



June 29, 2020

**PHILIPPINE STOCK EXCHANGE**

6<sup>th</sup> floor, PSE Tower,  
28<sup>th</sup> street corner 5<sup>th</sup> Avenue  
Bonifacio Global City, Taguig City

**Attention: MS. JANET A. ENCARNACION**

*Head – Disclosure Department*

Gentlemen:

We are submitting herewith the Annual Report (SEC Form 17-A) of Manila Broadcasting Company for the year ended December 31, 2019.

We trust you will find everything in order.

Very truly yours,

  
EDUARDO G. CORDOVA  
SVP – CFO



June 29, 2020

**SECURITIES AND EXCHANGE COMMISSION**

Secretariat Building, PICC Complex  
Roxas Boulevard, Metro Manila

**Attention: MR. VICENTE GRACIANO P. FELIZMENIO, JR.**

*Director – Markets and Securities Regulation Department*

Gentlemen:

We are submitting herewith the Annual Report (SEC Form 17-A) of Manila Broadcasting Company for the year ended December 31, 2019.

We trust you will find everything in order.

Very truly yours,

  
EDUARDO G. CORDOVA  
SVP - CFO



# SECURITIES AND EXCHANGE COMMISSION

## SEC FORM 17-A

### ANNUAL REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SECTION 177 OF THE REVISED CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended: **December 31, 2019**
2. SEC Identification Number: **1674**
3. BIR Tax Identification Number: **000-479-027-000**
4. Exact name of issuer as specified in its charter: **MANILA BROADCASTING COMPANY**
5. Province, country or other jurisdiction of incorporation or organization:  
**METRO MANILA**
6. \_\_\_\_\_ (SEC use only) Industry classification code:
7. Address of principal office / postal code:  
**MBC Bldg., Vicente Sotto St., CCP Complex, Pasay City, 1307, Philippines**
8. Issuer's telephone number, including area code: **(02) 8832-6150**
9. Former address:  
**FJE Bldg., 105 Esteban St., Legaspi Village, Makati City, Metro Manila**
10. Securities registered pursuant to Section 8 and 12 of the SRC, or Section 4 and 8 of the RSA:

COMMON SHARES	402,682,990
TOTAL LIABILITIES	1,201,126,128

11. Are any or all of these securities listed on a Stock Exchange:

Yes []      No []

If yes, state the name of such stock exchange and the classes of securities listed therein:

**PHILIPPINE STOCK EXCHANGE**      -      **Common Shares**

12. Check whether the issuer:

- a. Has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA rule 11(a)-1 thereunder, and Section 177 of the Revised Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports.)

Yes [ ]            No [ ]

- b. Has been subject to such filing requirements for the past ninety (90) days.

Yes [ ]            No [ ]

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant.

**The aggregate market value of the voting stock held by non-affiliates consisting of 41,174,741 shares as of December 31, 2019 is P473,509,521.50 based on the last known transaction price in 2019 at the exchange of P11.50 per share.**

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Yes [ ]            No [ ]

15. If any of the following documents are incorporated by reference, briefly described them and identify the part of SEC Form 17-A into which the document is incorporated:

- a. Any annual report to security holders

- Audited Consolidated Financial Statements for the year ended December 31, 2019.

- b. Any information statement filed pursuant to SRC Rule 20

- Not applicable

- c. Any prospectus filed pursuant to SRC Rule 8.1

- Not applicable

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## **PART I – BUSINESS AND GENERAL INFORMATION**

### **A. BUSINESS**

#### **1. Business Development**

Given the archipelagic nature of the Philippine Islands, radio continues to be an indispensable medium for information, entertainment and advertising; why not when it has the affordability, portability and mobility which other media do not have. To begin with, almost all Philippine households own at least one radio set. Radios are easily transferred from one section of the house to another. It travels with its listeners be they in their private cars or in jeepneys, taxis and FX.

A few years back, however, the new millennium ushered in an un-chartered era for the media industry, and Manila Broadcasting Company (MBC or the Company), has taken bold moves to address the changing needs of the changing times.

Today, MBC has gone beyond its usual role as a medium and has a message itself in terms of the following:

##### **a. Events**

MBC has expanded its operations to embrace both broadcasting and organizing special events. Our current business model provides advertisers with a combination of benefits – the traditional appeal of our AM and FM networks plus the high-impact exposure generated by special events.

##### ***Aliwan Fiesta***

One of the most successful events, Aliwan Fiesta has celebrated its 17<sup>th</sup> year anniversary last April, 2019. It started in 2003 when MBC, in collaboration with Star City and Aliw Theater, ventured to bring together in Manila the award-winning performers and performances from the most popular festivals all over the Philippines. As daunting as this task may have seemed at first, "Aliwan Fiesta" turned out to be a sterling success, drawing tens of thousands to the streets, making it the Philippines' grandest fiesta.

##### ***Paskong Pinoy***

Paskong Pinoy started in 2007 highlighted by Himig ng Pasko Children's Choir competition and Ilaw ng Pasko, a parol making competition. The event's instant success led to a bigger Paskong Pinoy in 2008 adding an open category to Himig ng Pasko for academic institutions, churches, special interest groups, as well as companies or agencies in the public and private sectors. In 2012, MBC has again expanded its scope by turning the event into a nationwide competition which was participated by the best choral conductors and arrangers in the country.

##### ***Manila Bay Clean-up Run***

Driven by its desire to fulfill its commitment in giving back to the environment, MBC launched its fund-raising project that will benefit the Manila Bay, the Manila Bay Clean-up Run which started in 2011. It's a friendly race that aims to raise funds that will help restore and maintain the beauty of the Manila Bay, as well as to promote

awareness among Filipinos the benefits of exercise in keeping oneself fit and healthy.

During these recent years, MBC has also gone into producing and sponsoring concerts featuring top local artists. On special occasions, the Company's FM stations would mount movie premiers while giving away tickets to loyal listeners. The company also has tie ups with movie and recording outfits for promo tours, live performances and fans' days in malls. This way, MBC can reach its customers in several ways; on air when our customers listen to radio stations, on the streets where there are streamers and posters of the events, and in the newspapers and TV, when media cover these events.

#### **b. Branding**

For Love Radio, it is "Kailangan pa bang immemorize 'yan?", for Yes-FM, it is "Yes the best.. ' the Millennial's choice", for Easy Rock, it is "Just the Rite Rock" and for DZRH, it is "RH Aksyon Radyo".

Indeed, these taglines invoke a personality, a character that forms a personal and emotional bond with listeners, so much so that loyalty is formed and is very hard to break.

#### **c. Creative Content**

A far cry from the traditional produced ads, there is much now such a thing as "creative content". This is when advertising messages are now casually embedded in announcers' and DJs' adlibs and in soap opera scripts. This renders the message more credible, more fun to listen to, and in so many ways than one, more effective.

#### **d. Promotions**

Radio promos may be held as old as time but they are given new twists nowadays. Most are tailor-made according to the specifications and needs of a particular advertiser. These promos give advertisers both traditional reach of AM and FM stations; and the high-impact exposure generated by special events and promotions.

#### **e. Improved Research**

Major agencies and advertisers now are provided with the latest and most reliable data to help them buy into radio. The Kapisanan ng mga Broadkaster ng Pilipinas (KBP), of which MBC is an active member, bridges the information gap between advertisers and radio with the Market Readers and AC Nielsen studies.

With the Association of Accredited Advertising Agencies (4A's) and Philippine Association of National Advertisers (PANA), KBP has also reactivated the Radio Research Council (RRC) as the official radio research arm. With this, the radio industry can now be measured with a single, uniform yardstick.

#### **f. Globalization**

Through the internet radio streaming, Filipinos all over the world are now able to listen to MBC's radio stations real time, thus adding additional venue for products and services that need to reach Filipinos and their families worldwide. It is a case of a world that has gone smaller, and we have radio largely to thank for.

Looking back and moving forward, none of these ventures would be a success without the invaluable support of our partners, our advertisers. Much in the same way that the Company's business model is evolving, time-tested relationships with advertisers are also changing... growing stronger and transcending the conventional boundaries of radio.

#### **g. Acquisition of Station DWRK (now Easy Rock)**

Manila Broadcasting Company marked another milestone in the history of Philippine radio through its acquisition of DWRK in October 2008 under a Memorandum of Agreement with ACWS-United Broadcasting Network Inc. and Exodus Broadcasting Company.

Currently the top-rating niche station in Metro Manila, DWRK's entry into the MBC family— already the home of the two highest-rating stations on the FM band—is viewed as an even bigger boost to the network's over-all audience share, with aggregate advertising revenues set to propel to even higher levels. Armed with the same business foresight that has seen it through seven decades as a media conglomerate to reckon with, MBC now sets out to carve its niche among youthful A-B listeners who favor light rock music. DWRK, now popularly known as Easy Rock, presents the cream of adult contemporary music from the 70s, 80s, 90s, 2000s and 2010s.

#### **h. RHTV**

As part of MBC's integrated media approach, seeing how radio has gone multiplatform in efforts to respond to the Filipino diaspora phenomenon, and thereby expanding both listenership and viewership, the longest running AM radio station in the country is now on television.

DZRH, the flagship station of MBC and considered the standard-bearer of broadcasting excellence in the Philippines, started its 24-hour broadcast on October 1, 2008 over Dream (Channel 10) and Cable link (Channel 9). At present, through the agreement signed with various members of the Federation of International Cable TV Association of the Philippines operating throughout the country, RHTV is now accessible to a nationwide audience via over 500 local cable systems nationwide and at Cignal TV (Channel 18), Cable Link Metro Manila (Channel 3), G Sat (Channel 31), SatLite (Channel 140), and Sky Cable Metro Manila (Channel 129).

#### **i. Partnered with Spotify**

The Company has partnered with Spotify, the world's most popular music streaming service in July 2016. MBC's radio stations and radio DJs can now connect with music

lovers in a more meaningful way by leveraging on Spotify's depth of insights on local and global listening habits and trends. MBC's radio stations will now be able to introduce new music playlists, charts and superior programming content that would resonate better amongst listeners.

## **2. Business of Issuer**

MBC is engaged in the radio broadcasting business. Its banner station is DZRH, the only nationwide, via satellite, AM station in the country. Love Radio, YES FM and Easy Rock are the three top-rated FM networks being operated by the Company. These stations utilize an adult contemporary music format, which combines new chart-topping hits with familiar songs that are acknowledged as timeless favorites in order to attract listeners from virtually every age group and economic background. Aksyon Radyo is MBC's network composed of provincial AM stations. The company also operates Radyo Natin, the largest network of community radio stations in the country with over 100 small FM stations throughout the archipelago.

