

SEC FORM 17-A, AS AMENDED

OF

GMA HOLDINGS, INC.

1. For the fiscal year ended: **December 31, 2018**
2. SEC Identification Number: **CS200602356** 3. BIR Tax Identification No. **244-658-896-000**
4. Exact name of issuer as specified in its charter: **GMA HOLDINGS, INC.**
5. **Philippines**
Province, Country or other jurisdiction
of incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. **Unit 5D Tower One, One McKinley Place, New Bonifacio Global City, Fort Bonifacio, Taguig City**
Address of principal office Postal Code
8. **(632) 9827777**
Issuer's telephone number, including area code
9. **Not Applicable**
Former name, former address, and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Philippine Depositary Receipts (“PDRs”)	733,308,800

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

Yes [☒] No [☐]

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

Philippine Stock Exchange/ PDRs

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 25 and 177 of The Revised Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes ☒ No ☐

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

Yes ☒ No ☐

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form. (See definition of "affiliate" in "Annex B").

Not Applicable

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

Not Applicable

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

GMA Holdings, Inc., (the "Company" or "GHI") was incorporated on February 15, 2006. As a holding company, its primary purpose is to invest in, purchase, or otherwise acquire own, hold, use, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose of real and personal property, including, but not limited to stocks, bonds and debentures. The Company has no subsidiaries.

The Philippine Depositary Receipts ("PDRs") issued by the Company were listed with the Philippine Stock Exchange ("PSE") on July 30, 2007.

GHI does not engage in any other business or purpose except in relation to the issuance of the PDRs relating to the GMA Network, Inc. common shares ("Common Shares") for as long as the PDRs are outstanding. GHI has undertaken to perform the obligations under the PDRs and the acquisition and holding of the Common Shares underlying the PDRs, which includes maintaining the listing with the PSE, and maintaining its status as a Philippine Person for as long as Philippine law prohibits ownership of Common Shares by non-Philippine persons.

The registered office address of the Company is Unit 5D Tower One, One McKinley Place, New Bonifacio Global City, Fort Bonifacio, Taguig City.

Transactions with/and or dependence on related parties:

Not applicable.

Employees:

The Company had no fulltime employees as of December 31, 2018 and does not anticipate acquiring any employees within the next ensuing 12 months. No labor unions are present within the Company.

Item 2. Properties

The Company does not own any real property. The Company does not lease any real property and does not intend to acquire any within the next 12 months.

Item 3. Legal Proceedings

The Company is not, and has not been, a party to any legal proceeding.

Item 4. Submission of Matters to a Vote of Security Holders

There were no matters submitted to a vote of security holders during the fourth quarter of the fiscal year.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

Market Information

(a) Securities Sold and Consideration therefor

The Company first offered PDRs relating to GMA Network, Inc. Common Shares on July 31, 2007 at the price of Php8.50. These PDRs were listed on the Philippine Stock Exchange on the same date. Of the PDRs offered, 91,346,000 PDRs were offered on behalf of the Company (the "Primary PDR Offer") and 730,769,000 PDRs were offered on behalf of certain existing

shareholders of the Company, namely Group Management and Development, Inc., FLG Management and Development Corporation, M.A. Jimenez Enterprises, Inc., Television International Corporation, Gozon Development Corporation and Gozon Foundation (collectively, “Selling Shareholders”) (the “Secondary PDR Offer”). Of the 730,769,000 PDRs relating to Common Shares offered on behalf of the Selling Shareholders, 256,829,164 come from Group Management and Development Corporation, Inc., 212, 829,164 from FLG Management and Development Corporation, 147,249,954 from M.A. Jimenez Enterprises, Inc., 108,475,350 from Television International Corporation, 4,516,152 from Gozon Development Corporation and 1,468,846 from Gozon Foundation, Inc..

GMA Network Inc. expected to raise gross proceeds from the Domestic Share Offer and Primary PDR Offer of approximately P1,552.9 million. After deducting estimated, applicable fees, underwriting fees, commissions and expenses related to the Combined Offer of approximately P129.4 million, net proceeds to GMA Network Inc. from the Combined Offer were expected to be approximately P1,423.5 million.

GMA Network Inc. did not receive any proceeds from the Secondary PDR Offer. Taxes, issue management, underwriting and selling fees and other fees and expenses pertaining to the Secondary PDR Offer were for the account of the Selling Shareholders.

Each of GHI and the Selling Shareholders granted the Deutsche Bank AG (Sole Global Coordinator, Domestic Lead Underwriter and Issue Manager) an option, exercisable for 30 days from the date of listing and when trading of the Common Shares and PDRs on the Philippine Stock Exchange (“PSE”), to purchase or place up to 123,317,000 PDRs.

Other than the foregoing, no securities were sold which were not registered under the Code within the past three (3) years.

(b) Underwriters and Other Purchasers

ATR KimEng Capital Partners, Inc. acts as Joint Lead Manager, Domestic Lead Underwriter for GHI and the Selling Shareholders. The participating underwriters are as follows:

- (1) BDO Capital and Investment Corporation
- (2) First Metro Investment Corporation
- (3) Unicapital Incorporated
- (4) Abacus Capital and Investment Corporation
- (5) Asian Alliance and Investment Corporation
- (6) Pentacapital Investment Corporation
- (7) RCBC Capital Corporation
- (8) Union Bank of the Philippines

<u>Period</u> <u>2018</u>	<u>in</u>	<u>Highest</u> <u>Closing</u>	<u>Lowest</u> <u>Closing</u>
1Q		6.32	5.50
2Q		6.32	5.11
3Q		5.35	5.07
4Q		5.44	4.91

The Company's Philippine Deposit Receipts have been listed with the Philippine Stock Exchange since 2007. The price information as of the close of the latest practicable trading date, April 12, 2019 is P 5.68 for GMAP (PDRs).

Holders

The total number of common shareholders as of March 31, 2019 was seven. The number of shares subscribed as of March 31, 2019 was 10,000 or P100,000.00 at P100.00 per share¹.

Name of Shareholder	No. of Shares Subscribed	Percentage of Ownership
Felipe L. Gozon	3,330	33.30
Gilberto R. Duavit, Jr.	3,330	33.30
Joel Marcelo G. Jimenez	3,330	33.30
Artemio V. Panganiban	4	.04
Manuel P. Quioque	4	.04
Jaime C. Laya	1	.01
Felipe S. Yalong	1	.01
Total	10,000	100.00

Dividend Information

Distribution of GMA Network, Inc. Cash Dividends to the Company's PDR Holders

On March 29, 2019 the Company approved a cash distribution to the PDR holders of Php .45 per share or the same dividend rate that will be paid by GMA Network, Inc. to its common shareholders, undiminished by the PDR holders' proportionate share in the operating cost of GMA Holdings, Inc.. The foregoing cash distribution in the amount of Php 0.45 per PDR shall be distributed to the PR holders as of April 22, 2019 and will be paid out to the PDR Holders on May 15, 2019.

On April 5, 2018 the Company approved a cash distribution to the PDR holders of Php 0.50 per share or the same dividend rate that was paid by GMA Network, Inc. to its common, shareholders, undiminished by the PDR holders' proportionate share in the operating cost of GMA Holdings, Inc.. The foregoing cash distribution in the amount of Php 0.50 per PDR was distributed to the PDR holders as of April 19, 2018 and was paid out to the PDR holders on May 16, 2018.

On March 27, 2017, the Company approved a cash distribution to the PDR holders of Php 0.73 per share or the same dividend rate that was paid by GMA Network, Inc. to its common, shareholders, undiminished by the PDR holders' proportionate share in the operating cost of GMA Holdings, Inc.. The foregoing cash distribution in the amount of Php 0.73 per PDR was distributed to the PDR holders as of April 20, 2017 and was paid out to the PDR holders on May 16, 2017.

¹ Unlike the Company's PDRs, the Company's common shares are not publicly issued shares and are not listed in the stock exchange.

On April 8, 2016, the Company approved a cash distribution to the PDR holders of P0.40 per PDR or the same dividend rate that was paid by GMA Network, Inc. to its common shareholders, undiminished by the PDR holders' proportionate share in the operating cost of GMA Holdings, Inc.. The foregoing cash distribution in the amount P0.40 per PDR was distributed to PDR Holders as of April 25, 2016 and was paid out to the PDR holders on May 17, 2016.

On March 30, 2015, the Company approved a cash distribution to PDR holders of P0.25 per share, in relation to dividends declared by GMA, totaling P211.75 million to all shareholders of record as at April 24, 2015. These were remitted to PDR holders on May 19, 2015.

Cash Dividends to Common Shareholders

On March 29, 2019, the BOD approved the Company's declaration and distribution of Php 2,210,000.00 cash dividends from the retained earnings of the Company as of December 31, 2018 and will be paid out to the Company's common stockholders on or before May 14, 2019.

On April 5, 2018, the BOD approved the Company's declaration and distribution of Php 3,100,000.00 cash dividends from the retained earnings of the Company as of December 31, 2016 and was paid out to the Company's common stockholders on May 16, 2018.

On March 27, 2017, the BOD approved the Company's declaration and distribution of Php 1,000,000.00 cash dividends from the retained earnings of the Company as of December 31, 2016 and was paid out to the Company's common stockholders on May 9, 2017.

On April 8, 2016, the BOD approved the Company's declaration and distribution of Php 600 thousand cash dividends from the retained earnings of the Company as of December 31, 2015 and was paid out to the Company's common stockholders on May 17, 2016.

On March 30, 2015, the BOD approved the Company's declaration and distribution of Php 500 thousand from the retained earnings of the Company as of December 31, 2015. This was paid out to the Company's common stockholders on October 21, 2015.

The Company has not and will not engage in any other business or purpose except in relation to the issuance of the PDRs relating to the underlying Common Shares for as long as the PDRs are outstanding.

Any cash dividends distributed in respect of Common Shares underlying the PDRs received by the Company shall be applied towards its operating expenses then due for the preceding and current year. A further amount equal to the operating expenses in the preceding year shall be set aside to meet operating or other expenses for the succeeding year. Amounts remaining in excess of such requirements shall be distributed pro rata amongst the outstanding PDRs.

Whenever the Company shall receive or become entitled to receive from the GMA Network, Inc. any distribution in respect of the Common Shares which consists of a free distribution of Common Shares, the Company shall grant additional PDRs to holders in respect of such distributions.

Whenever the Company shall receive or become entitled to receive from GMA Network, Inc. any distribution in securities (other than Common Shares) or in other property (other than cash) in respect of the Common Shares subject to the PDRs, the Company shall forthwith procure delivery of such securities or other property pro rata to PDR holders or otherwise to the order of the PDR holder, subject to compliance with applicable laws and regulations in the Philippines.

There are no restrictions on the Company's ability to pay dividends on common equity.

Item 6. Management's Discussion and Analysis or Plan of Operation.

The following discussion should be read in conjunction with the Financial Statements of the Company that are incorporated into this Information Statement by reference. Such Financial Statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS).

As discussed in the previous section, the Company has not and will not engage in any other business or purpose except in relation to the issuance of the PDRs relating to the underlying GMA Network, Inc. Common Shares for as long as the PDRs are outstanding.

Any cash dividends or other cash distributions distributed in respect of Common Shares received by the Company (or the Pledge Trustee on its behalf) shall be applied toward the operating expenses then due (including but not limited to applicable taxes, fees and maintenance costs charged by the Philippine Stock Exchange) of the Company (the "Operating Expenses") for the current and preceding year (as certified by an independent auditor). A further amount equal to the operating expenses in the preceding year (as certified by an independent auditor) (the "Operating Fund") shall be set aside to meet operating or other expenses for the succeeding year. Any amount in excess of the aggregate of the Operating Expenses paid and the Operating Fund for such period (as certified by the independent auditor of the PDR Issuer) shall be distributed to Holders pro rata on the first Business Day after such cash dividends are received by the Company.

On April 5, 2018 the Company's BOD approved a cash distribution to the PDR holders of Php 0.50 per PDR totaling to Php 371.96 million to all the shareholders of record as of April 23, 2018. On the same date, the BOD also approved a resolution to pass on the entire amount of cash dividends received from GMA without deducting the Company's 2018 projected operating expenses. The dividends were remitted to the PDR holders on May 16, 2018.

On March 27, 2017, the Company's BOD approved a cash distribution to the PDR holders of P0.73 per PDR totaling to P595.24 million to all shareholders of record as of April 20, 2017. On the same date, the BOD also approved a resolution to pass on the entire amount of cash dividends received from GMA without deducting the Company's 2017 projected operating expenses. The dividends were remitted to the PDR holders on May 16, 2017.

On April 8, 2016, the Company's BOD approved a cash distribution to the PDR holders of P0.40 per PDR totaling to P338.54 million to all shareholders of record as of April 25, 2016. On the same date, the BOD also approved a resolution to pass on the entire amount of the cash dividends received from GMA without deducting the Company's 2016 projected operating expenses. The dividends were remitted to the PDR holders on May 17, 2016.

On March 30, 2015, the Company's BOD approved a cash distribution to PDR holders of P0.25 per PDR totaling P211.75 million to all shareholders of record as at April 24, 2015. On the same date, the BOD also approved a resolution to pass on the entire amount of the cash dividends received from GMA without deducting the Company's 2015 projected operating expenses. The dividends were remitted to PDR holders on May 19, 2015.

KEY PERFORMANCE INDICATORS

The Company's key performance indicators are focused on the dividends it receives to meet PDR holders' expectations and monitor cash and cash equivalents levels to meet its obligations with respect to the Company's current and preceding year's operation.

RESULTS OF OPERATIONS

Results of Operations of GMA Holdings Inc. for the years ended December 31, 2018 and 2017

GMA Holdings Inc. ended the year with a total comprehensive income amounting to P1.42 million, 49% lower than last year's total comprehensive income of P2.77 million, due to lower exercise fees of P1.71 million generated from the conversion of 38,392,800 PDR shares to common shares as compared to P2.80 million exercise fees from 62,722,000 PDR shares converted in 2017. Likewise, net income after tax settled at P2.27 million, a decrease of P760 thousand from last year's net income after tax of P3.03 million. This year's revenues reached P3.71 million, a decline of 21% or P1.01 million from last year's level of P4.72 million mainly brought about by the decrease in exercise fees as mentioned earlier. However, interest income grew to P2.00 million in 2018 versus P1.92 million in 2017 due to higher interest income earned on cash placement.

Operating expenses for the year 2018 totaled P1.01 million vis-a-vis P1.11 million in 2017 mainly due to the decrease in listing fees amounting to P455 thousand as compared with P498 thousand in 2017 due to lower market cap. Also, professional fees decreased to P475 thousand versus P518 thousand in 2017, which included the accrual of audit fee, BDO trust fee and legal fee. On the other hand, Local business tax went up to P38 thousand from last year's P35 thousand due to higher 2017 tax base used in assessing the 2018 business tax payment.

On March 29, 2019, the Board of Directors approved the cash dividend of P2.21 million to be paid to the common stockholders from the retained earnings of the Company as of December 31, 2018.

Financial Condition. Total assets amounted to P48.85 million, lower by 3% than last year's P50.51 million primarily due to the decreases in Available-for-sale (AFS) investment and Accounts receivable subsequent to higher exercise fees.

KEY VARIABLE AND OTHER QUALITATIVE OR QUANTITATIVE FACTORS

- i. Trends, demands, commitments, events or uncertainties that will have a material impact on the issuer's liquidity.

As of December 31, 2018, there were no known trends, demands, commitments, events or uncertainties that will have a material impact on the issuer's liquidity.

- ii. Events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration or an obligation.

As of December 31, 2018, there were no events which may trigger a direct or contingent financial obligation that is material to the Company.

- iii. Material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relations of the company with unconsolidated entities or other persons created during the reporting period.

There were no off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relations of the company with unconsolidated entities or other persons created as of December 31, 2018.

- iv. Material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures.

For the period January 1, 2018 to December 31, 2018, there were no material commitments for capital expenditures.

- v. Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations.

The Company's results of operations depend largely on its ability to meet PDR holders' expectations from the dividends it receives and to monitor cash and cash equivalents levels to meet its obligations with respect to the Company's current and preceding year's operation. As of December 31, 2018, there were no known trends, events or uncertainties that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations.

- vi. Significant elements of income or loss that did not arise from the issuer's continuing operations.

As of December 31, 2018, there were no significant elements of income or loss that did not arise from the issuer's continuing operations.

- vii. Causes for Material Changes in the Financial Statements

Statements of Financial Position (December 31, 2018 vs. December 31, 2017)

1. Current assets decreased by P805 thousand to P29.13 million, mainly as a result of the decrease in Receivables subsequent to higher exercise fees.

2. Current liabilities increased by P25 thousand to P47.72 million due to the VAT payable, unpaid professional and audit fees.
- viii. Seasonal aspects that had a material effect on the financial condition or results of operations.

As of December 31, 2018, there are no seasonal aspects that had a material effect on the financial condition or results of operations.

Item 7. Financial Statements

The Audited Financial Statements prepared in accordance with SRC Rule 68, as amended is attached hereto as Annex “A”.

Item 8. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

Since 2007, SyCip Gorres Velayo & Co. has served as the independent auditors of the Company to audit the Company’s financial statements. The Company has not had any material disagreements on accounting matters or financial disclosure matters with SyCip Gorres Velayo & Co.

AUDIT AND AUDIT RELATED FEES

The Company engaged SyCip Gorres Velayo @ Co. (SGV) as the independent auditors to audit the annual financial statements in accordance with Philippine Standards on Auditing and express its opinion on these financial statements as a whole as well as on the Supplemental Schedules Required by Annex 68-E included in Form 17-A in compliance with Securities Regulation Code Rule 68, As Amended (2011). The Company accrued audit fee of Seventy-Five Thousand Pesos (P75,000) for year 2018 which is the same fee with year 2017.

TAX FEE

The Company has not engaged SGV for tax accounting, compliance, advice, planning and any other form of tax services during the years 2018 and 2017 that are reasonably related to the performance of the audit or review of the Company’s financial statements.

ALL OTHER FEES

The Company has not engaged SGV for products and services other than the services described under “Audit and Audit Related Fees” above.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

Board of Directors, Officers and Senior Management

Under the Articles of Incorporation of the Company, the Board of Directors of the Company comprises five directors, two of whom are independent. The directors have a term of one year and are elected annually at the Company's stockholders meeting. A director who was elected to fill a vacancy holds the office only for the unexpired term of his predecessor. As of March 31, 2018 the Company's Board of Directors and Senior Management were composed of the following:

Board of Directors				Senior Management		
Directors and Senior Management	Nationality	Position	Year Position was Assumed	Position	Year Position was Assumed	Age
Felipe L. Gozon	Filipino	Chairman/Director	2007	N/A	N/A	79
Gilberto R. Duavit, Jr.	Filipino	Director	2007	President/Chief Executive Officer	2007	55
Joel Marcelo G. Jimenez	Filipino	Director	2007	N/A	N/A	55
Felipe S. Yalong	Filipino	Corporate Treasurer	2007	Chief Financial Officer/Chief Operating Officer	2012	62
Artemio V. Panganiban	Filipino	Independent Director	2009	N/A	N/A	82
Jaime C. Laya	Filipino	Independent Director	2008	N/A	N/A	80
Ronaldo P. Mastrili	Filipino	N/A	N/A	Comptroller/Chief Accounting Officer	2007	53
Anna Teresa M. Gozon	Filipino	Corporate Secretary	2007	N/A	N/A	47
Roberto Rafael V. Lucila	Filipino	N/A	N/A	Vice-President/Compliance Officer	2013	62

The following are descriptions of the business experience of each of the Company's directors, officers and senior management:

Felipe L. Gozon, Filipino, 79 years old, is the Chairman of the Board of Directors and Chief Executive Officer of GMA Network, Inc.

Atty. Gozon is a Senior Partner at the Law Firm of Belo Gozon Elma Parel Asuncion & Lucila. He is also the Chairman of the Board/President/CEO of various companies including GMA Holdings, Inc., Citynet Network Marketing & Productions, Inc., RGMA Network, Inc., Alta Productions Group, Inc., GMA New Media, Inc., Media Merge Corporation, Digify, Inc., RGMA Marketing & Productions, Inc., Philippine Entertainment Portal, Inc., Script2010, Inc., FLG Management and Development Corporation, Gozon Development Corporation, Vista Montana Realty Development, Inc., Mont-Aire Realty and Development Corporation, BGE Holdings, Inc., Kenobe, Inc., Jeata Holdings and Management, Inc., Vitezon, Inc., Palawan Power Generation, Inc., Catanduanes Power Generation, Inc., Sycamore International Shipping Corp., Lex Realty, Inc., Justitia Realty & Management Corp., Gozon Foundation, Inc., GMA Kapuso Foundation, Kapwa Ko Mahal Ko Foundation, Inc., and The Potter and Clay Christian School Foundation, Inc.

Atty. Gozon is also a Director of GMA Worldwide, Inc., GMA Films, Inc., Antipolo Agri-Business & Land Dev. Corp., and Chamber of Commerce of the Philippine Islands. He is a Trustee of the Philippine Center for Entrepreneurship Foundation, Inc., the Environmental Heroes Foundation, Inc. and the Academia Filipina Assn., Inc.

Atty. Gozon is a recipient of awards for his achievements in law, media, public service, and business, including the prestigious Chief Justice Special Award given by the Chief Justice of the Philippines (1991), Presidential Award of Merit given by the Philippine Bar Association (1990 & 1993), CEO of the Year given by Uno Magazine (2004), Master Entrepreneur – Philippines (2004) by Ernst and Young, Outstanding Citizen of Malabon Award for Legal and Business Management by the Kalipunan ng Samahan sa Malabon (KASAMA) (2005), People of the Year by People Asia Magazine (2005), Outstanding Manilan Award in the field of Social Responsibility and Broadcasting given by the City Government of Manila (2011), Quezon City Gawad Parangal Most Outstanding Citizen for 2011 given by the City Government of Quezon (2011), Tycoon of the Decade Award given by BizNews Asia (2011), Lifetime Achievement Award given by the UP Alumni Association (2012), Certificate of Recognition given by the Civil Aeronautics Board (2012), Personality of the Year for Broadcast Media given by SKAL International Makati (2013), Outstanding Member-Achiever given by Phi Kappa Phi UP Chapter (International Honor Society) (2013), Visionary Management CEO Award given by BizNews Asia (2013), Lifetime Achievement Award given by UP Preparatory High School Alumni (2014), Entrepreneurship Excellence Award and Best Broadcast CEO Award given by BizNews Asia (2014), The Rotary Golden Wheel Award for Corporate Media Management given by Rotary International District 3780 and Quezon City Government (2014), and Global Leadership Award for Excellence in Media Sector (first Filipino to win the award) given by The Leaders International together with the American Leadership Development Association in Kuala Lumpur, Malaysia (2015). He is also listed among Biz News Asia's Power 100 (2003 to 2010).

Atty. Gozon earned his Bachelor of Laws degree from the University of the Philippines (among the first 10 of his class) and his Master of Laws degree from Yale University Law School. He was admitted to the Bar in 1962, placing 13th in the Bar examinations.

Gilberto R. Duavit, Jr., Filipino, 55 years old, is the President and Chief Operating Officer of the Network. He has been a Director of the Company since 1999 and is currently the Chairman of the Network's Executive Committee. Aside from GMA Network, Inc., he is the Chairman of the Board of GMA Network Films, Inc. and GMA Worldwide, Inc. He also serves as President and CEO of GMA Holdings, Inc., RGMA Marketing and Productions, Inc., Film Experts, Inc., and

Dual Management and Investments, Inc. He is the President and a Director of Group Management and Development, Inc.; President and Director of MediaMerge Corp., Citynet Network Marketing and Productions, Inc.; Director of RGMA Network, Inc., GMA New Media, Inc., Alta Productions Group, Inc., Optima Digital, Inc., and Mont-Aire Realty and Development Corp. He also serves as the President and a Trustee of GMA Kapuso Foundation, Inc. and a Trustee of the Guronasyon Foundation, Inc. and the HERO Foundation.

Mr. Duavit holds a Bachelor's Degree in Philosophy from the University of the Philippines.

Felipe S. Yalong, Filipino, 62 years old, is the Executive Vice President and Chief Financial Officer of GMA Network, Inc. He is also the Head of the Corporate Services Group of the Network. He has been a Director of the Company since 2002. Aside from GMA Network, Inc., he also serves as Director and Corporate Treasurer of GMA Holdings, Inc., Scenarios, Inc., and GMA Network Films, Inc.; Director of Unicapital, Inc., and Majalco Finance and Investments, Inc.; Corporate Treasurer of RGMA Network, Inc., MediaMerge Corp.; Executive Vice President of RGMA Marketing and Productions, Inc.; and Corporate Treasurer of the Board of Trustees of GMA Kapuso Foundation, Inc..

Yalong was named CFO of the Year by ING FINEX in 2013.

He obtained a Bachelor of Science Degree in Business Administration Major in Accounting from the Philippine School of Business Administration and completed the Management Development Program at the Asian Institute of Management. He is a Certified Public Accountant.

Jaime C. Laya, Filipino, 80 years old, has been an independent Director of GMA Network, Inc. since 2007. He is the Chairman and President of Philippine Trust Company (Philtrust Bank), Director of Ayala Land, Inc., Manila Water Company, Inc., Philippine AXA Life Insurance Company, Inc., and Charter Ping An Insurance Corporation. He also serves as Chairman of Don Norberto Ty Foundation, Inc. and Escuela Taller de Filipinas Foundation, Inc.; Trustee of St. Paul University - Quezon City, Cultural Center of the Philippines, Metropolitan Museum of Manila, Yuchengco Museum, Fundación Santiago, Inc., Ayala Foundation, Inc., and other organizations. He writes a weekly column for the *Manila Bulletin*.

He was Minister of Budget, 1975-1981; Minister of Education, Culture and Sports, 1984-86; Chairman of the Monetary Board and Governor, Central Bank of the Philippines, 1981-1984; Chairman, National Commission for Culture and the Arts, 1996-2001. He was faculty member of the University of the Philippines, 1957-1978 and Dean of the College of Business Administration, 1969-1974. In 1986, he founded J.C. Laya & Co., Ltd. (Certified Public Accountants and Management Consultants) later the Philippine member firm of KPMG International; he served as the firm's Chairman until his retirement in 2004.

He earned his BSBA, *magna cum laude*, University of the Philippines, 1957; M.S. in Industrial Management, Georgia Institute of Technology, 1960; Ph.D. in Financial Management, Stanford University, 1966. He is a Certified Public Accountant.

