

PHILIPPINE SECURITIES AND EXCHANGE BOARD, INC.

**OSCAR L. GOMEZ**

2001 AUG 15 PM 1: 20

SEC Number A1999-04544

TIN Number 203-420-423

200

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**ABS-CBN HOLDINGS CORPORATION**

(Company's Full Name)

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**4th Floor, Benpres Building, Exchange Road  
corner Meralco Avenue, Pasig City**

(Company's Address)

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**631-3111**

(Telephone Number)

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**December 31**

(Fiscal Year Ending)  
(month & day)

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**Form 17-Q**

Form Type

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Amendment Designation (If applicable)

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**June 30, 2001**

Period Ended Date

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(Secondary License Type and File Number)

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SECURITIES AND EXCHANGE COMMISSION  
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OSCAR L. GOMEZ

SECURITIES AND EXCHANGE COMMISSION  
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**QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES  
REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER**

- 1. For the quarter ended June 30, 2001
- 2. SEC Identification No. A1999-04544 3. BIR Tax Identification No. 203-420-423

4 Exact name of the registrant as specified in its charter  
**ABS-CBN HOLDINGS CORPORATION**

5 Philippines 6. \_\_\_\_\_ (SEC use only)  
Province, Country or other jurisdiction of Industry Classification code:  
Incorporation or organization

7 4/F Benpres Building, Meralco Ave. corner Exchange Road, Pasig City, 1600  
Address of principal office Postal code

8 (632) 631-3111  
Registrant's telephone number, including area code

9 Worldtech Holdings Corporation  
Former name, former address, and former fiscal year, if changed since last year

10 Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding And Amount of Debt Outstanding
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<b>Philippine Depository Receipts</b>	<b>267,326,500 shares</b>
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11 Are any or all of these securities listed on the Philippine Stock Exchange?  
Yes  No

12 Check whether the registrant:  
a) has filed all reports to be filed by Section 17 of the Code and SRC Rule 17 thereunder or section 11 of the RSA and RSA Rule 11(a)-1 thereunder and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports):

Yes  No

b) has been subject to such filing requirements for the past 90 days.  
Yes  No

**Part I Financial Information**

**Item I Financial Statements**

The unaudited financial statements are filed as part of the Form

**Item II Management Discussion and Analysis of Financial Condition and Results of Operations**

Net income of ₱ 1,192,763 was the result of dividend received from ABS-CBN Broadcasting Corporation and interest income offset by payments for interest to PDRholders and operating expenses as of June 30, 2001

**Part II Other Information**

No other information that needs to be disclosed.

**ABS-CBN HOLDINGS CORPORATION****BALANCE SHEETS**

JUNE 30, 2001 AND DECEMBER 31, 2000

	June 30, 2001 (Unaudited)	December 31, 2000 (Audited)
<b>ASSETS</b>		
<b>Current Asset</b>		
Cash in bank	P 3,003,943	P 2,062,042
Prepaid Expenses	275,000	-
<b>Total Current Assets</b>	<b>3,278,943</b>	<b>2,062,042</b>
<b>Investments in ABS-CBN Shares Held in Trust</b> - at cost (Note 3)	<b>12,547,196,686</b>	<b>12,574,823,836</b>
	<b>P 12,550,475,629</b>	<b>P 12,576,885,878</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Philippine Depository Receipts (Note 3)</b>	<b>P 12,520,464,036</b>	<b>P 12,548,035,856</b>
<b>Deferred Income (Note 3)</b>	<b>26,732,650</b>	<b>26,787,980</b>
<b>Accrued Expenses</b>	<b>2,519,805</b>	<b>2,032,042</b>
<b>Due to an Affiliate</b>	<b>20,846,890</b>	<b>21,310,515</b>
<b>Capital Deficiency</b>		
Capital stock - P100 par value		
Authorized - 1,000 shares		
Subscribed - 400 shares (net of subscriptions receivable of P 10,000)	30,000	30,000
Deficit	(20,117,752)	(21,310,515)
	<b>(20,087,752)</b>	<b>(21,280,515)</b>
	<b>P 12,550,475,629</b>	<b>P 12,576,885,878</b>