MBC engages the services of various local and foreign suppliers in the maintenance and upgrade of its existing stations and for its new stations. Its regular suppliers include 8BTSI Corporation, Energy Onix Broadcast Equipment, Broadcast World Phils. System, Inc., Broadcast Electronics, Inc., Binariang Satellite of Malaysia, Shanghai Teng Da Broadcasting Equipment Co., Ltd., Array Solution, B & H Foto Electronics & Spin Electronics.

MBC is the largest radio network in the country. Its principal competitors include Bombo Radyo, Radio Mindanao Network, GMA, NBC, the Vera Group and ABS-CBN. MBC and its competitors are all engaged in the sale of radio airtime for advertising.

MBC boasts of top-rated stations in almost all areas of the country because of its good program format, talented broadcasters and state-of-the-art equipment. It has a regular team of sales executives handling direct placements from advertisers and/or coordinates with advertising agencies with regard to their advertisement placements for their respective clients.

In view of its leadership in size, MBC is capable of offering to clients an effective advertising package at a lower cost. Big networks such as MBC can be expected to bring in more advertising revenues, because it can market its stations more effectively. By packaging the stations, MBC can lump stations with low listenership level in some areas with stations of high listenership in other areas.

The Company now has seven (7) programming formats, namely DZRH, Aksyon Radyo, Love Radio, Yes-FM, Easy Rock, Radyo Natin, RHTV and New Media, which represent about 12%, 7%, 50%, 13%, 12%, 4%, 1% and 1%, respectively, of the total broadcasting fees in 2019. The Company operates nationwide with one AM and three FM stations in Metro Manila and 10 Aksyon Radyo, 26 Love Radio, 11 Yes-FM, 7 Easy Rock, 18 DZRH Relay Station and over 100 Radyo Natin stations in the provinces.

### **a. Transactions with and/or dependence on related parties**

Please refer to Note 16 of the 2019 audited consolidated financial statements.

**b. Patents, trademarks, licenses, franchises, concessions, royalty**

MBC is a grantee of a congressional franchise to operate and own radio and TV stations in the country for a period of 25 years that was granted anew in 2018. For its operations, MBC is required to secure from the National Telecommunications Commission (NTC) appropriate permits and licenses for its stations and any frequency in the TV or radio spectrum.

**c. Effect of existing or probable governmental regulations on the business**

There are no new or probable governmental regulations that might have a material adverse effect on the business.

**d. Estimate of the amounts spent for research and development activities (3 yrs.)**

The Company is not engaged in research and development-intensive business.

**e. Costs and effect of compliance with environmental laws**

Whenever required, the Company applies for and secures proper permits, clearances or exemptions from the Department of Environment and Natural Resources, Department of Health, Air Transportation Office, and other regulatory agencies, for the installation and operation of proposed broadcast stations nationwide.

**f. Number of Employees and CBA, if any**

The Company has one hundred fourteen (112) employees as of December 31, 2019 and anticipates no material change within the ensuing twelve months. Ninety (98) employees are under the operations department of the Company while the remaining twenty-two (14) are doing administrative functions. The Company has no Collective Bargaining Agreement (CBA) with its employees. The Company's employees are not on strike, nor have been in the past three years, nor threatening to go on strike. MBC has or will have no material supplemental benefits or incentive arrangements for its employees.

**g. Other Matters**

There were no known major risks involved in each of the business of the Company.

**B. PROPERTIES**

Broadcast operations in Manila are principally conducted in the CCP Complex located at Roxas Boulevard, Pasay City. This also houses the transmitter tower and other broadcast facilities and equipment of the Company.

The various stations of MBC are located in the key cities/towns of the Philippines and are

standing on leased sites. Except for the transmitter sites located in Malanday, Polo, Bulacan, Ortigas Center in Pasig City, Sto. Tomas, Laoag City, Barangay Lahug, Cebu City, Matina Hills, Davao City, Lucena and Palo Leyte, the rest of the transmitter sites are also leased. The above properties are in good condition and have no mortgage or lien. The carrying values of the property and equipment, investments and other assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Please see Note 2 of the audited consolidated financial statements for the policy on impairment of non-financial assets.

Listed below are the properties MBC leases:

<b>COUNTER PARTY</b>	<b>DOMICILE</b>	<b>DATE SIGNED</b>	<b>NATURE OF CONTRACT</b>	<b>PAYMENT TERMS</b>	<b>TERM (in years)</b>
Dulce Corazon R. Manubay	Bo. Bayabas, Cagayan de Oro	October 1, 2015	Lease of radio station's place (for DZRH)	Php 47,916.00 per month (01-Oct-18 to 30-Sept-19) & Php 52,707.50 per month (01-Oct-19 to 30-Sept-20)	5
Clarita Amao	Purok 4, Pagatpat, Cagayan de Oro City	June 1, 2019	Lease of radio station's place (for DZRH)	Php 20,000 monthly	10
Maria Theresa J. Bustamante-Bihag	San Isidro, Magarao, Camarines Sur	March 1, 2009	Lease of radio station's place (for DZRH)	Php 14,000.00 monthly	10
Lolita Salamanca	Bo. Rizal, Santiago, Isabela	February 1, 2014	Lease of radio station's place (for DZRH)	Php 25,101.33 monthly	10
Cabid-An Property Logistics Planners Inc.	Sorsogon City, Sorsogon	May 1, 2017	Lease of radio station's place (for DZRH)	Php 50,715.00 monthly	2
Ma. Mae Rowena S. Abalos	Krislamville-Kakar, Cotabato City	March 30, 2014	Lease of radio station's place (for DZRH)	Php 40,364.99 monthly	10
Corazon P. Brown	Duran Street, Iloilo City	June 1, 2014	Lease of radio station's place (for DZRH)	Php 30,800.00 monthly	5
MEASAT Satellite Systems Sdn Bhd	Level 7 Menara, Maxis, Kuala Lumpur City Centre 50088 Kuala Lumpur, Malaysia	October 11, 2017	Satellite lease	\$102,000 / annum (11-Oct-17 to 31-Oct-22)	5
Star Parks Corporation	MBC Bldg., V. Sotto St., CCP Complex, Pasay	January 1, 2019	Lease of MBC offices, studios and tower	Php 998,901.29	1

	City				
Cultural Center of the Philippines	CCP Complex, Roxas Boulevard, Pasay City	October 5, 2019	Lease of MBC offices and studios	Php 488,880.00	6 months

The renewal options for the above lease contracts are based upon the mutual agreement of the contracting parties.

### C. LEGAL PROCEEDINGS

Most of the legal proceedings involving MBC are related to its various legal actions arising in the ordinary course of business. However, any ultimate liability, if any, resulting from these matters will not have a material effect on the Company's financial position and results of operation.

### D. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted to a vote of security holders during the calendar year covered by this report.

## PART II – OPERATIONAL AND FINANCIAL INFORMATION

### E. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The shares of common stock of MBC are listed and traded on the Philippine Stock Exchange. The shares are not actively traded in the market. The last known transaction of MBC shares was last December 10, 2019 at P11.50 per share involving 800 shares.

There have been no known recent sales of unregistered securities of the Company.

The public ownership level of MBC common shares listed on the PSE as at December 31, 2019 is 10.23%.

#### 1. Dividends

Except for 120,787 treasury shares, there is no existing restriction that limits the ability to declare cash dividends on the common stock. The following are the dividend declarations for the last three years:

Cash Dividends (per share)			
Amount in Pesos	Declaration Date	Record Date	Payment Date
<i>No declaration for 2019</i>			
0.3000	Dec. 28, 2018	Jan. 28, 2019	Feb. 18, 2019

0.3000	Dec. 29, 2017	Jan. 26, 2018	Feb. 15, 2018
0.1500	Dec. 29, 2016	Jan. 18, 2017	Jan. 31, 2017
0.3000	May 16, 2016	May 31, 2016	June 15, 2016

## 2. Top 20 Stockholders

	NO. OF SHARES	%
1. ELIZALDE HOLDINGS CORPORATION	139,558,774	34.65%
2. ELIZALDE LAND, INC.	87,000,000	21.60%
3. ROMULO, MABANTA, BUENAVENTURA, SAYOC & DELOS ANGELES	69,910,993	17.36%
4. CEBU BROADCASTING COMPANY	50,000,000	12.41%
5. AQG CORPORATION	33,000,000	8.19%
6. SUNSHINE INNS, INC.	10,000,000	2.48%
7. PHILIPPINE BROADCASTING CORPORATION	5,000,000	1.24%
8. PCD NOMINEE CORPORATION	2,061,541	0.51%
9. TANSENGCO UY & CO., INC.	659,892	0.16%
10. ESTATE OF ALLEN CHAM	626,099	0.16%
11. LUIS M. ALBERTO &/OR MANUEL C. ALBERTO	553,368	0.14%
12. L.V.N. PICTURES, INC.	447,961	0.11%
13. A. &/OR J.O. DEL ROSARIO	363,592	0.09%
14. ERNESTINA U. DE GARCIA	122,338	0.03%
15. CONSUELO FAJARDO	121,149	0.03%
16. LUIS G. ABLAZA	121,149	0.03%
17. JOAQUINA TIRONA	114,719	0.03%
18. AGAPITO D. BALAGTAS	105,370	0.03%
19. BEATRIZ HIDALGO DE MIRANDA	105,370	0.03%
20. FABIAN CARMONA, JR.	101,696	0.03%

## F. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

### 2019 vs. 2018

#### 1. Results of Operations

The Company's total consolidated revenue amounted to P1,096.1 million for the year 2019, an increase of 7.49% from the revenue posted in the previous year mainly due to election campaign advertisement. Cost of services decreased by P38.5 million or 6.05% in 2019. Operating expenses increased by P67.7 million from P244.9 million in 2018 to P312.5 million in 2019. The increase in operating expenses was mainly due to depreciation expenses, talent cost, and interest paid on bank loans.

The Company registered a net income of P94.3 million in 2019, a decrease of P8.4 million or 8.18% from P102.7 million in 2018.

## **2. Financial Condition and Changes in Financial Condition**

MBC is not having or does not anticipate having, within the next 12 months, any cash flow or liquidity problems; neither is it in default or in breach of any note, loan, lease or other indebtedness or financing arrangement, requiring it to make payments; nor a significant amount of the registrant's trade payables have not been paid within the stated trade terms.