Chief Justice Artemio V. Panganiban, Filipino, 82 years old, has been an Independent Director of the Company since 2007. In 1995, he was named a Justice of the Supreme Court and in 2005, he was appointed Chief Justice of the Philippines — a position he held until

December 2006. At present, he is also an Independent Director of these listed firms: First Philippine Holdings Corp., Metro Pacific Investments Corp., Manila Electric Company, Robinsons Land Corp., GMA Holdings, Inc., Philippine Long Distance Telephone Co., Petron Corporation, Asian Terminals, and a regular Director of Jollibee Foods Corporation. He is also an Adviser of Metropolitan Bank and Bank of the Philippine Islands (BPI), Chairman, Board of Advisers of Metrobank Foundation, Adviser of Double Dragon Properties, Chairman of the Board of the Foundation for Liberty and Prosperity, President of the Manila Cathedral Basilica Foundation, Chairman Emeritus of Philippine Dispute Resolution Center, Inc., and Member, Advisory Board of the World Bank (Philippines) and of the Asian Institute of Management Corporate Governance Council. Recently, he was named a Member of the Permanent Court of Arbitration based in The Hague, Netherlands. He also is a column writer of The Philippine Daily Inquirer.

Upon his retirement, he was unanimously conferred a Plaque of Acclamation by the Associate Justices of the Supreme Court as the “Renaissance Jurist of the 21st Century;” and an Award of Honor by the Philippine Bar Association. In recognition of his role as a jurist, lawyer, civic leader, Catholic lay worker, business entrepreneur and youth leader, he had been the recipient of over 250 other awards from various governments, civic clubs, consumer associations, bar groups, religious movements and other non-government organizations, both local and international.

He obtained his Associate in Arts, “With Highest Honors” and later his Bachelor of Laws, with cum laude and “Most Outstanding Student” honors from the Far Eastern University. He placed sixth among more than 4,200 candidates who took the 1960 Bar examinations. He is likewise the recipient of several honorary doctoral degrees from various universities.

Anna Teresa M. Gozon, Filipino, 47 years old, has been a Director of the Company since 2000. She graduated valedictorian from grade school and high school at Colegio San Agustin. She graduated cum laude, BS Management Engineering from Ateneo de Manila University and obtained her Bachelor of Laws degree from the University of the Philippines where she graduated valedictorian, cum laude. She later obtained her Master of Laws from Harvard University.

She is a junior partner in Belo Gozon Elma Parel Asuncion & Lucila and is an Associate Professor in the University of the Philippines, College of Law where she taught Taxation and Legal History.

She is currently Programming Consultant to the Chairman/CEO of GMA Network, Inc. and the President of GMA Films, Inc. and GMA Worldwide, Inc. She is a trustee of GMA Kapuso Foundation.

Ronaldo P. Mastrili, Filipino, 53 years old, is the Senior Vice President of GMA's Finance and ICT Departments. He obtained his Bachelor of Science in Business and Economics Degree, Major in Accounting from De La Salle University. He attended the Master in Business Administration Program from the same university and completed the Executive Development Program of the Asian Institute of Management. He is a Certified Public Accountant with expertise in the fields of accounting, auditing, finance, taxation and general management. He was formerly the Assistant Vice President of Controllershship of ABS-CBN and also served as its Group Internal Auditor before joining GMA Network in March 2001. He also worked with SGV and Co. in the early part of his career. Mr. Mastrili concurrently holds key positions in GMA

Subsidiaries namely: Comptroller/Chief Accounting Officer of GMA Holdings, Treasurer of Alta Productions, Director of Script2010 and GMA Kapuso Foundation, and Comptroller of GMA Films, GMA Kapuso Foundation and GMA Worldwide.

Roberto Rafael V. Lucila, Filipino, 62 years old, is the co-managing partner/senior partner of the Law Firm of Belo Gozon Elma Parel Asuncion & Lucila. He has been the Corporate Secretary of the GMA Network Inc. since March 27, 2017 and concurrently the Compliance Officer starting 2018. He currently sits as director in the affiliates of certain European and American companies in the Philippines namely, eMerchant Asia Inc., eMerchant Pay Asia Inc., Evonik (Philippines) Inc., Time-Life International (Phil.) Inc. and MeteoGroup Philippines Inc.. He is the Chairman and President of Lucilex, Inc. and the President of Assetlex Development Corporation, Inc., eMerchant Asia Inc., eMerchant Pay Asia Inc. as well as the Philippine Cockfighting International Inc. all local companies doing business in the Philippines. He is a Court of Appeals Mediator and serves as a Trainor for the Court of Appeals Mediation Training Program. He is presently a lecturer on Constitutional Law I and II at the University of the Philippines, College of Law and the University of Asia and the Pacific, School of Law and Government. He was also a lecturer at the University of the Philippines College of Business Administration, San Sebastian College Institute of Law and Lyceum College of Law as well as in local and international conferences such as the Integrated Bar of the Philippines (IBP) National Convention in 2010 (Subic), Avenue Capital Global Investor Conference in 2005 (New York City), The Law Association for Asia and the Pacific (LAWASIA) Conference in 1997 (Manila), and Global Best Practices for several years (Makati and Mandaluyong). He was OIC for the Legal Department of GMA Network, Inc. from 2001 to 2004 and for the Office of the President of Express Telecommunications, Inc. in 1998. He represented the Avenue Asia Capital Group and Avenue Capital Group as member of the Board of Directors of Citra Metro Manila Tollway Corporation (CMMTC) from 2004 thru 2012 and in East Asia Power Resources Corporation.

He served in the Office of the President of the Philippines as Assistant Executive Secretary for Legislation from 1990 to September 1992; Chairman of the Presidential Staff in 1991; Chairman of the Philippine Retirement Authority from 1991 to August 1992; Chairman of the South China Sea Fishery Disputes Committee from 1991 to July 1992; and Board Member of the Special Operations Team (now Bases Conversion Development Authority [BCDA]) in 1991. In the Department of Transportation and Communications, he was a Board Member of the Civil Aeronautics Board from 1990-1991 and of the Philippine National Railways from 1989-1991.

He holds Bachelor of Laws (1980) and Bachelor of Arts in Psychology (1976) degrees from the University of the Philippines. He was admitted to the Philippine Bar in 1981. He has completed the Strategic Business Economics Program (SBEP) from the University of Asia and the Pacific in 1999. He has contributed legal articles for the Supreme Court Reports Annotated (SCRA), The Lawyer's Review, IBP Law Journal and Magazine, World Bulletin, Clifford Chance's 2018 Asia Pacific Guide on Insolvency, and Getting the Deal Done, and was the author of the book entitled "Corporate Rehabilitation in the Philippines." Atty. Lucila has been recognized as one of the 2013 Asialaw Asia-Pacific Leading Lawyers in Dispute Resolution, and as a law professional actively engaged in the areas of Technology Media Telecommunications (TMT) and Insolvency in the Philippines.

Family Relationships

Anna Teresa M. Gozon is the daughter of Felipe L. Gozon. Felipe L. Gozon's sister, Carolina L. Gozon Jimenez, is the mother of Joel Marcelo G. Jimenez.

Involvement in Certain Legal Proceedings

To the best of the Company's knowledge, during the past five years up to the latest date, there has been no occurrence of any of the following events which are material to an evaluation of the ability or integrity of any director, person nominated to become a director, executive officer, or control person of the Company:

- Any filing of an insolvency or bankruptcy petition by or against any business of which such person was a general partner or executive officer, either at the time of the insolvency or within two years prior to that time;
- Any conviction by final judgment in a criminal proceeding, domestic or foreign, or any pending criminal proceeding, domestic or foreign, of any such person, excluding traffic violations and other minor offenses;
- Any final and executory order, judgment, or decree of any court of competent jurisdiction, domestic or foreign, against any such person, permanently or temporarily enjoining, barring, suspending, or otherwise limiting involvement in any type of business, securities, commodities, or banking activities; and
- Any final and executory judgment of any such person by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC, or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization, for violation of a securities or commodities law.

Item 10. Executive Compensation

No director or officer receives or has received compensation for their services. The By-Laws of the Company however, provides that each director is entitled to a reasonable *per diem* allowance for attendance at each meeting of the Board of Directors. The By-Laws further provide that the Board may receive and allocate an amount of not more than 10% of the net income before income tax of the corporation during the preceding year. Such compensation shall be determined and apportioned among the directors in such manner as the Board may deem proper, subject to the approval of the stockholders representing at least a majority of the stockholders.

Item 11. Security Ownership of Certain Beneficial Owners and Management

As of March 31, 2018, the following persons owned at least 5% of the Company's outstanding common shares:

Title of class	Name, Address of Record Owner and Relationship with Company	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percentage of Class
Common	Felipe L. Gozon 515 Buendia Avenue, Forbes Park, Makati City	Record	Filipino	3,330	33.30
Common	Gilberto R. Duavit, Jr. 50 Greenmeadows Ave. cor. Sparrow St., Greenmeadows Subdivision, Quezon City	Record	Filipino	3,330	33.30
Common	Joel Marcelo G. Jimenez No. 2401 Mabolo St., Dasmariñas Village, Makati City	Record	Filipino	3,330	33.30
			Total	9,990	99.90

The following is the security ownership of the directors and executive officers of the Company as of the same date:

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percentage of Class
Common	Felipe L. Gozon	Direct 3,330	Filipino	33.30
Common	Gilberto R. Duavit, Jr.	Direct 3,330	Filipino	33.30
Common	Joel Marcelo G. Jimenez	Direct 3,330	Filipino	33.30
Common	Felipe S. Yalong	Direct 1	Filipino	.01
Common	Jaime C. Laya	Direct 1	Filipino	.01
Common	Artemio V. Panganiban	Direct 4	Filipino	.04
	Total	9,996		99.96

Voting Trust

The Company is unaware of the existence of any voting trust or similar agreement.

Change in Control

There are no existing provisions in the Articles of Incorporation or the By-Laws of the Company which will delay, defer or in any manner prevent a change in control of the Company. There have been no arrangements which have resulted in a change in control of the Company during the period covered by this report.

Item 12. Certain Relationships and Related Transactions

The Company engaged as its legal counsel, the Law Firm Belo Gozon Elma Parel Asuncion & Lucila ("BGEPAL") where Atty. Felipe L. Gozon is a Senior Partner. Atty. Gozon is the Chairman and one of the major stockholders of the Company.

On July 30, 2007, the Company issued PDRs relating to GMA Network, Inc. Common Shares. The proceeds owing to the selling shareholders of GMA Network, Inc. ("Selling Shareholders") whose Common Shares formed the underlying shares of the PDRs in the Company's Initial Public Offering were initially held by the Company then remitted to these Selling Shareholders. Please see Note 13 of the Company's Financial Statements.

Other than the foregoing, the Company has had no material transactions during the past two years, nor is any material transaction presently proposed between the Company and parties that fall outside the definition of "related parties" under SFAS/IAS No. 24, but with whom the registrants or its related parties have a relationship that enables the parties to negotiate terms of material transactions that may not be availed from other, more clearly independent parties on an arm's length basis.

Item 13. Corporate Governance

Please refer to the Integrated Annual Corporate Governance of Report of the Company as of 2017 filed with the Honorable Commission on May 23, 2018 (Annex "B" hereof).

PART V - EXHIBITS AND SCHEDULES

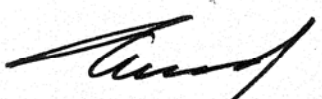
Item 14. Exhibits and Reports on SEC Form 17-C

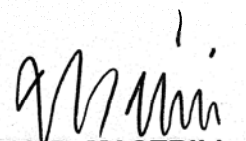
1. Notice of Annual Stockholders' Meeting – January 25, 2018;
2. Results of Special Board Meeting (Approval of FS & Declaration of Cash Dividends and Cash Distribution of Dividends) – April 5, 2018;
3. Amended Notice of Annual Stockholders' Meeting to reflect the new date of the Meeting, Venue and Agenda – May 16, 2018;
4. Results of Annual Stockholders' Meeting – August 20, 2018 and
5. Results of Organizational Meeting of the Board of Directors – August 20, 2018

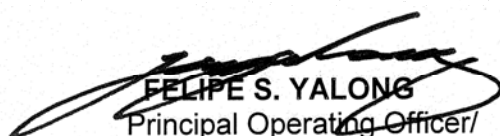
SIGNATURES

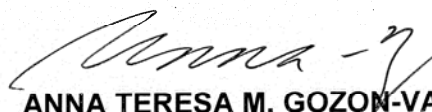
Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati on _____, 2019

By:


GILBERTO R. DUAVIT, JR.
Principal Executive Officer


RONALDO P. MASTRILI
Comptroller / Principal Accounting Officer

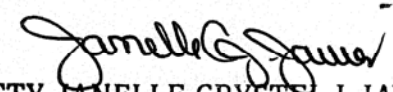

FELIPE S. YALONG
Principal Operating Officer/
Principal Financial Officer


ANNA TERESA M. GOZON-VALDES
Corporate Secretary

SUBSCRIBED AND SWORN to before me this APR 04 2019 day of _____ 2019 affiants exhibiting to me their competent evidence of identities, as follows:

Names	Passport No.	Date of Issue	Place of Issue
Gilberto R. Duavit, Jr.	SSS No. 33-1841930		
Felipe S. Yalong	P2459589A	March 27, 2017	DFA, Manila
Ronaldo P. Mastrili	Driver's License No. N15-83-035933		
Anna Teresa M. Gozon-Valdes	SSS No. 33-2709000-4		

Doc. No. 70
Page No. 15
Book No. III
Series of 2019.


ATTY. JANELLE CRYSTEL J. JAVIER
Notary Public-Quezon City
Until December 31, 2019
Adm. Matter No. NP-223(2018-2019)
PTR No. 5981127-Feb. 19, 2018, QC
IBP Lifetime No. 016879
Roll of Attorney's No. 69611



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

Securities and Exchange Commission
G/F Secretariat Building
PICC Complex, Roxas Boulevard
Pasay City, 1307

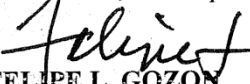
The management of **GMA Holdings, Inc.** is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the years ended **December 31, 2018 and 2017**, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.


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

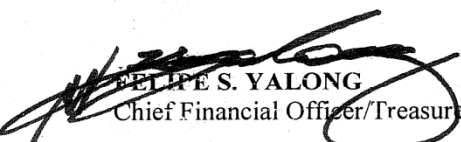
The Board of Directors is responsible for overseeing the Company's financial reporting process.

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

SyCip Gorres Velayo & Co., the independent auditors appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.


FELIPE L. GOZON
Chairman of the Board


GILBERTO R. DUAVIT, JR.
President and Chief Executive Officer

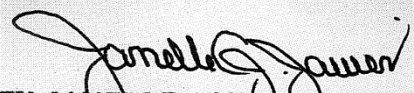

FELIPE S. YALONG
Chief Financial Officer/Treasurer

Signed this 29th day of March 2019.

APR 04 2019

SUBSCRIBED AND SWORN to before me this _____ day of _____ 2019, affiants exhibited to me their Passport No. P3551628A issued on Jul. 3, 2017 (Felipe L. Gozon), SSS No. 33-1841930 (Gilberto R. Duavit, Jr.), and Passport No. P2459589A issued on Mar. 27, 2017 (Felipe S. Yalong).

Doc. No. 69
Page No. 15
Book No. III
Series of 2019


ATTY. JANELLE CRYSTEL J. JAVIER
Notary Public-Quezon City
Until December 31, 2019
Adm. Matter No. NP-223(2018-2019)
PTR No. 5981127-Feb. 19, 2018, QC
IBP Lifetime No. 016879
Roll of Attorney's No. 69611

GMA HOLDINGS, INC.

Unit 5-D Tower One, One McKinley Place, New Bonifacio Global City, Fort Bonifacio, Taguig City 1634 Philippines
MAILING ADDRESS: GMA Network Center, EDSA cor. Timog Ave., Diliman, Quezon City 1103 Philippines

COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	0	6	0	2	3	5	6	
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COMPANY NAME

[illegible]

PRINCIPAL OFFICE(No. / Street / Barangay / City / Town / Province)

[illegible]

Form Type

A	A	F	S
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Department requiring the report

	S	E	C
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Secondary License Type, If Applicable

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COMPANY INFORMATION

Company's Email Address

[illegible]

Company's Telephone Number

816-3716

Mobile Number

No. of Stockholders

7

Annual Meeting (Month / Day)

August 20

Fiscal Year (Month / Day)

December 31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person

Mr. Ronaldo P. Mastrili

Email Address

rpmastrili@gmanetwork.com

Telephone Number/s

816-3716

Mobile Number

CONTACT PERSON'S ADDRESS

GMA Network Center, Timog Avenue corner EDSA, Quezon City

NOTE 1: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2: All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
GMA Holdings, Inc.
5D Tower One, One McKinley Place
New Global Bonifacio City
Fort Bonifacio, Taguig City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of GMA Holdings, Inc. (the Company), which comprise the statements of financial position as at December 31, 2018 and 2017, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2018, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018 and 2017, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2018 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial statements.

Fair Valuation of Investment in Unquoted Debt Security Classified as Financial Assets at Fair Value Through Other Comprehensive Income

As at December 31, 2018, the Company has an unquoted debt security classified as financial asset at fair value through other comprehensive income (FVOCI) amounting to ₱19,721,738. The valuation of this investment is a key audit matter as it is material to the financial statements, representing 40% of the Company's total assets as at December 31, 2018, and its valuation involves the exercise of Management's judgment and the use of estimates. The Company used the discounted cash flow model to value the investment, and the discount rates used were based on the spot yield curve derived from government securities of different tenors plus an estimate of the counterparty's credit spread.

The Company's disclosures on the fair value of the debt instrument at FVOCI are included in Notes 8, 14 and 15 to the financial statements.

Audit Response

We traced the terms (e.g., principal amount, interest rate, and repayment dates) used in the Company's valuation to the investment agreement. We reviewed the inputs used in determining the discount rates based on observable yields of benchmark government securities and credit rating of the counterparty. We tested the mathematical accuracy of the Company's calculation. We also assessed the Company's disclosures on the fair value measurement of the debt instrument at FVOCI based on the requirements of PFRS 13, *Fair Value Measurement*.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2018, but does not include the financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2018 are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

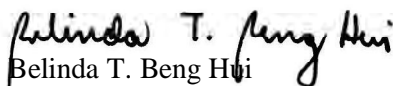
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Supplementary Information Required Under Revenue Regulations 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 in Note 19 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of GMA Holdings, Inc. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is Belinda T. Beng Hui.

SYCIPGORRESVELAYO& CO.



Belinda T. Beng Hui

Partner

CPA Certificate No. 88823

SEC Accreditation No. 0943-AR-3(Group A),

March 14, 2019, valid until March 13, 2022

Tax Identification No. 153-978-243

BIR Accreditation No. 08-001998-78-2018,

March 14, 2018, valid until March 13, 2021

PTR No. 7332528, January 3, 2019, Makati City

March 29, 2019

GMA HOLDINGS, INC.
STATEMENTS OF FINANCIAL POSITION

	December 31	
	2018	2017
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 7, 14 and 15)	P28,827,996	P28,805,419
Accounts receivable (Notes 14 and 15)	272,433	881,262
Input value-added tax	29,256	248,277
Total Current Assets	29,129,685	29,934,958
Noncurrent Assets		
Debt instrument at fair value through other comprehensive income (Notes 8, 14 and 15)	19,721,738	–
Available-for-sale investment (Notes 8, 14 and 15)	–	20,570,501
Total Noncurrent Assets	19,721,738	20,570,501
	P48,851,423	P50,505,459
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Notes 9, 14 and 15)	P450,505	P427,045
Due to shareholders (Notes 13, 14 and 15)	47,271,600	47,271,600
Income tax payable	1,733	–
Total Liabilities	47,723,838	47,698,645
Equity		
Capital stock (Note 10)	100,000	100,000
Retained earnings (Note 10)	2,305,847	3,136,313
Unrealized loss on debt instrument at fair value through other comprehensive income (Note 8)	(1,278,262)	–
Unrealized loss on available-for-sale investment (Note 8)	–	(429,499)
Total Equity	1,127,585	2,806,814
	P48,851,423	P50,505,459

See accompanying Notes to Financial Statements.

GMA HOLDINGS, INC.**STATEMENTS OF COMPREHENSIVE INCOME**

	Years Ended December 31		
	2018	2017	2016
REVENUE			
Interest income (Notes 7 and 8)	₱1,997,599	₱1,919,260	₱1,996,694
Exercise fees (Note 6)	1,713,964	2,800,089	508,348
	3,711,563	4,719,349	2,505,042
OPERATING EXPENSES (Note 11)	1,008,230	1,109,892	1,063,320
INCOME BEFORE INCOME TAX	2,703,333	3,609,457	1,441,722
PROVISION FOR INCOME TAX (Note 12)	433,799	580,367	409,506
NET INCOME	2,269,534	3,029,090	1,032,216
OTHER COMPREHENSIVE INCOME (LOSS)			
<i>Item to be reclassified to profit or loss in subsequent periods:</i>			
Unrealized loss on debt instrument at fair value through other comprehensive income (Note 8)	(848,763)	—	—
Unrealized gain (loss) on available-for-sale investment (Note 8)	—	(254,763)	19,741
TOTAL COMPREHENSIVE INCOME	₱1,420,771	₱2,774,327	₱1,051,957
Basic/Diluted Earnings Per Share (Note 16)	₱226.95	₱302.91	₱103.22

See accompanying Notes to Financial Statements.

GMA HOLDINGS, INC.
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2018, 2017 AND 2016

	Capital Stock (Note 10)	Retained Earnings (Note 10)	Unrealized Loss on Debt Instrument at Fair Value Through Other Comprehensive Income (Note 8)	Unrealized Gain (Loss) on Available-for-Sale Investment (Note 8)	Total
Balance as at January 1, 2018	P100,000	P3,136,313	–	(P429,499)	P2,806,814
Impact of adoption of PFRS 9 - Reclassification of unrealized loss on available-for-sale investment	–	–	(429,499)	429,499	–
At January 1, 2018, as restated	100,000	3,136,313	(429,499)	–	2,806,814
Net income	–	2,269,534	–	–	2,269,534
Other comprehensive loss	–	–	(848,763)	–	(254,763)
Total comprehensive income	–	2,269,534	(848,763)	–	1,420,771
Cash dividends	–	(3,100,000)	–	–	(3,100,000)
Balance as at December 31, 2018	P100,000	P2,305,847	(1,278,262)	P–	P1,127,585
Balance as at January 1, 2017	P100,000	P1,107,223	P–	(P174,736)	P1,032,487
Net income	–	3,029,090	–	–	3,029,090
Other comprehensive loss	–	–	–	(254,763)	(254,763)
Total comprehensive income	–	3,029,090	–	(254,763)	2,774,327
Cash dividends	–	(1,000,000)	–	–	(1,000,000)
Balance as at December 31, 2017	P100,000	P3,136,313	P–	(P429,499)	P2,806,814
Balance as at January 1, 2016	P100,000	P675,007	P–	(P194,477)	P580,530
Net income	–	1,032,216	–	–	1,032,216
Other comprehensive income	–	–	–	19,741	19,741
Total comprehensive income	–	1,032,216	–	19,741	1,051,957
Cash dividends	–	(600,000)	–	–	(600,000)
Balance as at December 31, 2016	P100,000	P1,107,223	P–	(P174,736)	P1,032,487

See accompanying Notes to Financial Statements.

GMA HOLDINGS, INC.
STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2018	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱2,703,333	₱3,609,457	₱1,441,722
Adjustment for interest income (Notes 7 and 8)	(1,997,599)	(1,919,260)	(1,996,694)
Operating income (loss) before working capital changes	705,734	1,690,197	(554,972)
Decrease (increase) in:			
Accounts receivable	743,895	(346,415)	(389,230)
Input value-added tax	219,021	193,321	(74,599)
Increase in accounts payable and other current liabilities	22,623	23,473	36,763
Cash flows provided by (used in) operations	1,691,273	1,560,576	(982,038)
Interest received	1,862,533	1,940,223	2,029,629
Income taxes paid	(432,066)	(583,893)	(406,249)
Net cash provided by operating activities	3,121,740	2,916,906	641,342
CASH FLOW FROM A FINANCING ACTIVITY			
Payment of cash dividends (Notes 10 and 17)	(3,099,163)	(999,640)	(599,730)
NET INCREASE IN CASH AND CASH EQUIVALENTS	22,577	1,917,266	41,612
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	28,805,419	26,888,153	26,846,541
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 7)	₱28,827,996	₱28,805,419	₱26,888,153

See accompanying Notes to Financial Statements.

GMA HOLDINGS, INC.

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

GMA Holdings, Inc. (the Company) is incorporated in the Philippines to invest in, purchase or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, exchange or otherwise dispose real and personal property of every kind and description. The registered office address of the Company is 5D Tower One, One McKinley Place, New Global Bonifacio City, Fort Bonifacio, Taguig City. The Company was registered with the Securities and Exchange Commission (SEC) on February 15, 2006.

The accounting and administrative functions of the Company are undertaken by GMA Network, Inc. (GMA), a company under common control.

In 2007, the Company issued Philippine Deposit Receipts (PDRs), which were listed and traded in The Philippine Stock Exchange, Inc. (PSE) (see Note 6).

The Company will not engage in any business or purpose other than in connection with the issuance of the PDRs, the performance of the obligations under the PDRs and the acquisition and holding of the underlying shares of GMA in respect of the PDRs issued. This includes maintaining the Company's listing with the PSE and maintaining its status as a Philippine person for as long as the Philippine law prohibits ownership of GMA's shares by non-Philippine person.

No reportable segment information is presented as the Company's limited operations are adequately presented in the statements of comprehensive income.

The accompanying financial statements of the Company were approved and authorized for issuance in accordance with a resolution of the Board of Directors (BOD) on March 29, 2019.

2. Basis of Preparation and Statement of Compliance

Basis of Preparation

The financial statements of the Company have been prepared on a historical cost basis, except for debt instrument at fair value through other comprehensive income (FVOCI) in 2018 and available-for-sale (AFS) investment in 2017, which are measured at fair value. The financial statements are presented in Philippine peso, which is the Company's functional and presentation currency. All values are rounded to the nearest peso, except when otherwise indicated.

Statement of Compliance

The Company's financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS).

