



PORO POINT MANAGEMENT CORPORATION
A member of the BCDA Group

VISION

“By 2030, Poro Point Freeport Zone, also known as the Poro Point Marine Headlands shall be an Economic Engine of the North.”

MISSION

To develop and manage the Poro Point Freeport Zone

To promote the economic and social development of Northern Luzon in particular, and the country in general

To ensure conservation and protection of our environment and natural resources



PPMC
PORO POINT MANAGEMENT CORPORATION
A member of the BCDA Group

PORO POINT FREEPORT ZONE

2021 **ANNUAL**
REPORT



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MALACAÑAN PALACE
MANILA

MESSAGE

My warmest greetings to the **Poro Point Management Corporation (PPMC)** on the publication of its **2021 Annual Report**.

In our pursuit for long-term countryside development and multi-regional growth, we must direct investments from metropolitan areas towards rural locations with great potential. I thus commend the agency for transforming the emerging Poro Point area into a self-sustaining tourism, commercial and industrial hub, thereby improving its capacity as a special economic zone.

May this annual report celebrate the progress that you have made in the past year as you continue to strengthen the foundations of the PPMC and enrich the lives of more locals amidst the setbacks of the COVID-19 pandemic. I am certain that your contributions to national development and to the Build, Build, Build legacy will be seen and felt by generations of Filipinos.

To achieve a smooth and swift economic recovery, we must double our efforts in boosting our country's trade, business and productivity. Together, let us push forward and usher in an age of true and unwavering prosperity for all.

I wish you the best in your endeavors.

RODRIGO ROA DUTERTE

MANILA
April 2022

THE PRESIDENT OF THE PHILIPPINES



BCDA CHAIRMAN D. GARCIA III MESSAGE FOR PORO POINT MANAGEMENT CORPORATION'S 2021 ANNUAL REPORT

RECOVERY BY LAND, AIR, SEA AND SPACE

2021 was a volatile year that began and ended in hope, tested by lockdowns and surges in COVID-19 cases. It was the year when the Philippines, along with the rest of the world, emerged from what is hopefully the worst of the pandemic, continuing the work that needs to be done and readying for rebound. Understanding its mission to bring sustainable economic and social development to the people of Northern Luzon, Poro Point Management Corporation (PPMC) did just that, advancing infrastructure projects to ensure recovery will be felt by every Filipino.

While the area is vibrant and dynamic, there is much Northern Luzon could improve to make the most of its rich marine biodiversity, aviation resources, and pool of young workforce. Cities and metropolises with smart urban planning and people-centric infrastructure attract innovation, job opportunities and business investments. This is why PPMC pushed for the development of the 240.5-hectare Poro Point Freeport Zone located at the tip of San Fernando, La Union. PPMC and its public and private sector partners pursued several programs and projects to ensure that Northern Luzon will not be left behind as the country rebounds from the global crisis.

INTEGRATING INTO SUPPLY CHAINS

Transforming Poro Point Freeport Zone into Northern Luzon's growth driver for jobs and investments are several road infrastructure projects implemented through the Converge Program of the Department of Trade and Industry (DTI) and the Department of Public Works and Highways (DPWH), also known as the Roads Leveraging Linkages of Industry and Trade (ROLL IT). A total of Php 245 million worth of road infrastructure projects have been implemented inside Poro Point.

Complementing the road upgrades are the San Fernando International Seaport, which has three pier structures that accommodate all vessel types; and the upgraded 40.5-hectare San Fernando Airport, which is positioned as a choice destination for aviation training.

ACCELERATING OPPORTUNITIES FOR ALL

BCDA, in partnership with the Department of Transportation, also started the construction of a multi-purpose ferry passenger terminal building, which will be an initial physical investment to the Tri-City Ferry System Initiative. This transport facility will connect the regional, provincial and city hubs within the three cities, minimizing stops to limit the overall transit time between main embarking and alighting piers.

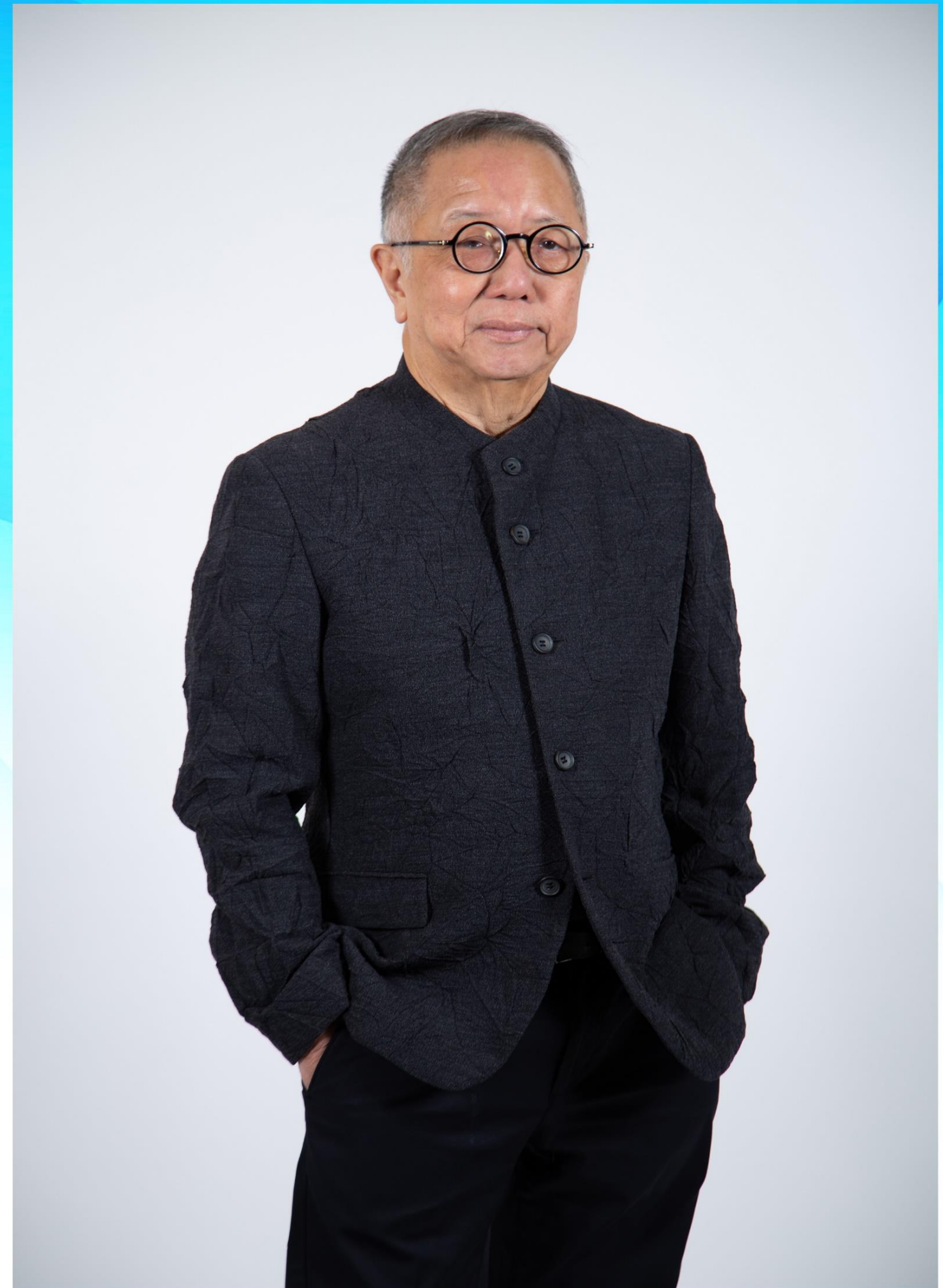
By decongesting traffic, the Tri-City Ferry System will rejuvenate coastal communities and boost the tourism potential of Northern Luzon. It will reduce travel time to and from the cities of Alaminos and San Fernando, as well as Dagupan in Pangasinan, from more than five hours to just two and a half hours.

Other than the air, sea and land infrastructure projects near Poro Point, the BCDA and the Department of Information and Communications Technology (DICT) have also implemented the Luzon Bypass Infrastructure Project, an ultra-high speed information highway that will greatly improve the speed, affordability and accessibility of broadband internet across the Philippines. The presence of a cable landing station at Poro Point strategically positions the Freeport Zone as the IT hub of the North.

The BCDA commends PPMC for overcoming another difficult year, providing an attractive business environment for locators in North Luzon, generating 1,528 jobs and much-needed revenues for Poro Point and its nearby communities.



GREGORIO D. GARCIA III
BCDA Chairman



BCDA OIC PCEO ATTY. ARISTOTLE B. BATUHAN'S MESSAGE FOR PORO POINT MANAGEMENT CORPORATION'S 2021 ANNUAL REPORT

Navigating the COVID-19 pandemic while protecting the welfare of the community and businesses is an immensely difficult task, but Poro Point Management Corporation (PPMC) proved that it was up for the challenge as it continuously brought solutions to usher in economic recovery in Northern Luzon.

Now, more than ever, PPMC will play a crucial role as an engine of growth in San Fernando, La Union, to support Filipinos who are suffering from the impact of the pandemic.

In 2021, the government's COVID-19 response gained more ground, opening up opportunities for PPMC and its stakeholders inside the Poro Point Freeport Zone to resume businesses and bounce back from the health crisis.

Poro Point saw a slight rebound in aircraft movement and passenger traffic at the San Fernando Airport last year—driven by the operations of 17 aviation schools and the increase in chartered flights—while international vessel and cargo arrivals at the San Fernando International Seaport continued.

The tourism sector, meanwhile, turned more optimistic with the easing of local travel requirements, concerted vaccination efforts, and rising confidence among domestic travelers. Poro Point benefited from this rising tide because of its location in La Union, one of the top surfing destinations in the country.

Increased economic activity served well for the community, especially for the 14 locators operating inside the Freeport Zone and the various micro, small and medium enterprises in surrounding areas.

This also helped PPMC provide more employment opportunities, providing relief to those who were displaced due to the pandemic. As of the end of the year, PPMC generated 1,528 jobs inside the Freeport.

Taking advantage of the improving situation, PPMC aggressively pursued its infrastructure projects, including the Php35-million multi-purpose ferry port terminal within the Freeport Zone. The terminal, which is already 25-percent complete as of November 2021, will cut travel time to and from the cities of Alaminos and San Fernando, as well as Dagupan in Pangasinan, from more than five hours to just two and a half hours.

PPMC also continued to implement access roads leading to the Freeport, as well as various construction and rehabilitation works at the San Fernando Airport to improve accessibility in the area.

While these projects sowed the seeds for recovery, much work still needs to be done for the long-term, sustainable development in Poro Point.

Under our Comprehensive Integrated Master Development Plan (CIMDP), we envision the Poro Point Freeport Zone, also branded as Poro Point Marine Headlands, to become a center of innovation in Northern Luzon.

Leveraging on the rich marine biodiversity and aviation resources in the peninsula, the CIMDP will position Poro Point as a choice destination for flight training and ocean research.

It will also make the most of the Luzon Bypass Infrastructure Project, which aims to provide affordable, high-speed internet access throughout the country. As one of the cable landing sites of the project, Poro Point will be able to catalyze the growth of Industry 4.0 in the region, attracting businesses related to technology, innovation, and research and development.

Poro Point is envisioned as an inclusive and sustainable community, featuring a regional airport, an integrated transport network, marine and aviation complexes, a university zone, a technology innovation hub, tourism enterprises, and green spaces and parks, among others.

Ensuring the realization of this masterplan is crucial if we want to continue nurturing a resilient economy, post-pandemic and into the future.

The journey will be long and full of even more challenges, but I am confident that with the unyielding spirit of the men and women of PPMC, Poro Point will overcome this crisis and become a vibrant investment destination and a premiere innovation hub in the North.

As we enter another year, let us carry on and strengthen our efforts to fight the pandemic, so that we can serve as catalysts of growth for all Filipinos.

Atty. Aristotle B. Batuhan

Officer-in-Charge, President and Chief Executive Officer
Bases Conversion and Development Authority



**PORO POINT MANAGEMENT CORPORATION
PRESIDENT & CEO AND OIC CHAIRMAN OF THE BOARD OF DIRECTORS**



2021 PPMC President's Message/Report

Poro Point Management Corporation (PPMC) continued to be resilient in 2021 as the coronavirus disease (COVID-19) continued to devour the lives of millions of people worldwide. The pandemic has made a huge impact on the Philippine economy and Poro Point Freeport Zone was not spared therefrom. However, PPMC has proved once again to be resilient despite the challenges brought about by the pandemic.

Allow me, to thank all PPMC Directors, VPs, Managers and employees. Your hard work, cooperation and dedication to our beloved PPMC during these trying times truly led to great achievements.

PPMC ENSURED ITS STRONG COMMITMENT IN SAFEGUARDING THE HEALTH AND WELFARE OF ITS STAKEHOLDERS:

PPMC, through its Occupational Safety and Health Committee, continued and sustained the implementation of the Policy on the Prevention and Control of COVID-19 in PPMC and in the Poro Point Freeport Zone (PPFZ). Since the approval of the said policy in 2020, it aimed to safeguard the health and safety of PPMC's stakeholders, Board of Directors, officers and employee. PPMC also monitored and ensured that the aforesaid policy was complied with its various locators inside the PPFZ.

PPMC continued to adopt alternative work arrangements to ensure the continuity of operations without compromising the health and safety of its employees. Vitamins; personal protective equipment such as face shields, face masks and gloves; hygiene kits such as alcohol were also provided. PPMC ensured to the enforce of minimum public health standards and conducted regular disinfection of all offices as well as implementation of thermal scanning and sanitation at the PPMC Admin Building, Customs Clearance Area Building, Security Office and San Fernando Airport Terminal Building; COVID-19 advisories and issuances from various agencies were immediately disseminated; and locators and contractors were continued to be monitored to guarantee their compliance with health and safety protocols.

PPMC CONTINUED TO PROMOTE THE PROFESSIONAL AND PERSONAL DEVELOPMENT OF ITS EMPLOYEES:

PPMC continued to promote individual employee's growth by providing varied and numerous human resource development (HRD) with the use of various IT platforms and web-based applications such as Zoom; Google Meet and other online platforms. Employees attended a total of thirty (30) learning and development workshops in order to promote their professional growth and improve their health and well-being.

PPMC RETAINED ISO 9001:2015 CERTIFICATION:

PPMC's Quality Management System has been ISO-certified since 2015. PPMC upgraded to the most recent ISO 9001:2015 standard in 2018 and received its certificate on November 30, 2018. TUV NORD Philippines, Inc. conducted a Re-Certification Audit on December 12, 2021. PPMC passed its Certificate of Renewal under ISO 9001:2015 Certification with flying colors.

PPMC FOLLOWED THE GOOD GOVERNANCE PRINCIPLES OF FAIRNESS, ACCOUNTABILITY, AND TRANSPARENCY:

PPMC posted the required documents on the Transparency Seal of PPMC's website as a strong indicator and physical embodiment of PPMC's ongoing commitment to good governance. In addition to the Transparency Seal, the PPMC observed the posting requirements using the Philippine Government Electronic Procurement System (PhilGEPs) in accordance with Republic Act No. 9184, also known as the Government Procurement Reform Act (GPRA) and its Revised Implementing Rules and Regulations (IRR) to promote transparency in all procurement activities and ensure the widest dissemination of procurement opportunities. Procurement Monitoring Reports were sent to the Government Procurement Policy Board (GPPB) on a regular basis and were also posted on the PPMC website. PPMC also completed and submitted to GPPB its Agency Procurement Compliance Indicator Assessment.

