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S.E.C. Registration Number

G M A H O L D I N G S I N C.

(Company's Full Name)

U n i t 5D T o w e r O n e
O n e M c K i n l e y P l a c e
N e w G l o b a l C i t y T a g u i g

Atty. Anna Teresa M. Gozon-Abrogar

Contact Person

816-3716 to 19

SECOND AMENDED
DEFINITIVE

2 0 - I S

2015

Month Day
Fiscal Year

Month Day
Annual Meetings

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

SECURITIES AND EXCHANGE
COMMISSION

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SECURITIES AND EXCHANGE
COMMISSION

JUL 23 2015

MARKET REGULATION DEPT.

BY: *fx* TIME: 10:24

July 23, 2015

NOTICE TO STOCKHOLDERS:

**Gilberto R. Duavit, Jr.
Felipe L. Gozon
Joel Marcelo G. Jimenez
Jaime C. Laya
Artemio V. Panganiban
Manuel P. Quiogue
Felipe S. Yalong**

Dear Stockholder:

Please be informed that the Annual Meeting of the Stockholders of GMA Holdings, Inc. has been reset to **August 13, 2015 (Thursday) at 10:00 a.m. at Balducci, G/F, Serendra, Bonifacio Global City, Fort Bonifacio, Taguig City** to consider, discuss or vote on the following

1. Call to order
2. Certification and Notice of Quorum
3. Approval of the Minutes of the Stockholders Meeting held on May 30, 2014.
4. Report of the President
5. Ratification of Acts of the Board of Directors for the previous year
6. Election of Directors, including the Independent Directors
7. Election of the External Auditor
8. Consideration of such other business as may properly come before the meeting
9. Adjournment

Any stockholder may vote by proxy provided that such authorization remains unrevoked and on file with, or is submitted to, the undersigned at the 15/F Sagittarius Building, H.V. De la Costa Street, Salcedo Village, Makati City.

For purposes of the meeting, only stockholders of record as of April 29, 2015 shall be entitled to vote.

The Organizational Meeting of the Board of Directors shall be held immediately after the Annual Stockholders' Meeting. Thank you.

For the Board of Directors:

Anna-Teresa M. Gozon Abrogar
ANNA-TERESA M. GOZON ABROGAR
Corporate Secretary

We are not soliciting your proxy. However, if you are unable to attend the meeting but would like to be represented thereat, you may accomplish the proxy form herein provided below and submit the same to the Office of the Corporate Secretary on or before May 27, 2015. You may deliver the proxy or send it in advance through fax no. (632) 812-0008. Validation of proxies shall be held on August 12, 2015 at 10:00 a.m. at the GMA Network Center.

PROXY

I/We hereby name and appoint _____, or in his/her absence, the Chairman of the meeting, as my/our proxy at the Annual Stockholders' Meeting of GMA Holdings, Inc. to be held at **Balducci, G/F Serendra, Bonifacio Global City, Fort Bonifacio, Taguig City on Friday, August 13, 2015** at 10:00 a.m. and at any postponement or adjournment thereof.

Name

Signature

Date

No. of Shares Held

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

GMA HOLDINGS, INC.

SECURITIES AND EXCHANGE
COMMISSION

RECEIVED
JUL 23 2015

MARKET REGULATION DEPT.
BY: *fy* TIME 10:09

1. Check the appropriate box:

☐ Preliminary Information Statement

☒ Definitive Information Statement

2. Name of Registrant as specified in its charter: **GMA HOLDINGS, INC.**

3. Province, country or other jurisdiction of incorporation or organization: **PHILIPPINES**

4. SEC Identification Number **CS200602356**

5. BIR Tax Identification Code **244-658-896-000**

6. Address of principal office Postal Code

**UNIT 5D TOWER ONE, ONE MCKINLEY PLACE, NEW BONIFACIO GLOBAL CITY,
FORT BONIFACIO, TAGUIG CITY**

7. Registrant's telephone number, including area code **(632) 9827777**

8. Date, time and place of the meeting of security holders

DATE : **August 13, 2015**

TIME : **10:00 a.m.**

PLACE: **Balducci, G/F Serendra, Bonifacio Global City, Fort Bonifacio,
Taguig City**

9. Approximate date on which the Information Statement is first to be sent or given to security holders

July 23, 2015

10. In case of Proxy Solicitations:

Name of Person Filing the Statement/Solicitor: **NOT APPLICABLE**

Address and Telephone No.: **NOT APPLICABLE**

10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Philippine Depositary Receipts ("PDRs")	846,831,300

12. Are any or all of registrant's securities listed in a Stock Exchange?

PDRs/PHILIPPINE STOCK EXCHANGE

GMA HOLDINGS, INC.

This Information Statement dated July 23, 2015, is being furnished to the stockholders of record of GMA Holdings, Inc. as of April 29, 2015 in connection with the Annual Stockholders' Meeting.

**WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE
REQUESTED NOT TO SEND US A PROXY.**

A. GENERAL INFORMATION

Item 1. Date, time and place of meeting of security holders.

- (a) State the date, time and place of the meeting

Date : August 13, 2015
Time : 10:00 a.m.
Place: **Balducci, G/F Serendra, Bonifacio Global City, Fort Bonifacio,
Taguig City**

- (b) Approximate date on which copies of the information statement are first to be sent to the security holders:

July 23, 2015

Item 2. Dissenters' Right of Appraisal

Title X of the Corporation Code of the Philippines grants to a shareholder the right to dissent and demand payment of the fair value of his share in certain instances, to wit: (1) in case any amendment to the corporation's articles of incorporation has the effect of changing and restricting the rights of any shareholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class; (2) in case of any sale, lease, exchange, transfer, mortgage or other disposition of all or substantially all of the corporate property or assets; (3) in case of merger or consolidation; (4) in case the corporation decides to invest its funds in another corporation or business or for any purpose other than the primary purpose; and (5) extension or shortening of the term of corporate existence.

Under Section 42 of the Corporation Code, a stockholder is likewise given an appraisal right in cases where a corporation decides to invest its funds in another corporation or business. The appraisal right may be exercised by a stockholder who shall have voted against any of the foregoing corporate actions proposed in a meeting by making written demand on the corporation for the payment of the fair value of his/its shares within 30 days after the date on which the vote is taken. Failure to make written demand within such period shall be deemed a waiver of such right. If the proposed action is implemented, the corporation shall pay to a stockholder surrendering his/its stock certificates the fair value of such shares as of the day prior to the date on which the vote was taken; however, no payment shall be made to any stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment. Within ten days after demanding payment for his shares, a dissenting stockholder shall submit his stock certificates for notation thereon that such shares are dissenting shares, failing which, his/its appraisal right shall, at the option of the corporation, terminate. Upon payment of the purchase price for the shares, the stockholder must transfer his shares to the corporation.

From the time a demand for payment of fair value until either the abandonment of the corporate action involved or the purchase of said shares by the corporation, all rights accruing to such shares, including voting and dividend rights, shall be suspended. If the dissenting stockholder is not paid the value of the shares within 30 days after the award, his voting and dividend rights shall be restored.

None of the proposed corporate actions qualifies as an instance for a possible exercise by security holders of their appraisal rights under Title X of the Corporation Code of the Philippines.

Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

- (a) There is no matter to be acted upon in which any Director or Executive Officer is involved or had a direct, indirect or substantial interest.
- (b) No Director has informed the Company of his opposition to any matter to be acted upon.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

- (a) GMA Holdings, Inc. ("the Company") has 10,000 common shares subscribed and outstanding as of June 30, 2015. Every stockholder shall be entitled to one vote for each common share held as of the established record date.
- (b) All stockholders of record as of the closing of business on April 29, 2015 are entitled to notice of and to vote at the Company's Annual Stockholders' Meeting.
- (c) With respect to the election of directors, a stockholder may vote such number of shares for as many persons as there are directors to be elected or he may accumulate said shares and give one candidate as many votes as the number of directors to be elected or he may distribute them on the same principle among as many candidates as he shall see fit; provided, that the total number of votes cast by him shall not exceed the total number of shares owned by him multiplied by the whole number of directors to be elected.
- (d) The following are the information on security ownership of certain record and beneficial owners and management:

Security Ownership of Certain Record and Beneficial Owners as of June 30, 2015

As of June 30, 2015, 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	Percent-age of Class
Common	Felipe L. Gozon Unit 5 5D Tower One, One McKinley Place, New Bonifacio City, Fort Bonifacio, Taguig City	The Record owner is the Beneficial Owner	Filipino	3,330	33.30
Common	Gilberto R. Duavit, Jr. Unit 5 5D Tower One, One McKinley Place, New Bonifacio City, Fort Bonifacio, Taguig City	The Record owner is the Beneficial Owner	Filipino	3,330	33.30
Common	Joel Marcelo G. Jimenez Unit 5 5D Tower One, One McKinley Place, New Bonifacio City, Fort Bonifacio, Taguig City	The Record owner is the Beneficial Owner	Filipino	3,330	33.30
			Total	9,990	99.90

Felipe L. Gozon, Gilberto R. Duavit, Jr. and Joel Marcelo G. Jimenez are significant stockholders of the Company.

Security Ownership of Management as of June 30, 2015:

As of June 30, 2015, the Company's directors and senior officers owned an aggregate of 96,996 common shares of the Company, equivalent to 99.96% of the Company's issued and outstanding common capital stock.

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	Artemio V. Panganiban	Direct 4	Filipino	.04
Common	Jaime C. Laya	Direct 1	Filipino	.01
Common	Felipe S. Yalong	Direct 1	Filipino	.01
	Total	99,996		99.96

Voting Trust Holders of more than 5%

The Company is not aware of any person holding more than 5% of shares under a voting trust or similar arrangement.

Changes in Control

The Company is not aware of any arrangement which may have resulted in a change in control of the Company during the period covered by this report.

Foreign Equity

The Company's equity (consisting of common shares) are wholly-owned by Filipinos. While the PDRs issued by the Company may be owned by any person regardless of citizenship or nationality, the exercise of which is subject to the nationality restriction under the Philippine Constitution prohibiting foreign ownership in mass media companies. As a result, the Underlying Shares (GMA Network, Inc. common shares) resulting from an exercise of the PDRs may only be issued to Philippine citizens or corporations, cooperatives or associations wholly owned and managed by Philippine citizens. Although holders of PDRs will enjoy

economic rights upon occurrence of certain events in respect of the Underlying Shares, they will not have any voting rights in respect of the Underlying Shares. Such voting rights will, until exercise of the PDR, be retained and exercised by GHI or the Company. Pending exercise of the PDRs, the Shares deliverable on exercise of the PDRs shall be owned by and registered in the name of the Issuer. The Shares underlying the PDRs have been delivered and pledged by the Issuer to the Pledge Trustee, and held to the order and for the benefit of the Holders as security for the delivery of the Shares upon exercise of the PDRs pursuant to the Pledge. Until an exercise of a PDR, the Issuer, as owner of Shares underlying the relevant PDR, will retain and exercise such voting rights relating to such Shares.

