Alberto P. Ambuyo

Chief Information Officer

Mr. Ambuyo has been working in the IT industry for the past 30 years and has been involved in its various aspects. He has been part of database and systems management vendor teams for the past four years, specializing in pre and post sales consulting. He has also taken on technical support and implementation responsibilities for some of the projects that he has helped sell.

Mr. Ambuyo has managed large-scale projects, implemented large-scale data warehouse and business intelligence projects, country-wide networks, and large-scale solutions integration projects.

Anthony G. Jose

Vice-President – IT Services

Anthony is an experienced professional with almost 30 years of experience in the field of sales and information technology. He was the former Vice-President of different companies including Strategicsynergy Inc., Scala Business Solutions Inc., and Systems Standards Inc. He was also the former Director for New Business of Eastern Telecommunications Philippines Inc.

Angelo Miguel R. Isip

Chief Finance Officer

Mr. Isip joined PT&T in 2018 as the Financial Controller. He has extensive experience in financial planning and analysis, financial reporting and analytics, strategic planning, corporate governance and financial risk management. Prior to joining PT&T, Mr. Isip served as a Finance Business Partner for the Lending Business of Globe Fintech Innovations, Inc. (Mynt). He was promoted shortly after to the position of Financial Controller. He also served as Senior Financial Services Risk Advisory Associate in SGV & Co./EY Philippines.

He graduated cum laude from the University of the Philippines with a Bachelor of Science Degree in Business Administration and Accountancy. Mr. Isip is a licensed Certified Public Accountant (CPA).

Kenneth Joey H. Maceren

Assistant Vice-President and
Corporate Secretary

Mr. Maceren is a lawyer with litigation and corporate practice. For his litigation practice, he handles criminal, civil and labor cases. His corporate practice includes incorporation, business organization restructuring and corporate housekeeping. Before joining PT&T, he previously worked for two publicly listed companies: as Legal Counsel of Megawide Construction Corporation and Legal Counsel and Corporate Secretary of MRC Allied, Inc. He also worked in a Makati based law firm immediately after passing the Bar Examinations.

He is a 2006 graduate of San Beda University's College of Law (Mendiola, Manila) and was admitted to the Philippine Bar in 2007.

Maria Nikka Espiritu

Assistant Corporate Secretary

Atty. Espiritu is a corporate lawyer and is the Assistant Corporate Secretary of PT&T.

Before joining PT&T, Atty. Espiritu worked as an Associate Legal Counsel for the publicly listed construction firm Megawide Construction Corporation where she handled commercial transactions, real property acquisitions, and project claims. She was also in charge of managing Megawide's labor and administrative issues. Before working for Megawide, Atty. Espiritu was an Associate Lawyer of Puregold Priceclub, Inc. representing the Company in various civil and criminal cases.

Atty. Espiritu obtained her bachelor's degree in Political Science from the De La Salle University in 2011. She graduated Bachelor of Laws from San Beda University in 2016 and was admitted to the Bar the following year.

Significant Employees

There is not a person who is not an Executive Officer expected by the Company to make significant contribution to the business.

Family Relationship

Salvador T. Zamora III and Ma. Cristina Z. Borra are the children of Salvador B. Zamora II.

Other than this, there are no other family relationships known to the registrant.

Certain Relationship and Related Transactions

The receivables of the Company due from related parties pertain to non-interest bearing advances and loans extended by the Company for the working capital requirements of the related parties.

The amount due to related parties represent interest and non-interest bearing, unsecured, and short-term Philippine Peso-denominated financing and advances to fund the Company's working capital requirements with significant portion transacted prior to the entry of the new investor in accordance with the approved Rehabilitation Plan of the Company which allows it to secure, whenever necessary, DIP Financing with interests at market rate for its working capital requirement.

Please see Note 23 of the Company's 31 December 2021 Audited Financial Statements.

Connection with any government agencies or instrumentalities

None of the Directors and Executive officers of the Company are connected to any government agencies or instrumentalities.

Involvement of Directors and Officers in Certain Legal Proceedings

During the past five (5) years and until the date of distribution of this Information Statement, the members of the Board of Directors and the Executive Officers:

- a) have not filed any bankruptcy petitions or have not had bankruptcy petitions filed against them;
- b) have not been convicted by final judgment or have any pending criminal cases;
- c) have not been subject to any order, judgment or decree, or any court of competent jurisdiction (in a civil action), not subsequently reversed or vacated limiting its involvement in any type of business, securities, commodities or banking activities;
- d) have not been found by a domestic or foreign court of competent jurisdiction (in a civil action), the Philippine Securities and Exchange Commission ("SEC") or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization, to have violated a securities or commodities law.

List of Candidates for Election as Members of the Board of Directors for 2022-2023

The following individuals are nominated to be elected as Members of the Board of Directors of the Company:

Name	Citizenship	Age	Position
Roberto B. Ortiz (Chairman)	Filipino	69	Independent Director
James G. Velasquez (President and Chief Executive Officer)	Filipino	57	Director
Miguel Marco A Bitanga	Filipino	40	Director
Salvador B. Zamora II	Filipino	76	Director
Salvador T. Zamora III	Filipino	46	Director
Ma. Cristina Z. Borra	Filipino	48	Director
Atty. Mario C. Lorenzo	Filipino	82	Director
Bryan J. Santiago	Filipino	48	Director
Richard A. Santiago	Filipino	54	Director
Serafin C. Ledesma, Jr.	Filipino	81	Independent Director
Bienvenido Santos	Filipino	64	Independent Director
Carlos Andres V. Reyes	Filipino	47	Independent Director
Atty. Elmer B. Serrano	Filipino	54	Independent Director

Nomination of Directors

Except for Atty. Mario C. Lorenzo, Bryan J. Santiago, Richard A. Santiago, and Atty. Elmer B.

Serrano, the rest of the nominees are the incumbent directors of the Company listed in Item 5. All incumbent directors are nominated to be re-elected as a director for a new term.

Atty. Mario C. Lorenzo is a practicing lawyer. He was a former Director and Corporate Secretary of Philippine Postal Savings Bank and a consultant of Development Bank of the Philippines. He was also the former Legal Counsel and Corporate Secretary of Sinag Energy Philippines, Enerplus, Inc., Sinag Global Energy Corporation, and Green Energy Machine Investment Holdings, Inc.

He received his Bachelor of Laws degree from the University of the Philippines and a master's degree from the Asian Institute of Management.

Richard A. Santiago is the President of Tesco Services, Inc. since 2000. He was the former Executive Vice-President and Chief Operating Officer of PGA Group of Companies.

He holds a degree in Economics from the University of California at Los Angeles.

Bryan J. Santiago is the President and Chief Executive Officer of Telectronic Systems Incorporated since 2018. He started his career in the ICT industry in 1996 as product manager moving to new business development, introduction of new technology projects, and various senior management roles in marketing.

He received his bachelor's degree from University of California Berkeley.

Nomination of Independent Directors

Serafin C. Ledesma, Jr. was elected as the Company's Independent Director last 30 July 2018 and was nominated by Retelcom. He is not an officer, director or shareholder of Retelcom and he possess all the qualifications and none of the disqualifications to be elected as an Independent Director.

Roberto B. Ortiz was elected as the Company's Independent Director last 30 July 2018 and was nominated by Menlo. He is not an officer, director or shareholder of Menlo and he possess all the qualifications and none of the disqualifications to be elected as an Independent Director.

Bienvenido S. Santos was elected as the Company's Independent Director last 28 June 2019 and was nominated by Menlo. He is not an officer, director or shareholder of Menlo and he possess all the qualifications and none of the disqualifications to be elected as an Independent Director.

Carlos Andres V. Reyes was elected as the Company's Independent Director last 25 September 2020 and was nominated by Menlo. He is not an officer, director or shareholder of Menlo and he possess all the qualifications and none of the disqualifications to be elected as an Independent Director.

This is Atty. Elmer B. Serrano's first nomination as an Independent Director of the Company. He is a practicing lawyer specializing in corporate law and the Managing Partner of Serano Law. He is the Corporate Secretary of SM Investments Corporation, SM Prime Holdings, Inc., Premium Leisure Corp., Atlas Consolidated Mining and Development Corporation, and subsidiaries of BDO Unibank, Inc.

He is a Certified Associate Treasury Professional and was among the top graduates of the Trust Institute of the Philippines in 2001.

He holds a Juris Doctor degree from Ateneo de Manila University and a B.S. Legal Management degree from the same university.

Nomination Procedure

A nominating stockholder shall submit the name and other required information to the Nomination Committee prior to the stockholder's meeting. This recommendation shall be signed by the nominating stockholder together with the acceptance and conformity by the would-be nominee.

The Nomination Committee then prepares a Final List of candidates which contains all the names and

required information about the nominees for Director. Only nominees whose names appear on the Final List are eligible for election as director. No other nomination shall be entertained after the Final List has been prepared. No other nomination allowed on the floor during the annual meeting. In case of failure of election for independent directors, the Chairman of the meeting shall call for a separate election during the same meeting to fill up the vacancy. In case of resignation, disqualification or cessation of independent directorship, the vacancy shall be filled by the vote of at least a majority of the remaining directors, if still constituting a quorum, upon the nomination of the Nomination Committee, otherwise said vacancy shall be filled by the stockholders in a regular or special meeting called for the purpose. Independent director so elected shall serve only for the unexpired term of his predecessor.

The Members of the Nomination Committee are:

1. Serafin C. Ledesma, Jr. (Independent Director) – Chairman;
2. Miguel Marco A. Bitanga; and
3. Ma. Cristina Z. Borra.

Committees

In compliance with its Manual on Corporate Governance, the Company has established the following committees to perform certain management functions and achieve sound corporate governance:

1. Executive Committee,
2. Nomination Committee,
3. Audit Committee,
4. Compensation and Remuneration Committee,
5. Risk Oversight Committee,
6. Related Party Transactions Committee, and
7. Corporate Governance Committee.

Disagreement with a Director

No director has resigned or declined to stand for re-election to the Board of Directors since the date of the last annual meeting of the stockholders because of disagreement/s with the Company on any matter relating to the Company's operations, policies or practices, and no director has furnished the Company a letter describing such disagreement and requesting that the matter be disclosed.

