

MINUTES

OF THE MEETING OF THE BOARD OF DIRECTORS OF
MANILA BROADCASTING COMPANY
HELD VIA ZOOM VIDEO CONFERENCE ON 6 OCTOBER 2022

P R E S E N T :

STOCKHOLDERS

Outstanding common shares	402,682,990
Number of shares present	361,508,155
Attendance percentage	89.77%

MANILA BROADCASTING COMPANY (DIRECTORS AND OFFICERS)

JUAN MANUEL ELIZALDE	DIRECTOR Chairman of the Meeting Senior Vice President – Operations
RUPERTO S. NICDAO, JR.	DIRECTOR President
JULIO MANUEL P. MACUJA	DIRECTOR Executive Vice President – Treasurer
EDUARDO G. CORDOVA	DIRECTOR Senior Vice President – Chief Finance Officer
ROBERT PUA	DIRECTOR Vice President – Controller Compliance Officer
RUDOLPH STEVE E. JULARBAL	DIRECTOR Vice President – Legal Corporate Secretary
MARVEL K. TAN	Independent Director
GEORGE T. GODUCO	Independent Director
CARLEA C. MIRANDA	OFFICER Vice President – Treasury

ELLEN C. FULLIDO	OFFICER Vice President – Human Resources
IRVING A. LISONDRA	OFFICER Vice President – Creative Services
JONATHAN E. DECENA	OFFICER Vice President – Radyo Natin
ELPIDIO MACALMA	OFFICER Vice President – DZRH
WILFREDO H. ESPINOSA	OFFICER Vice President – FM Programming
JOSE MA. T. PARROCO	OFFICER Vice President – Sales
ALBERT M. SONGCO	OFFICER Assistant Vice President – Central Engineering
JOHNNY FAITH QUILING	OFFICER Assistant Vice President – FM Operations
VINCE JAEN	OFFICER Assistant Vice President – Integrated Media

SYCIP, GORRES VELAYO & CO. (EXTERNAL AUDITOR)

MARIA PILAR B. HERNANDEZ
WILSON P. TAN
MARIA VIVIAN C. RUIZ
MARTIN C. GUANTES
NOEL P. RABAJA
JENELYN NARTE

STOCK TRANSFER SERVICE, INC.

RICHARD REGALA
MICHAEL C. CAPOY
JOEL SILVESTRE CORTEZ
LAURO C. CASIPLE
KATH FLAMINIANO

I. CALL TO ORDER

Mr. Juan Manuel Elizalde, acted as Chairman of the meeting and called the Annual Stockholders' Meeting to order at 3:00 p.m. via remote communication through Zoom video conference. The Corporate Secretary, Atty. Rudolph Steve E. Jularbal, recorded the minutes.

II. CERTIFICATION OF QUORUM

The Corporate Secretary certified that there was a quorum to conduct business, all directors, officers, external auditor, and stock transfer agent having been notified and present.

Furthermore, the Notice of Stockholders' Meeting have been sent to stockholders of record by publication in accordance with the By-laws of the Corporation and the SEC guidelines for online remote or video teleconferencing.

III. APPROVAL OF THE MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING HELD ON OCTOBER 7, 2021

The Minutes of the Stockholders' Meeting held on October 7, 2021 was posted on the Company's website as required by the Securities and Exchange Commission.

There being no objection, and upon motion duly made and seconded, the minutes of the Annual Stockholders' Meeting held last October 7, 2021 is hereby approved.

IV. PRESIDENT'S REPORT

Financial highlights

For 2021, total revenues amounted to P992.9, an increase of 11.7 percent compared to the P889.3 million in total revenues in 2020.

Although costs of services and operating expenses rose in 2021, this increase was due to the resumption of full salaries and benefits for employees, and full operations of all your Company's business units.

Gross profit was at P363.1 million, yielding a net income of P82.2 million and total comprehensive income of P154.7 million for 2021.

Our bank loans decreased by P70.4 million or 13.7% from a level of P513.8 million in 2020 to P443.4 million in 2021.

The debt-to-equity ratio of the Company is at .74:1 in 2021 versus .79:1 in 2020.

The Board of Directors of the Company declared cash dividends amounting to P120.7 million or P.30 per share on December 17, 2021 to stockholders on record as at January 16, 2022 which was paid on February 3, 2022.

Seizing opportunities

As manufacturers ramped up production, businesses reopened, and employees returned to full-time work, your Company was ready to provide marketing-and advertising-related services to a rejuvenated local economy.

This readiness, did not arise by chance; rather, this readiness is product of our investment in our people from day one of the pandemic.

In 2020, we preserved the jobs of all our employees through flexible work arrangements; pay cuts across-the-board, including for company executives; a moratorium on overtime pay and bonuses; and other practical belt-tightening measures.

So, when 2021 rolled in, our pool of homegrown talented personnel was right in place to roll out high-quality content and campaigns, which are the hallmark of our Company.