PPMC CITIZEN'S CHARTER:

In March 2021, PPMC's Citizens Charter was updated to its latest edition in accordance with Republic Act 11032, also known as the Ease of Doing Business and Efficient Government Service Delivery Act of 2018, and in accordance with Memorandum Circular No. 2020-06, the Guidelines on the Issuance and/or Reinstitution of Permits and Licenses under the "New Normal," in accordance with Memorandum Circular No. 2021-09 on the Issuance of the Whole-of-Government Re-engineering Manual. The PPMC Committee on Anti-Red Tape attended the Training offered by the Anti-Red Tape Authority on December 6-7 & 13-14, 2021.

ON TIME SUBMISSION OF SALN:

The Board of Directors and staff of PPMC timely submitted their Statements of Assets, Liabilities, and Net Worth and Disclosure of Business Interests and Financial Connections in compliance with the Code of Conduct and Ethical Standards for Public Officials and Employees, or Republic Act No. 6713. (SALN).

PPMC'S TAX PAYMENT:

PPMC continuously satisfied the parameters set out by the Governance Commission for Government Owned or Controlled Corporations, in addition to the aforementioned good governance requirements for government agencies and GOCCs. PPMC has met all of its legal obligations, including tax payments, and has followed all government accounting, audit laws and regulations regarding cash advances and liquidations.

PPMC has remitted dividends to the Department of Finance for the past four (4) straight years.

SAN FERNANDO AIRPORT AND SAN FERNANDO INTERNATIONAL SEAPORT CONTINUED TO OPERATE DESPITE THE COVID-19 CHALLENGES:

The San Fernando Airport remained to be the chosen training ground of most aviation schools in Luzon despite restrictions in traffic movements caused by the COVID-19 pandemic. Seventeen (17) aviation schools used the San Fernando Airport for their long cross-country flights in 2021.

Due to increase in business activities even during COVID-19 Pandemic, the General Aviation Traffic generated 25,735 traffic movements from January to December 2021 which is 11% more than the traffic for the same period last year while eleven (11) Chartered/Air Taxis used the San Fernando Airport owing to the increasing commercial activity of corporate clients.

INCREASED AIR TRAFFIC AND REVENUES:

The military, on the other hand, created 273 transportation movements from January to December. C295, Choppers, Markettes, UH-1H, Fokker 50, C130, C2-12, King Air, Islander, R66 Chopper, and C-208 were used by the Philippine Air Force, Philippine Navy, and Philippine Coast Guard. COVID-19 aid and rescue activities were carried out using the planes as medical transport.

In the first quarter of 2021, PPMC entered into a Contract of Lease with Omni Aviation Corporation for the lease of one (1) room of the newly constructed Aviation Fuel Shed at the San Fernando Airport and before the year ended, Leading Edge International Aviation Academy, Inc. (LEIAAI) also leased three (3) rooms of the fuel shed.

Airport Revenues in the form of Airport Fees, Lease Rentals from Locators and other fees totaled PhP14,868,472.76 for the period ending December 31, 2021. The Revised Airport Fees Target for 2021 is PhP1,268,837.09 while the actual Airport Fees for the period ending December 31, 2021 reached PhP3,528,920.80, exceeding the income target by 178%.

SOILTECH:

PPMC, as the seaport authority over the Soiltech Private Pier, kept a close eye on its operations. Four (4) international vessels docked at the Soiltech Pier in 2021, bringing a total of 83,620 Metric Tons of Fertilizer. As of December 31, 2021, PPMC collected a total of PhP2,825,409.34 in port fees and charges.

PPFZ CONTINUED TO DRAW LOCATORS AND TOURISTS DESPITE THE PANDEMIC. TPHRI:

The Tourism Industry slowly opened its borders in 2021 which paved the way for most businesses to recover. Despite the challenges, one of the PPFZ's biggest locator, Thunderbird Pilipinas Hotels and Resorts, Inc. (TPHRI), continued to develop and implement strategies to lessen the pandemic's impact on its business operations. Notwithstanding the challenges, TPHRI has consistently established strategies to limit the impact of the pandemic on the operation of Thunderbird Resorts & Casino.

As a result of the closure and limitations on land-based gaming venues, TPHRI has ventured into Remote Gaming Operations or the Philippine Inland Gambling Operator (PIGO) of PAGCOR as an effort to recover and bounce back. The remote gaming platform opened the opportunity for TPHRI to reach out to its inactive patrons, including new ones, during the pandemic. On November 26, 2021, PAGCOR officials performed a pre-test/stress testing and inspection in the presence of representatives from BCDA and PPMC. After getting PAGCOR's notice to commence, Thunderbird casino table games' remote gaming business was officially launched on December 9, 2021. In 2022, TPHRI plans to extend its remote gaming to include casino slots.

PPMC BAYWALK:

The Poro Point Baywalk with Events Center has played an essential role in boosting tourism within the Zone as it hosts various events and activities organized by various agencies, both government and private, and civil society groups. In 2021, the Poro Point Baywalk was again able to host several events and activities. Since mass gatherings were still limited, a total of eight (8) events were held at the baywalk.

One of the events held at the baywalk was the Installations of the Autosweep and Easytrip RFID. PPMC supported this public service project of Honorable Pablo C. Ortega, Representative of the 1st District of La Union which was held on February 27 & 28, 2021. The event paved the way for La Union residents to avail of the RFID installations instead of going to the regular designated installation places. A total of 2,118 vehicles were able to avail of the RFID installations.

The Department of Tourism (DOT) also included and visited the Poro Point Baywalk and the Poro Point Lighthouse for its "Slow Food, Slow Travel" Caravan.

PARTICIPATIONS IN DIFFERENT CONSULTATIONS & MEETINGS WITH DIFFERENT GOVERNMENT AGENCIES:

With the passing of Republic Act No. 11534 or the Corporate Recovery and Tax Incentives for Enterprises Act or CREATE Act in April 2021, PPMC also actively participated in various consultation meetings, discussions and activities organized and conducted by the Fiscal Incentives Review Board (FIRB) and Department of Trade and Industry (DTI) through the Board of Investment (BOI) regarding the newly enacted law.

PPMC likewise underscores the importance of continuously strengthening its marketing and promotional efforts for the Zone and with remote/online and hybrid events having become staples in so many businesses and industries, PPMC participated in various online events, tourism and trade activities, investment forums, conferences, expo and exhibits.

As a member agency, PPMC continued its support to the Region's Regional Development Council (RDC-I) through participation in RDC's various meetings, programs and activities. In 2021, PPMC continuously supported the Tri-City Ferry System Initiative Project of RDC-I. With the full support and assistance of BCDA, the construction of the Multi-purpose Ferry Passenger Terminal Building inside the PPFZ already started in June 2021 and is expected to be completed by June of 2022 while parallel efforts were also being undertaken by the Tri-City Ferry System Initiative Project Technical Working Group for the development of the feasibility study for the project. The Virtual Signing of the Technical Assistance Agreement for the Project Preparation Study of the Tri-City Ferry System Project was held on November 5, 2021.

PPMC CONTINUED THE IMPLEMENTATION OF INFRASTRUCTURES:

Infrastructure support is vital in the development of the Poro Point Freeport Zone (PPFZ). In 2021, PPFZ undertook a number of infrastructure initiatives and implemented projects such as the Construction of Additional Drainage at the San Fernando Airport, Construction of San Fernando Airport Runway Slope Protections, Construction of San Fernando Airport Access Road for Leasable Areas, Rehabilitation of the CAAP Quarters with Proposed Expansion,

Application of Asphalt Sealant for the San Fernando Airport Runway, Construction of Additional Rooms at PPMC Administration Building, Various Repair and Maintenance Works for BCDA and PPMC Structures; Tri-City Ferry System; and a Public Bidding was conducted for the Construction of Baywalk Structure at the Poro Point Baywalk for lease.

In order for PPMC to ensure a sustainable and sufficient water is available within the PPFZ, a Small Value procurement for the Consulting Services for the Conduct of Georesistivity Study inside the PPFZ was also made.

PPMC IS STILL MAKING PROFIT:

Now on its 8th year of earning positive income, PPMC reported a Net Income of Php 17,248,702.50 for the year ending December 31, 2021. As a result, the retained earnings balance as of December 31, 2021, is now at Php 22,181,794.09 which still and again qualifies PPMC to declare and remit dividends to the National Government. As of December 31, 2021, PPMC generated an actual zone revenue of Php 87,712,564.65.

On a positive note, PPMC generated a savings of Php 19,887,123.79 for Personal Services (PS), Maintenance and Other Operating Expenses (MOOE) and Capital Outlay. As of this date, the Commission on Audit (COA) has zero audit suspensions, charges and disallowances for the years 2014 to 2021.

In 2021, PPFZ locators infused Php 142 Million in additional investments.

In closing, PPMC remained strong in 2021, as shown by the company's continuous achievement of its objectives in the face of seemingly insurmountable crisis presented by the COVID-19, a dreaded worldwide pandemic.

PPMC now looks forward for a better and successful 2022 and beyond.

ATTY. FELIX S. RACADIO
President and CEO
Poro Point Management Corporation

CORPORATE GOVERNANCE

The Poro Point Management Corporation (PPMC) strictly adheres to the principles of good corporate governance in carrying out its mandate of managing the Poro Point Freeport Zone as an economic engine of the North.

PPMC adopts the Governance Commission for Government-owned or –controlled Corporations (GCG) Code of Corporate Governance for GOCCs which was made operational through the PPMC Manual of Corporate Governance.

The PPMC Board of Directors (the Board) institutionalizes policies that would guide the Management in delivering its duties and responsibilities with utmost degree of professionalism and effectiveness, such as the PPMC Manual of Corporate Governance, thus affirming full compliance with the Code of Corporate Governance.

The Manual, which was approved by the Board on November 6, 2020 through Board Resolution No. 2020-11-124, institutionalizes the promotion of corporate governance reforms in the organization including the observance of principles of accountability and transparency in order to direct the organization toward excellence and competitiveness both locally and globally as a valuable partner of the government in national development.

Governance Policies

Among the governance policies implemented are the following:

a. PPMC Code of Ethics and Code of Discipline

The PPMC Code of Ethics for the PPMC Board of Directors and Code of Discipline for PPMC Officers and Employees promote exemplary standards in the conduct of their functions by setting rules which Directors, Officers and Employees must comply with. The ethical values that form the basis of the Codes and are deemed to maintain the public confidence and trust to the Board, officers and employees are responsibility, accountability, integrity, competence, loyalty, patriotism, sense of fairness, justice, appropriate lifestyle, and transparency.

b. Whistleblowing Policy

PPMC's Whistleblowing Policy provides an enabling mechanism for concerned individual to report or testify against any unethical behavior committed by PPMC Board of Directors, Officers, and rank and file employees. Likewise, the policy provides protection to whistleblowers against any retaliatory actions. The policy provides several reporting channels where concerned individuals may file their report such as the GCG Whistleblowing Web Portal which is linked to the PPMC website or through email, mail, or telephone.

c. No Gift Policy

The No Gift Policy, which is incorporated in the PPMC Manual of Corporate Governance, provides that the PPMC Board of Directors, Management and employees shall demonstrate fairness, professionalism and deliver quality services without expectations of any undue favor or reward.

d. PPMC Freedom of Information

In compliance with Executive Order No. 2, series of 2016, PPMC supports the Freedom of Information (FOI) by enjoining its officers and employees to give utmost consideration in the request for information made by the general public. PPMC adopted its own FOI Manual which was approved by the Board on September 20, 2019 by virtue of Board Resolution NO.-2019-09-143.

Institutional Mechanisms

To ensure adherence to the principles of good governance, the Board created committees to provide support in the performance of their functions. The following are the PPMC Board Committees:

- a. Executive Committee
- b. Audit and Risk Oversight Committee
- c. Nominations and Remunerations Committee
- d. HR Committee
- e. Investment and Promotions Committee
- f. Finance Committee
- g. Corporate Governance Committee
- h. Legal and Regulatory Concerns Committee
- i. Infrastructure Management Committee
- j. Special Projects Committee

Continuing Education of the Board

Newly-appointed Directors must undergo PPMC's orientation program on the following policies, namely: PPMC By-laws, PPMC Manual of Corporate Governance and PPMC Code of Ethics among others

As key decision makers, the PPMC Board recognizes the importance of capacity building and training activities to keep them updated on the current laws, rules, and regulations relevant to the operations of PPMC. PPMC allocates funds for these seminars and training sessions.

Poro Point Management Corporation Board of Directors

ATTY. FELIX S. RACADIO



Atty. Felix S. Racadio is the Director; President; CEO; and OIC Chairman of the Board of the Poro Point Management Corporation (PPMC). He was appointed as PPMC President & CEO and Director on January 20, 2017.

Atty. Racadio is a graduate of Bachelor of Arts in Political Science in San Sebastian College and finished his Bachelor of Laws in the University of Santo Tomas in 1977.

Prior to his first term as the President and CEO of PPMC in 2006 to 2011, he was a Staff Member of IMF - World Bank Conference in 1976; an Associate/Trial Lawyer of Chua & Associates Law Office from 1979 to 1991; In-House Counsel for the The Medical City from 1981 to 1991; Provincial Administrator of the Province of Ilocos Sur from 1992 to 1996; Provincial Legal Officer of the Province of Ilocos Sur from 1992 to 1996 and then served as a Board Member of the Land Transportation Franchising and Regulatory Board from 2001 to 2005. Atty. Racadio was appointed again as the President and CEO and Director since 2017. He is also currently the OIC Chairman of the PPMC Board.

MR. JOEL G. CARINGAL

Director Joel G. Caringal is a graduate of the Philippine Military Academy Dimalupig Class of 1981. He was appointed as Member of the PPMC Board of Directors on April 6, 2017.



MR. SERVILLANO C. FLORES JR

Director Servillano "Bill" C. Flores, Jr., was appointed as a Member of PPMC Board of Directors on August 25, 2020.



Director Flores is a graduate of Bachelor of Arts major in Economics from San Sebastian College, Manila and holds a master's degree in Development Administration at the Don Mariano Marcos Memorial State University, San Fernando City, La Union. He was the Provincial Coordinator for La Union for the Ministry of Youth Sports Division from 1976 to 1978. He worked for San Miguel Corporation in 1979 to 1996 and held various positions such as Warehouseman; Route Salesman; Acting District Sales Supervisor; and Acting Trade Relations Manager for Region 1 and CAR. He entered public service when he was elected as a Barangay Councilor of Barangay Ilocanos Norte in 1988. In 1998 he was elected as City Councilor of the City of San Fernando, La Union. He was also a former General Manager of Lee RV General Merchandise.

Director Flores is affiliated with the Free and Accepted Mason wherein he held positions as Worshipful Master of the Union Lodge No. 70 for MY 2013, 2014, 2015. In addition, he is also an active Member of Alpha Phi Omega Fraternity, Alpha Delta Chapter; and an active Member of Matatag Eagles Club of La Union.

ENGR. ENRICO G. GADIAN, JR.

Engineer Enrico G. Gadian Jr., was appointed as PPMC Director on September 6, 2019. He is a Professional Civil Engineer with 30 years of experience in construction and project management both local and abroad.

Engr. Gadian graduated with a degree in Bachelor of Science in Civil Engineering from the University of Mindanao in Davao City and completed various training course in Project Management, Safety, and Construction Leadership. He worked as a Project/Construction Manager locally completing Airport Upgrading and Housing Projects in August 1989 to 1993; a Project Manager of Ahmed Abdullah Al Saeed Establishment, Qatiff, Saudi Arabia in January 1993 to May 1996; a Project Engineer of Keng Heng Construction Pte Ltd, Singapore in June 1996 to February 2000 for the design and build of The Tropica; a Project Manager of Soh Beng Ho Construction Pte Ltd, Singapore completing various condominium projects in the Philippines and a Project Manager of Bulk Pharmaceutical Company owned by Pfizer Asia Pacific in December 2000 to August 2005. He also worked as a Deputy Project Manager of various projects for Gammon Pte Ltd (Singapore) from September 2005 to February 2006; a Construction Manager completing multiple projects in Singapore, Philippines and Morocco for Jacobs Engineering Singapore Pte Ltd, Singapore, from February 2006 to February 2016; and a Project/Construction Manager of AECOM (Singapore) from March 2016 to November 2016 for the Master Planning Singapore Changi Terminal 5; and Syngenta Project Leopard. Lastly, he served as the Senior Construction Manager of the Brunel International S.E.A. Pte Ltd from November 2016 to May 2019 doing Engineering and Project Management of a Chemical production Plant for Evonik S.E.A. Pte Ltd. Currently, he is the President of Gadian Project Management Corporation since June 2019.