3. Summary of Significant Changes in Accounting Policies and Disclosures

Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year, except for the following new pronouncements which the Company adopted starting January 1, 2018. The adoption of these pronouncements did not have significant impact on the Company's financial position or performance unless otherwise indicated.

- *Amendments to PFRS 2, Share-based Payment, Classification and Measurement of Share-based Payment Transactions*

The amendments to PFRS 2 address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and the accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled. Entities are required to apply the amendments to: (1) share-based payment transactions that are unvested or vested but unexercised as at January 1, 2018, (2) share-based payment transactions granted on or after January 1, 2018 and (3) modifications of share-based payments that occurred on or after January 1, 2018. Retrospective application is permitted if elected for all three amendments and if it is possible to do so without hindsight.

The amendments are not applicable since the Company has no share-based payment transactions.

- *Amendments to PFRS 4, Insurance Contracts, Applying PFRS 9, Financial Instruments, with PFRS 4*

The amendments address concerns arising from implementing PFRS 9, the new financial instruments standard before implementing the new insurance contracts standard. The amendments introduce two options for entities issuing insurance contracts: a temporary exemption from applying PFRS 9 and an overlay approach. The temporary exemption is first applied for reporting periods beginning on or after January 1, 2018. An entity may elect the overlay approach when it first applies PFRS 9 and apply that approach retrospectively to financial assets designated on transition to PFRS 9. The entity restates comparative information reflecting the overlay approach if, and only if, the entity restates comparative information when applying PFRS 9.

The amendments are not applicable to the Company since it does not have activities that are predominantly connected with insurance or issues insurance contracts.

- *PFRS 9, Financial Instruments*

PFRS 9 replaces Philippine Accounting Standards (PAS) 39, *Financial Instruments: Recognition and Measurement*, for annual periods beginning on or after January 1, 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Company applied PFRS 9 using a modified retrospective approach, with an initial application date of January 1, 2018. The Company has not restated the comparative information, which continues to be reported under PAS 39. There are no adjustments in retained earnings and other components of equity upon adoption of PFRS 9.

The impact of adoption of PFRS 9 on the Company's financial statements is as follows:

- (a) Classification and measurement*

Under PFRS 9, debt instruments are subsequently measured at fair value through profit or loss (FVTPL), amortized cost, or FVOCI. The classification is based on two criteria: the Company's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Company's business model was made as of the date of initial application, January 1, 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The following are the changes in the classification of the Company's financial assets:

- Cash and cash equivalents and accounts receivable classified as loans and receivables as at December 31, 2017 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as debt instruments at amortized cost beginning January 1, 2018.
- Unquoted debt security amounting to P20.57 million previously classified as AFS financial asset is now classified and measured as financial asset designated at FVOCI beginning January 1, 2018. It was classified as financial asset at FVOCI since its contractual terms gives rise to cash flow that are solely payments of principal and interest on the principal amounts outstanding, and it is held within a business model that has an objective of both collecting contractual cash flows and selling financial assets as the Company holds the debt security to manage its liquidity needs. The Company did not elect the conditional fair value option (see Note 8).

The cumulative unrealized loss of P0.43 million related to this investment, that was previously presented under unrealized loss on available-for-sale investment, was reclassified to unrealized loss on debt instrument at FVOCI (see Note 8).

There are no changes in classification and measurement of the Company's financial liabilities.

In summary, upon adoption of PFRS 9, the Company had the following required or elected reclassification as at January 1, 2018:

	Original Measurement Category under PAS 39	New Measurement Category under PFRS 9	Original Carrying Amount under PAS 39	New Carrying Amount under PFRS 9
Financial assets:				
Cash and cash equivalents	Loans and receivables	Financial assets at amortized cost	P28,805,419	P28,805,419
Accounts receivable	Loans and receivables	Financial assets at amortized cost	881,262	881,262
Debt security	AFS investments	Financial assets at FVOCI	20,570,501	20,570,501
			P50,257,182	P50,257,182

(b) Impairment

The adoption of PFRS 9 has fundamentally changed the Company's accounting for impairment losses for financial assets by replacing PAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. PFRS 9 requires the Company to recognize an allowance for ECLs for all debt instruments not held at FVTPL.

The impairment requirements of PFRS 9 did not have a significant impact on the Company as its financial assets are considered to have low credit risk.

- PFRS 15, *Revenue from Contracts with Customers*

PFRS 15 supersedes PAS 11, *Construction Contracts*, PAS 18, *Revenue* and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers. PFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

PFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The adoption of PFRS 15 has no significant impact on the Company's financial statements since the amount and timing of revenue recognition under PFRS 15 is similar with how the Company recognized its revenue using the previous standard.

- Amendments to PAS 28, *Investments in Associates and Joint Ventures, Measuring an Associate or Joint Venture at Fair Value* (Part of *Annual Improvements to PFRSs 2014 - 2016 Cycle*)

The amendments clarify that an entity that is a venture capital organization, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss. They also clarify that if an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which (a) the investment entity associate or joint venture is initially recognized; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent. Retrospective application is required.

The amendments are not applicable since the Company has no investment in associate or joint venture.

- Amendments to PAS 40, *Investment Property, Transfers of Investment Property*

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. Retrospective application of the amendments is not required and is only permitted if this is possible without the use of hindsight.

The amendments are not applicable since the Company has no investment property.

- Philippine Interpretation International Financial Reporting Interpretations Committee (IFRIC)-22, *Foreign Currency Transactions and Advance Consideration*

The interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a nonmonetary asset or nonmonetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognizes the nonmonetary asset or nonmonetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transaction for each payment or receipt of advance consideration. Retrospective application of this interpretation is not required.

The Company does not expect any effect on its financial statements upon adoption of these amendments.

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Company does not expect that the future adoption of the said pronouncements to have a significant impact on its financial statements. The Company intends to adopt the following pronouncements when these become effective.

Effective beginning on or after January 1, 2019

- Amendments to PFRS 9, *Prepayment Features with Negative Compensation*

Under PFRS 9, a debt instrument can be measured at amortized cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to PFRS 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. The amendments should be applied retrospectively and are effective from January 1, 2019, with earlier application permitted.

These amendments are not expected to have any impact to the Company.

- PFRS 16, *Leases*

PFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under PAS 17, *Leases*. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognize the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under PFRS 16 is substantially unchanged from today's accounting under PAS 17. Lessors will continue to classify all leases using the same classification principle as in PAS 17 and distinguish between two types of leases: operating and finance leases.

PFRS 16 also requires lessees and lessors to make more extensive disclosures than under PAS 17.

A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs.

These amendments are not expected to have any impact to the Company.

- Amendments to PAS 19, *Employee Benefits, Plan Amendment, Curtailment or Settlement*

The amendments to PAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognized in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognized in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after January 1, 2019, with early application permitted. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Company.

These amendments are not expected to have any impact to the Company.

- Amendments to PAS 28, *Long-term Interests in Associates and Joint Ventures*

The amendments clarify that an entity applies PFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in PFRS 9 applies to such long-term interests.

The amendments also clarified that, in applying PFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognized as adjustments to the net investment in the associate or joint venture that arise from applying PAS 28, *Investments in Associates and Joint Ventures*.

The amendments should be applied retrospectively and are effective from January 1, 2019, with early application permitted.

The amendments are not applicable since the Company has no investment in associate or joint venture.

- Philippine Interpretation IFRIC-23, *Uncertainty over Income Tax Treatments*

The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of PAS 12, *Income Taxes*, and does not apply to taxes or levies outside the scope of PAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

The interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed.

The Company is currently assessing the impact of adopting this interpretation.

- *Annual Improvements to PFRSs 2015-2017 Cycle*

- Amendments to PFRS 3, *Business Combinations*, and PFRS 11, *Joint Arrangements*, *Previously Held Interest in a Joint Operation*

The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in PFRS 3. The amendments clarify that the previously held interests in that joint operation are not remeasured.

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2019 and to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after January 1, 2019, with early application permitted.

These amendments are currently not applicable to the Company but may apply to future business combination.

- Amendments to PAS 12, *Income Tax Consequences of Payments on Financial Instruments Classified as Equity*

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognizes the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

An entity applies those amendments for annual reporting periods beginning on or after January 1, 2019, with early application is permitted. These amendments are not expected to have significant impact to the Company.

- Amendments to PAS 23, *Borrowing Costs, Borrowing Costs Eligible for Capitalization*

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after January 1, 2019, with early application permitted.

These amendments are not expected to have any impact to the Company.

Effective beginning on or after January 1, 2020

- Amendments to PFRS 3, *Definition of a Business*

The amendments to PFRS 3 clarify the minimum requirements to be a business, remove the assessment of a market participant's ability to replace missing elements, and narrow the definition of outputs. The amendments also add guidance to assess whether an acquired process is substantive and add illustrative examples. An optional fair value concentration test is introduced which permits a simplified assessment of whether an acquired set of activities and assets is not a business.

An entity applies those amendments prospectively for annual reporting periods beginning on or after January 1, 2020, with earlier application permitted.

These amendments are currently not applicable to the Company but may apply on future business combinations of the Company.

- Amendments to PAS 1, *Presentation of Financial Statements*, and PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors, Definition of Material*

The amendments refine the definition of material in PAS 1 and align the definitions used across PFRSs and other pronouncements. They are intended to improve the understanding of the existing requirements rather than to significantly impact an entity's materiality judgements.

An entity applies those amendments prospectively for annual reporting periods beginning on or after January 1, 2020, with earlier application permitted.

The Company is currently assessing the potential effect of the amendments on its financial statements.

Effective beginning on or after January 1, 2021

- PFRS 17, *Insurance Contracts*

PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

PFRS 17 is effective for reporting periods beginning on or after January 1, 2021, with comparative figures required.

The standard is not applicable to the Company since it is not engaged in providing insurance nor issuing insurance contracts.

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

On January 13, 2016, the Financial Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board (IASB) completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

4. **Summary of Significant Accounting Policies**

Current versus Noncurrent Classification

The Company presents assets and liabilities in statement of financial position based on current/noncurrent classification.

An asset as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other assets and liabilities as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent.

Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from dates of placement and are subject to an insignificant risk of change in value.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Assets and liabilities for which fair value is measured or disclosed in the Company's financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting date.

The Company determines the policies and procedures for both recurring and non-recurring fair value measurements. At each reporting date, the management analyzes the movements in the values of assets and liabilities which are required to be remeasured or reassessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

Details as to how the fair value of assets and liabilities are measured are provided in Note 15.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

a. Initial Recognition and Subsequent Measurement of Financial Assets Upon Adoption of PFRS 9

Initial Recognition. Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, FVOCI and FVTPL.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under PFRS 15.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement. For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVTPL

The Company has no financial assets at FVTPL as at December 31, 2018.

The Company's financial assets are under the financial assets at amortized cost and financial assets at FVOCI with recycling of cumulative gains and losses classification.

Financial Assets at Amortized Cost (Debt Instruments). This category is the most relevant to the Company. The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

As at December 31, 2018, the Company's cash and cash equivalents and accounts receivable are classified under this category.

Financial Assets at FVOCI (Debt Instruments). The Company measures debt instruments at FVOCI if both the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in statement of comprehensive income and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

As at December 31, 2018, the Company's unquoted debt security is classified under this category.

b. Initial Recognition and Subsequent Measurement of Financial Assets Before Adoption of PFRS 9

Initial Recognition and Measurement. Financial assets are classified, at initial recognition, as financial assets at FVTPL, loans and receivables, held-to-maturity (HTM) investments, AFS financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at FVTPL, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company has no financial assets at FVTPL, HTM investments and derivatives designated as hedging instruments in an effective hedge as at December 31, 2017.

Subsequent Measurement. The subsequent measurement of the financial assets depends on their classification as described below.

The Company's financial assets are under the loans and receivables and AFS financial assets classification.

Loans and Receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization and the losses arising from impairment are recognized in statement of comprehensive income.

The Company's cash and cash equivalents and accounts receivable are included under this category.

AFS Investments. The Company's AFS financial asset pertains to debt securities. Debt securities in this category are those that are intended to be held for an indefinite period of time and that may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, AFS financial assets are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income (OCI) and credited to the AFS reserve until the investment is derecognized, at which time, the cumulative gain or loss is recognized in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the AFS reserve to the statement of profit or loss in finance costs. Interest earned whilst holding AFS financial assets is reported as interest income using the EIR method.

Derecognition of Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of Financial Assets

a. Impairment of Financial Assets Upon Adoption of PFRS 9

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial

recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For cash and cash equivalents, and debt instrument at FVOCI, the Company applies the low credit risk simplification. The Company evaluates whether the debt instrument is considered to have low credit risk based on the external credit rating of the debt instrument. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Company's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the loss allowance will be based on the lifetime ECL. The Company assesses that there is a significant increase in credit risk of a financial asset when default occurs.

For trade-related accounts receivable, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. For other receivables, the Company applies the general approach and calculates ECL based on the 12-month ECLs or lifetime ECLs, depending on whether there has been a significant increase in credit risk on the financial instruments since initial recognition.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

b. Impairment of Financial Assets Before Adoption of PFRS 9

The Company assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial Assets Carried at Amortized Cost. For financial assets carried at amortized cost, the Company first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original EIR.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognized in the statement of comprehensive income. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans, together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other income in the statement of comprehensive income.

AFS Investments. For AFS financial assets, the Company assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of debt instruments classified as AFS, the impairment is assessed based on the same criteria as financial assets carried at amortized cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortized cost and the current fair value, less any impairment loss on that investment previously recognized in profit or loss.

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest is recorded as part of interest income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed through profit or loss.

Financial Liabilities

Initial Recognition and Measurement. Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's accounts payable and other current liabilities (excluding deferred output VAT) and due to shareholders are included under this category.

Subsequent Measurement. The subsequent measurement of financial liabilities depends on their classification as described below.

Payables. After initial recognition, payables are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as interest expense in the statement of comprehensive income.

Derecognition. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. The Company assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Company and all of the counterparties.

Equity

Capital Stock. Capital stock is measured at par value for all shares issued. Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax.

Retained Earnings. Retained earnings represent the Company's accumulated earnings, net of dividends declared.

Dividends. The Company recognizes a liability to make cash distribution to its equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in the Philippines, a distribution is authorized when it is approved by the BOD. A corresponding amount is recognized directly in the equity. Dividends for the year that are approved after the financial reporting date are dealt with as an event after the reporting date.

Revenue Recognition

a. Revenue from Contracts with Customers Upon Adoption of PFRS 15

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Revenue is recognized when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognized is the amount allocated to the satisfied performance obligation.

The following specific recognition criteria must also be met before revenue is recognized:

Exercise Fees. Revenue is recognized at a point in time upon conversion of PDRs to common shares.

b. Revenue Recognition Outside the Scope of PFRS 15

Interest Income. Revenue is recognized as the interest accrues, taking into account the effective yield on the asset.

c. Revenue Recognition Prior to Adoption of PFRS 15

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all its revenue arrangements.

The following specific recognition criteria must also be met before revenue is recognized:

Exercise Fees. Revenue is recognized upon conversion of PDRs to common shares.

Interest Income. Revenue is recognized as the interest accrues, taking into account the effective yield on the asset.

Expenses

Expenses presented as "Operating expenses" account in the statement of comprehensive income are recognized as incurred.

Taxes

Current Income Tax. Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted at reporting date.

Current income tax relating to items recognized directly in equity is recognized in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax. Deferred tax is provided using the liability method on all temporary differences at reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and net operating loss carryover (NOLCO), to the extent that it is probable that taxable income will be available against which the deductible temporary differences, and the carryforward benefits of excess MCIT over RCIT and NOLCO can be utilized except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries and associates and interest in joint arrangements, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable income will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilized. Unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred income tax assets to be recovered.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates applicable to the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been to be enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Income tax relating to OCI is recognized in OCI section of the statements of comprehensive income.

Value-added Tax (VAT). Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the statement of financial position to the extent of the recoverable amount.

The net amount of VAT recoverable from, or payable to, the taxation authority is presented as "Input value-added tax" or part of "Accounts payable and other current liabilities" accounts in the statement of financial position, respectively.

Earnings per Share (EPS)

Basic EPS amounts are calculated by dividing net income for the year by the weighted average number of ordinary shares outstanding during the year. The Company has no dilutive potential common shares outstanding, therefore, basic EPS is the same as diluted EPS.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of assets embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense. Where the Company expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the receipt of the reimbursement is virtually certain.

Contingencies

Contingent liabilities are not recognized in the financial statements. These are disclosed in the notes to financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed in the notes to financial statements when an inflow of economic benefits is probable.

Events after the Reporting Date

Postyear-end events that provide additional information about the Company's position at the reporting date (adjusting events) are reflected in the financial statements. Postyear-end events that are not adjusting events are disclosed in the notes to financial statements when material.

5. Summary of Significant Accounting Judgments, Estimates and Assumptions

The preparation of the financial statements in compliance with PFRS requires the Company to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be determinable under the circumstances.

The key estimates and assumptions concerning the future and other key sources of estimation uncertainty at reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when these occur.

Determining Fair Value of Debt Instrument at FVOCI/AFS Investment. The Company has no intention of selling its debt instrument at FVOCI / AFS investment in the near term. It is being held indefinitely and may be sold in response to liquidity requirements or changes in market condition.

Since the debt instrument at FVOCI / AFS investment is not traded in an active market, the fair value is determined using appropriate valuation technique, which is the discounted cash flow methodology. The inputs to the model are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair value.

The determination of the fair value of the debt instrument at FVOCI / AFS investment is discussed in Note 15.

Estimating Realizability of Deferred Income Tax Assets. The Company's assessment on the recognition of deferred income tax assets on carryforward benefits of NOLCO and excess MCIT is based upon the likely timing and level of forecasted taxable income in the subsequent periods. This forecast is based on the Company's future expectations on revenue and expenses.

The Company did not recognize deferred income tax assets amounting to ₱0.57 million and ₱0.50 million as at December 31, 2018 and 2017, respectively as management believes that sufficient taxable profit will not be available against which the deductible temporary differences can be utilized (see Note 12).

6. Philippine Deposit Receipts

On July 30, 2007 and August 21, 2007, the Company issued 822,115,000 and 123,317,000 PDRs relating to GMA shares, respectively. Total number of issued PDRs is 945,432,000 for a consideration of ₱8.50 per share or ₱8,036,172,000.

Each PDR grants the holders, upon payment of the exercise price and subject to certain other conditions, the delivery of one GMA share or the sale of and delivery of the proceeds of such sale of one GMA share. The Company remains to be the registered owner of the GMA shares covered by the PDRs. The Company also retains the voting rights over the GMA shares.

The GMA shares are still subject to ownership restrictions on shares of corporations engaged in mass media and GMA may reject the transfer of shares to persons other than Philippine nationals. The PDRs were listed in the PSE on July 30, 2007, and the same may be exercised at any time from said date. Any cash dividends or other cash distributions in respect of GMA shares received by the Company shall be applied toward the operating expenses of the Company for the current and preceding years. A further amount equal to the operating expenses in the preceding year shall be set aside to meet operating or other expenses for the succeeding years. Any amount in excess of the aggregate of the operating expenses paid and the operating fund for such period shall be distributed to PDR holders pro-rata on the first business day after such cash dividends are received by the Company.

Upon exercise of the PDRs, an exercise price of ₱0.05 (VAT inclusive) per share shall be paid by the PDR holders. The exercise price is shown as "Exercise fees" account in the statement of comprehensive income. Exercise fees amounted to ₱1.71 million, ₱2.80 million and ₱0.51 million in 2018, 2017 and 2016, respectively.

Immediately prior to the closing of the PDR offering and additional issuances described above, GMA, to which the Company is affiliated, transferred 945,432,000 GMA shares to the Company in relation to which the PDRs were issued. For as long as the PDRs are not exercised, the shares underlying the PDRs will continue to be registered in the name of, and owned by the Company, and all rights pertaining to these shares, including voting rights, shall be exercised by the Company. The obligations of the Company to deliver the GMA shares on exercise of the right contained in the PDRs are secured by the Pledge of Shares in favor of the Pledge Trustee acting on behalf of each holder of a PDR over the GMA shares.

At any time after the PDR offering, a GMA shareholder may, at his option and from time to time, deliver shares to the Company in exchange for an equal number of PDRs. The exchange is based on prevailing traded value of GMA shares at the time of transaction with the corresponding PDR option price.

As discussed above, the Company retains the rights to receive the cash flows from its investment in GMA and assumes a contractual obligation to pay those cash flows to the PDR holders, net of operating expenses(a “pass-through” arrangement). The “pass-through”test is met because the Company (a) has no obligation to the PDR holders unless it collects equivalent amounts from its investment in GMA, (b) is contractually prohibited from selling or pledging its investment in GMA other than as security to the PDR holders for the obligation to pay the cash flows, and (c) has an obligation to remit any cash flows from the investment in GMA to the PDR holders without material delay.

Under the “pass-through” test, the Company is deemed to have transferred substantially the risks and rewards of its investment in GMA. Accordingly, the investment in GMA and the liabilities related to the issuance of the PDRs are not recognized by the Company.

The following are the details and movements of the PDRs and the underlying GMA shares for the years ended December 31:

	PDRs		Number of Shares	
	2018	2017	2018	2017
Balance at beginning of year	₱6,564,040,850	₱7,097,177,850	772,240,100	834,962,100
Exercise of PDRs	(326,338,800)	(533,137,000)	(38,392,800)	(62,722,000)
Balance at end of year	₱6,237,702,050	₱6,564,040,850	733,847,300	772,240,100

On April 5, 2018, the Company’s BOD approved a cash distribution to PDR holders of ₱0.50 per share totaling ₱371.96 million, in relation to dividends declared by GMA to all shareholders of record as at April 23, 2018. These were remitted to the PDR holders on May 15, 2018.

On March 27, 2017, the Company’s BOD approved a cash distribution to PDR holders of ₱0.73 per share totaling ₱595.24 million, in relation to dividends declared by GMA to all shareholders of record as at April 20, 2017. These were remitted to the PDR holders on May 16, 2017.

On April 8, 2016, the Company’s BOD approved a cash distribution to PDR holders of ₱0.40 per share totaling to ₱338.54 million, in relation to dividends declared by GMA to all shareholders of record as at April 25, 2016. These were remitted to the PDR holders on May 17, 2016.

The BOD approved a resolution to pass on the entire amount of the cash dividends received from GMA without deducting the Company’s 2018, 2017 and 2016 projected operating expenses on April 5, 2018, March 27, 2017 and April 8, 2016, respectively. Such expenses shall be covered by the interest income from the Company’s cash and cash equivalents, AFS investment and debt instrument at FVOCI.

As discussed in Note 18, on March 29, 2019, the BOD approved a cash distribution to PDR holders in relation to dividends declared by GMA.

7. Cash and Cash Equivalents

	2018	2017
Cash on hand and in bank	P2,279,421	P2,810,924
Short-term deposits	26,548,575	25,994,495
	P28,827,996	P28,805,419

Cash in bank earns interest at bank deposit rate. Short-term deposits are made for varying periods of up to three months depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

Interest income earned from cash in bank and short-term deposits amounted to P0.87 million, P0.79 million and P0.87 million in 2018, 2017 and 2016, respectively.

8. Debt Instrument at Fair Value Through Other Comprehensive Income / Available-for-Sale Investment

In 2014, the Company purchased at par a ten-year UnionBank of the Philippines (UBP) Tier Note with a face value of P21.00 million bearing a fixed interest rate of 5.38% from the 1st to the 21st interest payment dates and an interest rate based on the five year (5Y) PDST-R2 plus 196 basis point (bps) from the 22nd interest payment date to the last interest payment date. The interest is payable quarterly. The maturity date of this note is on February 20, 2025.

Debt Instrument at FVOCI (December 31, 2018)

The movements of debt instrument at FVOCI in 2018 are as follows:

Cost	
Balance at beginning of year, as previously presented	P—
Reclassification from AFS investment	21,000,000
Balance at beginning of year, as adjusted, and end of year	21,000,000
Unrealized loss on debt instrument at FVOCI	
Balance at beginning of year, as previously presented	—
Reclassification from AFS investment	(429,499)
Balance at beginning of year, as adjusted	(429,499)
Unrealized loss during the year	(848,763)
Balance at end of year	(1,278,262)
	P19,721,738

AFS Investment (December 31, 2017)

The movement of AFS investment in 2017 is as follows:

Cost	
Balance at beginning and end of year	P21,000,000
Unrealized loss on AFS investments	
Balance at beginning of year	(174,736)
Unrealized loss during the year	(254,763)
Balance at end of year	(429,499)
	P20,570,501

No portion of the unrealized loss on AFS investment was transferred to profit or loss in 2017.

Interest income earned from the UBP Tier Note amounted to ₱1.13 million in 2018, 2017 and 2016.

9. Accounts Payable and Other Current Liabilities

	2018	2017
Accounts payable	₱9,380	₱65,845
Accrued expenses:		
Professional fees	435,000	275,000
Others	505	1,714
Deferred output VAT	1,734	81,437
Dividends payable	3,886	3,049
	₱450,505	₱427,045

Accounts payable and accrued expenses are noninterest-bearing and are normally settled within the next financial year. Accrued expenses represent audit fees, retainer fees and miscellaneous expenses.

10. Equity

a. Capital Stock

The Company has 10,000 authorized, issued and outstanding common shares with ₱10.00 par value per share.

The following summarizes the information on the Company's registration of securities with the SEC as required by Securities Regulation Code Rule 68, As Amended (2011):

Date of SEC Approval	Authorized Number of Shares	Number of Issued Shares	Issue/ Offer Price
July 30, 2007	945,432,000	945,432,000	₱8.50

b. Retained Earnings

On April 8, 2016, the BOD approved the Company's declaration and distribution of cash dividends amounting to ₱0.60 million to all shareholders of record as at April 29, 2016 and were paid on May 27, 2016.

On March 27, 2017, the BOD approved the Company's declaration and distribution of cash dividends amounting to ₱1.00 million to all stockholders of record as at April 10, 2017 and were paid on May 9, 2017.

On April 5, 2018, the BOD approved the Company's declaration and distribution of cash dividends amounting to ₱3.10 million to all stockholders of record as at April 9, 2018 and were paid on May 15, 2018.

On March 29, 2019, the BOD approved the Company's declaration and distribution of cash dividends amounting to ₱2.21 million to all stockholders of record as at April 22, 2019. (see Note 18).

