

13. The aggregate market value of the voting stock held by the public as of December 31, 2015 amounts to Php1,626,768,844 the last traded price of Php2.00 per share on December 31, 2015. 813,384,422 shares are held by the public as of December 31, 2015.

MANILA JOCKEY CLUB, INC.

ITEM 1. BUSINESS

Manila Jockey Club, Inc. (the "Parent Company") and Subsidiaries (collectively referred to as the "Group") was incorporated in the Philippines on March 22, 1937 and was listed in the Philippine Stock Exchange (PSE) on October 11, 1963.

In 1987, the Philippine Securities and Exchange Commission (SEC) approved the extension of the Parent Company's corporate life for another 50 years starting March 22, 1987.

The Parent Company is presently engaged in the construction, operations and maintenance of a racetrack located in Cavite, Philippines and in the holding or conducting of horse races therein with bettings both directly or indirectly by means of mechanical, electric and/or computerized totalizator. It has a congressional franchise granted on November 23, 1997 under Republic Act (R.A.) No. 8407 to hold such races and to maintain the race track, which will expire on November 23, 2022. The Parent Company is also engaged in the development and sale of condominium units and residential properties, and lease of an office building through joint venture (JV) arrangements with certain developers.

Employees

The Company has raceday and monthly employees.

The total number of raceday employees is as follows:

- a. For racing days - 432 employees

The total number of monthly rank and file employees and officers is 176 employees. The monthly rank and file employees have a five-year Collective Bargaining Agreement ("CBA") with the Company which expired in 2015 and currently undergoing negotiations with the management for a renewal of another five (5) years. The Company also has a CBA with the raceday employees for a period of five (5) years which expired in July 2014 and was renewed in June 2015. Both CBAs contain supplemental benefits for the employees such as vacation and sick leaves and retirement benefits. The Company has not experienced any labor strike in the last three (3) years.

Subsidiaries, Associates and Joint Venture

	Place of incorporation	Nature of business	Functional currency	Percentage of ownership	
				2015	2014
Subsidiaries					
Biohitech Philippines, Inc. (Biohitech)	Philippines	Waste management	Philippine Peso	50.00	50.00
Gametime Sports and Technologies, Inc. (Gametime)	Philippines	Gaming	Philippine Peso	100.00	100.00
Manilacockers Club, Inc. (MCC)	Philippines	Gaming	Philippine Peso	100.00	100.00
MJC Forex Corporation (MFC)	Philippines	Money changer	Philippine Peso	100.00	100.00
New Victor Technology, Ltd.(NVTL)	Hong Kong	Gaming	Philippine Peso	100.00	100.00
San Lazaro Resources and Development Corporation (SLRDC)	Philippines	Real estate	Philippine Peso	100.00	100.00
SLLP Holdings, Inc. (SLLPHI)	Philippines	Holdings	Philippine Peso	100.00	100.00
Hi-Tech Harvest Limited	Hong Kong	Marketing	Philippine Peso	100.00	-
Joint Ventures					
Gamespan, Inc. (Gamespan)	Philippines	Gaming	Philippine Peso	50.00	50.00
San Lazaro BPO Complex (SLBPO)	Philippines	Real estate	Philippine Peso	30.00	30.00
Associates					
MJC Investment Corporation Doing business under the name and style of Winford Leisure and Entertainment Complex and Winford Hotel and Casino (MIC)	Philippines	Real estate and Gaming Information	Philippine Peso	22.31	28.32
Techsystems, Inc. (Techsystems)	Philippines	technology	Philippine Peso	33.33	33.00

Subsidiaries

The Parent Company holds 100% interest in SLLP Holdings, Inc. (SLLPHI) and San Lazaro Resources and Development Corporation (SLRDC), which are both incorporated and domiciled in the Philippines. The Parent Company holds a 50% interest in Biohitech Philippines, Inc. (Biohitech), a domestic corporation. To date, SLLPHI, SLRDC and Biohitech have yet to start commercial operations.

On August 16, 2010, the Parent Company formed and organized a wholly owned domestic corporation, MJC Forex Corporation (MFC). Said corporation is engaged in the business of money changing or currency exchange and dealing and brokering in all currencies with local or foreign individuals and other entities. It started its commercial operations on May 29, 2012.

On July 23, 2013, the Parent Company formed and organized another wholly owned domestic corporation, Gametime Sports & Technologies, Inc. The primary purpose of Gametime is to design, conceptualize, operate and provide technological service and advancements and/or alternative technological facilities for sports and recreational gaming through multiple platforms.

On September 23, 2013, another wholly owned domestic corporation was organized, the Manila Cockers Club, Inc. Its primary purpose is to engage in the business of cockfighting which include but not limited to the construction, establishment and operation of cockpits, the conduct and broadcast of cockfights, and the accepting of bets thereon through conventional and electronic means. It started its commercial operations on December 5, 2015.

The Parent Company also formed New Victor Technology Limited (NVTL), which is incorporated in Hong Kong and domiciled in the Philippines. The business purpose of NVTL is to purchase slot machines for lease to the Philippine Amusement and Gaming Corporation (PAGCOR), which operates the casino of the Parent Company located within the Turf Club at Carmona until September 2013.

In October 2013, the Parent Company entered into a lease agreement with PAGCOR to lease 1,427 sq.m. property, with modern slot machines, including the rights to a proprietary system of linking and networking the said slot machines, in Turf Club Bldg., San Lazaro Leisure Park, Carmona, Cavite.

In 2015, a new wholly owned subsidiary was incorporated in Hong Kong under the corporate name of Hi-tech Harvest Limited. The primary purpose of this subsidiary is for the marketing and advertising of the cockfighting operations of MCC and the services provided by GSTI to the international setting and possible customers. As of December 31, 2015, Hi-tech Harvest Limited has not yet started commercial operations.

Joint Ventures

The Parent Company entered into a JVA with Ayala Land, Inc. (ALI) on December 12, 2008 to create SLBPO, an unincorporated taxable joint venture (JV), for the purpose of leasing, managing and administering the developed office units and retail development area in the building complex at the Sta. Cruz property (the Building Complex). The Building Complex was also constructed and developed under a JDA with ALI.

Gamespan was incorporated on June 20, 2012 to operate and manage the totalizator hardware and software owned by the Parent Company, set-up new media infrastructure for offering and taking bets in horse racing and other sports. It shall also have the exclusive broadcast rights to all the races and other games operated by the Parent Company which it may distribute to different broadcasters to maximize viewership and participation. As of December 31, 2015, Gamespan has not yet started its commercial operations.

Associates

On January 23, 2009, the Parent Company acquired a 50.23% interest in MJC Investments Corporation (MIC), doing business under the name and style of Winford Leisure and Entertainment Complex and Winford Hotel and Casino, a publicly listed company incorporated and domiciled in the Philippines. The acquisition was made in accordance with the provisions of the Memorandum of Agreement (MOA) entered into by both parties in 2008, wherein the Parent Company will transfer its non-core assets to MIC under a property for share exchange subject to agreed conditions. In 2013, after the investments made by the 18 Strategic Investors in MIC, the Parent Company still has significant influence over MIC through its retained interest of 28% in MIC. As of December 31, 2015, the Parent Company has a 22.31% interest in MIC.

The Parent Company has a 33% ownership in Techsystems, Inc. Techsystems undertakes to facilitate the short message service betting or online betting for the races conducted by the Parent Company. As of December 31, 2015, Techsystems has not yet started commercial operations.

RACING OPERATIONS

(1) Horse Races

The Company transferred its racing operations on April 1, 2003 to its new horse racing facility of world class standards in Carmona, Cavite.

The Company conducts its races 2 days every week on an alternating schedule with the other racing clubs and additional one scheduled Monday race.

(2) Off Track Betting Stations (“OTBs”)

OTBs are stations where the betting public may place bets outside the race track on the horse races conducted by the Company. The OTBs are strategically located at designated areas in Metro Manila and other parts of the country.

The Company is expanding its OTB network in Metro Manila as well as in provincial areas. As of December 31, 2015, the Company now has a total of 255 quality OTB stations, 43 of which are located in provincial areas. The OTB sales account for 94.04% of the total sales generated from the races.

(3) Competition

The other racing clubs that conduct horse races and accept betting thereon are the Philippine Racing Club, Inc. ("PRCI"), and the Metro Manila Turf Club, Inc., ("MMTC") which started its operations at Malvar, Batangas in February 2013. PRCI and MMTC hold races on days when the Company does not hold its own races. Thus, there is no real competition between the three (3) clubs in obtaining their respective revenue targets. There is a healthy competition as to which club can provide better services and/or facilities which do not materially affect revenue.

(4) Government Regulations

The Company does not foresee any effect of existing or probable governmental regulations on its racing business. There is no need for any other government approval on the conduct of races and the taking of bets thereon given the Company's congressional franchise. The Company's racing operations are under the supervision of the Philippine Racing Commission while the betting aspects of racing are under the supervision of the Gaming and Amusements Board.

(5) Risks

(a) Disease

Horse disease can lead to mortality of racehorses and, at the very least, disability of horses to participate in races. In 1998, the Company suffered a disease outbreak in its stables which severely afflicted the horses. As a result of the disease, horse racing was suspended pending the remedial measures to cure said disease and to halt its spread. The Company implemented measures to minimize the occurrence of such disease outbreak such as the regular injection of preventive medicines.

The Company created a task force within management to carefully monitor the conditions of the horse stables for possible disease outbreaks. Measures have been taken to improve the cleanliness and sanitation of the stables to prevent the recurrence of said disease. The Company also bars horses afflicted with the Equine Infectious Anemia (EIA) virus from entering the SLLP complex. It screens running horses for the EIA virus using imported kits to apply the Coggins test. Said test is now mandatory for all racehorses and is periodically conducted.

(b) Weather

The Philippine experiences severe tropical storms occurring usually during the months of June until October.

Strong storms may pose as a safety risk to the jockeys, horses, employees and patrons of the Company such that there might be a necessity to stop the conduct of races.

Management has instituted measures to reduce the risk of dangerous weather by providing guidelines on emergency cases in the event of harsh weather as well as guidelines for warnings. Given these guidelines, the Company will have sufficient basis whether or not to stop the conduct of races.

REAL ESTATE DEVELOPMENT

Pursuant to the Company's rationalization and maximization of its corporate assets, the Company branched out into the development of its non racing unutilized real estate assets.

I. Carmona Township, Carmona, Cavite (San Lazaro Leisure and Business Park)

The Company has seventy seven (77) hectares of property located in Carmona, Cavite now known as the San Lazaro Leisure Park (SLLP).