Item 5. Directors and Executive Officers

Nominees for Election as Members of the Board of Directors

The following were nominated as members of the Board of Directors for the ensuing year (2015-2016):

Gilberto R. Duavit, Jr.
Felipe L. Gozon
Joel Marcelo G. Jimenez
Jaime C. Laya (*Independent Director*)
Artemio V. Panganiban (*Independent Director*)

All the nominees are incumbent directors. The nominees were formally nominated by Gilberto R. Duavit, Jr. Gilberto R. Duavit, Jr. has no relationship with the nominated independent directors, Jaime C. Laya and Artemio V. Panganiban.

The Company's By-laws provide that all nominations to the Board of Directors shall be submitted in writing to the Nomination Committee before the date of the regular annual meeting of the stockholders. The Nomination Committee has reviewed the qualifications of the nominees and approved the final list of candidates.

The members of the Nomination Committee are as follows:

Felipe L. Gozon (Chairman)
Gilberto R. Duavit, Jr.
Joel Marcelo G. Jimenez
Jaime C. Laya

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 is elected to fill a vacancy holds the office only for the unexpired term of his predecessor. As of June 30, 2015, 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	75
Gilberto R. Duavit, Jr.	Filipino	Director	2007	President/Chief Executive Officer	2007	51
Joel Marcelo G. Jimenez	Filipino	Director	2007	N/A	N/A	51
Felipe S. Yalong	Filipino	Corporate Treasurer	2007	Chief Financial Officer/Chief Operating Officer	2012	58
Artemio V. Panganiban	Filipino	Independent Director	2009	N/A	N/A	78
Jaime C. Laya	Filipino	Independent Director	2008	N/A	N/A	76
Ronaldo P. Mastrilli	Filipino	N/A	N/A	Comptroller/Chief Accounting Officer	2007	49
Roberto O. Parel	Filipino	N/A	N/A	Vice-President/ Compliance Officer	2013	59
Anna Teresa M. Gozon-Abrogar	Filipino	Corporate Secretary	2007	N/A	N/A	43

Felipe L. Gozon, Filipino, 75 years old, is the Chairman of the Board of Directors and Chief Executive Officer of the Network.

Atty Gozon is a Senior Partner at the Law Firm of Belo Gozon Elma Parel Asuncion & Lucila. Aside from GMA Network, Inc., he is also Chairman and CEO of GMA Marketing and Productions, Inc. and GMA New Media, Inc.; Chairman and President of FLG Management and Development Corp., and Mont-Aire Realty and Development Corp.; Chairman of Alta Productions Group, Inc., Citynet Network Marketing and Productions, Inc., Philippine Entertainment Portal, Inc., Justitia Realty and Management Corp., Palawan Power Generation, Inc., Catanduanes Power Generation, Inc., Sycamore Global Shipping Corporation, Sycamore International Shipping Corporation, Cardinal Agri Products, Inc., and RGMA Network, Inc.; Vice Chairman of Malayan Savings and Mortgage Bank; President of, among other companies, Gozon Development Corp., Gozon Realty Corp., Antipolo Agri-Business and Land Development Corp., Capitalex Holdings, Inc., BGE Holdings, Inc., Philippine Chamber of Commerce and Industry, Chamber of Commerce of the Philippine Islands and President of Lex Realty, Inc. He serves as Chairman of the Board of Trustees of GMA Kapuso Foundation, Inc., Kapwa Ko Mahal Ko Foundation, Inc., and The Potter and Clay Christian School Foundation, Inc.; Chairman and President of Gozon Foundation; and Trustee of Bantayog ng mga Bayani Foundation. Gozon is also an Advisory Board Member of the Asian Television Awards.

Atty. Gozon is a recipient of several awards for his achievement 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, 51 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. and Vice Chairman of the Board of GMA Marketing and Productions, Inc. He also serves as President and CEO of GMA Holdings, Inc., Scenarios, 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., Trustee of Guronasyon Foundation, Inc. (formerly LEAF) and is a Trustee of the HERO Foundation.

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

Joel Marcelo G. Jimenez, Filipino, 51 years old, has been a Director of the Company since 2002. He is currently the President and CEO of Menarco Holdings and the Chief Executive Officer of Alta Productions, Inc. He is a Director of RGMA Network, Inc., GMA New Media, Inc., Scenarios, Inc., and GMA Worldwide, Inc., besides also being a member of the Board of Directors of Malayan Savings and Mortgage Bank, and Unicapital Securities, Inc. He is also a Director of Nuvoland Philippines, a real-estate development company. He is a Trustee of GMA Kapuso Foundation, Inc.

He was educated in Los Angeles, California where he obtained a Bachelor's Degree in Business Administration from Loyola Marymount University. He also obtained a Master's Degree in Management from the Asian Institute of Management.

Felipe S. Yalong, Filipino, 58 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., Majalco Finance and Investments, Inc., and GMA Marketing and Productions, 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.

Dr. Jaime C. Laya, Filipino, 76 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., and Philippine AXA Life Insurance Company, Inc. 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 foundations. 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, 78 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, Bank of the Philippine Islands, Asian Terminals, and a regular Director of Jollibee Foods Corporation. He is also a Senior Adviser of Metropolitan Bank, 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. 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.

Atty. Roberto O. Parel, Filipino, 59 years old, has been the Corporate Secretary of the Company since 1993. He is a Partner at the Law Firm of Belo Gozon Elma Parel Asuncion & Lucila. His practice areas include labor relations, natural resources and intellectual property. He is a Director of Time-Life International Philippines, Berong Nickel Corporation, Ulugan Nickel Corporation, Ulugan Resources Holdings, Inc., Nickeline Resources Holdings, Inc., TMM Management Inc. and Assetlex Development Company, Inc.; Corporate Secretary of Alta Productions Group, Inc., Scenarios, Inc., Citynet Network Marketing and Productions, Inc. and GMA Kapuso Foundation, Inc.

He graduated from the University of the Philippines with a Bachelor of Arts degree in Philosophy and a Bachelor of Laws degree. He was admitted to the Philippine Bar in 1981. Atty. Parel further pursued legal studies through short programs at the Center of American and International Law and the Southwestern Legal Foundation in Dallas, Texas. Later, he attended a training program on Industrial Property Rights held by the Japan Institute of Invention and Innovation and the Association for Overseas Technical Scholarship in Tokyo, Japan.

Atty. Anna Teresa G. Abrogar, Filipino, 43 years old, has been a Director of the Company since 2000. Atty. Anna Teresa G. Abrogar 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 was an Associate Professor in the University of the Philippines, College of Law where she taught taxation.

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, 49 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 Comptroller of GMA Films, GMA Kapuso Foundation and GMA Worldwide.

Significant Employees

Although the Company will continue to rely on the individual and collective contributions of their executive officers, the Company is not dependent on the services of any particular employee.

Family Relationships

Anna Teresa M. Gozon-Abrogar 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 and up to the date of this Information Statement, 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.

Resignation of Directors

No director has resigned or declined to stand for re-election to the Board of Directors since the date of the initial organization of the Company because of a disagreement with the Company on matters relating to the Company's operations, policies and practices.

Certain Relationships and Related Transactions

On May 30, 2008, the Company engaged as its legal counsel 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. The Company and BGEPAL are currently negotiating the fees in relation to the services provided, ensuring that the same is done on an arm's length basis.

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 10 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 6. Compensation of Directors and Executive Officers

Compensation of Directors and Executive Officers

The following sets forth the summary of the Company's compensation to its executive officers:

Name and Position

Gilberto R. Duavit, Jr.

President and Chief Executive Officer

Felipe S. Yalong

Chief Financial Officer/ Chief Operating Officer

Ronaldo P. Mastrili

Chief Accounting Officer/ Comptroller

	Year	Salaries (in thousands)	Bonuses (in thousands)	Other Income	Total (in thousands)
CEO and the highest compensated officers named above	2012	-	-	-	-

	2013	-	-	-	-
	2014	-	-	-	-
	2015	-	-	-	-
	(estimate)				
Aggregate compensation paid to all officers and directors as a group unnamed	2012	-	-	-	-
	2013	-	-	-	-
	2014	-	-	-	-
	2015	-	-	-	-
	(estimate)				

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.

The Company has no other arrangement with regard to the remuneration of its existing directors and officers aside from the compensation received as herein stated.

Employment Contracts, Termination of Employment, Change-in-control Arrangements

The directors and executive officers do not have any employment contracts, and are elected to their respective positions on a yearly basis. The Company has no compensatory plans or arrangements with respect to any executive officer that would result from the resignation, retirement or any other termination of such executive officer's employment.

Item 7. Independent Public Accountants

- (a) SyCip Gorres Velayo & Co. ("SGV & Co.") has acted as the Company's external auditors since 2007. SGV & Co. is being recommended for re-election at the scheduled Annual Stockholders' Meeting on August 13, 2015.
- (b) Representatives of SGV & Co. for the current year and for the most recently completed fiscal year are expected to be present at the Annual Stockholders' Meeting. They will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

The Company became publicly listed with the Philippine Stock Exchange on July 30, 2007. Pursuant to Rule 68 paragraph 3 (b) (iv), the Company has engaged Ms. Marydith C. Miguel, partner of SGV & Co., to sign the Company's 2014 audited financial statements.

- (c) Changes in and disagreements with accountants on accounting and financial disclosure.

The Company has not had any disagreements on accounting and financial disclosures with its current external auditors during the two most recent fiscal years or any subsequent interim period.

- (d) SGV & Co. professional fees billed for its year-end financial audit of the Company covering the years 2013, 2012 and 2011 amounted to P75 thousand per year. These included the fees related to financial audit and services for general tax compliance. No other fees of any nature were paid.
- (d) The Company's Audit Committee was formed in 2008. The Audit Committee reviews the fee arrangements with the external auditor and recommends the same to the Board of Directors.

The members of the Audit Committee are as follows:

Dr. Jaime C. Laya (*Chairman*)
Gilberto R. Duavit, Jr.
Chief Justice Artemio V. Panganiban
Felipe S. Yalong (*Corporate Treasurer*)

Item 8. **Compensation Plans**

No action shall be taken with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. **Authorization or Issuance of Securities Other than for Exchange**

No action shall be taken with respect to the authorization or issuance of any securities otherwise than for exchange for outstanding securities of the Company.