11. Operating Expenses

	2018	2017	2016
Professional fees	P475,000	P517,910	P382,857
Listing fees	454,622	497,692	614,064
Taxes and licenses	37,923	35,011	31,509
Others	40,685	59,279	34,890
	P1,008,230	P1,109,892	P1,063,320

12. Income Taxes

Provision for income tax as shown in the statements of comprehensive income consists of the following:

	2018	2017	2016
Final tax on interest income	P399,520	P383,852	P399,339
MCIT	34,279	—	10,167
RCIT	—	204,698	—
Benefit from deferred tax	—	(8,183)	—
	P433,799	P580,367	P409,506

The reconciliation of the provision for income tax computed at statutory income tax rate to provision for income tax as shown in the statements of comprehensive income is summarized as follows:

	2018	2017	2016
Provision for income tax computed at statutory income tax rate of 30%	P811,000	P1,082,837	P432,517
Income tax effects of:			
Interest income subjected to final tax	(199,760)	(191,926)	(199,669)
Movement in unrecognized deferred tax assets	(179,223)	(310,544)	(226,597)
Expired NOLCO and MCIT	1,782	—	403,255
	P433,799	P580,367	P409,506

Deferred Tax Assets

The components of unrecognized deferred tax assets are as follows:

	2018	2017
NOLCO	P144,768	P356,488
Unrealized loss on debt instrument at FVOCI	383,479	—
MCIT	44,446	11,949
Unrealized loss on AFS investment	—	128,850
	P572,693	P497,287

The component of deferred tax asset pertaining to unrealized loss on debt instrument at FVOCI and unrealized loss on AFS investment in 2018 and 2017, respectively, are related to equity.

As at December 31, 2018, NOLCO and MCIT that can be claimed as deduction from future taxable income and RCIT due, respectively, are as follows:

Date Paid/Incurred	Carryforward Benefit Up To	NOLCO	MCIT
December 31, 2016	December 31, 2019	P482,560	P10,167
December 31, 2018	December 31, 2021	–	34,279
		P482,560	P44,446

The movements in NOLCO and MCIT follow:

	2018	2017
NOLCO:		
Balance at beginning of year	P1,188,294	P2,196,165
Application	(705,734)	(1,007,871)
Balance at end of year	P482,560	P1,188,294
MCIT:		
Balance at beginning of year	P11,949	P20,132
Addition	34,279	–
Application	–	(8,183)
Expiration	(1,782)	–
Balance at end of year	P44,446	P11,949

Republic Act No. 10963 or the Tax Reform for Acceleration and Inclusion Act (TRAIN) was signed into law on December 19, 2017 and took effect on January 1, 2018. Although the TRAIN changes the existing tax law and includes several provisions that generally affected businesses on a prospective basis, the management assessed that the same did not have significant impact on the financial statement balances.

13. Related Party Disclosures

Parties are considered to be related if one party has the ability, directly and indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control.

Terms and Conditions of Transactions with Related Parties

There have been no guarantees provided or recovered for any related party receivables or payables and settlements occur in cash. The Company's financial statements include the following amounts resulting from the transactions with related parties as at December 31:

Category	Year	Amount/Volume of Transactions	Outstanding Payable	Terms	Conditions
Shareholders					
Portion of proceeds retained from the issuance of PDRs	2018 2017	P– –	P47,271,600 47,271,600	On demand upon exercise of PDRs, noninterest-bearing	Unsecured
Belo, Gozon, Elma Law Firm	2018 2017	160,000 202,910	360,000 200,000	On demand, noninterest-bearing	Unsecured

The outstanding balance of “Due to shareholders” account in the statements of financial position pertains to the portion of the original proceeds from the issuance of PDRs retained by the Company as the PDR issuer in consideration for the rights granted under the PDRs equivalent to ₱0.05 per PDR. This amount will be used for the liquidation of expenses related to the issuance of the PDRs. Any excess is to be remitted to the selling shareholders.

The Company’s key management personnel are employed by GMA and no part of their salaries was allocated to the Company.

14. Financial Risk Management Objectives and Policies

The Company’s principal financial instruments include cash and cash equivalents, accounts receivable, AFS investment and debt instrument at FVOCI. The main purpose of these financial instruments is to finance the Company’s operations. The Company has other financial assets and liabilities such as accounts receivable, accounts payable and other current liabilities (excluding deferred output VAT) and due to shareholders, which arise directly from its operations.

The main risks arising from the Company’s financial statements are as follows:

- *Liquidity Risk.* Liquidity risk arises from the possibility that the Company may encounter difficulties in raising funds to meet commitments from financial instruments.
- *Interest Rate Risk.* Interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates.
- *Credit Risk.* Credit risk arises from default of the counterparty.

The BOD reviews and approves the Company’s objectives and policies.

Liquidity Risk

The Company’s objective in liquidity management is to ensure that the Company has sufficient liquidity to meet obligations under normal and adverse circumstances and is able to take advantage of investment opportunities as they arise.

The Company manages its liquidity risk by using its cash and cash equivalents from operations and interest income from AFS investment to meet its short-term liquidity needs. The Company likewise regularly evaluates other financing instruments and arrangements to broaden the Company’s range of financing sources.

The tables below summarize the maturity profile of the Company’s financial assets used for liquidity risk management purposes and financial liabilities based on contractual undiscounted payments as at December 31:

	2018			Total
	On Demand	3 to 12 Months	More than 1 year	
Financial Assets				
Cash and cash equivalents	₱28,827,996	₱–	₱–	₱28,827,996
Accounts receivable	272,433	–	–	272,433
Debt instrument at FVOCI	–	867,200	18,854,538	19,721,738
	₱29,100,429	₱867,200	₱18,854,538	₱48,822,167

	2018			Total
	On Demand	3 to 12 Months	More than 1 year	
Financial Liabilities				
Accounts payable and other current liabilities*	P448,771	P–	P–	P448,771
Due to shareholders	10,579,235	36,692,365	–	47,271,600
	P11,028,006	P36,692,365	P–	P47,720,371

*Excluding deferred output VAT amounting to P1,734.

	2017			Total
	On Demand	3 to 12 Months	More than 1 year	
Financial Assets				
Cash and cash equivalents	P28,805,419	P–	P–	P28,805,419
Accounts receivable	881,262	–	–	881,262
AFS investment	–	882,136	19,688,365	20,570,501
	P29,686,681	P882,136	P19,688,365	P50,257,182
Financial Liabilities				
Accounts payable and other current liabilities*	P345,608	P–	P–	P345,608
Due to shareholders	8,659,595	38,612,005	–	47,271,600
	P9,005,203	P38,612,005	P–	P47,617,208

*Excluding deferred output VAT amounting to P81,437.

Interest Rate Risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt security which is subject to fair value interest rate risk.

Fair Value Interest Rate Risk. The Company's debt security earns interest at a fixed rate of 5.38% from the 1st to the 21st interest payment dates and a rate based on the 5Y PDST-R2 plus 196 bps from the 22nd interest payment date to the last interest payment date. The following table below demonstrates the sensitivity of fair value changes due to possible change in interest rates with all other variables held constant (through the impact on other comprehensive income).

	Increase (Decrease) in Basis Points	Effect on Equity	
		2018	2017
Debt instrument at FVOCI	50	(P1,735,549)	P–
	(50)	(806,192)	–
AFS investment	50	–	(P995,748)
	(50)	–	157,470

Credit Risk

With respect to credit risk arising from cash and cash equivalents, accounts receivable and debt security, the Company's exposure to credit risk arises from default of the counterparty. The maximum exposure of accounts receivables and debt security is equal to their carrying amounts. For cash and cash equivalents, the maximum exposure is P28.32 million and P28.30 million as at December 31, 2018 and 2017, respectively, or the carrying amount less insured amount by the Philippine Deposit Insurance Corporation equivalent to the actual cash in bank balance to a maximum of P0.50 million per depositor per bank. It is the Company's policy to enter into transactions with a diversity of creditworthy parties to mitigate any significant concentration of credit risk. The Company has an internal mechanism to monitor the granting of credit and management of credit

exposures. The Company will make provisions, when necessary, for potential losses on credits extended. The Company does not require any collateral for its financial assets.

As at December 31, 2018 and 2017, the financial assets are generally viewed by management as good and collectible considering the credit history of the counterparties. No financial assets were identified by the Company as past due or impaired financial assets as at December 31, 2018 and 2017.

Credit Quality of Financial Assets

The credit quality of financial assets is managed by the Company using high grade and standard grade as internal credit ratings.

High Grade. This pertains to a counterparty who is not expected by the Company to default in settling its obligations, thus, credit risk exposure is minimal. This normally includes large prime financial institutions and related parties.

Standard Grade. Other financial assets not classified as high grade are included in this category.

The Company classified its cash and cash equivalents (excluding cash on hand), accounts receivable and debt security as high grade financial assets as at December 31, 2018 and 2017.

Capital Management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, payoff existing debts, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for the three years ended December 31, 2018, 2017 and 2016.

The Company's capital management is undertaken by GMA. The Company's capital includes the total equity, before other comprehensive income, which amounted to P2.41 million and P3.24 million as at December 31, 2018 and 2017, respectively.

The Company is not subject to externally imposed capital requirements.

15. Fair Value Measurement

The following methods and assumptions are used to estimate the fair value of each financial instrument for which it is practicable to estimate such value:

Cash and Cash Equivalents, Accounts Receivable, Accounts Payable and Other Current Liabilities (excluding Deferred Output VAT) and Due to Shareholders

The carrying amounts of these financial instruments approximate their fair values due to the short-term maturities of these financial instruments.

Debt Instrument at FVOCI / AFS Investment

The estimated fair value of debt instrument at FVOCI / AFS investment is based on the discounted values of future cash flows. The discount rates used were based on the spot yield curve derived from government securities of different tenors plus an estimate of the counterparty's credit spread, which is based on the counterparty's credit rating. The fair value is under level 3 of the fair value hierarchy.

The following table below demonstrates the sensitivity of credit spread (through the impact on other comprehensive income).

	Increase (Decrease) in Basis Points	Effect on Equity	
		2018	2017
Debt instrument at FVOCI	50	(P457,686)	P—
	(50)	472,071	—
AFS investment	50	—	(566,250)
	(50)	—	586,968

16. Basic/Diluted Earnings Per Share Computation

Basic/diluted EPS is computed as follows:

	2018	2017	2016
Net income attributable to equity holders (a)	P2,269,534	P3,029,090	P1,032,216
Common shares issued at beginning and end of year (b)	10,000	10,000	10,000
Basic/diluted earnings per share (a/b)	P226.95	P302.91	P103.22

The Company has no dilutive potential common shares outstanding therefore basic EPS is same as diluted EPS.

17. Note to Statement of Cash Flows

Change in liability arising from financing activity is as follows:

	2018	2017
Dividends payable, at beginning of year	P3,049	P2,689
Dividend declaration (Note 10)	3,100,000	1,000,000
Cash outflow	(3,099,163)	(999,640)
Dividends payable, at end of year	P3,886	P3,049

18. Events after the Reporting Date

On March 29, 2019, the Company's BOD approved a cash distribution to PDR holders of ₱0.45 per share in relation to dividends declared by GMA to all shareholders of record as at April 22, 2019 and will be paid on May 15, 2019.

On the same date, the BOD approved a resolution to pass on the entire amount of the cash dividends received from GMA without deducting its operating expenses and approved the use of the interest income from its cash and cash equivalents and debt instrument at FVOCI to cover for these expenses.

Further, the BOD approved the Company's declaration and distribution of cash dividends amounting to ₱2.21 million to all stockholders of record as at April 22, 2019.

19. Supplementary Tax Information Required Under Revenue Regulations (RR) 15-2010

In compliance with the requirements set forth by RR 15-2010, hereunder are the information on taxes and license fees accrued and paid during the taxable year.

The Company reported and/or paid the following types of taxes in 2018:

VAT

The Company's sales and receipts are subject to output VAT while its purchases from other VAT-registered individuals or corporations are subject to input VAT. The VAT rate is 12%.

a. Net sales/receipts and output VAT declared in the Company's VAT returns

The Company is a VAT-registered Company with output VAT declaration of ₱285,379 for the year based on the gross receipts of exercise fees of ₱2,378,158 as included in the "Exercise fee" account in the statement of comprehensive income.

b. Input VAT

Balance at January 1, 2018	₱248,277
Current year's domestic purchases for services	66,358
Total input VAT	314,635
Applied against output VAT	(285,379)
Balance at December 31, 2018	₱29,256

Other Taxes and Licenses

All other local and national taxes paid for the year ended December 31, 2018 consist of:

Local taxes and license fees	₱37,423
Registration fees	500
	₱37,923

Withholding Taxes

Withholding taxes paid and/or withheld for the year ended December 31, 2018 consist of:

Final withholding tax	₱32,608,173
Expanded withholding tax	10,663
	<u>₱32,618,836</u>

Tax Assessments and Cases

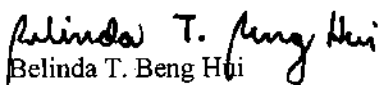
As at December 31, 2018, the Company has no final tax assessments and cases pending before the Bureau of Internal Revenue (BIR). Likewise, the Company has no other pending tax cases outside the administration of the BIR as at December 31, 2018.

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Board of Directors and Stockholders
GMA Holdings, Inc.
5D Tower One, One McKinley Place
New Global Bonifacio City
Fort Bonifacio, Taguig City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of GMA Holdings, Inc. as at December 31, 2018 and 2017 and for each of the three years in the period ended December 31, 2018, and have issued our report thereon dated March 29, 2019. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Financial Statements and Supplementary Schedules are the responsibility of the Company's management. These schedules are presented for purposes of complying with Securities Regulation Code Rule 68, As Amended (2011), and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.


Belinda T. Beng Hui
Partner

CPA Certificate No. 88823
SEC Accreditation No. 0943-AR-3(Group A),
March 14, 2019, valid until March 13, 2022
Tax Identification No. 153-978-243
BIR Accreditation No. 08-001998-78-2018,
March 14, 2018, valid until March 13, 2021
PTR No. 7332528, January 3, 2019, Makati City

March 29, 2019

GMA HOLDINGS, INC.
Index to the Financial Statements and
Supplementary Schedules
December 31, 2018

Schedule I: Supplementary Schedules Required by Annex 68-E

Schedule II: List of Philippine Financial Reporting Standards (PFRS) and Interpretations as at December 31, 2018

Schedule III: Reconciliation of Retained Earnings Available for Dividend Declaration

Schedule IV: Schedule of Financial Ratios

GMA HOLDINGS, INC.**Supplementary Schedules Required by Annex 68-E
December 31, 2018****Schedule A. Financial Assets**

Name of issuing entity and association of each issue	Amount shown in the statements of financial position	Income received and accrued
Cash and cash equivalents		
Cash on hand	P5,000	P-
Cash in bank - Union Bank of the Philippines	2,274,421	7,416
	2,279,421	7,416
Cash equivalents - Unicapital, Inc.	26,548,575	861,433
	P28,827,996	P868,849
Debt instrument at fair value through other comprehensive income	P19,721,738	P1,128,750

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

Name and designation	Balance as at January 1, 2018	Additions	Deductions		Current	Noncurrent	Balance as at December 31, 2018
			Amount collected	Amount written off			
Not Applicable: The Company has no receivable from directors, officer, employees, related parties and principal stockholders (other than related parties) as at December 31, 2018.							

Schedule C. Amounts of Receivables and Payable from/to Related Parties which are Eliminated during Consolidation Process of Financial Statements

Name and designation	Balance as at January 1, 2018	Additions	Deductions		Current	Noncurrent	Balance as at December 31, 2018
			Amount collected	Amount written off			
Not Applicable: The Company has no receivable from/payable to related parties which are consolidated as at December 31, 2018.							

Schedule D. Intangible Assets - Other Assets

Description	Beginning balance	Additions at cost	Charged to cost and expenses	Other changes: additions (deductions)	Ending balance
Not Applicable: The Company has no intangible asset as at December 31, 2018.					

SCHEDULE I**Schedule E. Long-term Debt**

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long term debt" in related balance sheet	Amount shown under caption "Long-term debt" in related balance sheet
---------------------------------------	--------------------------------	---	--

Not Applicable: The Company has no long-term debt as at December 31, 2018.

Schedule F. Indebtedness to Related Parties (Long-term Loans from Related Parties)

Name of related party	Balance at January 1, 2018	Balance at December 31, 2018
-----------------------	----------------------------	------------------------------

Not Applicable: The Company has no long-term loan from a related party as at December 31, 2018.

Schedule G. Guarantees of Securities of Other Issuers

Name of issuing entity of Securities guaranteed by the Company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which the statement is filed	Nature of guarantee
--	---	---	---	---------------------

Not Applicable: The Company has no guarantees of securities of other issuers as at December 31, 2018.

Schedule H. Capital Stock

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers, and employees	Others
Common stock	10,000	10,000	—	—	10,000	—

GMA HOLDINGS, INC.**List of Philippine Financial Reporting Standards (PFRS) and Interpretations
As at December 31, 2018**

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2018		Adopted	Not Adopted	Not Applicable
Philippine Financial Reporting Standards				
PFRS 1	First-time Adoption of Philippine Financial Reporting Standards			✓
PFRS 2	Share-based Payment			✓
	Amendments to PFRS 2, Classification and Measurement of Share-based Payment Transactions			✓
PFRS 3	Business Combinations			✓
PFRS 4	Insurance Contracts			✓
	Amendments to PFRS 4, Applying PFRS 9 Financial Instruments with PFRS 4 Insurance Contracts			✓
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			✓
PFRS 6	Exploration for and Evaluation of Mineral Resources			✓
PFRS 7	Financial Instruments: Disclosures	✓		
PFRS 8	Operating Segments			✓
PFRS 9	Financial Instruments	✓		
PFRS 10	Consolidated Financial Statements			✓
PFRS 11	Joint Arrangements			✓
PFRS 12	Disclosure of Interests in Other Entities			✓
PFRS 13	Fair Value Measurement	✓		
PFRS 14	Regulatory Deferral Accounts			✓
PFRS 15	Revenue from Contracts with Customers	✓		
Philippine Accounting Standards				
PAS 1	Presentation of Financial Statements	✓		
PAS 2	Inventories			✓
PAS 7	Statement of Cash Flows	✓		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		

SCHEDULE II

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2018		Adopted	Not Adopted	Not Applicable
PAS 10	Events after the Reporting Period	✓		
PAS 12	Income Taxes	✓		
PAS 16	Property, Plant and Equipment			✓
PAS 17	Leases			✓
PAS 19	Employee Benefits			✓
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
PAS 21	The Effects of Changes in Foreign Exchange Rates			✓
PAS 23	Borrowing Costs			✓
PAS 24	Related Party Disclosures	✓		
PAS 26	Accounting and Reporting by Retirement Benefit Plans			✓
PAS 27	Separate Financial Statements			✓
PAS 28	Investments in Associates and Joint Ventures			✓
	Amendments to PAS 28, Measuring an Associate or Joint Venture at Fair Value (Part of Annual Improvements to PFRSs 2014 - 2016 Cycle)			✓
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
PAS 32	Financial Instruments: Presentation	✓		
PAS 33	Earnings per Share	✓		
PAS 34	Interim Financial Reporting			✓
PAS 36	Impairment of Assets	✓		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
PAS 38	Intangible Assets			✓
PAS 39	Financial Instruments: Recognition and Measurement	✓		
PAS 40	Investment Property			✓
	Amendments to PAS 40, Transfers of Investment Property			✓
PAS 41	Agriculture			✓

SCHEDULE II

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2018		Adopted	Not Adopted	Not Applicable
Philippine Interpretations				
Philippine Interpretation IFRIC-1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			✓
Philippine Interpretation IFRIC-2	Members' Shares in Co-operative Entities and Similar Instruments			✓
Philippine Interpretation IFRIC-4	Determining whether an Arrangement contains a Lease			✓
Philippine Interpretation IFRIC-5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✓
Philippine Interpretation IFRIC-6	Liabilities arising from Participating in a Specific Market—Waste Electrical and Electronic Equipment			✓
Philippine Interpretation IFRIC-7	Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies			✓
Philippine Interpretation IFRIC-10	Interim Financial Reporting and Impairment			✓
Philippine Interpretation IFRIC-12	Service Concession Arrangements			✓
Philippine Interpretation IFRIC-14	PAS 19—The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction			✓
Philippine Interpretation IFRIC-16	Hedges of a Net Investment in a Foreign Operation			✓
Philippine Interpretation IFRIC-17	Distributions of Non-cash Assets to Owners			✓
Philippine Interpretation IFRIC-19	Extinguishing Financial Liabilities with Equity Instruments			✓
Philippine Interpretation IFRIC-20	Stripping Costs in the Production Phase of a Surface Mine			✓

SCHEDULE II

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2018		Adopted	Not Adopted	Not Applicable
Philippine Interpretation IFRIC-21	Levies	✓		
Philippine Interpretation IFRIC-22	Foreign Currency Transactions and Advance Consideration			✓
Philippine Interpretation SIC-7	Introduction of the Euro			✓
Philippine Interpretation SIC-10	Government Assistance—No Specific Relation to Operating Activities			✓
Philippine Interpretation SIC-15	Operating Leases—Incentives			✓
Philippine Interpretation SIC-25	Income Taxes—Changes in the Tax Status of an Entity or its Shareholders			✓
Philippine Interpretation SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease			✓
Philippine Interpretation SIC-29	Service Concession Arrangements: Disclosures			✓
Philippine Interpretation SIC-32	Intangible Assets—Web Site Costs			✓

Note: Standards and interpretations tagged as “Not applicable” are those standards which were adopted but the entity has no significant covered transaction as at and for the year ended December 31, 2018.

GMA HOLDINGS, INC.

Reconciliation of Retained Earnings Available for Dividend Declaration
As at December 31, 2018

Unappropriated retained earnings, beginning	₱3,136,313
Net income during the year closed to retained earnings	2,269,534
Dividend declaration during the year	(3,100,000)
Unappropriated retained earnings available for dividend declaration, end	₱2,305,847

GMA HOLDINGS, INC.**Schedule of Financial Ratios**

Financial Ratios	Description	December 31	
		2018	2017
Current/liquidity ratio	Current assets over current liabilities	0.61	0.63
Asset to equity ratio	Total assets over total equity	43.32	17.99
Debt to equity ratio	Total liabilities over total equity	42.32	16.99

Financial Ratios	Description	Years ended December		
		2018	2017	2016
Return on equity	Net income over total equity	201.27%	107.92%	99.97%
Return on asset	Net income over total assets	4.65%	6.00%	2.12%
EBITDA margin	Earnings before interest, tax and depreciation and amortization over total revenue	72.84%	76.48%	57.55%



TREASURER'S CERTIFICATION

I, FELIPE S. YALONG, of legal age, Filipino and with office address at GMA Complex, EDSA corner Timog, Diliman, Quezon City, after being sworn in accordance with law, hereby certify that:

1. I am the Treasurer of GMA Holdings, Inc., a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines under SEC Certificate of registration CS200602356 with the principal office at Unit 5D Tower One, One McKinley Place, New Bonifacio Global City, Fort Bonifacio, Taguig City.
2. The General Form for Financial Statements ("GFFS") Compact Disc submitted contains the same basic and material data in the Audited Financial Statements of the Corporation.
3. I am executing this certification to attest to the truth of the foregoing and in compliance with the reportorial requirements of the SEC.

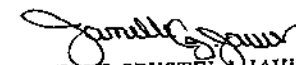
Witness my hand on this 29th day of March 2019 at City of _____.


FELIPE S. YALONG
Corporate Treasurer

Acknowledgement

SUBSCRIBED AND SWORN to before me this APR 04, 2019 day of QUEZON CITY
affidavit exhibited to me his TIN 102-874-052 (Felipe S. Yalong).

Doc. No. 68
Page No. 15
Book No. III
Series of 2019


ATTY. JANELLE CRYSTEL J. JAVIER
Notary Public-Quezon City
Until December 31, 2019
Adm. Matter No. NP-223(2018-2019)
PTR No. 5981127-Feb. 19, 2018, QC
IBP Lifetime No. 016879
Roll of Attorney's No. 69611

GMA HOLDINGS, INC.