Item 6. Compensation of Directors and Executive Officers

The aggregate compensation paid or accrued during the last three fiscal years to the Company's (a) President and five highest compensated officers and (b) other officers and directors or key management personnel (as a group unnamed) are as follows:

**SUMMARY COMPENSATION TABLE
(Annual Compensation)**

NAME	YEAR	SALARY	BONUS	OTHER ANNUAL COMPENSATION INCOME
President and five (5) highest compensated officers	2021	25,188,303.00	2,773,824.00	1,490,440.00
	2020	22,513,900.00	2,048,824.00	1,185,417.00
	2019	27,588,300.00	2,400,400.00	1,800,000.00
All other officers and				

directors as a group unnamed	2021	16,248,334.00	1,362,778.00	710,520.00
	2020	14,064,071.00	1,327,778.00	533,552.00
	2019	11,000,000	450,000	448,000.00

**SUMMARY COMPENSATION TABLE
(2022 Projected Annual Compensation)**

NAME	YEAR	SALARY	BONUS	OTHER ANNUAL COMPENSATION INCOME
President and five (5) highest compensated officers	2022	26,126,719.00	2,177,227.00	1,307,386.00
All other officers and directors as a group unnamed	2022	19,429,534.00	1,619,128.00	1,242,169.00

Compensation of Directors

Except for the per diem received for every meeting of the Board of Directors, the Company did not pay any compensation to the Directors for the year ended 31 December 2021.

**SUMMARY OF PER DIEM BY THE
BOARD OF DIRECTORS ARE ENTITLED FOR 2021**

Name	Per Diem
Roberto B. Ortiz (Chairman)	PhP 72,000.00
James G. Velasquez (President and Chief Executive Officer)	None
Miguel Marco A Bitanga	None
Salvador B. Zamora II	None
Salvador T. Zamora III	PhP 54,000.00
Ma. Cristina Z. Borra	PhP 54,000.00
Serafin C. Ledesma, Jr.	PhP 72,000.00
Bienvenido Santos	PhP 54,000.00
Carlos Andres V. Reyes	PhP 54,000.00

The members of the Compensation and Remuneration Committee are:

1. Miguel Marco A. Bitanga – Chairman,
2. James G. Velasquez, and
3. Carlos Andres V. Reyes.

Description of any Standard Arrangement

There is no standard arrangement with the Directors and Executive Officers of the Company.

Description of Material Terms of any Other Arrangement

There is no other arrangement with the Directors and Executive Officers.

Price of Stock Warrants or Options

There is no arrangement with the Directors and Executive Officers of the Company for stock warrants

or options.

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

There is no general compensatory plan or scheme with respect to any of the Company's executive officers that will result from the resignation, retirement or termination of such executive officer or from a change of control in the Company.

Item 7. Independent Public Accountants

Appointment and Ratification

The appointment of Alas Oplas & Co. as the Company's external auditor for the Calendar Year ending 31 December 2022 will be approved during the stockholders' meeting. Representatives of Alas Oplas & Co. CPAs will be present during the stockholders' meeting and will have the opportunity to make a statement if they desire to do so. They will also be available to respond to appropriate questions.

Alas Oplas & Co. was the Company's external auditor for the Fiscal Year ending 30 June 2017, 30 June 2018, 31 December 2018, 31 December 2019, 31 December 2020, and 31 December 2021.

Alas Oplas & Co. was the Company's external auditor for the Fiscal Year ending 31 December 2021 which will be submitted for approval during the meeting.

External Audit Fees and Services

The Company paid ₱990,000 for its 31 December 2020 calendar year audit. The same amount was paid for the 31 December 2021 calendar year audit. The audit fee was discussed and approved by the Audit Committee during the review of the Company's audited financial statements. The audit fee and the audited financial statements approved by the Audit Committee were subsequently approved by the Board of Directors of the Company.

The Company did not incur fees for professional services related to tax accounting, tax compliance audit, and other advisory work.

Out-of-pocket expenses were incurred for incidental costs incurred in relation to the services rendered.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

To the best knowledge of the undersigned, there are no disagreements on any matter of accounting principles or practices, financial statement disclosure or accounting scope or procedure with the Company's external auditor.

Item 8. Compensation Plan

No action will be taken with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed in relation to any stock options, warrants or rights plan or in relation to any other type of compensation plan.

Item 9. Authorization or Issuance of Securities other than for Exchange

In the stockholders meeting conducted last 20 September 2018, the stockholders of the Company approved to increase the Company's Authorized Capital Stock from PhP 3,800,000,000.00 to PhP 15,600,000,000.00 through the following additional stocks:

- a. 3,000,000,000 Common Stocks at PhP 1.00 per stock;
- b. 6,750,000,000 Series "A" Serial Redeemable Preferred Stocks at PhP 1.00 per stock;
- c. 1,800,000,000 Series "B" Serial Redeemable Preferred Stocks at PhP 1.00 per stock; and
- d. 250,000,000 Series "C" Serial Redeemable Preferred Stocks at PhP 1.00 per stock.

The increase of the Company's Authorized Capital Stock was approved by the Securities and Exchange Commission ("SEC") last 31 October 2018.

On 24 February 2021, the Company requested the SEC to reverse the increase in its authorized capital stock due to the difficulties that it encountered in securing the Deeds of Assignment from its creditors. In an Order dated 27 April 2021, the SEC approved the request of the Company and revoked the increase of the Company's authorized capital stock. Thus, the Company's current authorized capital stock is PhP 3,800,000,000.00.

In the Stockholders' Meeting conducted last 24 September 2021, the Company secured the approval of the stockholders to increase its authorized capital stock to an amount to be determined by the Board of Directors but not exceeding Philippine Pesos: Eleven Billion Eight Hundred Million Pesos (PhP11,800,000,000.00) divided into:

- a. not exceeding Three Billion (3,000,000,000) Common Stocks at One Peso (PhP1.00) per share,
- b. not exceeding Eight Billion Eight Hundred Million (8,800,000,000) Serial Redeemable Preferred Stocks at PhP 1.00 per share and subject to specific features to be determined by the Board of Directors, consisting of:
 - b.1. Six Billion Seven Hundred Fifty Million (6,750,000,000) Series "A" Serial Redeemable Preferred Stocks,
 - b.2. One Billion Eight Hundred Million (1,800,000,000) Series "B" Serial Redeemable Preferred Stocks, and
 - b.3. Two Hundred Fifty Million (250,000,000) Series "C" Serial Redeemable Preferred Stocks.

The application to increase the Company's authorized capital stock by Philippine Pesos: Eight Billion Eight Hundred Million (PhP 8,800,000,000.00) through the issuance of Series "A", "B", and "C" Serial Redeemable Preferred Stocks is currently pending approval with the SEC as of the date of this Information Statement.

The issuance of additional Three Billion (3,000,000,000) Common Stocks at One Peso (PhP1.00) per share which was approved by the stockholders during the 24 September 2021 Annual Stockholders' Meeting will be submitted for the confirmation of the stockholders during the Annual Stockholders' Meeting on 29 November 2022.

In the Annual Stockholders Meeting to be conducted on 29 November 2022, the Company will seek another approval for an additional increase of its authorized capital stock to an amount to be determined by the Board of Directors but not exceeding Philippine Pesos: Four Billion Eight Hundred Seventy Million Fifty Thousand (PhP 4,870,050,000.00) divided into:

- a. additional Seven Hundred Twenty Million (720,000,000) Series "A" Serial Redeemable Preferred Stocks at PhP1.00 per share,
- b. additional Two Billion Eight Hundred Eight Million Nine Hundred Thousand (2,808,900,000) Series "B" Serial Redeemable Preferred Stocks at PhP1.00 per share, and
- c. additional One Billion Three Hundred Forty-One Million One Hundred Fifty Thousand (1,341,150,000) Series "C" Serial Redeemable Preferred Stocks at PhP 1.00 per share.

This proposed additional increase in authorized capital stock is intended to cover the additional amount of debt to be converted to equity under the Company's approved Rehabilitation Plan.

Preferred Stocks

Prior to the increase of the Company's authorized capital stock, the Company has 230,000,000 Serial Cumulative Convertible Redeemable Preferred Stocks ("Preferred Stocks") at PhP 10.00 per stock. These stocks remain unissued and unsubscribed as of the date of this report. Based on the Amended

Articles of Incorporation these preferred stocks have no pre-emptive and voting rights except in cases allowed under the law. The right to dividends of these preferred stocks are cumulative and non-participating.

In addition to the Preferred Stocks, the Company will be conducting a debt-to-equity conversion pursuant to its Rehabilitation Plan for the issuance of Series “A”, “B”, and “C” Serial Redeemable Preferred Stocks (collectively, “Serial Redeemable Preferred Stocks”). The Serial Redeemable Preferred Stocks shall be redeemable under the terms and in such manner as may be determined by the Board of Directors and in accordance with the Company’s Rehabilitation Plan. The Serial Redeemable Preferred Stocks have no voting rights except in cases allowed under the law, no pre-emptive rights, and shall have additional features as may be determined by the Board of Directors.

Except for the rights discussed above, there are no other material rights for common and preferred stockholders.

The Company is of the opinion that there are no provisions in its Amended Articles of Incorporation and in its Amended By-Laws that would have the effect of delaying, deferring, or preventing a change in control of the registrant.

Rationale for the Serial Redeemable Preferred Stocks

Pursuant to the Petition for Rehabilitation filed by the Company, the Regional Trial Court of Makati City, Branch 66 (“Rehabilitation Court”) issued an Order dated 01 April 2011 approving the Company’s Rehabilitation Plan. In the approved Rehabilitation Plan, the Company was required to increase its Authorized Capital Stock to accommodate the issuance of Serial Redeemable Preferred Stocks that will be used in paying the debts of the Company through debt-to-equity conversion.

Since the Serial Redeemable Preferred Stocks are intended to settle the debts of the Company through debt-to-equity conversion, the Company is not expected to receive any compensation for the said shares.

Item 10. Modification or Exchange of Securities

There are no stockholders’ action to be taken with respect to the modification of any class of securities of the Company or the issuance or authorization for issuance of one class of securities of the Company in exchange for outstanding securities of another class.

Item 11. Financial and Other Information

Financial Statements

The Company’s 2021 Annual Report, Audited Financial Statements for the fiscal year ending 31 December 2021, and the Quarterly Report (17Q) for the period ending 30 June 2022 are filed as part of this Information Statement.

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

No action will be taken with respect to any transaction involving merger or consolidation of the Company into or with any other person or of any other person, the acquisition by the Company of another person, the acquisition by the Company of any other going business or the assets thereof, the sale or other transfer of all or any substantial part of the assets of the Company, or the liquidation or dissolution of the Company.

Item 13. Acquisition or Disposition of Property

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

Item 14. Restatement of Accounts

No action will be taken with respect to the restatement of any asset, capital, or surplus account of the Company.