Strength of core business

The marked bounce back of revenues is a testament both to the dedication of our personnel and the strength of our core business.

Our stations continue to lead the airways based on regular listenership surveys conducted in the National Capital Region and key provincial cities through the entire Philippines.

Top local and multinational companies and advertising agencies recognize that radio is a crucial ingredient in the marketing mix as the most cost-effective mass communication tool to establish brand awareness and to stimulate brand recall.

Furthermore, with the increasing frequency and ferocity of natural calamities, radio is the most resilient and reliable mass medium to disseminate emergency relief and rescue information that are vital in saving lives.

Because of radio's unwaning relevance, radio advertising continuously provides your Company with a solidly reliable revenue stream.

Accelerated growth of the digital market

That said, we should not be complacent; rather, we must always take that forward-looking stance that propelled your Company to industry leadership.

Over the past 15 years, innovations in interconnectivity and computer processing power have contributed to the steady growth of the digital media industry.

This growth of digital media was accelerated during the COVID-19 pandemic, when lockdowns kept most of the population at home – literally left to their own devices – spending an unprecedented amount of time, consuming digital content.

Once again, forward planning has made your Company a major player in this fast-growing digital media marketing space.

Accelerated growth of our digital footprint

It was some 15 years ago that our networks began establishing a presence on the then-nascent Internet via first generation websites.

Fast forward to today, some 15 years later, our AM and FM networks are able to reach global Internet audiences through interactive multimedia websites and massive communities on the most popular social media platforms such as Facebook, YouTube, Twitter, and TikTok.

Just as the pandemic accelerated the consumption of digital media, it has also accelerated the growth of your Company's digital footprint.

Expanding audiences and the attention economy

Scholars in media economics unanimously agree that the rise of the Internet has fundamentally changed the global attention economy.

In an attention economy, the ability to earn revenues is directly tied to the ability to attract eyes and ears to your content; and after that, the ability to keep those eyes and ears glued to your content.

Our AM and FM networks have breached the terrestrial barriers of our broadcast footprint and, in recent years, have been reaching out to a growing global audience.

Over the past five years or so, our digital platforms have been the source of a steadily-growing stream of revenues from digital ads.

Your management has kept abreast with the growth in digital advertising spending and we will continue to implement strategies, establish processes, and make investments that will ensure long-term dominance in the digital marketing place.

Digital executions

Beyond competing for our slice of the digital advertising pie, your Company has responded to the demands of corporate clients and advertising agencies for creative online content that reach and engage their respective target audiences.

Throughout the lockdowns until this year, we have been holding the Aliwan Fiesta Digital Queen, the virtual version of the Reyna ng Aliwan beauty pageant; and the MBC Short Film Festival, which showcases the cinematic talent of independent filmmakers.

Advertisers have embraced these virtual events as well as our online casual game, MBC Jackpot Runner, available on Android and iOS.

Additionally, we have beefed up our capability to execute native advertising campaigns – specifically, campaigns wherein branding efforts and promotional messages of clients are subtly interwoven into the regular organic content on our websites and social media platforms.

WinMedia Suite

Complementing the diversification of our services is the streamlining of our business processes.

We will soon be implementing WinMedia Suite, a comprehensive software solution that seamlessly stitches together the work processes of an entire broadcasting network.

WinMedia allows us to efficiently book and implement ad spots, generate billing invoices, and facilitate collections, which means better service for our clients and shorter aging of our accounts receivables.

Rebuilding and property acquisition

Not only are we upgrading our business processes, we are also rebuilding and improving our physical offices.

The MBC building has mostly been restored and rebuilt, and was re-opened for operations in mid-2021.

Over the longer term, your Company has acquired an 800-sqm. property in Pasay City in March 2022.

The long-term plan is to build our new headquarters – Elizalde Corporate Center – which will house state-of-the-art facilities for our broadcasting and digital businesses.

To start the ball rolling, your Company has commissioned FSL & Associates, a full-service Architecture, Interior design and planning Firm with over 700,000 sqms. Of completed projects under its belt, for the architectural design of this new building.

Star City rebuilding

In 2021, we also rebuilt Star City, the Yuletide icon that has become an indispensable part of Christmas in the Philippines.

Overcoming the logistical hurdles of COVID-19 restrictions, we got the gears churning and the wheels turning, so that Star City, in the first quarter of this year, re-opened its doors to the public to rave reviews over both traditional and social media.

EHRI – Feliz Brands

In addition, another one of our properties, Feliz Hotel Boracay, managed by Elizalde Hotels and Resorts, Inc. is now poised to reap returns of a resurgent tourism industry.

COVID-19 infections are petering out and health restrictions are easing down; these developments are paving the way for a surge in “revenge travel,” which refers to vacation-starved people making up for the trips they were robbed of during the pandemic.