Township Development Components:

1. Racing Business
 - a. Two (2) new race tracks of world-class standards
 - b. A modern Turf Club building
 - c. A stabling complex housing 1,800 horses.
2. Gaming Business – PAGCOR Club Carmona, 3rd floor, Turf Building
 - a. 200 slot machines
 - b. 8 tables
3. Real Estate Business

Canyon Ranch

In 2004, the Company entered into a joint venture agreement with prominent real estate developer Century Communities Corporation ("CCC") for the development of the 17.09-hectare portion of the Carmona property into a mixed-use commercial and upscale residential community. The development is now known as "Canyon Ranch".

The development sells only house-and-lot packages. There are eleven models offered: Napa, a duplex with floor area of 50 sq. m. per house; Stanford (91.5 sq. m.); Delano (101 sq. m.); Fremont (105 sq. m.); Berkeley (sq. m.); Atherton (280 sq. m.); Redmont (101 sq. m.); Calistoga (130 sq. m.); Casitas (81 sq. m.); Irvine (80 sq. m.); and Malibu (140 sq. m.)

Phase I has a total of 428 residential and commercial units. The Company received a total sales proceeds of ₱259 million from its share of the project.

Phase II has a total of 363 units with no commercial areas assigned to it with expected sales of ₱195 million. Market demand is expected to dictate pricing and some allotted models may be converted to the more affordable Napa or Stanford.

II. Manila Township, Sta. Cruz, Manila (San Lazaro Tourism & Business Park)

Township Development Components:

1. SM City San Lazaro

2. Ayala Land Inc. Joint Venture Developments

- a. Vertex I – a 15-storey BPO building with retail units at the ground floor
- b. ALVEO
 - b.1. Celadon Residences (Townhouses)
 - b.2. Celadon Park Residences – a 3-tower condominium complex
- c. AVIDA Towers San Lazaro – a 5-tower condominium complex

The Company's 16-hectare property in Sta. Cruz, Manila (the "Sta. Cruz Property") did not remain idle land after it transferred its racing operations to Carmona, Cavite. In 2001, SM Prime Holdings, Inc. erected the SM San Lazaro Mall at the 4-hectare portion of the property.

As part of the over-all development of the Sta. Cruz property, the Company signed on February 26, 2005 Joint Development Agreements ("JDAs") with the country's largest real property developer, Ayala Land Inc. ("ALI"), through ALI's wholly-owned subsidiaries, Avida Land Corporation ("AVIDA") and Alveo Land Corporation (Alveo), formerly Community Innovations Inc. ("CII") for the construction of townhouses and residential condominium buildings at the 6.47-hectare portion of the Sta. Cruz property.

Under the JDAs, the Company will contribute the land, Alveo and AVIDA will contribute the financial and technical resources required for the development of the townhouses and condominium buildings.

Celadon Residences (Alveo)

"Celadon Residences" is an upscale 200-unit Mediterranean-inspired townhouse community spread over 4.2 hectares. Buyers may choose from three (3) types of units, with floor areas ranging from 168 to 204 sq. m. All units will have three (3) bedrooms and pocket gardens on the ground floor. The additional option of a guestroom or home office affords residents more breathing room for their needs. For relaxation and recreational purposes, they may visit the centrally-located 3,200 sq. m. village park and pavilion, which boast of landscaped gardens, adult and child swimming pools, and children's zone, and open playfield, and a multi-purpose court.

Celadon Park (Alveo)

"Celadon Park" is a three (3) tower condominium structure to be erected on a one (1) hectare portion of the Sta. Cruz Property. The units come in various sizes from one bedroom to three bedrooms. It shall also have 2 (two) kinds of penthouse suites. It will also have swimming pools, a fitness center, function rooms, children's playground and a multi-purpose amphitheater.

Avida Towers (AVIDA)

"Avida Towers" is envisioned to be a cluster of five (5) condominium towers, priced within reach of middle-income earners. The floor area of each unit ranges from 22 to 66 sq. m., offering studios, one-bedrooms, two-bedrooms, and lofts. The facilities

include a clubhouse, adult and child swimming pools, children's playground, basketball court, and jogging path.

The projects are sanctuaries conveniently located near schools like University of Santo Tomas, Far Eastern University, and University of the East; hospitals such as the UST hospital, St. Jude, and Chinese General; shopping areas including SM San Lazaro, SM Manila, and Divisoria; government structures such as the Manila City Hall and the Malacañang Palace among other famous landmarks in Manila.

In 21 November 2007, construction started for the BPO Building at the property of the Company at Sta. Cruz, Manila. The BPO Building is a joint venture project with Ayala Land, Inc. (ALI) with ALI having 70% interest and MJCI 30%. Construction for said tower was completed on March 2009. The tower is named Vertex I.

The Vertex I, is a 15-storey, 21,000 square meter Grade-A facility designed to address the office space requirements and to cater to the 24x7 work environment of BPO firms. It provides large and efficient building floor plates, telco & data redundancies, large capacity, high-speed elevators, 100% back-up power, support retail amenities and parks & open spaces. The project site is considered an ideal location for BPO firms due to its close proximity to the University Belt and its accessibility to the major business districts, airports and seaports in the Metropolis. The project will be the largest BPO facility in the city of Manila providing approximately 6,000 job opportunities for the residents of the city.

On 12 December 2008, the Parent Company entered into a JVA with Ayala Land, Inc. (ALI) to create the San Lazaro JV, an unincorporated taxable JV and a jointly controlled entity, for the purpose of leasing, managing and administering the developed office units in the building complex at the Sta. Cruz property (the Building Complex). The Building Complex was constructed and developed under a JDA also with ALI.

Philippine Economic Zone Authority (PEZA) – Carmona Property

Presidential Proclamation No. 1517 was signed by President Gloria Macapagal Arroyo on May 26, 2008, which created and designated several parcels of land owned by the Company consisting of 542,294 square meters situated at Barangay Lantic, Municipality of Carmona, Province of Cavite as a Tourism Economic Zone. The proclamation entitled the Company to establish, develop, construct, administer, manage, and operate a Special Economic Zone to be known as San Lazaro Leisure and Business Park (SLLBP). Pursuant to the proclamation, the Company and the PEZA signed on June 5, 2008, the Registration Agreement entitling MJCI to develop and operate the special economic zone. A certification of registration was issued thereafter.

Philippine Economic Zone Authority – Sta. Cruz Property

Presidential Proclamation No. 1727 signed by President Arroyo on February 13, 2009, created and designated several parcels of land owned by the Company at the site of the former San Lazaro race track in Sta. Cruz, Manila consisting of 74,244 square meters, as a tourism economic zone with information technology component and to be known as the San Lazaro Tourism and Business Park.

Pursuant to the proclamation, the Company and the PEZA signed on February 29, 2009, the Registration Agreement to entitle MJCI to develop and operate the aforementioned special economic zone. A certificate of registration was thereafter, issued.

GAMING OPERATIONS

As part of its business diversification, the Company commenced its gaming operations. In October 2003, the Company entered into an agreement with PAGCOR for the establishment of a gaming pit and VIP Club at the 3rd Floor of the Turf Club Building in Carmona, Cavite.

For the Gaming Pit, PAGCOR leases from the Company an area of 189.231 sq. m. for the card and table games at ₱510.51 per sq. m. subject to an escalation rate of 5% per year. The lease commenced on July 10, 2013 and will end on July 9, 2016.

The Company has a total of 200 slot machines, 160 of which are company-owned while 40 are on a revenue-sharing arrangement with Jade Corporation. Under the lease contract with PAGCOR, the Company shall supply the 200 slot machines together with the floor management system. In consideration thereof, the Company shall receive thirty five percent (35%) of the gross win as its share for the VIP Club.

On March 18, 2010, MIC was granted a Permit to Operate by PAGCOR for the establishment, maintenance and operation of a casino, PAGCOR San Lazaro, within the San Lazaro Tourism and Business Park in Sta. Cruz, Manila. The permit shall be for a period of ten years, to commence on the date of actual operation of PAGCOR San Lazaro.

Reclassification, mergers, etc.

No material reclassification, merger, consolidation or purchase or sale of a significant amount of assets not in the ordinary course of business that occurred during the calendar year ending December 31, 2015.

ITEM 2. PROPERTIES

Sta. Cruz and Carmona, Cavite Property

The real estate properties of the Club are located in Sta. Cruz, Manila with an area of 11.6 hectares and Carmona, Cavite with an area of 77 hectares.

The investment properties, Sta. Cruz property held for capital appreciation and the Sta. Cruz property held for lease have carrying values as of December 31, 2015 amounting to P359.6 million and P238.2 million, respectively, while the Carmona property has a carrying amount of Php109.8M..

The 5.1 hectare property held for capital appreciation in Sta. Cruz property and the Carmona property were used by the Parent Company as collateral for its long -term loans obtained from local bank. These long-term loans have already been paid in November 2015 thereby releasing the liens related to the properties.

Undivided Interest in a parcel of land

The Company also has an undivided interest in a parcel of land in Batangas which has a carrying value amounting to P56.7 million as of December 31, 2015.

ITEM 3. LEGAL PROCEEDINGS

As of December 31, 2015, there are pending claims and legal actions by third parties against or involving the Company arising from the normal course of business. In the opinion of the Company's management and its counsel, liabilities arising from these claims, if any, would not have material effect on the Company and any liability or loss arising therefrom would be taken up when final resolution of the claims and actions are determined.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted to a vote of security during the fourth quarter of 2015.

PART II. OPERATIONAL AND FINANCIAL INFORMATION

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY & RELATED STOCKHOLDER MATTERS

A. Market Price of Dividends or Registrant's Common Equity and Related Stockholders Matters.

1. Market Information

The principal market for the Company's common equity is the Philippine Stock Exchange.

Provided below is the table indicating the high and low sales price of the common equity of the company.

Quarterly High, Low (Year 2014, 2015, 2016)

		<u>2014</u>			
		<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>
		Price	Price	Price	Price
HIGH		2.05	2.29	2.20	2.46
LOW		1.42	1.71	1.80	1.90

		<u>2015</u>			
		<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>
		Price	Price	Price	Price
HIGH		2.25	2.05	2.07	2.05
LOW		1.81	1.85	1.80	1.92

		<u>2016</u>			
		<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>
		Price	Price	Price	Price
HIGH		1.94	--	--	--
LOW		1.91	--	--	--

As of December 31, 2015, the stock market price of the Company is pegged at Php2.00 per share.

2. Holders

There are approximately 973 holders of common equity of the registrant as of December 31, 2015.