Item 10. **Modification or Exchange of Securities**

No action shall be taken with respect to the modification of any class of securities of the Company, or the issuance or authorization for issuance of one class of securities of the Company in exchange for outstanding securities of another class.

Item 11. Financial and Other Information

In connection with Item 11 hereof, the Company has incorporated by reference the following as contained in the Management Report prepared in accordance with Rule 68 of the Securities and Regulation Code:

- a. Audited Financial Statements for December 31, 2013 and 2014;
- b. Management's Discussion and Analysis or plan of operation; and
- c. Information on business overview, properties, legal proceedings, market price of securities and dividends paid out, and corporate governance

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

No action is to be taken with respect to the mergers, consolidations, acquisitions and similar matters.

Item 13. Acquisition or Disposition of Property

No action is to be taken with respect to the acquisition or disposition of any property.

Item 14. Restatement of Accounts

No action is to be taken with respect to the restatement of any asset, capital or surplus account of the Company.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

- a. Approval of the Annual Report of Management and the Audited Financial Statements for the year ending December 31, 2014.
- b. Approval of the Minutes of the Annual Stockholders' Meeting held on May 31, 2013.
The salient matters are summarized as follows:
 - (1) Approval of the Minutes of the Stockholders' Meeting held on May 25, 2012
 - (2) Report of the President
 - (3) Ratification of Acts of the Board of Directors for the Previous Year
 - (4) Amendment of the Articles of Incorporation to state the specific address of the Corporation's principal office pursuant to SEC MC No. 6, Series of 2014
 - (5) Election of Directors, including the Independent Directors
 - (6) Election of the External Auditor

c. **Ratification of Acts of the Board of Directors for the previous year**

All acts and resolutions of the Board of Directors and Management for the period covering May 31, 2014 to August 13, 2015 adopted in the ordinary course of business involving

- > Approval of borrowings, opening of accounts and bank transactions;
- > Appointment of signatories;
- > Approval of the minutes of the organizational meeting last May 30, 2014
- > Approval of the record date and venue of the Annual Stockholders' Meeting
- > Approval of the Financial Statements

Item 16. **Matters Not Required to be Submitted**

All actions or matters to be submitted in the meeting will require the vote of the security holders.

Item 17. **Amendment of Charter, Bylaws or Other Documents**

Upon approval of the stockholders, the Articles of Incorporation of the Company will be further amended to state the specific address of the Company's principal office pursuant to SEC MC No. 6, Series of 2014.

Item 18. **Other Proposed Action**

(a) Ratification of the Acts of the Board of Directors/Corporate Officers:

- (i) Declaration of Cash Dividends of P0.27 per share by GMA Network Inc. on April 2, 2014 to PDR Holders. The record date for the PDR holders who were entitled to receive the cash amounts was on April 24, 2014 (Thursday) [the same record date for GMA Network, Inc. stockholders] and the cash amounts were distributed to the PDR holders on May 20, 2014 (Tuesday).
- (ii) All acts and resolutions of the Board of Directors and Management for the period covering May 31, 2013 to May 30, 2014 adopted in the ordinary course of business involving
 - > Approval of borrowings, opening of accounts and bank transactions;
 - > Appointment of signatories;
 - > Approval of the minutes of the organizational meeting last May 30, 2014
 - > Approval of the record date and venue of the Annual Stockholders' Meeting
 - > Approval of the Financial Statements

- (b) Election of the Members of the Board of Directors, including two independent directors for the ensuing calendar year
- (c) Election of the External Auditor

Item 19. Voting Procedures

- (a) **Vote Required:** Motions, in general, require the affirmative vote of a majority of the shares of the Company's common stock present and/or represented and entitled to vote. However, under Philippine law, certain proposed actions may require the vote of at least two thirds (2/3) of the outstanding capital stock of the Company. The manner of voting is non-cumulative, except as to the election of directors.

- (b) **Method: *Straight and cumulative voting.*** In the election of directors, the five (5) nominees garnering the highest number of votes shall be elected directors. The stockholder may vote such number of shares for as many person as there are directors to be elected, or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected, or he may distribute them on the same principle among as many candidates as he shall see fit; provided, the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by the number of directors to be elected.

If there are more than five nominees, voting shall be done by secret ballot. If there are only five nominees, voting shall be done by a show of hands.

The Corporate Secretary or the Secretary of the meeting shall be responsible for validating the votes if the voting is done by secret ballot. The Corporate Secretary or the Secretary of the meeting shall likewise be responsible if the voting is done by a show of hands.

Other than the nominees' election as directors, no director, executive officer, nominee or associate of the nominees has any substantial interest, direct or indirect by security holdings or otherwise in any way of the matters to be taken upon during the meeting. The Company has not received any information that an officer, director or stockholder intends to oppose any action to be taken at the Annual Stockholders' Meeting.

Upon written request of the stockholders, the Company undertakes to furnish said stockholder with a copy of the SEC Form 17-A free of charge. Any written request for a copy of the SEC Form 17-A shall be addressed to the following:

GMA HOLDINGS, INC.
9/F GMA NETWORK CENTER
EDSA corner Timog Avenue
Diliman, Quezon City

Attention: Ronaldo P. Mastrili
Chief Accounting Officer

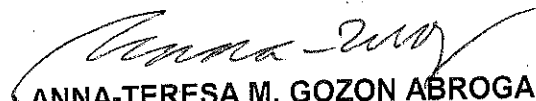
The Company's first quarter interim financial report is attached herewith and is also available in the Company's website.

SIGNATURE PAGE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati on July 23, 2015

GMA HOLDINGS, INC.

By:


ANNA-TERESA M. GOZON ABROGAR
Corporate Secretary

MANAGEMENT'S REPORT

I. 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 Deposit 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 full-time employees as of March 31, 2013 and does not anticipate in hiring any employees within the next 12 months. No labor unions are present within the Company.

II. 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.

III. Legal Proceedings

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

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

Market Information

The Company first offered PDRs relating to GMA Network, Inc. Common Shares on July 30, 2007. These PDRs were listed on the Philippine Stock Exchange on the same date.

2014		Stock Prices (GMAP)	
<u>Period in 2014</u>	<u>Highest Closing</u>	<u>Lowest Closing</u>	
1Q	9.00	7.78	
2Q	8.00	7.30	
3Q	7.45	6.82	
4Q	6.95	5.99	

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, July 21, 2015, is P6.35 for GMAP (PDRs).

Holders

The total number of shareholders as of June 30, 2015 was seven. The number of shares subscribed as of June 30, 2015 was 10,000 or P100,000.00. All the common shareholders of are listed hereunder:

<u>Name of Shareholder</u>	<u>No. of Shares Subscribed</u>	<u>Percentage of Ownership</u>
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. Quiogue	4	.04
Jaime C. Laya	1	.01
Felipe S. Yalong	1	.01
Total	10,000	100.00

Dividend Information

Dividends shall be declared only from the surplus profits of the corporation and shall be payable at such times and in such amounts as the Board of Directors shall determine, either in cash, shares or property of the Company, or a combination of the three, as said Board of Directors shall determine. The declaration of stock dividends, however, is subject to the approval of at least two-thirds of the outstanding capital stock. No dividend which will impair the capital of the Company shall be declared.

The company has no dividend declaration in 2013.

In 2012, the Company declared P259 per share cash dividends amounting to P2.59 million to all stockholders of record as at May 25, 2012. This was paid on June 8, 2012.

The company has no dividend declaration in 2011.

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 the 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.

Recent Sales of Unregistered or Exempt Securities

No sale of unregistered or exempt securities of the Company has occurred within the past three years.

V. 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 GAAP.

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 2, 2014, the Company approved a cash distribution to PDR holders of P0.27 per share, in relation to dividends declared by GMA, totaling to P231.53 million to all shareholders of record as at April 24, 2014. These were remitted to PDR holders on May 20, 2014.

On April 24, 2013, the Company approved a cash distribution to PDR holders of P0.25 per share, in relation to dividends declared by GMA, to all stockholders of record as of April 17, 2013. These were remitted to PDR holders on May 15, 2013.

On August 1, 2012, the Company approved a cash distribution to PDR holders of P0.26 per share, in relation to dividends declared by GMA, totaling to P223.87 million to all shareholders of record as at August 22, 2012. These were remitted to PDR holders on September 14, 2012.

On March 28, 2012, the Company approved a cash distribution to PDR holders of P0.40 per share, in relation to dividends declared by GMA, totaling to P344.62 million to all shareholders of record as at April 16, 2012. These were remitted to PDR holders on May 9, 2012.

On March 11, 2011, the Company approved cash distribution to PDR holders of P0.45 per share, in relation to dividends declared by GMA, totaling to P387.88 million to all shareholders of record as at April 8, 2011. These were remitted to PDR holders on May 6, 2011.

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 of GMA Holdings Inc. for the years ended December 31, 2014 and 2013

GMA Holdings Inc. ended the year with a pre-tax income of P607 thousand, a turnaround from last year's losses of P139 thousand as a result of higher revenues coupled with lower operating expenses. Likewise, net income after tax amounted to P350 thousand, an increase of P730 thousand from P380 thousand loss in 2013. This year's revenues reached P1.65 million, an improvement of 37% or P446 thousand from last year's level of P1.21 million mainly brought about by the conversion of 9.16 million PDR shares to common shares versus none in comparative period.

On the other hand, operating expenses of P1.05M decreased by 22% or P299 thousand from P1.34 million in 2013 on account of lower professional fees and listing fees. Listing fees of P690 thousand declined by 14% or P109 thousand as an offshoot of lower market cap.

Professional fees for the services of law firm, trust fees and audit fees went down by 42% to only P280K as a result of the reduced billing for legal and other corporate housekeeping services.

On March 30, 2015, the management approved cash dividend declaration of P500 thousand to stockholders of record as at December 31, 2014.

Financial Condition. Total assets totaled P48.91 million, a tad higher than last year's P48.29 million due to purchase of TIER II note, transferring P21.00M cash equivalents to AFS investment measured at fair value of P21.80 million.

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, 2014, 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, 2014, 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 during the reporting period.

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

For 2014, 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. There are 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 Company's continuing operations.

As of December 31, 2014, 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

Balance Sheet (December 31, 2014 vs. December 31, 2013)

- Cash and cash equivalent decreased by P21 million to only P26.67 million as a result of the purchase of Tier II note, transferring the cash equivalents to investments.
- Accounts payable and accrued expenses declined by 61% to P286 thousand, due to lower billing for legal fees and other services.

- viii. Seasonal aspects that had a material effect on the financial condition or results of operations.

There are no seasonal aspects that had a material effect on the financial condition or results of operations.

INTERIM PERIODS

The Company's first quarter interim financial report is attached herewith and is also available in the Company's website.