V. APPROVAL OF AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

There being no objection and upon motion duly made and seconded, the 2021 Audited financial statements of Manila Broadcasting Company is hereby approved.

VI. APPROVAL AND RATIFICATION OF THE ACTS OF THE BOARD OF DIRECTORS AND OFFICERS

The details of the acts of the board of directors and officers are included in the Definitive Information Statement. These corporate acts were all conducted in the ordinary course of business.

Hearing no objection, upon Motion duly made and seconded, the motion to ratify all acts of the Company’s Board of Directors and Officers for the period from date of last annual stockholders meeting to 30 September 2022 are ratified.

VII. ELECTION OF DIRECTORS AND OFFICERS FOR THE TERM 2022 TO 2023

The Corporate Secretary certified to the following Directors as having been elected by the stockholder during the stockholders’ meeting which was just concluded, to hold office until their successors have been elected, namely:

BOARD OF DIRECTORS		
FEDERICO J. ELIZALDE	RUPERTO S. NICDAO, JR.	JULIO MANUEL P. MACUJA
JUAN MANUEL ELIZALDE	EDUARDO G. CORDOVA	ROBERT PUA
RUDOLPH STEVE E. JULARBAL	MARVEL K. TAN*	GEORGE T. GODUCO*

**Independent Director*

The newly elected Directors thereupon convened as a Board to appoint the officers of the Corporation. The following were appointed as Officers:

OFFICERS	
FEDERICO J. ELIZALDE	Chairman of the Board
RUPERTO S. NICDAO, JR.	President
JULIO MANUEL P. MACUJA	EVP – Treasurer
JUAN MANUEL ELIZALDE	SVP – Operations
EDUARDO G. CORDOVA	SVP – Chief Finance Officer
ROBERT PUA	VP – Controller and Compliance Officer
RUDOLPH STEVE E. JULARBAL	VP – Legal and Corporate Secretary
IRVING A. LISONDRA	VP – Advertising and Promotions
CARLEA C. MIRANDA	VP – Treasury
ELLEN C. FULLIDO	VP – Human Resources and Administrative Resources
JONATHAN E. DECENA	VP – Radyo Natin
WILFREDO H. ESPINOSA	VP – FM Programming
ELPIDIO M. MACALMA	VP – DZRH
JOSE MA. T. PARROCO	VP – Sales
JOHNNY FAITH F. QUILING	AVP – FM Network Operations
ALBERT M. SONGCO	AVP – Central Engineering
VINCE JAEN	AVP – Integrated Media

There being no objection, and upon motion duly made and seconded, the election of directors and officers for 2022 to 2023 is hereby approved.

VIII. APPOINTMENT OF EXTERNAL AUDITOR

The accounting firm of Sycip Gorres Velayo & Co. was re-appointed as external auditors of the Company for the calendar year 2022.

There being no objections and upon motion duly made and seconded, SGV & Company is appointed as External Auditor of MBC for the calendar year beginning January 1, 2022 and ending December 31, 2022.

IX. OTHER MATTERS

The stockholders were given an opportunity to ask questions or propose to discuss other issues and matters related to the Company.

Question #1: Given that the economy is opening, what are the financial projections for MBC for 2022?

Answer: Because of the drop in sales in the latter part of 2021 into 2022, some of our advertisers were mandated by their head offices to cut down on expenses, particularly advertising. Fortunately, 2022 is an election year. So we'll probably end up with a slight increase or probably flat for 2022.

Question #2: How is the investment of MBC in Feliz Hotel in Boracay? Has business improved?

Answer: As reported, the reopening of the economy and waning of the pandemic has allowed the country to reopen tourism sites, and Boracay, where our hotel is located, is the most popular destination throughout the country. Fortunately, in the second quarter of 2022, we've seen an increase in tourist arrivals in Boracay. In the third quarter of 2022, tourist arrivals returned to pre-pandemic levels. As a result, the hotel has started yielding significant growth. The occupancy has grown from nothing during the pandemic to around 70-85% during the third quarter of this year. We expect that as soon as foreign tourists begin arriving in the country, we will see even further growth and good profitability for the investment that MBC made in the tourism industry.

Question #3: In the report of the President, it was stated that MBC has acquired a property along Taft Avenue for the Corporate Headquarters. When do we expect to move in to the new Corporate headquarters?

Answer: The architects we commissioned said that it would take them about six months to complete the whole process of planning. After the architectural drawings are finished, we'll have to get permits for the building. We expect that process to take another three months or so. If everything goes well, we will probably start the construction a year from now. The construction period will take anywhere from twenty-four to thirty-six months. The earliest we can move in will probably be three years from today, or the latest, about four years.

X. ADJOURNMENT

Upon motion duly made and seconded, the 2022 Annual Stockholders Meeting of Manila Broadcasting Company is hereby adjourned.

ATTESTED:


RUPERTO S. NICDAO, JR.
President


ATTY. RUDOLPH STEVE E. JULARBAL
Corporate Secretary