Top Twenty (20) Stockholders as of December 31, 2015.

<u>Name</u>	<u>No. of Shares</u>	<u>Percentage</u>
1. PCD Nominee Corporation (F)	480,221,437	48.20%
2. Arco Equities, Inc.	98,770,857	9.92%
3. Alfonso R. Reyno, Jr.	65,947,940	6.62%
4. Exequiel D. Robles	56,911,100	5.71%
5. Redwood Oak Ventures, Inc.	42,524,305	4.27%
6. Maritess R. Calzado	40,850,507	4.10%
7. Chun Long Guilbert Wong	38,008,026	3.82%
8. Edgardo B. Espiritu	23,963,405	2.41%
9. Palos Verdes Realty Corp.	21,944,810	2.21%
10. Jut Holdings, Inc.	11,497,077	1.15%
11. Tormil Realty & Development Corp.	10,585,992	1.06%
12. Dante D. Morales/ Ma. Luisa T. Morales	9,567,731	0.96%
13. F. Arthur L. Villaraza	9,182,246	0.92%
14. PCD Nominee Corp. (NF)	7,680,729	0.77%
15. Rosendo G. Guevara	4,338,511	0.43%
16. Ruddy C. Tan	3,978,166	0.39%
17. Caridad Say	3,866,940	0.38%
18. Ferdinand A. Domingo	3,548,030	0.35%
19. APEX Management	3,398,275	0.34%
20. Armando R. Bonifacio	3,209,772	0.32%

3. Dividends

A cash dividend of P0.05 was approved during the March 6, 2015 Board meeting. The payment date for the dividends was April 17, 2015.

On 08 April 2014, the Board of Directors approved the declaration of cash dividends of five centavos (Php0.05) per share to stockholders of record as of May 30, 2014 and payment date of June 16, 2014.

On 08 April 2014, the Board of Directors approved the declaration of five percent (5%) stock dividends with record date of July 14, 2014 and with issuance date of August 7, 2014.

On 30 May 2013, the Board of Directors approved the declaration of cash dividend of five centavos (Php0.05) per share to stockholders of record as of June 18, 2013 and payment date of June 28, 2013.

On 30 May 2013, the Board of Directors approved the declaration of ten percent (10%) stock dividends with record date of July 18, 2013 and with issuance date of August 13, 2013.

On October 2012, the Board of Directors approved the declaration of cash dividend of eight centavos (Php0.08) per share to stockholders of record as of November 12, 2012 and payment date of November 26, 2012.

On 07 March 2012, the Board of Directors approved the declaration of a cash dividend of eight centavos (Php0.08) per share with record date of March 28, 2012 and payment date of April 18, 2012.

On 16 April 2008, the Board of Directors approved the declaration of cash dividends of P0.10 per share to stockholders of record as of May 12, 2008 payable on June 4, 2008.

On 18 June 2008, the stockholders approved and ratified the declaration of the 20% stock dividend or 89,997,063 common shares out of the unappropriated retained earnings which will come from an increase in authorized capital stock. Record date of the stock dividends was be fixed by the SEC on January 19, 2011. On 28 July 2010, MJCI applied for the listing of stock dividends amounting to 89,997,063 common shares evidenced by its Application For Listing of Stocks dated 20 July 2010 submitted by the Corporation to the Exchange. On 03 February 2011, PSE APPROVED Application of MJCI to list additional 89,997,063 common shares with a par value of Php1.00 per share to cover 20% stock dividend declaration to stockholder of record. Lastly payment date is on 14 February 2011.

There were no dividends declared during 2010 and 2009.

There are no restrictions other than profit levels or retained earnings that limit the payment of dividend on common shares.

4. Recent sale of unregistered securities

On 23 December 2010, the SEC approved the record date for the 20% stock dividends to be January 19, 2011. The stock dividends were paid out and issued to the stockholders of record on February 14, 2011 and was listed in the PSE on the same date.

On 08 October 2008, the Board of Directors of the Company approved the subscription by stockholders in the increase in the authorized capital stock amounting to 35,002,937. Upon approval of the increase in authorized capital stock in 2010, the amount of the deposits for future stock subscription amounting to P8.8 million was applied as payment for the subscription of the 35,002,937 share.

B. Description of Registrant's Securities

1. As of December 31, 2015, the authorized capital stock of the Corporation is One Billion (P1,000,000,000) divided into One Billion (1,000,000,000) common shares with a par value of One Peso (P1.00) each.

ITEM 6. MANAGEMENT DISCUSSION & ANALYSIS OF PLAN OF OPERATIONS

The following discussion and analysis relate to the consolidated financial position and results of operation of Manila Jockey Club, Inc. and Subsidiaries and should be read in conjunction with the accompanying audited consolidated financial statements and related notes as of and for the year ended December 31, 2015. Reference to “MJCI”, “the Company”, and “the Parent Company” pertains to Manila Jockey Club, Inc., while reference to “the Group” pertains to MJCI and its subsidiaries.

6.1 Discussion on Results of Operations

The following table shows a summary of results of the operations for the year ended December 31, 2015, 2014 and 2013:

	For the Year Ended December 31			% change 2015 vs. 2014	% change 2014 vs. 2013
	2015	2014	2013		
	<i>(Amount in millions of Philippine peso except EPS)</i>				
Revenue					
Racing	P199.8	P223.9	P216.4	-10.8%	3.5%
Rent	87.2	86.1	89.0	1.3%	-3.4%
Real estate	46.6	35.4	148.5	31.6%	-76.2%
Food and beverages	19.0	17.5	7.1	8.6%	1.5%
Others	18.8	19.7	33.9	-4.6%	-41.9%
	371.4	382.6	494.9	-2.9%	-22.7%
Cost					
Racing	175.1	168.7	170.3	3.8%	-1.1%
Rent	62.6	59.6	48.9	5.2%	21.9%
Real Estate	1.0	4.3	46.5	-76.7%	-90.8%
Food and beverages	19.3	16.7	14.5	15.6%	15.2%
Others	22.1	19.6	33.7	12.8%	-41.8%
	280.1	268.9	313.9	4.2%	-14.3%
Gross Income	91.3	113.7	181.0	-19.7%	-37.2%
Operating Expenses	(195.5)	(182.7)	(210.6)	7.0%	-13.2%
Equity in earnings of associate and joint ventures	12.5	17.1	10.6	-26.9%	61.3%
Interest income	5.0	12.8	13.2	-60.9%	-3.0%
Other income – net	28.3	43.4	2,123.3	-34.8%	-98.0%
Benefit from income tax	13.4	(2.5)	(8.3)	-544.3%	-70.1%
Net income (loss)	(P45.0)	P1.8	P2,109.2	-24.7%	-99.9%
Earnings per share	(P0.0459)	P0.0018	P2.1173	-23.9%	-99.9%

The difference is due to rounding off.

Comparison of Operating Results For the Years Ended December 31, 2015 and 2014.

Gross Revenue and Cost of Sale and Services

Gross revenue from operation includes revenue from racing, rentals, real estate sales, food and beverages and other ancillary services, including currency exchange operations.

For the periods ended December 31, 2015 and 2014, the Group has a gross revenue amounting to ₱371.4 million and ₱382.6 million, respectively. Compared to 2014, the gross revenue in 2015 dropped by 2.9% or ₱11.2 million. It is due primarily to the decrease in racing income by ₱24.1 million from ₱223.9 million to ₱199.8 million in 2015. The difference of 3 racing days from 117 in 2014 to 114 in 2015 contributed to the decline in racing income. Other reasons that contributed to the decline in racing revenue are the decrease in the average sales per day, reduction of the number of events per race day and of the closing of 8 off-track betting (OTB) stations.

Total cost of sales and services for the periods ended December 31, 2015 and 2014 amounted to ₱280.1 million and ₱268.9 million, respectively. It increased by 4.2% or ₱11.3 million in the current year. The bulk of the increase came from the cost of services for racing operations and can be ascribed to more race sponsorships and additional horse prizes given by the Company in 2015 compared in 2014. This is to attract more horse owners to register their racing horses in its races. There was also a three percent (3%) increase in the salaries of raceday employees as well as providing of signing bonuses to employees brought about by the renewal of the collective bargaining agreement (CBA) for raceday employees that expired in 2014 and renewed in 2015.

Operating expenses

Increase in OPEX by 7.0% or ₱12.8 million is due to the additional professional fees incurred and recognized provision for doubtful accounts during the year.

Equity in net earnings of associates and joint venture

For the period ended December 31, 2015, equity in net earnings of associates and joint venture amounted to ₱12.5 million which is lower by 27.0% compared to its balance for the same period in 2014 amounting to ₱17.1 million. This is the effect of the increase in the equity share in the net loss of MIC amounting to ₱5.2 million from ₱6.8 million in 2014 to ₱12.0 million in 2015, and increase in equity share in net earnings of SLBPO by ₱0.6 million, from ₱2.5 million in 2014 to ₱3.1 million in 2015.

Other income - net

Decrease in other income in 2015 by 34.8% or ₱15.1 million pertains mainly to the receipt in 2014 of the ₱14.0 million upfront payment for a right of way in the Parent Company's Carmona property.

Earnings per share

Earnings per share in 2015 and 2014 are (₱0.0459) and ₱0.0018, respectively which decreased by 0.044 as the Group registered a net loss attributable to the parent company for year 2015 amounting to ₱45.7 million while for year 2014, it recognized a net income attributable to equity holders of the parent amounting to ₱1.7 million.

Comparison of Operating Results For the Years Ended December 31, 2015 and 2014.

Gross Revenue and Cost of Sale and Services

Gross revenue from operation includes revenue from racing, rentals, real estate sale, food and beverages and other ancillary services, including currency exchange operations.

For the period ended December 31, 2014 and 2013, the Group had a gross revenue amounting to ₱382.6 million and ₱494.9 million, respectively. The drop in revenue by 22.7% in 2014 compared to the same period in 2013 amounting to ₱112.3 million is the net effect of the following:

- Increase in racing income by ₱7.5 million (3.5% 2014 vs. 2013) is due to the increase in average income per racing day and more weekend races of the club compared to 2013. The total number of racing days for the periods ended December 31, 2014 and 2013 was 117 and 119, respectively, resulting to a difference of 2 racing days.
- Decrease in real estate revenues by ₱113.1 million is due to several cancellations of real estate units previously sold. The decline in the number of memorial lots sold in 2014 also contributed to the unfavorable variance in real estate revenue.
- Decrease in rental income by ₱2.9 million because of the decrease of rented stable stalls in 2014.
- Revenue from sale of food and beverages increased the Group's total revenues by ₱10.4 million from that of 2013. The Parent Company's restaurant business started its operations in April 2013.
- Decrease in other revenues by ₱14.2 million which came primarily from income derived from the money changing or currency exchange operations of MJC Forex.