Unit 5-D Tower One, One McKinley Place, New Bonifacio Global City, Fort Bonifacio, Taguig City 1634 Philippines
MAILING ADDRESS: GMA Network Center, EDSA cor. Timog Ave., Diliman, Quezon City 1103 Philippines

GENERAL FORM FOR FINANCIAL STATEMENTSNAME OF CORPORATION: **GMA HOLDINGS, INC.**CURRENT ADDRESS: **5D Tower One, One McKinley Place, New Bonifacio Global City, Taguig City**TEL. NO.: **982-7777 loc 8001/8889**

FAX NO.:

COMPANY TYPE : **Holding Company**

PSIC:

*If these are based on consolidated financial statements, please so indicate in the caption.***Table 1. Balance Sheet**

FINANCIAL DATA	2018	2017
	(In Philippine Peso)	
A. ASSETS (A.1 + A.2 + A.3 + A.4 + A.5 + A.6 + A.7 + A.8 + A.9 + A.10)	48,851,423	50,505,459
A.1 Current Assets (A.1.1 + A.1.2 + A.1.3 + A.1.4 + A.1.5)	29,129,685	29,934,958
A.1.1 Cash and cash equivalents (A.1.1.1 + A.1.1.2 + A.1.1.3)	28,827,996	28,805,419
A.1.1.1 On hand	5,000	2,700
A.1.1.2 In domestic banks/entities	28,822,996	28,802,719
A.1.1.3 In foreign banks/entities		
A.1.2 Trade and Other Receivables (A.1.2.1 + A.1.2.2)	272,433	881,262
A.1.2.1 Due from domestic entities (A.1.2.1.1 + A.1.2.1.2 + A.1.2.1.3 + A.1.2.1.4)	272,433	881,262
A.1.2.1.1 Due from customers (trade)	16,180	760,075
A.1.2.1.2 Due from related parties		
A.1.2.1.3 Others, specify (A.1.2.1.3.1+A.1.2.1.3.2)	256,253	121,187
A.1.2.1.3.1 Interest Receivable	256,253	121,187
A.1.2.1.3.2 Others		
A.1.2.1.4 Allowance for doubtful accounts (negative entry)		
A.1.2.2 Due from foreign entities, specify (A.1.3.2.1 + A.1.3.2.2 + A.1.3.2.3 + A.1.3.2.4)		
A.1.2.2.1		
A.1.2.2.2		
A.1.2.2.3		
A.1.2.2.4 Allowance for doubtful accounts (negative entry)		
A.1.3 Inventories (A.1.3.1 + A.1.3.2 + A.1.3.3 + A.1.3.4 + A.1.3.5 + A.1.3.6)	-	-
A.1.3.1 Raw materials and supplies		
A.1.3.2 Goods in process (including unfinished goods, growing crops, unfinished seeds)		
A.1.3.3 Finished goods		
A.1.3.4 Merchandise/Goods in transit		
A.1.3.5 Unbilled Services (in case of service providers)		
A.1.3.6 Others, specify (A.1.3.6.1+A.1.3.6.2)		
A.1.3.6.1		
A.1.3.6.2		
A.1.4 Financial Assets other than Cash/Receivables/Equity investments (A.1.4.1 + A.1.4.2 + A.1.4.3 + A.1.4.4+A.1.4.5+A.1.4.6)	-	-
A.1.4.1 Financial Assets at Fair Value through Profit or Loss - issued by domestic entities (A.1.4.1.1 + A.1.4.1.2 + A.1.4.1.3 + A.1.4.1.4 + A.1.4.1.5)		
A.1.4.1.1 National Government		
A.1.4.1.2 Public Financial Institutions		
A.1.4.1.3 Public Non-Financial Institutions		
A.1.4.1.4 Private Financial Institutions		
A.1.4.1.5 Private Non-Financial Institutions		
A.1.4.2 Held to Maturity Investments - issued by domestic entities (A.1.4.2.1 + A.1.4.2.2 + A.1.4.2.3 + A.1.4.2.4 + A.1.4.2.5)		
A.1.4.2.1 National Government		
A.1.4.2.2 Public Financial Institutions		
A.1.4.2.3 Public Non-Financial Institutions		
A.1.4.2.4 Private Financial Institutions		
A.1.4.2.5 Private Non-Financial Institutions		

NOTE:

This general form is applicable to companies engaged in Agriculture, Fishery, Forestry, Mining, and Quarrying, Manufacturing, Electricity, Gas and Water, Construction, Wholesale and Retail Trade, Transportation, Storage and Communications, Hotels and Restaurants, Real Estate, Community, Social and Personal Services, other forms of production, and general business operations. This form is also applicable to other companies that do not have industry-specific Special Forms. Special forms shall be used by publicly-held companies and those engaged in non-bank financial intermediation activities, credit granting, and activities auxiliary to financial intermediation, which require secondary license from SEC.

Domestic corporations are those which are incorporated under Philippine laws or branches/subsidiaries of foreign corporations that are licensed to do business in the Philippines where the center of economic interest or activity is within the Philippines. On the other hand, foreign corporations are those that are incorporated abroad, including branches of Philippine corporations operating abroad.

Financial Institutions are corporations principally engaged in financial intermediation, facilitating financial intermediation, or auxiliary financial services. Non-Financial institutions refer to corporations that are primarily engaged in the production of market goods and non-financial services.

GENERAL FORM FOR FINANCIAL STATEMENTSNAME OF CORPORATION: **GMA HOLDINGS, INC.**CURRENT ADDRESS: **5D Tower One, One McKinley Place, New Bonifacio Global City, Taguig City**TEL. NO.: **982-7777 loc 8001/8889**

FAX NO.: _____

COMPANY TYPE: **Holding Company**

PSIC: _____

*If these are based on consolidated financial statements, please so indicate in the caption.***Table 1. Balance Sheet**

FINANCIAL DATA	2018	2017
	(In Philippine Peso)	
A.1.4.3 Loans and Receivables - issued by domestic entities: (A.1.4.3.1 + A.1.4.3.2 + A.1.4.3.3 + A.1.4.3.4 + A.1.4.3.5)	-	-
A.1.4.3.1 National Government		
A.1.4.3.2 Public Financial Institutions		
A.1.4.3.3 Public Non-Financial Institutions		
A.1.4.3.4 Private Financial Institutions		
A.1.4.3.5 Private Non-Financial Institutions		
A.1.4.4 Available-for-sale financial assets - issued by domestic entities: (A.1.4.4.1 + A.1.4.4.2 + A.1.4.4.3 + A.1.4.4.4 + A.1.4.4.5)	19,721,738	20,570,501
A.1.4.4.1 National Government		
A.1.4.4.2 Public Financial Institutions		
A.1.4.4.3 Public Non-Financial Institutions		
A.1.4.4.4 Private Financial Institutions	19,721,738	20,570,501
A.1.4.4.5 Private Non-Financial Institutions		
A.1.4.5 Financial Assets issued by foreign entities: (A.1.4.5.1+A.1.4.5.2+A.1.4.5.3+A.1.4.5.4)	-	-
A.1.4.5.1 Financial Assets at fair value through profit or loss		
A.1.4.5.2 Held-to-maturity investments		
A.1.4.5.3 Loans and Receivables		
A.1.4.5.4 Available-for-sale financial assets		
A.1.4.6 Allowance for decline in market value (negative entry)		
A.1.5 Other Current Assets (state separately material items) (A.1.5.1 + A.1.5.2 + A.1.5.3)	29,256	248,277
A.1.5.1 Prepaid Tax Asset	-	-
A.1.5.2 Input Vat	29,256	248,277
A.1.5.3		
A.2 Property, plant, and equipment (A.2.1 + A.2.2 + A.2.3 + A.2.4 + A.2.5 + A.2.6 + A.2.7+A.2.8)	-	-
A.2.1 Land		
A.2.2 Building and improvements including leasehold improvement		
A.2.3 Machinery and equipment (on hand and in transit)		
A.2.4 Transportation/motor vehicles, automotive equipment, autos and trucks, and delivery equipment		
A.2.5 Others, specify (A.2.5.1 + A.2.5.2 + A.2.5.3 + A.2.5.4 + A.2.5.5)		
A.2.5.1 Property, or equipment used for education purposes		
A.2.5.2 Construction in progress		
A.2.5.3		
A.2.5.4		
A.2.5.5		
A.2.6 Appraisal increase, specify (A.2.6.1 + A.2.6.2 + A.2.6.3 + A.2.6.4)		
A.2.6.1		
A.2.6.2		
A.2.6.3		
A.2.6.4		
A.2.7 Accumulated Depreciation (negative entry)		
A.2.8 Impairment Loss or Reversal (if loss, negative entry)		
A.3 Investments accounted for using the equity method (A.3.1 + A.3.2 + A.3.3)	-	-
A.3.1 Equity in domestic subsidiaries/affiliates		
A.3.2 Equity in foreign branches/subsidiaries/affiliates		
A.3.3 Others, specify (A.3.1.1 + A.3.2.1 + A.3.3.1 + A.3.3.4)		
A.3.3.1		
A.3.3.2		
A.3.3.3		
A.3.3.4		
A.4 Investment Property	-	-
A.5 Biological Assets	-	-
A.6 Intangible Assets (A.6.1 + A.6.2)	-	-
A.6.1 Major item/s, specify (A.6.1.1 + A.6.1.2 + A.6.1.3 + A.6.1.4)		
A.6.1.1		
A.6.1.2		
A.6.1.3		
A.6.1.4		
A.6.2 Others, specify (A.6.2.1 + A.6.2.2 + A.6.2.3 + A.6.2.4)		
A.6.2.1		
A.6.2.2		
A.6.2.3		
A.6.2.4		
A.7 Assets Classified as Held for Sale	-	-
A.8 Assets included in Disposal Groups/Affiliates as Held for Sale	-	-

GENERAL FORM FOR FINANCIAL STATEMENTS

NAME OF CORPORATION: GMA HOLDINGS, INC.

CURRENT ADDRESS: 5D Tower One, One McKinley Place, New Bonifacio Global City, Taguig City

TEL. NO.: 982-7777 loc 8001/8889

FAX NO.: _____

COMPANY TYPE: Holding Company

PSIC: _____

If these are based on consolidated financial statements, please so indicate in the caption.

Table 1. Balance Sheet

FINANCIAL DATA	2018	2017
	(In Philippine Peso)	
A.9 Long-term receivables (net of current portion) (A.9.1 + A.9.2 + A.9.3)	-	-
A.9.1 From domestic entities, specify (A.9.1.1 + A.9.1.2 + A.9.1.3 + A.9.1.4)		
A.9.1.1		
A.9.1.2		
A.9.1.3		
A.9.1.4		
A.9.2 From foreign entities, specify (A.9.2.1 + A.9.2.2 + A.9.2.3 + A.9.2.4)		
A.9.2.1		
A.9.2.2		
A.9.2.3		
A.9.2.4		
A.9.3 Allowance for doubtful accounts, net of current portion (negative entry)		
A.10 Other Assets (A.10.1 + A.10.2 + A.10.3 + A.10.4 + A.10.5)	-	-
A.10.1 Deferred charges - net of amortization		
A.10.2 Deferred Income Tax		
A.10.3 Advance/Miscellaneous deposits		
A.10.4 Others, specify (A.10.4.1 + A.10.4.2 + A.10.4.3 + A.10.4.4)	-	-
A.10.4.1 Deferred Tax Asset		-
A.10.4.2		
A.10.4.3		
A.10.4.4		
A.10.5 Allowance for write-down of deferred charges/bad accounts (negative entry)		
B. LIABILITIES (B.1 + B.2 + B.3 + B.4 + B.5)	47,723,838	47,698,645
B.1 Current Liabilities (B.1.1 + B.1.2 + B.1.3 + B.1.4 + B.1.5 + B.1.6 + B.1.7)	47,723,838	47,698,645
B.1.1 Trade and Other Payables to Domestic Entities	47,718,219	47,695,596
B.1.1.1 Loans/Notes Payables		
B.1.1.2 Trade Payables	9,381	65,845
B.1.1.3 Payables to Related Parties, specify (B.1.1.3.1 + B.1.1.3.2 + B.1.1.3.3)	47,271,600	47,271,600
B.1.1.3.1 Due to shareholders	47,271,600	47,271,600
B.1.1.3.2		
B.1.1.3.3		
B.1.1.4 Others, specify (B.1.1.4.1 + B.1.1.4.2 + B.1.1.4.3)	437,238	358,151
B.1.1.4.1 Deferred output VAT	1,734	81,437
B.1.1.4.2 Accrued Expenses	435,504	276,714
B.1.1.4.3		
B.1.2 Trade and Other Payables to Foreign Entities (specify) (B.1.2.1+B.1.2.2+B.1.2.3+B.1.2.4)	-	-
B.1.2.1		
B.1.2.2		
B.1.2.3		
B.1.2.4		
B.1.3 Provisions	-	-
B.1.4 Financial Liabilities (excluding Trade and Other Payables and Provisions) (B.1.4.1 + B.1.4.2 + B.1.4.3)	-	-
B.1.4.1		
B.1.4.2		
B.1.4.3		
B.1.4.4		
B.1.5 Liabilities for Current Tax	1,733	-
B.1.6 Deferred Tax Liabilities	-	-
B.1.7 Others, specify (If material, state separately; indicate if the item is payable to public/private or financial/non-financial institutions)	3,886	3,049
B.1.7.1 Dividends declared and not paid at balance sheet date	3,886	3,049
B.1.7.2 Acceptances Payable		
B.1.7.3 Liabilities under Trust Receipts		
B.1.7.4 Portion of Long-term Debt Due within one year		
B.1.7.5 Deferred Income		
B.1.7.6 Any other current liability in excess of 5% of Total Current Liabilities, specify: (B.1.7.6.1 + B.1.7.6.2 + B.1.7.6.3 + B.1.7.6.4)	-	-
B.1.7.6.1		
B.1.7.6.2		
B.1.7.6.3		
B.1.7.6.4		

GENERAL FORM FOR FINANCIAL STATEMENTS

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TEL. NO.: 982-7777 loc 8001/8889 FAX NO.: _____
COMPANY TYPE : Holding Company PSIC: _____

If these are based on consolidated financial statements, please so indicate in the caption.

Table 1. Balance Sheet

FINANCIAL DATA		2018	2017
		(In Philippine Peso)	
B.2 Long-term Debt - Non-current Interest-bearing Liabilities (B.2.1 + B.2.2 + B.2.3 + B.2.4 + B.2.5)		-	-
B.2.1 Domestic Public Financial Institutions			
B.2.2 Domestic Public Non-Financial Institutions			
B.2.3 Domestic Private Financial Institutions			
B.2.4 Domestic Private Non-Financial Institutions			
B.2.5 Foreign Financial Institutions			
B.3 Indebtedness to Affiliates and Related Parties (Non-Current)		-	-
B.4 Liabilities Included in the Disposal Groups Classified as Held for Sale		-	-
B.5 Other Liabilities (B.5.1 + B.5.2)		-	-
B.5.1 Deferred Income Tax			
B.5.2 Others, specify (B.5.2.1 + B.5.2.2 + B.5.2.3 + B.5.2.4)			
B.5.2.1			
B.5.2.2			
B.5.2.3			
B.5.2.4			
C. EQUITY (C.3 + C.4 + C.5 + C.6 + C.7 + C.8 + C.9+C.10)		1,127,585	2,806,814
C.1 Authorized Capital Stock (no. of shares, par value and total value; show details) (C.1.1+C.1.2+C.1.3)		100,000	100,000
C.1.1 Common shares	10,000 shares par value of P10	100,000	100,000
C.1.2 Preferred Shares			
C.1.3 Others			
C.2 Subscribed Capital Stock (no. of shares, par value and total value) (C.2.1 + C.2.2 + C.2.3)		100,000	100,000
C.2.1 Common shares	10,000 shares par value of P10	100,000	100,000
C.2.2 Preferred Shares			
C.2.3 Others			
C.3 Paid-up Capital Stock (C.3.1 + C.3.2)		100,000	100,000
C.3.1 Common shares	10,000 shares par value of P10	100,000	100,000
C.3.2 Preferred Shares			
C.4 Additional Paid-in Capital / Capital in excess of par value / Paid-in Surplus		-	-
C.5 Minority Interest		-	-
C.6 Others, specify (C.6.1 + C.6.2 + C.6.3 + C.6.4 + C.6.5)		(1,278,262)	(429,499)
C.6.1 Unrealized loss on available-for-sale investment		(1,278,262)	(429,499)
C.6.2			
C.6.3			
C.6.4			
C.6.5			
C.7 Appraisal Surplus/Revaluation Increment in Property/Revaluation Surplus		-	-
C.8 Retained Earnings (C.8.1 + C.8.2)		2,305,847	3,136,313
C.8.1 Unappropriated		2,305,847	3,136,313
C.8.2 Appropriated			
C.9 Head / Home Office Account (for Foreign Branches only)		-	-
C.10 Cost of Stocks Held in Treasury (negative entry)		-	-
D. TOTAL LIABILITIES AND EQUITY (B + C)		48,851,423	50,505,459

GENERAL FORM FOR FINANCIAL STATEMENTS

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TEL. NO.: 982-7777 loc 8001/8889 FAX NO.: _____
COMPANY TYPE : Holding Company PSIC: _____

If these are based on consolidated financial statements, please so indicate in the caption.

Table 2. Income Statement

FINANCIAL DATA	2018	2017	2016
	(In Philippine Peso)		
A. REVENUE / INCOME (A.1 + A.2 + A.3+A.4)	3,711,563	4,719,349	2,505,042
A.1 Net Sales or Revenue / Receipts from Operations (manufacturing, mining, utilities, trade, services, etc.) (from Primary Activity)	1,713,964	2,800,089	508,348
A.2 Share in the Profit or Loss of Associates and Joint Ventures accounted for using the	-	-	-
A.3 Other Revenue (A.3.1 + A.3.2 + A.3.3 + A.3.4 + A.3.5)	-	-	-
A.3.1 Rental Income from Land and Buildings			
A.3.2 Receipts from Sale of Merchandise (trading) (from Secondary Activity)			
A.3.3 Sale of Real Estate or other Property and Equipment			
A.3.4 Royalties, Franchise Fees, Copyrights (books, films, records, etc.)			
A.3.5 Others, specify (A.3.5.1 + A.3.5.2 + A.3.5.3 + A.3.5.4 + A.3.5.5 + A.3.5.6 + A.3.5.7)			
A.3.5.1 Rental Income, Equipment			
A.3.5.2			
A.3.5.3			
A.3.5.4			
A.3.5.5			
A.3.5.6			
A.3.5.7			
A.4 Other Income (non-operating) (A.4.1 + A.4.2 + A.4.3 + A.4.4)	1,997,599	1,919,260	1,996,694
A.4.1 Interest Income	1,997,599	1,919,260	1,996,694
A.4.2 Dividend Income			
A.4.3 Gain / (Loss) from selling of Assets, specify (A.4.3.1 + A.4.3.2 + A.4.3.3 + A.4.3.4 + A.4.3.5 + A.4.3.6 + A.4.3.7)			
A.4.3.1			
A.4.3.2			
A.4.3.3			
A.4.3.4			
A.4.4 Gain / (Loss) on Foreign Exchange (A.4.4.1 + A.4.4.2 + A.4.4.3 + A.4.4.4)			
A.4.4.1			
A.4.4.2			
A.4.4.3			
A.4.4.4			
B. COST OF GOODS SOLD (B.1 + B.2 + B.3)	-	-	-
B.1 Cost of Goods Manufactured (B.1.1 + B.1.2 + B.1.3 + B.1.4 + B.1.5)			
B.1.1 Direct Material Used			
B.1.2 Direct Labor			
B.1.3 Other Manufacturing Cost / Overhead			
B.1.4 Goods in Process, Beginning			
B.1.5 Goods in Process, End (negative entry)			
B.2 Finished Goods, Beginning			
B.3 Finished Goods, End (negative entry)			
C. COST OF SALES (C.1 + C.2 + C.3)	-	-	-
C.1 Purchases			
C.2 Merchandise Inventory, Beginning			
C.3 Merchandise Inventory, End (negative entry)			
D. COST OF SERVICES, SPECIFY (D.1 + D.2 + D.3 + D.4 + D.5 + D.6)	-	-	-
D.1			
D.2			
D.3			
D.4			
D.5			
D.6			

Control No.: CS200602356

Form Type: GFFS (rev 2006)

GENERAL FORM FOR FINANCIAL STATEMENTSNAME OF CORPORATION: GMA HOLDINGS, INC.CURRENT ADDRESS: 5D Tower One, One McKinley Place, New Bonifacio Global City, Taguig CityTEL. NO.: 982-7777 loc 8001/8889

FAX NO.: _____

COMPANY TYPE : Holding Company

PSIC: _____

If these are based on consolidated financial statements, please so indicate in the caption.

Table 2. Income Statement

FINANCIAL DATA	2018	2017	2016
E. OTHER DIRECT COSTS, SPECIFY (E.1 + E.2 + E.3 + E.4 + E.5 + E.6)	-	-	-
E.1			
E.2			
E.3			
E.4			
E.5			
E.6			
F. GROSS PROFIT (A - B - C - D - E)	3,711,563	4,719,349	2,505,042
G. OPERATING EXPENSES (G.1 + G.2 + G.3 + G.4)	1,008,230	1,109,892	1,063,320
G.1 Selling or Marketing Expenses			
G.2 Administrative Expenses	1,008,230	1,109,892	1,063,320
G.3 General Expenses			
G.4 Other Expenses, specify (G.4.1 + G.4.2 + G.4.3 + G.4.4 + G.4.5 + G.4.6)	-	-	-
G.4.1 Interest Expense and Bank Charges	-	-	-
G.4.2			
G.4.3			
G.4.4			
G.4.5			
G.4.6			
H. FINANCE COSTS	-	-	-
I. NET INCOME (LOSS) BEFORE TAX (F - G - H)	2,703,333	3,609,457	1,441,722
J. INCOME TAX EXPENSE (negative entry)	(433,799)	(580,367)	(409,506)
K. INCOME (LOSS) AFTER TAX	2,269,534	3,029,090	1,032,216
L. Amount of (i) Post-Tax Profit or Loss of Discontinued Operations; and (ii) Post-Tax Gain or Loss Recognized on the Measurement of Fair Value less Cost to Sell or on the Disposal of the Assets or Disposal Group(s) constituting the Discontinued Operation (if any)			
L.1			
L.2			
M. Profit or Loss Attributable to Minority Interest			
N. Profit or Loss Attributable to Equity Holders of the Parent			

GENERAL FORM FOR FINANCIAL STATEMENTS

NAME OF CORPORATION: GMA HOLDINGS, INC.
CURRENT ADDRESS: 5D Tower One, One McKinley Place, New Bonifacio Global City, Taguig City
TEL. NO.: 982-7777 loc 8001/8889 FAX NO.: _____
COMPANY TYPE: Holding Company PSIC: _____

If these are based on consolidated financial statements, please so indicate in the caption.

Table 3. Cash Flow Statements

FINANCIAL DATA		2018	2017	2016
		(In Philippine Peso)		
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Income (Loss) Before Tax and Extraordinary Items		2,703,333	3,609,457	1,441,722
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities				
Depreciation				
Amortization, specify: _____				

Others, specify: Interest income		(1,997,599)	(1,919,260)	(1,996,694)
Interest expense and bank charges		-	-	-
Interest received		1,862,533	1,940,223	2,029,629
Interest paid				
Income taxes paid		(432,065)	(583,893)	(406,249)
Write-down of Property, Plant, and Equipment				
Changes in Assets and Liabilities:				
Decrease (Increase) in:				
Receivables		743,895	(346,415)	(389,230)
Prepaid Tax		219,021	193,321	(74,599)

Others, specify: _____				

Increase (Decrease) in:				
Accounts payable and accrued expenses		22,622	23,473	36,763
Withholding taxes payable		-	-	-
Others, specify: Due to shareholders		-	-	-

A. Net Cash Provided by (Used in) Operating Activities (sum of above rows)		3,121,740	2,916,906	641,342
CASH FLOWS FROM INVESTING ACTIVITIES				
(Increase) Decrease in Long-Term Receivables				
(Increase) Decrease in Investment				
Reductions/(Additions) to Property, Plant, and Equipment				
Others, specify: _____				

B. Net Cash Provided by (Used in) Investing Activities (sum of above rows)		-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from:				
Loans				
Long-term Debt				
Issuance of Securities				
Others, specify: Payment of available-for-sale investment		-	-	-

Payments of:				
(Loans)				
(Long-term Debt)				
(Stock Subscriptions)				
Others, specify (negative entry):				
Payment of cash dividends		(3,099,163)	(999,640)	(599,730)

C. Net Cash Provided by (Used in) Financing Activities (sum of above rows)		(3,099,163)	(999,640)	(599,730)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)		22,577	1,917,266	41,612
Cash and Cash Equivalents				
Beginning of year		28,805,419	26,888,153	26,846,541
End of year		28,827,996	28,805,419	26,888,153

GENERAL FORM FOR FINANCIAL STATEMENTS

NAME OF CORPORATION: **GMA HOLDINGS, INC.**
CURRENT ADDRESS: **5D Tower One, One McKinley Place, New Bonifacio Global City, Taguig City**
TEL. NO.: **982-7777 local 8001/8889** FAX NO.:
COMPANY TYPE: **Holding Company** PSIC:

If these are based on consolidated financial statements, please so indicate in the caption.

Table 4. Statement of Changes in Equity

FINANCIAL DATA	(in Philippine Peso)						
	Capital Stock	Additional Paid-in Capital	Revaluation Increment	Translation Differences	Unrealized Gain (Loss) on AFS Investment - Net of Tax	Retained Earnings	TOTAL
A. Balance, 2016	100,000				(174,736)	1,107,223	1,032,487
A.1 Correction of Error(s)							
A.2 Changes in Accounting Policy							
B. Restated Balance							
C. Surplus							
C.1 Surplus (Deficit) on Revaluation of Properties							
C.2 Surplus (Deficit) on Revaluation of Investments							
C.3 Currency Translation Differences							
C.4 Other Surplus (specify)							
C.4.1 Other comprehensive income					(254,763)		(254,763)
C.4.2							
C.4.3							
C.4.4							
C.4.5							
D. Net Income (Loss) for the Period						3,029,090	3,029,090
E. Dividends (negative entry)						(1,000,000)	(1,000,000)
F. Appropriation for (specify)							
F.1							
F.2							
F.3							
F.4							
F.5							
G. Issuance of Capital Stock							
G.1 Common Stock							
G.2 Preferred Stock							
G.3 Others							
H. Balance, 2017	100,000				(429,499)	3,136,313	2,806,814
H.1 Correction of Error (s)							
H.2 Changes in Accounting Policy							
I. Restated Balance							
J. Surplus							
J.1 Surplus (Deficit) on Revaluation of Properties							
J.2 Surplus (Deficit) on Revaluation of Investments							
J.3 Currency Translation Differences							
J.4 Other Surplus (specify)							
J.4.1 Other comprehensive loss					(848,763)		(848,763)
J.4.2							
J.4.3							
J.4.4							
J.4.5							
K. Net Income (Loss) for the Period						2,269,534	2,269,534
L. Dividends (negative entry)						(3,100,000)	(3,100,000)
M. Appropriation for (specify)							
M.1							
M.2							
M.3							
M.4							
M.5							
N. Issuance of Capital Stock							
N.1 Common Stock							
N.2 Preferred Stock							
N.3 Others							
O. Balance, 2018	100,000				(1,278,262)	2,305,847	1,127,585



SEC FORM - I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended: 2017
2. SEC Identification Number CS200602356
3. BIR Tax Identification No. 244-658-896-000
4. Exact name of issuer as specified in its charter GMA HOLDINGS, INC.
5. PHILIPPINES
Province, Country or other jurisdiction of incorporation or organization
6. (SEC Use)
Industry Classification Code:
7. Unit 5D Tower One, One McKinley Place, New Bonifacio Global City, Fort Bonifacio, Taguig City
Address of principal office Postal Code
8. (632)9827777
Issuer's telephone number, including area code
9. NOT APPLICABLE
Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT ADDITIONAL INFORMATION

EXPLANATION

COMP
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The Board's Governance Responsibilities

Principle 1: The company should be headed by a competent, working board to foster the long-term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long-term best interests of its shareholders and other stakeholders.

