

SEC Number A1999-04544  
File Number \_\_\_\_\_

**ABS-CBN HOLDINGS CORPORATION**

\_\_\_\_\_  
(Company's Full Name)

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

\_\_\_\_\_  
(Company's Address)

**631-3111**

\_\_\_\_\_  
(Telephone Number)

**December 31**

\_\_\_\_\_  
(Year Ending  
month & day)

**Form 17-Q**

\_\_\_\_\_  
Form Type

**A**

\_\_\_\_\_  
Amendment Designation (If applicable)

**March 31, 2002**

\_\_\_\_\_  
Period Ended Date

\_\_\_\_\_  
(Secondary License Type and File Number)

# ABS-CBN HOLDINGS CORPORATION

RECEIVED  
SECURITIES AND EXCHANGE COMMISSION  
02 JUL 2 11 15

June 28, 2002

**SECURITIES AND EXCHANGE COMMISSION**  
SEC Building, EDSA near Ortigas Avenue  
Mandaluyong City

Attention of **MS. JUSTINA F. CALLANGAN**  
Director

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Gentlemen:

In response to your letter dated June 6, 2002 that we received last June 26, 2002, we submit to you herewith the amended SEC Form 17-Q of **ABS-CBN Holdings Corporation** as of and for the three months ended March 31, 2002 incorporating the following information:

- Unaudited statements of changes in capital deficiency as of March 31, 2002 and 2001;
- Basic earnings per share as presented in the face of unaudited statements of income for the three months ended March 31, 2002 and 2001 and Note to the financial statements for the basis of computation thereof;
- Dividends paid as described in Note 3 of the unaudited financial statements;
- Comparative management's discussion and analysis of financial condition and results of operations; and,
- Signature of two responsible officers, one of whom is Mr. Eugenio Lopez III, Treasurer and Comptroller.

The following are either not applicable or need no disclosure:

Financial Information

- Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidents;
- Nature and amount of changes in estimates of amounts reported in prior periods that have a material effect in the current interim period;
- Issuances, repurchases, and repayments of debt and equity securities;
- Segment revenue and segment result for business segments or geographical segments, whichever is the issuer's primary basis of segment reporting (this shall be provided only if the issuer is required to disclose segment information in its annual financial statements);
- Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period;
- The effect of changes in the composition of the issuer during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations;

- Changes in contingent liabilities or contingent assets since the last annual balance sheet date, and,
- Existence of material contingencies and any other events or transactions that are material to an understanding of the current interim period.

Management's Discussion and Analysis of Financial Condition and Results of Operations

- Any known trends, demands, commitments, events or uncertainties that will have a material impact on the issuer's liquidity;
- Any material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures;
- Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on the net sales/revenues/income from continuing operations;
- Any significant elements of income or loss that did not arise from the issuer's continuing operations;
- The causes for any material change/s (10% or more) from period to period in one or more line items of the issuer's financial statements; and,
- Any seasonal aspects that had a material effect on the financial condition or results of operations.

We hope you find everything in order.

Very truly yours,



ATTY. ENRIQUE I. QUIASON  
Corporate Secretary *Enrique I. Quiason*

**SECURITIES AND EXCHANGE COMMISSION  
AMENDED SEC FORM 17-Q**

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

- 1 For the quarter ended **March 31, 2002**
- 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**
- 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<br>and Amount of Debt Outstanding |
|---------------------------------------|--|
| <b>Philippine Depositary Receipts</b> | <b>268,691,900 shares</b>  |
- 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 11 of the Revised Securities Act (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 this form. It is prepared in conformity with accounting principles generally accepted in the Philippines.

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

**For the 1<sup>st</sup> Quarter Ended March 31, 2002**

For the three months ended March 31, 2002, the Company incurred net loss of P526,729 due to the operating expenses of P555,267, net of interest income of P 28,538. No dividend was received for the quarter then ended.

**For the 1<sup>st</sup> Quarter Ended March 31, 2001**

Net loss of P463,643 represents mainly general and administrative expenses for the period March 31, 2001

**Part II Other Information**

No other information that needs to be disclosed.