**MR. WARLITO P. GUERRA**

Director Warlito P. Guerra was appointed as PPMC Director on November 8, 2016. He has a Bachelor's degree dual major in Economics and Computer Science from the University of Michigan in Ann Arbor. He attended graduate program in government at Harvard University; earned Certificate in Public Policy from Harvard Kennedy School Executive Education; and Executive Education in Enterprise Architecture from Carnegie-Mellon University. In addition, he is a Certified PPP Specialist from the Institute of Public-Private Partnerships in Washington DC and a completer of the Leadership and Management Development Certification Program at the Civil Service Institute in 2017.



Dir. Guerra has more than 20 years working in the area of transformation of both business and technology architecture and experienced in business case development, deal structuring and financial modeling. He worked as a System Analyst for Eli Lilly Corporation; a Software Engineering Consultant for Rational Software and Computer Sciences Corporation; a Software Engineer for General Dynamics Land Systems; and Managing Director for Benchmark Logic, LLC. He also held positions as Chairman of the Remote Reliance Inc. and a Board Director of Metrolink Construction & Dev't Corporation.

Aside from being a Board Director of PPMC, Dir. Guerra is presently the Chairman/President of Ibaan Group Holdings Inc.; the Managing Director of Gles Venture Incorporated; President of Tremonte Group Inc.; and Board Trustee of Technology Advocacy Group Inc. and Batangas State University Kist Technopark. He is also affiliated with the Philippine Economic Society and Philippine Chambers of Commerce & Industries – Batangas.

MR. EDWIN D. RODRIGUEZ

Director Edwin D. Rodriguez was appointed as PPMC Director on March 15, 2021.

Director Rodriguez graduated with a bachelor's degree in Tourism from the University of Santo Tomas in 1985 and a Doctorate degree of Philosophy in Public Administration major in Good Governance from the Brethren Evangelical School of Theology in 2018. He served as a Barangay Captain in Barangay Sacred Heart, District IV, Quezon City from 1994 to 1995; a former Member of the Board of Directors of Clark Development Corporation from 2016 to 2019, wherein he held the Chairmanship of Human Resources, Nominations & Organizational Development Committee and membership in Business Tourism, Executive Committee; and Corporate Governance and Risk Management Committee. He also held positions such as President of the Rotary Club of Pasay – Mia District 3810, Quezon City Coordinator of the Friends of Rody Duterte (FoRD), and Secretary-General, Quezon City Council of the PDP Laban. Currently, Director Rodriguez is the President and CEO of RCS Logistics, Phils., Inc. since 1990.





MR. EDGAR T. SANTOS

Director Edgar T. Santos was appointed as a Director of PPMC on January 20, 2017. He holds a degree in Marine Transportation from the Philippine Merchant Marine Academy and was a 3rd Made Officer.

Director Santos held positions a member of PADPAO and held positions such as a Member of the Board of Trustees of the Makati Tourism Foundation Incorporated and Gusi Peace Prize Foundation Incorporated.

MR. NICKY A. OLLER

Director Nicky A. Oller was appointed as PPMC Director on September 6, 2021. He is a former Municipal Councilor of the LGU Tubao, La Union.

Director Oller holds a degree in Business Administration and a master's degree in Management major in Public Administration from the Philippine Christian University, through the Philippine Councilors League - Legislative Academy (PCL -LA). He started from humble beginnings working as a Construction Worker, a Jeepney Driver, Broomcorn Maker and served as Bodyguard for Congressman Bernardo Vergara in Baguio City. He worked as an OFW in Brunei Darussalam and later on put up his own businesses – Cindy's Bakeshop Tubao Branch, VHF rental shop, and started various construction projects as a Sub-Contractor.

In 2001, Director Oller eventually entered into Politics and served multiple terms of office as Municipal Councilor of the Local Government of Tubao, La Union until 2010. He was re-elected and continued his service as Municipal Councilor from 2013 to 2019 wherein he held Chairmanship in Committees on Peace and Order, Finance and Appropriations and Infrastructure and Vice Chairmanship in Committee on Health. He also held positions in the Philippine Councilors League (PCL) such as a Member of the Board of Directors – Region 1; and various positions in the PCL – La Union Chapter throughout his terms as a Municipal Councilor. In addition, he was awarded as Best Municipal Councilor in the Province of La Union in 2009; a nominee for the National Best Municipal Councilors in 2009.

Aside from being a former public servant, Director Oller is also a Licensed Nutritionist HERBALIFE Coach Supervisor; a Top Financial Advisor of AXA Insurance Company in the Philippines; a Consultant Agent for the National Bureau of Investigation (NBI) appointed by NBI Cordillera Administrative Region Director General Eric Distor; and presently, the President of La Union Prime Eagles Club (LUPEC); and MASADA Region 1 Convenor.



MR. ARMANDO M. SEDENTARIO

Director Armando M. Sedentario has joined the PPMC Board of Directors after his appointment on April 6, 2017.

Director Sedentario is a graduate of Bachelor of Arts major in English and Philosophy from the Saint Francis Xavier College Seminary in 1988 and enrolled in various trainings and courses in Sales and Marketing. Prior to his government service, he worked as a Medical Representative for Sydenham Pharmaceuticals; an Area Sales Coordinator for Royal Trade General Merchandising Corporation; a District Sales Head for Development Corporation; a Field Unit Manager of Mighty Corporation; a District Sales Manager of Mega Fishing Corporation; and a Key Account Specialist of Serg's Products Incorporated and Zuellig Distributors Incorporated. At present, he is a Consultant to the Office of the General Manager of the National Housing Authority.

MR. JEREMIAS A. SINGSON, JR.

Director Jeremias A. Singson Jr. was appointed as a Director of PPMC in September 27, 2017. He was also elected as the PPMC Corporate Treasurer from 2017 to present.

Director Singson has a bachelor's degree in Business Administration at the Philippine School of Business Administration in 1993. He was the owner of Ciudad Fernandina Antique Shop from 1993 to 1997; a Project Manager of 888 Construction from 1998 to 2000; a Branch Manager of Kuryente Electrical Supply from 2000 to 2010; an Agent of Mapfre Insular from 2003 to 2018; and Agent for Merchantile Insurance Corporation from 2018 to present. Currently, he is the Supervisor of Gold Star Emission Testing located in Vigan City, Ilocos Sur, since 2010.



LEGAL COUNSEL/CORPORATE SECRETARY

ATTY. MARLOU P. PACLEB

Atty. Marlou P. Pacleb, PPMC's Legal Counsel was elected as PPMC's Corporate Secretary on November 2017. He finished Bachelor of Laws at the University of the East, Manila and practiced as a Private Lawyer before his employment to PPMC as Legal Counsel in 2011. Aside from acting as PPMC's Corporate Secretary, he caters to the legal needs of PPMC's operations and is deputized by the Office of the Government Corporate Counsel (OGCC) to appear in court on cases where PPMC is a party litigant.



BOARD COMPOSITION

As of December 31, 2021

CHAIRMAN: VACANT**MEMBERS:****ATTY. FELIX S. RACADIO**

Director and President and CEO (OIC Chairman)

Date of Appointment: January 20, 2017

Age: 69

Committee Membership:

Chairman, Legal and Regulatory Concerns Committee

Chairman, Executive Committee

Chairman, Nomination and Remuneration Committee

Member, Investment and Promotions Committee

MR. JEREMIAS A. SINGSON, JR.

Director and Corporate Treasurer

Date of Appointment: September 27, 2017

Age: 51

Committee Membership:

Chairman, Finance Committee

Member, Human Resources Committee

Member, Investment and Promotions Committee

Member, Executive Committee

Member, Infrastructure Committee

MR. JOEL G. CARINGAL

Director

Date of Appointment: April 6, 2017

Age: 66

Committee Membership:

Chairman, Human Resources Committee

Member, Audit and Risk Oversight Committee

Member, Nomination and Remuneration Committee

Member, Investment and Promotions Committee

Member, Infrastructure Committee

Member, Legal and Regulatory Concerns Committee

Member, Corporate Governance Committee

Member, Special Projects Committee

MR. EDWIN D. RODRIGUEZ

Director

Date of Appointment: March 15, 2021

Age: 58

Committee Membership:

Member, Investment and Promotions Committee

Member, Finance Committee

Member, Infrastructure Committee

Member, Special Projects Committee

MR. WARLITO P. GUERRA

Director

Date of Appointment: November 8, 2016

Age: 45

Committee Membership:

Chairman, Investment and Promotions Committee

Member, Audit and Risk Oversight Committee

Member, Human Resources Committee

Member, Infrastructure Committee

Member, Finance Committee

Member, Special Projects Committee

MR. EDGAR T. SANTOS

Director

Date of Appointment: January 20, 2017

Age: 63

Committee Membership:

Chairman, Audit and Risk Oversight Committee

Chairman, Special Projects Committee

Member, Executive Committee

Member, Human Resources Committee

Member, Nomination and Remuneration Committee

Member, Infrastructure Committee

Member, Finance Committee

Member, Investment and Promotions Committee

Member, Audit and Risk Oversight Committee

Member, Legal and Regulatory Concerns Committee

Member, Corporate Governance Committee

MR. ARMANDO M. SEDENTARIO

Director

Date of Appointment: April 6, 2017

Age: 54

Committee Membership:

Member, Investment and Promotions Committee

Member, Infrastructure Committee

Member, Legal and Regulatory Concerns Committee

Member, Corporate Governance Committee

Member, Finance Committee

ENGR. ENRICO G. GADIAN, JR.

Director

Date of Appointment: September 6, 2019

Age: 54

Committee Membership:

Member, Investment and Promotions Committee

Member, Infrastructure Committee

Member, Legal and Regulatory Concerns Committee

Member, Corporate Governance Committee

Member, Finance Committee

MR. SERVILLANO C. FLORES, JR.

Director

Date of Appointment: August 25, 2020

Age: 67

Committee Membership:

Chairman, Infrastructure Committee

Member, Corporate Governance Committee

Member, Investment and Promotions Committee

Member, Special Projects Committee

MR. NICKY A. OLLER

Director

Date of Appointment: September 6, 2021

Age: 55

Committee Membership:

Chairman, Corporate Governance Committee

Member, Finance Committee

Member, Infrastructure Committee

Member, Investment and Promotions Committee

Member, Audit and Risk Oversight Committee

Member, HR Committee

Member, Nomination and Remuneration Committee

Member, Corporate Governance Committee

CORPORATE SECRETARY:

ATTY. MARLOU P. PACLEB**BOARD COMMITTEES COMPOSITION****AUDIT AND RISK OVERSIGHT COMMITTEE****Chairman:** Dir. Edgar T. Santos

Members:

Dir. Warlito P. Guerra

Dir. Joel G. Caringal

Dir. Nicky A. Oller

NOMINATION AND REMUNERATION COMMITTEE**Chairman:** Atty. Felix S. Racadio

Members:

Dir. Joel G. Caringal

Dir. Edgar T. Santos

Dir. Nicky A. Oller

HUMAN RESOURCES COMMITTEE**Chairman:** Dir. Joel G. Caringal

Members:

Dir. Warlito P. Guerra

Dir. Edgar T. Santos

Dir. Jeremias A. Singson Jr.

Dir. Nicky A. Oller

INVESTMENT AND PROMOTIONS COMMITTEE**Chairman:** Dir. Warlito P. Guerra

Members:

Atty. Felix S. Racadio

Dir. Joel G. Caringal

Dir. Armando M. Sedentario

Dir. Edgar T. Santos

Dir. Jeremias A. Singson Jr.

Engr. Enrico G. Gadian Jr.

Dir. Servillano C. Flores Jr.

Dir. Edwin D. Rodriguez

Dir. Nicky A. Oller

-

INFRASTRUCTURE COMMITTEE**Chairman:** Dir. Servillano C. Flores Jr.

Members:

Engr. Enrico G. Gadian Jr.

Dir. Joel G. Caringal

Dir. Warlito P. Guerra

Dir. Edgar T. Santos

Dir. Jeremias A. Singson Jr.

Dir. Armando M. Sedentario

LEGAL AND REGULATORY COMMITTEE**Chairman:** Atty. Felix S. Racadio

Members:

Dir. Joel G. Caringal

Dir. Armando M. Sedentario

Dir. Edgar T. Santos

Engr. Enrico G. Gadian Jr.

CORPORATE GOVERNANCE COMMITTEE**Chairman:** Dir. Nicky A. Oller

Members:

Dir. Joel G. Caringal

Dir. Edgar T. Santos

Dir. Servillano C. Flores Jr.

FINANCE COMMITTEE**Chairman:** Dir. Jeremias A. Singson Jr.

Members:

Dir. Warlito P. Guerra

Dir. Edgar T. Santos

Dir. Armando M. Sedentario

Dir. Enrico G. Gadian Jr.

Dir. Nicky A. Oller

SPECIAL PROJECTS COMMITTEE**Chairman:** Dir. Edgar T. Santos

Members:

Dir. Joel G. Caringal

Dir. Warlito P. Guerra

Dir. Servillano C. Flores Jr.

Dir. Edwin D. Rodriguez

EXECUTIVE COMMITTEE**Chairman:** Atty. Felix S. Racadio

Members:

Dir. Edgar T. Santos

Dir. Jeremias A. Singson Jr.

HUMAN RESOURCES MANAGEMENT AND DEVELOPMENT

Safeguarding the Health and Welfare of PPMC's Stakeholders

Poro Point Management Corporation (PPMC) through its Occupational Safety and Health Committee, implemented the Policy on the Prevention and Control of COVID-19 in PPMC and in the Poro Point Freeport Zone. The said policy was approved in 2020 at the onset of the global pandemic to safeguard the health and safety of PPMC's stakeholders, Board of Directors, officers and employees. PPMC monitored its various locators inside the PPFZ to ensure their compliance with the aforesaid policy.

PPMC continued to provide vitamins and personal protective equipment to its employees, enforced minimum public health standards and conducted regular disinfection of all offices. Alternative work arrangements were implemented pursuant to legal issuances of the national government and local government units.

Human Resources Development

Despite the constraints and restrictions brought about by COVID-19, PPMC was able to provide varied and numerous human resource development (HRD) interventions leveraging on the use of various IT platforms and web-based applications.

For CY 2021, the following learning and development sessions were attended by employees:

1. Data Privacy Awareness and Compliance Seminar;
2. PR Congress;
3. Training Workshop on Data Privacy Act;
4. Orientation on PPMC's Performance Scorecard;
5. Webinar on Basic Records and Archives Management;
6. Automotive Battery Servicing;
7. Housekeeping NC II
8. PhilHealth Virtual Employers' Forum;
9. Online Workshop on R.A.10752;
10. Webinar on Alternative Dispute Resolution;
11. 1st Monitoring and Evaluation Forum;
12. Training on Philippine Bidding Documents;
13. Webinar entitled, Gearing Towards the Better Normal: Upholding Organizational Excellence Amid COVID-19 Crisis;
14. Training on Procurement Planning and Preparation of the Project Procurement Management Plan (PPMP) and Annual Procurement Plan (APP);
15. Webinar on Social Media Marketing;
16. Training on R.A. 9184 Government Procurement Reform Act (8th Edition) and its 2016 Revised Implementing Rules and Regulation;
17. Training on Preparation of the Procurement Monitoring Report (PMR) and Agency Procurement Compliance and Performance Indicators (APCPI);
18. Webinar on Virtual Event Hosting;
19. Training on Contract Implementation and Administration;
20. Virtual Freedom of Information (FOI) Hangouts for Receiving Officers and Decision Makers;
21. Episode 7 and 8 of the Alternative Dispute Resolution (ADR) Webinar Series;
22. Webinar on RA 9160 of the Anti-Money Laundering Act;
23. Webinar 4: Beyond Attribution: Use of the HGDG to mainstream GAD Elements in the Project Development Cycle;
24. Managing Records Disposition Program: Standards and Best Practices;
25. Philippine Quality Award (PQA) Assessors Preparatory Course E-Learning Program;

26. Online Training on the Harmonized Gender and Development Guidelines (HGDG) for Project Development;
27. Providing Table Services;
28. Establishment of the Records Management Program in the Government Office;
29. Re-echo Training on Basic Records and Archives Management; and
30. ISO 14001:2015 Awareness Training.