For the period ended December 31, 2014, cost of sales and services amounted to ₱268.9 million or a decrease of 14.3% or ₱45 million from that of 2013. The movement is affected by the decline in the number of real estate units sold as well as the several cancellations of previously sold units. Also, there was a decrease in the income derived from the money changing or currency exchange operations of MFC contributed to the decrease in total cost of sales and services.

Operating expenses

Operating expenses decreased by 13.2% from ₱210.6 million in 2013 to ₱182.7 million in 2014 as a result of the cost saving measures being implemented by the Group. While certain pre-operational subsidiaries contributed to the increase in the operating expenses, the Company still managed to decrease its operating expenses.

Equity in net earnings of associates and joint venture

In 2014, equity in net earnings of associates and joint venture increased by ₱6.5 million or 61.3% from that of 2013 as a result of lower equity in net loss of MIC by ₱4.2 million and increase in equity in net earnings of SLBPO by ₱2.1 million. For the year ended December 31, 2014 and 2013, equity in net loss of MIC amounted to ₱6.9 million and ₱11.1 million,

respectively, while equity in net earnings of SLLBPO amounted to ₱24.0 million and ₱21.9 million, respectively.

Other income - net

Other income decreased by 98.0% from that of 2013 or by ₱2,079.9 million as a result of the one-time remeasurement gain of investment in MIC recognized in 2013 as a result of the deconsolidation of MIC from the Group.

Earnings per share

Earnings per share decreased by 99.9% in 2014 from that of 2013 as a result of the one-time gain recognized in 2013 as a result of the remeasurement of the interest retained in MIC by the Group.

6.2 Financial Position

	For the Year Ended December 31			% change	% change
	2015	2014	2013		
	<i>(Amount in millions of Philippine peso except EPS and ratio)</i>			2015 vs.	2014 vs.
				2014	2013
Cash and cash equivalents	₱134.5	₱303.0	₱263.8	-55.6%	14.9%
Receivables	245.2	313.3	384.6	-21.74%	-18.5%
Inventories	94.8	95.3	99.4	-0.5%	-4.1%
Other current assets	11.3	4.7	4.8	140.4%	-2.1%
Investments in associates and joint ventures	2,301.3	2,310.1	2,314.5	-0.4%	-0.2%
Available-for-sale (AFS) financial assets	31.9	22.1	21.2	44.3%	4.2%
Property and equipment	957.2	1,028.0	1,015.4	-6.9%	1.2%
Investment properties	998.4	1,010.8	1,023.2	-1.2%	-1.2%
Other non-current assets	31.0	32.0	34.4	-3.1%	-7.0%
Total assets	4,805.6	5,119.3	5,161.3	-6.1%	0.8%
Short-term loans and borrowings	39.0	74.4	86.4	-47.6%	-13.9%
Accounts payable and other liabilities	301.1	354.3	315.4	-15%	12.3%
Current portion of long-term loans and borrowings	—	14.3	14.3	100.0%	0%
Due to related parties	—	38.6	38.6	100.0%	0%
Subscription payable	—	42.8	42.8	100.0%	0%
Income tax payable	0.007	12.7	2.8	99.9%	353.6%
Total current liabilities	340.1	537.1	500.3	36.7%	7.4%
Long-term loans and borrowings – net of current portion	—	—	14.3	0%	100%
Accrued retirement benefits	39.0	42.5	35.1	-8.2%	21.1%
Deferred tax liabilities – net	228.6	246.1	264.8	-7.1%	-7.1%
Total non-current liabilities	267.6	288.6	314.2	-7.3%	-8.1%
Total liabilities	607.7	825.7	814.5	-26.4%	1.4%
Capital stock	996.2	996.2	948.7	0%	5.0%
Additional paid-in capital	27.6	27.6	27.6	0%	0%
Actuarial gains on accrued retirement	21.6	21.2	24.9	1.9%	-14.9%

	For the Year Ended December 31			% change	% change
	2015	2014	2013		
	<i>(Amount in millions of Philippine peso except EPS and ratio)</i>			2015 vs. 2014	2014 vs. 2013
benefits					
Net cumulative changes in fair values of AFS financial assets	3.9	5.2	9.1	-25%	-42.9%
Retained earnings:					
Appropriated			17.2		-100%
Unappropriated	3,150.2	3,245.7	3,321.6	-2.9%	-2.3%
Treasury shares	(0.007)	(0.007)	(0.007)	0%	0%
Noncontrolling interests	(1.6)	(2.3)	(2.3)	-30.4%	0%
Total equity	4,197.9	4,293.6	4,346.8	-2.2%	-1.2%
Total liabilities and equity	4,805.6	5,119.3	5,161.3	-6.1%	-0.8%

Discussion on some Significant Changes in Financial Condition as of December 31, 2015 and 2014

Total assets decreased due to the following:

1. Cash and cash equivalents decreased from ₱303.0 million as of December 31, 2014 to ₱134.5 million as of December 31, 2015. The decrease of ₱168.5 million in 2015 is due to the following:

- a. The Group used cash in operating activities amounted to ₱32.7 million.
- b. The Group provided cash on investing activities in 2015 amounted to ₱8.2 million, which pertains to cash received from the following investing activities:
 - Dividends from its 30% share in the joint venture amounting to ₱47.9 million.
 - Interest from bank, real estate and AFS bonds totaling ₱5.0 million; and
 - Selling of available-for-sale financial assets which provided the Group proceeds of ₱12.7 million.

Cash received from investing activities were partially used to acquire property and equipment and AFS financial assets amounting to ₱35.1 million and ₱21.3 million, respectively.

- c. Cash used by financing activities in 2015 amounted to ₱144.0 million, which includes payments of the following:
 - Cash dividends to equity holders of the Parent Company amounting to ₱49.0 million;
 - Long term and short term loans, together with interest, amounting to ₱52.1 million; and
 - Subscriptions payable for the subscribed shares in MIC amounting to ₱42.8 million.

2. Decrease in receivables amounting to ₱68.1 million in 2015 is due to the following:

- a. Decrease in trade receivable amounting to ₱16.5 million is primarily due to the decrease in real estate receivable amounting to ₱15.6 million during the year. This is due to the collection effort of the joint venture partners and cancellation of certain real estate sales during the year.
 - b. Decrease in non-trade receivable amounting to ₱38.9 million is as a result of the following:
 - Collection of dividends from SLLBPO amounting to ₱26.2 million; and
 - Collection of receivable from Metro Manila Turf Club (MMTC) amounting to ₱15.7 million.
- The collection above were partially decreased by advances extended to related parties and to suppliers amounted to ₱2.2 million and ₱2.3 million, respectively.
- c. Increase in allowance for doubtful account amounting to ₱12.9 million is due to the assessment made by management on its long outstanding receivables to be partially uncollectible.
3. Inventories decreased by ₱0.5 million in 2015 as a result of the sale of real estate inventories during the year.
 4. Increase in other current assets amounting to ₱6.5 million pertains mainly to the overpayment by the Parent Company of its income taxes amounting to ₱5.9 million in 2015. As a result, consolidated income tax payable also decreased by ₱12.7 million.
 5. Investment in associates and joint ventures amounted to ₱2,301 million and ₱2,310 million as of December 31, 2015 and 2014, respectively. The decrease in investment in associates and joint ventures is due to the equity share in the net loss of MIC amounting to ₱12.0 million in 2015 partially offset by the equity in net earnings of SLBPO amounting to ₱24.5 million in 2015 less dividends declared for the Parent Company amounting to ₱21.4 million.
 6. Increase in AFS investments during the year amounting to ₱9.9 million pertains mainly to the acquisition by the Group of additional AFS investments amounting to ₱21.3 million, which is partially offset by the AFS investments sold by the Group with a carrying value of ₱11.7 million. Increase in unrealized mark to market gain on AFS investment amounted to ₱0.3 million in 2015.
 7. Property and equipment as of December 31, 2015 and 2014 amounted to ₱957.2 million and ₱1,028.0 million, respectively. The decrease in property and equipment amounting to ₱70.8 million in 2015 is the net effect of the acquisitions made during the year amounting to ₱35.1 million, the disposal of machineries amounting to ₱37.2 million and the recognition of depreciation charges for the year amounting to ₱68.7 million.
 8. Investment properties which are measured at cost decreased by ₱12.4 million in 2015 from ₱1,010 million as of December 31, 2014 to ₱998.4 million as of December 31, 2015 as a result of the depreciation charges of the Vertex One building amounting to ₱12.4 million.

9. Other noncurrent assets as of December 31, 2015 and 2014 amounted to ₱31.0 million and ₱32.0 million, respectively. The decrease of ₱1.0 million in 2015 is primarily due to the amortization of franchise fee amounting to ₱1.8 million.

Total Current Liabilities in 2015 decreased due to the following:

10. Decrease in short term loans and borrowings in 2015 is due to the repayment made by the Group of its long-term loans amounting to ₱14.3 million as wells as its short term loans amounting to ₱35.4 million.
11. Accounts payable decreased by ₱53.2 million mainly as a result of the following:
- Decline in the Company's racing operations, which resulted to a decrease in accounts payable of ₱17.3 million.
 - Payment of due to contractors amounting to ₱20.5 million
 - Payments to MMTC amounting to ₱12.0 million
12. Current portion of long term loans and borrowings amounted to ₱14.3 million as of December 31, 2014. The amount was fully paid upon its maturity in November 2015.
13. Subscription payable decreased from ₱42.8 million in 2014 to nil in 2015 as a result of the payment made by the Parent Company of its subscriptions in MJC Investments Corporation amounting to ₱42.8 million.
14. The decrease in income tax payable from ₱12.7 million in 2014 to ₱6.9 thousand in 2015 resulted from the payment of the income tax payable in 2014 during 2015.

Total Noncurrent Liabilities decreased due to the following:

15. The decrease in accrued retirement benefit amounting to ₱3.5 million is due to the contributions made by the Company to the retirement fund amounting to ₱11.5 million, partially offset by the retirement expense recognized by the Group amounting to ₱8.6 million.
16. Net-deferred income tax liabilities decreased by ₱17.5 million in 2015 primarily due to deferred tax assets on MCIT and NOLCO recognized in 2015. As of December 31, 2015 and 2014, net deferred tax liabilities amounted to ₱228.6 million and ₱246.1 million, respectively.