Recommendation 1		
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	<p>For information on the academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors please see the following website: https://aphrodite.gmanetwork.com/corporate/disclosures/ghl-definitive_information_statement_-_asm_2018_1525341168.pdf</p> <p>The qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of their performance may be viewed at: https://aphrodite.gmanetwork.com/corporate/cgr/ghl-revised_manual_on_corporate_governance_2017_1496026887.pdf</p>
2. Board has an appropriate mix of competence and expertise.	Compliant	

3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	Compliant		
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	Compliant	The Corporation's directors and the type of their directorships are posted at: https://aphrodite.gmanetwork.com/corporate/disclosures/ghi_-_definitive_information_statement_-_asm_2018_1525341168.pdf https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_annual_corporate_governance_report_for_2016_1495788588.pdf	
Recommendation 1.3			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	The Corporation's policy on training of directors and compliance therefor are posted at: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_annual_corporate_governance_report_for_2016_1495788588.pdf https://aphrodite.gmanetwork.com/corporate/cgr/certificate_of_attendance_in_corporate_governance_training_2017__1506411619.pdf https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_revised_manual_on_corporate_governance_2017__1496026887.pdf	

2. Company has an orientation program for first time directors.	Compliant	For information on the orientation program and annual continuing training of directors please view the following: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_revised_manual_on_corporate_governance_2017__1496026887.pdf	
3. Company has relevant annual continuing training for all directors.	Compliant	https://aphrodite.gmanetwork.com/corporate/cgr/certificate_of_attendance_in_corporate_governance_training_2017__1506411619.pdf Kindly note that none of the current five (5) directors of the Corporation are first time directors.	
Recommendation 14			
1. Board has a policy on board diversity.	Compliant	The Board's policy on diversity is contained in: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_revised_manual_on_corporate_governance_2017__1496026887.pdf The Board of Directors is composed of five (5) men.	
Optional Recommendation 14			

<p>1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.</p>	<p>Not applicable</p>		<p>The Corporation does not engage in any other business or purpose except in relation to the issuance of the Philippine Depositary Receipts (PDRs) relating to GMA Network, Inc.'s (GMA) common shares ("Common Shares"). The underlying common shares of the PDRs are registered in the name of GHI.</p> <p>For a more detailed explanation on the reason for the Corporation's non-adoption of the recommendation kindly refer to the Corporation's letter to the SEC dated 22 May 2017 posted at: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_revised_manual_on_corporate_governance_2017_1496026887.pdf</p>
<p>1. Board is assisted by a Corporate Secretary.</p>	<p>Compliant</p>	<p>For information on the Corporate Secretary, including his name, qualifications, duties and functions please view the following website: https://aphrodite.gmanetwork.com/corporate/disclosures/ghi_definitive_information_statement_-_csm_2018_1525341168.pdf</p>	

2. Corporate Secretary is a separate individual from the Compliance Officer.	Not adopted		Kindly refer to the Corporation's explanation contained in its letter to the SEC dated 22 May 2017 posted at: https://aphrodite.gmanetwork.com/corporate/cgr/ghl-revised_manual_on_corporate_governance_2017_1496026887.pdf
3. Corporate Secretary is not a member of the Board of Directors.	Compliant		
4. Corporate Secretary attends training/s on corporate governance.	Compliant	For information on the corporate governance training attended by the Corporate Secretary, please view the following: https://aphrodite.gmanetwork.com/corporate/cgr/certificate_of_attendance_in_corporate_governance_training_2017_1506411619.pdf	

Corporate Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	Not adopted		
			<p>Materials are distributed two days to one week before the meeting.</p> <p>The Corporation does not engage in any other business or purpose except in relation to the issuance of the Philippine Depositary Receipts (PDRs) relating to GMA Network, Inc.'s (GMA) common shares ("Common Shares"). The underlying common shares of the PDRs are registered in the name of GHI.</p> <p>For a more detailed explanation on the reason for the non-adoption of the recommendation to the Corporation kindly refer to the Corporation's letter to the SEC dated 22 May 2017 posted at: https://qphrodite.gmanetwork.com/corporate/cgr/ghi_revised_manual_on_corporate_governance_2017_1496026887.pdf</p>
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	Compliant		
		<p>For information on the Compliance Officer, including his name, position, qualification, duties and functions please view the following: https://qphrodite.gmanetwork.com/corporate/disclosures/ghi-</p>	

2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Not adopted	definitive information statement - asm 2018_1525341168.pdf https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_revised_manual_on_corporate_governance_2017_1496026887.pdf http://edge.pse.com.ph/openDiscViewer.do?edge_no=b6b35b3c83795e683318251c9257320d#sthash.vgaU5lWt.dpbs	The Compliance Officer of the Company holds the rank of Vice-President which has the authority and stature of a Head of a Department.
3. Compliance Officer is not a member of the board.	Compliant		
4. Compliance Officer attends training/s on corporate governance.	Compliant	For information on the corporate governance training attended by the Compliance Officer please view: https://aphrodite.gmanetwork.com/corporate/cgr/certificate_of_attendance_in_corporate_governance_training_2017_1506411619.pdf	
Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.			
Recommendation 2.1			
1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	Compliant	For information on the resolutions/matters approved by the Board of Directors please view: https://www.gmanetwork.com/corporate/disclosures/currentreports/	
Recommendation 2.2			

1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	Information on the matters/resolutions approved by the Board of Directors and on how the directors performed the recommended functions under Recommendation 2.2 please view: https://www.gmcanetwork.com/corporate/disclosures/currentreports/ https://aphrodite.gmcanetwork.com/corporate/disclosures/ghi_-_definitive_information_statement_-_asn_2018_1525341168.pdf	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant	Moreover, the reports contained in https://www.gmcanetwork.com/corporate/disclosures/presentationmaterials/ are presented to the Board of Directors periodically.	
Supplement to Recommendation 2.2			
1. Board has a clearly defined and updated vision, mission and core values.	Compliant	The Corporation's Manual on Corporate Governance, which contains its vision, mission and core values, is reviewed every time there is a Memorandum Circular from the Securities and Exchange Commission relating to any update/revision of the prescribed Manual of Corporate Governance for listed companies. https://aphrodite.gmcanetwork.com/corporate/cgr/ghi_-_revised_manual_on_corporate_governance_2017_1496026887.pdf	

2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	Compl iant	Since the members of the Board of Directors/Officers of GMA Holdings, Inc. are also members of the Board of Directors/Officers of GMA Network, Inc., GMA Holdings, Inc. adopts the strategy execution for GMA Network, Inc.	The Corporation does not engage in any other business or purpose except in relation to the issuance of the Philippine Depositary Receipts (PDRs) relating to GMA Network, Inc.'s (GMA) common shares ("Common Shares"). The underlying common shares of the PDRs are registered in the name of GHI. For a more detailed explanation on the reason for the inapplicability of the recommendation to the Corporation kindly refer to the Corporation's letter to the SEC dated 22 May 2017 posted at: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-revised_manual_on_corporate_governance_2017_1496026887.pdf
1. Board is headed by a competent and qualified Chairperson.	Compl iant	For information on the Chairperson, including his name and qualifications please view the following website: https://aphrodite.gmanetwork.com/corporate/disclosures/ghi_-definitive_information_statement_-_asm_2018_1525341168.pdf	

Recommendation 24

1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compl aint	The Corporation adopts the provisions of the Corporation Code of the Philippines on the qualifications and election of the directors of a corporation and all rules and regulations of the Securities and Exchange Commission. The provisions of the Corporation's 2017 Revised Manual on Corporate Governance on the qualifications of directors also ensure the effective succession for directors: https://aphrodite.gmanetwork.com/corporate/cgr/ghl_-_revised_manual_on_corporate_governance_2017__1496026887.pdf	
2. Board adopts a policy on the retirement for directors and key officers.	Compl aint		
Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compl aint	The functions of the Remuneration and Compensation Committee as set forth in the Company's 2017 Revised Manual on Corporate Governance achieve the purpose/s of recommendation 2.5: https://aphrodite.gmanetwork.com/corporate/cgr/ghl_-_revised_manual_on_corporate_governance_2017__1496026887.pdf	
2. Board adopts a policy specifying the relationship between remuneration and performance.	Compl aint		

3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant		
Optional Recommendation 2.5			

1. Board approves the remuneration of senior executives.	Not applicable		<p>The senior executives of GMA Holdings, Inc. are also senior executives of GMA Network, Inc. Said senior executives do not receive separate compensation for their services in GMA Holdings, Inc.</p> <p>The Corporation does not engage in any other business or purpose except in relation to the issuance of the Philippine Depositary Receipts (PDRs) relating to GMA Network, Inc.'s (GMA) common shares ("Common Shares"). The underlying common shares of the PDRs are registered in the name of GHI.</p> <p>For a more detailed explanation on the reason for the inapplicability of the recommendation to the Corporation kindly refer to the Corporation's letter to the SEC dated 22 May 2017 posted at: https://aphrodite.gmanetwork.com/corporate/cgr/ghl_revised_manual_on_corporate_governance_2017_1496026887.pdf</p>
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<p>2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.</p>	<p>Not applicable</p>		<p>The senior executives of GMA Holdings, Inc. are also senior executives of GMA Network, Inc. Said senior executives do not receive separate compensation for their services in GMA Holdings, Inc.</p> <p>The Corporation does not engage in any other business or purpose except in relation to the issuance of the Philippine Depositary Receipts (PDRs) relating to GMA Network, Inc.'s (GMA) common shares ("Common Shares"). The underlying common shares of the PDRs are registered in the name of GHI.</p> <p>For a more detailed explanation on the reason for the inapplicability of the recommendation to the Corporation, kindly refer to the Corporation's letter to the SEC dated 22 May 2017 posted at: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_revised_manual_on_corporate_governance_2017_1496026887.pdf</p>
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Recommendation 2.6

1. Board has a formal and transparent board nomination and election policy.	Compliant	For information on the company's nomination and election policy and process and its implementation, including the criteria used in selecting directors, please view the following: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_revised_manual_on_corporate_governance__2017__1496026887.pdf	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant		
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Not adopted		<p>The common shares representing the capital stock of GHI are privately-held and are not listed in the PSE.</p> <p>For a more detailed explanation on the inapplicability of the said recommendation to the Corporation please refer to the Company's letter dated May 22, 2017 attached to the Company's 2017 Revised Manual on Corporate Governance:</p> <p>https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_revised_manual_on_corporate_governance__2017__1496026887.pdf</p>

4. Board nomination and election policy includes how the board shortlists candidates.	Compliant		
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	Compliant		

6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant		
Optional Recommendation to 2.6			

<p>1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.</p>	<p>Not adopted</p>		<p>For the Corporation's explanation for its non-adoption of the said recommendation please refer to the letter dated May 22, 2017 attached to the Company's 2017 Revised Manual on Corporate Governance:</p> <p>https://aphrodite.gmanetwork.com/corporate/cgr/ghl-revised_manual_on_corporate_governance_2017_149602687.pdf</p>
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Recommendation 2.1

<p>1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.</p>	<p>Not adopted</p>	<p>For information on the company's policy on related party transactions (RPT), including policy on review and approval of significant RPTs please view the following link: https://aphrodite.gmanetwork.com/corporate/cgr/ghi-annual-corporate-governance-report-for-2016-1495788588.pdf</p> <p>For RPTs that were approved pursuant to the policy please view the https://aphrodite.gmanetwork.com/corporate/cgr/ghi-annual-corporate-governance-report-for-2016-1495788588.pdf</p> <p>https://aphrodite.gmanetwork.com/corporate/disclosures/ghi-definitive-information-statement-asm-2018-1525341168.pdf</p> <p>The Corporation does not engage in any other business or purpose except in relation to the issuance of the Philippine Depositary Receipts (PDRs) relating to GMA Network, Inc.'s (GMA) common shares ("Common Shares"). The underlying common shares of the PDRs are registered in the name of GHI.</p>	
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<p>2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.</p>	<p>Compliant</p>		
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3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compl iant		
Supplemental Information 23			

<p>1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered de minimis or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.</p>	<p>Compliant</p>	<p>The functions of the Audit and Risk Management Committee relating to related party transactions as listed under the Corporation's 2017 Revised Manual on Corporate Governance achieve the purpose/s of recommendation 2.7:</p> <p>https://aphrodite.gmanetwork.com/corporate/cgr/dhl-annual-corporate-governance-report-for-2016-1495788588.pdf</p>	
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<p>2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.</p>	<p>compliant</p>	<p>The Corporation adheres to the requirements of the Corporation Code and the rules and regulation of the Securities and Exchange Commission relating to any conflict of interest of a Board member with that of the Corporation.</p>	<p>Please refer to the Company's explanation contained in the cover letter dated May 22, 2017 of the Company's 2017 Revised Manual on Corporate Governance: https://aphrodite.gmanetwork.com/corporate/cgr/chl-annual-corporate-governance-report-for-2016-1495786588.pdf</p>
<p>1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	<p>Compliant</p>	<p>The minutes of the Board of Directors' meetings show that the Board of Directors is primarily responsible for the selection of Management. The minutes of the meeting of the Board of Directors containing the resolutions electing/approving the members of the Management may be viewed at the principal office of the Corporation upon the written request of the stockholder.</p> <p>The profiles of the elected/appointed members of the Management team may be viewed in the following report: https://aphrodite.gmanetwork.com/corporate/disclosures/chl-definitive-information-statement - csm 2018 1525341168.pdf</p>	

<p>2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	<p>Compl clint</p>	<p>The Board makes the assessment during the annual report of Management. For the results of the meeting please view: https://www.gmanetwork.com/corporate/disclosures/currentreports/</p>	
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Recommendation 29

<p>1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.</p>	Compl iant	<p>The Board of Directors' duties to identify key performance indicators and monitor such indicators achieve the purpose/s of Recommendation 2.9. This responsibility is listed under the "Specific Duties and Functions of the Board of Directors in: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_revised_manual_on_corporate_governance_2017__1496026887.pdf</p>	
<p>2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.</p>	Compl iant	<p>The functions and responsibilities of the members of the Board of Directors under the 2017 Revised Manual on Corporate Governance achieve the purpose/s of Recommendation 2.9: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_revised_manual_on_corporate_governance_2017__1496026887.pdf</p>	

Recommendation 2.19			
1. Board oversees that an appropriate internal control system is in place.	Compliant	The Corporation's Audit and Risk Management Committee is responsible for seeing to it that a transparent financial management system is developed that will ensure the integrity of internal control activities throughout the company. This responsibility is listed under the "Specific Duties and Functions" of the Board of Directors in the 2017 Revised Manual on Corporate Governance at: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_revised_manual_on_corporate_governance__2017__1496026887.pdf	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Pending compliance	Under the Revised Manual, it is also the function of the Board of Directors to adopt a system of checks and balances.	
3. Board approves the Internal Audit Charter.	Compliant	For policies relating to the Internal Audit Control of the Corporation please refer to: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_annual_corporate_governance_report_for_2016_1495783588.pdf	
<p>The Internal Audit Charter of GMA Network, Inc. is adopted by GHI and may be viewed at: https://aphrodite.gmanetwork.com/corporate/cgr/internal_audit_charter_1526452919.pdf</p>			

Recommendation 2.21

<p>1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.</p>	<p>Not adopted</p>		<p>The Corporation does not engage in any other business or purpose except in relation to the issuance of the Philippine Depositary Receipts (PDRs) relating to GMA Network, Inc.'s (GMA) common shares ("Common Shares"). The underlying common shares of the PDRs are registered in the name of GHI.</p> <p>For a more detailed explanation on the reason for the inapplicability of the recommendation to the Corporation kindly refer to the Corporation's letter to the SEC dated 22 May 2017 posted at: https://aphrodite.gmanetwork.com/corporate/cgfr/ghi_-_revised_manual_on_corporate_governance_2017_1496026887.pdf</p>
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<p>2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.</p>	<p>Not adopted</p>		<p>The Corporation does not engage in any other business or purpose except in relation to the issuance of the Philippine Depositary Receipts (PDRs) relating to GMA Network, Inc.'s (GMA) common shares ("Common Shares"). The underlying common shares of the PDRs are registered in the name of GHI.</p> <p>For a more detailed explanation on the reason for the inapplicability of the recommendation to the Corporation kindly refer to the Corporation's letter to the SEC dated 22 May 2017 posted at: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_revised_manual_on_corporate_governance_2017_1496026887.pdf</p>
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Recommendation 2.12

<p>1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.</p>	<p>Not adopted</p>	<p>The Corporation does not engage in any other business or purpose except in relation to the issuance of the Philippine Depositary Receipts (PDRs) relating to GMA Network, Inc.'s (GMA) common shares ("Common Shares"). The underlying common shares of the PDRs are registered in the name of GHI.</p> <p>For a more detailed explanation on the reason for the inapplicability of the recommendation to the Corporation kindly refer to the Corporation's letter to the SEC dated 22 May 2017 posted at: https://qphrodite.gmanetwork.com/corporate/cgr/ghl-revised_manual_on_corporate_governance_2017_1496026887.pdf</p>
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<p>2. Board Charter serves as a guide to the directors in the performance of their functions.</p>	<p>Not adopted</p>		<p>The Corporation does not engage in any other business or purpose except in relation to the issuance of the Philippine Depositary Receipts (PDRs) relating to GMA Network, Inc.'s (GMA) common shares ("Common Shares"). The underlying common shares of the PDRs are registered in the name of GHI.</p> <p>For a more detailed explanation on the reason for the inapplicability of the recommendation to the Corporation kindly refer to the Corporation's letter to the SEC dated 22 May 2017 posted at: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_revised_manual_on_corporate_governance__2017__1496026887.pdf</p>
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3. Board Charter is publicly available and posted on the company's website.	Not being adopted		<p>The Corporation does not engage in any other business or purpose except in relation to the issuance of the Philippine Depositary Receipts (PDRs) relating to GMA Network, Inc.'s (GMA) common shares ("Common Shares"). The underlying common shares of the PDRs are registered in the name of GHI.</p> <p>For a more detailed explanation on the reason for the inapplicability of the recommendation to the Corporation kindly refer to the Corporation's letter to the SEC dated 22 May 2017 posted at: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_revised_manual_on_corporate_governance_2017_1496026887.pdf</p>
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Additional Recommendation to Principle 2

<p>1. Board has a clear insider trading policy.</p>	<p>Compliant</p>	<p>The Corporation adopts GMA Network, Inc.'s policy that all material information that could potentially affect share price are publicly disclosed. Moreover, the Company ensures compliance with existing laws, rules and regulations, pertaining to any such material information. This policy is set forth in https://aphrodite.gmanetwork.com/corporate/cor/gma-annual-corporate-governance-report-for-2016-1495788679.pdf and https://aphrodite.gmanetwork.com/corporate/cgr/insider_trading_1418284950.pdf</p> <p>The Philippine Depositary Receipts (PDRs) have underlying GMA Network, Inc.'s (GMA) common shares. The underlying GMA common shares of the PDRs are registered in the name of GHI.</p>	
<p>1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.</p>	<p>Not applicable</p>	<p>Historically, there had been no situation which called for the issuance of a policy on this subject. The Company follows the Corporation Code on the rights and obligations, as well as the fiduciary responsibilities of the Board directors and executive officers. Generally, as a matter of practice, the Board's approvals include even corporate activities in the ordinary course of business.</p>	

2. Company discloses the types of decision requiring board of directors' approval.	Compl iant	The types of decision requiring Board of Directors approval are those listed in the Corporation's Current Reports and those required by the Company's By-laws, the Corporation Code and the rules and regulations of the SEC to be approved by the Board. https://www.gmanetwork.com/corporate/	
Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.			
Recommendation 3.1			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Compl iant	The Corporation's 2017 Revised Manual on Corporate Governance contains information on all the board committees established by the company https://aphrodite.gmanetwork.com/corporate/cgr/ghl_-_revised_manual_on_corporate_governance_2017__1496026887.pdf	
Recommendation 3.2			

<p>1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.</p>	<p>Compl iant</p>	<p>The Corporation's 2017 Revised Manual on Corporate Governance contains information on the Audit Committee, including its functions: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_revised_manual_on_corporate_governance_2017_1496026887.pdf</p> <p>It is the Audit Committee's responsibility to recommend the appointment of an external auditor but it is the entire Board of Directors which can appoint/remove the company's external auditor.</p>	
<p>2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.</p>	<p>Compl iant</p>	<p>For information on the members of the Audit Committee, including their qualifications and type of directorship please view: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_annual_corporate_governance_report_for_2016_1495788588.pdf and https://aphrodite.gmanetwork.com/corporate/disclosures/ghi_-_definitive_information_statement_-_asm_2018_1525341168.pdf</p>	

3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	For information on the profiles of the members of the Audit Committee please view: https://aphrodite.gmanetwork.com/corporate/cqr/qhi-annual-corporate-governance-report-for-2015-1495788588.pdf and https://aphrodite.gmanetwork.com/corporate/disclosures/qhi-definitive information statement - asn 2013 1525341168.pdf	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	For information on the Chairman of the Audit Committee please view: https://aphrodite.gmanetwork.com/corporate/disclosures/qhi-definitive information statement - asn 2018 1525341168.pdf	
Supplement to Recommendation 3.2			
1. Audit Committee approves all non-audit services conducted by the external auditor.	Compliant	The External Auditor's services to the Corporation are only limited to financial audit and general tax compliance. The fee arrangements for the said services are reviewed by the Audit Committee.	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Compliant	The attendance contained in the meetings of the Audit Committee with the external auditor show that said meetings were conducted with no executive director present. However, the meeting is attended by the Internal Auditor and SVP for Finance of the Corporation.	
Optional Recommendation 3.2			

1. Audit Committee meet at least four times during the year.	Compliant	<p>The Audit Committee of GMA Network, Inc. meets at least 7 times per year. Since the members of GHI's Audit Committee are also members of GMA Network, Inc.'s Audit Committee, matters relating to GHI are also considered during said meeting, if necessary.</p> <p>The Corporation does not engage in any other business or purpose except in relation to the issuance of the Philippine Depositary Receipts (PDRs) relating to GMA Network, Inc.'s (GMA) common shares ("Common Shares"). The underlying common shares of the PDRs are registered in the name of GHI.</p>	
2. Audit Committee approves the appointment and removal of the internal auditor.	Compliant	<p>The Board of Directors (of which the Audit Committee is a part) appointed the Internal Auditor. GMA Network, Inc.'s Internal Auditor is also the Internal Auditor of GHI.</p> <p>The Corporation does not engage in any other business or purpose except in relation to the issuance of the Philippine Depositary Receipts (PDRs) relating to GMA Network, Inc.'s (GMA) common shares ("Common Shares"). The underlying common shares of the PDRs are registered in the name of GHI.</p>	

Recommendation 3.3

<p>1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.</p>	<p>Not adopted</p>	<p>The Corporation does not engage in any other business or purpose except in relation to the issuance of the Philippine Depositary Receipts (PDRs) relating to GMA Network, Inc.'s (GMA) common shares ("Common Shares"). The underlying common shares of the PDRs are registered in the name of GHI.</p> <p>For a more detailed explanation on the reason for the non-adoption of the recommendation to the Corporation kindly refer to the Corporation's letter to the SEC dated 22 May 2017 posted at: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_revised_manual_on_corporate_governance_2017_1496026887.pdf.</p>
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<p>2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.</p>	<p>Not adopted</p>		<p>The Corporation does not engage in any other business or purpose except in relation to the issuance of the Philippine Depositary Receipts (PDRs) relating to GMA Network, Inc.'s (GMA) common shares ("Common Shares"). The underlying common shares of the PDRs are registered in the name of GHI.</p> <p>For a more detailed explanation on the reason for the non-adoption of the recommendation to the Corporation kindly refer to the Corporation's letter to the SEC dated 22 May 2017 posted at: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_revised_manual_on_corporate_governance_2017_1496026887.pdf.</p>
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3. Chairman of the Corporate Governance Committee is an independent director.	Not adopted		<p>The Corporation does not engage in any other business or purpose except in relation to the issuance of the Philippine Depositary Receipts (PDRs) relating to GMA Network, Inc.'s (GMA) common shares ("Common Shares"). The underlying common shares of the PDRs are registered in the name of GHI.</p> <p>For a more detailed explanation on the reason for the non-adoption of the recommendation to the Corporation kindly refer to the Corporation's letter to the SEC dated 22 May 2017 posted at: https://aphrodite.gmanetwork.com/corporate/cgr/ghl-revised_manual_on_corporate_governance_2017_1496026887.pdf.</p>
Collored Recommendation 2.3			
1. Corporate Governance Committee meet at least twice during the year.	Not adopted		See explanation above
Recommendation 5.4			

<p>1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.</p>	<p>Not adopted</p>		<p>The Corporation does not engage in any other business or purpose except in relation to the issuance of the Philippine Depositary Receipts (PDRs) relating to GMA Network, Inc.'s (GMA) common shares ("Common Shares"). The underlying common shares of the PDRs are registered in the name of GHI.</p> <p>For a more detailed explanation on the reason for the non-adoption of the recommendation to the Corporation kindly refer to the Corporation's letter to the SEC dated 22 May 2017 posted at: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_corporate_manual_on_corporate_governance_2017_1496026887.pdf.</p>
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<p>2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.</p>	<p>Not adopted</p>		<p>The Corporation does not engage in any other business or purpose except in relation to the issuance of the Philippine Depositary Receipts (PDRs) relating to GMA Network, Inc.'s (GMA) common shares ("Common Shares"). The underlying common shares of the PDRs are registered in the name of GHI.</p> <p>For a more detailed explanation on the reason for the non-adoption of the recommendation to the Corporation kindly refer to the Corporation's letter to the SEC dated 22 May 2017 posted at: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_revised_manual_on_corporate_governance_2017_1496026887.pdf.</p>
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<p>3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.</p>	<p>Not adopted</p>	<p>The Corporation does not engage in any other business or purpose except in relation to the issuance of the Philippine Depositary Receipts (PDRs) relating to GMA Network, Inc.'s (GMA) common shares ("Common Shares"). The underlying common shares of the PDRs are registered in the name of GHI.</p> <p>For a more detailed explanation on the reason for the non-adoption of the recommendation to the Corporation kindly refer to the Corporation's letter to the SEC dated 22 May 2017 posted at: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_revised_manual_on_corporate_governance_2017_1496026887.pdf.</p>
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<p>4. At least one member of the BROCC has relevant thorough knowledge and experience on risk and risk management.</p>	<p>Not adopted</p>		<p>The Corporation does not engage in any other business or purpose except in relation to the issuance of the Philippine Depositary Receipts (PDRs) relating to GMA Network, Inc.'s (GMA) common shares ("Common Shares"). The underlying common shares of the PDRs are registered in the name of GHI.</p> <p>For a more detailed explanation on the reason for the non-adoption of the recommendation to the Corporation kindly refer to the Corporation's letter to the SEC dated 22 May 2017 posted at: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_revised_manual_on_corporate_governance_2017_1496026887.pdf.</p>
<p>1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.</p>	<p>Compliant</p>	<p>It is the function of the Audit Committee to review material related party transactions of the company. Please view the Corporation's 2017 Revised Manual on Corporate Governance at: https://aphrodite.gmanetwork.com/corporate/cgr/gma_revised_manual_on_corporate_governance_2017_1496026952.pdf</p>	

2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Compl iant	Information on the members of the Audit and Risk Management Committee (which performs the functions of the Related Party Transactions Committees), including their qualifications and type of directorship is contained in the Definitive Information Statement of the Corporation https://aphrodite.gmanetwork.com/corporate/disclosures/gmq-definitive_information_statement_-_csm_2018_1524039509.pdf	
1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Pend ing Compl iance		<p>The Corporation does not engage in any other business or purpose except in relation to the issuance of the Philippine Depositary Receipts (PDRs) relating to GMA Network, Inc.'s (GMA) common shares ("Common Shares"). The underlying common shares of the PDRs are registered in the name of GHI.</p> <p>For a more detailed explanation on the reason for the non-adoption of the recommendation to the Corporation kindly refer to the Corporation's letter to the SEC dated 22 May 2017 posted at: https://aphrodite.gmanetwork.com/corporate/cgr/ghi-revised_manual_on_corporate_governance_2017_1496026887.pdf.</p>

<p>2. Committee Charters provide standards for evaluating the performance of the Committees.</p>	<p>Pending Compliance</p>		<p>The Corporation does not engage in any other business or purpose except in relation to the issuance of the Philippine Depositary Receipts (PDRs) relating to GMA Network, Inc.'s (GMA) common shares ("Common Shares"). The underlying common shares of the PDRs are registered in the name of GHI.</p> <p>For a more detailed explanation on the reason for the non-adoption of the recommendation to the Corporation kindly refer to the Corporation's letter to the SEC dated 22 May 2017 posted at: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_revised_manual_on_corporate_governance__2017__1496026887.pdf.</p>
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3. Committee Charters were fully disclosed on the company's website.	Pending Compliance		<p>The Corporation does not engage in any other business or purpose except in relation to the issuance of the Philippine Depositary Receipts (PDRs) relating to GMA Network, Inc.'s (GMA) common shares ("Common Shares"). The underlying common shares of the PDRs are registered in the name of GHI.</p> <p>For a more detailed explanation on the reason for the non-adoption of the recommendation to the Corporation, kindly refer to the Corporation's letter to the SEC dated 22 May 2017 posted at: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_revised_manual_on_corporate_governance_2017_1496026887.pdf.</p>
Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.			
Recommendation 4			

1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele- /videoc Conferencing conducted in accordance with the rules and regulations of the Commission.	Compliant	Information on the process and procedure for board and/or committee meetings are reflected in the minutes of said meetings. The minutes also contain information on the attendance and participation of directors in the meetings. These minutes may be viewed at the principal office of the Corporation by the stockholders of the Company upon written request therefor.	
2. The directors review meeting materials for all Board and Committee meetings.	Compliant		
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	All matters discussed by the directors are duly minuted.	