## **3. Causes of Material Changes from Period to Period (5%)**

- a. Cash increased by P201.0 million from P61.5 million in 2018 to P262.5 million in 2019 mainly due to payment from affiliates. Please see statement of cash flows of the 2019 audited consolidated financial statements.
- b. Accounts Receivable increased by P95.0 million or 27.36%. The Company normally extends a 60- day credit term to advertising agency and/or advertisers.
- c. Due from affiliates represents the interest-free advances made by the Company to Elizalde Holdings Corporation, Cebu Broadcasting Company, Philippine Broadcasting Company and Pacific Broadcasting System, Inc., all of which are affiliated companies (please see note 16 of audited consolidated financial statements). The balance as of December 31, 2019 decreased by P173.7 million from P313.7 million in 2018 to P140.0 million in 2019.
- d. Inventories amounted to P6.7 million in 2019. Please see note 8 of the audited consolidated financial statements.
- e. Materials and supplies decreased from P5.2 million in 2018 to P4.6 million in 2019 mainly due to decrease in purchase of critical stock items.
- f. Financial assets at fair value through other comprehensive income (FVOCI) increased from P164.5 million in 2018 to P166.3 million in 2019.
- g. Prepaid expenses and other current assets increased by P12.1 million or 14.90%. Please see note 9 of audited consolidated financial statements.
- h. Property and equipment at cost increased by P201.7 million from P786.7 million in 2018 to P988.4 million in 2019 mainly due to the purchase of office furniture and equipment brought about by the fire incident that happened on October 2, 2019.
- i. Property and equipment at revalued amount increased by P8.0 million or 2.79% mainly due to the increase in valuation as per the appraisal conducted by independent appraisal companies.
- j. Intangible assets arise from the Company's acquisition of DWRK which became effective on October 4, 2008. The decrease of P11.8 million or 36.36% represents amortization costs during the year.
- k. Advances to suppliers decreased from P67.9 million in 2018 to P57.8 million in 2019.
- l. Accounts payable and Accrued expenses increased by P82.7 million or 20.59% mainly due to the purchase on credit of office furniture and equipment. Please see Note 15 of 2019 audited consolidated financial statements.
- m. Dividends payable decreased by P14.3 million or 63.44% mainly due to the payment of dividends declared in the previous years while no new dividend declaration was made in 2019.
- n. Retained earnings increased by P108.4 million mainly due to the net effect of income during the year. Please see statements of changes in equity of 2019 audited

consolidated financial statements.

#### **4. Plan of Operation**

The Company has earmarked P50.0 Million for capital expenditure this year, namely; for the acquisition of brand new transmitters to replace and/or upgrade existing units, RHTV broadcast coverage expansion over various cable and TV channels, audio and video streaming over the internet, leasehold improvement of our Head Office and Manila studios and various initiatives on digital platform. This will be funded by cash flows from operating activities.

The pace of change in the business arena today can be challenging especially in the digital/social network arena for this will definitely have an impact on our listenership ratings. To respond to the challenge of staying on the top, the company has started to build the backbone to harness the potential of its digital resources. We have revitalized the websites of our Manila stations Love Radio, Yes-FM, Easy Rock and DZRH. Social networking content provided by our leading DJs include Facebook, Twitter, and Instagram. Our capability to do video content continues to be developed to cater to the digital media requirements of our clients and their advertising agencies. As we move on to a more digital landscape in the Philippines in the near future, partnerships with leading advertising agencies are envisioned. This will ensure that our content as a publisher shall be optimized to its maximum through their advanced digital programmatic buying platforms.

While the technology, the production process, and the medium used to access content evolve, MBC's core competency to create quality content that touches and empowers its listeners and viewers will remain constant.

#### **5. Other Disclosure matters**

- a. There are no seasonal aspects that had a material effect on the financial condition or results of operations.
- b. There are no usual items affecting assets, liabilities, equity, net income, or cash flows.
- c. There are no changes in estimates of amounts reported in prior interim periods of the current financial year or in estimates of amounts reported in prior financial years.
- d. On October 2, 2019 the head office of Manila Broadcasting Company was gutted by fire. The fire damaged the studio booths of five radio stations and RHTV.
- e. There are no changes in the composition of the issuer during the accounting period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.
- f. There are no changes in contingent liabilities or contingent assets since the last annual balance sheet date.
- g. There are no material contingencies and any events or transactions that are material to the understanding of the current interim period.
- h. There are no known trends, demands, commitments, events or uncertainties that will have a material impact on the Company's liquidity.
- i. There are no known trends, events or uncertainties that had or that are reasonably expected to have a material impact on the net sales or revenues or income from

- continuing operations.
- j. There are no significant elements of income or loss that did not arise from the Company's continuing operations;
  - k. There are no seasonal aspects that had a material effect on the financial condition or results of operations.
  - l. There are no known events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.
  - m. There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.
  - n. There are no business of geographical segments for which information is not reported to the Board of Directors (BOD) and chief executive officer.
  - o. There were no changes in accounting policies adopted for segment reporting that have a material effect on segment information.

#### **6. Other Disclosure Requirements Per Annex 68.1 M paragraph 7e of Rule 68.1**

- a. The amounts receivable of more than P100,000.00 or one percent of total assets from Directors, Officers, Employees, Related Parties, and Principal Stockholders. (Henry Uri – P443,969, Elisa Baltazar – P144,711 and Maria Sael Nazario – P31,465)
- b. The amounts due from affiliates of P140.0 million in the related balance sheet exceeds the five percent (5%) of total assets. Please see note 16 of the audited consolidated financial statements.
- c. Intangible Assets-Other Assets – Please refer to note 13 of the audited consolidated financial statements.
- d. Long-term Debt – Please refer to note 14 of the audited consolidated financial statements.
- e. Indebtedness to Related Parties – Please refer to Note 16 of the audited consolidated financial statements.
- f. Guarantees of Securities of Other Issuers – Not applicable.
- g. Capital Stock – there were no significant changes since the date of the last balance sheet filed.

<b>TITLE OF ISSUE</b>	<b>COMMON SHARES</b>
Number of shares authorized	1,000,000,000 shares
Number of shares issued and outstanding	402,682,990 shares
Number of shares reserved for options, warrants, conversion and other rights	NIL
Number of shares held by related parties	361,469,767 shares
Number of shares held by directors, officers and employees	38,482 shares
Others	41,174,741 shares

### **2018 vs. 2017**

#### **1. Results of Operations**

The Company's total consolidated revenue amounted to P1,019.7 million for the year 2018, a decrease of 4.38% from the revenue posted in the previous year mainly due to contraction in airtime advertising felt across the broadcasting industry. Cost of services slightly increased by 3.039 million or .48% in 2018. Operating expenses decreased by P23.2 million from P268.1 million in 2017 to P244.9 million in 2018. The decrease in operating expenses was mainly due reversal of doubtful accounts as a result of the adoption of PFRS 9 using forward-looking expected credit loss (ECL) approach.

Interest income decreased by .12 million or 46.96% compared to last year's amount mainly due to decreased average investment balance on money market placement during the year.

The Company registered a consolidated net income of P102.7 million in 2018, a decrease of P24.2 million or 19.05% from P126.9 million in 2017.

## **2. Financial Condition and Changes in Financial Condition**

MBC is not having or does not anticipate having, within the next 12 months, any cash flow or liquidity problems; neither is it in default or in breach of any note, loan, lease or other indebtedness or financing arrangement, requiring it to make payments; nor a significant amount of the registrant's trade payables have not been paid within the stated trade terms.

## **3. Causes of Material Changes from Period to Period (5%)**

- a. Cash and cash equivalents decreased by P81.8 million or 57.07% from P143.3 million in 2017 to P61.5 million in 2018 mainly due to additions to property and equipment. Please see statement of cash flows of the 2018 audited financial statements.
- b. Accounts Receivable decreased by P16.5 million or 4.54%. The Company normally extends a 60- day credit term to advertising agency and/or advertisers.
- c. Due from affiliates represents the interest-free advances made by the Company to Elizalde Holdings Corporation, Cebu Broadcasting Company, Philippine Broadcasting Company and Pacific Broadcasting System, Inc., all of which are affiliated companies (please see note 16 of audited financial statements). The balance as of December 31, 2018 increased by P50.7 million from P263.0 million to P313.7 million.
- d. Materials and supplies increased by P1.8 million or 51.84% mainly due to additional purchase of critical stock items.
- e. Prepaid expenses and other current assets increased by P38.9 million or 91.2% mainly due to Input VAT arising from the purchase of goods and services of FHBI and EHRI related to the construction of hotel building in Boracay Island.
- f. Property and equipment at cost increased by P365.4 million from P421.3 million in 2017 to P786.7 million in 2018 mainly due to the on-going construction of hotel building in Boracay Island.
- g. Property and equipment at revalued amount increased by P66.8 million or 30.15% mainly due to the increase in valuation as per the appraisal conducted by independent appraisal companies.
- h. Intangible assets arise from the Company's acquisition of DWRK which became

effective on October 4, 2008. The decrease of P11.8 million or 14.35% represents amortization costs during the year.

- i. Accounts payable and Accrued expenses increased by P38.6 million or 10.65% mainly due to accruals made by the company and higher amount due to suppliers related to construction of hotel in Boracay. Please see Note 14 of 2018 audited financial statements.
- j. Contract liabilities increased from P17.7 million in 2017 to P20.8 million in 2018 due to advance payment from clients.
- k. Dividends payable increased by P1.5 million or 7.28% mainly due to additional unclaimed dividend checks from the declaration of cash dividends during the period.
- l. Accrued rent remained at P2.0 million. Please see Note 24 of 2018 audited financial statements.
- m. Deferred income tax liabilities - net increased by P56.3 million or 132.75%. Please see Note 23 of 2018 audited financial statements.
- n. Retained earnings decreased by P.65 million mainly due to the net effect of income and the declaration of cash dividends during the year. Please see statements of changes in equity of 2018 audited financial statements.

#### **4. Plan Of Operation**

The Company has earmarked P50.0 Million for capital expenditure this year, namely; for the acquisition of brand new transmitters to replace and/or upgrade existing units, RHTV broadcast coverage expansion over various cable and TV channels, audio and video streaming over the internet, leasehold improvement of our Head Office and Manila studios and various initiatives on digital platform. This will be funded by cash flows from operating activities.

The pace of change in the business arena today can be challenging especially in the digital/social network arena for this will definitely have an impact on our listenership ratings. To respond to the challenge of staying on the top, the company has started to build the backbone to harness the potential of its digital resources. We have revitalized the websites of our Manila stations Love Radio, Yes-FM, Easy Rock and DZRH. Social networking content provided by our leading DJs include Facebook, Twitter, and Instagram. Our capability to do video content continues to be developed to cater to the digital media requirements of our clients and their advertising agencies. As we move on to a more digital landscape in the Philippines in the near future, partnerships with leading advertising agencies are envisioned. This will ensure that our content as a publisher shall be optimized to its maximum through their advanced digital programmatic buying platforms.