Item 15. Action with Respect to Reports

The following items will be submitted for the approval of the shareholders:

Subject Matter for Approval	Votes Required
1. Approval of the minutes of the last Stockholders Meeting held on 24 September 2021	Majority of the votes cast
2. Election of the members of the Board of Directors	The top eleven (11) nominees with the most number of votes cast are elected
3. Amendments to the Articles of Incorporation: (a) increase in the number of the members of the Board of Directors, (b) increase in authorized capital stock, and (c) removal of the of the restriction on foreign ownership in common shares.	Two-thirds (2/3) of the outstanding capital stock
4. Ratification of actions taken by the Board of Directors and officers since 24 September 2021	Majority of the votes cast
5. Confirmation of the approved increase in Common Shares	Majority of the votes cast
6. Appointment of Alas Oplas &Co. CPAs as External Auditor	Majority of the votes cast
7. Approval of the Audited Financial Statements of the Company for the Fiscal Year ending 31 December 2021	Majority of the votes cast

As of the Record Date, the Company has 3,637 stockholders holding a total of One Billion Five Hundred Million (1,500,000,000) common stocks with a par value of PhP 1.00 per stock. All stockholders owning common stocks are entitled to vote on all matters to be discussed and voted upon in the Annual Stockholders' Meeting to be held on 29 November 2022.

Item 16. Matters Not Required to be Submitted

As a matter of corporate policy, the Board of Directors will submit for the approval and ratification of the stockholders all acts, contracts, investments, and resolutions of the Board of Directors and management from 24 September 2021 until 28 November 2022.

Item 17. Amendment of Charter, Bylaws or Other Documents

The following are the matters or actions to be taken up in the meeting with respect to the proposed amendments of the Articles of Incorporation of the Company:

Article	Current Provision	Proposed Amendment
Article VI - Number of Directors	That the number of the	That the number of the

	<p>members of the Board of Directors shall be nine (9) and the names and residences of the Directors who are to serve as such until their successors have been duly elected and qualified as provided by the By-Laws are as follows:</p> <p style="text-align: center;">x x x</p>	<p>members of the Board of Directors shall be <u>eleven (11)</u> and the names and residences of the Directors who are to serve as such until their successors have been duly elected and qualified as provided by the By-Laws are as follows:</p>
<p>Article VII – (a) Increase of authorized capital stock through the issuance of additional common stocks and Series “A”, “B”, and “C” Serial Redeemable Preferred Stocks in an amount to be determined by the Board of Directors, and</p> <p>(b) Removal of the restriction of foreign ownership in common shares.</p> <p>This increase is in addition to the 8,800,000,000 Series “A”, “B”, and “C” Serial Redeemable Preferred Stocks which is the subject of a pending application with the SEC for an increase in authorized capital.</p>	<p>That the authorized capital stock of the corporation is THREE BILLION EIGHT HUNDRED MILLION (P 3,800,000,000.00), Philippine Currency, divided into ONE BILLION FIVE HUNDRED MILLION (1,500,000,000) shares of Common Stock with par value of One Peso (P1.00) per share whose issue shall be for Filipino citizens, natural or juridical, or corporations/entities whose ownership as determined by law is Filipino and whose issue shall not be subject to any other restriction except in such cases where the law may provide; and TWO HUNDRED THIRTY MILLION (230,000,000) Serial Cumulative Convertible Redeemable Preferred Stock with a par value of Ten Pesos (P 10.00) per share; that holders of share of stock, whether common or preferred, shall have no pre-emptive rights with respect to shares of any class or series of the corporation’s present capital stock or subsequent increases in capital.</p> <p>That the TWO BILLION THREE HUNDRED MILLION PESOS (P 2,300,000,000.00) Serial Cumulative Convertible Redeemable Preferred Stocks shall be issued with such features and/or such terms and conditions as the Board of Directors of the Corporation may determine; provided, that</p>	<p>That the authorized capital stock of the corporation is <u>TWENTY BILLION FOUR HUNDRED SEVENTY MILLION FIFTY THOUSAND (P 20,470,050,000.00)</u>, Philippine Currency, divided into <u>FOUR BILLION FIVE HUNDRED MILLION (4,500,000,000)</u> shares of Common Stock with par value of One Peso (P1.00) per share; and TWO HUNDRED THIRTY MILLION (230,000,000) Serial Cumulative Convertible Redeemable Preferred Stock with a par value of Ten Pesos (P 10.00) per share; <u>SEVEN BILLION FOUR HUNDRED SEVENTY MILLION (7,470,000,000) Series “A” Serial Redeemable Preferred Stocks with par value of One Peso (P1.00) per share; FOUR BILLION SIX HUNDRED EIGHT MILLION NINE HUNDRED THOUSAND (4,608,900,000) Series “B” Serial Redeemable Preferred Stocks with par value of One Peso (P1.00) per share; and ONE BILLION FIVE HUNDRED NINETY ONE MILLION ONE HUNDRED FIFTY THOUSAND (1,591,150,000) Series “C” Serial Redeemable Preferred Stocks with par value of One Peso (P1.00) per share;</u> that holders of share of stock, whether common or preferred, shall have no pre-emptive rights with respect to shares of any class or series of the corporation’s present capital</p>

	<p>the total number of shares of each of the Serial Cumulative Convertible Redeemable Preferred Stocks which shall at any time be subscribed, issued or outstanding, shall in no case exceed TWO HUNDRED THIRTY MILLION (230,000,000) shares; and this limitation shall be printed on each stock certificate for such shares. Any issuance of or subscription to any shares of the Serial Cumulative Convertible Redeemable Preferred Stock in violation of this condition shall be deemed null and void.</p> <p>That the rights and features of the Serial Cumulative Convertible Redeemable Preferred Shares may be stipulated, at the discretion of the Board of Directors, in detachable warrants through which such rights and features stipulated therein may be exercised, which detachable warrants may be endorsed, assigned, transferred, or otherwise disposed of separately by the holder thereof, provided, that the assignor or transferor of any such warrants shall, upon conveyance thereof, lose all rights under the warrant so conveyed, and transferee or assignee of such warrants shall exclusively enjoy and be bound by the rights, terms and conditions stipulated therein, and provided further, that all such features and all such detachable warrants as may be set by the Board of Directors shall be in accordance with all applicable laws, rules, and regulations and to the approval of the Securities and Exchange Commission.</p> <p>That the Serial Cumulative Convertible Redeemable</p>	<p>stock or subsequent increases in capital.</p> <p>That the TWO BILLION THREE HUNDRED MILLION PESOS (P 2,300,000,000.00) Serial Cumulative Convertible Redeemable Preferred Stocks shall be issued with such features and/or such terms and conditions as the Board of Directors of the Corporation may determine; provided, that the total number of shares of each of the Serial Cumulative Convertible Redeemable Preferred Stocks which shall at any time be subscribed, issued or outstanding, shall in no case exceed TWO HUNDRED THIRTY MILLION (230,000,000) shares; and this limitation shall be printed on each stock certificate for such shares. Any issuance of or subscription to any shares of the Serial Cumulative Convertible Redeemable Preferred Stock in violation of this condition shall be deemed null and void.</p> <p>That the rights and features of the Serial Cumulative Convertible Redeemable Preferred Shares may be stipulated, at the discretion of the Board of Directors, in detachable warrants through which such rights and features stipulated therein may be exercised, which detachable warrants may be endorsed, assigned, transferred, or otherwise disposed of separately by the holder thereof, provided, that the assignor or transferor of any such warrants shall, upon conveyance thereof, lose all rights under the warrant so conveyed, and transferee or assignee of such warrants shall exclusively enjoy and be bound by the rights, terms and</p>
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	<p>Preferred Shares shall be further subject to the following terms and conditions:</p> <p>A. Holders of these preferred shares shall have no voting rights or right to be voted except as provided by law.</p> <p>B. Dividends on these preferred shares shall be cumulative and non- participating.</p> <p>C. These preferred stock may be issued in different series and at different dividend rates as may be determined by the Board of Directors based on acceptable financial criteria as may in the judgment of the Board of Directors be reasonable; provided that a dividend rate once fixed by the Board of Directors for a particular series at the time of issue shall not be modified or altered while any preferred stock of the same series remains issued and outstanding;</p> <p>D. These preferred stock may be convertible into common shares of any class or any series of preferred stock under terms and in such manner as the Board of Directors may determine; provided, that such terms once fixed by the Board of Directors for a particular series at the time of issue shall not be modified or altered while any preferred stock of the same series remains issued and outstanding;</p> <p>E. The redemption period of these preferred stock for each particular series shall be fixed by the Board of Directors and may be re-issued upon redemption whether as preferred or common shares and of whatever class or series at the option of the Board of</p>	<p>conditions stipulated therein, and provided further, that all such features and all such detachable warrants as may be set by the Board of Directors shall be in accordance with all applicable laws, rules, and regulations and to the approval of the Securities and Exchange Commission.</p> <p>That the Serial Cumulative Convertible Redeemable Preferred Shares shall be further subject to the following terms and conditions:</p> <p>A. Holders of these preferred shares shall have no voting rights or right to be voted except as provided by law.</p> <p>B. Dividends on these preferred shares shall be cumulative and non- participating.</p> <p>C. These preferred stock may be issued in different series and at different dividend rates as may be determined by the Board of Directors based on acceptable financial criteria as may in the judgment of the Board of Directors be reasonable; provided that a dividend rate once fixed by the Board of Directors for a particular series at the time of issue shall not be modified or altered while any preferred stock of the same series remains issued and outstanding;</p> <p>D. These preferred stock may be convertible into common shares of any class or any series of preferred stock under terms and in such manner as the Board of Directors may determine; provided, that such terms once fixed by the Board of Directors for a particular series at the time of issue shall not be modified or altered while</p>
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	<p>Directors; provided, that the redemption period once fixed for a particular series at the time of issue may not be modified or altered while any preferred stock at the same series remains issued and outstanding; and provided, further, that redemption of any outstanding preferred stock prior to the expiration of the redemption period may be effected subject to such terms and conditions as may be mutually agreed upon by the Corporation and the holder of the stock.</p>	<p>any preferred stock of the same series remains issued and outstanding;</p> <p>E. The redemption period of these preferred stock for each particular series shall be fixed by the Board of Directors and may be re-issued upon redemption whether as preferred or common shares and of whatever class or series at the option of the Board of Directors; provided, that the redemption period once fixed for a particular series at the time of issue may not be modified or altered while any preferred stock at the same series remains issued and outstanding; and provided, further, that redemption of any outstanding preferred stock prior to the expiration of the redemption period may be effected subject to such terms and conditions as may be mutually agreed upon by the Corporation and the holder of the stock.</p> <p>The Series “A”, “B”, and “C” Serial Redeemable Preferred Stocks shall have no voting rights. The rest of the rights and features of the Series “A”, “B”, and “C” Serial Redeemable Preferred Stocks may be stipulated and determined at the discretion of the Board of Directors in accordance with all applicable laws, rules, and regulations.</p>
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The additional increase in Series “A”, “B”, and “C” Serial Redeemable Preferred Stocks is intended to accommodate the issuance of additional preferred shares to be issued by the Company to its creditors as payment for its debts. The payment will be through a debt-to-equity conversion in accordance with the Company’s Rehabilitation Plan.