Recommendation 4.2

<p>1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/Views, and oversee the long-term strategy of the company.</p>	<p>Non-compliant</p>		<p>Kindly refer to the Corporation's letter to the SEC dated 22 May 2017 posted at: https://aphrodite.gmanetwork.com/corporate/cgr/ghl_revised_manual_on_corporate_governance_2017_1496026887.pdf.</p>
<p>1. The directors notify the company's board before accepting a directorship in another company.</p>	<p>Non-compliant</p>	<p>The Corporation's Independent directors notify the Corporation of its new directorships which is reported in the Certificate of Independent Director submitted to the SEC.</p>	<p>Kindly refer to the Corporation's letter to the SEC dated 22 May 2017 posted at: https://aphrodite.gmanetwork.com/corporate/cgr/ghl_revised_manual_on_corporate_governance_2017_1496026887.pdf.</p>

Corporate Principle 4

1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.	Compliant		
2. Company schedules board of directors' meetings before the start of the financial year.	Compliant		
3.			
4. Board of directors meet at least six times during the year.	Not adopted		The Board met five (5) times in 2017.
5. Company requires as minimum quorum of at least 2/3 for board decisions.	Not adopted		Although under the Corporation's By-laws, the quorum required for board decisions is only a majority of the Board, in practice, only those that have the unanimous vote of the Board of Directors are automatically deemed approved. Any matter for votation which is being objected upon by a director is left pending for further study until the issue that is being objected upon is resolved. Moreover, there is no law/rule that requires a quorum of at least 2/3 for board decisions.

Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs

Recommendation 5

1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	Not adopted		Please refer to the Corporation's explanation for the non-adoption of the recommendation contained in the letter dated May 22, 2017 attached to the Company's 2017 Revised Manual on Corporate Governance: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_corporate_manual_on_corporate_governance_2017_1496026887.pdf
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Recommendation 5.2

1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	For information on the Corporation's Independent Directors, including their qualifications please view their profiles in the Definitive Information Statement of the Corporation at: https://aphrodite.gmanetwork.com/corporate/disclosures/ghi_-_definitive_information_statement_-_asm_2018_1525341168.pdf	
Supplement to Recommendation 5.2			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	Compliant	All the relevant corporate documents are posted in the Corporation's website at: https://www.gmanetwork.com/corporate None of the said documents contain any limitation on the directors' ability to vote independently.	

Recommendation 5.3		
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Compliant	Please view the Certification of Independent Director attached to the following document: https://aphrodite.gmanetwork.com/corporate/disclosures/ghi_-_definitive_information_statement_-_asm_2018_1525341168.pdf
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Not adopted	Please refer to the Corporation's explanation for the non-adoption of the recommendation contained in the letter dated May 22, 2017 attached to the Company's 2017 Revised Manual on Corporate Governance: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_revised_manual_on_corporate_governance_2017_1496026887.pdf

<p>3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.</p>	<p>Compliant</p>	<p>For the meritorious justification of the retention of the independent director in the same capacity after nine years please refer to the Company's explanation contained in the cover letter dated May 22, 2017 of the Company's 2017 Revised Manual on Corporate Governance: https://aphrodite.gmanetwork.com/corporate/cgr/ghl-_revised_manual_on_corporate_governance__2017__1496026887.pdf</p>	
<p>Recommendation 5.4 1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.</p>	<p>Not adopted</p>		<p>Please refer to the Corporation's explanation for the non-adoption of the recommendation contained in the letter dated May 22, 2017 attached to the Company's 2017 Revised Manual on Corporate Governance: https://aphrodite.gmanetwork.com/corporate/cgr/ghl-_revised_manual_on_corporate_governance__2017__1496026887.pdf</p>

2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compl	For information containing the roles and responsibilities of the Chairman of the Board and Chief Executive Officer please view the Corporation's By-laws at: https://www.gmnetwork.com/corporate/bylaws/ The Chairman of the Board is Atty. Felipe L. Gozon and Chief Executive Officer is Mr. Gilberto R. Duavit, Jr.	
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1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	Not adopt		Please refer to the Corporation's explanation for the non-adoption of the recommendation contained in the letter dated May 22, 2017 attached to the Company's 2017 Revised Manual on Corporate Governance: https://aphrodite.gmnetwork.com/corporate/cgr/ghl_revised_manual_on_corporate_governance_2017_1496026887.pdf
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1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	Compl	Except for the Corporation's related party transactions duly reported in its https://cphrodite.gmnetwork.com/corporate/disclosures/ghl_definitive_information_statement_-_csm_2018_1525341168.pdf which have been unanimously approved by the Board of Directors, there had been no matter submitted for approval over which any of the Corporation's directors had a material interest.	
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Recommendation 157

1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	Compliant	The Audit Committee who are composed of non-executive directors meet with the external auditor, without any executive director present. The minutes of the said meetings may be viewed at the principal office of the Corporation upon written request of the stockholder.	
2. The meetings are chaired by the lead independent director.	Compliant		

Optional Principles

1. None of the directors is a former CEO of the company in the past 2 years.	Not adopted	Mr. Gilberto R. Duavit, Jr. is the President and Chief Executive Officer of the Corporation.	Please refer to the Corporation's explanation for the non-adoption of the recommendation contained in the letter dated May 22, 2017 attached to the Company's 2017 Revised Manual on Corporate Governance: https://aphrodite.gmanetwork.com/corporate/cgr/ghl_revised_manual_on_corporate_governance_2017_1496026887.pdf
Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.			
1. Board conducts an annual self-assessment of its performance as a whole.	Not adopted		Please refer to the Corporation's explanation for the non-adoption of the recommendation contained in the letter dated May 22, 2017 attached to the Company's 2017 Revised Manual on Corporate Governance: https://aphrodite.gmanetwork.com/corporate/cgr/ghl_revised_manual_on_corporate_governance_2017_1496026887.pdf

2. The Chairman conducts a self-assessment of his performance.	Not adopted		<p>Please refer to the Corporation's explanation for the non-adoption of the recommendation contained in the letter dated May 22, 2017 attached to the Company's 2017 Revised Manual on Corporate Governance:</p> <p>https://aphrodite.gmanetwork.com/corporate/cgr/ghl_revised_manual_on_corporate_governance_2017_1496026887.pdf</p>
3. The individual members conduct a self-assessment of their performance.	Noted being adopted		<p>Please refer to the Corporation's explanation for the non-adoption of the recommendation contained in the letter dated May 22, 2017 attached to the Company's 2017 Revised Manual on Corporate Governance:</p> <p>https://aphrodite.gmanetwork.com/corporate/cgr/ghl_revised_manual_on_corporate_governance_2017_1496026887.pdf</p>

4. Each committee conducts a self-assessment of its performance.	Not adopted		<p>Please refer to the Corporation's explanation for the non-adoption of the recommendation contained in the letter dated May 22, 2017 attached to the Company's 2017 Revised Manual on Corporate Governance:</p> <p>https://aphrodite.gmanetwork.com/corporate/cgr/ghl_-_revised_manual_on_corporate_governance__2017__1496026887.pdf</p>
5. Every three years, the assessments are supported by an external facilitator.	Not adopted		<p>Please refer to the Corporation's explanation for the non-adoption of the recommendation contained in the letter dated May 22, 2017 attached to the Company's 2017 Revised Manual on Corporate Governance:</p> <p>https://aphrodite.gmanetwork.com/corporate/cgr/ghl_-_revised_manual_on_corporate_governance__2017__1496026887.pdf</p>

Recommendation 4/92

1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	Compliant	<p>The effectiveness of the Board's performance is determined by the results of the Corporation's annual financial and overall performance.</p> <p>The stockholders of the Corporation are free to ask questions or give suggestions to the Board of Directors upon review of the Information Statement and during the Annual Stockholders' meeting.</p> <p>Note however that the common shares representing the capital stock of GHI are privately-held and are not listed in the PSE.</p>	
2. The system allows for a feedback mechanism from the shareholders.	Compliant		
Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders. Recommendation 7.1			

1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	Compliant	The Corporation adopts the Code of Business Conduct and Ethics of GMA Network, Inc. Information on the Company's Code of Business Conduct and Ethics are disclosed in the Corporation's 2016 Annual Corporate Governance Report at: https://aphrodite.gmanetwork.com/corporate/cgr/gnl-annual-corporate-governance-report-for-2016-1495788588.pdf	
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	The Directors, Senior Management and Employees were all furnished copies of the Corporation's Revised Code of Conduct. Orientations of managers and employees were also conducted as of March 30, 2017.	
3. The Code is disclosed and made available to the public through the company website.	Not adopted		Information on the Corporation's Code of Conduct is disclosed in the website of GMA Network, Inc. at: https://aphrodite.gmanetwork.com/corporate/cgr/gnl-annual-corporate-governance-report-for-2016-1495788588.pdf

Supplementary Recommendation 7.2

1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	Compliant	The Company adopts the policy of GMA Network, Inc. on "Solicitation/Acceptance of Gifts/Favors" issued to all in May 2009. The Manual of the News and Public Affairs includes a particular section on "Bribes & Gifts."	
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	The implementation and monitoring of the GMA's Code of Conduct which is adopted by GHI, is a "line" function. The management within the concerned departments oversees the compliance with the Code and the Manual. Any possible violation is investigated at the department level, then, endorsed to the Human Resources Department (HRDD). HRDD conducts administrative investigations observing due process. If a rank and file (RF) employee is involved, the Union is required to take part in the proceedings. After the investigations, HRDD writes a report of its findings with recommendations, clears the report with Legal, then submits to the President & COO (in some cases, submission is also to the Chairman & CEO) for final approval of the recommendation.	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant	Findings and recommendations thereof form part of corporate records. The members of the Board of Directors were furnished copies of the Code of Conduct of the Corporation and the Board of Directors periodically reviews the Manual on Corporate Governance to ensure the proper and efficient implementation and monitoring of compliance with company internal policies.	
Disclosure and Transparency			
Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.			
Recommendation 8.1			

<p>1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.</p>	<p>Compliant</p>	<p>The Corporation's disclosure policy is contained in the 2017 Revised Manual on Corporate Governance under "Reportorial or Disclosure System of Company's Corporate Governance Policies": https://aphrcite.gmanetwork.com/corporate/cgr/ghl-revised-manual-on-corporate-governance-2017-1496026887.pdf</p> <p>The disclosures of the Corporation are posted in its website at: https://www.gmanetwork.com/corporate/disclosures</p>	
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Supplement to Recommendations 8.1

<p>1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.</p>	<p>Compliant</p>	<p>For quarterly reporting, the Company submits its Financial Statements on or before the 45th day after the end of each quarter in compliance with the requirements of the Securities and Exchange Commission.</p> <p>To maximize the time value of money, the Company usually pays its annual income tax due to the Bureau of Internal Revenue on or near April 15 following the close of the taxable year. Upon payment, the BIR received FS is submitted to the SEC. The Corporation believes that 105 days is already reasonable time to inform the company's stockholders and stakeholders of the previous year's financial results.</p>
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2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.	Compliant	The Security Ownership of controlling beneficial owners and management are reported annually in the SEC Form 17-A. Since there are no principal risks associated with the identity of the company's controlling shareholders nor are their imbalances between the controlling shareholders' voting power and overall equity position in the company, no such risks have been reported.	
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Recommendation 8.2

<p>1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.</p>	<p>Compliant</p>		<p>The common shares representing the capital stock of GHI are privately-held and are not listed in the PSE.</p> <p>The Corporation does not engage in any other business or purpose except in relation to the issuance of the Philippine Depositary Receipts (PDRs) relating to GMA Network, Inc.'s (GMA) common shares ("Common Shares"). The underlying common shares of the PDRs are registered in the name of GHI.</p>
<p>2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.</p>	<p>Compliant</p>		<p>Any such dealings involving GMA common shares/PDRs are reported and the reports are posted at: http://www.gmanetwork.com/corporate/disclosures/beneficialownership/</p>

Supplement to Recommendation B2

<p>1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).</p>	<p>Compliant</p>	<p>The Corporation files the following reports containing the shareholdings of its directors, management and shareholders: SEC Form 20-15, SEC Form 17-A, Public Ownership Report, List of Top 100 Stockholders, among others. These reports are posted in the PSE Edge (http://edge.pse.com.ph/company/Page/stockData.do?cmpy_id=6108&security_id=533), and in the website of the Corporation: https://www.gmanetwork.com/corporate/</p> <p>The Corporation files its Conglomerate Map as an attachment to the annual General Information Sheet (http://www.gmanetwork.com/corporate/disclosures/generalinformation/) that is submitted to the Securities and Exchange Commission and the Philippine Stock Exchange.</p>	
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Recommendation: 4.5

1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	The directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended are disclosed in the SEC Form 20-IS and SEC Form 17-A which are all filed with the Securities and Exchange Commission and Philippine Stock Exchange, and posted in the website: http://www.gmanetwork.com/corporate/	
2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	The members of the senior management's academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended are disclosed in the SEC Form 20-IS and SEC Form 17-A which are all filed with the Securities and Exchange Commission and Philippine Stock Exchange, and posted in the website: http://www.gmanetwork.com/corporate/disclosures#	

Recommendation: 8.4

1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	Compl ied	The members of the Board of Directors of GHI are also members of GMA's Board of Directors. The Board of Directors of GHI do not receive compensation for their directorship in GHI. This is disclosed in the Annual Report and Definitive Information Statement of the Corporation which may be viewed at: http://www.gmanetwork.com/corporate/disclosures	
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	Compl iant	The officers of GHI are also officers of GMA. The officers of GHI do not receive compensation for their functions in GHI. This is disclosed in the Annual Report and Definitive Information Statement of the Corporation which may be viewed at: http://www.gmanetwork.com/corporate/disclosures	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Compl iant	The directors/officers of GHI are also directors/officers of GMA. The directors/officers of GHI do not receive compensation for their functions in GHI. This is disclosed in the Annual Report and Definitive Information Statement of the Corporation which may be viewed at: http://www.gmanetwork.com/corporate/disclosures	

Recommendation 5.5

1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	Compliant	The Corporation's RPT policies are contained in https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_revised_manual_on_corporate_governance__2017__1496026887.pdf	
2. Company discloses material or significant RPTs reviewed and approved during the year.	Compliant	Information on the Corporation's RPTs for the previous year is contained in the Definitive 20-Is, Annual Report and ACGRs filed with the SEC, the PSE and posted in the Corporation's website: http://www.gmanetwork.com/corporate/disclosures	
Supplement to Recommendation 8.5			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	Compliant	The Corporation adheres to the standards set under its 2017 Revised Manual on Corporate Governance which states that a director should conduct fair business transactions with the Corporation and to ensure that personal interest does not conflict with the interests of the corporation. https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_revised_manual_on_corporate_governance__2017__1496026887.pdf The policies of GMA on conflict of interest is also adopted by GHI: https://aphrodite.gmanetwork.com/corporate/cgr/conflict_of_interest_1418284853.pdf	
Optional Recommendation 8.5			

1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.	Compl iant	The Corporation's RPTs are disclosed in its Information Report, Annual Report and ACGR which are all posted in the Corporation's website: http://www.gmanetwork.com/corporate/disclosures	
Recommendation 5.6			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	Compl iant	The Corporation timely discloses such reports in its current reports and in the statements of beneficial ownership posted in the Corporation's website: http://www.gmanetwork.com/corporate/disclosures The following policy of GMA on insider trading is also adopted by GHI: https://aphrodite.gmanetwork.com/corporate/cgi/insider_trading_1418284950.pdf .	

2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	Compliant	The Corporation shall observe the requirements of the Bureau of Internal Revenue, the Securities and Exchange Commission, the Corporation Code and all related implementing rules and regulations in the event of any such acquisition or disposal of significant assets.	
Supplement to Recommendation 8.6			
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	Compliant	Any such agreement, if any, shall be disclosed to the SEC through Form 17-C (current reports): http://www.amanetwork.com/corporate/disclosures	
Recommendation 8.7			

1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	The Corporation's 2017 Revised manual on Corporate Governance is posted in the Corporation's website as well as on the PSE Edge: https://aphrodite.gmanetwork.com/corporate/cgr/ghl_-revised_manual_on_corporate_governance_2017_1496026887.pdf	
2. Company's MCG is submitted to the SEC and PSE.	Compliant		
3. Company's MCG is posted on its company website.	Compliant		
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	Compliant	Updates on the Corporation's Manual on Corporate Governance are posted in the Corporation's website: https://www.gmanetwork.com/corporate/cgr/manual and PSE Edge.	
Optional Principles			

1. Does the company's Annual Report disclose the following information:

The Corporation's vision is stated in:
https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_revised_manual_on_corporate_governance_2017_1496026887.pdf

Please view the Corporation's annual reports at
<https://www.gmanetwork.com/corporate/disclosures/annualreports/>
and https://aphrodite.gmanetwork.com/corporate/disclosures/ghi_-_definitive_information_statement_-_qsm_2018_1525341168.pdf

The ACGRs of the Corporation containing additional information are also attached to the Annual Report.

The directors/officers of GHI are also directors/officers of GMA. The directors/officers of GHI do not receive compensation for their functions in GHI. This is disclosed in the Annual Report and Definitive Information Statement of the Corporation which may be viewed at:
<http://www.gmanetwork.com/corporate/disclosures>

a. Corporate Objectives	Compl iant		
b. Financial performance indicators	Compl iant		
c. Non-financial performance indicators	Compl iant		
d. Dividend Policy	Compl iant		

e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors

Compl
iant

f. Attendance details of each director in all directors meetings held during the year	Compliant		
g. Total remuneration of each member of the board of directors	Compliant		

<p>2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.</p>	Compliant	<p>The ACCR attached to the Annual Report as well as the Annual Information Statement contain the said statement confirming compliance: https://aphrodite.gmanetwork.com/corporate/cqr/qhl-annual-corporate-governance-report-for-2016-1495788588.pdf and https://aphrodite.gmanetwork.com/corporate/disclosures/qhl-definitive-information-statement-asn-2018-1525341168.pdf</p>	
<p>3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.</p>	Compliant	<p>The ACCR attached to the Annual Report as well as the Annual Information Statement contain the said statement confirming compliance: https://aphrodite.gmanetwork.com/corporate/cqr/qhl-annual-corporate-governance-report-for-2016-1495788588.pdf and https://aphrodite.gmanetwork.com/corporate/disclosures/qhl-definitive-information-statement-asn-2018-1525341168.pdf</p>	

4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.	Compl iant	Under the Corporation's Revised Manual on Corporate Governance https://aphrodite.gmanetwork.com/corporate/cgr/gchi- https://aphrodite.gmanetwork.com/corporate/cgr/gchi-revised manual on corporate governance 2017 1496026687.pdf , the Audit and Risk Management Committee shall evaluate all significant issues reported by the Internal Audit and External Auditors relating to the adequacy, efficiency and, effectiveness of policies, controls, processes, and activities of the Corporation.	
5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).	Compl iant	The Company's Annual Report may be viewed at the PSE Edge or the Corporation's Website https://www.gmanetwork.com/corporate/disclosures/annualreports/	
Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.			
Recommendation 9.1			

1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	Compl iant	As shown in the minutes of the Board of Directors' meeting and the Stockholders' meeting, the Audit Committee recommends the external auditor to the Board of Directors. The Board of Directors then nominates/renominates the External Auditor to the Shareholders. The minutes may be viewed at the principal office of the Corporation upon written request of the stockholder.	
2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	Compl iant	The stockholders present and represented at the meeting unanimously approved the re-appointment of the External Auditor.	

<p>3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.</p>	<p>Compl aint</p>	<p>Should the appointed external auditor be removed for one reason or another, the Corporation will accordingly disclose the reason for such removal and disclose the fact and reason for the removal to the regulators.</p>	
<p>1. Company has a policy of rotating the lead audit partner every five years.</p>	<p>Compl aint</p>	<p>Please view the information on the Corporation's external auditor (handling partner) in the Information Statement as well as in the Independent Auditor's Report attached to the Annual Financial Statements. https://aphrodite.gnanetwork.com/corporate/disclosures/chi-definitive-information-statement-asn-2018-1525341168.pdf</p>	

Recommendation 9.2

1. Audit Committee Charter includes the Audit Committee's responsibility on:	Compliant	The members of the Audit Committee of GHI are also members of the Audit Committee of GMA. The following Audit Committee Charter of GMA is adopted by GHI: https://aphrodite.gmanetwork.com/corporate/cgr/board_committee_charters_1418284822.pdf
<p>i. assessing the integrity and independence of external auditors;</p> <p>ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and</p> <p>iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant professional and regulatory</p>		<p>GHI does not engage in any other business or purpose except in relation to the issuance of the Philippine Depositary Receipts (PDRs) relating to GMA Network, Inc.'s (GMA) common shares ("Common Shares"). The underlying common shares of the PDRs are registered in the name of GHI.</p>

2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	Compliant	For the company's Audit Committee Charter please view: https://aphrodite.gmnetwork.com/corporate/cgr/board_committee_charters_1418284822.pdf	
Supplement to Recommendations 9.2			
1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	Compliant	For the company's Audit Committee Charter please view: https://aphrodite.gmnetwork.com/corporate/cgr/board_committee_charters_1418284822.pdf	
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	Compliant	For the company's Audit Committee Charter please view: https://aphrodite.gmnetwork.com/corporate/cgr/board_committee_charters_1418284822.pdf	
Recommendation 9.3			

1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	Compl	The Definitive Information Statement and Annual Report (SEC Form 17-A) disclose that the Corporation's External Auditors services are limited to financial audit and general tax compliance only: https://aphroditte.gmnetwork.com/corporate/disclosures/cfi-definitive information statement - asm 2018 1525341168.pdf and https://www.gmnetwork.com/corporate/disclosures/annualreports/	
2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	Compl	The Audit Committee monitors that the non-audit work provided by the External Auditor is not in conflict with his/her functions as External Auditor. This duty of the Audit Committee is contained in the Corporation's 2017 Revised Manual on Corporate Governance: https://aphroditte.gmnetwork.com/corporate/cgr/cfi-revised manual on corporate governance 2017 1496026687.pdf	
Supplement to Recommendation 9.3			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	Compl	As disclosed by the Corporation in its SEC Form 17-A (Annual Report) there was no specific engagement availed by the Company for purely tax accounting. The total audit related fees as stated therein already includes basic tax review. https://www.gmnetwork.com/corporate/disclosures/crnualreports/	
Additional Recommendation to Principle 9			

1. Company's external auditor is duly accredited by the SEC under Group A category.	Compliant	The following external auditor of the corporation is duly accredited by the SEC under Group A category: 1. External Auditor: Belinda T. Beng Hui 2. Accreditation number: 0923-AR-2 (Group A) 3. Date Accredited: May 1, 2016 4. Expiry date of accreditation: May 1, 2019 5. Name, address, contact number of the audit firm: Sycip Gorres Velayo & Co., 6760 Ayala Avenue, 1228, Makati City; (632)8910307	
2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).	Compliant	Since SGV&Co. audits listed companies (i.e., GMA), it is subject to the SEC's SOAR inspection. However, it has yet to receive notification from the SEC for this purpose.	
Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
Recommendation 10:			

1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	Compliant	The company's practices on the disclosure of non-financial information, can be observed in its periodic filings with the Securities and Exchange Commission, specifically, the Definitive 20-15, 3C Form 17-A and the ACGR which can all be viewed in the Corporation's website.	
2. Company adopts a globally recognized standard/framework work in reporting sustainability and non-financial issues.	Not adopted		<p>Please refer to the Corporation's explanation for the non-adoption of the recommendation contained in the letter dated May 22, 2017 attached to the Company's 2017 Revised Manual on Corporate Governance:</p> <p>https://ophrodite.gmanetwork.com/corporate/cgr/ghl_revised_manual_on_corporate_governance_2017_1496026887.pdf</p>

Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.