*See accompanying Notes to Financial Statements.*

**ABS-CBN HOLDINGS CORPORATION****STATEMENTS OF INCOME AND DEFICIT**

FOR THE PERIOD ENDED JUNE 30, 2001 AND 2000

(UNAUDITED)

	For the second quarter ended June 30		For the six months ended June 30	
	2001	2000	2001	2000
<b>REVENUES</b>				
Dividends (Note 3)	P 160,395,900	P 108,679,903	P 160,395,900	P 108,679,903
Gain on exercise (Note 3)	-	71,180	89,880	71,180
Interest	61,907	42,750	71,268	42,750
	<b>160,457,807</b>	<b>108,793,833</b>	<b>160,557,048</b>	<b>108,793,833</b>
<b>EXPENSES</b>				
Interest (Note 3)	158,364,219	106,355,218	158,364,219	106,355,218
Operating	527,502	113,901	1,000,067	457,510
	<b>158,891,721</b>	<b>106,469,119</b>	<b>159,364,286</b>	<b>106,812,728</b>
<b>NET INCOME</b>	<b>1,566,086</b>	<b>2,324,714</b>	<b>1,192,763</b>	<b>1,981,105</b>
<b>DEFICIT AT BEGINNING OF PERIOD</b>	<b>(21,683,838)</b>	<b>(21,654,124)</b>	<b>(21,310,515)</b>	<b>(21,310,515)</b>
<b>DEFICIT AT END OF PERIOD</b>	<b>P (20,117,752)</b>	<b>P (19,329,410)</b>	<b>P (20,117,752)</b>	<b>P (19,329,410)</b>

*See accompanying Notes to Financial Statements.*

**ABS-CBN HOLDINGS CORPORATION**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE PERIOD ENDED JUNE 30, 2001 AND 2000**

	For the second quarter ended June 30		For the six months ended June 30	
	2001	2000	2001	2000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net Income	P 1,566,086	P 2,324,714	P 1,192,763	P 1,981,105
Adjustment to reconcile net income to cash provided by (used in) operating activities-				
Decrease (Increase) in prepaid expenses	137,500	-	(275,000)	-
Increase in accrued expenses	227,024	14,116,848	487,763	14,460,457
Net cash provided by (used in) operating activities	1,930,610	16,441,562	1,405,526	16,441,562
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Decrease in due to affiliate	(300,000)	-	(463,625)	-
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>				
Proceeds from capital stocks subscriptions	-	20,000	-	20,000
<b>NET INCREASE IN CASH</b>	<b>1,630,610</b>	<b>16,461,562</b>	<b>941,901</b>	<b>16,461,562</b>
<b>CASH AT BEGINNING OF PERIOD</b>	<b>1,373,332</b>	<b>10,000</b>	<b>2,062,042</b>	<b>10,000</b>
<b>CASH AT END OF PERIOD</b>	<b>P 3,003,943</b>	<b>P 16,471,562</b>	<b>P 3,003,943</b>	<b>P 16,471,562</b>
<b>SUPPLEMENTAL INFORMATION ON NON CASH INVESTING AND FINANCING ACTIVITIES</b>				
Acquisition of ABS-CBN shares through issuance of PDRs	1,290,000	53,442,087	16,581,750	498,936,321
Conversion of PDRs into ABS-CBN shares	-	(29,371,600)	(44,208,900)	(29,384,100)

See accompanying Notes to Financial Statements.

## **ABS-CBN HOLDINGS CORPORATION**

### **NOTES TO FINANCIAL STATEMENTS**

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#### **1. Incorporation and Status of Operations**

The Company was incorporated on March 30, 1999 as Worldtech Holdings Corporation, for the primary purpose of investing, purchasing and holding real and personal property including but not limited to shares of stock, bonds, debentures, notes, evidences of indebtedness or other securities or obligations. On September 16, 1999, the Securities and Exchange Commission approved the change in the Company's corporate name to ABS-CBN Holdings Corporation.

The Company has undertaken not to conduct any business other than in connection with the issuance of Philippine Depositary Receipts [PDRs (see Note 3)], the performance of obligations under the PDRs and the acquisition and holding of shares of ABS-CBN Broadcasting Corporation (ABS-CBN) in respect of which PDRs are issued.