The removal of the restriction on foreign ownership in common stocks is intended to increase the number of potential investors and for the Company to raise additional funds for its business operations.

Item 18. Other Proposed Action

None

Item 19. Voting Procedures

At the Stockholders' Meeting, every stockholder shall be entitled to vote for each share of stock which has voting power upon the matter in question, registered in his name in the books of the Company.

A stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors 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, provided, that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the Company multiplied by the total number of directors to be elected. Provided, however, that no delinquent stock shall be voted.

MANAGEMENT REPORT

I. Plan of Operation

PT&T believes that information and communication technologies are the backbone of innovation. But no innovation can occur without the high-speed broadband network. The future of countries, businesses and individuals will depend more than ever on whether they embrace technology and many of those who stand to gain the most are not yet connected.

The Company holds an optimistic view on the Philippines' broadband industry through our efforts to improve coverage and spur subscriber growth. PT&T aims to expand coverage and upgrade its network infrastructure which will help to cope with the growing demand and ensure that network congestion would be minimized.

The Philippines has made huge investments in the national broadband network and ramping up network modernization investments in order to take advantage of the huge data opportunities in a fast-growing nation. The Company continues to believe that the market can accommodate more players which would be beneficial to innovations and long-term growth. The local economy's remarkable momentum will continue to be fueled by strong sequential gains in investment activity and private consumption.

Innovation is increasingly based on digital technologies and business models, which can drive economic and social gains from ICT if channeled in a smart way. The way businesses adopt ICT is key for leveraging them for development, so encouraging businesses to fully embrace the powers of digital technologies is a priority of PT&T. The Company aims to step up efforts to invest in innovative digital solutions to drive economic growth and social impact. This will include building capabilities in cyber security, Internet of Things, and smart cities.

PT&T also aims to help shape the high-speed internet connection as a true and open platform and as a driver of economic development and social progress.

In order to achieve these objectives, the Company has several projects lined up which will expand PT&T's capability to provide telecommunications service throughout the country.

PT&T is currently serving Metro Manila and the nearby CALABARZON. In order to increase its subscribers' base, PT&T is in the process of completing its plan to expand its existing telecommunications network. The network expansion will initially focus on key cities in the National Capital Region, CALABARZON, and parts of Central Luzon. Once fully implemented, the expanded network will be capable of servicing at least 40% of the Philippine population.

The network expansion will include the deployment of massive fiber optic infrastructure to support all network services and capacities. It will also provide a Full IP Network based on the latest Service

Oriented Network Architecture and Self-Service Oriented Network Architecture.

The Company plans on building its nationwide backbone to support its objective to provide a nationwide wholesale and retail service including the capability to provide mobile services in the future. This project involves the deployment of in-land (terrestrial) and off-shore (submarine) networks connecting all major islands throughout the Philippine archipelago. Full IP Network based on the latest Software Defined Network will be used. Studies and assessments of proofs-of-concept are also being conducted to explore alternative means of distributing broadband connectivity to end-users that could result in wider customer reach, better customer experience, and lower costs.

Over the past years, PT&T has entered into strategic partnerships allowing the Company to raise funds and set the stage in its plans to upgrade network infrastructure, expand coverage to adjacent regions of NCR, and build its nationwide backbone to reach key cities around the country.

Lastly, despite the rapidly evolving technology, PT&T is still keen on its interests to provide mobile services in the Philippines since the smartphone penetration continues to grow and the advent of 5G technology provides an ability for PT&T to enhance various applications.

PT&T is likewise exploring and studying the latest network concepts in implementing “virtualization” of network components into data centers. This will expectedly reduce the numbers of network elements deployed throughout the country and will substantially reduce cost and implementation period.

As of September 30, 2022, the Company has a total of 246 employees and the Company estimated that the said number will increase to 286 by the end of 2022. As the Company commences the expansion of its operations, it expects to further increase its manpower complement.

II. Management’s Discussion and Analysis of Financial Condition and Results of Operation

Management Discussion and Analysis

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our audited financial statements and the related notes as at December 31, 2021 and 2020 included elsewhere in this Annual Report. This discussion contains forward-looking statements that reflect our current views with respect to future events and our future financial performance. These statements involve risks and uncertainties, and our actual results may differ materially from those anticipated in these forward-looking statements.

In the Company’s Annual Stockholders’ Meeting held on September 20, 2018, the stockholders approved and ratified the amendment to the Company’s By-Laws pertaining to change of accounting period from a fiscal year starting July 1 and ending on June 30 the following to calendar year commencing on January 1 and ending on December 31 of the same year.

We believe that it is that the discussion and analysis of our financial condition and results of operations should reflect comparative financial statements on a calendar year basis in order to have more meaningful information and insight. Nonetheless, we ensure that these figures tie up to the audited financial statements released and issued for the previous periods.

A. Discussion of Financial Results for six months interim period ended September 30, 2022 and 2021

Results of Operations (in '000 Philippine pesos)	9 months ended September 30, 2022	9 months ended September 30, 2021
REVENUES	409,336	341,259
OTHER INCOME	1,886	6,012
	411,221	347,270
Core expenses		
Selling, general and administrative expenses	261,534	240,145

Leased channel	8,671	13,039
Cost of sales	84,010	43,167
CORE EXPENSES	354,216	296,351
CORE EBITDA¹	57,006	50,920
CORE EBITDA %	13.86%	14.66%
Depreciation and amortization	54,882	47,558
Interest expense	2,524	3,968
CORE EARNINGS (LOSSES)	(400)	(606)
Non-core charges		
Non-core expenses (net of non-core income)	17	9,402
Rehabilitation-related interest	26,264	30,525
NON-CORE CHARGES	26,281	39,928
TOTAL EARNINGS (LOSSES)	(26,681)	(40,534)
Income tax expense/benefit	-	-
NET INCOME (LOSS)	(26,681)	(40,534)

¹Core EBITDA adjusted to reflect changes in accounting standards to improve comparability

Financial Performance for Nine-month Period Ended September 30, 2022 vs 2021

Revenue

The Company, for the nine months ending September 30, 2022, reported total revenues and income of ₱411.2 million, or an improvement of 18.5% as compared to the previous year's revenue of ₱347.1 million. For the nine-month period ending September 30, 2022, operating revenues for broadband reached ₱409.3 million, a 19.9% increase in operating revenue performance vs. last year. Activities for the broadband group included street level saturations on major nodes, optimization of existing infrastructure in commercial buildings and establishments and account management of existing subscribers.

Cost and expenses

The Company's personnel related expenses for the nine-month period ending September 30, 2022, amounted to ₱179.1 million compared to last year's level of ₱165.3 million as the Company prepares its workforce in sustaining growth in connectivity and IT services despite the ongoing pandemic.

Due to the implementation of work-from-home arrangement and skeletal workforce last year, premises-related expenses increased to ₱30.4 million from ₱27.9 million in the comparative period. Selling, general and administrative expenses went beyond last year's level from ₱46.7 million to ₱52.1 million, together with cost of sales from ₱50.4 million to ₱84.0 million. This increase indicates the Company's ability to adapt to the pandemic by investing in operations to support its growing business.

The increase in operating costs and expenses is aligned with the Company's strategy and is necessary to sustain its businesses.

Profitability Performance

Faster growth in revenues vs core expenses resulted in the increase in core EBITDA from ₱50.9 million last year to ₱57.0 million in 2022, but Core EBITDA margin decreased to 13.9%. Depreciation and amortization increased to ₱54.9 million vs. ₱47.6 million in the comparative period last year as the Company invests in more property and equipment to support the business.

The Company's net loss for the period ending September 30, 2022, is at ₱26.7 million, lower than the

net loss of the previous year due to savings in non-core expenses. Additional expenses such as recognition of the legal interest rate of 6% p.a. on unsettled obligations as directed by the Rehabilitation Court, and rehab-related expenses affected the net loss for the period.

Financial Condition (in '000 Philippine pesos)	September 30, 2022	December 31, 2021	September 30, 2021
Current Assets	645,367	622,524	627,678
Non-current Assets	419,620	443,829	445,097
TOTAL ASSETS	1,064,987	1,066,353	1,072,776
Current Liabilities	1,579,328	1,555,268	1,557,620
Non-current Liabilities	9,051,452	9,050,197	9,071,868
Total Liabilities	10,630,779	10,605,465	10,629,488
Capital Deficiency	(9,565,792)	(9,539,111)	(9,556,713)
TOTAL LIABILITIES AND CAPITAL	1,064,987	1,066,353	1,072,776

Financial Condition as of September 30, 2022 vs December 31, 2021 and Discussion of Accounts with Significant Changes

The Company's total assets amounted to ₱1.064 billion as of September 30, 2022. Cash is at ₱35.7 million, an increase by ₱5.8 million or 17% as compared to December 31, 2021. Accounts receivable of ₱183 million as of September 30, 2022, increased by ₱43.5 million or 31% as compared to December 31, 2021 due to increase of working capital from growth in fixed broadband operations and new IT Services business.

Trade and other payables decreased by ₱11.8 million or 7% as of September 30, 2022. A major portion of this account is attributable to trade transactions with suppliers which resulted in total trade payables of ₱163.2 million as of quarter end. Finally, the other payables are generally due to related parties which represent non-interest bearing, unsecured and short-term Philippine currency denominated financing and advances to support the Company's working capital requirements as part of the approved rehabilitation plan of the Company.

Total deficit is at ₱11.9 billion, and the total capital stock deficiency is at ₱9.5 million.

Current ratio as of September 30, 2022 is at 0.42:1 as compared to December 31, 2021 of 0.40:1.

There are 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.

Financial Condition as of September 30, 2022 vs September 30, 2021 and Discussion of Accounts with Significant Changes

The Company's total assets amounted to ₱1.064 billion as of September 30, 2022. Cash is at ₱35.7 million, an increase by ₱5 million or 19% as compared to September 30, 2021. Accounts receivable of ₱174 as of September 30, 2022, increased by ₱78.6 million or 82% as compared to September 30, 2021.

Trade and other payables decreased by ₱26.3 million or 9% as of September 30, 2022. A major portion of this account is attributable to trade transactions with suppliers which resulted in total trade payables of ₱139.6 million as of quarter end. Finally, the other payables are generally due to related parties which represent non-interest bearing, unsecured and short-term Philippine currency denominated financing and advances to support the Company's working capital requirements as part of the approved rehabilitation plan of the Company.