Total Equity decreased due to the following:

17. Actuarial gains on accrued retirement benefits increased by ₱0.5 million from ₱21.1 million as of December 31, 2014 to ₱21.6 million as of December 31, 2015 as a result of the increase in discount rate from 5.78% in 2014 to 6.25% in 2015.
18. Net cumulative changes in fair value of AFS financial assets decrease by ₱1.3 million in 2015 from ₱5.2 million as of December 31, 2014 to ₱3.9 million as of December 31, 2015 as a result of the realization of the changes in fair value of AFS due to disposal and unfavorable market condition.

19. Retained earnings decreased by ₱96.0 million from ₱3,246 million as of December 31, 2014 to ₱3,150 million as of December 31, 2015. The decrease pertains to the declaration of ₱0.05 cash dividend by the Parent Company in 2015 aggregating ₱49.8 million and net loss recognized by the Group for year 2015 amounting to ₱45.9 million.

Discussion on some Significant Changes in Financial Condition as of December 31, 2014 and 2013

Total Current Assets in 2014 decreased due of the following:

1. Cash and cash equivalents increased from ₱263.8 million as of December 31, 2013 to ₱303.0 million as of December 31, 2014. The increase of ₱39.2 million in 2014 primarily resulted from the following:
 - a. The Group generated cash in 2014 amounting to ₱173.8 million from its operation, mainly from its racing, leasing, real estate operations and food and beverages operations.
 - b. The Group also expends cash on the following investing activities:
 - (1) acquisition of property and equipment amounting to ₱78.1 million
 - (2) acquisition of AFS financial assets amounting to ₱8.1 million, partially offset by the cash generated from the following investing activities: (1) Interest amounting to ₱12.7 million; (2) proceeds from sale of AFS financial assets amounting to ₱4.8 million and (3) dividends received amounting to ₱9.5 million.
 - c. Financing activities used up ₱75.8 million due to payment of outstanding short term and long term loans aggregating ₱26.3 million, payment of dividends to stockholders amounting to ₱45.8 million and payment of interest on short term and long term loan amounting to ₱3.7 million.
2. Receivables as of December 31, 2014 amounted to ₱184.5 million, which is a decrease of ₱49.5 million from ₱234.0 million as of December 31, 2013. This is mainly due to the effect of collection of the current portion of real estate receivable.
3. Real estate inventories decreased by ₱4.3 million in 2014 as a result of the sale of real estate inventories during the year.

Total Noncurrent Assets decreased in 2014 due to the following:

4. Real estate receivables (net of current portion) decreased by ₱21.9 million from ₱150.7 million as of December 31, 2013 to ₱128.8 million as of December 31, 2014, due to the portion of real estate receivables units sold in 2013 and prior years that are collectible beyond one year from the balance sheet date.
5. Investment in associate and joint venture amounted to ₱2,310.3 million as of December 31, 2014 and ₱2,314.5 million as of December 31, 2013. The decrease in investment in associate is due to the share in net loss in equity interest in MIC, partially offset by the equity in net earnings of SLLBPO less profit share of the Parent Company declared by the joint venture.

6. Available-for-sale investments comprise of equity securities and treasury bonds. AFS investments amounted to ₱22.1 million and ₱21.2 million as of December 31, 2014 and 2013, respectively. The increase in AFS financial assets account amounting to ₱0.9 million was due to the effect of the acquisitions made during the year amounting to ₱8.2 million and upside valuation amounting to ₱1.7 million, which were partially offset by the effect of the sale of various AFS securities with a carrying value of ₱9.0 million.
7. Property and equipment increased by ₱12.6 million in 2014 due to additions to property and equipment during the year amounting to ₱78.1 million, offset by the depreciation charges made during the year amounting to ₱65.4 million.
8. Investment properties decreased by ₱12.4 million in 2014 from ₱1,023.2 million as of December 31, 2013 to ₱1,010.8 million as of December 31, 2014 as a result of the depreciation expense of the Vertex One building amounting to ₱12.4 million.
9. Other noncurrent assets decreased by ₱2.4 million in 2014 primarily as a result of the amortization of franchise fee amounting to ₱1.8 million.

Total Current Liabilities in 2014 increased due to the following:

10. Short-term interest bearing loans and borrowings decreased by ₱12.0 million from ₱86.4 million as of December 31, 2013 to ₱74.4 million as of December 31, 2014, as a result of repayment made during the year amounting to ₱12.0 million. These loans were obtained for working capital requirements and the promissory notes covering these loans have terms of one year or less and are renewed upon maturity.
11. Accounts payable and other liabilities increased by ₱38.9 million from ₱315.4 million as of December 31, 2013 to ₱354.3 million as of December 31, 2014. The increase primarily refers to the property and equipment acquired during the year which remains to be unpaid as of December 31, 2014.
12. Current portion of long term loans and borrowings amounted to ₱14.3 million as of December 31, 2014 which is the same as of December 31, 2013 and December 31, 2012. This amount is the current portion of the loans obtained from a local bank in 2008 maturing in November 2015 payable in equal quarterly installments and interest rates are subject to quarterly repricing.
13. The due to related parties account amounted to ₱38.6 million as of December 31, 2014 and December 31, 2013. The amount of ₱38.6 million pertains to the advances obtained by Biohitech (Phils.) from its affiliate, Biohitech Korea, to finance the construction of the building housing the fermentation machine and for the importation of additional machines.

Total Noncurrent Liabilities decreased due to the following:

14. Long term loans and borrowings (net of current portion) decreased to nil as of December 31, 2014 from ₱14.3 million as of December 31, 2013 as a result of the reclassification made for the current portion of the long term loans which are due within a year from the balance sheet date.
15. Accrued retirement benefits increased to ₱42.5 million as of December 31, 2014 from ₱35.1 million as of December 31, 2013. The increase of ₱7.5 million can be attributed to

the increase in the retirement benefit costs for year 2014 compared to 2013. The valuation of the fund was based on the latest actuarial valuation reports as of December 31, 2014.

16. Deferred income tax liabilities decreased by ₱18.7 million in 2014 due primarily to the decrease in the unrealized deemed cost adjustment on real estate properties and increase in the accrued retirement benefits. The unrealized deemed cost adjustment on real estate properties will be realized through sales of real estate inventories. As of December 31, 2014, 2013 and 2012, deferred income tax liabilities amounted to ₱246.1 million, ₱264.8 million and ₱270.3 million, respectively.

Total Equity decreased due to the following:

17. Capital stock amounted to ₱996.2 as of December 31, 2014 and ₱948.7 in 2013. Capital stock increased by ₱47.4 million in 2014 arising from the issuance of 5% stock dividends declared in 2014.
18. As of December 31, 2014 and 2013, actuarial remeasurement on retirement plan liabilities amounted to ₱21.1 million and ₱24.9 million, respectively. This is the result of the adoption of Revised PAS 19 due to changes in assumptions used in the valuation.
19. The net cumulative changes in fair value of AFS financial assets amounted to ₱5.2 million as of December 31, 2014 from ₱9.0 million as of December 31, 2013. The decrease of ₱3.8 million in 2014 is the net effect of the changes in fair value of quoted marketable securities subjected to mark-to-market valuation at the balance date. The AFS financial assets are carried at fair value determined based on published prices in the active market.
20. Retained earnings from 2013 to 2014 decreased by 76.0 million. The decrease is the net effect of the declaration of ₱0.05 cash dividend and 5% stock dividends by the Parent Company resulting to a decrease in unappropriated retained earnings by ₱94.8 million. Moreover, the effect of the reclassification of appropriated retained earnings to unappropriated retained earnings increases the Group's total unappropriated retained earnings amounting to ₱17.2 million and net income of ₱1.8 million in 2014.

Top key performance indicators:

	2015	2014
Current ratio	1.30	1.09
Debt to equity ratio	0.01	0.02
Asset to liability ratio	7.90	6.18
Asset to equity ratio	1.14	1.19
Interest rate coverage ratio	14.74	24.31
Sales to revenue ratio	0.54	0.59
Earnings per share	(P0.0459)	P0.0018

Current ratio is computed by dividing current assets amounting to P440.7 million and P587.6 million as of December 31, 2015 and 2014, respectively over current liabilities amounting to P340.1 million and P537.2 million as of the same years. This indicates the ability of the company to pay its current liabilities using its current assets. Current ratio increased in 2015 by 0.21.

Debt to equity ratio shows the extent to which the firm is financed by debt. It is computed by dividing interest-bearing debts by total equity. Total interest-bearing debts as of December 31, 2015 and 2014 amounted to P39.0 million and P88.7 million, respectively, while total equity as of December 31, 2015 amounted to P4,197.9 million and P4,293.6 million as of December 31, 2014.

The asset to liability ratio is also computed. This shows the relationship of the total assets of the Company with its total liabilities. Total assets as of December 31, 2015 and 2014 amounted to P4,805.6 million and P5,119.3 million, respectively, while the corresponding total liabilities as of December 31, 2015 and 2014 amounted to P607.7 million and P825.8 million, respectively.

Asset to equity ratio shows the relationship of total assets to the portion owned by shareholders. The formula for this ratio is total assets over total equity. As of December 31, 2015 and 2014, total assets amounted to P4,805.6 million and P5,119.3 million, respectively, while total equity amounted to P4,197.9 million and P4,293.6 million, respectively.

Interest rate coverage ratio indicates a company's ability to cover interest charges or finance costs. The ratio is derived by dividing the company's earnings/(losses) before interests, taxes, depreciation and amortization (EBITDA) over interest charges. For the year 2015 and 2014, EBITDA amounted to P33.9 million and P87.5 million, respectively. Finance costs, exclusive of bank charges amounted to P2.3 million in 2015 and P3.6 million in 2014.

Sales to total revenue ratio is computed by dividing the income from horse racing amounting to P199.8 million and P223.9 million for years 2015 and 2014, respectively, to total revenue of the company amounting to P371.3 million for the year ended December 31, 2015 and P382.6 million for the year ended December 31, 2014. It indicates the performance by percentage of the income from horse racing to total revenue of the company. Sales and other revenues indicate the over-all performance of the Company as it conducts horse races.

Earnings per share is computed by dividing net income/(loss) attributable to equity holders of the parent company against the weighted average number of outstanding common shares. Net loss and net income attributable to equity holders of the Parent Company amounts

to ₱45.7 million and ₱1.8 million for the years ended 2015 and 2014, respectively. In 2015 and 2014, the weighted average of outstanding common shares is 996.2 million.

All ratios are computed and are compared to previous year's ratios.