Recertification of PPMC's Quality Management System under ISO 9001:2015

Since 2015, PPMC's Quality Management System has been ISO-Certified. In 2018, PPMC transitioned to the latest ISO 9001:2015 standard and was awarded its certificate on November 30, 2018.

On December 12, 2021, PPMC underwent a Re-Certification Audit which was conducted by TUV NORD Philippines, Inc. PPMC passed the audit with flying colors for the renewal of its Certificate under ISO 9001:2015.

Above 90% Stakeholders Satisfaction Rating for the 7th Consecutive Year

Stakeholders Satisfaction is one of PPMC's strategic objectives. One of the metrics used by the Governance Commission for Government Owned or Controlled Corporations (GCG) and Bases Conversion and Development Authority (BCDA) in assessing PPMC's performance is percentage of stakeholders which rated PPMC's services as satisfactory or very satisfactory. The performance target set by GCG was that, at least 90% of PPMC's stakeholders rated PPMC's services as satisfactory or very satisfactory.

The survey results of the conduct of Stakeholders Satisfaction Survey for CY 2021 showed that 90.9% of the respondent Lessees and Licensees registered an overall rating of Satisfied or Very Satisfied on PPMC services, thus, exceeding PPMC's target of 90%.

Using the same Guidelines issued by GCG, PPMC likewise required Saint Louis College to conduct a satisfaction survey of PPMC's stakeholders such as local government units, national government agencies and aviation schools. The survey results showed that 94.74% of the respondents were satisfied with PPMC's delivery of services.

Since year 2015 when the stakeholders satisfaction survey was institutionalized as one of PPMC's strategic objectives, PPMC has consistently exceeded its performance target.

Compliance with Good Governance Conditions

PPMC has sustained its commitment to good governance and has consistently complied with good governance conditions required of all government agencies and government owned and controlled corporations ensuring transparency, accountability and integrity in all aspects of its operations.

PPMC adhered to the posting of the Transparency Seal on PPMC's website. The Transparency Seal includes information on PPMC's mandates and functions, names of officials with their position and designation. It also covers PPMC's annual report detailing its operational and financial reports, its corporate approved budget and targets, major programs and projects as well as their status of implementation.

In addition to the aforesaid Transparency Seal, PPMC observed the posting requirements using the Philippine Government Electronic Procurement System (PhilGEPS) in accordance with Republic Act No. 9184, otherwise known as the Government Procurement Reform Act (GPRA) and its Revised Implementing Rules and Regulations (IRR) to promote transparency in all procurement activities and ensure widest dissemination of procurement opportunities. Procurement Monitoring Reports were regularly submitted to the Government Procurement Policy (GPPB) and likewise posted on PPMC's website.

PPMC also conducted and submitted its Agency Procurement Compliance Indicator Assessment to GPPB.

In compliance with Republic Act 11032, otherwise known as the Ease of Doing Business and Efficient Government Service Delivery Act of 2018, PPMC's Citizens Charter was updated to its latest edition in March 2021. This is also in view of its continuing efforts to streamline and improve its processes and in compliance with Memorandum Circular No. 2020-06, the Guidelines on the Issuance and/or Reinstitution of Permits and Licenses under the "New Normal."

In addition, the PPMC Committee on Anti-Red Tape attended the Training provided by the Anti-Red Tape Authority last December 6-7 & 13-14, 2021 in compliance with Memorandum Circular No. 2021-09 on the Issuance of the Whole-of-Government Reengineering Manual.

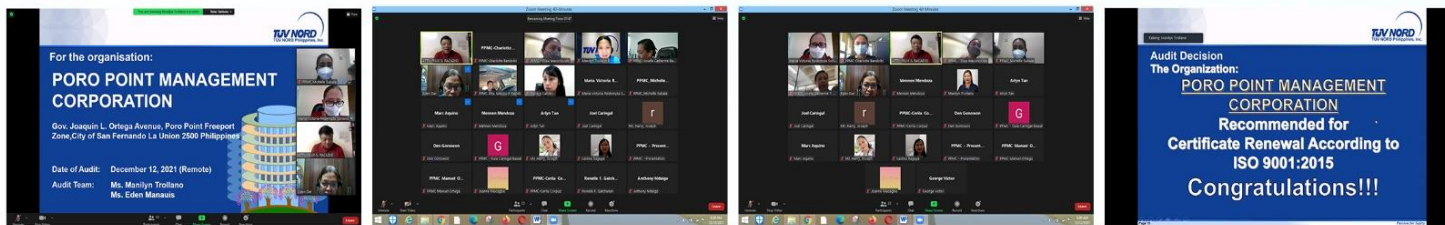
In accordance with the Code of Conduct and Ethical Standards for Public Officials and Employees or Republic Act No. 6713, the Board of Directors and employees of PPMC complied with the submission of Statement of Assets, Liabilities and Net Worth and Disclosure of Business Interests and Financial Connections (SALN).

In addition to the aforesaid good governance conditions required of government agencies and GOCCs, PPMC consistently met the conditions required by the Governance Commission for Government Owned or controlled Corporations.

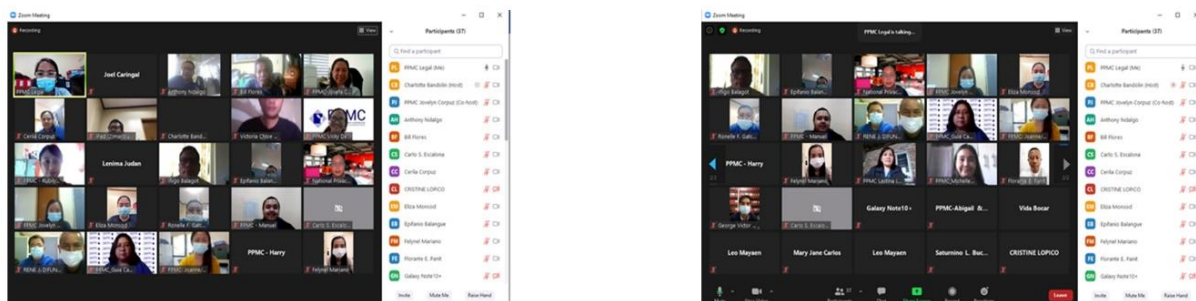
PPMC has satisfied all its statutory liabilities including payment of taxes and has complied with government accounting audit rules and regulations on cash advances and liquidations.

For four (4) straight years, PPMC has remitted dividends to the Department of Finance.

ISO 9001:2015 Re-certification Audit



Privacy Impact Assessment, Privacy Management Program and Breach Management Procedures February 16, 2021



1. Health Component

In line with Poro Point Management Corporation's (PPMC) mandate as a socially responsible corporate citizen, PPMC has undertaken programs, initiatives and actions that aimed to mitigate the impact of COVID-19 not only within PPFZ/PPMC, but also on other individuals and organizations outside of it.

Thus, on May 15, 2020, PPMC adopted a Policy on the Prevention and Control of COVID-19 in PPMC and in the PPFZ based on the Interim Guidelines on Workplace Prevention and Control of COVID-19 issued by the Department of Trade and Industry and Department of Labor and Employment. Subsequent amendments to the said policy were made when DTI and DOLE issued a Joint Memorandum Circular No. 20-04-A, Series of 2020 on August 15, 2020.

Last year, PPMC, together with the initiative of the National Task Force (NTF) against COVID-19, Regional IATF, Provincial Government of La Union, City Government of San Fernando, La Union, Philippine Arena Team, Bases Conversion and Development Authority, John Hay Management Corporation and other local government units held two Free COVID-19 RT-PCR Tests that benefited a total of 3,295 beneficiaries under the Aggressive Community Testing (ACT) Program of the government to strengthen the country's capacity in massive covid testing to contain the spread of the virus.

For CY 2021, a series of orientation on COVID-19 prevention and control has been conducted that include importance of vaccination and other health related information. PPMC through its Community Development Officer shared relevant information on the Prevention and Control of COVID-19 in PPMC, in the Poro Point Freeport Zone and PPFZ impacted barangays.

PPMC coordinated with the partner agencies for the conduct of Bloodletting Program. This will be in partnership with the Department of Health- Ilocos Training Regional Medical Center (DOH-ITRMC). The activity has been set for the first quarter of CY 2022.

2. Education and Environment Component

- PPMC supported the coastal clean-up drive inside the Poro Point Freeport Zone which was conducted by our partner agencies from the Philippine Air Force (PAF) and Philippine National Police (PNP). This include the following activities:
 - Collection of trash at the Poro Point Baywalk & Event Center and the Lighthouse area; and
 - Coastal clean-up along the San Fernando Bay.
- PPMC's Community Development Officer attended the Monthly Partnership Meeting of Poro Marine Protected Area (MPA) Council in coordination with the City Government Environment and Natural Resources Office of San Fernando La Union and Institute of Social Order- Ateneo.
- PPMC supported the National School Maintenance Week dubbed as Brigada Eskwela. PPMC assisted the project by providing resources to the DepEd- Nagyubuyuban Integrated School for the Establishment of a Hand Sanitation Facility. The project aims to prepare the school for the New Normal DepEd Distance Learning or Modular Delivery Learning Program as a result of COVID-19 pandemic.
- PPMC discussed with PPFZ impact barangays to further identify the needed programs as a result of COVID-19 pandemic for integration in PPMC's Community Development Program

- PPMC supported the indigent families of the Poro Point Freeport Zone (PPFZ) impacted barangays who were affected by the COVID-19 pandemic. This activity benefitted a total of 308 families.
- PPMC also participated in the Community Validation on the local Cultural Mapping Project by the City Government in partnership with the National Commission for Culture and Arts.

3. Livelihood Component

• Employment Generation

One of the major goals of the bases conversion and development program is the creation of jobs to benefit the local communities.

Since the creation of the Poro Point Special Economic and Freeport Zone and eventually the Poro Point Freeport Zone, livelihood opportunities have been generated for the impact areas.

Thousands have been directly employed by the locators and contractors doing business inside the zone.

The data on employment generation for CY 2021 are as follows:

YEAR	TOTAL EMPLOYMENT GENERATED
As of December 31, 2021	1,528, of which, 720 pertains to job opportunities from Arrastre and Stevedoring Services



PPMC supported the indigent families of the peninsular barangays of the Poro Point Freeport Zone who were affected by the COVID-19 pandemic.

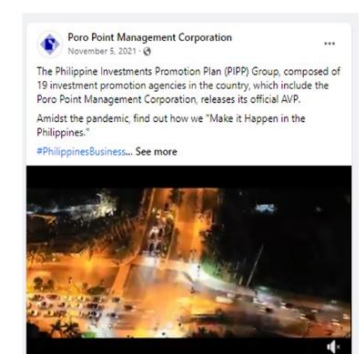
PUBLIC RELATIONS

Poro Point Management Corporation (PPMC) through its Public Relations, ensures the company's growth and innovation by continuously using technology in the new normal. As PPMC continued to face 2021 with challenges brought by the COVID-19 pandemic, PPMC ensured that the public was well-informed thru the use of social media thru PPMC's Official Facebook Page and website.

PPMC's PR role in social media management for PPMC's official Facebook page included daily monitoring of queries, sharing of locator's announcements, posting of PPMC's activities, events and other business-related articles. Messages and inquiries were ensured to be answered within 24 hours, giving the page a higher response rating. Additional likes and followers were also warranted to ensure PPMC's more exposure to social media. Since the pandemic has given restrictions, legal issuances, and pertinent resolutions of COVID-19 from the Inter-Agency Task Force on Emerging Infectious Diseases (IATF-EID), Office of the President, Department of Health, Department of Labor and Employment, Local Government Units and other relevant government agencies have been monitored and posted thru social media. These information were also shared to PPMC Employees as well. Weather, holiday updates and other business-related information were also posted and shared on the page.

PPMC ensured that advisories were posted and readily available on the Facebook page. The following were some of the topics posted:

1. New Year Card Greeting
2. PPMC's 18th Founding Anniversary
3. PPMC's Article on the BCDA 2020 Q2 Collective Newsletter
4. Chinese New Year Card Greeting
5. Ash Wednesday Reminder
6. Lenten Season Post
7. Baywalk Closure due to RFID Caravan
8. February 25 EDSA Special Non-Working Holiday
9. 71st La Union Founding Anniversary
10. International Women's Day Posting
11. Silag Poro Point Festival of Lights Cancellation
12. PPMC's Article on the BCDA 2020 Q3 Collective Newsletter
13. Araw ng Kagitingan
14. Labor Day
15. PPMC's Article on the BCDA 2020 Q4 Collective Newsletter
16. Eid'l Fitr advisory
17. Araw ng Kalayaan post
18. Baywalk Advisory due to lifting of GCQ and declaration under MGCQ
19. Ninoy Aquino Day advisory
20. Baywalk Closure & Opening announcements due to various community quarantine classifications
21. Blessed Virgin Mary Birthday post
22. Department of Finance's social media post announcing the launch of the FIRB website
23. Kainang Pamilya Mahalaga Day
24. PPMC Directory and Skeletal schedule due to MECQ October 1-14, 2021
25. All Saint's Day post
26. 2021 Observance of the 18-Day Campaign to End Violence Against Women (VAW)
27. AVP of Philippine Investment Promotion Plan
28. Providing Table Services;
29. Establishment of the Records Management Program in the Government Office; and
30. Re-echo Training on Basic Records and Archives Management.



PPMC's Facebook page has also become an avenue to promote PPMC's activities within the zone. PR provided support for various events and activities by creating articles and taking pictures and were posted to endorse the activities and events. Some of these activities were:

1. Autosweep and Easytrip Caravan
2. Fire Prevention Month Motorcade
3. Fire Drill at LEIAAI
4. PPMC's completion of road projects in the Poro Point Freeport Zone was highlighted during President Rodrigo Roa Duterte's SONA
5. CFR's response to IQC Warehouse fire incident
6. PPMC Certification Renewal for ISO 9001:2015



PPMC ensured its contributions to the BCDA Collective Newsletter. Quarterly articles have been created and submitted to the BCDA 2021 Collective newsletter.

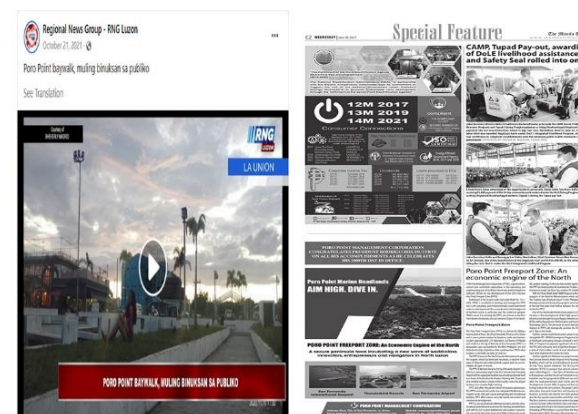
1. Q1 Collective Newsletter featuring Thunderbird
2. Q2 Collective Newsletter featuring Student Pilot from LEIAAI and AAG
3. Q3 Collective Newsletter featuring Manny Pakwan of Love Radio La Union and #BakunaMuna at the Poro Point Freeport Zone
4. Q4 Collective Newsletter featuring children from La Union

PPMC participated in various media exposure through creation and publication of Ads and news interview.