While the technology, the production process, and the medium used to access content evolve, MBC's core competency to create quality content that touches and empowers its listeners and viewers will remain constant.

#### **5. Other Disclosure matters**

- a. There are no seasonal aspects that had a material effect on the financial condition or results of operations.
- b. There are no usual items affecting assets, liabilities, equity, net income, or cash flows.

- c. There are no changes in estimates of amounts reported in prior interim periods of the current financial year or in estimates of amounts reported in prior financial years.
- d. There are no material events subsequent to the end of the accounting period that have not been reflected in the financial statements for the period.
- e. On July 27, 2018, Manila Broadcasting Company acquired additional shares of Elizalde Hotels and Resorts, Inc. from 440 million to 640 million. Likewise, on December 28, 2018, another 160 million shares were acquired from EHRI.
- f. There are no changes in contingent liabilities or contingent assets since the last annual balance sheet date.
- g. There are no material contingencies and any events or transactions that are material to the understanding of the current interim period.
- h. There are no known trends, demands, commitments, events or uncertainties that will have a material impact on the Company's liquidity.
- i. There are no known trends, events or uncertainties that had or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations.
- j. There are no significant elements of income or loss that did not arise from the Company's continuing operations;
- k. There are no seasonal aspects that had a material effect on the financial condition or results of operations.
- l. There are no known events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.
- m. There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.
- n. There are no business of geographical segments for which information is not reported to the Board of Directors (BOD) and chief executive officer.
- o. There were no changes in accounting policies adopted for segment reporting that have a material effect on segment information.

## **6. Other Disclosure Requirements Per Annex 68.1 M paragraph 7e of Rule 68.1**

- a. Marketable Securities  
The aggregate cost or market value of short-term investments constitutes less than 1% of total assets as of December 31, 2018.
- b. The amounts receivable of more than P100,000.00 or one percent of total assets from Directors, Officers, Employees, Related Parties, and Principal Stockholders. (Henry Uri – P10,662, Elisa Baltazar – P169,876 and Maria Sael Nazario – P96,280)
- c. The amounts due from affiliates of P313.7 million in the related balance sheet exceeds the five percent of total assets. The Elizalde Holdings Corporation outstanding receivable decreased from P89.6 million to P63.2 million. Please see note 16 of the audited FS.
- d. Intangible Assets-Other Assets – Please refer to note 13 of the audited FS.
- e. Long-term Debt – Please refer to note 15 of the audited FS.
- f. Indebtedness to Related Parties Please refer to Note 16 of the audited FS
- g. Guarantees of Securities of Other Issuers – Not applicable.
- h. Capital Stock – there were no significant changes since the date of the last balance sheet filed.

<b>TITLE OF ISSUE</b>	<b>COMMON SHARES</b>
Number of share authorized	1,000,000,000 shares
Number of shares issued and outstanding	402,682,990 shares
Number of shares reserved for options, warrants, conversion and other rights	NIL
Number of shares held by related parties	361,469,767 shares
Number of shares held by directors, officers and employees	38,482 shares
Others	41,174,741 shares

## **2017 vs. 2016**

### **1. Results of Operations**

The Company's total consolidated revenue amounted to P1,066.4 million for the year 2017, a decrease of 14.82% from the revenue posted in the previous year mainly due to sales decrease in client initiative promo activities. Cost of services decreased by 115.4 million or 15.42% in 2017. Operating expenses increased by P23.5 million from P317.2 million in 2016 to P340.7 million in 2017. The increase in operating expenses was mainly due to increase of general and administrative expenses from Feliz Hotel Boracay, Inc. and Elizalde Hotels and Resorts, Inc.

Interest income increased by 25.99% compared to last year's amount mainly due to increased average investment balance on money market placement during the year. The processing income increased by 21.24% or 10.6 million which represents common expenses shared and billed by the Company to Affiliated Companies.

The Company registered a consolidated net income of P120.1 million in 2017, a decrease of P66.5 million or 35.66% from P186.6 million in 2016.

### **2. Financial Condition and Changes in Financial Condition**

MBC is not having or does not anticipate having, within the next 12 months, any cash flow or liquidity problems; neither is it in default or in breach of any note, loan, lease or other indebtedness or financing arrangement, requiring it to make payments; nor a significant amount of the registrant's trade payables have not been paid within the stated trade terms.

### **3. Causes of Material Changes from Period to Period (5%)**

- a. Cash and cash equivalents decreased by P73.9 million or 34.02% from P217.2 million in 2016 to P143.3 million in 2017 mainly due to advances made by affiliated companies, capital expenditures and settlement of maturing obligations. Please see statement of cash flows of the 2017 audited financial statements.
- b. Accounts Receivable increased by P73.9 million or 25.52%. The Company normally extends a 60- day credit term to advertising agency and/or advertisers.
- c. Due from affiliates represents the interest-free advances made by the Company to Elizalde Holdings Corporation, Cebu Broadcasting Company, Philippine Broadcasting Company and Pacific Broadcasting System, Inc., all of which are

affiliated companies (please see note 13 and 21 of audited financial statements). The balance as of December 31, 2017 increased by P170 million from P93 million to P263 million.

- d. Materials and supplies increased by P107,855 or 3.22%.
- e. Prepaid expenses increased by P47.7 million.
- f. Property and equipment at cost increased by P323 million from P 98 million mainly due to the on-going expenditures of the Company such as purchase and construction of new FM transmitters, head office extension and improvements.
- g. Property and equipment at revalued amount increased by P5 million or 2.35% mainly due to the increase in valuation as per the appraisal conducted by independent appraisal companies.
- h. Intangible assets arise from the Company's acquisition of DWRK which became effective on October 4, 2008. The decrease of P11.8 million or 17.39% represents amortization costs during the year.
- i. Accounts payable and Accrued expenses increased by P117 million or 39.67% mainly due to accruals made by the company and higher amount due to suppliers. Please see Note 11 of 2017 audited financial statements.
- j. Dividends payable increased by P6.9 million or 48.57% mainly due to additional unclaimed dividend checks from the declaration of cash dividends during the period.
- k. Accrued Retirement decreased by P7.9 million or 62.05% mainly due to increased contribution payment to retirement fund and increase in fair value of plan assets. Please see Note 18 of 2017 audited financial statements
- l. Accrued rent increased by P1.6 million from P384,998 to P 2 million. Please see Note 20 of 2017 audited financial statements.
- m. Deferred income tax liabilities - net decreased by P1 million or 2.5%. Please see Note 19 of 2017 audited financial statements.
- n. Retained earnings increased by P1.4 million mainly due to the net effect of income and the declaration of cash dividends during the year. Please see statements of changes in equity of 2017 audited financial statements.

#### **4. Plan Of Operation**

The Company has earmarked P50.0 Million for capital expenditure this year, namely; for the acquisition of brand new transmitters to replace and/or upgrade existing units, RHTV broadcast coverage expansion over various cable and TV channels, audio and video streaming over the internet, leasehold improvement of our Head Office and Manila studios and various initiatives on digital platform. This will be funded by cash flows from operating activities.

The pace of change in the business arena today can be challenging especially in the digital/social network arena for this will definitely have an impact on our listenership ratings. To respond to the challenge of staying on the top, the company has started to build the backbone to harness the potential of its digital resources. We have revitalized the websites of our Manila stations Love Radio, Yes-FM, Easy Rock and DZRH. Social networking content provided by our leading DJs include Facebook, Twitter, and Instagram. Our capability to do video content continues to be developed to cater to the digital media requirements of our clients and their advertising agencies. As we move on to a more digital landscape in the Philippines in the near future, partnerships with leading advertising agencies are envisioned. This will ensure that our content as a publisher shall be optimized to its maximum through their advanced

digital programmatic buying platforms.

While the technology, the production process, and the medium used to access content evolve, MBC's core competency to create quality content that touches and empowers its listeners and viewers will remain constant.

## **5. Other Disclosure matters**

- a. There are no seasonal aspects that had a material effect on the financial condition or results of operations.
- b. There are no usual items affecting assets, liabilities, equity, net income, or cash flows.
- c. There are no changes in estimates of amounts reported in prior interim periods of the current financial year or in estimates of amounts reported in prior financial years.
- d. There are no material events subsequent to the end of the accounting period that have not been reflected in the financial statements for the period.
- e. On December 29, 2017, Manila Broadcasting Company acquired additional shares of Elizalde Hotels and Resorts, Inc. from 44.44% to 80%.
- f. There are no changes in contingent liabilities or contingent assets since the last annual balance sheet date.
- g. There are no material contingencies and any events or transactions that are material to the understanding of the current interim period.
- h. There are no known trends, demands, commitments, events or uncertainties that will have a material impact on the Company's liquidity.
- i. There are no known trends, events or uncertainties that had or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations.
- j. There are no significant elements of income or loss that did not arise from the Company's continuing operations;
- k. There are no seasonal aspects that had a material effect on the financial condition or results of operations.
- l. There are no known events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.
- m. There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.
- n. There are no business of geographical segments for which information is not reported to the Board of Directors (BOD) and chief executive officer.
- o. There were no changes in accounting policies adopted for segment reporting that have a material effect on segment information.

## **6. Other Disclosure Requirements Per Annex 68.1 M paragraph 7e of Rule 68.1**

- a. **Marketable Securities**  
The aggregate cost or market value of short-term investments constitutes less than 1% of total assets as of December 31, 2017.
- b. The amounts receivable of more than P100,000.00 or one percent of total assets

from Directors, Officers, Employees, Related Parties, and Principal Stockholders. (Jose M. Taruc Jr. – P179,630, Henry Uri – P147,957, Elisa Baltazar – P230,642 and Maria Sael Nazario – P132,266)

- c. The available-for-sale financial assets of P42,419,455 in the related balance sheet does not exceeds five percent of total assets and have no material changes in the information required to be filed from that last previously reported.
- d. The amounts due from affiliates of P263,019,633 in the related balance sheet exceeds the five percent of total assets. The Elizalde Holdings Corporation outstanding receivable increased from P27.7 million to P89.6 million. Please see note 13 of the audited FS.
- e. Intangible Assets-Other Assets – Please refer to note 10 of the audited FS.
- f. Long-term Debt – Please refer to note 12 of the audited FS.
- g. Indebtedness to Related Parties Please refer to Note 13 of the audited FS
- h. Guarantees of Securities of Other Issuers – Not applicable.
- i. Capital Stock – there were no significant changes since the date of the last balance sheet filed.