Analysis of plan of operations

The Company is committed in improving its financial performance by rationalizing current operations and venturing in opportunities allied with the core business of the Parent Company and likewise, where potential for revenue growth is highly likely. Financial planning is emphasized to ensure resources are wisely applied.

Among other projects, the Group's wholly owned subsidiaries, Manilacockers Club, Inc. ("MCI") and Gametime Sports and Technologies, Inc. ("Gametime"), are key drivers expected to make up the sliding growth in racing revenue as it unfolds its potentials in 2016. MCI is involved in cockfighting under a new business concept using totalizator as the betting platform. From its initial opening in December 2015, it was well received by cockfighting patrons. To date, the business concept continued to change for the better and revenue stream was very encouraging at this current stage. Management's outlook is very positive looking back at the actual numbers it generated in the early months of its operations.

Gametime's operation is already on for switching both for the technical and operational aspects of the business. Gametime will likewise be a game changer for the parent company since this will operate as the service provider for cockfighting, horse racing and other gaming businesses. Under mobile betting application, Gametime is seen as the transformation of the traditional betting from manual to electronic starting from loading up to payment of bets. Real time Pay Per View (PPV) cockfighting for international clients will soon be catered using Gametime. Inquiries had started coming in and hopefully in a year's time, PPV cockfighting will be launched. On the marketing side, ads are great potentials and this has yet to be factored in the revenue stream both for MCI and Gametime.

Apo Reef World Resorts, Inc. located in Mamburao, Occidental Mindoro will be another up and coming diversification for the parent company. The Company is on for consolidation of titles adjacent to the more than 3 kilometer beach front. There had been initial talks with big time resort operators/investors to develop Apo Reef resorts and Management is optimistic that this will replicate the beaches of Boracay in Antique. Management had already started pencil pushing for the initial budget of the project.

The Tayuman, Sta. Cruz project will soon take another lift after the venture with ALI had ceased. The Parent Company in a MOA arrangement with a big time real estate developer already started conceptualizing erecting high rise mixed commercial and residential condominium buildings on the remaining idle lots in Tayuman, Sta Cruz. The parent company will assume the commercial units that will add up to the recurring rental revenue stream of Vertex.

The stable lease has continuously provided ample revenue support to the Parent Company. It has introduced measures to attract more horse owners to stable their horses in the Complex by providing discounts and promos. Prompt maintenance and cleanliness of the stables are the core values of stable rental business and this mainly attracts first time and returning stable owners to stable their horses at San Lazaro.

The invitation to the Philippine Football Federation to house its national football activities in Carmona added to the growing exciting opportunities to generate additional revenues for the Parent Company in terms of recurring rental income from business locators, print and TV advertisements, restaurant goers, etc.

There is no particular event that will trigger a direct or contingent financial obligation that would be material to the Company, including events of default and acceleration of an obligation.

The Company is not aware of any seasonal aspects or known events or uncertainties which will have a material effect on the sales and overall financial condition or results of operations of the Company.

There were no material off-balance sheet transactions, arrangement, obligation, contingent or otherwise that occurred during the fiscal year. There were no other relationship of the Company with unsolicited entities or other persons created during the fiscal year.

ITEM 7. FINANCIAL STATEMENTS

Refer to the attached audited financial statements for the period ended December 31, 2015 with Schedules A to M.

ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

In 2015, the Group engaged the accounting firm of Sycip Gorres Velayo and Company (SGV & Co.) as the Company's principal external auditors in pursuant to the General Requirements of SRC Rule 68, Par. 3 (Qualifications and Reports of Independent Auditors). Arnel F. De Jesus has been the Partner In-charge effective audit year 2011.

External Audit Fees and Services

The Group paid its external auditors the following fees in the past two years.

	<u>Audit and Audit-related Fees (<i>with VAT</i>)</u>
2015	₱1.8 million
2014	₱1.6 million

The audit committee approved the policies and procedures for the services. No other fees were paid to said auditors for other services.

There were no disagreements with the SGV & Co. on any matter of accounting and financial disclosures.

PART III - CONTROL AND COMPENSATION INFORMATION

ITEM 9. DIRECTORS AND EXECUTIVE OFFICERS OF THE COMPANY AS OF December 31, 2015

<u>Position</u>	<u>Names</u>	<u>Citizenship</u>	<u>Age</u>	<u>Term of Office</u>	<u>Period Served</u>
Chairman of the Board	Alfonso R. Reyno, Jr.	Filipino	71	18	1997-2015
Vice Chairman	Mariza Santos-Tan	Filipino	56	18	1997-2015
President & COO	Alfonso G. Reyno III	Filipino	45	18	1997-2015
Director & Treasurer	Pedro O. Tan	Filipino	76	18	1997-2015
Independent Director	Victor B. Valdepeñas	Filipino	69	0	2015
Independent Director	Victor C. Fernandez	Filipino	71	5	2010-2015
Director	Christopher G. Reyno	Filipino	40	13	2002-2015
Director	Patrick G. Reyno	Filipino	44	5	2010-2015
Director	Ma. Luisa T. Morales	Filipino	71	2	2013-2015
Director	John Anthony B. Espiritu	Filipino	52	7	2008-2015
Director, General Counsel & Corporate Secretary	Ferdinand A. Domingo	Filipino	63	20	1995-2015

ALFONSO R. REYNO, JR.

Filipino, was born on July 8, 1944. He graduated from the University of the Philippines in 1965 with a degree of Bachelor of Arts, Political Science and finished his Bachelor of Laws degree in the same school in 1969. He formerly occupied the following government positions: Deputy Minister of Defense (1984-1986), Member of the Batasang Pambansa (1984-1986), Vice Governor of Cagayan (1980-1984), Member of the Board of Trustees of the Cagayan State University (1979-1986). He is affiliated with and occupies the following positions in various institutions, during the last five (5) years viz: Chairman and President, Manila Jockey Club, Inc. (March 1, 1997 to Present); Chairman and President, Arco Management & Development Corporation, Arco Equities, Inc., Arco Ventures, Inc. (1995 to Present), Bonaventure Development Corporation (1983 to Present); Managing Partner, Reyno Tiu Domingo & Santos Law Offices (1976 to Present); Chairman and President of MJC Investments Corporation (2009 to present). He resides at No. 4 Pili Road, South Forbes Park, Makati City.

MARIZA SANTOS-TAN

Filipino, was born on May 29, 1958 at Quezon City. She graduated from the San Sebastian College with a degree, Bachelor of Science in Commerce. At present, she is affiliated with and occupies the following positions in various institutions in the last five (5) years, viz: Director, Consolidated Insurance Co., Inc.; Unioil Resources and Holdings Co., Inc.; Vice Chairman and Director, Manila Jockey Club, Inc.; Vice-President and Corporate Secretary, Sta. Lucia Realty Development, Inc.; Director and Corporate Secretary, Sta. Lucia East Grandmall and Orchard Golf and Country Club; President, Royale Tagaytay Golf and Country Club. She is currently a Vice Chairman of MJC Investments Corporation, She resides at Cluster 351A Alexandra Condominium, Meralco Avenue, Pasig City, Metro Manila.

ALFONSO G. REYNO III

Filipino, was born on March 9, 1970, is a lawyer by profession. He is affiliated with and occupies the following position in various institutions in the last five (5) years, viz: President, Arco Ventures, Inc. (1995 to Present), Director, Arco Management & Development Corporation, Bonaventure Development Corporation. Arco Equities, Inc. (1995 to present), Junior Associate, ACCRA Law Offices (1997-1999), Junior Partner, Reyno Tiu Domingo & Santos Law Offices (1999 to present); Director of MJC Investments Corporation (2009 to present). He resides at 23B South Tower Condominium, Pacific Plaza Tower, Fort Bonifacio, Taguig City.

PEDRO O. TAN

Filipino, was born on November 13, 1937. He graduated from the Far Eastern University with a degree of Bachelor of Science in Business Administration. He is affiliated with and occupies the following positions in various institutions in the last five (5) years, viz: President, General Manager and Director, Triplex Enterprises, Inc. and Gibson Manufacturing Co., Inc.; President and Director, Burlington Philippines Industries, Inc., Evergrow Industries, Inc., and HPT Industries, Inc.; Treasurer and Director, Zipporah Holding Corporation, Blue Ridge Mineral Corporation, Highland Securities Philippines and Liberty Telecoms Holdings, Inc. Currently a director of MJC Investments Corporation. He resides at 2255 Pasong Tamo Street, Makati City, Metro Manila.

VICTOR B. VALDEPEÑAS

Filipino, was born on July 28, 1946. He graduated from the University of the Philippines in 1966 with a degree of Bachelor of Science Major in Economics and finished his Doctor of Philosophy in Economics in the same school in 1972. In the last five (5) years or more he is affiliated with and occupies the following positions in various institutions, viz: Vice President and Country Treasurer of Citibank N.A. (from 1987-1994); Executive Vice President/Treasurer of Unionbank of the Philippines (1993-1997); consultant to the Chairman of National Economic Council; Assistant Director, National Planning Policy Research of National Economic Development Authority; Faculty Member of University of the Philippines; Professorial Lecturer of University of Sto. Tomas; Director of the University of the Philippines Alumni Association (2012-2015). He was the President and Chief Operating Officer of Unionbank of the Philippines.

VICTOR C. FERNANDEZ

Filipino, was born on March 10, 1944. He graduated from University of the Philippines in 1967 with a degree of A.B. major in Economics and finished his Bachelor of Laws degree in the same school in 1971. Graduated ranked no. 10 in the University of the Philippines, College of Law, Class of 1971 with a weighted average of 2.06. took the bar exam after graduation and passed the same with the rating of 86.7% (23rd place). He is affiliated with and occupies the following positions in various institutions during the last five years, viz: Deputy Ombudsman for Luzon, Office of the Ombudsman (March 2003 to March 2010); Senior Partner, Fernandez , Pacheco & Dizon Law Office (1993 to February 2003); Senior Partner, Fernandez, Velasco & Grapilon Law Offices (1987 to 1993); Senior Partner, Fernandez, Ambrocio & Fernandez Law Offices (1982 to 1987); Associate, Sen. Estanislao A. Fernandez Law Offices (1972 to 1981), Legal Consultant, World Bank – Supreme Court Project on the Review of the Criminal Justice System; Lecturer for both Mandatory Continuing Legal Education (MCLE) and Institute of Judicial Academy, University of the Philippines. At present he is Consultant both

for Local Water Utilities Administration (LWUA) and the Commission on Audit (COA). He is currently one of the independent directors of MJCI. He resides at No. 1570 Princeton Street, Wack-wack Village, Mandaluyong City.