1. Baywalk Interview of Atty. Pacleb with Regional News Group
2. PPMC's Ad and Advertorial at the Manila Times Special Feature on President Rodrigo Roa Duterte's 2000th Day in Office
3. PPMC Ad for Manila Times Special Feature Final Checklist before takeoff-in 2022"-Year-End Report

PPMC continuously supported the government and private agencies in their events while sustaining partnership involving stakeholders to promote the development of the Poro Point Freeport Zone. As the pandemic has made social gatherings and meetings not possible, PPMC made sure to strengthen its linkages with the public by participating on online meetings, trainings and virtual pressers. PPMC also joined and participated in various webinars to boost knowledge and continue learning on various topics. The following were some of the online meetings and trainings attended:

1. NEDA Caravan
2. BPS Media Lecture Webinar
3. Data Privacy Act Training
4. 27th National Public Relations Congress
5. COVID-19 Communication Training of Trainers
6. 4th Run Social Media Marketing and Management
7. Virtual Event Hosting
8. PRSP's "How to Package a Winning Anvil"



HIGHLIGHTS OF CY 2021 CORPLAN WORKSHOP

The Poro Point Management Corporation (PPMC) Board of Directors and Key Officers underwent a Mid-Year Performance Assessment and Corporate Planning Session held on July 16, 2021 via ZOOM Conferencing.

The PPMC Board of Directors set the policies and broad directions in pursuit of PPMC's mandate and pursuant to BCDA policy direction for PPMC as well as the guidelines of Governance Commission for Government-Owned or Controlled Corporations (GCG). These in turn were translated by management to strategies, programs and projects which will guide the day-to-day decisions and actions of all employees.

I. Mid-Year Performance Assessment

The 2nd quarter CY 2021 PPMC Performance Scorecard was presented and discussed to assess the performance and identify initiatives and control mechanisms to be able to meet the targets and achieve the objectives of the organization.

II. Vision-Mission

During the Corporate Planning Session, the Charter Statement and Strategy Map was revisited and was retained.

A. Vision

"By 2030, Poro Point Freeport Zone, also known as the Poro Point Marine Headlands shall be an Economic Engine of the North."

The VISION Statement was retained to align with the new CIMDP for Poro Point Freeport Zone. Based on the CIMDP, these are the principles and strategies behind the vision for PPFZ.

- Simple and straightforward, the name Poro Point Marine Headlands is descriptive of the area's unique geography
- A secure peninsula town incubating a new wave of world-class innovators, entrepreneurs and navigators in North Luzon
- Combination of the different highlights found within Poro Point – headlands, water activities, beaches, marine life, marine history, aviation training, IT infrastructure and the lighthouse.
- Poro Point Marine Headlands is a secured peninsula offering innovation and education. Its natural assets become an avenue for learning and adventure, and with its rich marine biodiversity and aviation resources, this may be the best place to go to for flight training and ocean discovery.
- Poro Point Marine Headlands (PPMH) continues to be the gift nature molded: it is where expeditions begin and how explorers find their way home. The brightest minds of the region will have the support of the most advanced data infrastructure to realize innovations and achieve excellence in business, data systems, aviation, and maritime industries.

B. Mission

As the implementing arm of BCDA over the Poro Point Freeport Zone, PPMC is mandated to:

- Develop and manage the Poro Point Freeport Zone.
- Promote the economic and social development of Northern Luzon in particular, and the country in general.
- Ensure the conservation and protection of our environment and natural resources.

REGULATORY SERVICES

C. Core Values

- Integrity
- Stewardship
- Excellence
- Innovation

D. Strategic Objectives

1. Increased Economic Activity Within the Poro Point Freeport Zone
2. Increased Operating Profitability
3. Improved Business Environment
4. Achieve Stakeholders Satisfaction
5. Streamline Services Provided
6. Institutionalize a Quality and Environmental Management System
7. Develop a Competent and Motivated Workforce
8. Automate Key Processes

III. BCDA's Policy Direction for PPMC

During the session, Mr. Gregorio D. Garcia, BCDA Chairman, delivered his message to PPMC, which focused on how PPMC through the present Board of Directors can leave a legacy with its program and projects implemented and being implemented during this Administration.

The key points of the messages as well as the directions for PPMC were:

- PPMC should continue with its ongoing projects and projects already set in motion
- A challenge for PPMC to ensure that the projects started will be continued by the next Board of Directors
- PPFZ is one of the best-kept secret of BCDA

IV. Charting Future Direction

- Planning Areas
- Assessing Corporate Direction
- Major Issues and Challenges

The following issues were raised by the PPMC Board of Directors:

1. Timetable of Water Connectivity Project;
2. Timeline of Ongoing Bidding Projects and future Projects to be bidded out;
3. Plan for the VOA Area and its existing facilities; and
4. Inclusion of the Proposed Baywalk Structure (CAPEX Project) in PPMC plans and programs

The outputs of the Corporate Planning Session are the Five (5) - Year Business Plan and CY 2022 Plans and Programs and Operational Plan.

LOCATORS PROFILE

PPFZ Locators as of December 31, 2021

	PPFZ Locators
1	Thunderbird Pilipinas Hotels and Resorts, Inc.
2	Leading Edge International Aviation Academy, Inc.
3	Wallace Fuel Storage, Inc.
4	Poro Point Agro-Industrial Development Company, Inc.
5	Poro Point Industrial Corporation
6	Smart Communications, Inc.
7	Poro Point Marine Enterprises Corporation
8	AAG International Center for Aviation Training Corporation
9	Adeline's House of Food & Beverages and Atrium Travel and Tours
10	R Buffet
11	Soiltech Integrated Port Terminal Services, Inc.
12	Thunderbird Poro Development Ventures, Inc.
13	JS Union Oils and Trading, Inc.
14	Omni Aviation Corporation

PPFZ Registered Locators - with Certificate of Registration and Tax Exemption (PRE-CREATE) as of December 31, 2021

	PPFZ Registered Locators
1	Thunderbird Pilipinas Hotels and Resorts, Inc.
2	Leading Edge International Aviation Academy, Inc.
3	Poro Point Agro-Industrial Development Company, Inc.
4	AAG International Center for Aviation Training Corporation
5	Soiltech Integrated Port Terminal Services, Inc.
6	Thunderbird Poro Development Ventures, Inc.
7	Wallace Fuel Storage, Inc.

ENTERPRISE REGULATIONS

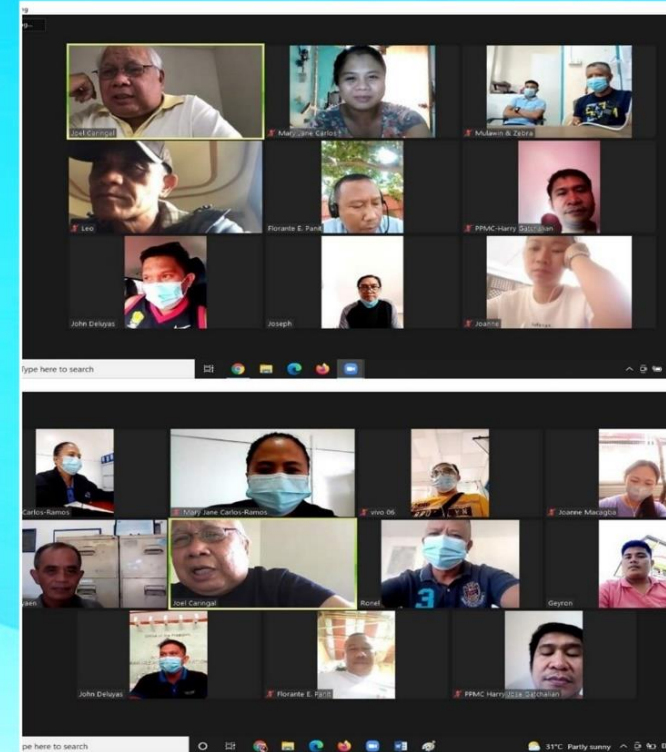
The Office for Regulatory Services - Enterprise Regulations caters to Poro Point Freeport Zone (PPFZ) Registered Business Enterprises (RBE) and Accredited Enterprises (AE) doing business inside the Poro Point Freeport Zone. The following frontline services are rendered for the issuance of permits and licenses to customers within the applicable turn-around time at the PPMC Customs Clearance Area (CCA), such as:

1. Granting of New Certificate of Registration
2. Renewal of Existing Certificate of Registration
3. Granting of New and Renewal of Existing Certificate of Accreditation or Permit to Operate
4. Issuance of Permit to Bring In Local Articles
5. Issuance of Permit to Bring In Imported Articles
6. Issuance of Permit to Bring Out Local Articles
7. Issuance of Permit to Bring Out Imported Articles
8. Issuance of Import Permit
9. Issuance of Export Clearance
10. Issuance of Gate Pass

Services under 1 to 3 are issued as Business Permits to companies doing business inside the Poro Point Freeport Zone while for Services under 4 to 10 are issued as permits or clearances to PPFZ RBEs and AEs for the movement of their goods, articles and services inside the PPFZ for PPMC to monitor the customers compliance with the applicable customs and tax laws, rules and regulations.

During the Joint Inspection of PPMC and BOC Poro District, the PPMC Customs Clearance Area has monitored a total declared value of Php 34,270,683.03 for bring in imported articles thru zone to zone transfer or thru PAGCOR authorized importations; Php 18,897,320.85 for imported articles applied through an import permit issued by PPMC; and Php13,726,169.19 worth of imported articles brought out of the Poro Point Freeport Zone upon payment of applicable duties and taxes or presentation of Surety Bond with the Bureau of Customs Poro District.

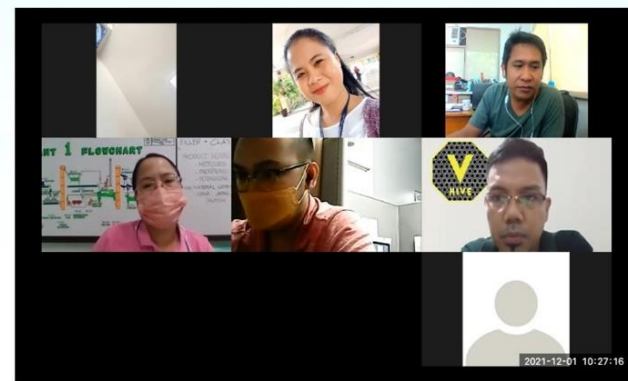
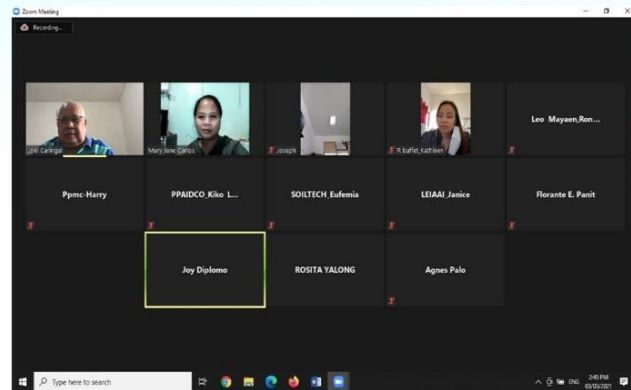
REGULATORY SERVICES



PPMC Office for Regulatory Services Meetings held via zoom



Witness card shredding with BOC and PAGCOR at TPHRI Casino



The PPFZ Quarterly Locators Meeting is conducted regularly. In 2021, the meetings were held via zoom on the following dates: 1st Quarter – March 3; 2nd Quarter - June 2; 3rd Quarter – September 1; 4th Quarter – December 1. This is a regular venue for the PPFZ Registered Business Enterprises and Concessionaires to discuss their company issues, concerns and announcements. Discussions on their compliances to PPFZ laws, rules and regulations, and policies such as Drug-Free Workplace and COVID-19 prevention were pointed out.



Inspection of imported articles with BOC Poro District and Ms. Rubilyn Cabiles, PPMC Internal Auditor

ENVIRONMENTAL MANAGEMENT AND HEALTH SERVICES

The Environment and Health Services Unit assisted health of 16 employees, responded to 6 accidents within the zone, and 3 aviation emergencies. EMHS also attended several virtual trainings such as Virtual Orientation on the Covid-19 Vaccination Program, Reiteration on Covid-19 Preparedness Measures for the Anticipated Rainy Season and the 4th Public Convention on Mental Health.



Participation During Coastal Clean-ups.



Ensuring the safety of our employees during Covid-19 pandemic by providing basic essentials like facemasks, vitamins and disinfectants to prevent the spread of virus

Conduct of Inspection of PPFZ Registered Enterprise in Compliance with ECC Conditionalites and other Environmental Laws, Rules and Regulations and Compliance with Occupational Safet and Health Standards

INFRASTRUCTURE MANAGEMENT

Implementation of Development Projects

Development of Off-site Facilities

1. Coordination with DPWH for the monitoring and joint implementation of the road for the 3 has mixed-use Commercial Area and Baywalk Area and the road leading to the Poro Point Light house and near the PAF area and at the PPMC Administration Building
2. Ongoing joint BCDA and PPMC implementation of the Construction of Ferry Port Terminal Building

Completed the Implementation of the following CAPEX Infrastructure Projects:

Construction of Various 2019 CAPEX Infrastructure Projects within the Poro Point Freeport Zone, City of San Fernando, La Union, namely:



Rehabilitation of the CAAP Quarters with Proposed Expansion



Application of Asphalt Sealant for the San Fernando Airport Runway

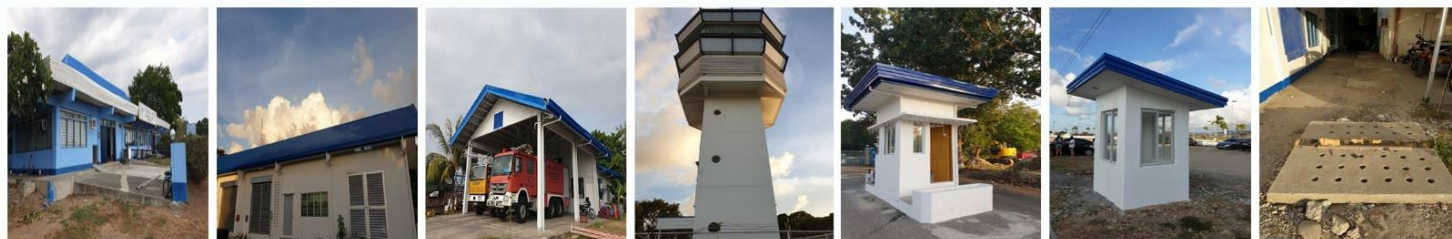


Construction of San Fernando Airport Access Road for Leasable Areas

Construction of Additional Rooms at the PPMC Administration Building



Various Repairs and Maintenance Works for BCDA Land Related Express - Lot 1



Various Repair and Maintenance Works for PPMC Sharte-Lot 2



Ongoing Implementation of the following 2021 CAPEX Infrastructure Projects:

Construction of Additional Drainage at the San Fernando Airport



Construction of the San Fernando Airport Runway Slope Protection



San Fernando Port Extension Project

Ongoing Construction of the Ferry Port Terminal Building



• Public Bidding/ Alternative Mode of Procurement for 2021 CAPEX Infrastructure Projects

1. Conducted Public Bidding for the Construction of Baywalk Structure for lease
2. Conducted the Small Value Procurement for the Consulting Services for the Georesistivity Study inside the Poro Point Freeport Zone (Mixed-Use Commercial Area and Poro Point Baywalk), Poro, City of San Fernando, La Union.