<b>TITLE OF ISSUE</b>	<b>COMMON SHARES</b>
Number of share authorized	1,000,000,000 shares
Number of shares issued and outstanding	402,682,990 shares
Number of shares reserved for options, warrants, conversion and other rights	NIL
Number of shares held by related parties	361,469,767 shares
Number of shares held by directors, officers and employees	39,482 shares
Others	41,173,741 shares

**G. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS AND FINANCIAL DISCLOSURE**

None.

**H. INDEPENDENT PUBLIC ACCOUNTANT AND AUDIT RELATED FEES**

**Independent Public Accountants**

The Company's external auditor is Sycip, Gorres, Velayo, & Company. In compliance with SEC Memorandum Circular No. 8 series of 2003, changes were made in the assignment of Engagement Partners within the group at least every seven (7) years.

**Audit Related Fees**

The following table sets out the aggregate fees billed for each of the last calendar years for professional services rendered by Sycip, Gorres, Velayo & Co., CPA's:

<b>Audit and Audit-Related Fees</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Regular Audit	1,010,746	920,000	820,000

Review of Proposed Increase in ACS	-	-	-
Long Form Audit	-	-	-
Review of Forecast	-	-	-
All Other Fees	219,376	-	140,000
Total Audit and Audit Related Fees	1,230,122	920,000	960,000

## I. KEY FINANCIAL INDICATORS

	2019	2018
1. Return on Sales		
Net Income	94,320,068	102,717,488
Divide by: Sales	1,096,093,471	1,019,686,510
<b>RETURN ON SALES</b>	<b>8.61%</b>	<b>10.07%</b>
2. Earnings Per Share (EPS)		
Net Income	107,005,432	105,599,892
Divide by: No. of Shares Outstanding	402,682,990	402,682,990
<b>EPS</b>	<b>0.27</b>	<b>0.26</b>
3. Current Ratio		
Current Assets	949,168,562	808,717,657
Divide by: Current Liabilities	765,021,679	533,174,194
<b>CURRENT RATIO</b>	<b>1.24</b>	<b>1.52</b>
4. Debt-Equity Ratio		
Total Liabilities	1,201,126,128	978,896,447
Divide by: Stockholders' Equity	1,408,794,408	1,301,040,765
<b>DEBT-EQUITY RATIO</b>	<b>0.85</b>	<b>0.75</b>
5. Book Value Per Share		
Total Stockholders' Equity	1,408,794,408	1,301,040,765
Divide by: No. of Shares Outstanding	402,682,990	402,682,990
<b>BOOK VALUE PER SHARE</b>	<b>3.50</b>	<b>3.23</b>

### Discussion on Key Performance Indicators (2019 & 2018)

- a. Return on sales decreased from 10.07% to 8.61% brought about by the net losses attributable to its investment on Elizalde Hotels and Resorts, Inc. (EHRI).
- b. The EPS increased by P0.01 per share due to the increase in net income for the year with the total number outstanding shares remaining constant.
- c. Current ratio decreased from 1.52 to 1.24 mainly due to the increase in short term loans and accounts payable and accrued expenses. At this current level, the Company will be capable of meeting its maturing obligation on time.
- d. The debt-equity ratio increased to 0.85:1 from 0.75:1 in 2018 mainly due to the increase in the company's liabilities particularly the Company's accounts payable and bank

loans.

- e. The book value per share increased to 3.50 from 3.23 mainly due to the increase in net income with the number of outstanding shares remaining constant. This increase in book value per share is a positive indication since this amount exceeds by .27 the par value per share of P1.00.

	<b>2018</b>	<b>2017</b>
1. Return on Sales		
Net Income	102,717,488	126,897,766
Divide by: Sales	1,109,686,510	1,066,386,226
<b>RETURN ON SALES</b>	<b>10.073%</b>	<b>11.900%</b>
2. Earnings Per Share (EPS)		
Net Income	102,717,488	126,897,766
Divide by: No. of Shares Outstanding	402,682,990	402,682,990
<b>EPS</b>	<b>0.255</b>	<b>0.315</b>
3. Current Ratio		
Current Assets	808,717,657	815,609,359
Divide by: Current Liabilities	533,174,194	407,823,380
<b>CURRENT RATIO</b>	<b>1.517</b>	<b>2.000</b>
4. Debt-Equity Ratio		
Total Liabilities	978,897,467	712,561,709
Divide by: Stockholders' Equity	1,301,040,765	1,032,563,677
<b>DEBT-EQUITY RATIO</b>	<b>0.752</b>	<b>0.690</b>
5. Book Value Per Share		
Total Stockholders' Equity	1,301,040,765	1,032,563,677
Divide by: No. of Shares Outstanding	402,682,990	402,682,990
<b>BOOK VALUE PER SHARE</b>	<b>3.231</b>	<b>2.564</b>

#### **Discussion on Key Performance Indicators (2018 & 2017)**

- a. Return on sales decreased from 11.900% to 10.073% primarily due to net income as a result of lower sales.
- b. The EPS decreased by P0.060 per share due to the decrease in net income for the year with the total number outstanding shares remaining constant.
- c. Current ratio decreased from 2.000 to 1.517 mainly due to the increase in accounts payable and accrued expenses' year-end balances related to on-going construction of hotel in Boracay. At this current level, the Company will be capable of meeting its maturing obligation on time.
- d. The debt-equity ratio increased to 0.752:1 from 0.690:1 in 2017 mainly due to the increase in the company's liabilities particularly the Company's accounts payable and accrued expenses and bank loans.
- e. The book value per share increased to 3.231 from 2.564 mainly due to the increase in

equity during the year as a result of the impact of the adoption of PFRS 9 (please see note 9 and 11) with the number of outstanding shares remaining constant. This increase in book value per share is a positive indication since this amount exceeds by .667 the par value per share of P1.00.

	<b>2017</b>	<b>2016</b>
1. Return on Sales		
Net Income	126,897,766	186,604,989
Divide by: Sales	1,066,386,226	1,251,954,721
<b>RETURN ON SALES</b>	<b>11.900%</b>	<b>14.905%</b>
2. Earnings Per Share (EPS)		
Net Income	126,897,766	186,604,989
Divide by: No. of Shares Outstanding	402,682,990	402,682,990
<b>EPS</b>	<b>0.315</b>	<b>0.463</b>
3. Current Ratio		
Current Assets	815,609,359	614,688,175
Divide by: Current Liabilities	407,823,380	335,967,314
<b>CURRENT RATIO</b>	<b>2.000</b>	<b>1.830</b>
4. Debt-Equity Ratio		
Total Liabilities	712,561,709	391,452,004
Divide by: Stockholders' Equity	1,032,563,677	924,168,517
<b>DEBT-EQUITY RATIO</b>	<b>0.690</b>	<b>0.423</b>
5. Book Value Per Share		
Total Stockholders' Equity	1,032,563,677	924,168,517
Divide by: No. of Shares Outstanding	402,682,990	402,682,990
<b>BOOK VALUE PER SHARE</b>	<b>2.564</b>	<b>2.295</b>

#### **Discussion on Key Performance Indicators (2017 & 2016)**

- a. Return on sales decreased from 14.905% to 11.900% primarily due to higher operating expenses.
- b. The EPS decreased by P0.148 per share due to the decrease in net income for the year with the total number outstanding shares remaining constant.
- c. Current ratio increased from 1.830 to 2.000 mainly due to the increase in accounts receivable from clients and from affiliates year-end balances. At this current level, the Company will be capable of meeting its maturing obligation on time.
- d. The debt-equity ratio increased to 0.690:1 from 0.423:1 in 2016 mainly due to the increase in the company's liabilities particularly the Company's accounts payable and accrued expenses.
- e. The book value per share increased to 2.564 from 2.295 mainly due to the increase in

retained earnings during the year with the number of outstanding shares remaining constant. This increase in book value per share is a positive indication since this amount exceeds by 1.269 the par value per share of P1.00.

### PART III - CONTROL AND COMPENSATION INFORMATION

#### J. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

##### 1. Directors (All Filipino Citizens)

NAME	AGE AS OF DECEMBER 31, 2019	TERM
Federico J. Elizalde	79	1985 up to the present
Ruperto S. Nicdao, Jr.	64	1988 up to the present
Eduardo G. Cordova	71	1988 up to the present
Julio Manuel P. Macuja	56	1999 up to the present
George T. Goduco*	54	2003 up to the present
Rudolph Steve E. Jularbal	64	2011 up to the present
Juan Manuel Elizalde	50	1995 up to the present
Robert Pua	54	2016 up to the present
Marvel K. Tan*	75	2016 up to the present

*\*Independent Directors*

##### Business Experience for the last Five (5) years

**Federico J. Elizalde** has been serving as Director/Chairman of the Company since 1985. He is also currently serving as Chairman/President of Philippine International Corporation (Philcite), Star Parks Corporation (Star City), Elizalde Holdings Corporation (EHC) and Northern Capiz Agro-Industrial Development Corporation (Norcaic). He has also served as past Chairman/President of Asean Section, Asean-U.S. Business Council, Philippine Chamber of Commerce & Industry, Confederation of Asian Chambers of Commerce and Industry, etc. In 2005, he was appointed as member of the Boracay Eminent Persons Group. He graduated Magna Cum Laude from Harvard University with a degree of Bachelor of Arts Major in Social Relations.

**Ruperto S. Nicdao, Jr.** is the current President of the Company. He has been serving as Director of the Company since 1988. He is also serving as Director of Philcite, Star City, EHC and Cultural Center of the Philippines. He is the Chairman of KBP and a member of the Financial Executives Institute of the Philippines, Philippine Chamber of Commerce and Industry and the Makati Business Club. He obtained his Master's in Business Administration from Asian Institute of Management and his AB- Honors (Major in Math), Magna Cum Laude, from De La Salle College.

**Eduardo G. Cordova** has been a Director of the company since 1988 and is currently the

SVP-CFO of the Company and EHC. He is also Chairman/President of our affiliate Philippine Broadcasting Corporation (PBC). He is a member of the Philippine Institute of Certified Public Accountants (PICPA). He is a Certified Public Accountant and obtained his Master's in Business Administration, with honors, from University of St. La Salle and his bachelor's degree in business administration from University of the East.