VI. Corporate Governance

The Board of Directors has established a set of policies and initiatives to ensure that GMA Holding's business practices are compliant with the best practices in corporate governance. On March 31, 2011, a Manual on Corporate Governance was submitted to the Securities and Exchange Commission in compliance with SEC Memorandum Circular 6, Series of 2009.

The Manual sets out the principles of good management and defines the specific responsibilities of the Board, the Board Committees, and Management within the over-all governance framework.

The Manual conforms to the requirements of the Philippine Securities and Exchange Commission and covers policies, among others:

- (a) independent directors, (b) key board committees (e.g. Executive Committee, Nomination Committee, Audit Committee, Compensation and Remuneration Committee); (c) independent auditors, (d) internal audit, (e) disclosure system of company's governance policies, (f) stockholder rights, (g) monitoring and assessment, and (h) penalties for non-compliance.

On November 6, 2012, the Board designated a Compliance Officer, Atty. Roberto O. Parel, who at the same time holds the designation of Vice-President. The Compliance Officer is responsible for monitoring compliance by the Company with the provisions and requirements of good corporate governance.

Based on the 2014 Updates of the Annual Corporate Governance Manual which the Company filed on Company's Manual filed with the Commission, there have been no deviations from the Company's Manual as of date.

VII. Financial Statements



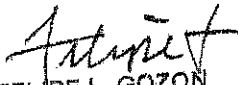
**STATEMENTS OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**


Securities and Exchange Commission
SEC Building, EDSA Greenhills
Mandaluyong, Metro Manila

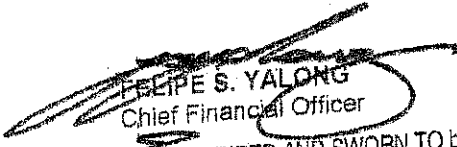
The management of GMA Holdings, Inc. is responsible for the preparation and fair presentation of the financial statements for the years ended December 31, 2014 and 2013, including the additional components attached therein. In accordance with Philippine Financial Reporting Standards, this responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the financial statements and submits the same to the stockholders.

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


FELIPE L. GOZON
Chairman of the Board


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


FELIPE S. YALONG
Chief Financial Officer

APR 15 2015


SUBSCRIBED AND SWORN TO before me this ____ day of April 2015 at Makati City, affiants exhibiting to me their competent evidence of identities as follows:

Name
Felipe L. Gozon
Gilberto R. Duavit, Jr.
Felipe S. Yalong

Passport No.
EB7372600
TIN No. 158-147-748
EB7528245

Date and Place of Issue
Feb. 13, 2013/DFA, Manila

March 1, 2013/DFA, Manila


MARIA THERESA E. DE MESA
Appointment No. M-528
Notary Public for Makati City
Until December 31, 2015
Roll No. 47224

Doc. No. 730
Page No. 41
Book No. 11
Series of 2015

PTR No. 475492-47553, 9, 2015/Makati City
Lifetime IBF No. 09348/Oct. 1, 2010/Manila IV

GMA HOLDINGS, INC. 117, 119, 121, 123, 125, 127, 129, 131, 133, 135, 137, 139, 141, 143, 145, 147, 149, 151, 153, 155, 157, 159, 161, 163, 165, 167, 169, 171, 173, 175, 177, 179, 181, 183, 185, 187, 189, 191, 193, 195, 197, 199, 201, 203, 205, 207, 209, 211, 213, 215, 217, 219, 221, 223, 225, 227, 229, 231, 233, 235, 237, 239, 241, 243, 245, 247, 249, 251, 253, 255, 257, 259, 261, 263, 265, 267, 269, 271, 273, 275, 277, 279, 281, 283, 285, 287, 289, 291, 293, 295, 297, 299, 301, 303, 305, 307, 309, 311, 313, 315, 317, 319, 321, 323, 325, 327, 329, 331, 333, 335, 337, 339, 341, 343, 345, 347, 349, 351, 353, 355, 357, 359, 361, 363, 365, 367, 369, 371, 373, 375, 377, 379, 381, 383, 385, 387, 389, 391, 393, 395, 397, 399, 401, 403, 405, 407, 409, 411, 413, 415, 417, 419, 421, 423, 425, 427, 429, 431, 433, 435, 437, 439, 441, 443, 445, 447, 449, 451, 453, 455, 457, 459, 461, 463, 465, 467, 469, 471, 473, 475, 477, 479, 481, 483, 485, 487, 489, 491, 493, 495, 497, 499, 501, 503, 505, 507, 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909, 911, 913, 915, 917, 919, 921, 923, 925, 927, 929, 931, 933, 935, 937, 939, 941, 943, 945, 947, 949, 951, 953, 955, 957, 959, 961, 963, 965, 967, 969, 971, 973, 975, 977, 979, 981, 983, 985, 987, 989, 991, 993, 995, 997, 999, 1001, 1003, 1005, 1007, 1009, 1011, 1013, 1015, 1017, 1019, 1021, 1023, 1025, 1027, 1029, 1031, 1033, 1035, 1037, 1039, 1041, 1043, 1045, 1047, 1049, 1051, 1053, 1055, 1057, 1059, 1061, 1063, 1065, 1067, 1069, 1071, 1073, 1075, 1077, 1079, 1081, 1083, 1085, 1087, 1089, 1091, 1093, 1095, 1097, 1099, 1101, 1103, 1105, 1107, 1109, 1111, 1113, 1115, 1117, 1119, 1121, 1123, 1125, 1127, 1129, 1131, 1133, 1135, 1137, 1139, 1141, 1143, 1145, 1147, 1149, 1151, 1153, 1155, 1157, 1159, 1161, 1163, 1165, 1167, 1169, 1171, 1173, 1175, 1177, 1179, 1181, 1183, 1185, 1187, 1189, 1191, 1193, 1195, 1197, 1199, 1201, 1203, 1205, 1207, 1209, 1211, 1213, 1215, 1217, 1219, 1221, 1223, 1225, 1227, 1229, 1231, 1233, 1235, 1237, 1239, 1241, 1243, 1245, 1247, 1249, 1251, 1253, 1255, 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1589, 1591, 1593, 1595, 1597, 1599, 1601, 1603, 1605, 1607, 1609, 1611, 1613, 1615, 1617, 1619, 1621, 1623, 1625, 1627, 1629, 1631, 1633, 1635, 1637, 1639, 1641, 1643, 1645, 1647, 1649, 1651, 1653, 1655, 1657, 1659, 1661, 1663, 1665, 1667, 1669, 1671, 1673, 1675, 1677, 1679, 1681, 1683, 1685, 1687, 1689, 1691, 1693, 1695, 1697, 1699, 1701, 1703, 1705, 1707, 1709, 1711, 1713, 1715, 1717, 1719, 1721, 1723, 1725, 1727, 1729, 1731, 1733, 1735, 1737, 1739, 1741, 1743, 1745, 1747, 1749, 1751, 1753, 1755, 1757, 1759, 1761, 1763, 1765, 1767, 1769, 1771, 1773, 1775, 1777, 1779, 1781, 1783, 1785, 1787, 1789, 1791, 1793, 1795, 1797, 1799, 1801, 1803, 1805, 1807, 1809, 1811, 1813, 1815, 1817, 1819, 1821, 1823, 1825, 1827, 1829, 1831, 1833, 1835, 1837, 1839, 1841, 1843, 1845, 1847, 1849, 1851, 1853, 1855, 1857, 1859, 1861, 1863, 1865, 1867, 1869, 1871, 1873, 1875, 1877, 1879, 1881, 1883, 1885, 1887, 1889, 1891, 1893, 1895, 1897, 1899, 1901, 1903, 1905, 1907, 1909, 1911, 1913, 1915, 1917, 1919, 1921, 1923, 1925, 1927, 1929, 1931, 1933, 1935, 1937, 1939, 1941, 1943, 1945, 1947, 1949, 1951, 1953, 1955, 1957, 1959, 1961, 1963, 1965, 1967, 1969, 1971, 1973, 1975, 1977, 1979, 1981, 1983, 1985, 1987, 1989, 1991, 1993, 1995, 1997, 1999, 2001, 2003, 2005, 2007, 2009, 2011, 2013, 2015, 2017, 2019, 2021, 2023, 2025, 2027, 2029, 2031, 2033, 2035, 2037, 2039, 2041, 2043, 2045, 2047, 2049, 2051, 2053, 2055, 2057, 2059, 2061, 2063, 2065, 2067, 2069, 2071, 2073, 2075, 2077, 2079, 2081, 2083, 2085, 2087, 2089, 2091, 2093, 2095, 2097, 2099, 2101, 2103, 2105, 2107, 2109, 2111, 2113, 2115, 2117, 2119, 2121, 2123, 2125, 2127, 2129, 2131, 2133, 2135, 2137, 2139, 2141, 2143, 2145, 2147, 2149, 2151, 2153, 2155, 2157, 2159, 2161, 2163, 2165, 2167, 2169, 2171, 2173, 2175, 2177, 2179, 2181, 2183, 2185, 2187, 2189, 2191, 2193, 2195, 2197, 2199, 2201, 2203, 2205, 2207, 2209, 2211, 2213, 2215, 2217, 2219, 2221, 2223, 2225, 2227, 2229, 2231, 2233, 2235, 2237, 2239, 2241, 2243, 2245, 2247, 2249, 2251, 2253, 2255, 2257, 2259, 2261, 2263, 2265, 2267, 2269, 2271, 2273, 2275, 2277, 2279, 2281, 2283, 2285, 2287, 2289, 2291, 2293, 2295, 2297, 2299, 2301, 2303, 2305, 2307, 2309, 2311, 2313, 2315, 2317, 2319, 2321, 2323, 2325, 2327, 2329, 2331, 2333, 2335, 2337, 2339, 2341, 2343, 2345, 2347, 2349, 2351, 2353, 2355, 2357, 2359, 2361, 2363, 2365, 2367, 2369, 2371, 2373, 2375, 2377, 2379, 2381, 2383, 2385, 2387, 2389, 2391, 2393, 2395, 2397, 2399, 2401, 2403, 2405, 2407, 2409, 2411, 2413, 2415, 2417, 2419, 2421, 2423, 2425, 2427, 2429, 2431, 2433, 2435, 2437, 2439, 2441, 2443, 2445, 2447, 2449, 2451, 2453, 2455, 2457, 2459, 2461, 2463, 2465, 2467, 2469, 2471, 2473, 2475, 2477, 2479, 2481, 2483, 2485, 2487, 2489, 2491, 2493, 2495, 2497, 2499, 2501, 2503, 2505, 2507, 2509, 2511, 2513, 2515, 2517, 2519, 2521, 2523, 2525, 2527, 2529, 2531, 2533, 2535, 2537, 2539, 2541, 2543, 2545, 2547, 2549, 2551, 2553, 2555, 2557, 2559, 2561, 2563, 2565, 2567, 2569, 2571, 2573, 2575, 2577, 2579, 2581, 2583, 2585, 2587, 2589, 2591, 2593, 2595, 2597, 2599, 2601, 2603, 2605, 2607, 2609, 2611, 2613, 2615, 2617, 2619, 2621, 2623, 2625, 2627, 2629, 2631, 2633, 2635, 2637, 2639, 2641, 2643, 2645, 2647, 2649, 2651, 2653, 2655, 2657, 2659, 2661, 2663, 2665, 2667, 2669, 2671, 2673, 2675, 2677, 2679, 2681, 2683, 2685, 2687, 2689, 2691, 2693, 2695, 2697, 2699, 2701, 2703, 2705, 2707, 2709, 2711, 2713, 2715, 2717, 2719, 2721, 2723, 2725, 2727, 2729, 2731, 2733, 2735, 2737, 2739, 2741, 2743, 2745, 2747, 2749, 2751, 2753, 2755, 2757, 2759, 2761, 2763, 2765, 2767, 2769, 2771, 2773, 2775, 2777, 2779, 2781, 2783, 2785, 2787, 2789, 2791, 2793, 2795, 2797, 2799, 2801, 2803, 2805, 2807, 2809, 2811, 2813, 2815, 2817, 2819, 2821, 2823, 2825, 2827, 2829, 2831, 2833, 2835, 2837, 2839, 2841, 2843, 2845, 2847, 2849, 2851, 2853, 2855, 2857, 2859, 2861, 2863, 2865, 2867, 2869, 2871, 2873, 2875, 2877, 2879, 2881, 2883, 2885, 2887, 2889, 2891, 2893, 2895, 2897, 2899, 2901, 2903, 2905, 2907, 2909, 2911, 2913, 2915, 2917, 2919, 2921, 2923, 2925, 2927, 2929, 2931, 2933, 2935, 2937, 2939, 2941, 2943, 2945, 2947, 2949, 2951, 2953, 2955, 2957, 2959, 2961, 2963, 2965, 2967, 2969, 2971, 2973, 2975, 2977, 2979, 2981, 2983, 2985, 2987, 2989, 2991, 2993, 2995, 2997, 2999, 3001, 3003, 3005, 3007, 3009, 3011, 3013, 3015, 3017, 3019, 3021, 3023, 3025, 3027, 3029, 3031, 3033, 3035, 3037, 3039, 3041, 3043, 3045, 3047, 3049, 3051, 3053, 3055, 3057, 3059, 3061, 3063, 3065, 3067, 3069, 3071, 3073, 3075, 3077, 3079, 3081, 3083, 3085, 3087, 3089, 3091, 3093, 3095, 3097, 3099, 3101, 3103, 3105, 3107, 3109, 3111, 3113, 3115, 3117, 3119, 3121, 3123, 3125, 3127, 3129, 3131, 3133, 3135, 3137, 3139, 3141, 3143, 3145, 3147, 3149, 3151, 3153, 3155, 3157, 3159, 3161, 3163, 3165, 3167, 3169, 3171, 3173, 3175, 3177, 3179, 3181, 3183, 3185, 3187, 3189, 3191, 3193, 3195, 3197, 3199, 3201, 3203, 3205, 3207, 3209, 3211, 3213, 3215, 3217, 3219, 3221, 3223, 3225, 3227, 3229, 3231, 3233, 3235, 3237, 3239, 3241, 3243, 3245, 3247, 3249, 3251, 3253, 3255, 3257, 3259, 3261, 3263, 3265, 3267, 3269, 3271, 3273, 3275, 3277, 3279, 3281, 3283, 3285, 3287, 3289, 3291, 3293, 3295, 3297, 3299, 3301, 3303, 3305, 3307, 3309, 3311, 3313, 3315, 3317, 3319, 3321, 3323, 3325, 3327, 3329, 3331, 3333, 3335, 3337, 3339, 3341, 3343, 3345, 3347, 3349, 3351, 3353, 3355, 3357, 3359, 3361, 3363, 3365, 3367, 3369, 3371, 3373, 3375, 3377, 3379, 3381, 3383, 3385, 3387, 3389, 3391, 3393, 3395, 3397, 3399, 3401, 3403, 3405, 3407, 3409, 3411, 3413, 3415, 3417, 3419, 3421, 3423, 3425, 3427, 3429, 3431, 3433, 3435, 3437, 3439, 3441, 3443, 3445, 3447, 3449, 3451, 3453, 3455, 3457, 3459, 3461, 3463, 3465, 3467, 3469, 3471, 3473, 3475, 3477, 3479, 3481, 3483, 3485, 3487, 3489, 3491, 3493, 3495, 3497, 3499, 3501, 3503, 3505, 3507, 3509, 3511, 3513, 3515, 3517, 3519, 3521, 3523, 3525, 3527, 3529, 3531, 3533, 3535, 3537, 3539, 3541, 3543, 3545, 3547, 3549, 3551, 3553, 3555, 3557, 3559, 3561, 3563, 3565, 3567, 3569, 3571, 3573, 3575, 3577, 3579, 3581, 3583, 3585, 3587, 3589, 3591, 3593, 3595, 3597, 3599, 3601, 3603, 3605, 3607, 3609, 3611, 3613, 3615, 3617, 3619, 3621, 3623, 3625, 3627, 3629, 3631, 3633, 3635, 3637, 3639, 3641, 3643, 3645, 3647, 3649, 3651, 3653, 3655, 3657, 3659, 3661, 3663, 3665, 3667, 3669, 3671, 3673, 3675, 3677, 3679, 3681, 3683, 3685, 3687, 3689, 3691, 3693, 3695, 3697, 3699, 3701, 3703, 3705, 3707, 3709, 3711, 3713, 3715, 3717, 3719, 3721, 3723, 3725, 3727, 3729, 3731, 3733, 3735, 3737, 3739, 3741, 3743, 3745, 3747, 3749, 3751, 3753, 3755, 3757, 3759, 3761, 3763, 3765, 3767, 3769, 3771, 3773, 3775, 3777, 3779, 3781, 3783, 3785, 3787, 3789, 3791, 3793, 3795, 3797, 3799, 3801, 3803, 3805, 3807, 3809, 3811, 3813, 3815, 3817, 3819, 3821, 3823, 3825, 3827, 3829, 3831, 3833, 3835, 3837, 3839, 3841, 3843, 3845, 3847, 3849, 3851, 3853, 3855, 3857, 3859, 3861, 3863, 3865, 3867, 3869, 3871, 3873, 3875, 3877, 3879, 3881, 3883, 3885, 3887, 3889, 3891, 3893, 3895, 3897, 3899, 3901, 3903, 3905, 3907, 3909, 3911, 3913, 3915, 3917, 3919, 3921, 3923, 3925, 3927, 3929, 3931, 393