• Facilities Management- Implementation of Repair and Maintenance Works

1. Implemented the proper maintenance of electrical systems, equipment and facilities at the Airport, Administrative Building, CCA Building, Main Gate and Security Building.
2. Completed various repair works and maintenance works for CY 2021 as follows:
 - a. Improvement of the San Fernando Airport Terminal Building VIP Room namely: Installation of carpet, ceiling improvement, installation of pvc baseboard mouldings, varnishing of existing dining tables and chairs, and cabinets and installation and painting of new door and jamb of the Female Comfort Room.
 - b. Repair of toilet fixtures, water lines and plumbing leaks, replacement of bidets and repair of lavatory cabinets at the comfort rooms at San Fernando Airport Terminal Building.
 - c. Tree cutting at San Fernando Airport.
 - d. Repair of directional signages at Poro Point Baywalk and San Fernando Airport

- e. Grass cutting/cleaning/clearing at Mixed-use Commercial Area and Baywalk Area, San Fernando Airport and PPMC Admin Building vicinity
- f. Repair of destroyed perimeter fence and damaged portion of the perimeter fence at the North runway and at the South runway
- g. Repair/replacement of various plumbing fixtures at the Security and Safety Office
- h. Painting of bike lanes and pavement markers at the Poro Point Baywalk
- i. Fabrication of steel grills for Poro Point Baywalk stage comfort rooms
- j. Fabrication of concrete paver blocks as walkways
- k. Repainting of entrance signages, guardhouse in front of the PPMC Administration Building and baseboards at PPMC Administration Building
- l. Repair/replacement of plumbing fixtures at PPMC Administration Building
- m. Repainting of hallway walls and Board Room at the PPMC Administration Building
- n. Replacement of door knobs at PPMC Administration Building Comfort Room and San Fernando Airport Terminal Building Men's Comfort Room
- o. Repainting of PPMC Main Gate Signage frames
- p. Laying of conduits for the DICT GovNet Project, fiber optic cable pulling, activation/energization and speed testing of GovNet project by DICT and Fastel Services, Inc. personnel.
- q. Installation of Christmas lights and decorations at the PPMC Offices.

• Office of The Building Official

1. Strictly enforced and monitored compliance of locators/applicants with the National Building Code and its Implementing Rules and Regulations and related laws, rules and regulations.

Issuance of Building Permit of the following:

- a. Soiltech Integrated Port Terminal Services, Inc.
- b. JS Union Oils and Trading, Inc.
- c. BCDA
- d. Alpha Aviation Group

Issuance of Occupancy Permit of the following:

- a. Felix Sanchez
- b. Alpha Aviation Group

2. Evaluated the request for approval of BeyondSight Philippines, Inc. for the activity of PLDT to pass-through Fiber infrastructure in PPMC's property/facility area along the Gov. Joaquin Ortega Avenue formerly Pennsylvania Avenue to accomplish the fiber cable connection to the Philippine Ports Authority (PPA) PMO Training Center Building in order to fulfil the PPA Projects IP-VPN requirements
3. Evaluated the request of AICAT for a Fuel Cage
4. Evaluated the request for approval of Sung-il Philippines Corporation in connection to the Fiberization Project of Globe Telecom to allow them to access and proceed with the rectification activities on the adjustment of installed pole as instructed by DPWH
5. Evaluated the request of AICAT for a temporary storage and aircraft store at the Pre-Departure Area of the San Fernando Airport and expansion of their existing hangar.
6. Evaluated the request of Leading Edge International Aviation Academy, Inc. (LEIAAI) on the proposed Site Development Plan for the proposed utilization of its 1,493 sq. mtrs. Leased area as expansion lot for its maintenance support facilities.
7. Evaluated the request of DPWH/LAV Construction and Supply on their request for extended working hours and working on weekends for the construction of Navy Hangar at San Fernando Airport
8. Evaluated the request of Ditto Telecommunity for a proposed cell site location inside the Poro Point Freeport Zone
9. Evaluated the request of Ericsson Telecommunications and Smart Communications, Inc. for a proposed cell site location inside the Poro Point Freeport Zone

10. Evaluated the request of PLDT for the PAF telecommunication connection
11. Evaluated the request of AICAT for the expansion of their existing hangar
12. Evaluated the request for approval of Intele Builders and Development Corporation in connection to the request of Chevron Philippines
13. Evaluated the request of Philippine Air Force for their new Main gate
14. Evaluated the request of the Department of Public Works and Highways, La Union Engineering District for the Preventive Maintenance of the San Fernando Port Road Km 0268 + 717 - km 0269+789
15. Evaluated the request of Converge for the installation of fiber optic lines at PPFZ
16. Evaluated the request of Coastguard for the area at the San Fernando Airport for their hangar
17. Evaluated the request of work permit of Chevron thru Globe to be done by Levison Brothers
18. Evaluated the request of LUECO for the PAIDCO transformer pole
19. Evaluated the request of NICA for their proposed office building
20. Evaluated the request of Globe Telecom
21. Evaluated the request of Comclark for the National Broadband Project
22. Evaluated the request of Philippine Navy for their Communications Electronics and Information Systems Center
23. Evaluated the request of Bureau of Customs for the upgrading of their internet lines
24. Evaluated the request of Philippine Ports Authority for the upgrading of their internet lines

• Land and Assets

1. Conducted survey works for the following:
 - Centerline, elevation and alignment of the Construction of Access Road for the San Fernando Airport Leasable Areas Project
 - Conducted survey works (staking, lay-out, topographic survey and establishment of elevation for the 600 sq. m area at the San Fernando Airport to be used by the Philippine Navy as Philippine Navy hangar
2. Conducted of lay-out of the area for the following:
 - a. Various Repair and Maintenance Works for BCDA Land Related Expenses-lot 1- location of the guardhouse and sentry boxes
3. Checked the re-routing of PAF electrical posts for the proposed electrical lines of the Philippine Air Force
4. Prepared the Lot Plan with Technical Description of lot to be leased by Topflite Academy of Aviation at the San Fernando Airport
5. Conducted site inspection of the VOA and Lighthouse Area with a possible locator for a satellite base area
6. Assisted personnel from NAMRIA for the conduct of a magnetic observation at the magnetic repeat station at the San Fernando Airport
7. Assisted personnel from BCDA for the conduct of survey for the CIMDP Lot Plan
8. Conducted research works for the claim of Ms. Cherry Pimentel at the San Fernando Airport
9. Followed-up from DENR the actual survey output of the Lighthouse area
10. Assisted personnel from BCDA for the transfer of the Heirs of Ana Mayo lot to BCDA
11. Prepared location/sitemaps needed in the detailed engineering of repair and maintenance projects
12. Assisted in the ongoing processing of the reconstruction of titles (TCT Nos. 45534, 45535 and +45537)

• Others

Assisted in the following events at the Poro Point Baywalk:

1. Tax Caravan-Bureau of Internal Revenue- RDO 3 District Office
2. Findurtrip - Seabiscuits Films, Inc.
3. KYMCO KRV 180i TCS Test Ride- ECG Zoom Zone, Inc.

BUSINESS DEVELOPMENT EFFORTS INSIDE THE PORO POINT FREEPORT ZONE

2021 has been another challenging year as PPMC continues to face the Covid-19 pandemic. As PPMC continuously adapted to the changing times and to the new normal, the year 2021 provided new learnings and opportunities as the Poro Point Freeport Zone and its locators continue to recover and bounce back.

Tourism Complex

While pandemic related restrictions are still imminent, the tourism industry this 2021 has shown optimism. With the ongoing vaccine rollout, local travel requirements have gradually eased and more establishments have reopened bringing an increase in the number of domestic travelers. Thunderbird Pilipinas Hotels and Resorts, Inc. (TPHRI), despite the difficulty, has continuously implemented ways to mitigate the impact of the pandemic in the operation of Thunderbird Resorts and Casino.



TPHRI, in its efforts to recover and bounce back, has ventured into Philippine Inland Gaming Operator (PIGO) or the Remote Gaming Operations established by PAGCOR as a response to the closure and limitations on land-based gaming venues resulting from the pandemic. The remote gaming platform opened the opportunity for Thunderbird to reach out to its inactive patrons, including new ones, during the pandemic. A pre-test/stress testing and inspection by PAGCOR officials were conducted on November 26, 2021 witnessed by representatives from BCDA and PPMC. The remote gaming operation of Thunderbird casino table games was officially launched on December 9, 2021 after receiving PAGCOR's notice to commence. TPHRI intends to expand its remote gaming to its casino slots in 2022.



PAGCOR Inspection of TPHRI's Casino Remote Gaming

Poro Point Baywalk

The Poro Point Baywalk with Events Center has played a vital role in boosting tourism inside the Zone as it hosts different events and activities organized by various agencies, both government and private, and civil society groups.

In 2021, the Poro Point Baywalk was again able to host several events and activities. Since mass gatherings were still limited, a total of eight (8) events were held at the baywalk:

1. Conduct of RFID Installation
2. Bureau of Internal Revenue (BIR) Revenue District Office No. 3 Tax Caravan Kick-off activity/assembly
3. Provincial Government of La Union's video/photoshoot
4. Mock Tour of the Newly Trained Community Guide of the City Government of San Fernando, La Union
5. Provincial Government of La Union's Duathlon in celebration of the Philippine Environmental Month
6. Seabiscuit Films, Inc.'s shoot/filming of an Advertisement for Yamaha Motor Philippines
7. Test ride with a safety riding course event of KYMCO
8. Motorcade Caravan Assembly

The Department of Tourism (DOT) also included and visited the Poro Point Baywalk and the Poro Point Lighthouse for its "Slow Food, Slow Travel" Caravan.



San Fernando Airport

The two (2) aviation schools located at the San Fernando Airport, Leading Edge International Aviation Academy, Inc. (LEIAAI) and AAG International Center for Aviation Training Corporation (AICAT) continued their flight trainings and classes while strictly observing the established minimum health standards and following the health protocols and procedures.

Aviation Fuel Shed

In the first quarter of 2021, PPMC entered into a Contract of Lease with Omni Aviation Corporation for the lease of one (1) room of the newly constructed Aviation Fuel Shed at the San Fernando Airport and before the year ended, LEIAAI also leased three (3) rooms of the fuel shed.

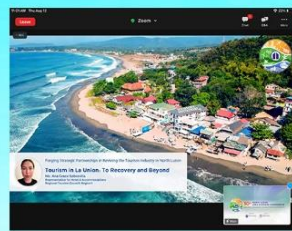


Marketing and Promotion

PPMC underscores the importance of continuously strengthening its marketing and promotional efforts for the Zone with its participation in various events, tourism and trade activities, investment forums, conferences, expo and exhibits.

With remote work and service having become staples in so many businesses and industries, virtual events, online meetings, forums and expo have likewise become the new normal. As such, PPMC participated in the following virtual events:

- Philippine Investment Forum in Taipei 2021
- 30th North Luzon Area Business Conference by Philippine Chamber of Commerce and Industry (PCCI) and North Luzon Chamber Management Forum
- 2021 Taiwan/PH Industrial Collaboration Summit
- Philippine Chamber of Commerce and Industry 47th Philippine Business Conference and Expo 2021
- Launching of Artificial Intelligence Roadmap conducted by DTI
- Virtual Global Business Forum, Philippine Business Forum and Virtual Business-to-Business Matching Event of 2020 Dubai Expo



30th North Luzon Area Business Conference



2020 Dubai Expo - Global Business Forum



47th PCCI Philippine Business Conference & Expo



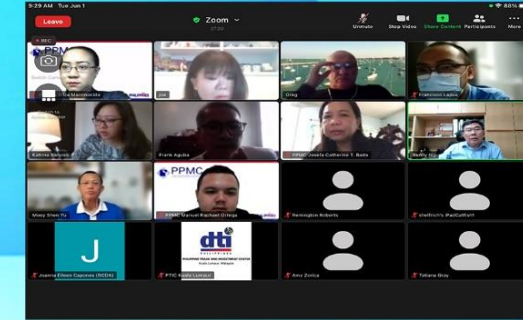
Philippine Business Forum - 2020 Dubai

For 2021, PPMC also attended meetings, presentations and ocular/site visits and responded to intents and applications of prospective locators/investors as follows:

- Vesmar Logistics Services regarding its intent to operate a port inside the PPFZ and intent to provide port services
- KMC Savills and Supima Holdings Inc. regarding the available areas/lots of the PPFZ for a prospective BPO client
- Total Information Management Corporation regarding their interest to put up a Data Center inside the PPFZ
- Huawei regarding its intent to put up cellsite towers inside the Zone for DITO Telecom and Globe Telecom
- Intent of Rotary Club of San Fernando, La Union regarding its interest to put up a bike repair station at the baywalk
- Intent of Cybercrime Investigation and Coordinating Center to establish a Cyber Threat Operation Center in PPFZ and to connect it to the Cable Landing Station
- Topflite Academy of Aviation regarding its intent to lease an area at the San Fernando Airport to establish an aviation training school
- Joint meeting with BCDA, Poro Point Agro-Industrial Development Company, Inc. (PPAIDCO), Philippine Trade and Investment Center (PTIC) Kuala Lumpur and Coilcraft – a Malaysian manufacturing company
- Broadband Broadcast Services (BBS) Pte. Ltd. Phil. regarding its intent to lease an area in PPFZ for expansion of its satellite facility

- Korean investor, JH Holdings Co., LTD., regarding intent to invest in PPFZ (Proposed Projects: Electric Motorcycle Assembly; Cryogenic/ cold chain logistic hub center and hydrogen power plant)
- Macro Asia Philippines for its proposed Desalination Project inside the PPFZ
- First Aviation Academy regarding its interest to put up a satellite office at the San Fernando Airport
- Atty. Noel Magalgalit regarding its intent to lease baywalk commercial lots for the purpose of establishing a Café, Bar and Restaurant
- Mr. Joshua Aquino regarding its intent to lease baywalk commercial lots for a proposed Restaurant/Fast Food
- National Intelligence Coordinating Agency regarding its intent to put its Regional Office inside PPFZ
- Infinivan, Inc., an internet service provider, regarding its interest to use the Cable Landing Station inside the Zone
- Prospective baywalk locator (Korean investor) interested to establish a coffee shop (Tom N Toms Coffee) at the baywalk
- La Elle Group regarding its intent to lease at Poro Point Baywalk Commercial Area for establishment of executive lounges
- Intent of La Union Quality Timber Manufacturing Corporation to lease an area for a Log Yard

Attended meetings and presentations and ocular/site visits



PPMC also supported and participated in the various online events as well as a way of continuously strengthening its linkages with public and private sector and civil society organizations. PPMC participated in the following:

- Investor Relations Working Group of the BCDA Group
- Philippine Investment Promotion Plan (PIPP) Group Technical Working Group Virtual Meetings
- PIPP- Strategic Investment Priorities Plan ((SIPP) TWG Meetings
- La Union Investment and Incentives Board Meeting and TWG Meetings
- City of San Fernando ICT Council Strategic Planning
- City of San Fernando Local Investment and Incentives Board Meeting
- Local Community Mapping Project by the City Government of San Fernando
- Meeting with Tourism Promotions Board (TPB), BCDA and its subsidiaries regarding TPB's Wayfinder and Travel Concierge project
- National Economic Development Authority (NEDA) Region 1 1st Region 1 Monitoring and Evaluation Forum



Monthly Investor Relations Working Group Meeting conducted by the BCDA Group



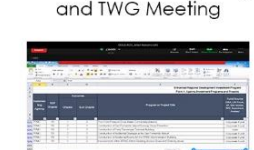
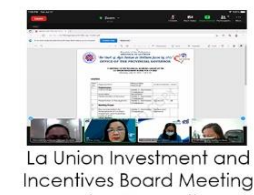
City of San Fernando Local Investment and Incentives Board Meeting