CHRISTOPHER G. REYNO

Filipino, was born on October 30, 1975. He graduated from De La Salle University in 1997 with a degree of Bachelor of Arts major in Liberal Arts. He is affiliated with and occupies the following positions in various institutions during the last five years, viz: Director, ARCO Management & Development Corporation; Director ARCO Ventures, Inc.; Director, ARCO Equities, Inc.; Director, Bonaventure Development Corporation and Technical Assistant, Board of Directors of the Philippine National Bank. He resides at No. 4 Pili Road, South Forbes Park, Makati City.

PATRICK G. REYNO

Filipino, was born on May 5, 1971. He graduated from Harvard University in 1991 with a degree of A.B. Economics and Social Studies Magna Cum Laude. In 1997, he received a Diploma in French Languages and Civilization at the University of Paris. In 2006, he obtained his Masters in Business Administration with Honors from Columbia University. He worked at Morgan Stanley's Investment Banking Division in Hongkong as a Corporate Finance Analyst form 1994 to 1996, and SGV's Corporate Finance Department from 1993-1994, and at Dharmala Securities Hongkong from 1991 to 1993. During the last five (5) years of he concurrently hold the positions of Director and Vice President for Strategic Planning and Business Development at the Manila Jockey Club, Inc. He resides at No. 4 Pili Road, South Forbes Park, Makati City.

MA. LUISA T. MORALES

Filipino, was born on June 21, 1944. She graduated from Assumption College with a Bachelor of Arts degree in Commerce. She is affiliated with and is a Director of Tormil Realty Corporation during the last five years. She resides at No. 3 Pili Road, South Forbes Park, Makati City.

JOHN ANTHONY B. ESPIRITU

Filipino, was born on July 12, 1963. He graduated from University of Michigan, Ann Arbon Michigan, United States with a degree of Bachelor of Business Administration in May 1985. He also obtained from said university and masteral degree in Business Administration in May 1990. He occupied and is currently holding the following position during the last five (5) year: President/Director of EBE Land, Inc. (January 1997 to present); Chairman /Publisher of the Philippine news, San Francisco, California (*November 2004 to present*); Director of Asia-Pacific Medical Corp of Saipan, Northern Marianas Islands (*June 1998 to present*). He resides at Penthouse B, Ritz Towers, Ayala Avenue, Makati City

FERDINAND A. DOMINGO

Filipino, was born on June 22, 1952. He graduated from the University of the Philippines in 1972 with a degree of Bachelor of Arts and Political Science and finished his Bachelor of Laws degree in the same school in 1977. In the last five (5) years or more he is affiliated with and occupies the following positions in various institutions, viz: Senior Partner,

Reyno Tiu Domingo & Santos Law Offices (September 1, 1991 to Present); Corporate Secretary and General Counsel, Manila Jockey Club, Inc. (up to present); Corporate Secretary, MJC Investments Corporation (up to present); President, Aries Prime Resources, Inc., (July 10, 2003 to 2009); Director, United Overseas Bank (May 2001 to July 2002); Corporate Secretary, Westmont Bank (May 17, 2000 to January 16, 2004); Director, PNB Holdings Ltd. and PNB Hongkong Branch (1998 to February 2000); Bank Attorney, Philippine National Bank (1978-1984; Corporate Secretary, Philippine Racing Club, Inc. (1994-1997); Legal Counsel and Corporate Secretary, National Steel Corporation (May 3, 1995 to March 1997). He resides at No. 14 Lopez Jaena Street, Ayala Heights, Quezon City.

INDEPENDENT DIRECTORS

VICTOR B. VALDEPEÑAS and VICTOR C. FERNANDEZ are the independent directors of the Company. Director Valdepeñas was appointed after Director Luis Mañalac resigned. Director Fernandez was appointed after Director John Anthony B. Espiritu resigned as Independent Director. They are independent of management and free from any business or other relationship where it could, or could reasonably be perceived to mutually interfere with their exercise of independent judgment to carry out their responsibilities as directors.

External Audit Fees and Audit Related Fees

The Parent Company expects to pay its external auditor, SGV and Company, an aggregate amount of ₱1.8 million as professional fees for the audit of its annual financial statements for the year ended December 31, 2015. The audit committee approved the policies and procedures for the services. No other fees were paid to said auditors for other services. For the audit of the 2014 Financial Statements, a total amount of ₱1.6 million was paid to the external auditor.

SIGNIFICANT EMPLOYEE

None.

FAMILY RELATIONSHIP

Alfonso Victorio G. Reyno III, Patrick G. Reyno and Christopher G. Reyno are the sons of Alfonso R. Reyno, Jr..

There are no other family relationships between directors and executive officers other than the ones above.

INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS

None of the directors are involved in any bankruptcy petition, or was convicted by final judgment of any criminal offense, or subject to any order, judgment or decree or has violated a Securities or Commodities Law.

ITEM 10. EXECUTIVE COMPENSATION

COMPENSATION OF DIRECTORS AND OFFICERS

Position	Name	Annual Compensation					
		2014 (actual)		2015 (actual)		2016 (estimate)	
		Salary	Bonus	Salary	Bonus	Salary	Bonus
Chairman & CEO	Alfonso R. Reyno, Jr.	₱4,200,000	₱-	₱4,200,000	₱-	₱4,200,000	₱-
Vice Chairman	Mariza Santos-Tan	1,170,000	-	1,170,000	-	1,170,000	-
Director, President & COO	Alfonso G. Reyno III	3,270,000	-	3,270,000	-	3,270,000	-
Director & Treasurer	Pedro O. Tan	1,170,000	-	1,170,000	-	1,170,000	-

All directors are entitled to a per diem ranging from ₱10,000.00 to ₱15,000.00 plus a ₱3,000.00 allowance to cover their transportation, communication and other expenses for every board meeting attended. There are no contracts with the named executive officers for any compensation plan or arrangement that will result from the resignation, retirement or any other termination of employment of said executive officers. There are no outstanding warrants or options being held by the named executive officers or directors and neither are there any changes in control arrangements made with the named executive officers and the directors. Thus, there is compliance with SEC Memorandum Circular No. 8 Series of 2004

AS A GROUP

	Annual Compensation					
	2014 (actual)		2015 (actual)		2016 (estimate)	
	Salary	Bonus	Salary	Bonus	Salary	Bonus
Directors & Officers	₱52,751,490	₱-	₱65,336,887	₱-	₱71,789,987	₱-

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS & MANAGEMENT

a. Security ownership of Certain Record and Beneficial Owners as of December 31, 2015.

<u>Title of Class</u>	<u>Name and Address of Owner and Relationship with Issuer</u>	<u>Name of Beneficial Owner and Relationship with Record Owner</u>	<u>Citizenship</u>	<u>No. of Shares Held</u>	<u>Percent of Class</u>
Common	PCD Nominee Corporation G/F, Makati Stock Exchange Bldg. 6767 Ayala Avenue, Makati City		Filipino	480,221,437 (r) (d)	48.20%
Common	ARCO Equities, Inc. 12/F, Strata 100 Building F. Ortigas Jr., Ortigas Center, Pasig City		Filipino	98,770,857 (r) (d)	9.92%
Common	Alfonso R. Reyno, Jr. 12/F, Strata 100 Building F. Ortigas Jr., Ortigas Center, Pasig City		Filipino	65,947,940 (r) (d)	6.62%
Common	Exequiel D. Robles Sta. Lucia Realty East Grandmall 3/F, Bldg. 2, Marcos Highway cor. Felix Avenue, Cainta, Rizal		Filipino	56,911,100 (r) (d)	5.71%

r - Record
b - Beneficial
d - Direct
I - Indirect

There is no actual natural or judicial person that directs the voting or disposition of the shares held by the PCD Nominee Corporation. Further, there is no beneficial owner of the shares held by the PCD Nominee Corporation that holds or can vote on 5% or more of the Company's voting securities. Atty. Alfonso R. Reyno, Jr., pursuant to a proxy, is the person authorized to vote for the shares held by ARCO Equities, Inc.

(b) Security Ownership of Directors as of December 31, 2015

<u>Title of Class</u>	<u>Name of Beneficial Owner</u>	<u>Amount and Nature of Beneficial Ownership</u>	<u>Citizenship</u>	<u>Percent of Class</u>
Common	Reyno, Alfonso R. Jr. 12/F, Strata 100 Building F. Ortigas Jr., Ortigas Center, Pasig City	65,947,940 (d)	Filipino	6.62%

Common	Tan, Pedro O. 2255 Pasong Tamo Street Makati City	2,319,001 (d)	Filipino	0.23%
Common	Reyno, Alfonso G. III 12/F, Strata 100 Building F. Ortigas Jr., Ortigas Center, Pasig City	959,732 (d)	Filipino	0.10%
Common	Morales, Ma. Luisa T. No. 3 Pili Road, South Forbes Park, Makati City	0 (d)	Filipino	0.00%
Common	Santos-Tan, Mariza Cluster 351 A Alexandra Cond., Meralco Avenue, Pasig City	5,190 (d)	Filipino	0.00%
Common	Reyno, Christopher G. 12/F, Strata 100 Building F. Ortigas Jr., Ortigas Center, Pasig City	478,668 (d)	Filipino	0.05%
Common	Reyno, Patrick G. 12/F, Strata 100 Building F. Ortigas Jr., Ortigas Center, Pasig City	231,462 (d)	Filipino	0.02%
Common	Valdepeñas, Victor B. No. 61 Vernon St., Filinvest 1 Batasan Hills, Diliman, Quezon City	Qualifying Shares	Filipino	0.00%
Common	Espiritu, John Anthony B. 17 Penthouse B, Ritz Towers, Ayala Ave., Makati City	Qualifying Share	Filipino	0.00%
Common	Fernandez, Victor C. 1570 Princeton St., Wack-Wack Village, Mandaluyong City	Qualifying Share	Filipino	0.00%
Common	Domingo, Ferdinand A. 12/F, Strata 100 Building F. Ortigas Jr., Ortigas Center, Pasig City	3,548,030 (r) (d)	Filipino	0.36%

r - Record
b - Beneficial
d - Direct
l - Indirect

(c) Security Ownership of Management as of December 31, 2015

<u>Title of Class</u>	<u>Name of Beneficial Owner</u>	<u>Amount and Nature of Beneficial Ownership</u>	<u>Citizenship</u>	<u>Percent of Class</u>
Common	Alfonso R. Reyno, Jr. <i>Chairman and CEO</i>	65,947,940 (r) (d)	Filipino	6.62%
Common	Mariza Santos-Tan <i>Vice Chairman</i>	5,190 (r) (d)	Filipino	0.00%
Common	Alfonso G. Reyno III <i>President & COO</i>	959,732 (r) (d)	Filipino	0.10%
Common	Pedro O. Tan <i>Treasurer</i>	2,319,001 (r) (d)	Filipino	0.23%
Common	Nestor N. Ubalde <i>Chief Finance Officer</i>	-	Filipino	-
Common	Lemuel M. Santos <i>Asst. Corporate Secretary</i>	134,594	Filipino	0.01%
Common	Ferdinand A. Domingo <i>General Counsel & Corporate Secretary</i>	3,548,030 (r) (d)	Filipino	0.36%

r - Record
b - Beneficial
d - Direct
I - Indirect

(d) Security ownership as a Group as of December 31, 2015.