COVER SHEET

CS 2 0 0 6 0 2 3 5 6
SEC Registration Number

G M A H O L D I N G S , I N C .
(Company's Full Name)

U n i t 5 D T o w e r O n e , O n e M e K i n l e y P
l a n c e , N e w B o n i f a c i o G l o b a l C i t y ,
F o r t B o n i f a c i o , T a g u i g C i t y
(Business Address: No. Street City/Town/Province)

Mr. Ronaldo P. Mastrili
(Contact Person)

982-7777
(Group Telephone Number)

0 3 3 1
Month Day

1 7 - Q
(Form Type)

Month Day
(Annual Meeting)

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

7
Total No. of Stockholders

Total Amount of Borrowings
Domestic Foreign

To be accomplished by SEC Personnel concerned

File Number
Document ID

LCU
Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

SEC FORM 17-Q
QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES
REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended March 31, 2015
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
6. (SEC Use Only)
Industry Classification Code
7. Unit 5D Tower One, One McKinley Place,
New Bonifacio Global City, Fort Bonifacio, Taguig City 1604
Address of principal office Postal Code
8. (632) 982-7777
Issuer's telephone number, including area code
9. Not applicable
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the SRC and Sections 4 and 8 of the RSA

<u>Title of Each Class</u>	<u>Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding.....</u>
Philippine Depositary Receipts (PDRs)	846,880,000 shares

11. Are any or all of the securities listed on a Stock Exchange?
Yes ☒ No ☐

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period 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 ☐

TABLE OF CONTENTS

PART I FINANCIAL INFORMATION

Item 1 Management's Discussion and Analysis of Financial Condition
and Results of Operations

Items 2 Financial Statements

Statements of Financial Position
Statements of Comprehensive Income
Statements of Changes in Equity
Statements of Cash Flows
Notes to Financial Statements

PART II OTHER FINANCIAL INFORMATION

SIGNATURES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 2015

GMA Holdings, Inc. ended the first quarter of 2015 with a pre-tax income of ₱255 thousand, an improvement from last year's pre-tax income of ₱14 thousand as a result of higher revenues coupled with lower operating expenses. Likewise, net income after tax amounted to ₱210 thousand, a reversal from last year's losses of ₱43 thousand.

Revenues reached ₱513 thousand, an improvement of 79% or ₱227 thousand from last year's ₱286 thousand brought about by higher interest income earned from its ten-year UnionBank of the Philippines (UBP) Tier II Note purchased last November 2014, and due to the conversion of 1.47 million PDR shares to common shares generating exercise fees of ₱448 thousand versus none in comparative period.

Operating expenses went down by 5% to ₱259 thousand from ₱272 thousand in 2014 mainly due to lower PSE listing fees. Listing fees of ₱144 thousand dropped by 17% from ₱173 thousand last year as an offshoot of lower market cap. The unexpired portion of listing fee amounting to ₱432 thousand was shown under "Prepaid expenses and other current assets" in the statements of financial position.

Professional fees settled at ₱106 thousand, 35% more than the ₱79 thousand posted a year ago which included services of a law firm, trust fees and audit fees. Taxes and licenses representing amortization of local business tax for the quarter amounted to ₱5 thousand versus ₱11 thousand in 2014 due to lower tax base.

Financial Condition

Total assets amounted to ₱48.81 million a tad lower versus end-2014's ₱48.91 million primarily due to the decrease in fair market value of available-for-sale investment, which was estimated using the discounted cash flow method.

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.

KEY VARIABLE AND OTHER QUALITATIVE OR QUANTITATIVE FACTORS

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

As of March 31, 2015, there were no known trends, demands, commitments, events or uncertainties that will have a material impact on the issuer's liquidity.

- b) 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 March 31, 2015, there were no events which may trigger a direct or contingent financial obligation that is material to the Company.