**Julio Manuel P. Macuja** is EVP-Treasurer of the Company which he joined in 1999. He is the Chief Information Officer registered with the Philippine Stock Exchange. He is also a Director of EHC and Star City. He was formerly part of the Treasury Group of the Bank of the Philippine Islands. Prior to this he was Acting Director of the Ateneo Center for Social Policy and Public Affairs and part time faculty member of the Economics Department, Ateneo de Manila University, where he finished his Bachelor of Arts Degree in Economics (Honors) in 1985. He completed his post-graduate studies as a scholar of the British Council at the Victoria University of Manchester in 1989, obtaining a degree of Master of Arts in Economic and Social Studies (Major in Development Studies).

**Juan Manuel Elizalde** is currently the SVP-Operations and has been connected with the Company since 1994 in various capacities. He holds an AB Mass Communication degree from Menlo College, Menlo Park, California, U.S.A.

**Rudolph Steve E. Jularbal** is currently the Corporate Secretary. He is also the VP of the Legal and Regulatory Compliance Group and concurrently the Station Manager of the company's AM flagship station, DZRH-Manila. He first joined the company in 1986. He resigned in 1999, did a short stint as VP-Legal of Nextel Communications, Phil. from 1999 to 2001 before he went into private practice and was a retained external counsel of the company up to 2011. He was re-engaged on a full time basis in 2011. Atty. Jularbal obtained his Bachelor's Degree in Law from the University of the Philippines, Diliman, QC in 1979 and was admitted to the Bar the following year. He also holds degrees in Management and Marketing obtained from Saint Louis University in Baguio City.

**George T. Goduco** is an independent director. At present, he is the President of Healthlab Inc., a full- service diagnostics laboratory and medical examination facility. He was EVP/COO of Star Parks Corporation in 2000-2002. He also served as Vice-President and Treasurer of the FJE Group of Companies in 1997-2000 and its Director for Corporate Planning in 1995 – 1997. He also served as Account Officer in Solidbank and Boston Bank from 1988-1991. He holds an MBA from the University of Bridgeport, Connecticut and a Bachelor of Science in Economics from the University of the Philippines.

**Marvel K. Tan** is an independent director. He is currently the Internal Auditor of the Kapisanan ng mga Brodkaster ng Pilipinas (KBP) and Financial Consultant of Ads Standard Council, Inc. (ASC). He is presently also the Chair of the Church Council of the Church of the Risen Lord (CRL), an ecumenical Chaplaincy of the National Council of the Church in the Philippines (NCCP), located at the University of the Philippines campus in Diliman, Quezon City. He worked with the Elizalde Group of Companies in various capacities from 1974 to 2002. His last position with the Elizalde Group was Vice President- Finance of Manila Broadcasting Company (MBC) and its subsidiaries in 1984-1994; 1996-2002. In 2003-2005, he was the Chief Finance Officer of ABS-CBN Foundation, Inc. (AFI). He is a Certified Public Accountant and obtained his Bachelor in Business Administration (BBA) degree, cum laude, from Silliman University in Dumaguete City, Negros Oriental in 1964;

enrolled in the Management Development Program (MDP) of Asian Institute of Management, Makati City, in 1978 and the Corporate Financial Management Program of the University of Michigan administered in Hongkong in 1993.

**Robert Pua** is currently the VP-Controller as well as the Compliance Officer of the Company. He has been connected with the company since 1990 in various capacities. He is the President of our affiliate Pacific Broadcasting System, Inc. and a Director of Cebu Broadcasting Company and Philippine Broadcasting Company. He is a Certified Public Accountant and a member of the Philippine Institute of Certified Public Accountants. He obtained his Bachelor's Degree in Business Administration, Major in Accounting, from the University of the East, Manila and Master's Degree in Business Administration from De la Salle University, Manila.

#### **K. EXECUTIVE COMPENSATION**

The aggregate compensation of the executives and directors of the issuer/Registrant is P16,006,981 (estimated) in 2020, P15,940,183 in 2019, P22,065,865 in 2018, and P 17,211,169 in 2017. There were no additional amounts paid for committee participation or special assignments.

The key management compensation is as follows:

CEO and Top Four (4) Highly Compensated Directors and Officers:

1. Federico J. Elizalde – *Chairman / CEO*
2. Elpidio M. Macalma – *VP-DZRH*
3. Rudolph Steve E. Jularbal – *VP-Legal & Corporate Secretary*
4. Ruperto S. Nicdao, Jr. – *President\**
5. Eduardo G. Cordova – *SVP-CFO\**

Other officers and directors:

1. Julio Manuel P. Macuja – *EVP / Treasurer\**
2. Juan Manuel Elizalde – *SVP – Operations\**
3. Robert Pua – *VP – Controller and Compliance Officer\**
4. Irving A. Lisondra – *VP – Advertising and Promotions\**
5. Carlea C. Miranda – *VP – Treasury\**
6. Ellen C. Fullido – *VP – Human Resources\**
7. Jonathan E. Decena – *VP – Radyo Natin\**
8. Wilfredo H. Espinosa – *VP – FM Programming\**
9. Jose Ma. T. Parroco – *AVP – Sales\**
10. Johnny Faith M. Quiling – *AVP – FM Network Operations\**
11. Albert M. Songco – *AVP – Central Engineering\**

*\*Note: These directors and officers are receiving compensation from the following affiliated companies of MBC:*

1. *MBC RESOURCES, INC.*
2. *MBC MARKETING SERVICES, INC.*
3. *JME BROADCAST RESOURCES, INC.,*
4. *STAR PARKS CORPORATION*

5. MBC RADYO NATIN

NAME	YEAR	SALARY (Php)	BONUS (Php)	OTHERS - Talent and Director's Fee (Php)	TOTAL (Php)
CEO and Top Four (4) Highly Compensated Directors	2020 (est.)	12,993,215	1,082,768	1,399,998	15,475,981
	2019	12,993,215	1,082,768	1,285,014	15,360,997
	2018	12,870,378	1,080,639	3,407,050	17,358,067
	2017	12,056,960	2,103,519	2,517,362	16,677,841
All other officers and directors as a group unnamed	2020 (est.)	—	—	531,000	531,000
	2019	—	—	579,186	579,186
	2018	2,452,354	230,000	2,025,444	4,707,798
	2017	—	—	533,328	533,328
<b>TOTAL</b>	2020 (est.)	12,993,215	1,082,768	1,930,998	16,006,981
	2019	12,993,215	1,082,768	1,864,200	15,940,183
	2018	15,322,732	1,310,639	5,432,494	22,065,865
	2017	12,056,960	2,103,519	3,050,690	17,211,169

**L. EMPLOYMENT CONTRACT WITH AN EXECUTIVE OFFICER**

There is no employment contract executed by the company and the above-named executive officers. Neither is there any other arrangement or compensatory plan made between the Company and the named executive officers.

**M. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

Owners of at least 5% of the Company's securities as of December 31, 2019 were as follows:

Title of Class	Name and Address of Record/Beneficial Owner and Relationship with Issuer	Amount and Nature of Ownership (R or B)	Citizenship	Percent
Common	Elizalde Holdings Corporation*, 2nd Floor, MBC Bldg., CCP Complex, Roxas Boulevard., Pasay City, M.M. ( <b>major stockholder</b> )	139,558,774 R/B	Filipino	34.65%
	Elizalde Land, Inc.*, 2nd Floor, MBC Bldg., CCP Complex, Roxas Boulevard., Pasay City, M.M. ( <b>major stockholder</b> )	87,000,000 R/B	Filipino	21.60%

	Romulo Mabanta Buenaventura Sayoc & delos Angeles Law Offices**, 30 <sup>th</sup> Floor, Citibank Tower, 8741 Paseo de Roxas, Makati City, M.M. <b>(Trust Fund for the Elizalde Children)</b>	69,910,993 R	Filipino	17.36%
	Cebu Broadcasting Company*, 2nd Floor, MBC Bldg., CCP Complex, Roxas Boulevard., Pasay City, M.M. <b>(Affiliate Broadcast Company)</b>	50,000,000 R/B	Filipino	12.41%
	AQG Corporation, 2291 Chino Roces Avenue, Makati City	33,000,000 R/B	Filipino	8.19%

\*Elizalde Holdings Corporation is owned by various trust funds that have executed voting trusts in favor of the Chairman, Fred J. Elizalde. Elizalde Land, Inc. and Cebu Broadcasting Company are 100% owned subsidiaries of Elizalde Holdings Corporation. Mr. Eduardo G. Cordova and Mr. Robert Pua are the persons designated to exercise voting power over the shares of ELI and CBC respectively in the registrant.

\*\*The Romulo Mabanta, et al. Trust Fund is represented by its designated representative in the person of Atty. Reynaldo G. Geronimo.

#### N. SECURITY OWNERSHIP OF MANAGEMENT AS OF DECEMBER 31, 2019

<b><u>DIRECTORS</u></b>	<b><u>% to total I/O Shares</u></b>	<b>Number of Shares</b>		
		<b><u>A</u></b>	<b><u>B</u></b>	<b><u>Total</u></b>
FEDERICO J. ELIZALDE				
Direct	0.0000%			94
RUPERTO S. NICDAO, JR.				
Direct	0.0014%			5,530
JULIO MANUEL P. MACUJA				
Direct	0.0000%			36
EDUARDO G. CORDOVA				
Direct	0.0032%			12,779
JUAN M. ELIZALDE				
Direct	0.0002%			1,000
ROBERT PUA				
Direct	0.0002%			1,000
GEORGE T. GODUCO				
Direct	0.0002%			1,000

MARVEL K. TAN			
	Direct	0.0000%	36
RUDOLPH STEVE E. JULARBAL			
	Direct	0.0027%	10,807
<b>Subtotal</b>		<b>0.0080%</b>	<b>32,282</b>
		-	-
<b>OFFICERS</b>			
ALBERT M. SONGCO			
	Direct	0.0002%	1,000
JONATHAN E. DECENA			
	Direct	0.0002%	1,000
IRVING A. LISONDRA			
	Direct	0.0002%	1,000
CARLEA C. MIRANDA			
	Direct	0.0002%	1,000
JOSE MA T. PARROCO			
	Direct	0.0003%	1,200
ELPIDIO M. MACALMA			
	Direct	0.0002%	1,000
<b>Subtotal</b>		<b>0.0015%</b>	<b>6,200</b>
		-	-
<b>TOTAL</b>		<b>0.0095%</b>	<b>38,482</b>

**o. CHANGES IN CONTROL**

There are no arrangements that may result in a change in control of the Company.

**p. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

**Family Relationships**

- Mr. Juan Manuel Elizalde, SVP-Operations and Director, is the son of the Chairman/Director, Mr. Federico J. Elizalde.
- Mr. Julio Manuel P. Macuja, EVP-Treasurer & Director, is the brother-in-law of the Chairman/Director, Mr. Federico J. Elizalde.