Total deficit is at ₱11.9 billion, and the total capital stock deficiency is at ₱9,565.7 million.

Current ratio as of September 30, 2022, is at 0.41:1 as compared to September 30, 2021, of 0.40:1.

B. Discussion of Financial Results for calendar year ended December 31, 2021, 2020, 2019 and 2018

In the Company's Annual Stockholders' Meeting held on September 20, 2018, the stockholders approved and ratified the amendment in the Company's By-Laws to change the accounting period from fiscal year commencing July 1 and ending June 30 of the following year to calendar year commencing January 1 and ending December 31 of the same year. As such, the PT&T shall present the financial results from prior years based on calendar year reporting as the management believes it improves comparability and provides better insight on results of the Company.

Results of Operations (in '000 Philippine pesos)	2021	2020	2019	2018
REVENUES	497,405	408,344	396,044	245,520
OTHER INCOME	23,343	30,280	8,645	9,093
	520,748	438,624	404,688	254,613
Core expenses				
Selling, general and administrative expenses	321,629	292,711	287,241	210,741
Leased channel	7,674	19,452	18,055	16,772
Cost of sales	92,513	36,925	48,351	-
CORE EXPENSES	421,815	349,088	353,646	227,513
CORE EBITDA	98,933	89,536	51,042	27,100
CORE EBITDA %	19.00%	20.41%	12.61%	10.64%
Depreciation and amortization	73,202	53,885	43,731	36,540
Interest expense	4,908	3,352	2,996	233
CORE EARNINGS (LOSSES)	20,823	32,299	4,315	(9,673)
Non-core charges				
Non-core expenses (net of non-core income)	9,443	23,150	13,909	57,210
Rehabilitation-related interest	35,134	36,676	39,935	33,473
NON-CORE CHARGES	44,577	59,825	53,845	90,683
TOTAL EARNINGS (LOSSES)	(23,754)	(27,526)	(49,529)	(100,356)
Income tax expense/benefit	(969)	3,795	2,873	-
NET INCOME (LOSS)	(22,785)	(31,321)	(52,403)	(100,356)

Financial Performance for Full Year Ended December 31, 2021 vs 2020

Revenue

For the year ended December 31, 2021, the Company improved its growth rate in the number of data services circuits over the prior years 2020 and 2019. It recorded a total of 2,226 circuits as of December 31, 2021, compared to 2,016 and 1,760 as of years 2020 and 2019, respectively. The increase in the number of data circuits resulted in operating revenues of ₱497.4 million for the year ended December 31, 2021, compared to ₱408.3 million and ₱396.0 million in 2020 and 2019, respectively.

Additionally, new revenue stream from IT Services made a significant impact on the revenue performance as the Company was able to generate additional ₱74.8M in revenues. IT Services is expected to provide new opportunities for the Company in the coming years.

Cost and expenses

In 2019, the Company enhanced its organizational capabilities in the technical and support areas to sustain the growth in operations, translating to personnel related expenses amounting to ₱203.8 million. For the year ended December 31, 2020, personnel related expenses decreased to ₱193.1 million driven by the decrease in salaries due to the pandemic. However, in 2021, this grew to ₱222.0 million as the Company prepares its workforce in sustaining growth in connectivity and IT services despite the ongoing pandemic. The number of personnel increased from 232 at the start of the year to 249 at year-end.

Premises-related expenses continuously increased to ₱26.9 million in 2021 from ₱24.5 million in 2020 and ₱21.4 million in 2019. In 2021, other selling, general and administrative expenses amounted to ₱72.7 million, lower than the previous year at ₱76.9 million as the Company recognized higher provisions for doubtful accounts to consider its subscribers that were affected by the pandemic in 2020, and significantly higher than 2019 since the Company has invested in software to streamline its processes in the last 2 years. Efforts to implement cost-effective measures for upstream connections and international connectivity contributed to the decrease in leased channel expenses to ₱7.7 million from ₱19.5 million in 2020. Lastly, cost of sales contributed ₱92.5 million in core expenses indicating more product offerings provided by the Company to its growing customer base.

The increase in operating costs and expenses due to the pandemic is aligned with the Company's strategy and is necessary to sustain its businesses.

Profitability Performance

Over the past three years, the Company has produced core EBITDA during the years 2021, 2020 and 2019 in the respective amounts of ₱98.9 million, ₱89.5 million and ₱51.0 million. Since 2019, EBITDA margin performance has been increasing due to the initiatives for growth. Investment in people assets and network operations, which are necessary expenditures to grow the business, limited the core EBITDA margin in 2019 to 12.6%. Consequently, due to these investments, the Company experienced an improvement in core EBITDA margin in 2020 and 2021.

The Company posted ₱22.8 million net loss for the year ended December 31, 2021 compared to net loss of ₱31.3million in 2020.

Financial Performance for Full Year Ended December 31, 2020 vs 2019

Revenue

For the year ended December 31, 2020, the Company improved its growth rate in the number of data services circuits over the prior years. It recorded a total of 2,016 circuits as of December 31, 2020 compared to 1,760 as of year 2019. The increase in the number of data circuits resulted in operating revenues of ₱408.3 million for the year ended December 31, 2020 compared to ₱396.0 million in 2019.

Additionally, new revenue stream from IT Services made a significant impact on the revenue performance as the Company was able to generate additional ₱24.3M in revenues. IT Services is expected to provide new opportunities for the Company in the coming years.

Cost and expenses

In 2019, the Company enhanced its organizational capabilities in the technical and support areas to sustain the growth in operations, translating to an increase in personnel related expenses amounting to ₱203.8 million in 2019. This is driven by the increase in workforce and benefits, both to retain excellent people assets and attract new talents to support the business. For the year ended December 31, 2020, personnel related expenses decreased to ₱193.1 million driven by the decrease in salaries due to the pandemic. The number of personnel decreased from 234 at the start of the year

to 232 at year-end.

Premises-related expenses increased to ₱24.5 million in 2020 from ₱21.4 million in 2019. In 2020, the Company recognized provisions for doubtful accounts to consider its subscribers that were affected by the pandemic. This impacted other selling, general and administrative expenses from ₱62.0 million in 2019 to ₱76.9 million in 2020. However, in terms of the total selling, general and administrative expenses, the Company managed to limit the overall increase to ₱292.7 million. Additional upstream connections and international connectivity to support expansion and growth contributed to the increase in leased channel expenses to ₱19.5 million from ₱18.1 million in 2019. Lastly, cost of sales contributed ₱36.9 million in core expenses indicating new product offerings provided by the Company to its growing customer base.

The decrease in operating costs and expenses due to the pandemic is aligned with the Company's strategy and is necessary to sustain its businesses.

Profitability Performance

Despite the pandemic, the Company has increased its core EBITDA to ₱89.5 million from ₱51.0 million in 2019. Consequently, EBITDA margin increased due to the initiatives for growth such as investment in network operations. Due to these, the Company experienced an improvement in core EBITDA margin from 12.6% in 2019 to 20.4% in 2020.

Financial Performance for Full Year Ended December 31, 2019 vs 2018

Revenue

For the year ended December 31, 2019, the Company reported ₱404.7 million in revenues compared to ₱254.6 million of the previous year. This is mainly attributed to the 38% increase in fixed broadband circuits, together with the launch of IT Services as a new revenue stream.

Cost and expenses

In order to support the expanding business of the Company, core expenses grew from ₱227.5 million to ₱353.6 million for the year ended December 31, 2019. The Company's personnel related expenses increased by 61% driven by the increase in manpower and aggressive employee benefits to retain and attract people assets. In relation to the growth in manpower, premises related expenses increased from ₱24.4 million to ₱31.2 million in 2019 as the Company continued to improve its efforts to support its sales and technical mobilization. Other selling, general and administrative expenses decreased by 12% mainly due to reduction in consultancy fees, and marketing expenses. Leased channel slightly increased from ₱16.8 million to ₱18.1 million as the Company acquired more fixed broadband subscribers, while additional expenses due to IT Services cost of sales also contributed to the increase in core expenses.

Profitability Performance

The Company's core EBITDA grew to ₱51.0 million for the year ended December 31, 2019 versus the previous year's performance of ₱27.1 million. Depreciation, interest expense and non-core charges due to rehab-related efforts pulled down the Company's performance to a net loss of ₱52.4 million in 2019 but is still a 48% improvement versus net loss of ₱100.4 million in 2018.

<i>Financial Condition (in '000 Philippine pesos)</i>	2021	2020	2019	2018
Current Assets	622,524	498,141	486,941	78,726
Non-current Assets	443,829	514,913	454,966	805,768
TOTAL ASSETS	1,066,353	1,013,054	941,907	884,494

Current Liabilities	1,555,268	1,448,542	1,388,749	1,302,966
Non-current Liabilities	9,050,197	369,835	329,894	295,734
Total Liabilities	10,605,465	1,818,377	1,718,643	1,598,700
Capital Deficiency	(9,539,111)	(805,322)	(776,736)	(714,206)
TOTAL LIABILITIES AND CAPITAL	1,066,353	1,013,054	941,907	884,494

Financial Condition as of December 31, 2021 vs 2020 and Discussion of Accounts with Significant Changes

The Company's total assets amounted to ₱1,066.3 million as of December 31, 2021, compared to ₱1,012.4 million and ₱941.9 million as of December 31, 2020, and December 31, 2019, respectively. The increase in assets is driven by an increase in working capital from growth in fixed broadband operations and new IT Services business, and investments in fixed and plant assets to support the expansion of the Company's business.

The increase in total liabilities pertains to payables to suppliers and other accrued operating expenses, and accrued interest payable under the rehabilitation plan.

Financial Condition as of December 31, 2020 vs 2019 and Discussion of Accounts with Significant Changes

The Company's total assets amounted to ₱1,013.0 million as of December 31, 2020 compared to ₱941.9 as of December 31, 2019. The increase in assets is driven by increase of working capital from growth in fixed broadband operations and new IT Services business, and investments in fixed and plant assets to support the expansion of the Company's business.

Increase in total liabilities from ₱1,718.6 million to ₱1,818.4 million pertain to payables to suppliers and other operating accrued expenses, and accrued interest payable under the rehabilitation plan.

Total deficit is at ₱11.9 billion and the total capital stock deficiency is at ₱805.3 million.

Current ratio as of December 31, 2020 is at 0.36:1 as compared to December 31, 2019 of 0.35:1.

There are 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.

Financial Condition as of December 31, 2019 vs 2018 and Discussion of Accounts with Significant Changes

The Company's total assets amounted to ₱941.9 million as of December 31, 2019. Cash is at ₱23.9 million, an increase by ₱12.1 million or 102% as compared to December 31, 2018. Accounts receivable of ₱73.7 million as of December 31, 2019 increased by ₱29.8 million or 68% as compared to December 31, 2018 due to increase of working capital from growth in fixed broadband operations and new IT Services business.