# ABS-CBN HOLDINGS CORPORATION

## BALANCE SHEETS

MARCH 31, 2002 AND DECEMBER 31, 2001

	March 31, 2002 (Unaudited)	December 31, 2001 (Audited)
<b>ASSETS</b>		
<b>Current Asset</b>		
Cash in bank	P 1,923,261	P 2,460,190
Prepaid Expenses	375,000	-
<b>Total Current Assets</b>	<b>2,298,261</b>	<b>2,460,190</b>
<b>Investments in ABS-CBN Shares Held in Trust</b> - at cost (Note 3)	<b>12,598,482,036</b>	<b>12,546,541,736</b>
	<b>P 12,600,780,297</b>	<b>P 12,549,001,926</b>
<b>LIABILITIES AND CAPITAL DEFICIENCY</b>		
<b>Philippine Depository Receipts (Note 3)</b>	<b>P 12,571,612,846</b>	<b>P 12,519,818,076</b>
<b>Deferred Income (Note 3)</b>	<b>26,869,190</b>	<b>26,723,660</b>
<b>Accrued Expenses</b>	<b>2,794,990</b>	<b>2,430,190</b>
<b>Due to an Affiliate (Note 4)</b>	<b>21,310,515</b>	<b>21,310,515</b>
<b>Capital Deficiency</b>		
Capital stock	30,000	30,000
Deficit	(21,837,244)	(21,310,515)
	<b>(21,807,244)</b>	<b>(21,280,515)</b>
	<b>P 12,600,780,297</b>	<b>P 12,549,001,926</b>

See accompanying Notes to Financial Statements.

# ABS-CBN HOLDINGS CORPORATION

## STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 2002 AND 2001  
(UNAUDITED)

	2002	2001
<b>REVENUES</b>		
Realized deferred income (Note 3)	P 46,000	P 92,720
Interest income	28,538	6,521
	<u>74,538</u>	<u>99,242</u>
<b>EXPENSES</b>		
Operating expenses (Note 5)	555,267	470,165
Loss on conversion of PDRs (Note 3)	46,000	92,720
	<u>601,267</u>	<u>562,885</u>
<b>NET LOSS</b>	P (526,729)	P (463,643)
<b>Basic Loss Per Share (Note 2)</b>	P (1,317)	P (1,159)

See accompanying Notes to Financial Statements.

**ABS-CBN HOLDINGS CORPORATION**  
**STATEMENTS OF CHANGES IN CAPITAL DEFICIENCY**  
**MARCH 31, 2002 AND DECEMBER 31, 2001**

	March 31, 2002 (Unaudited)	December 31, 2001 (Audited)
<b>CAPITAL STOCK - P100 par value</b>		
Authorized - 1,000 shares		
Subscribed - 400 shares	P 40,000	P 40,000
Subscription receivable	(10,000)	(10,000)
	<b>30,000</b>	<b>30,000</b>
<b>DEFICIT</b>		
Balance at beginning of period	(21,310,515)	(21,310,515)
Net loss	(526,729)	-
Balance at end of period	(21,837,244)	(21,310,515)
	<b>P (21,807,244)</b>	<b>P (21,280,515)</b>

See accompanying Notes to Financial Statements.



**ABS-CBN HOLDINGS CORPORATION****STATEMENTS OF CASH FLOWS****FOR THE THREE MONTHS ENDED MARCH 31, 2002 AND 2001****(UNAUDITED)**

	2002	2001
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Loss	P (526,729)	P (463,643)
Adjustment to reconcile net loss to cash operating activities:		
(Increase) in prepaid expenses	(375,000)	(412,500)
Increase in accrued expenses	364,800	189,833
<b>NET DECREASE IN CASH</b>	<b>(536,929)</b>	<b>(686,310)</b>
<b>CASH AT BEGINNING OF PERIOD</b>	<b>2,460,190</b>	<b>2,062,042</b>
<b>CASH AT END OF PERIOD</b>	<b>P 1,923,261</b>	<b>P 1,375,732</b>
<b>SUPPLEMENTAL INFORMATION ON NON CASH INVESTING AND FINANCING ACTIVITIES</b>		
Acquisition of ABS-CBN shares through issuance of PDRs	P 63,210,300	P -
Conversion of PDRs into ABS-CBN shares	(11,270,000)	(28,917,150)

*See accompanying Notes to Financial Statements.*

# **ABS-CBN HOLDINGS CORPORATION**

## **NOTES TO FINANCIAL STATEMENTS**

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### **1. General**

ABS-CBN Holdings Corporation (The Company) is incorporated in the Philippines as a holding company with 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. 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.