#### **2. Summary of Significant Accounting Policies**

##### Investment in ABS-CBN Shares

Investment in ABS-CBN shares is carried at cost. The cost of ABS-CBN shares issued in exchange for PDRs exercised is based on the average cost of all the shares held at the time of exercise.

##### Income Tax

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial reporting bases of assets and liabilities and their related tax bases and net operating loss carryover (NOLCO). Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. A valuation allowance is provided when it is more likely than not that some portion or all of the deferred tax assets will not be realized.

#### **3. Philippine Depositary Receipts (PDRs)**

On September 29, 1999, the Company offered 132,000,000 PDRs relating to 132,000,000 ABS-CBN shares. Each PDR was issued for a total consideration of ₱46.00, which consist of a deposit of ₱45.90 and a PDR option price of ₱0.10. The deposits are shown as "Philippine depositary receipts" while the PDR option price is shown as "Deferred income" in the accompanying balance sheets. The deferred income will be realized upon exercise of the PDRs.

Each PDR grants the holders, upon payment of the exercise price and subject to certain other conditions, to delivery of one ABS-CBN share or the sale of and delivery of the proceeds of such sale of one ABS-CBN share. The ABS-CBN shares are still subject to ownership restrictions on shares of corporations engaged in mass media and ABS-CBN may reject the transfer of shares to persons other than Philippine nationals. The PDRs may be exercised at any time from October 7, 1999.

Any cash dividends or other cash distributions in respect of the underlying ABS-CBN shares shall be applied by the Company towards its operating expenses and any amounts remaining shall be distributed pro rata among outstanding PDR holders. The PDRs were listed in the Philippine Stock Exchange on October 7, 1999.

Immediately prior to the closing of the PDR offering described above, the Lopez Group, to which the Company is affiliated, transferred 132,000,000 ABS-CBN shares to the Company in relation to which the PDRs were issued. These shares are shown separately as "Investment in ABS-CBN shares" in the balance sheets. For as long as the PDRs are not exercised, these shares underlying the PDRs are, and will continue to be registered in the name of, and owned by, and all rights pertaining to these shares, including voting rights, shall be exercised by the Company. The obligations of the Company to deliver the ABS-CBN shares on exercise of the right contained in the PDRs are secured by the Pledge of Shares in favor of the Security Agent acting on behalf of each holder of a PDR over the ABS-CBN shares.

At any time after the initial offering, a shareholder may, at his option and from time to time, deliver shares to the Company in exchange for an equal number of PDRs.

The details and movements of this account follows:

	Number of shares	Investment in ABS-CBN Shares	PDR
Initial offering	132,000,000	₱6,072,000,000	₱6,058,800,000
Exchanges of ABS-CBN shares into PDRs after initial offering	80,352,306	3,502,186,975	3,494,151,744
Balance at December 31, 1999	212,352,306	9,574,186,975	9,552,951,744
Exchanges of ABS-CBN shares into PDRs	60,286,894	3,235,422,861	3,229,394,172
Conversion of PDRs	(4,759,400)	(234,786,000)	(234,310,060)
Balance at December 31, 2000	267,879,800	₱12,574,823,836	₱12,548,035,856
Exchanges of ABS-CBN shares into PDRs	315,500	15,291,750	15,260,200
Conversion of PDRs	(898,800)	(44,208,900)	(44,119,020)
Balance at March 31, 2001	267,296,500	12,545,906,686	12,519,177,036
Exchanges of ABS-CBN shares into PDRs	30,000	1,290,000	1,287,000
Balance at June 30, 2001	267,326,500	₱12,547,196,686	₱12,520,464,036

ABS-CBN shares were converted into PDRs at a market price ranging from ₱42.00 to ₱39.00 as of June 30, 2001 and ₱38.50 to ₱ 51.00 as of December 31, 2000

#### 4. Income Tax

The significant components of the deferred tax assets follows:

	June 30, 2001	December 31, 2000
Deferred tax asset:		
Deferred income	₱8,554,448	₱8,572,154
NOLCO	40,164,286	39,873,026
Valuation allowance	(48,817,734)	(48,445,180)
	₱-	₱-



## SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

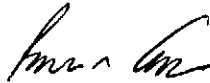
### ABS-CBN HOLDINGS CORPORATION

By:



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**ENRIQUE I. QUIASON**  
Corporate Secretary



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**ROMMEL S. DURAN**  
Board Member