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

There were no off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

- d) 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, 2015 to March 31, 2015, there were no commitments for capital expenditures.

- e) 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. There are 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.

- f) Any significant elements of income or loss that did arise from the issuer's continuing operations.

As of March 31, 2015, there were no significant elements of income or loss that did arise from the issuer's continuing operations.

- g) Causes for material changes in the Financial Statements.

Statements of Financial Position (March 31, 2015 (Unaudited) vs. December 31, 2014 (Audited))

- Cash and cash equivalents decreased by ₱378 thousand to ₱26.29 million as a result of the transfer of cash placement with UBP's available-for-sale Tier II Note.
- Current liabilities, on the other hand increased by ₱599 thousand to ₱48.11 million due to the cash dividend payable and unpaid liabilities to government agencies.

- h) Seasonal aspects that had a material effect on the financial condition or results of operations.

There are no seasonal aspects that had a material effect on the financial condition or results of operations.

GMA HOLDINGS, INC.
STATEMENTS OF FINANCIAL POSITION

	March 31, 2015 Unaudited	December 31, 2014 Audited
ASSETS		
Current Assets	P26,287,206	P26,665,221
Cash and cash equivalents (Notes 6 and 13)	308,834	183,387
Accounts receivable (Note 13)	865,260	304,000
Prepaid expenses and other current assets	P27,461,300	P27,152,608
Total Current Assets		
Noncurrent Asset	P21,348,593	P21,759,216
Available-for-sale investment (Notes 7 and 14)		
	P48,809,893	P48,911,824
LIABILITIES AND EQUITY		
Current Liabilities	P339,878	P241,194
Accounts payable and other current liabilities (Notes 8 and 13)	500,000	-
Dividends payable (Note 9)	47,271,600	47,271,600
Due to shareholders (Notes 12 and 13)	P48,111,478	P47,512,794
Total Current Liabilities		
Noncurrent Liability	P104,578	P227,765
Deferred tax liability (Note 11)	P48,216,056	P47,740,559
Total Liabilities		
Equity (Note 9)	P100,000	P100,000
Capital stock	249,822	539,814
Retained earnings		
Unrealized gain on available-for-sale investment - net of tax	244,015	531,451
(Note 7)	P593,837	P1,171,265
Total Equity	P48,809,893	P48,911,824

See accompanying Notes to Financial Statements.

GMA HOLDINGS, INC.

UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME

	For Three Months Ended March 31	
	2015	2014
REVENUES	P447,899	P286,113
Interest income (Notes 6 and 7)	65,402	-
Exercise fees (Note 5)	P513,301	P286,113
	P258,527	P271,639
OPERATING EXPENSES (Note 10)	P254,774	P14,474
INCOME BEFORE INCOME TAX		
PROVISION FOR INCOME TAX (Note 11)		
Current	44,766	57,223
Final	P44,766	P57,223
	P210,008	(P42,749)
NET INCOME (LOSS)		
OTHER COMPREHENSIVE LOSS		
<i>Item to be reclassified to profit or loss in subsequent periods-</i>		
Unrealized loss on available-for-sale investment - net of tax	(P287,436)	-
(Note 7)	(P77,428)	(P42,749)
TOTAL COMPREHENSIVE LOSS		
	P21.00	(P4.27)
Basic/Diluted Earnings (Loss) Per Share (Note 15)		

See accompanying Notes to Financial Statements.

GMA HOLDINGS, INC.

STATEMENTS OF CHANGES IN EQUITY

	Capital Stock (Note 9)	Retained Earnings (Note 9)	Unrealized Gain on Available-for-sale Investment - Net of Tax (Note 7)	Total Equity
Balances as at January 1, 2015	P100,000	P539,814	P531,451	P1,171,265
Net income	-	P210,008	-	P210,008
Other comprehensive loss	-	-	(287,436)	(287,436)
Total comprehensive income (loss)	-	P210,008	(P287,436)	(P77,428)
Cash dividends	-	(P500,000)	-	(P500,000)
Balances as at March 31, 2015	P100,000	P249,822	P244,015	P593,837
Balances as at January 1, 2014	P100,000	P189,628	-	P289,628
Net loss	-	(P42,749)	-	(P42,749)
Other comprehensive income (loss)	-	-	-	-
Total comprehensive loss	-	(P42,749)	-	(P42,749)
Balances as at March 31, 2014	P100,000	P146,879	-	P246,879

See accompanying Notes to Financial Statements.

GMA HOLDING INC.
STATEMENT OF CASH FLOWS

	Three Months Ended March 31	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES	P254,774	P14,474
Income before income tax		
Non-cash adjustments to reconcile income before income tax to net cash flows-	(447,899)	(286,113)
Interest income		
Working capital adjustments:		
Increases in:	(73,251)	-
Accounts receivable	(561,260)	(697,448)
Prepaid expenses and other current assets	98,684	(513,934)
(Decrease) increase in accounts payable and accrued expenses	(P728,952)	(P1,483,021)
Net cash used in operating activities	395,703	227,897
Interest received	(44,766)	(57,223)
Final taxes paid	(P378,015)	(P1,312,347)
Net cash used in operating activities	(P378,015)	(P1,312,347)
NET DECREASE IN CASH AND CASH EQUIVALENTS		
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	P26,665,221	P47,929,988
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	P26,287,206	P46,617,641

See accompanying Notes to Financial Statements.

GMA HOLDINGS, INC.
NOTES TO UNAUDITED INTERIM 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 Unit 5D Tower One, One McKinley Place, New Bonifacio Global 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), an affiliate.

In 2007, the Company issued Philippine Deposit Receipts (PDRs), which were listed and traded in the Philippine Stock Exchange (PSE) (see Note 5).

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.

2. Basis of Preparation, Statement of Compliance and Changes in Accounting Policies and Disclosures

Basis of Preparation

The financial statements of the Company have been prepared on a historical cost basis, except for available-for-sale (AFS) investment which is measured at fair value. The financial statements are presented in Philippine peso, which is the Company's functional and presentation currency. Amounts are rounded off to the nearest peso, except when otherwise indicated.

Statement of Compliance

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

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the following new, amended and improvements to PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretation from International Financial Reporting Interpretations Committee (IFRIC) which the Company adopted during the year:

- Investment Entities (Amendments to PFRS 10, Consolidated Financial Statements, PFRS 12, Disclosure of Interests in Other Entities, and PAS 27, Separate Financial Statements)
- PAS 32, Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities (Amendments)
- PAS 36, Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets (Amendments)
- PAS 39, Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting (Amendments)
- Philippine Interpretation IFRIC 21, Levies
- Annual improvements to PFRSs 2010 - 2012 Cycle (PFRS 13, Fair Value Measurement)
- Annual improvements to PFRSs 2011 - 2013 Cycle (PFRS 1, First-time Adoption of PFRS)

The adoption of the new, amended and improvements to standards and interpretations did not have significant impact on the financial statements of the Company.

Future Changes in Accounting Policies and Disclosures

The Company did not early adopt the following new standards, amendments and improvements to PFRS and Philippine Interpretations that have been approved but are not yet effective as at March 31, 2015. The Company does not expect these changes to have a significant impact on its financial statements unless otherwise indicated.

Standards issued but not yet effective

- PFRS 9, Financial Instruments - Classification and Measurement (2010 version) - PFRS 9 (2010 version) reflects the first phase on the replacement of PAS 39 and applies to the classification and measurement of financial assets and liabilities as defined in PAS 39. PFRS 9 requires all financial assets to be measured at fair value at initial recognition. A debt financial asset may, if the fair value option (FVO) is not invoked, be subsequently measured at amortized cost if it is held within a business model that has the objective to hold the assets to collect the contractual cash flows and its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding. All other debt instruments are subsequently measured at fair value through profit or loss (FVPL). All equity financial assets are measured at fair value either through other comprehensive income (OCI) or profit or loss. Equity financial assets held for trading must be measured at FVPL. For FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. All other PAS 39 classification and measurement requirements for financial liabilities have been carried forward into PFRS 9, including the embedded derivative separation rules and the criteria for using the FVO.

PFRS 9 (2010 version) is effective for annual periods beginning on or after January 1, 2015. The mandatory adoption date was moved to January 1, 2018 when the final version of PFRS 9 was adopted by the Philippine Financial Reporting Standards Council (FRSC). Such adoption, however, is still for approval by the Board of Accountancy (BOA).

- Philippine Interpretation IFRIC 15, *Agreements for the Construction of Real Estate*, this interpretation covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. The SEC and the FRSC have deferred the effectivity of this interpretation until the final Revenue standard is issued by the International Accounting Standards Board and an evaluation of the requirements of the final Revenue standard against the practices of the Philippine real estate industry is completed. The interpretation is not relevant to the Company.

Effective January 1, 2015

- PAS 19, *Employee Benefits - Defined Benefit Plans: Employee Contributions* (Amendments), PAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognize such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after January 1, 2015.
- *Annual Improvements to PFRSs (2010 - 2012 cycle)*
 - PFRS 2, *Share-based Payment - Definition of Vesting Condition*, this improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:
 - a. A performance condition must contain a service condition.
 - b. A performance target must be met while the counterparty is rendering service.
 - c. A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group.
 - d. A performance condition may be a market or non-market condition.
 - e. If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied.
 - PFRS 3, *Business Combinations - Accounting for Contingent Consideration in a Business Combination*, the amendment is applied prospectively for business combinations for which the acquisition date is on or after July 1, 2014. It clarifies that a contingent consideration that is not classified as equity is subsequently measured at FVPL whether or not it falls within the scope of PAS 39, (or PFRS 9, if early adopted).
 - PFRS 8, *Operating Segments - Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets*, the amendments are applied retrospectively and clarify that:
 - a. An entity must disclose the judgments made by management in applying the aggregation criteria in the standard, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'.

- b. The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.
- PAS 16, *Property, Plant and Equipment*, and PAS 38, *Intangible Assets - Revaluation Method - Proportionate Restatement of Accumulated Depreciation and Amortization*, the amendment is applied retrospectively and clarifies in PAS 16 and PAS 38 that the asset may be revalued by reference to the observable data on either the gross or the net carrying amount. In addition, the accumulated depreciation or amortization is the difference between the gross and carrying amounts of the asset.
- PAS 24, *Related Party Disclosures - Key Management Personnel*, the amendment is applied retrospectively and clarifies that a management entity, which is an entity that provides key management personnel services, is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.
- *Annual Improvements to PFRSs (2011 - 2013 cycle)*
 - PFRS 3, *Business Combinations - Scope Exceptions for Joint Arrangements*, the amendment is applied prospectively and clarifies the following regarding the scope exceptions within PFRS 3:
 - a. Joint arrangements, not just joint ventures, are outside the scope of PFRS 3.
 - b. This scope exception applies only to the accounting in the financial statements of the joint arrangement itself.
 - PFRS 13, *Fair Value Measurement - Portfolio Exception*, the amendment is applied prospectively and clarifies that the portfolio exception in PFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of PAS 39 (or PFRS 9, as applicable).
 - PAS 40, *Investment Property*, the amendment is applied prospectively and clarifies that PFRS 3, and not the description of ancillary services in PAS 40, is used to determine if the transaction is a purchase of an asset or business combination. The description of ancillary services in PAS 40 only differentiates between investment property and owner-occupied property (i.e., property, plant and equipment).