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

**Involvement of Directors and Officers in Certain Legal Proceedings**

None of the directors and officers was involved in the past five (5) years in any bankruptcy proceeding. Neither have they been convicted by final judgment in any criminal proceeding, or been subject to any order, judgment or decree of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting their involvement in any type of business nor found in action by any court or administrative bodies to have violated any law. The Company has no pending material legal proceedings for and against it.

**Significant Employee**

There is no person who is not an executive officer but who is expected by the Company to make a significant contribution to the business.

**Other Related Party Transactions**

Refer to Note 16 of 2019 audited consolidated financial statements.

## **PART IV – CORPORATE GOVERNANCE**

Manila Broadcasting Company's Corporate Governance program, including structures, policies and processes for 2019 are detailed in the Company's Integrated Annual Corporate Governance Report (I- ACGR) which will be filed with the Securities and Exchange Commission on or before July 30, 2020 pursuant to SEC Memorandum Circular No. 15, Series of 2017 and SEC Notice dated April 22, 2020 and will be posted on the Company's official website.

## **PART V – EXHIBITS AND SCHEDULES**

### **Exhibits and Reports on SEC Form 17-A**

1. The audited consolidated financial statements as of and for the year ended 31 December 2019 are hereto attached and incorporated by reference.
2. Independent Auditors' Report on Supplementary Schedules.
3. Supplementary Schedule of Retained Earnings Available for Dividend Declaration.
4. Statement of Management Responsibility for the Financial Statements.
5. Map of the relationships of the companies within the group.
6. Summarized track record of registration of securities.
7. Voting Trust Agreement – Please see attached letter dated May 18, 2004 that formed part of the amendment of SEC form 17-A filed with SEC on May 25, 2004.
8. Other Disclosure Requirements Per Annex 68E
9. Sustainability Report for the year ended 31 December 2019

The following are the tabular schedules as part of disclosure requirements per Annex 68E:

Schedule A – Financial Assets

Schedule B – Amounts Receivable from Directors, Officers, Employees, Related Parties, and principal Stockholders

Schedule C – Amounts Receivable from Related Parties which are eliminated during the Consolidation of Financial Statements

Schedule D – Intangible Assets Schedule E – Long-Term Debt

Schedule F – Indebtedness to Related parties (Long-Term Loans from Related Companies)

Schedule G – Guarantees of Securities of Other Issuers

Schedule H – Capital Stock

Schedule I – Key Financial Indicators

### **Reports on SEC Form 17-Q & 17-C**

The last quarterly report for Form 17-Q was for the quarter ending September 30, 2019. The last SEC Form 17-C dated December 12, 2019 was the Attendance to the Corporate Governance Seminar for the year 2019.

**MANILA BROADCASTING COMPANY**

## Summarized Track Record of Registration of Securities

<b>TITLE OF ISSUE</b>	<b>NUMBER OF SHARES REGISTERED</b>	<b>PAR VALUE</b>	<b>ISSUE/OFFER PRICE</b>	<b>YEAR APPROVED</b>
Common Stock	1,473,711	P1.00	P1.05	1970
	2,029,851	1.00	1.04	1978
	2,232,494	1.00	1.04	1979
	2,452,735	1.00	1.03	1980
	2,575,837	1.00	1.03	1981
	3,803,777	1.00	1.02	1985
	252,683,164	1.00	1.00	1997
	252,682,990	1.00	1.00	1998
	402,682,990	1.00	1.00	2001

As of December 31, 2019, the Company's total number of stockholders is 605.



MANILA BROADCASTING COMPANY

18 May 2004

SECURITIES AND EXCHANGE COMMISSION  
SEC Building, EDSA, Greenhills, Mandaluyong City, M.M.

Attention: MS. JUSTINA F. CALLANGAN  
Director

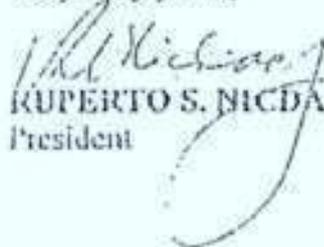
Gentlemen:

In connection with your letter requiring us to submit the Voting Trust Agreement, we regret to inform you that we cannot do so as the portion that refers to such arrangement is part of the trust document the contents of which are confidential in nature. However, we would like to quote the portion of the trust agreement that is relevant to your query, to wit:

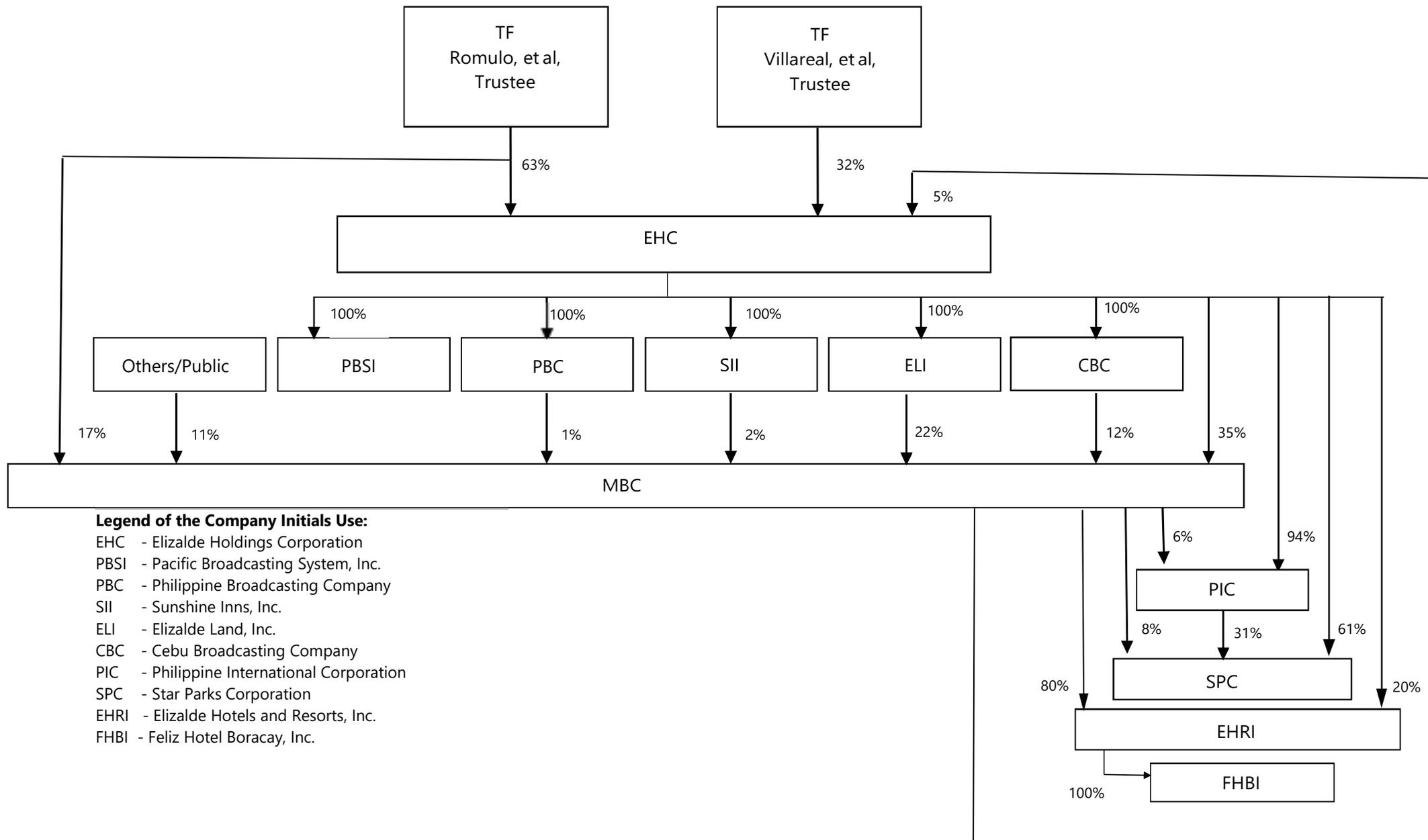
(i) xxx; provided, however, that the TRUSTEE is hereby directed to constitute in favor of the BENEFICIARY's father, FRED J. ELIZALDE, a voting trust for all the shares of stock that the TRUST ESTATE may own in corporation belonging to the Fred J. Elizalde Group of Companies or its successors-in-interests."

We trust that you shall find the foregoing sufficient to comply with your requirements.

Very truly yours,

  
RUPERTO S. NICDAO, JR.  
President

**MANILA BROADCASTING COMPANY  
MAP OF THE RELATIONSHIPS OF THE COMPANIES WITHIN THE GROUP**



**MANILA BROADCASTING COMPANY AND SUBSIDIARIES**

**Schedule A. Financial Assets**

**For the Year Ended December 31, 2019**

<b>NAME OF ISSUING COMPANY AND ASSOCIATION</b>	<b>NUMBER OF UNITS OR SHARES OR PRINCIPAL AMOUNT OF BONDS AND NOTES</b>	<b>AMOUNT SHOWN IN THE STATEMENTS OF FINANCIAL POSITION</b>	<b>VALUE BASED ON MARKET QUOTATIONS AT REPORTING DATE</b>	<b>INCOME RECEIVED AND ACCRUED</b>
Cash in Banks*	P247,189,491	P247,189,491	-	-
Receivables:				
Trade	411,296,740	411,296,740	-	-
Advances to Stations	49,662,641	49,662,641	-	-
Others	11,595,533	11,595,533	-	-
Due from Affiliates	140,037,302	140,037,302	-	-
Financial Assets at FVOCI:				
Quoted	1	220,000	220,000	-
Unquoted	17,004,820	166,054,441	Not applicable	-
		<b>P1,026,056,148</b>		

\*Amount is exclusive of cash on hand amounting to P15,327,990 as at December 31, 2019.