Trade and other payables increased by ₱101.6 million or 43% as of December 31, 2019. A major portion of this account is attributable to trade transactions with suppliers which resulted in total trade payables of ₱339.8 million as of yearend. Finally, the other payables are generally due to related parties which represent non-interest bearing, unsecured and short-term Philippine currency denominated financing and advances to support the Company's working capital requirements as part of the approved rehabilitation plan of the Company.

Total deficit is at ₱11.8 billion and the total capital stock deficiency is at ₱776.7 million.

Current ratio as of December 31, 2019 is at 0.35:1 as compared to December 31, 2018 of 0.06:1.

There are 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.

C. Key Financial Performance Indicators

Key Performance Indicators	Nine months Ended		Full year Ended December 31,			
	Sept 30, 2022	Sept 30, 2021	2021	2020	2019	2018
Net income (loss) (in '000)	(26,681)	(40,534)	(22,785)	(31,321)	(52,403)	(100,356)
Core EBITDA (in '000)	57,006	50,920	98,933	89,536	51,042 ²	27,100 ²
Core EBITDA %	13.86%	14.66%	19.00%	20.41%	12.61%	10.64%
Operating Revenue Growth	19.95%	11.66%	21.81%	3.11%	61.31%	60.74%
Operating Revenue (in '000)	409,336	341,259	497,405	408,344	396,044	245,520
Number of Active Circuits	2,132	2,203	2,206	2,016	1,760	1,277
ARPU (in ₱)	17,496	15,031	15,659	15,100	14,426	15,643
Recurring Revenue (in '000)	335,705	198,685	414,537	365,296	304,683	239,707

¹Non-core items include fees for the rehab-related initiatives

²Non-core items include rehab-related initiatives; Core EBITDA adjusted to reflect changes in accounting standards to improve comparability

Net income

Net income is a key performance metric that indicates how well the Company performed after all costs of the business have been considered.

PT&T made significant investments in network and operations to build sustainable growth since 2018. These investments to rehabilitate its network and improve the Company's operational capabilities have resulted in an increase in expenses that affected the net income. However, because of the new IT services revenue stream and the continuously growing fixed broadband business, the Company has continuously reduced its net loss since 2018. Recognition of non-core income in 2017 impacted the Company's net income in the said period.

For the nine months ended September 30, 2021 the Company's net losses decreased from ₱40.5 million to ₱26.7 million this year. Savings due to non-core expenses and growth in revenues positively impacted the Company's net earnings.

Core EBITDA and Core EBITDA Margin

Core EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization) is calculated as operating revenues and income less operating expenses attributable to the core business of the Company. Non-core expenditures pertain to those that are not related to the core business of the Company but are connected to improve PT&T's financial condition (e.g., rehab-related expenses, SEC fees for increase in capital stock for rehab exit, etc.). This metric provides an indication how well the core business of the Company is performing before considering those initiatives being subsidized

by operations. Core EBITDA has been adjusted for prior years to reflect changes in accounting standards to improve comparability.

Core EBITDA remains positive throughout the years. The company started investing in its people assets and network operations which lowered the core EBITDA in 2018 but was able to achieve almost two-fold increase in 2019. This continued in 2020 and 2021 as the Company experienced continuous growth in Core EBITDA.

Faster growth in revenues as compared to the increase in core expenses positively impacted the Core EBITDA performance from ₱50.9 million to ₱57.0 million. However, Core EBITDA margin decreased from 14.7% to 13.9%.

Operating Revenue Growth

Revenue growth provides an indication on how well the Company generates revenue to support its operations and initiatives versus the comparative period.

The Company has consistently achieved positive revenue growth. Despite the pandemic, the Company experienced an accelerated operating revenue growth of 20% in September 30, 2022, compared to the previous year. This is expected to continue, due to the imperative need to bridge the technological gap of connectivity and IT solutions.

Number of billable/active circuits

Number of billable/active circuits pertain to the number of subscription lines or customers in the PT&T network.

The number of subscribers increased by 1.7x for the past 3.5 years, contributing greatly to revenue growth. Enterprise subscribers comprised 61% of subscribers and are the main source of fixed broadband revenue.

Average revenue per unit (ARPU)

Average revenue per unit measures the recurring revenue generated for each circuit connected to the PT&T network. This is computed by dividing the recurring revenue for the period by the average number of active circuits and then dividing the resulting amount by the number of months in the period.

In the 3rd quarter of 2022, the Company's ARPU grew indicating an increase in the value of newly acquired subscribers the Company saturates its wholesale subscribers.

D. Other Events

A.) Any known trends, demands, commitments, events, or uncertainties that will have a material impact on the issuer's liquidity

The Management has no knowledge of any known trends, demands, commitments, events, or uncertainties that will have a material impact on the company's liquidity except as those disclosed in Tax Liabilities and Financial Position and other sections of this report and in SEC Form 17-A previously submitted.

B.) Any material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures

Other than the Clarification of News Reports submitted to PSE under Disclosure Form 4-13 and SEC Form 17-C dated October 12, 2017 wherein the company clarified its intention of regaining its status as a major telecommunications company, expanding its existing business across the country, and looking for strategic partnerships, the Management has no further knowledge of any material commitments for capital expenditures, the general purpose of such commitments and the expected sources of the funds for such expenditures.

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

operations

Other than the explanation under item (B) above, the Management has no further knowledge of any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations, and except also as those further disclosed in Results of Operations section of this report and in SEC Form 17-A previously submitted.

D.) Any significant elements of income or loss that did not arise from the issuer's continuing operations

The Management has no knowledge of any significant elements of income or loss that did not arise from the Company's continuing operations.

E.) Any seasonal aspects that had a material effect on the financial condition or results of operations

The Management has no knowledge of any seasonal aspect, events or uncertainties that will have a material impact on the Company's financial position or operation except as those disclosed in Financial Position and Results of Operations and other sections of this report and in SEC Form 17-A previously submitted.

F.) Whether or not the Company is having or anticipates having within the next 12 months any cash flow or liquidity problem

Please refer to Item G.

G.) Whether or not the Company is in default or breach of any note, loan, lease, or other indebtedness of financing arrangement requiring it to make payments

Please refer to E. Other Information.

H.) Whether or not a significant amount of the Company's trade payables have not been paid within the stated trade terms

Please refer to Item G.

E. OTHER INFORMATION

In accordance with the Rehab Order dated April 1, 2011, PT&T is undertaking the rehabilitation certain details of which are discussed below:

1. Full conversion to equity of all debts/liabilities not categorized as statutory obligations and DIP financing [item (i) of Order]:

- (i.) In accordance with the approved Rehabilitation Plan, the liabilities of the Company that are to be settled by way of its conversion to Serial Redeemable Preferred Shares has been lodged as part of non-current liability representing "deposit for subscription". The Company will be implementing the debt-to-equity conversion mandated under the Rehabilitation Plan in several tranches and only after securing the Deeds of Assignment from the creditors. In instances where the amount of liabilities that were recognized in the rehabilitation proceedings are being challenged, the creditor-shareholders may be entertained by the Company for proper reconciliation of the numbers.
- (ii.) Pursuant to the approved Rehabilitation Plan, the statutory obligations may be settled out of the proceeds of the sale of the Company's assets. For this purpose, the Rehabilitation Court issued an Order allowing the Company to sell its assets and use the proceeds of the sale to settle the Company's statutory obligations.

2. Disclosures and Clarifications submitted to PSE and SEC during the quarterly period covered by this Report

In addition to previous disclosures and clarifications made to the PSE and SEC in the 1st quarterly report ending March 31, 2021, the Company submitted the following applicable disclosures and clarifications using the required disclosures forms during the 1st quarter covered by this report:

- (i) Disclosure under SEC Form 17-C and PSE Disclosure Form 4-30 – Material Information Transactions-Authorized Capital Stock of PT&T submitted on March 22,2021.
- (ii) Disclosure under SEC Form 17-C and PSE Disclosure Form 4-30 – Material Information Transactions-Result of Board Meeting of PT&T submitted on April 05, 2021.
- (iii) Disclosure under SEC Form 17-C and PSE Disclosure Form 4-30 – Material Information Transactions-Reversal of the increase of PT&T's authorized capital stock submitted on May 14, 2021.
- (iv) Disclosure under SEC Form 17-C and PSE Disclosure Form 4-30 – Material Information Transactions- Postponement of 2021 Annual Stockholders Meeting submitted on May 20, 2021.

F. Impact of COVID-19 on Business and Operations

As disclosed to the SEC and PSE last March 13, 2021, PT&T is business as usual despite the community quarantine brought upon by COVID-19. The company ensures continuous and uninterrupted delivery of services to existing and potential clients, despite the circumstances. PT&T has taken additional measures to ensure that all stakeholders –clients, employees, and partners alike– are not exposed to unnecessary or additional risk.

Management has considered the consequences of COVID-19 and other events and conditions, and it has determined that they do not create a material uncertainty that casts significant doubt upon the entity's ability to continue as a going concern.

The impact of COVID-19 on future performance and therefore on the measurement of some assets and liabilities or on liquidity might be significant and might therefore require disclosure in the financial statements, but management has determined that they do not create a material uncertainty that casts significant doubt upon the entity's ability to continue as a going concern.

III. External Audit Fees

A.) Audit and Audit Related Fees

The company paid ₱990,000 for the audit of the financial statements for full year ending December 31, 2021 and 2020. In the same manner, the company expects to incur ₱990,000 for its December 31, 2022 calendar year audit. The audit fee was discussed and approved by the Audit Committee during the review of the Company's audited financial statements as recommended by Management.

The Company did not incur fees for professional services related to tax accounting, tax compliance audit, and other advisory work.

Out-of-pocket expenses of P90,000 for full year ending December 31, 2021 and 2020 were incurred for incidental costs in relation to the services rendered.

B.) Tax Fees

The Company has not contracted professional services by a third party in the last two (2) fiscal years for tax accounting, compliance, advice, planning and any other form of tax services.

C.) All Other Fees

Not Applicable

D.) Approval of Audit Committee

The external auditor of the Company is the audit firm of Alas, Oplas & Co. ("AOC"). The Board approved the reappointment of AOC as the Company's independent auditor for 2020 based on its performance and qualifications. The re-appointment of AOC was presented and approved to the stockholders last September 25, 2020.

IV. Brief Description of General Nature and Scope of Business of the Company

Philippine Telegraph and Telephone Corporation ("PT&T" or the "Company") is a diversified telecommunication, and information and communications technology services provider catering to corporate, small and medium business, and residential segments.

