

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)
May 15, 2020
2. SEC Identification Number
1803
3. BIR Tax Identification No.
000406761000
4. Exact name of issuer as specified in its charter
ABS-CBN Corporation
5. Province, country or other jurisdiction of incorporation
Metro Manila
6. Industry Classification Code(SEC Use Only)
7. Address of principal office
ABS-CBN Broadcast Center, Sgt. Esguerra Avenue corner Mother Ignacia Street,
Quezon City, Philippines
Postal Code
1103
8. Issuer's telephone number, including area code
(632)34152272
9. Former name or former address, if changed since last report
Not Applicable
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	861,971,968

11. Indicate the item numbers reported herein
Item 9

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



ABS-CBN

ABS-CBN Corporation

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PSE Disclosure Form 4-30 - Material Information/Transactions
References: SRC Rule 17 (SEC Form 17-C) and
Sections 4.1 and 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

ABS-CBN disclosure on Cease and Desist Order of the National Telecommunications Commission (NTC)

Background/Description of the Disclosure

We make the following disclosure covering material information on the impact of the Cease and Desist Order (the "Order"), dated May 5, 2020 issued by the National Telecommunications Commission (the "NTC") on ABS-CBN Corporation (the "Company"), in response to the Exchange's correspondence.

Other Relevant Information

Please see attachment as reply.

Filed on behalf by:

Name	Ricardo Tan, Jr.
Designation	Corporate Treasurer, Corporate Information Officer and Compliance Head

We make the following disclosure covering material information on the impact of the Cease and Desist Order (the “Order”), dated May 5, 2020 issued by the National Telecommunications Commission (the “NTC”) on ABS-CBN Corporation (the “Company”), in response to the Exchange’s correspondence.

Under the Order, the Company was directed to immediately cease and desist from operating its radio and television stations in Metro Manila and other regional stations (*Channel 2, Sports and Action, DZMM, and MOR*). On the same day, the Company advised its audience of the development and thereafter, signed off-air its television and radio stations in compliance with the Order of the NTC.

The Order will significantly impact the Company’s Media, Networks, and Studio Entertainments (MNSE) operations. For the period ended September 30, 2019, the revenues of this segment amounted to Php23.3B, of which, Php15.9B or approximately 68% of MSNE revenues, was free-to-air advertising.

On a consolidated basis, free-to-air advertising was approximately 50% of the Company’s consolidated revenue for the period ended September 30, 2019.

The actual impact on MNSE operations is difficult to estimate at this point since it will depend, among other things, on the duration of the time its television and radio stations are off-air, and its ability to generate alternative sources of revenues to make up for the shortfall. Even as the impact of the CoVID19 pandemic on the Philippine and global economy is yet to be fully realized, the Order will put additional financial burden on the Company. As developments on these are still quickly evolving and changing from day-to-day, the Company finds that the transforming scenarios make assumptions, assessments and projections challenging and may not necessarily be valid or accurate for future scrutiny. Nonetheless, the Company has already undertaken and will continue to undertake measures to mitigate this impact and effect. Thus:

A. The Company continues to operate the following:

1. Media, Networks, and Studio Entertainment:
 - Content Creation – entertainment, news, sports, movie, music, channels, other content.
 - Content Distribution –The Filipino Channel (TFC), ABS CBN News Channel (ANC), Teleradyo, Cinema One, Metro Channel, Myx, Cinemo, Jeepney TV, and Yey
2. Cable, Satellite, and Broadband – Sky Cable, Sky Broadband, Sky Direct, and Sky on Demand
3. Digital and Interactive Media –iWant, absbn.com, YouTube, Facebook, and other digital and other social media platforms

4. Consumer Products and Experiences – merchandise and promotional licensing, and physical experience business
- B. The Company is exploring alternative means to reach its audience and substitute sources of revenues, such as but not limited to, expanding its digital platforms and developing new products.
- C. The Company will continue to implement cost control measures, reducing general administrative expenses (GAEX) or overhead and rationalizing capital expenditures.
- D. The Company is formulating measures to protect the welfare and interest of its employees.