The registered office address of the Company is 4th Floor, Benpres Building, Exchange Road, corner Meralco Avenue, Pasig City.

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

The principal accounting policies adopted in preparing the financial statements of the Company are as follows:

#### **General**

The accompanying financial statements are prepared in accordance with the generally accepted accounting principles in the Philippines.

#### **Basis of Preparation**

The accompanying financial statements have been prepared under the historical cost convention.

#### **Adoption of New Statements of Financial Accounting Standards (SFAS)**

The Company adopted the following SFAS which became effective in 2001:

- SFAS No. 1 (revised 2000), "Presentation of Financial Statements,"
- SFAS No. 13 (revised 2000), "Net profit or Loss for the Period, Fundamental Errors and Changes in Accounting Policies;" and,
- SFAS No. 22 (revised 2000), "Cash Flow Statements."

The effect of adopting the other new standards on the financial statements is not material.

#### **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.

#### **Basic Loss Per Share**

Basic loss per share are calculated by dividing the net loss for the period attributable to common shareholders by the weighted average number of common shares outstanding during the period.

#### **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, and NOLCO is expected to be applied. 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 in the form of interest. 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 exchanges are based on prevailing traded values of ABS-CBN shares at the time of transaction with the corresponding PDR shown as "Deferred income".

The details and movements of this account follows:

	Number of Shares	Investment in ABS-CBN Shares	PDRs
Balance at December 31, 1999	212,352,306	₱9,574,186,975	₱9,552,951,744
Exchange 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 with PDRs	546,800	22,997,600	22,942,920
Conversion of PDRs	(1,190,000)	(51,279,700)	(51,160,700)
Balance at December 31, 2001	267,236,600	12,546,541,736	12,519,818,076
Exchanges of ABS-CBN shares with PDRs	1,915,300	63,210,300	63,018,770
Conversion of PDRs	(460,000)	(11,270,000)	(11,224,000)
Balance at March 31, 2002	268,691,900	₱12,598,482,036	₱12,571,612,846

ABS-CBN shares were converted into PDRs at a price ranging from P24.50 to P35.50 in 2002 P22.50 to P50.00 in 2001 and P38.50 to P51.00 in 2000.

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**4. Due to an Affiliate**

This account represents advances made by an affiliate in 1999 for the Company's operating expenses during that year.

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**5. Operating Expenses**

Operating expenses comprises of the following:

	2002	2001
Outside services	<b>P204,000</b>	<b>P150,382</b>
Listing fees	<b>125,000</b>	137,500
Security and general services	<b>135,000</b>	78,000
Professional services	<b>60,000</b>	75,000
Miscellaneous	<b>31,267</b>	29,283
	<b>P555,267</b>	<b>P470,165</b>

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**6. Income Tax**

The significant components of the deferred tax assets follows:

	2002	2001
Deferred income	<b>P8,598,141</b>	<b>P8,551,571</b>
NOLCO	<b>84,428,010</b>	84,259,456
Valuation allowance	<b>(93,026,151)</b>	(92,811,027)
	<b>P-</b>	<b>P-</b>

As of March 31, 2002, the NOLCO that can be applied as deductions from normal taxable income is as follows:

Expiry dates	
December 31, 2002	<b>P75,284</b>
December 31, 2003	102,816,753
December 31, 2004	160,418,763
	<b>P263,310,800</b>

**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:



**ENRIQUE I. QUIASON**  
Corporate Secretary



**EUGENIO LOPEZ III**  
Treasurer and Comptroller