<p>1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.</p>	Compliant	<p>The Corporation does not engage in any other business or purpose except in relation to the issuance of the Philippine Depositary Receipts (PDRs) relating to GMA Network, Inc.'s (GMA) common shares ("Common Shares"). The underlying common shares of the PDRs are registered in the name of GHI.</p> <p>However, GMA holds financial briefings attended by the Company's Senior Management; Chairman and Chief Executive Officer, President and Chief Operating Officer; Executive Vice-President and Chief Financial Officer, President of Sales and Marketing and various Company officers. The briefings are attended not only by members of the press or financial analysts but at times retail investors. The Company submits to the PSE/SEC the presentation materials used during the briefing, the relevant press release/s, and additional disclosures (if any) during the Question and Answer portion of the briefing.</p> <p>https://www.gmanetwork.com/corporate/ir</p>	
<p>1. Company has a website disclosing up-to-date information on the following:</p> <p>a. Financial statements/reports (latest quarterly)</p> <p>b. Materials provided in briefings to analysts and media</p>	Compliant	<p>Please view the following website of the GMA Network, Inc. which also contains the disclosures/reports of GHI:</p> <p>https://www.gmanetwork.com/corporate/</p>	

c. Downloadable annual report	Compliant		
d. Notice of ASM and/or SSM	Compliant		
e. Minutes of ASM and/or SSM	Compliant		
f. Company's Articles of Incorporation and By-Laws	Compliant		
Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.	Compliant	Please view the following website of the GMA Network, Inc. which also contains the disclosures/reports of GHI: https://www.gmanetwork.com/corporate/	
Internal Control System and Risk Management Framework			
Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			
Recommendation 12.1			
1. Company has an adequate and effective internal control system in the conduct of its business.	Compliant	For information on the internal control system of the Corporation please view disclosures on the said system in: https://aphrodite.gmanetwork.com/corporate/cgr/qhi-annual-corporate-governance-report-for-2016-1495783588.pdf https://www.gmanetwork.com/corporate/cgr/company/policies/	

2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Not adopted		<p>The Corporation does not engage in any other business or purpose except in relation to the issuance of the Philippine Depositary Receipts (PDRs) relating to GMA Network, Inc.'s (GMA) common shares ("Common Shares"). The underlying common shares of the PDRs are registered in the name of GHI.</p> <p>For the Corporation's explanation for the non-adoption of the said recommendation, kindly refer to the Corporation's letter to the SEC dated 22 May 2017 posted at: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_revised_manual_on_corporate_governance_2017_1496026887.pdf</p>
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Supplement to Recommendations 121

<p>1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.</p>	<p>Compliant</p>	<p>The Corporation's compliance with laws and relevant regulations are reviewed annually prior to the filing of relevant reports disclosing said compliance.</p>	
<p>Optional Recommendation 121</p>			

<p>1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.</p>	<p>Not adopted</p>		<p>The Corporation does not engage in any other business or purpose except in relation to the issuance of the Philippine Depositary Receipts (PDRs) relating to GMA Network, Inc.'s (GMA) common shares ("Common Shares"). The underlying common shares of the PDRs are registered in the name of GHI.</p> <p>For the Corporation's explanation for the non-adoption of the said recommendation, kindly refer to the Corporation's letter to the SEC dated 22 May 2017 posted at: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_revised_manual_on_corporate_governance_2017_1496026887.pdf</p>
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Recommendation 12.2

<p>1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.</p>	<p>Compl iant</p>	<p>The Corporation has an in-house internal auditor, who is also the in-house internal auditor of GMA Network, Inc..</p>	
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Recommendation 1/23

<p>1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.</p>	<p>Not adopted</p>	<p>The Corporation does not engage in any other business or purpose except in relation to the issuance of the Philippine Depositary Receipts (PDRs) relating to GMA Network, Inc.'s (GMA) common shares ("Common Shares"). The underlying common shares of the PDRs are registered in the name of GHI.</p> <p>For the Corporation's explanation for the non-adoption of the said recommendation, kindly refer to the Corporation's letter to the SEC dated 22 May 2017 posted at: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_revised_manual_on_corporate_governance_2017_1496026887.pdf</p>
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<p>2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.</p>	<p>Not adopted</p>	<p>The Corporation does not engage in any other business or purpose except in relation to the issuance of the Philippine Depositary Receipts (PDRs) relating to GMA Network, Inc.'s (GMA) common shares ("Common Shares"). The underlying common shares of the PDRs are registered in the name of GHI.</p> <p>For the Corporation's explanation for the non-adoption of the said recommendation, kindly refer to the Corporation's letter to the SEC dated 22 May 2017 posted at: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_revised_manual_on_corporate_governance_2017_1496026887.pdf</p>
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<p>3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.</p>	<p>Not applicable</p>		<p>The Corporation does not engage in any other business or purpose except in relation to the issuance of the Philippine Depositary Receipts (PDRs) relating to GMA Network, Inc.'s (GMA) common shares ("Common Shares"). The underlying common shares of the PDRs are registered in the name of GHI.</p> <p>For the Corporation's explanation for the non-adoption of the said recommendation, kindly refer to the Corporation's letter to the SEC dated 22 May 2017 posted at: https://aphrodite.gmanetwork.com/corporate/cgr/ghi-revised_manual_on_corporate_governance_2017_1496026887.pdf</p>
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Recommendation 2.4

1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Not adopted		<p>The Corporation does not engage in any other business or purpose except in relation to the issuance of the Philippine Depositary Receipts (PDRs) relating to GMA Network, Inc.'s (GMA) common shares ("Common Shares"). The underlying common shares of the PDRs are registered in the name of GHI.</p> <p>For the Corporation's explanation for the non-adoption of the said recommendation, kindly refer to the Corporation's letter to the SEC dated 22 May 2017 posted at: https://aphrodite.gmanetwork.com/corporate/cgr/ghl-revised_manual_on_corporate_governance_2017_1496026887.pdf</p>
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Supplement to Recommendation 12.4

1. Company seeks external technical support in risk management when such competence is not available internally.	Not adopted		<p>The Corporation does not engage in any other business or purpose except in relation to the issuance of the Philippine Depositary Receipts (PDRs) relating to GMA Network, Inc.'s (GMA) common shares ("Common Shares"). The underlying common shares of the PDRs are registered in the name of GHI.</p> <p>For the Corporation's explanation for the non-adoption of the said recommendation, kindly refer to the Corporation's letter to the SEC dated 22 May 2017 posted at: https://aphrodite.gmanetwork.com/corporate/cgr/ghi-revised_manual_on_corporate_governance_2017_1496026887.pdf</p>
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Recommendation 12.5

<p>1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).</p>	<p>Not adopted</p>	<p>The Corporation does not engage in any other business or purpose except in relation to the issuance of the Philippine Depositary Receipts (PDRs) relating to GMA Network, Inc.'s (GMA) common shares ("Common Shares"). The underlying common shares of the PDRs are registered in the name of GHI.</p> <p>For the Corporation's explanation for the non-adoption of the said recommendation, kindly refer to the Corporation's letter to the SEC dated 22 May 2017 posted at: https://aphrodite.gmanetwork.com/corporate/cgr/ghi-revised_manual_on_corporate_governance_2017_1496026887.pdf</p>
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2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Not adopted		<p>The Corporation does not engage in any other business or purpose except in relation to the issuance of the Philippine Depositary Receipts (PDRs) relating to GMA Network, Inc.'s (GMA) common shares ("Common Shares"). The underlying common shares of the PDRs are registered in the name of GHI.</p> <p>For the Corporation's explanation for the non-adoption of the said recommendation, kindly refer to the Corporation's letter to the SEC dated 22 May 2017 posted at: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_revised_manual_on_corporate_governance_2017__1496026887.pdf</p>
<p>Additional Recommendation:</p> <p>1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.</p>	Compliment	<p>Principle 12</p> <p>The Chief Executive Officer and the Chairman of the Audit Committee sign the ACCR and the Corporate Governance scorecard filed with the SEC/PSE and the PSE, respectively.</p>	
<p>Cultivating a Synergic Relationship with Shareholders</p> <p>Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.</p> <p>Recommendation 13:</p>			

1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	These rights are disclosed in the 2017 Manual on Corporate Governance of the Corporation at: https://aphrodite.gmanetwork.com/corporate/cg/ghl_revised_manual_on_corporate_governance_2017_1496026887.pdf	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	The Corporation's Revised Manual on Corporate Governance and ACGRs containing the rights of stockholders are posted in the Corporation's website: https://www.gmanetwork.com/corporate/	
Supplement to Recommendation 3.1			
1. Company's common share has one vote for one share.	Compliant	Please see the Articles of Incorporation of the Corporation posted in its website: https://aphrodite.gmanetwork.com/corporate/ as well as the prospectus of the Corporation at: http://aphrodite.gmanetwork.com/pdfs/GMA-Final-Prospectus.pdf	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Compliant	Please see the Articles of Incorporation of the Corporation posted in its website: https://aphrodite.gmanetwork.com/corporate/ as well as the prospectus of the corporation at: http://aphrodite.gmanetwork.com/pdfs/GMA-Final-Prospectus.pdf	
3. Board has an effective, secure, and efficient voting system.	Compliant	The voting by the Board of Directors is by show of hands.	

4. Board has an effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.	Not adopted	Provide information on shareholder voting mechanisms such as supermajority or "majority of minority", if any.	The common shares representing the capital stock of GHI are privately-held and are not listed in the PSE. For the Corporation's explanation for the non-adoption of the said recommendation, kindly refer to the Corporation's letter to the SEC dated 22 May 2017 posted at: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_revised_manual_on_corporate_governance_2017_1496026887.pdf
5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.	Compliant	The Corporation complies with the requirements of the Corporation and applicable rules and regulations and its By-laws on the holding of a special stockholders meeting and the requirements to call for such meeting. Note however, that the common shares representing the capital stock of GHI are privately-held and are not listed in the PSE.	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	Compliant	Please refer to the Manual on Corporate Governance of the Corporation as well as the compliance of the corporation with the disclosure requirements (SEC Form 17-C) for the protection of minority shareholders found in the Corporation's website at: https://www.gmanetwork.com/corporate/ Note however, that the common shares representing the capital stock of GHI are privately-held and are not listed in the PSE.	

7. Company has a transparent and specific dividend policy.	Compliant	<p>Kindly see the Corporation's dividend policy in the following document: http://aphrodite.gmanetwork.com/pdfs/GMA-Final-Prospectus.pdf.</p> <p>The Corporation's cash distributions to PDR Holders arising from the dividend declaration of GMA Network, Inc. and the number of days the cash distributions were made after such dividend declaration are disclosed in the Corporation's Annual Information Statement, Annual and Current Reports. https://www.gmanetwork.com/corporate</p> <p>Unlike the PDRs, the common shares representing the capital stock of GHI are privately-held and are not listed in the PSE.</p>	
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.	Not adopted		<p>Unlike the PDRs, the common shares representing the capital stock of GHI are privately-held and are not listed in the PSE.</p> <p>For the Corporation's explanation for the non-adoption of the said recommendation, kindly refer to the Corporation's letter to the SEC dated 22 May 2017 posted at: https://aphrodite.gmanetwork.com/corporate/cgr/ghi-revised_manual_on_corporate_governance_2017_1496026887.pdf</p>

Recommendation 152

<p>1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.</p>	Compliant	<p>The preliminary notice and agenda were sent more than 30 days ahead of the meeting, please view the Preliminary Information Statement at: https://aphrodite.gmanetwork.com/corporate/disclosures/ghi_-preliminary_information_statement_-_asm_2018_1524125445.pdf and the Definitive Information Statement at https://aphrodite.gmanetwork.com/corporate/disclosures/ghi_-definitive_information_statement_-_asm_2018_1525341168.pdf</p>	
<p>1. Company's Notice of Annual Stockholders' Meeting contains the following information:</p>	Compliant	<p>Please see the Company's Definitive Information Statement at: https://aphrodite.gmanetwork.com/corporate/disclosures/ghi_-definitive_information_statement_-_asm_2018_1525341168.pdf</p>	

a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	Compl iant	Please see the Company's Definitive Information Statement at: https://aphrodite.gmanetwork.com/corporate/disclosures/ghi_definitive_information_statement_-_asm_2018_1525341168.pdf	
b. Auditors seeking appointment/r e-appointment	Compl iant	Please see the Company's Definitive Information Statement at: https://aphrodite.gmanetwork.com/corporate/disclosures/ghi_definitive_information_statement_-_asm_2018_1525341168.pdf	
c. Proxy documents	Compl iant	Please see the Company's Proxy form incorporated in the Definitive Information Statement at: https://aphrodite.gmanetwork.com/corporate/disclosures/ghi_definitive_information_statement_-_asm_2018_1525341168.pdf	
1. Company provides rationale for the agenda items for the annual stockholders meeting			
1. Company provides rationale for the agenda items for the annual stockholders meeting	Compl iant	Please see the Company's Definitive Information Statement at: https://aphrodite.gmanetwork.com/corporate/disclosures/ghi_definitive_information_statement_-_asm_2018_1525341168.pdf	

Recommendation 153

<p>1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.</p>	<p>Not adopted</p>		<p>The results of the meeting, during which matters are put to vote, are immediately disclosed to the PSE (through the PSE Edge) after the meeting. https://www.gmanetwork.com/corp/orate/disclosures/currentreports/ Moreover, the minutes of the meeting are also posted at: https://www.gmanetwork.com/corp/orate/disclosures</p>
<p>2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.</p>	<p>Not adopted</p>		<p>The results of the meeting (matters/resolutions approved) are posted through the current reports of the corporation on the same day of the meeting. https://www.gmanetwork.com/corp/orate/disclosures/currentreports/ Moreover, the minutes of the meeting of the Annual Stockholders' meetings are currently posted at https://www.gmanetwork.com/corp/orate/disclosures/minutesoffallmeetings/</p>

Supplement to Recommendation 3.3

1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	Compliant	The external auditor and other relevant individuals were present during the ASM.	
<p>Recommendation 13.4</p> <p>1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.</p> <p>2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.</p>	Compliant	<p>Under the Corporation's Manual on Corporate Governance the Board of Directors shall establish and maintain an alternative dispute resolution system in the Corporation that can amicably settle conflicts or differences between the Corporation and its stockholders, and the Corporation and third parties, including the regulatory authorities. https://aphrodite.gmanetwork.com/corporate/cgr/ghl_-_revised_manual_on_corporate_governance_2017_1496026887.pdf</p>	<p>For the Corporation's explanation for the non-adoption of the said recommendation, kindly refer to the Corporation's letter to the SEC dated 22 May 2017 posted at: https://aphrodite.gmanetwork.com/corporate/cgr/ghl_-_revised_manual_on_corporate_governance_2017_1496026887.pdf</p>

Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Compliant	Below are the contact details of the Vice-President/Investor Relations Officer of the Corporation: Ayah! Ai Augusto P. Chio 10/F GMA Network Center 982-7777 ext 8042 APChio@gmanetwork.com	
2. IRO is present at every shareholder's meeting.	Compliant	The IRO of the Corporation is present at the Annual Stockholders and Board Meetings.	
Supplemental Recommendations to Principle 13			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	Non-compliant		For the Corporation's explanation for the non-adoption of the said recommendation, kindly refer to the Corporation's letter to the SEC dated 22 May 2017 posted at: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_corporate/cgr/ghi_revised_manual_on_corporate_governance_2017_1496026887.pdf

2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Not adopted		<p>For the Corporation's explanation for the non-adoption of the said recommendation, kindly refer to the Corporation's letter to the SEC dated 22 May 2017 posted at: https://aphrodite.gmanetwork.com/corporate/cgr/ghi-revised_manual_on_corporate_governance_2017_1496026887.pdf</p> <p>Unlike the PDRs, the common shares representing the capital stock of GHI are privately-held and are not listed in the PSE.</p>
<p>Optional Principle 13</p> <p>1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting</p>	Compliant	<p>The Corporation respects the rights of a stockholder under the Corporation and the rules and regulations of the SEC.</p>	

<p>2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.</p>	<p>Not adopted</p>		<p>Unlike the PDRs, the common shares representing the capital stock of GHI are privately-held and are not listed in the PSE.</p> <p>For the Corporation's explanation for the non-adoption of the said recommendation, kindly refer to the Corporation's letter to the SEC dated 22 May 2017 posted at: https://aphrodite.gmanetwork.com/corporate/cgr/ghi_corporate_manual_on_corporate_governance_2017_1496026887.pdf</p>
<p>Duties to Stakeholders</p> <p>Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.</p>			
<p>1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.</p>	<p>Compliant</p>	<p>The shareholders of the Corporation are in the Information Statement, Annual Report and General Information Sheet, all posted in the Corporation's website at: https://www.gmanetwork.com/corporate/</p> <p>The Corporation adopts the rights of a stockholder under the Corporation Code and the rules and regulations of the SEC.</p>	

1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	In addition to the provisions of its By-laws and Manual on Corporate Governance and those rights listed in the ACGR which serve to protect the stakeholders, the Corporation also adopts the rights of a stockholder under the Corporation and the rules and regulations of the SEC.	
Recommendation 14.3			
1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	Compliant	Stakeholders can voice their concerns and/or complaints for possible violation of their rights and communicate the same to the Corporation's Investor Relations Officer whose contact details are set forth above. The Corporation's policies that protect shareholders' rights may be viewed at https://www.gmanetwork.com/corporate/cgr/companyolicies/ and https://www.gmanetwork.com/corporate/cgr/annudireport/	
Suggested Right to Recommendation 14.3			
1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.	Compliant	Under the Corporation's Manual on Corporate Governance the Board of Directors shall establish and maintain an alternative dispute resolution system in the Corporation that can amicably settle conflicts or differences between the Corporation and its stockholders, and the Corporation and third parties, including the regulatory authorities https://aphrodite.gmanetwork.com/corporate/cgr/ghl_-_revised_manual_on_corporate_governance__2017_1496026887.pdf	

Additional Recommendations to Principle 14

1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.	A request for exemption was submitted to Commission, setting forth the reasons for the request	Upon receipt of the denial of the request for exemption, the Corporation took diligent steps to comply with the reportorial requirements under the rules and regulations of the Commission.	
2. Company respects intellectual property rights.	Compliant	The Company complies with the provisions of the Intellectual Property Code and all other related laws, rules and regulations for the protection of Intellectual Property Rights.	

Additional Recommendation 14

1. Company discloses its policies and practices that address customers' welfare	Compl	GMA's policies, programs and practices that address customers' welfare are adopted by GHI and are contained in https://aphrodite.gmanetwork.com/corporate/cgr/gma-annual-corporate-governance-report-for-2016-1495788679.pdf	
2. Company discloses its policies and practices that address supplier/contract or selection procedures	Compl	GMA's policies, programs and practices that address supplier/contractor selection procedures are adopted by GHI and are contained in https://aphrodite.gmanetwork.com/corporate/cgr/gma-annual-corporate-governance-report-for-2016-1495788679.pdf	
Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goods and participate in its corporate governance processes.			
Recommendation 15.1			
1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	Compl	GMA's policies, programs and procedures that encourage employee participation are adopted by GHI and are contained in https://aphrodite.gmanetwork.com/corporate/cgr/gma-annual-corporate-governance-report-for-2016-1495788679.pdf	
Supplement to Recommendation 15.1			

1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	Not adopted		The directors/officers of GHI are also directors/officers of GMA. The directors/officers of GHI do not receive compensation for their functions in GHI. This is disclosed in the Annual Report and Definitive Information Statement of the Corporation which may be viewed at: http://www.gmanetwork.com/corporate/disclosures
2. Company has policies and practices on health, safety and welfare of its employees.	Compliant	GMA's policies and practices on health, safety and welfare of employees are adopted by GHI. Statistics and data, if any are contained in https://aphrodite.gmanetwork.com/corporate/cgr/gma-annual-corporate-governance-report-for-2016-1495788679.pdf and in https://www.gmanetwork.com/corporate/cgr/company-policies/	
3. Company has policies and practices on training and development of its employees.	Compliant	Information on any training conducted or attended are disclosed in https://aphrodite.gmanetwork.com/corporate/cgr/ghi-annual-corporate-governance-report-for-2016-1495788588.pdf and https://www.gmanetwork.com/corporate/cgr/certificateofattendance/ in	

Recommendation 15.2

1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	Compliant	GMA's policies, programs and practices on anti-corruption are adopted by GHI and are further explained in https://aphroditte.gmanetwork.com/corporate/cgr/ghi-annual-corporate-governance-report-for-2016-1495788588.pdf and in https://www.gmanetwork.com/corporate/cgr/company-policies/	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant	Information on how the policy and program are disseminated to employees across the organization are set forth in: https://aphroditte.gmanetwork.com/corporate/cgr/ghi-annual-corporate-governance-report-for-2016-1495788588.pdf	
Supplement to Recommendation 152			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	Compliant	GMA's company policy and procedures on penalizing employees involved in corrupt practices are adopted by GHI and are set forth in GMA's Code of Conduct and explained in https://aphroditte.gmanetwork.com/corporate/cgr/ghi-annual-corporate-governance-report-for-2016-1495788588.pdf	
Recommendation 153			

1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	Compliant	GMA's policies, programs on whistle-blowing, no-retaliation are adopted by GHI and are further explained in https://aphrodite.gmanetwork.com/corporate/cgr/gma-annual-corporate-governance-report-for-2016-1495788679.pdf and in https://www.gmanetwork.com/corporate/cgr/company-policies/ Suggestion boxes are strategically placed all over the Network's compound where employees can leave messages/letters that are read and acted upon the GMA Network's CEO.	
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	Compliant	GMA's policies, programs on whistle-blowing, no-retaliation are adopted by GHI and are further explained in https://aphrodite.gmanetwork.com/corporate/cgr/gma-annual-corporate-governance-report-for-2016-1495788679.pdf and in https://www.gmanetwork.com/corporate/cgr/company-policies/	

3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	<p>GMA's policies, programs on whistle-blowing, no-retaliation are adopted by GHI and are further explained in https://gphrodite.gmanetwork.com/corporate/cgr/gma-annual-corporate-governance-report-for-2016-1495788679.pdf and in https://www.gmanetwork.com/corporate/cgr/compdnpolicies/</p> <p>Suggestion boxes are strategically placed all over the Network's compound where employees can leave messages/letters that are read and acted upon the GMA Network's CEO.</p>	
<p>Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.</p>			
Recommendation 16.1			

<p>1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.</p>	<p>Not adopted</p>		<p>The Corporation does not engage in any other business or purpose except in relation to the issuance of the Philippine Depositary Receipts (PDRs) relating to GMA Network, Inc.'s (GMA) common shares ("Common Shares"). The underlying common shares of the PDRs are registered in the name of GHI.</p> <p>Please refer to the Corporation's explanation for the non-adoption of the recommendation contained in the letter dated May 22, 2017 attached to the Company's 2017 Revised Manual on Corporate Governance:</p> <p>https://aphrodite.gmanetwork.com/corporate/cgr/ghi_revised_manual_on_corporate_governance_2017_1496026887.pdf</p>
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Optional Principle 16

<p>1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development</p>	<p>Not adopted</p>		<p>The Corporation does not engage in any other business or purpose except in relation to the issuance of the Philippine Depositary Receipts (PDRs) relating to GMA Network, Inc.'s (GMA) common shares ("Common Shares"). The underlying common shares of the PDRs are registered in the name of GHI.</p> <p>Please refer to the Corporation's explanation for the non-adoption of the recommendation contained in the letter dated May 22, 2017 attached to the Company's 2017 Revised Manual on Corporate Governance:</p> <p>https://aphrodite.gmanetwork.com/corporate/cgr/ghi_-_revised_manual_on_corporate_governance_2017_1496026887.pdf</p>
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2. Company exerts effort to interact positively with the communities in which it operates	Not adopted		<p>The Corporation does not engage in any other business or purpose except in relation to the issuance of the Philippine Depositary Receipts (PDRs) relating to GMA Network, Inc.'s (GMA) common shares ("Common Shares"). The underlying common shares of the PDRs are registered in the name of GHI.</p> <p>Please refer to the Corporation's explanation for the non-adoption of the recommendation contained in the letter dated May 22, 2017 attached to the Company's 2017 Revised Manual on Corporate Governance:</p> <p>https://aphrodite.gmanetwork.com/corporate/cgr/ghi-revised_manual_on_corporate_governance_2017_1496026887.pdf</p>
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NB: All of the information/data herein provided, are based on the Company's available records as of December 31, 2017, and not necessarily from the personal knowledge of the affiants.

Pursuant to the requirement of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report is signed on, behalf of the registrant by the undersigned, thereunto duly authorized, in the City of MANILA on

MAY 22 2018

SIGNATURES


FELIPE L. GOZON
Chairman of the Board


GILBERTO R. DUAVIT, JR.
President/Chief Executive Officer


ARTEMIO V. PANGANIBAN
Independent Director


JAIME BAYA
Independent Director


ROBERTO RAFAEL V. LUCILA
Corporate Secretary/Compliance Officer

SUBSCRIBED AND SWORN to before me this MAY 22 2018 day of _____, 2018, affiants exhibiting to me their evidence of identity, as follows:

Name	Evidence of Identity	Date of Issue/Place
Felipe L. Gozon	SSS ID No. 03-0401472-1	
Gilberto R. Duavit, Jr.	SSS ID No. 33-1841930-6	
Artemio V. Panganiban	Passport No. EC20160733	September 22, 2014 valid until September 21, 2019 at DFA Manila
Jaime C. Laya	Passport No. EC3133727	January 7, 2015 valid until January 6, 2020 at DFA Manila
Roberto Rafael V. Lucila	SSS ID No. 03-6383452-8	

ATTY. VIRGINIA R. BATAJA

NOTARY PUBLIC FOR MAKATI CITY

APPOINTMENT NO. M-88

UNTIL DECEMBER 31, 2018 - ROLL OF ATTY. NO. 48348
MCLE COMPLIANCE NO. V-0026676 /4-11-2018
IBP O.R. No. 709762-LIFETIME MEMBER JAN. 29, 2007
PTR NO. 0509990000 2018- MAKATI CITY
EXECUTIVE BLDG. CENTER MAKATI AVE., COR., JUPITER

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Series of 2018.