As of September 30, 2019, the Company's long-term debts amounted to Php21.336B. In light of the Order, the creditor banks have been apprised and are aware of the Company's situation.

During these challenging and unprecedented times, the Company is committed to honor all existing obligations for goods delivered and services rendered by its third party suppliers. Currently, we expect to pay all our bank debts in accordance with the existing payment schedule.

The Company intends to pursue such courses of action and shall exhaust all legal remedies available to it in order to resume its broadcasting operations. On May 7, 2020, the Company filed with the Supreme Court a Petition for Certiorari and Prohibition (the "Petition"), with urgent application of the issuance of a Temporary Restraining Order and/or a Writ of Preliminary Injunction (G.R Case No. 352119). In the Petition, the Company sought relief from the Supreme Court, as follows: (i) issuance of a Temporary Restraining Order, (ii) the issuance of a Writ of Preliminary Injunction after proceedings held and while the Petition is pending; and (iii) after further proceedings, the annulment and setting aside of the Order and declaration of permanent injunction, against the implementation of the Order. The following basic arguments were put forth and extensively discussed in the Petition in support of its prayer:

1. Direct resort to the Supreme Court is necessary and justified given the urgency and transcendental importance of the subject matter, and the grave and irreparable repercussions on public interest brought about by the issuance of the Order;
2. There is no plain, speedy and adequate remedy available to ABS-CBN other than the Petition;
3. Congress has the plenary power to grant and renew legislative franchises. Thus, instead of issuing the Order, the NTC should have just deferred to Congress;
4. The issuance of the Order deviated from past practice and violated the Company's right to equal protection of the law;
5. The Order likewise violates the Company's right to due process, because it was issued without due notice and hearing; violates the right of the public to information and curtail freedom of speech as well as cause serious and irreparable damage on ABS-CBN and

thousands of its employees. Thus, strong public interest and equity demand that the Company be allowed to continue its operations.

Even as this Petition is pending, the Company is actively pursuing the renewal of its franchise from Congress and is ready to participate in any hearings or proceedings that may be scheduled at any time.

In the current (or 18th) Congress, there are eleven bills, seeking the renewal of ABS-CBN's franchise, which are currently pending with the House Committee on Legislative Franchises, as well as three (3) Resolutions in relation to the renewal or extension of ABS-CBN's franchise.

As of May 11, 2020, the following developments transpired in the House of Representatives:

- a. included in its Order of Business on said date the first reading of House Bill No. 6694, entitled: An Act granting the ABS-CBN Corporation (formerly ABS-CBN Broadcasting Corporation) a franchise to construct, install, operate and maintain television and radio broadcasting stations in the Philippines, and for other purposes.
- b. issued an Order, dated May 11, 2020, requiring the NTC and its Commissioners to explain why they should not be cited for contempt or proceeded against for issuing the Order.
- c. three (3) Congressmen filed a resolution seeking an investigation on the alleged violations of ABS-CBN Corporation of its legislative franchise.

Then, on May 13, 2020, the House of Representatives Committee of the Whole approved on second reading House Bill No. 6732 (HB 6732) or "An Act Granting the ABS-CBN Corporation A Franchise to Construct, Install, Operate and Maintain Radio and Television Broadcasting Stations in the Philippines, and For Other Purposes", which bill grants ABS-CBN Corporation a franchise valid until October 31, 2020. Please see our separate disclosure on this.

In the Senate, two (2) Bills seeking the renewal of ABS-CBN's franchise, as well as a bill seeking to extended the term of the franchise, have also been introduced before and pending with the Senate Committee on Rules. Upon approval of HB6732 on third reading, it is expected that the bill will be transmitted to the Senate for its concurrence.

The Company is confident that it is has not committed any violation of the terms of its franchise, permits and licenses or any applicable law or regulations as to merit the non-renewal of its franchise or suspension of its broadcast operations as a consequence. Thus, the Company believes that while a franchise is a privilege which is the sole prerogative of Congress to grant, it possesses all the conditions and qualifications to have its franchise renewed.

We are prepared to update this disclosure in due course and as soon as new developments arise.