PT&T was incorporated on October 16, 1962 and subsequently registered with the Philippine Securities and Exchange Commission ("SEC") on November 14, 1962 under the laws of the Philippines. On October 19, 2012, at the Special Stockholders' Meeting, the stockholders representing at least two-thirds of the outstanding capital stock approved the amended articles of incorporation extending the corporate term for another 50 years until November 14, 2062 which was subsequently approved by the SEC on November 26, 2012.

The Company is domiciled in the Philippines and its registered office address is Spirit of Communications Center 106 Carlos Palanca, Jr. St., Legaspi Village, Makati City.

PT&T was granted a 25-year national legislative franchise on June 20, 1964 under Republic Act ("RA") No. 4161, as amended by RA Nos. 5048 and 6970. On July 21, 2016, under RA No. 10894, the Company was granted an extension of its franchise for another 25 years. PT&T's franchise allows the Company to establish, install, maintain, and operate wire and/or wireless telecommunications systems, lines, circuits, and stations throughout the Philippines for public domestic and international communications.

The Company has various Certificates of Public Convenience and Necessities ("CPCNs") and Provisional Authorities ("PAs") granted by the National Telecommunications Commission ("NTC") for the conduct of its telecommunications activities. These CPCNs and PAs include, among others, enabling the Company to provide data communications services, to implement its expansion and improvement programs covering among others the installation, operation, and maintenance of an integrated digital network in the National Capital Region ("NCR"), and to install, operate and maintain a national packet data network with the accompanying authority to charge rates for said services.

The Company was also granted with certificate of registration as a value-added service ("VAS") provider by the NTC. As part of the VAS, the Company offers internet access service; virtual private network, electronic mail (e-mail), messaging services, web hosting, electronic commerce, firewall service and e-learning. The VAS is valid from September 6, 2013 up to September 5, 2022.

The Company is currently focused on broadband internet access services as a result of growth of wireless/mobile systems and the rise of broadband internet demand. As such, the Company's main source of revenue is broadband internet access services. The Company offers dedicated or shared internet access service, via fiber or wireless, and operates a 10+ Gbps broadband network across the NCR, and Regions III and IV catering to corporate, business, and residential customers.

Recent Developments

Entry of New Investor

Six years after the approval of the RETELCOM Group of Companies' Rehabilitation Plan, a new investor decided to provide the financial resources to revive PT&T. In August 2017, Menlo Capital Corporation ("Menlo") acquired substantial interest in PT&T through the acquisition of PT&T shares owned by Republic Telecommunications Holdings Co.

Menlo immediately sought the implementation of the more important directives of the approved Rehabilitation Plan. In particular, PT&T conducted a Stockholders' Meeting last September 20, 2018. Prior to this, the last stockholders meeting conducted by PT&T was in 2003. During the September 20, 2018, Stockholders' Meeting, the stockholders approved, among others, to increase PT&T's authorized capital stock from ₱3,800,000,000.00 to ₱15,600,000,000.00. This will allow PT&T to pay its creditors through debt-to-equity conversion as mandated under the approved Rehabilitation Plan. The increase in the authorized capital stock was subsequently approved by the Securities and Exchange Commission ("SEC") last October 31, 2018.

In a meeting conducted last July 30, 2018, the Board of Directors approved to increase the authorized capital stock of the Company from ₱3,800,000,000 to ₱15,600,000,000. The increase was approved and ratified by the stockholders in the Company's Annual Stockholders' Meeting held on September 20, 2018. Prior to this, the last stockholders meeting conducted by PT&T was in 2003.

The increase in authorized capital stock was necessary for PT&T to pay its creditors through debt-to-equity conversion as mandated under the approved Rehabilitation Plan. The increase in the authorized capital stock was subsequently approved by the Securities and Exchange Commission ("SEC") last October 31, 2018. With the said approval, the ₱15,600,000,000 authorized capital stock of the Company is broken down as follows:

- a) 4,500,000,000 common shares at ₱1 par value per share;
- b) 230,000,000 Serial Cumulative Convertible Redeemable Preferred Shares at ₱10 par value per share;
- c) 6,750,000,000 Series A Serial Redeemable Preferred Shares at ₱1 par value per share;
- d) 1,800,000,000 Series B Serial Redeemable Preferred Shares at ₱1 par value per share; and
- e) 250,000,000 Series C Serial Redeemable Preferred Shares at ₱1 par value per share.

Subsequently, the Company issued in favor of creditors share certificates covering Series "B" Serial Redeemable Preferred Shares amounting to ₱969,695.

Considering the difficulty encountered by the Company in complying with the administrative requirements of the SEC in the implementation of the debt-to-equity conversion, the Company requested SEC that the increase in its authorized capital stock be reversed. On April 27, 2021, the SEC approved the request of the Company and reversed the increase of the Company's authorized capital stock. Thus, as at the date of this report, PT&T's authorized capital stock is ₱3,800,000,000.

Status of Shares Listing in the Philippine Stock Exchange ("PSE")

The Company shares are listed in the PSE. On December 10, 2004, the Company requested the voluntary suspension of trading of its shares citing the non-completion of audit of financial statements which was approved by the PSE on December 13, 2004.

The Company, however, continues to file with the SEC for the prescribed quarterly and periodic information reports, PSE for the required disclosure statements and Bureau of Internal Revenue (BIR) for the quarterly and annual income tax return based on interim unaudited financial statements.

On August 29, 2017, the Company requested for the lifting of the voluntary suspension of the trading of its shares with the PSE appealing that the Makati City Regional Trial Court - Branch 66 (the "Rehab Court") acknowledged the importance of the lifting of the suspension of trading of the Company's shares with the PSE in going forward with its business.

On September 7, 2017, the PSE responded to the Company's request dated August 29, 2017, mentioning that without the SEC approval of the temporary exemptive relief, the Company may be found non-compliant with the structured reportorial requirements of the PSE given the Company's non-submission of the annual and quarterly reports. Furthermore, the PSE requested additional information from the Company which include, among others, updates on the implementation of the court-approved rehabilitation plan to proceed with the evaluation of the request.

On April 20, 2018, the Company received show cause letters from the Markets and Securities Regulation Department (MSRD) all dated April 19, 2018 requiring the Company to submit a written explanation on alleged violations and/or deficiencies.

On April 26, 2018, the Company replied to show cause letters explaining support of the Company's argument that it should not be held administratively liable by the SEC.

On June 5, 2018, MSRD issued letter to the Company and cited liable for violating the pertinent provisions of Rules 17, 20 and 68 of the implementing rules and regulations of the Securities Regulation Code (SRC), as amended, for the Company's failure to (i) conduct its annual stockholders' meeting and (ii) file its audited financial statements and (iii) annual information statements.

The Company's registration statement was suspended and shall be lifted only upon full compliance with necessary requirements.

On June 14, 2018, the Company paid the monetary penalties assessed by the MSRD amounting to ₱7,000,000 for the non-compliance with the SEC's reportorial requirements. In addition, the Company conducted its Stockholders' Meeting on September 20, 2018.

On October 3, 2018, the Company submitted the required documents and reports in full compliance of the Order dated June 5, 2018.

On February 5, 2020, the Company Registration and Monitoring Department (CRMD) issued a certification relating to PT&T's good standing with the SEC subject to the compliance by PT&T on the administrative requirements imposed by the SEC relative to the increase of the Company's authorized capital stock.

On March 16, 2020, the Company filed its Revised Amended Registration Statements to update the SEC on the events that occurred from October 3, 2018 up to the filing of the report.

On April 29, 2021, the CRMD issued another certification of good standing on PT&T's status as a corporation without imposing any order to comply with any administrative requirements of the SEC.

In an Order dated August 4, 2021, the MSRD issued an Order lifting the suspension of PT&T's registration statement.

Third Telco Bidding

On November 7, 2018, the Company joined the selection for the new major player in the Philippine Telecommunication Market ("Third Telco Bidding") wherein the Selection Committee disqualified the Company. The disqualification is not warranted for the lacking document in question is the subject of the Petition for Declaratory Relief filed by the Company last November 6, 2018 with the Regional Trial Court of Makati City, Branch 134.

On November 9, 2018, the Company filed a Motion for Reconsideration before the Selection Committee of the NTC. In a letter dated November 12, 2018, the Selection Committee denied the Company's Motion for Reconsideration.

As approved by the Board of Directors, the Company filed a Petition for Certiorari with the Supreme Court (SC) on November 16, 2018 to assail the decision of the Selection Committee in disqualifying the Company. On December 12, 2018, the Board of Directors of the Company approved the filing of an Amended Petition for Certiorari with the SC. The amendments intend to supplement and further strengthen the arguments previously raised in the Petition for Certiorari. The Amended Petition for Certiorari was filed with the SC on December 12, 2018. As at the date of this report, the Amended Petition is still pending. While the respondents have already filed their respective Comments and Oppositions, the SC have not rendered a decision on the Amended Petition. Considering that the Amended Petition pertains to the Company's participation in government procurement, the management is of the opinion that this case does not have an impact on the Company's operations.

IT Services Business

In the Company's Annual Stockholders' Meeting held on September 20, 2018, the stockholders approved and ratified, among others, the amendments in the Company's Amended Articles of Incorporation to include "information and communications technology".

In 2019, the Company established its IT Services business unit to offer services beyond connectivity and to attract new clients to serve the needs of an untapped market. Currently, bulk of the IT Services pipeline is business application, covering more than half of sales prospects.

V. Market Price and Dividends

A.) Market Information

Out of the current 1,500,000,000 common stocks of the company, 800,000,000 thereof are listed with the Philippine Stocks Exchange ("PSE"). However, the trading of the listed stocks is currently suspended as a result of the Company's request for voluntary suspension of trading last 10 December 2004. The request of the Company to suspend the trading of its stocks was approved by the PSE last 13 December 2004.

B.) Holders

The number of shareholders of record entitled to vote as of Record Date is 3,637.