Effective January 1, 2016

- PAS 16, *Property, Plant and Equipment* and PAS 38, *Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortization (Amendments)*, the amendments clarify the principle in PAS 16 and PAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets. The amendments are effective prospectively for annual periods beginning on or after January 1, 2016, with early adoption permitted.

- PAS 16, *Property, Plant and Equipment* and PAS 41, *Agriculture - Bearer Plants* (Amendments), the amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of PAS 41. Instead, PAS 16 will apply. After initial recognition, bearer plants will be measured under PAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity).

The amendments also require that produce that grows on bearer plants will remain in the scope of PAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, PAS 20, *Accounting for Government Grants and Disclosure of Government Assistance*, will apply. The amendments are retrospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. This standard is not relevant to the Company.

- PAS 27, *Separate Financial Statements - Equity Method in Separate Financial Statements* (Amendments), the amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying PFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of PFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to PFRS. The amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. The Standard is not relevant to the Company.

- PFRS 10, *Consolidated Financial Statements* and PAS 28, *Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*, these amendments address an acknowledged inconsistency between the requirements in PFRS 10 and those in PAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. These amendments are effective from annual periods beginning on or after January 1, 2016.

- PFRS 11, *Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations* (Amendments), the amendments to PFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant PFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, scope exclusion has been added to PFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party. The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted.

- PFRS 14, *Regulatory Deferral Accounts*, PFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing

accounting policies for regulatory deferral account balances upon its first-time adoption of PFRS. Entities that adopt PFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and other comprehensive income. The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. PFRS 14 is effective for annual periods beginning on or after January 1, 2016. The standard is not relevant to the Company.

▪ Annual Improvements to PFRSs (2012 - 2014 cycle)

- PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations - Changes in Methods of Disposal*, the amendment is applied prospectively and clarifies that changing from a disposal through sale to a disposal through distribution to owners and vice-versa should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in PFRS 5. The amendment also clarifies that changing the disposal method does not change the date of classification.
- PFRS 7, *Financial Instruments: Disclosures - Servicing Contracts*, PFRS 7 requires an entity to provide disclosures for any continuing involvement in a transferred asset that is derecognized in its entirety. The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance in PFRS 7 in order to assess whether the disclosures are required. The amendment is to be applied such that the assessment of which servicing contracts constitute continuing involvement will need to be done retrospectively. However, comparative disclosures are not required to be provided for any period beginning before the annual period in which the entity first applies the amendments.
- PFRS 7, *Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements*, this amendment is applied retrospectively and clarifies that the disclosures on offsetting of financial assets and financial liabilities are not required in the condensed interim financial report unless they provide a significant update to the information reported in the most recent annual report.
- PAS 19, *Employee Benefits- Regional Market Issue Regarding Discount Rate*, this amendment is applied prospectively and clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.
- PAS 34, *Interim Financial Reporting - Disclosure of Information 'Elsewhere in the Interim Financial Report'*, the amendment is applied retrospectively and clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report).

Effective January 1, 2018

- PFRS 9, *Financial Instruments - Hedge Accounting and Amendments to PFRS 9*, PFRS 7 and PAS 39 (2013 version), PFRS 9 (2013 version) already includes the third phase of the project to replace PAS 39 which pertains to hedge accounting. This version of PFRS 9 replaces the rules-based hedge accounting model of PAS 39 with a more principles-based approach. Changes include replacing the rules-based hedge effectiveness test with an objectives-based test that focuses on the economic relationship between the hedged item and the hedging instrument, and the effect of credit risk on that economic relationship; allowing risk components to be designated as the hedged item, not only for financial items but also for non-financial items, provided that the risk component is separately identifiable and reliably measurable; and allowing the time value of an option, the forward element of a forward contract and any foreign currency spread to be excluded from the designation of a derivative instrument as the hedging instrument and accounted for as costs of hedging. PFRS 9 also requires more extensive disclosures for hedge accounting.

PFRS 9 (2013 version) has no mandatory effective date. The mandatory effective date of January 1, 2018 was eventually set when the final version of PFRS 9 was adopted by the FRSC. The adoption of the final version of PFRS 9, however, is still for approval by BOA.

- PFRS 9, *Financial Instruments* (2014 or final version), in July 2014, the final version of PFRS 9, *Financial Instruments*, was issued. PFRS 9 reflects all phases of the financial instruments project and replaces PAS 39, *Financial Instruments: Recognition and Measurement*, and all previous versions of PFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. PFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of PFRS 9 is permitted if the date of initial application is before February 1, 2015.
- IFRS 15, *Revenue from Contracts with Customers*, IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is 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. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2017 with early adoption permitted. The Company is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date once adopted locally.

3. Summary of Significant Accounting Policies

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.

Determination of Fair Value

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 nonfinancial 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; and

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 re-assessing 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. 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.

The Company recognizes transfers into and transfers out of fair value hierarchy levels by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) as at the date of the event or change in circumstances that caused the transfer.

Financial Instruments

Date of Recognition. The Company recognizes a financial asset or a financial liability in the statements of financial position when it becomes a party to the contractual provisions of the instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using settlement date accounting. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

Initial Recognition and Measurement. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at FVPL, includes transaction cost.

The Company classifies its financial instruments in the following categories: financial assets and financial liabilities at FVPL, loans and receivables, held-to-maturity (HTM) investments, AFS investments and other financial liabilities. The classification depends on the purpose for which the instruments are acquired and whether these are quoted in an active market. Management determines the classification at initial recognition and, where allowed and appropriate, re-evaluates this classification at every reporting date.

The Company has no HTM investments and financial liabilities at FVPL as at March 31, 2015 and December 31, 2014.

Subsequent Measurement. The subsequent measurement of financial assets depends on their classification as follows:

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 method (EIR), less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortization as well as the losses arising from impairment is included in the "Interest income" account in the statement of comprehensive income. Loans and receivables are included in current assets if maturity is within twelve months from the reporting date. Otherwise, these are classified as noncurrent assets.

The Company's loans and receivables include cash and cash equivalents and accounts receivable.

AFS Investments. AFS investments are non-derivative financial assets which include equity investments and debt securities. Equity investments classified as AFS are those that are neither held classified as held for trading nor designated at FVPL. 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 market conditions.

After initial recognition, AFS investments are measured at fair value with unrealized gains or losses being recognized as a separate component of equity until the investment is derecognized or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the statement of comprehensive income. Unlisted AFS financial assets, on the other hand, are carried at cost, net of any impairment until the investment is derecognized. Interest

earned while holding AFS investments is reported as interest income in the statement of comprehensive income.

Other Financial Liabilities. This category pertains to financial liabilities that are not held for trading or not designated as at FVPL upon the inception of the liability. These include liabilities arising from operations or borrowings. Other financial liabilities are recognized initially at fair value and are subsequently carried at amortized cost, taking into account the impact of applying the EIR method of amortization (or accretion) for any related premium, discount and any directly attributable transaction costs. Gains and losses are recognized in the statement of comprehensive income when the liabilities are derecognized as well as through the EIR amortization process.

The Company's financial liabilities include accounts payable and other current liabilities (excluding statutory payables) and due to shareholders.

As at March 31, 2015 and December 31, 2014, the Company does not have any financial liabilities at FVPL or derivatives designated as hedging instruments.

Classification of Financial Instruments Between Liability and Equity

A financial instrument is classified as debt if it provides for a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company; or
- satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Company does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability. The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue.

Derecognition of Financial Assets and Liabilities

Financial Asset. A financial asset (or, when applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the right to receive cash flows from the asset have expired; or
- the Company has transferred its right to receive cash flows from the asset and either: (a) has transferred substantially all the risks and rewards of the asset, or (b) 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 right to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. 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.

Financial Liabilities. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired.

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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of comprehensive income.

Impairment of Financial Assets

The Company assesses at each reporting date whether a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired, if and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (an incurred loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or a group of financial assets that can be reliably estimated. Objective evidence of impairment may include indications that the borrower or a group of borrowers 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 where observable data indicate that there is 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. If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss 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 been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss shall be recognized in the statement of comprehensive income. The financial assets, together with the associated allowance accounts, are written off when there is no realistic prospect of future recovery.

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are no longer included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date. Any subsequent reversal of an impairment loss is recognized in the statement of comprehensive income. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset. Loans, together with the associated allowance, are written off when there is no realistic prospect of future recovery and all collateral, if any, has been realized or has been transferred to the Company. If a future write-

off is later recovered, the recovery is recognized in the statement of comprehensive income. Any subsequent reversal of an impairment loss is recognized in the statement of comprehensive income, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

Financial Assets Carried at Cost. If there is an objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

"Day 1 Difference." Where the transaction price is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value of the financial instruments (a "Day 1 difference") in profit or loss unless it qualifies for recognition as some other type of asset. In cases where data which is not observable is used, the difference between the transaction price and model value is only recognized in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the "Day 1 difference" amount.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if, and only 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. This is not generally the case with master netting agreements, therefore, the related assets and liabilities are presented at gross in the statements of financial position.

Equity

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. Proceeds and/or fair value of considerations received in excess of par value are recognized as additional paid-in capital.

Earnings per share

Basic earnings per share (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.

Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount can be reliably measured, regardless of when the payment is being made. 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.

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

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

Expenses

Expenses presented as "Operating expenses" account in the statements 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 Income Tax. Deferred income tax is provided using the liability method on 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 liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that sufficient taxable profit will be available against which the deductible temporary differences can be utilized.

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:

- where 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 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 tax assets to be utilized. Unrecognized deferred 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 tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates and tax laws 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 other comprehensive income is recognized in other comprehensive income section of the statements of comprehensive income.

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

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of "Prepaid tax and other current assets" or "Accounts payable and other current liabilities" accounts in the statements of financial position.

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

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

4. Summary of Significant Accounting Judgment, 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. Future events may occur which can cause the estimates used in arriving at the estimates to change. The effects of any changes in estimates will be recognized in the financial statements as these become reasonably determinable.