<u>Title of Class</u>	<u>Name</u>	<u>Amount and Nature of Beneficial Ownership</u>	<u>Citizenship</u>	<u>Percent of Class</u>
Common	Directors & Officers	83,192,370	Filipino	8.35%

Directors and Executive Officers

The Directors of the Company are elected at the Regular Annual Meeting of Stockholders, to hold office until the next succeeding annual meeting or until their respective successors shall have been elected and qualified.

Information required in Part V (a) (4) of Rule 3-3 of the Securities Regulation Code regarding bankruptcy petitions are not applicable. No case as such has been filed against any officer or director of the Company or against any corporation where said officers and directors are connected.

There was no transaction or proposed transaction during the last two (2) years to which the Company was or is to be a party with: a) any director/executive director; b) any nominee

for election as director; c) any security holder of record, beneficial owner or Management and d) any member of the immediate family of the foregoing person/s.

No director has resigned or declined to stand for re-election since the date of the last Annual Meeting because of a disagreement with the Company on any matter relating to the Company's operations, policies or practices.

Directors and Independent Directors are nominated through the Nomination Committee. After the submission of names as recommended by the stockholders, the Nomination Committee evaluates the recommendations as per the requirements and disqualifications stated in Section 38 of the SRC as well as the Code of Corporate Governance. After evaluation, said names will be submitted to the stockholders as nominees for directors.

VOTING TRUST HOLDERS

There is no person or entity that holds a voting trust for and in behalf of any stockholder with shareholdings of 5% or more.

DESCRIPTION OF ANY ARRANGEMENT WHICH MAY RESULT IN A CHANGE OF CONTROL OF REGISTRANT

None.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control or are controlled by or under common control with the Group, including holding companies, subsidiaries and fellow subsidiaries, are related parties of the Group. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Group and close members of the family of these individuals, and companies associated with these individuals also constitute related parties. In considering each possible related entity relationship, attention is directed to the substance of the relationship and not merely the legal form.

	Nature	Amount		Receivable/ (Payable)		Terms	Conditions
		2015	2014	2015	2014		
Subsidiaries:							
Biohitech Korea (BHK)	Advances	P-	P-	P-	38,640,000	Non interest-bearing	Unsecured, no impairment
Arco Management Development Corporation (AMDC)	Lease of office Space	6,884,042	6,667,610	-	-	Non interest-bearing	Unsecured, no impairment
Associates:							
MIC	Advances	2,028,930	1,133,990	4,107,091	2,078,161	Non	Unsecured,

Nature	Amount		Receivable/ (Payable)		Terms	Conditions
	2015	2014	2015	2014		
Subscription payable	-	-	(42,808,835)	-	interest-bearing Non	no impairment Unsecured,
Techsystems	8,333	-	9,333	1,000	interest-bearing	no impairment

- a. The Parent Company has a lease agreement with AMDC covering the lease of office space and parking lots.
- b. Compensation of key management personnel of the Parent Company amounted to ₱65.3 million, ₱52.8 million and ₱41.1 million in 2015, 2014 and 2013, respectively. The Parent Company has no standard arrangement with regard to the remuneration of its directors. In 2015 and 2014, the BOD received a total of ₱9.8 million and ₱8.1 million in 2013.

PART IV. CORPORATE GOVERNANCE

ITEM 13. Refer to the attached Annual Corporate Governance Report for the period ended December 31, 2015.

PART V. EXHIBITS AND SCHEDULES

ITEM 14. EXHIBITS AND REPORTS ON SEC FORM 17-C

A. EXHIBITS

1. Audited Financial Statements and Schedules for 2015 as Annex "A"
2. Annual Corporate Governance Report for 2015 as Annex "B"

B. REPORT ON SEC FORM 17-C

<u>Date of Report</u>	<u>Item Reported</u>	<u>Matters Reported</u>
April 7, 2015	Item No. 6	<p>Please be informed that at the special board meeting of the Board of Directors held today, the following matters were unanimously approved:</p> <ol style="list-style-type: none"> 1. The Annual Stockholders' Meeting of MJCI shall be held on June 30, 2015; 2. The stockholders of record as of May 12, 2015 are entitled to attend and vote in said meeting; and 3. The 2014 Audited Financial Statement prepared by its external auditor, Sycip Gorres and Velayo Co.

June 30, 2015	Item No. 6	<p>Please be informed that at the annual meeting of the stockholders of Manila Jockey Club, Inc. ("MJCI") that just concluded, the stockholders elected the following as members of the Board of Directors for the ensuing year:</p>
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ALFONSO R. REYNO, JR.
 ALFONSO VICTORIO G. REYNO, III
 MARIZA SANTOS-TAN
 PEDRO O. TAN
 FERDINAND A. DOMINGO
 CHRISTOPHER G. REYNO
 PATRICK G. REYNO
 JOHN ANTHONY B. ESPIRITU
 MA. LUISA T. MORALES
 VICTOR C. FERNANDEZ
 VICTOR B. VALDEPEÑAS

Atty. Fernandez and Mr. Valdepeñas were elected Independent Directors.

Immediately after the stockholders' meeting, the newly-elected members of the Board of Directors had its organizational meeting and appointed the following as principal officers:

<u>Names</u>	<u>Position</u>
ALFONSO R. REYNO, JR.	Chairman of the Board & CEO
ALFONSO V.G. REYNO III	President & COO Vice-Chairman of the Board
MARIZA SANTOS-TAN	
PEDRO O. TAN	Treasurer
MA. LUISA T. MORALES	Asst. Treasurer
FERDINAND A. DOMINGO	General Counsel & Corporate Secretary
LEMUEL M. SANTOS	Assistant Corporate Secretary
NESTOR N. UBALDE	Chief Finance Officer
HEATHER EZRA C. ANNANG	Corporate Information Officer & Compliance Officer

Further, the Board of Directors organized the following committees:

Executive Committee

ALFONSO R. REYNO, JR.	-	Chairman
ALFONSO V.G. REYNO III	-	Member
MARIA LUISA T. MORALES	-	Member
MARIZA SANTOS-TAN	-	Member

Nomination Committee

ALFONSO V.G. REYNO III	-	Chairman
VICTOR C. FERNANDEZ (Independent Director)	-	Member
FERDINAND A. DOMINGO	-	Member

Audit Committee

JOHN ANTHONY B. ESPIRITU	-	Chairman
ALFONSO V.G. REYNO III	-	Member
FERDINAND A. DOMINGO	-	Member
VICTOR B. VALDEPEÑAS (Independent Director)	-	Member

Compensation and Remuneration Committee

PEDRO O. TAN	-	Chairman
PATRICK G. REYNO	-	Member
MARIZA SANTOS-TAN	-	Member
VICTOR B. VALDEPEÑAS (Independent Director)	-	Member

Investment and Finance Committee

ALFONSO R. REYNO, JR.	-	Chairman
MARIZA SANTOS TAN	-	Member
PEDRO O. TAN	-	Member
MARIA LUISA T. MORALES	-	Member
PATRICK G. REYNO	-	Member

Racing Committee

CHRISTOPHER G. REYNO	-	Chairman
ALFONSO V.G. REYNO III	-	Member
VICTOR C. FERNANDEZ (Independent Director)	-	Member

This pertains to the Stock Rights Offering (SRO) of Manila Jockey Club, Inc. (the "Corporation") in the amount of Pesos: Two Hundred Eighty One Million Two Hundred Eighty Seven Thousand Five Hundred Forty Eight and 85/100 (Php 281,287,548.85).

July 20, 2015 Item No. 6

As we have previously disclosed, the Corporation's unpaid balance is Pesos: Forty Two Million Eight Hundred Eight Thousand Eight Hundred Thirty Five and 22/100 (Php 42,808,835.22).

Please be informed that as of July 13, 2015, the said remaining balance has been fully disbursed. Please find attached a copy of the Auditor's Report confirming the full disbursement.

-- END --

SIGNATURES

Pursuant to the requirements of the Securities Regulation code, the registrant has duly caused this statement to be signed on its behalf by the undersigned thereunto duly authorized.

Registrant:

MANILA JOCKEY CLUB, INC.

Date :

14 APR 2016

By:


ALFONSO R. REYNO, JR.
Chairman of the Board & CEO


NESTOR N. UBALDE
Chief Finance Officer

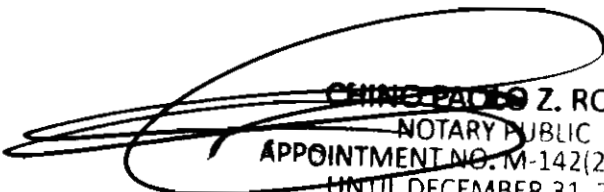

IRENE P. HUMIWAT
Chief Accounting Officer


FERDINAND A. DOMINGO
General Counsel & Corporate Secretary

SUBSCRIBED AND SWORN TO before me this 14 APR 2016 2016 at Pasig City, affiants exhibiting to me their respective ID Nos., as follows:

<u>Names</u>	<u>TIN ID Nos.</u>	<u>Date/Place Issued</u>
Alfonso R. Reyno, Jr.	114-555-166	Manila, Philippines
Ferdinand A. Domingo	145-006-236	Manila, Philippines
Nestor N. Ubalde	109-933-906	Manila, Philippines
Irene P. Humiwat	939-885-776	Manila, Philippines

DOC. NO. 29 ;
PAGE NO. 07 ;
BOOK NO. IV ;
SERIES OF 2016 ;


CHING PACLES Z. ROXAS
NOTARY PUBLIC
APPOINTMENT NO. M-142(2015-2016)
UNTIL DECEMBER 31, 2016
PTR NO. 1418810/01-07-15/ PASIG CITY 40
IBP NO. 1022669/01-07-15/ PASIG CITY
CITIES OF PASIG, TAGUIG, SAN JUAN AND PALLAS
ROLL OF ATTORNEY NO. 57018