City of San Fernando ICT Council Strategic Planning



PIPP-TWG Meeting



NEDA Region 1 - 1st Region 1 Monitoring and Evaluation Forum

- NEDA Region 1 Culture Virtual Benchmarking on Preservation, Promotion and Development of Heritage Sites to NCR
- Sulong Pilipinas 2021: Partners for Progress, A Pre-State of the Nation Address (Pre-SONA) Forum of the Economic Development and Infrastructure Clusters
- Philippine and Taiwan (Taipei Economic and Cultural Office) Meeting regarding the draft MOU on the Economic Corridor Enhancement
- Rugian Ili 2021- Presentation of Program of Governance of the Provincial Government of La Union
- Philippine Competition Commission Launch of the "Organization for Economic and Cooperation Development Competition Assessment Reviews: Logistics Sector in the Philippines" and "OECD Competitive Neutrality Reviews: Small-package delivery services in the Philippines"
- House of Representatives Special Committee on Bases Conversion Regular Meeting on the deliberation of House Bill No. 8669 entitles, An Act Strengthening the Bases Conversion and Development Authority
- House of Representative Committee on Ways and Means Virtual Briefing
- House of Representative Committee on Transportation TWG Meetings

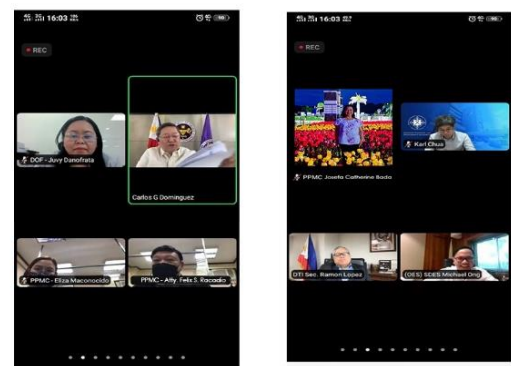


House of Representative Committee on Transportation TWG Meeting

Pre-SONA Economic Development and Infrastructures Clusters

With the passing of Republic Act No. 11534 or the Corporate Recovery and Tax Incentives for Enterprises Act or CREATE Act in April 2021, PPMC also actively participated in various consultation meetings, discussions and activities organized and conducted by the Fiscal Incentives Review Board (FIRB) regarding the newly enacted law:

- Public Consultation on the Draft IRR of the CREATE Act
- Cost Benefit Analysis (CBA) Workshop Session
- Run-through of the Cost-Benefit Analysis (CBA) Template and CBA Simulations
- Briefings and consultation meetings on Fiscal Incentives Registration and Monitoring System (FIRMS)
- Discussions on CREATE Certificate of Registration (COR), Certificate of Entitlement to Tax Incentives (CETI) and Certificate of Authority to Import (CAI)
- FIRB Town Hall Meeting



PPMC Presentation to Fiscal Incentives Review Board



1st FIRB Town Hall Meeting



2nd FIRB Town Hall Meeting



Workshop on the Cost-Benefit Analysis of the Tax Incentives



FIRB Consultation on the Draft CREATE Act IRR

For continued learning, PPMC also participated in various webinars to boost knowledge on various topics:

- Webinar hosted by Subic-Clark Alliance for Development regarding Reinforcing Regional Exchanges for Economic Recovery
- Webinar on Cost Benefit Analysis (CBA) Ex-Ante Project Analysis by the Fiscal Incentives Review Board (FIRB)
- Webinar on Laws and Regulations- Corporate Taxation and Investment Theories and Tax Expenditures by the Fiscal Incentives Review Board (FIRB)
- Webinar on Republic Act No. 11534 (CREATE) and the Strategic Investment Priority Plan conducted by Subic-Clark Alliance for Development, Clark Development Corporation and Clark Investors and Locators Association
- Webinar on Seoul Smart City Best Practices
- Webinar entitled: "The Concept Design for New Clark City Central Park" conducted by BCDA
- Webinar on Competitive Positioning of ASEAN Countries
- Webinar entitled Sustainability Summit | Building a More Sustainable Future in the Philippines by American Chamber North Luzon
- Webinar on Blockchain and Financial Technology in The Cagayan Freeport
- Webinar entitled Tax Talks: CREATE and its Implementing Regulations by Philippine Chamber of Commerce and Industry
- Webinar on Alternative Dispute Resolution



BCDA Webinar on The Concept Design for the New Clark City Central Park



PIPP-TWG Webinar on Foundations on Blockchain and Financial Technology



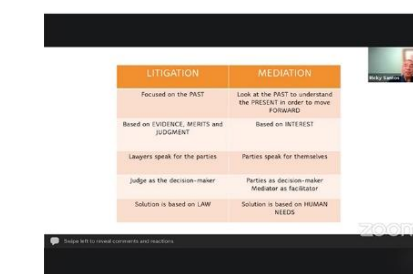
FIRB Webinar on EX-Ante Project Financial Analysis



PIPP-TWG Webinar on Immigration and Labor Procedures



PIPP-TWG Webinar on Republic Act No. 11534 and the Strategic Investment Priority Plan



Webinar on Alternative Dispute Resolution

Partnership with the Regional Development Council of Region I (RDC-I)

PPMC, as a member agency, continued its support to the Regional Development Council of Region I (RDC-I). PPMC took part and participated in the online Full Council, Sectoral and Technical Working Group (TWG) Meetings of the RDC-1.

In 2021, PPMC continuously supported the Tri-City Ferry System Initiative Project of RDC-1. With the full support and assistance of BCDA, the design and conceptual plans of the Multi-purpose Ferry Passenger Terminal Building were completed and the bidding for the project was successfully conducted. The construction of the terminal building already started in June 2021 and is expected to be completed by June of 2022.

While the construction of the Multi-purpose Ferry Passenger Terminal Building inside the PPFZ is ongoing, parallel efforts were also undertaken by the Tri-City Ferry System Initiative Project Technical Working Group for the development of the feasibility study for the project. As part of this process, and through discussions with NEDA, the PPP Center of the Philippines (PPPC) and the city mayors and representatives of Dagupan, Alaminos and San Fernando, the three cities through NEDA, requested the Cities Development Initiative for Asia (CDIA), a multi-donor trust fund managed by the ADB, to support the preparation of a feasibility study.

The Virtual Signing of the Technical Assistance Agreement for the Project Preparation Study of the Tri-City Ferry System Project was held on November 5, 2021.



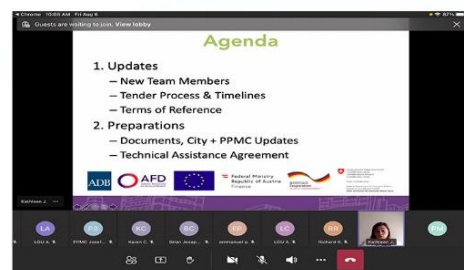
1st Regular Full Council Meeting of RDC



Ilocos Quarterly Regional Economic Situationer Consultation Meeting



RDC 1 2020 State of the Regions Development Conference



Meeting with Cities Development Initiatives for Asia for the Project Preparation Study of Tri-City Ferry System Project



Virtual Signing - Technical Assistance Agreement for the Project Preparation Study of Tri-City Ferry System Project

Airport Operation

Aircraft Traffic

The General Aviation Traffic generated 25,735 traffic movements from January to December 2021 which is 11% more than the traffic for the same period of 2020 due to increase in business activities even during COVID-19 Pandemic.

MONTH	AIRCRAFT TRAFFIC									PASSENGER MOVEMENT							
	LANDING			TAKE-OFF			TOUCH & GO			TOTAL	PAX ARR			PAX DEP			
	Aviation Schools	Military Flights	Chartered Flights	Aviation Schools	Military Flights	Chartered Flights	Aviation Schools	Military Flights	Chartered Flights		Aviation Schools	Military Flights	Chartered Flights	TOTAL			
JAN	614	36	2	620	36	2	674	0	0	1,984	2,570	73	9	2,582	73	9	5,316
FEB	1,081	0	2	1,070	0	2	1,006	0	0	3,161	4,165	0	13	4,145	0	11	8,334
MAR	1,152	8	19	1,140	8	19	927	0	0	3,273	4,145	14	53	4,126	14	48	8,400
APR	323	4	8	325	4	8	442	0	0	1,114	1,535	5	14	1,531	9	18	3,112
MAY	992	9	15	1,006	9	15	1,100	0	0	3,146	3,939	250	43	4,206	18	36	8,492
JUNE	885	18	18	871	15	18	1,049	0	0	2,874	3,859	30	51	3,799	48	59	7,846
JULY	543	8	11	542	10	11	723	0	0	1,848	2,535	24	11	2,517	30	25	5,162
AUG	60	20	25	59	20	25	161	0	0	1,218	448	27	57	426	36	68	1,062
SEPT	684	3	10	679	3	10	958	0	0	370	3,269	20	21	3,257	20	23	6,610
OCT	273	5	18	279	5	18	226	0	0	824	962	10	72	972	6	78	2,100
NOV	921	12	17	928	12	17	863	0	0	2,770	3,508	70	48	3,562	34	44	7,266
DEC	597	14	9	583	14	9	798	0	0	2,024	2,777	50	29	2,767	27	14	5,644
GRAND TOTAL	8,125	137	154	8,102	136	154	8,927	0	0	25,735	33,712	573	421	33,890	305	433	69,344

Passenger Traffic

Most of the passengers are chartered flights. Passengers of chartered flights are corporate officers and employees checking on their business interest in the area. Therefore, there was increase in passenger traffic from 62, 782 covering the period January to December 2020 to 69,344 for the same period of 2021 or 10% increase in passenger traffic brought by the increased chartered flight traffic.

Aviation Schools

Seventeen (17) Aviation Schools regularly use the San Fernando Airport for their Long Cross-Country Flight up to December 2021. These are as follows:

1. Leading Edge International Aviation Academy, Inc.
2. Omni Aviation Corporation
3. Alpha Aviation Group Philippines (AICAT)
4. WCC Aeronautical and Technical College
5. Fast Aviation Academy, Inc.
6. Delta Air International Aviation Academy
7. Aviation Link Asia Training Center
8. All Asia Aviation Academy
9. Masters Flying School Inc.
10. Fliteline Aviation School, Inc.
11. Asian Institute of Aviation
12. Strikewing Aviation Training Center, Inc.
13. Fast Link Aviation Training Center
14. Precision Flight Controls Philippines, Inc.
15. First Aviation Academy
16. Pilipinas Space and Aviation Academy, Inc.
17. Laminar Aviation PH

Chartered Flights

Eleven Chartered/Air Taxis utilized the San Fernando Airport for the period ended December 2021 brought by the increased business activities of corporate clients even during COVID-19 pandemic.

1. Lion Air
2. LEASCOR
3. National Grid Corporation of the Philippines
4. Pure Gold
5. Asian Aero Space
6. ALPHALAND
7. INAEC
8. Phil Jets Aero
9. World Aviation Corporation
10. Lepanto
11. Challenger Aero

Military Flights

1. Assisted aircraft of PAF namely C295, Chopper, Markette, UH-1H, Fokker 50, C130 and C2-121
2. Assisted King Air and Islander of Philippine Navy
3. Assisted R66 Chopper of Philippine Navy
4. Assisted Chopper and C-208 of Philippine Coast Guard

Airport Locators with Lease Contracts

1. Leading Edge International Aviation Academy, Inc.
2. Alpha Aviation Group Philippines (AICAT)
3. Omni Aviation Corporation
4. JS Union Oils
5. R Buffet

Airport Revenues

For the period ended December 31, 2021, Airport Revenues in the form of Airport Fees, Lease Rentals from Locators, Use of Aircon and Electricity of AICAT reached PhP14,868,472.76. The Revised Airport Fees Target for 2021 is PhP1,268,837.09 Actual Airport Fees for the period ended December 31, 2021 is PhP3,528,920.80 and exceeded the revenue target by one hundred seventy eight percent (178%) or PhP2,260,081.71.

Government Regulatory Agencies

1. Civil Aviation Authority of the Philippines (Air Traffic Service and Air Navigation Service)
2. Philippine National Police Aviation Security Group
3. Office for Transportation Security
4. National Telecommunications Commission

Government Structures at the Airport

1. Philippine Navy Hangar
2. BCDA and DICT Cable Landing Station

Aircraft Rescue and Fire Fighting (ARFF)

ARFF Significant Events and Activities

1. Responded Structural Fire at LUMS Clinic dated February 22, 2021.
2. Conducted Fire Drill at LEIAA Hangar dated March 16, 2021.
3. Responded to runway for RP-C803 from Flite Line Aviation due to engine trouble dated April 6, 2021.
4. Responded to west side of runway (canal) or crashed aircraft of LEIAA, Cessna 172 (Solo Flight) dated May 13, 2021.
5. Responded Structural Fire at IQC Lumber and Hardware, Poro Point SFLU dated June 17, 2021.
6. Attended "OPLAN RECAT" conducted by LEIAA dated September 14, 2021.



AICAT CESSNA 172



AICAT HANGAR



JS UNION FUEL TANK



LEIAA CESSNA 172



OMNI CESSNA 152



UNIVERSAL LEAF CHARTERED AIRCRAFT



CAAP QUARTER



PNP AVIATION QUARTER/OFFICE



JS UNION PUMPER TRUCK



NAVY HANGAR



R BUFFET



CRASH DRILL WITH LEIAA



FIRE PREVENTION MONTH



PNP CHOPPERS

SEAPORT OPERATION

Seaport Operation: Update on the Operations of the SoilTech Pier

As the seaport authority over the Soiltech Private Pier, PPMC continuously monitored its pier operation. For 2021, a total of four (4) international vessels arrived at the Soiltech Pier transporting a total of 83,620 Metric Tons of Fertilizer. PPMC was able to collect a total of Php2,825,409.34 port fees and charges as of December 31, 2021. The vessel arrival significantly reduced in 2021 by 50% as compared to the year 2020, due to the high prices of fertilizer in the world market.

a. Seaport Statistics

For the period ended Year 2021, four (4) International Vessels docked at the SoilTech Pier and discharged a total of 83,620 Metric Tons of Fertilizers.

Name of Vessel	Type of Cargoes	Volume of Cargoes
MV Tan Binh	NP 16-20-0	28,000 MT
MV Oriental Grace	NPK 14-14-14	16,800 MT
MV Bao Feng	NPK 14-14-14; NP 16-20-0	26,820 MT
MV Vinaship Gold	NP 16-20-0	12,000 MT
Total		83,620 MT

b. Seaport Revenues

For the period ended 2021, Seaport Revenues Collected in the form of Charges on Vessels, Charges on Cargoes, Pilotage fees and Berthing permit fees reached Php2,825,409.34.



2021 TREASURERS REPORT

Financial Highlights

Now on its 8th year of earning positive income, PPMC reported a Net Income of Php17,248,702.50 for the year ending December 31, 2021 as compared to last year's Net Income of Php29,752,111.08. The decrease in net income of Php12,524,815.46 was brought about by the decrease in Estate Management Fee amounting to Php11,267,900.54; decrease in regulatory fees of P2,828,701.18; decrease in miscellaneous income of Php936,834.86 and net decrease in expenses of Php2,509,771.12. As a result, the Retained earnings balance as of December 31, 2021 is now at Php22,181,794.09 which still qualifies PPMC to declare and remit dividends to the National Government.

Actual zone revenue has reached to Php87,712,564.65 as of December 31, 2021 as compared to last year's revenues of Php89,581,380.77 or a minimal decrease of Php1,868,816.11, which was brought about by the decrease in regulatory fees and miscellaneous income.

In 2021, the total approved budget of PPMC amounted to Php157,470,964.00, of which Php85,842,925.56 is for PPMC's operating expenses and Php71,628,038.44 is for BCDA's land related cost. As of December 31, 2021, PPMC generated a savings of Php19,887,123.79 for Personal Services (PS), Maintenance and Other Operating Expenses (MOOE) and Capital Outlay.

As of to date, the Commission on Audit has zero audit suspensions, charges and disallowances from the COA for the years 2014 to 2021.