The Top 20 stockholders of the Company as of Record Date are:

NAME	CITIZENSHIP	NO. OF SHARES	PERCENTAGE
1. Menlo Capital Corporation	Filipino	560,000,000	37.33%
2. Telectronic Systems, Inc.	Filipino	300,000,246	20.00%
3. Republic Telecommunications Holdings, Inc.	Filipino	278,873,526	18.59%
4. PCD Nominee Corporation	Filipino	149,897,157	9.99%
5. Timco Holdings, Inc.	Filipino	121,126,474	8.08%
6. PCD Nominee Corporation	Non-Filipino	7,485,164	0.50%
7. Lim, Ernesto B.	Filipino	2,500,000	0.17%
8. Pioneer Insurance and Surety Corporation	Filipino	2,148,000	0.14%
9. Tan, Felix L.	Filipino	1,808,500	0.12%
10. Ang, Teresa W.	Filipino	1,448,000	0.10%
11. Knights of Columbus Fraternal Association of the Philippines	Filipino	986,664	0.07%
12. G&L Sec. Co., Inc.	Filipino	923,667	0.06%
13. David Go Securities Corporation	Filipino	855,830	0.06%
14. Yan, Lucio W.	Filipino	850,000	0.06%
15. Pioneer Intercontinental Insurance Corp.	Filipino	850,000	0.06%
16. Santiago, Severina M.	Filipino	818,260	0.06%
17. Caedo, Jose Jr. P.	Filipino	811,963	0.05%
18. Camarines Minerals Inc.	Filipino	800,000	0.05%
19. Lopez-Santiago, Eleanor M.	Filipino	729,926	0.05%
20. Santiago, Virginia M.	Filipino	729,926	0.05%

No acquisition, business combination or reorganization was implemented that would have affected the amount or percentage of the current holdings of the Company's common equity beneficially owned by more than 5% of the beneficial owners, each director and nominee and all directors and officers as a group.

C.) Dividends

The Company has not declared any dividends for its common equity in the last two (2) fiscal years. The Company is not in a position to declare dividends due to its accumulated deficits amounting to ₱11,766,891,682 as of December 31, 2020. Moreover, the Company is undergoing rehabilitation and should first settle its obligations before it can declare any dividends to its stockholders.

D.) Recent Sale of Unregistered or Exempt Securities

There are no recent sale of unregistered securities or exempt securities or recent issuance of securities constituting an exempt transaction.

E.) Compliance with leading Practices in Corporate Governance

In January 2017, the Company promulgated its Manual on Corporate Governance (Manual). As of 30 June 2021, the Company is compliant with the provisions of the Manual. However, the Company is in the process of revising the Manual to make it more compliant to and attuned to the demands and requirements of corporate governance. Pending the revision of the Manual, the Company is taking proactive measures to substantially improve its corporate governance.

Among the measures taken by the Company to fully comply with the leading practices in corporate governance are the increase of the number of its Independent Directors from two (2) to four (4) and the organization or creation of the following committees:

1. Executive Committee,
2. Nomination Committee,
3. Audit Committee,
4. Compensation and Remuneration Committee,
5. Risk Oversight Committee,
6. Related Party Transactions Committee, and
7. Corporate Governance Committee.

The charters of the said committees were approved by the Board of Directors thereby ensuring the performance of their respective functions.

The Company was likewise assessed and found to conform to the requirements of ISO 9001:2015 Quality Management System (QMS) thereby enhancing the implementation of the corporate governance policies and practices within the Company.

In addition, the Board of Directors will be implementing an evaluation system that will measure or determine the level of compliance of the Board of Directors and executive officers with the Manual. The evaluation will focus on the following aspects of corporate governance: leadership initiative and advisory role, ability to raise valid concerns and contribute in resolving the said concerns during the meeting, initiative to provide new ideas to the Company's business and operations, providing relevant information on external environment and competition, ability to work with other directors, attendance in Board and committee meetings, and compliance with the Company's Code of Business Conduct and Ethics and other similar policies.

As of the date of this Information Statement, the Company is not aware of any deviation from the Company's Manual.

VI. Legal Proceedings

Cases involving claims covered by and to be settled under the Rehabilitation Plan

The Company is involved in various labor and civil cases pending before different courts and agencies in the Philippines. These cases stemmed from the financial difficulties experienced by the Company which led to the filing of a Petition for Rehabilitation in 2009. The labor cases primarily involve claims of wages and other benefits due to the employees of the Company. The civil cases pertain to claims of various suppliers and service providers of the Company.

Under the Company's Rehabilitation Plan, the claims of the employees which are the subject of various labor cases are to be settled by the Company from the proceeds of the sale of its properties. The Company has already paid the amount of ₱23,026,217.00 and has set aside the amount of ₱5,088,241.00 ready to be claimed by the employees.

The claims which are the subject of the various civil cases are to be settled through debt-to-equity conversion and issuance of Serial Redeemable Preferred Shares in accordance with the Company's Rehabilitation Plan. The Company has until April 2025 within which to implement this payment scheme.

The proceedings of the labor and civil cases are subject to the Stay Order issued by the Rehabilitation Court last 24 August 2009 and the claims against the Company under these cases are to be settled strictly in accordance with the provisions of the Rehabilitation Plan.

Cases related to the rehabilitation proceedings of the Company

Case Title	In the matter of the corporate rehabilitation and suspension of payment of Republic Telecommunications Holdings Co., Philippine Telegraph and Telephone Corporation, Philippine Wireless Inc. Capitol Wireless Inc, and Wavenet Philippines, Inc.
Case No.	SP. Proc. No. M-6853
Court	Regional Trial Court Branch 137, Makati City

This is the petition for corporate rehabilitation and suspension of payments filed with the Rehabilitation Court last 20 August 2009. The Company's Rehabilitation Plan was approved in this case last 01 April 2011. The Company is still in the process of complying with all the directives in its Rehabilitation Plan and it has until April 2025 within which to complete the same.

Case Title	Republic Telecommunications Holdings Co, et al., vs. Asset Pool-A (SPV-AMC), Inc., et. al.
Case No.	G.R No. 234626
Court	Supreme Court

This is an appeal filed by the Company last 04 December 2017 to assail the decision of the Court of Appeals which reversed and set aside the Rehabilitation Court's approval of the Company's Rehabilitation Plan. The respondents in this case are five creditors of the Company who are questioning the rehabilitation proceedings conducted before the Rehabilitation Court. The case is currently pending with the Supreme Court.

Case Title	Cameron Granville Asset Management (SPV-AMC), Inc. (CGAM) et. al. vs. Hon. Ricardo A. Moldez III et. al.
Case No.	CA-G.R. SP No. 159858
Court	Court of Appeals

Case Title	Tranche 1 (SPV-AMC), Inc. vs. Hon. Ricardo A. Moldez III et. al.
Case No.	CA-G.R. SP No. 159988
Court	Court of Appeals

These are special civil actions on certiorari filed by creditor Cameron Granville and Tranche 1 before the Court of Appeals assailing the Orders dated 02 August 2018 and 06 August 2018 issued by the Rehabilitation Court.

The 02 August 2018 Order allowed the Company to sell specific assets and to use the proceeds thereof to settle its statutory obligations and clarified that the 12-year redemption period of the Serial Redeemable Preferred Shares shall be reckoned from the time the said shares are issued and not from the approval of the Rehabilitation Plan.

The 06 August 2018 Order terminated the rehabilitation proceedings insofar as the Company is concerned subject to the condition that the Company comply or accomplish the rest of the provisions of the Rehabilitation Plan.

These cases were initially consolidated but the Court of Appeals subsequently dismissed the petition of Tranche 1 while the petition filed by Cameron Granville is still pending with the Court of Appeals.

The Company is awaiting further orders from the Court of Appeals on its action on the remaining petition of Cameron Granville.

Case Title	Tranche 1 (SPV-AMC), Inc. vs. Republic Telecommunications Holdings Co, et al.,
Case No.	G.R. No. 255330
Court	Supreme Court

This is an appeal filed by the Tranche 1 assailing the dismissal by the Court of Appeals of its petition described in the immediately preceding case. The case is still pending with the Supreme Court.

Case Title	Cameron Granville vs. Hon. Andres B. Soriano III, et. al.
Case No.	CA-G. R. SP No. 165791
Court	Court of Appeals

This is a special civil action on certiorari filed by creditor Cameron Granville assailing the Order of the Rehabilitation Court dated 20 December 2018 which denied the motion to convert the rehabilitation proceedings of the Company into liquidation and the ruling that the termination of the Company's rehabilitation is no longer conditional. The case is currently pending and the Company is awaiting further orders from the Court of Appeals.

Case Title	Philippine Investment One vs. Andres Soriano III, et. al.
Case No.	CA-G. R. SP No. 166408
Court	Court of Appeals

This is a special civil action on certiorari filed by creditor Philippine Investment One assailing the Order dated 18 August 2020 issued by the Rehabilitation Court which denied the creditor's motion to suspend the rehabilitation proceedings and granted the Company's motion for the cancellation of the annotations and encumbrances on its properties. The case is currently pending and the Company is awaiting further orders from the Court of Appeals.

Cases not related to the rehabilitation proceedings of the Company

Case Title	PT&T vs. Social Security System (SSS)
Case No.	G.R. No. 252592
Court	Supreme Court

This is a petition for review on filed on 10 August 2020 by the Company assailing the Order of SSS which required the Company to immediately pay its liabilities. This was assailed by the Company since the liabilities of the Company with SSS are to be settled pursuant to the terms of the Rehabilitation Plan and not on the period demanded by SSS. The case is still pending and the Company is awaiting further orders from the Supreme Court.

Case Title	PT&T vs. National Telecommunications Commission
Case No.	G.R No. 253246
Court	Supreme Court

This is an appeal filed by the Company assailing the decision of the Court of Appeals on the amount of the Supervision and Regulatory Fees to be paid by the Company to the NTC. The case is still pending and the Company is awaiting further orders from the Supreme Court.

Case Title	PT&T vs. National Telecommunications Commission, et. al.
Case No.	G.R No. 243003
Court	Supreme Court

This is a petition filed by the Company to assail its disqualification in the selection process for the New Major Player in the Telecommunications Industry in the Philippines ("3rd Telco Bidding"). The case is still pending and the Company is awaiting further orders from the Supreme Court.

UPON THE WRITTEN REQUEST OF A STOCKHOLDER, THE COMPANY UNDERTAKES TO PROVIDE THE SAID STOCKHOLDER WITHOUT CHARGE A COPY OF THE REGISTRANT'S ANNUAL REPORT ON SEC FORM 17-A. REQUEST FOR COPIES OF SEC FORM 17-A SHALL BE DIRECTED AND ADDRESSED TO THE CORPORATE SECRETARY AT SPIRIT OF COMMUNICATIONS CENTER, 106 C. PALANCA ST., LEGASPI VILLAGE, MAKATI CITY. AT THE DISCRETION OF MANAGEMENT, A CHARGE MAY BE MADE FOR EXHIBITS PROVIDED SUCH CHARGE IS LIMITED TO REASONABLE EXPENSES INCURRED BY THE REGISTRANT IN FURNISHING SUCH EXHIBITS.

SIGNATURE PAGE

After reasonable inquiry and to the best of my knowledge and belief, I certify that information set forth in this report is true and correct. This report is signed in Makati City this 02 November 2022.

Philippine Telegraph & Telephone Corporation

By:


ATTY. KENNETH JOEY H. MACEREN
Corporate Secretary