**MANILA BROADCASTING COMPANY AND SUBSIDIARIES**

**Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)**

**For the Year Ended December 31, 2019**

NAME AND DESIGNATION OF DEBTOR	BEGINNING BALANCE	ADDITIONS	DEDUCTIONS		CURRENT	NON-CURRENT	ENDING BALANCE
			AMOUNT COLLECTED	AMOUNT WRITTEN OFF			
EMPLOYEES:							
HENRY URI	P10,662	P567,291	P133,984	-	P443,969	-	P443,969
ELISA BALTAZAR	169,876	297,634	322,799	-	144,711	-	144,711
MARIA SAEL NAZARIO	96,280	28,640	93,455	-	31,465	-	31,465
OTHER EMPLOYEES	2,127,189	1,706,101	2,140,092	-	1,693,197	-	1,693,197
	<b>P2,404,007</b>	<b>P2,599,666</b>	<b>P2,690,330</b>	<b>-</b>	<b>P2,313,342</b>	<b>-</b>	<b>P2,313,342</b>

**MANILA BROADCASTING COMPANY AND SUBSIDIARIES**

**Schedule C. Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements  
For the Year Ended December 31, 2019**

NAME AND DESIGNATION OF DEBTOR	BEGINNING BALANCE	ADDITIONS	DEDUCTIONS		CURRENT	NON- CURRENT	ENDING BALANCE
			AMOUNT COLLECTED	AMOUNT WRITTEN OFF			
<i>NOT APPLICABLE</i>							

**MANILA BROADCASTING COMPANY AND SUBSIDIARIES**

**Schedule D. Intangible Assets**

**For the Year Ended December 31, 2019**

<b>DESCRIPTION</b>	<b>BEGINNING BALANCE</b>	<b>ADDITIONS TO COST</b>	<b>DEDUCTIONS</b>		<b>OTHER CHANGES ADDITIONS (DEDUCTIONS)</b>	<b>ENDING BALANCE</b>
			<b>CHARGED TO COST AND EXPENSES</b>	<b>CHARGED TO OTHER ACCOUNTS</b>		
Intangible Asset – Frequency License (DWRK)	P32,491,220	-	P11,814,996	-	-	P20,676,224
Intangible Asset – Goodwill	38,016,206	-	-	-	-	38,016,206
	<b>P70,507,426</b>	<b>-</b>	<b>P11,814,996</b>	<b>-</b>	<b>-</b>	<b>P58,692,430</b>

**MANILA BROADCASTING COMPANY AND SUBSIDIARIES****Schedule E. Long-Term Debt****For the Year Ended December 31, 2019**

<b>TITLE OF ISSUE AND TYPE OF OBLIGATION</b>	<b>AMOUNT AUTHORIZED BY INDENTURE</b>	<b>AMOUNT SHOWN AS CURRENT</b>	<b>AMOUNT SHOWN AS LONG-TERM</b>	<b>REMARKS</b>
Seven-year term loan facility with Bank of the Philippines Islands (BPI) to be used in the construction and operation of Elizalde Hotels and Resorts Inc. in Boracay Island, Aklan.	P350,000,000	P66,234,505	P249,320,547	-
	<b>P350,000,000</b>	<b>P66,234,505</b>	<b>P249,320,547</b>	-

**MANILA BROADCASTING COMPANY AND SUBSIDIARIES**

**Schedule F. Indebtedness to Related Parties (Long-Term Loans from Related Companies)  
For the Year Ended December 31, 2019**

NAME OF RELATED PARTY	BEGINNING BALANCE	BALANCE AT THE END OF PERIOD
<i>NOT APPLICABLE</i>		

**MANILA BROADCASTING COMPANY AND SUBSIDIARIES**

**Schedule G. Guarantees of Securities of Other Issuers  
For the Year Ended December 31, 2019**

<b>NAME OF ISSUING ENTITY OF SECURITIES GUARANTEED BY THE COMPANY FOR WHICH THIS STATEMENT IS FILED</b>	<b>TITLE OF ISSUE OF EACH CLASS OF SECURITIES GUARANTEED</b>	<b>TOTAL AMOUNT GUARANTEED AND OUTSTANDING</b>	<b>AMOUNT OWNED BY PERSON FOR WHICH STATEMENT IS FILED</b>	<b>NATURE OF GUARANTEE</b>
	<i>NOT APPLICABLE</i>			

**MANILA BROADCASTING COMPANY AND SUBSIDIARIES**

**Schedule H. Capital Stock**

**For the Year Ended December 31, 2019**

<b>TITLE OF ISSUE</b>	<b>NUMBER OF SHARES AUTHORIZED</b>	<b>NUMBER OF SHARES ISSUED AND OUTSTANDING</b>	<b>NUMBER OF SHARES RESERVED FOR OPTIONS, WARRANTS, CONVERSIONS AND OTHER RIGHTS</b>	<b>AFFILIATES</b>	<b>NUMBER OF SHARES HELD BY DIRECTORS, OFFICERS AND EMPLOYEES</b>	<b>OTHERS</b>
Common Shares	1,000,000,000	402,682,990	-	361,469,767	38,482	41,174,741
	<b>1,000,000,000</b>	<b>402,682,990</b>	<b>-</b>	<b>361,469,767</b>	<b>38,482</b>	<b>41,174,741</b>

**MANILA BROADCASTING COMPANY AND SUBSIDIARIES**

**Schedule I. Financial Indicators**

**For the Year Ended December 31, 2019**

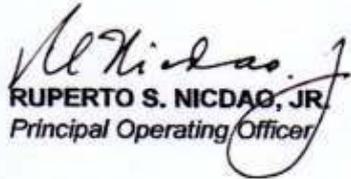
	<b>2019</b>	<b>2018</b>
1. Return on Sales		
Net Income	94,320,068	102,717,488
Divide by: Sales	1,096,093,471	1,019,686,510
<b>RETURN ON SALES</b>	<b>8.61%</b>	<b>10.07%</b>
2. Earnings Per Share (EPS)		
Net Income	107,005,432	105,599,892
Divide by: No. of Shares Outstanding	402,682,990	402,682,990
<b>EPS</b>	<b>0.27</b>	<b>0.26</b>
3. Current Ratio		
Current Assets	949,168,562	808,717,657
Divide by: Current Liabilities	765,021,679	533,174,194
<b>CURRENT RATIO</b>	<b>1.24</b>	<b>1.52</b>
4. Debt-Equity Ratio		
Total Liabilities	1,201,126,128	978,896,447
Divide by: Stockholders' Equity	1,408,794,408	1,301,040,765
<b>DEBT-EQUITY RATIO</b>	<b>0.85</b>	<b>0.75</b>
5. Book Value Per Share		
Total Stockholders' Equity	1,408,794,408	1,301,040,765
Divide by: No. of Shares Outstanding	402,682,990	402,682,990
<b>BOOK VALUE PER SHARE</b>	<b>3.50</b>	<b>3.23</b>

**SIGNATURES**

Pursuant to the requirements of Section 17 of the Code and Section 177 of the Revised Corporation Code of the Philippines, this Annual Report is signed on behalf of the issuer by the undersigned, thereunto <sup>2020</sup> authorized, in the City MANILA on JUN 23 2020

By:

  
**FEDERICO J. ELIZALDE**  
*Principal Executive Officer*

  
**RUPERTO S. NICDAO, JR.**  
*Principal Operating Officer*

  
**EDUARDO G. CORDOVA**  
*Principal Financial Officer*

  
**JULIO MANUEL P. MACUJA**  
*Treasurer*

  
**MARVEL K. TAN**  
*Audit Committee Chairman*

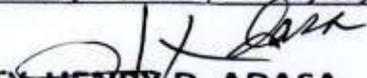
  
**RUDOLPH STEVE E. JULARBAL**  
*Corporate Secretary*

  
**ROBERT PUA**  
*VP - Controller*

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_, affiants exhibiting to me their Community Tax Certificates, Passport, and Driver's License as follows:

NAMES	CTC NO./PASSPORT NO./DRIVER'S LICENSE NO.	DATE OF ISSUE	PLACE OF ISSUE
FEDERICO J. ELIZALDE	04592442	January 17, 2020	Pasay City
RUPERTO S. NICDAO, JR.	04588964	January 17, 2020	Pasay City
EDUARDO G. CORDOVA	04596776	January 28, 2020	Pasay City
JULIO MANUEL P. MACUJA	EC 8414317	Expiry - July 26, 2021	DFA Manila
MARVEL K. TAN	OSCA 06215-H	June 9, 2014	Quezon City
RUDOLPH STEVE E. JULARBAL	DL A01-73-10880	Expiry - February 14, 2023	Quezon City
ROBERT PUA	04592443	January 17, 2020	Pasay City

Doc No. 176  
Page No. 29  
Book No. 7  
Series of 2020.

  
**ATTY. HENRY D. ADASA**  
NOTARY PUBLIC, UNTIL DEC. 31, 2020  
NOTARIAL COMMISSION 2020-162 MLA  
IBP NO. 100920 01/03/2020, PASIG  
PTR NO. 9124037 - 01/03/2020 MLA  
ROLL NO. 29679, TIN: 172-528-620  
© MCLE COMPL. NO. VII-0000165



**MANILA  
BROADCASTING  
COMPANY**

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY  
FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

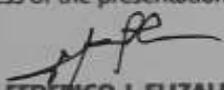
The Management of **MANILA BROADCASTING COMPANY** is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the year ended December 31, 2019, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

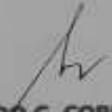
In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

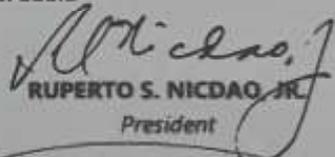
The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the consolidated financial statements including the schedules attached therein and submits the same to the stockholders or members.

Sycip Gorres Velayo & Co. (SGV & Co.), the independent auditors appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of the presentation upon completion of such audit.

  
**FEDERICO J. ELIZALDE**  
Chairman of the Board

  
**EDUARDO G. CORDOVA**  
SVP - Chief Finance Officer

  
**RUPERTO S. NICDAO, JR.**  
President

  
**MARVEL K. TAN**  
Audit Committee Chairman/Independent Director

SUBSCRIBED AND SWORN to before me on JUN 23 2020 at MANILA, Affiant(s) exhibiting to me their Community Tax Certificates and Senior Citizen ID, as follows:

NAMES	CTC / OSCA NO.	DATE OF ISSUE	PLACE OF ISSUE
FEDERICO J. ELIZALDE	04592442	January 17, 2020	Pasay City
RUPERTO S. NICDAO, JR.	04588964	January 17, 2020	Pasay City
EDUARDO G. CORDOVA	04596776	January 28, 2020	Pasay City
MARVEL K. TAN	OSCA 06215-H	June 9, 2014	Quezon City

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SERIES OF 20 20

  
**ATTY. HENRY D. ADASA**  
NOTARY PUBLIC, UNTIL DEC. 31, 2020  
NOTARIAL COMMISSION 2020-162 MLA  
ISP NO. 102220 C1/03/2020, PASIG  
PTR NO. 0124007 01/05/2020 NLA  
ROLL NO. 29675, TIN: 172-028-630  
MCLE COMPL. NO. VII-0000165