I. Statement of Financial Position December 31, 2021 and 2020

	2021	2020
Current Assets		
Cash and Cash Equivalents	38,343,774.94	47,676,701.11
Investments in Time Deposits	40,533,473.79	70,830,441.48
Receivables	14,781,618.54	11,946,431.45
Inventories	1,051,287.03	990,112.44
Other Assets	1,319,508.82	1,978,717.21
Total Current Assets	96,029,663.12	133,422,403.69
Non-Current Assets		
Investments	15,015,000.00	15,015,000.00
Investment Property	116,924,764.20	93,964,611.19
Property, Plant and Equipment – net	10,561,032.03	5,284,100.50
Intangible Assets	20,476.90	20,476.90
Other Assets	1,254,265.39	1,254,265.39
Total Non-Current Assets	143,775,538.52	115,538,453.98
TOTAL ASSETS	239,805,201.64	248,960,857.67
Current Liabilities		
Financial Liabilities	10,433,211.22	7,622,431.14
Inter-Agency Payables	96,670,420.59	1,722,966.38
Intra-Agency Payables	-	73,312,691.72
Trust Liabilities	1,904,599.38	1,853,816.48
Other Payables	7,034,346.37	8,727,503.22
Total Current Liabilities	116,042,577.56	93,239,408.94
Non-Current Liabilities		
Intra-Agency Payables	18,437,109.76	18,437,109.76
TOTAL LIABILITIES	134,479,687.32	111,676,518.70
Stockholders' Equity	83,143,720.23	83,143,720.23
Retained Earnings	22,181,794.09	54,140,618.74
TOTAL EQUITY	105,325,514.32	137,284,338.97
TOTAL LIABILITIES AND EQUITY	239,805,201.64	248,960,857.67

CY 2021: Financial Position

As of December 31, 2021, PPMC's total assets stood at Php239.8 million consisting primarily of cash and investments in times deposits amounting to Php78.8 million, investment in joint venture and investment property amounting to Php15 million and Php116.9 million, respectively.

Total liabilities of Php134.4 million consist of long-term liabilities amounting to Php18.43 million and current liabilities of Php116.0 million, of which 71% represents funds released by BCDA for capital projects subject to liquidation by PPMC upon completion of the project.

Total equity in 2021 is at Php105.3 million as compared to Php137.2 million in 2020, or a decrease of Php31.9 million, attributable to the remittance of dividends to the National Government amounting to Php48.01 million for the period 2019 to 2020, and net income for 2021 of Php17.2 million, which came primarily from the savings generated by PPMC from the estate management fee.

III. Statement of Comprehensive Income For the Years Ended December 31, 2021 and 2020

	2021	2020
REVENUES		
Estate management fee	80,271,376.07	91,539,276.61
Miscellaneous	4,195,498.81	7,961,034.85
GROSS INCOME	84,466,874.88	99,500,311.46
OPERATING EXPENSES		
Personal Services	48,295,809.72	47,387,707.89
Maintenance & Other Operating Expenses	17,659,992.05	21,682,061.43
Non-Cash Expenses	1,262,370.61	678,431.06
TOTAL EXPENSES	67,218,172.38	69,748,200.38
NET INCOME/ (LOSS)	17,248,702.50	29,752,111.08

CY 2021: Results of Operations

As the Estate Manager of the Poro Point Freeport Zone, PPMC shall receive from BCDA funds for its annual operating expenses to be recorded as Estate Management Fees. The Estate Management fee for 2021 has decreased by Php11.3 million from Php91.5 million in 2020 to Php80.2 million in 2021.

Total expenses have decreased by Php2.53 million from Php69.7 million in 2020 to Php67.2 million in 2021. Major decrease in the expense is the income tax amounting to Php5.5 million as compared to last year's P9.4 million because of the decrease in net income.

In summary, PPMC earned a net income of Php17.2 million in 2021 from which PPMC will declare and remit a cash dividend equivalent to Php8.6 million (50% of net income) to the National Government.

IV. Statement of Changes in Equity For the Years Ended December 31, 2021 and 2020

	2021	2020
SHARE CAPITAL - P100.00 par value		
Authorized, issued and fully paid - 800,000 shares	68,143,720.23	68,143,720.23
Adjustments/Reclassifications	-	-
Balance at end of year	68,143,720.23	68,143,720.23
OTHER EQUITY INVESTMENTS		
Balance at beginning of year	15,000,000.00	15,000,000.00
Adjustments/Reclassifications	-	-
Balance at end of year	15,000,000.00	15,000,000.00
RETAINED EARNINGS		
Balance at beginning of year	54,140,618.74	27,182,028.36
Correction of prior years' errors	-1,191,707.93	-2,793,520.70
As restated	52,948,910.81	24,388,507.66
Dividends	-48,015,819.22	-
Net Income (Loss)	17,248,702.50	29,752,111.08
Balance at end of the year	22,181,794.09	54,140,618.74
TOTAL EQUITY	105,325,514.32	137,284,338.97

In 2021, the equity of PPMC has decreased by Php31.9 million, attributable to the following reasons:

- Remittance of dividends for CY 2019 to CY 2020 amounting to Php48.01 million
- Net Income of Php17.2 million
- Prior year adjustments amounting to Php1.1 million

V. Statement of Cash Flows For the Years Ended December 31, 2021 and 2020

	2021	2020
Cash Flow from Operating Activities		
Cash Inflow		
Opex Funds received from BCDA	79,629,259.64	90,166,677.34
Collection of Receivables	17,107,164.90	22,037,020.26
Collection of Miscellaneous Income	3,686,353.79	6,581,054.97
Proceeds from termination of investment	122,059,640.03	67,238,882.51
Total Cash Inflow	222,482,418.36	186,023,635.08

Cash Outflow		
Payment to Employees and Suppliers	-77,715,815.62	-74,308,305.90
Payment of Dividends	-48,015,819.22	0.00
Termination/reclassification of investment	-31,278,957.58	0.00
Payment of Taxes	-12,576,600.01	-14,426,649.18
Investment in time deposit	-60,000,000.00	-70,000,000.00
Total Cash Outflow	-229,587,192.43	-158,734,955.08
Net Cash Provided by (used in) Operating Activities	-7,104,774.07	27,288,680.00
Cash Flow from Investing Activities		
Cash Inflow		
Interest Received	415,927.04	1,379,979.88
Cash Outflow		
Capital Expenditure projects	-9,665,066.18	-4,106,494.91
Net Cash Provided by (used in) Investing Activities	-9,249,139.14	-2,726,515.03
Cash Flow from Financing Activities		
Cash Inflow		
Capex funds from BCDA	7,020,987.04	4,106,494.91
Net Cash Provided by (used in) Financing Activities	7,020,987.04	4,106,494.91
Net Increase in Cash and Cash Equivalents	-9,332,926.17	28,668,659.88
Add: Cash and Cash Equivalents, Beginning	47,676,701.11	19,008,041.23
Cash and Cash Equivalents, Ending	38,343,774.94	47,676,701.11

Operating

PPMC's operating cash inflow consists primarily of the OPEX funds released by BCDA amounting to Php79.6 million. Other operating cash inflows consist of collection of receivables from BCDA for land related expenses, miscellaneous income and other receivables. PPMC has placed Php60 million in short-term time deposits with government banks to maximize interest earnings.

Investing

Cash flows from investing activities resulted in a cash inflow of Php0.4 million representing interest income earned.

Financing

Cash flows from financial activities resulted in a net cash inflow of Php7.0 million representing Capex funds received from BCDA.

INTERNAL AUDIT & CONTROL

One of the fundamentals required in good governance is ensuring that internal audit controls and mechanisms are firmly established to safeguard the integrity of a company. PPMC is committed to strengthen its corporate governance structure by putting in place the formal mechanisms that will encourage enhanced internal audit function and effectiveness.

In 2021, the Internal Audit Service Office (IASO) post audited the financial records of PPMC and recommendations for improvement were rendered to ensure controls are in place and transactions are properly accounted for. Audit Reports were also submitted to the Board Audit & Risk Oversight Committee on its Monitoring of the Zone importations and on the Seaport Collection of PPMC. Also, the office reported on the Management's implementation of the Board Resolutions passed and approved by the PPMC Board of Directors.

The IASO also ensures the submission of the PPMC's updated Citizens Charter in compliance with Republic Act 11032 otherwise known as the Ease of Doing Business. Also, being a member of the Committee on Anti-Red Tape, the IASO attended the training provided by the Anti-Red Tape Authority in compliance with Memorandum Circular No. 2021-09 on the Issuance of the Whole-of-Government Reengineering Manual.

Being the ISO Internal Quality Audit Team Leader, the IASO took active participation during the PPMC's ISO 9001:2015 Recertification Audit conducted by TUV Nord Philippines, Inc. It also attended the Environmental Management System Awareness Training conducted by the Macro Vision Consultancy as preparation to PPMC's Certification on ISO 4001:2015.

The IASO has the fundamental role of assisting the Audit & Risk Oversight Committee of the Governing Board in promoting effective, efficient, ethical and economical operations by appraising the adequacy of internal controls. For the year 2021, the Audit & Risk Oversight Committee has reviewed the adequacy and effectiveness of internal controls through the reports of the Internal Auditor and as a result of the assessment, the committee is of the view that the system of internal control is operating adequately. Also, the Commission on Audit rendered an unqualified opinion on the PPMC's financial statements as of December 31, 2021 which expressed that the financial statements were presented, in all respects, in accordance with applicable financial reporting framework.

Further, the IASO conducted other internal audit activities, such as, Inspection of locators' imported materials; Conduct of Mid-year and Year-end Inventory of Supplies and Materials; Witness in the conduct of Public Biddings; Attendance in the PPMC Board Meetings, Board Audit & Risk Oversight Committee Meetings and MANCOM Meetings.

RISK MANAGEMENT

The PPMC's Risk Management Framework defines the responsibilities of the various offices in the effective and efficient identification, assessment and treatment of risks in the performance of their functions, programs or action plans ensuring the accomplishment of its objectives.

Each step of the whole process is communicated and monitored to ensure consistent application and achievement of results. PPMC continuously update its Corporate Risk Registry to ensure that identified risks are properly addressed. For CY2021, the PPMC Risk Registry was updated and the action plans on existing risks were reviewed and monitored. The Risk Registry is a consolidated database of risks per office with the corresponding assessment, analysis, evaluation and action plan. It was corporately reviewed during the PPMC Mid-year Assessment, Management Review and Year-end Assessment. It was also one of the focus area of the PPMC ISO Internal Quality Audit. The Internal Quality Auditors checked the Risk Registry per office to ensure that the risks encountered by the office were properly identified, assessed and treated. The PPMC's nature of operation are remotely exposed to financial risk, however, to ensure that funds are secured and safeguarded, the company placed it only in Government Financial Institution. This is also in compliance with the Department of Finance Circular No. 001-2015, the Revised Guidelines on authorized Government Depository Banks. Likewise, as a measure to manage operational risk on human error, PPMC endeavors to automate its Permit and Licenses System and is now currently reviewing the existing Value Added Service Provider System of the company. It also undertakes the development of its Billing and Collection System and is now in the preparation of the Information Systems Strategic Plan.

Social Risks are business actions that affect the communities around them. As estate manager, PPMC's risk involving communities pertains to the issues on land ownership inside the Poro Point Freeport Zone particularly the lots registered in the name of private individuals. PPMC communicated to these owners and advised them to write a letter of intent to sell. Also on the issues of some titled private property inside the zone which are subject for recovery, the Legal Office of PPMC is assisting the Office of the Solicitor General of the Philippines, Office of the Government Corporate Counsel and BCDA Legal Department in the reversion case filed to recover lots erroneously registered in the name of a private company.

During the period of global pandemic brought about by COVID-19, PPMC mitigated the risk on health and safety through the establishment of policies and guidelines. The Board of Directors approved the Policy on the Prevention and Control of COVID19 in PPMC and in the Poro Point Freeport Zone. PPMC also adopted the alternative work arrangements to ensure the continuity of operations without compromising the health and safety of employees. It also provided vitamins, face mask, face shield and alcohol to all the employees and regular disinfection of offices in the zone was also conducted to reduce the spread of the virus.

OFFICE OF THE LEGAL COUNSEL

A. Filed in Court:

1. Manifestation and Motion re: Civil Case No. 11042 re Amelia Dyquiango vs BCDA/PPMC and Register of Deeds
2. Manifestation and Motion re; Civil Case No. 10225 PPMC vs. Poro Exim Corporation at RTC Branch 29, City of San Fernando, La Union
3. Motion re: Civil Case No. 10225 PPMC vs POREX
4. Urgent Motion re: Civil Case No. 10225 PPMC vs. Poro Exim Corporation
5. Manifestation with Omnibus Motion re: Civil Case No 10225 PPMC vs Poro Exim Corporation at Regional Trial Court City of San Fernando, La Union Branch 29
6. Manifestation re: Civil Case No. 11042 re Amelia Dyquiango vs BCDA/PPMC and Register of Deeds

B. Appearances/Hearings in Court/Hearings (virtual/in-person)

1. Civil Case No. 10225
2. Special Proc. Case No. 3541, In the Matter of Petition for Insolvency of COVA Const. & Consulting Services, Phil. Inc.

C. Review and Inputs on Contracts, Legal Response/Opinions/Request

1. PPFZ Locators re: Payment of Business & Working Permits to LGUs;
2. Leading Edge International Aviation Academy, Inc. (LEIAAI) re Permit, Inspection and Licensing of the LGU
3. MOA, BFP, BCDA and PPMC re: Implementation of the Fire Code of the Philippines
4. CREATE Bill re Inputs
5. Omni Aviation Corporation re Contract
 1. PPEC, Mr. Chuck Curtis Investor's visa
 2. PPMC Directors re Per Diem for 2020 Board meetings that were not conducted in CY 2020
 3. MOA/Usufruct Agreement with Philippine Coast Guard
 4. Study Leave Agreement between PPMC and Ms. Anne Malingan
 5. Leading Edge International Aviation Academy re Contract
 6. Office of the Government Corporate Counsel
 7. BCDA/PPMC & PCG CGAF re MOA

D. PPMC's Compliance re: GCG Code of Corporate Governance (Data Privacy Act, Freedom of Information, Alternative Dispute Resolutions, Code of Ethics, No Gift Policy, R.A. 9184);

1. PPMC's website with GCG Whistleblowing portal
2. Directors Attendance System CY 2020
3. Memo re: Change of FOI Focal Persons
4. PPMC's One-page FOI Manual
5. Privacy Notice/Consent on PPMC's Report on Disease for CY 2020
6. FOI validation process requirements such as PPMC FOI Manual, PPMC One-page FOI Manual, PPMC FOI Reports
7. Annual Alternative Dispute Resolution Report to DOJ-OADR
8. PPMC Employees Workshop and Compliance on the Data Privacy Act of 2012
9. FOI requests received in CY 2021 Compliance and Response
10. FOI-PMO Updates of PPMC's eFOI accounts
11. PPMC's General Information Sheet to Securities and Exchange Commission
12. PPMC's Government Corporate Information Sheet to GCG

13. SEC Memorandum Circular No. 3, series of 2021 and SEC MC No. 28, series of 2020, Compliance
14. Incident report submitted to NPC re Alleged Data Breach
15. GOCC Leadership Management System (GLMS) for CY 2021

E. Duties/Inputs, PPMC's Corporate Secretary

1. Minutes and Matters Arising, Regular, Special re Board and Stockholders' meetings
2. Secretary's Certificates, Board Resolutions

F. Trainings/Seminars

1. Mandatory Continuing Legal Education (MCLE Compliance No. VII)
2. Alternative Dispute Resolution (OADR Webinar Series)
3. Procurement Laws (RA 9184)
4. Basic Records and Archives Management
5. 2021 Freedom of Information (FOI) Hangouts
6. Virtual Event Hosting
7. Data Privacy Workouts and Compliance
8. Anti-Cybercrime

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PORO POINT MANAGEMENT CORPORATION

A Member of the BCDA Group

Gov. Joaquin L. Ortega Avenue

Poro Point Freeport Zone

City of San Fernando, La Union

Philippines

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