Judgments and 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.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgment, apart from those involving estimates and assumptions, which has the most significant effect on the amounts recognized in the financial statements.

Determining Fair Value of AFS Investment. The Company has no intention of selling its 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. Accordingly, the Company has classified its Union Bank of the Philippines Tier 2 Note, or UBP Tier Note, as AFS investment. The Company has no plans to dispose its AFS investment within 12 months from the end of the reporting date.

The Company carries AFS investment at fair value. Fair value of AFS investment recorded in the statements of financial position cannot be derived from active markets, hence fair value determination is deemed based on management's estimate of amounts that could be realized under current market conditions, assuming an orderly liquidation over a reasonable period of time.

The fair value of AFS investment is discussed in Note 14.

Estimates and Assumptions

The key 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.

Impairment of AFS Investments. The Company assesses individually at each reporting date whether there is an objective evidence that an investment based on the same criteria as financial assets carried at amortized cost. However, the Company also recognizes an impairment loss, if and only if, it is probable that the Company will sell the investments and the expected cash flows to be realized from the disposal of the AFS investments are less than their carrying values.

There were no provisions for impairment losses as of March 31, 2015 and 2014. The carrying value of AFS investment as at March 31, 2015 and December 31, 2014 amounted to ₱21.35 million and ₱21.76 million, respectively (see Note 7).

Estimating Realizability of Deferred Tax Assets. The Company's assessment on the recognition of deferred tax assets on nondeductible temporary differences and carryforward benefits of NOLCO and excess MCIT is based on the 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 tax assets as at March 31, 2015 and December 31, 2014 as management believes that sufficient taxable profit will not be available against which the deductible temporary differences can be utilized.

5. Philippine Deposit Receipts

On July 30, 2007, the Company issued 822,115,000 PDRs relating to 822,115,000 GMA shares. On August 21, 2007, additional 123,317,000 PDRs were issued relating to 123,317,000 GMA shares. Each PDR was issued for a total consideration of ₱8.50.

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 statements of comprehensive income. Exercise fees amounted to ₱0.07 million and nil as of March 31, 2015 and 2014, 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 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 mentioned 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 three months ended March 31:

PDRs	Number of Shares			
	2015	2014	2015	2014
Balance at beginning of year	₱7,210,932,500	₱7,288,833,300	₱848,345,000 (₱1,465,000)	₱857,509,800
Exercise of PDRs	(₱12,452,500)	-	₱846,880,000	₱857,509,800
Balance at end of year	₱7,198,480,000	₱7,288,833,300		

On March 30, 2015, the Company approved a cash distribution to PDR holders of ₱0.25 per share, in relation to dividends declared by GMA, totaling ₱211.75 million to all shareholders of record as at April 24, 2015 and will be paid on May 19, 2015.

On April 2, 2014, the Company approved a cash distribution to PDR holders of ₱0.27 per share, in relation to dividends declared by GMA, totaling to ₱231.53 million to all shareholders of record as at April 24, 2014. These were remitted to PDR holders on May 20, 2014.

On April 24, 2013, the Company approved a cash distribution to PDR holders of ₱0.25 per share, in relation to dividends declared by GMA, totaling to ₱214.38 million to all shareholders of record as at April 17, 2013. These were remitted to PDR holders on May 15, 2013.

The Company retains the right to receive cash flows from its investments in GMA but it also assumes a contractual obligation to pay those cash flows to the PDR holders which is considered a "pass-through" arrangement. Thus, the Company did not recognize the dividend income received from GMA arising from the acquisition and holding of the underlying shares of GMA in its financial statements.

6. Cash and Cash Equivalents

This consists of:

	March 31, 2015	December 31, 2014
Cash on hand and in banks	₱738,226	₱1,240,820
Short-term placements	25,548,980	25,424,401
	₱26,287,206	₱26,665,221

Cash in banks earn interest at the respective bank deposit rates. 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 banks and short-term deposits amounted to P448 thousand and P286 thousand for the period ended March 31, 2015 and 2014, respectively.

7. Available-for-sale Investment

In 2014, the Company purchased at par a ten-year Unionbank Tier II Note with a face value of P21.00 million bearing a fixed interest rate of 5.38%. The maturity date of this note is on February 20, 2025.

Interest income earned on the UBP Tier II Note amounted to P224 thousand and nil for the period ended March 31, 2015 and 2014, respectively.

The movement in AFS investment is as follows:

	March 31, 2015	December 31, 2014
Balance at beginning of year	P21,759,216	-
Additions	(410,623)	759,216
Change in fair value	P21,348,593	P21,759,216
Balance at end of year		

The movement of net unrealized gain on AFS investment is as follows:

	March 31, 2015	December 31, 2014
Balance at beginning of year	P531,451	-
Gain (loss) due to changes in fair market value of AFS investment	(287,436)	759,216
Tax effect of the changes in fair market values	P244,015	(227,765)
Balance at end of year		P531,451

8. Accounts Payable and Other Current Liabilities

	March 31, 2015	December 31, 2014
Accounts payable	P9,240	P9,240
Accrued expenses :		
Professional and trust fees	271,932	225,910
Others	1,760	1,760
Deferred output VAT	12,132	4,284
VAT payable	44,814	-
	P339,878	P241,194

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

Withholding tax payable represents liabilities to the Bureau of Internal Revenue (BIR) for the remittance of final taxes withheld on dividend payments made to PDR holders. These are noninterest-bearing and are expected to be remitted within 15 days after reporting period.

9. Equity

Capital Stock

The Company has 10,000 authorized, subscribed and issued common shares with P10.00 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	P8.50

b. Retained Earnings

On March 30, 2015, the BOD approved the Company's declaration and distribution of cash dividends amounting to P0.50 million to all stockholders of record as at December 31, 2014.

The Company has no dividend declaration in 2014.

10. Operating Expenses

The components of the company's operating expenses for the period ended March 31, 2015 and 2014 are as follows:

	2015	2014
Listing fees	P144,011	P172,574
Professional fees	106,023	78,750
Taxes and licenses	5,095	10,697
Transportation	393	-
PDR conversion expenses	651	-
Miscellaneous	2,354	9,618
	P258,527	P271,639

11. Income Taxes

This account consists of final tax on interest income from bank deposits of ₱45 thousand and ₱57 thousand for the period ended March 31, 2015 and 2014, respectively.

Deferred tax liability amounted to ₱105 thousand and ₱228 thousand as at March 31, 2015 and December 31, 2014, respectively. This pertains to unrealized gain on AFS investment presented under equity in the statements of financial position.

12. 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

Transactions with related parties have been entered into at terms no less favorable than could have been obtained if the transactions were entered into with unrelated parties. In 1st quarter of 2015, no transactions have been entered into by the Company with its related parties.

Category	1 st Quarter	Amount/Volume of Transactions	Due to Shareholders	Terms	Conditions
<u>Shareholders</u>					
Portion of proceeds retained from issuance of PDRs	2015 2014	₱- -	₱47,271,600 47,271,600	Upon demand, non-interest bearing	Unsecured, settled in cash

The outstanding balances of "Due to Shareholders" pertain to the option price amounting to ₱0.05 (VAT inclusive) per PDR which was retained by the Company, as the PDR issuer, in consideration for the rights granted under the PDRs. 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.

13. Financial Risk Management Objectives and Policies

The Company's principal financial instruments include cash and cash equivalents. The main purposes of these financial instruments include raising financing for the Company's operations and managing identified financial risks. The Company has other financial assets and liabilities such as accounts receivable, accounts payable and other current liabilities (excluding statutory payables) and due to shareholders, which arise directly from its operations. Liquidity risk, interest rate risk, fair value interest rate risk and credit risk are the main risks arising from the Company's financial instruments.

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

Liquidity Risk. The Company is exposed to the possibility that adverse changes in the business environment and/or its operations would result in substantially higher working capital requirements and subsequently pose difficulty in financing the additional working capital.

The Company manages its liquidity risk by using its cash and cash equivalents from operations 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 table below summarizes 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 March 31, 2015 and December 31, 2014:

	March 31, 2015			Total
	On Demand	3 to 12 Months	More than 1 year	
Financial Assets				P26,287,206
Cash and cash equivalents	P26,287,206	-	-	21,348,593
AFS investment	-	-	P21,348,593	P47,635,799
	P26,287,206	-	P21,348,593	
Financial Liabilities				
Accounts payable and other current liabilities*	P327,746	-	-	P327,746
Dividends payable	500,000	-	-	500,000
Due to shareholders	47,271,600	-	-	P47,271,600
	P48,099,346	-	-	P48,099,346

*Excluding deferred output VAT amounting to P12,132 as at March 31, 2015.

	December 31, 2014			Total
	On Demand	3 to 12 Months	More than 1 year	
Financial Assets				P26,665,221
Cash and cash equivalents	P26,665,221	-	-	21,759,216
AFS investment	-	-	P21,759,216	P48,424,437
	P26,665,221	-	P21,759,216	
Financial Liabilities				
Accounts payable and other current liabilities*	P236,910	-	-	P236,910
Due to shareholders	47,271,600	-	-	47,271,600
	P47,508,510	-	-	P47,508,510

*Excluding deferred output VAT amounting to P4,284 as at December 31, 2014.

Interest Rate Risk. Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to changes in interest rates is minimal and is attributed to cash and cash equivalents.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Company's income before income tax from reporting period up to next reporting period. There is no impact on the Company's equity other than those already affecting profit or loss:

	Increase (Decrease) in Basis Points	Effect on Income Before Income Tax	
		1Q - 2015	1Q - 2014
Cash and cash equivalents	50 (50)	P131,411 (P131,411)	P233,063 (P233,063)

Fair Value Interest Rate Risk. The Company follows a prudent policy on managing its assets and liabilities to ensure that exposure to fluctuations in interest rates are kept within acceptable limits. There are no floating rate financial assets and financial liabilities. Term deposits with banks and debt securities carry fixed rates throughout the period of deposit or placement.

The Company's AFS investment earns fixed interest rate at 5.38% in 2015 and 2014. Fixed interest rate instrument exposes the Company to fair value interest rate risk, such as the fair value will fluctuate because of changes in market prices. In order to manage its interest rate risk, the Company places its excess funds in high yield investments and other short-term deposits.

The following table below demonstrates the sensitivity of fair value changes due to possible change in interest rates from reporting period up to next reporting period with all other variables held constant.

	Increase (Decrease) in Basis Points	Effect on Equity
		2014
AFS investment	50 (50)	(P804,227) 843,111

Credit Risk. Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. 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 ensures that services are made to customers with appropriate credit history. The Company has an internal mechanism to monitor the granting of credit and management of credit exposures. The Company has made provisions, where necessary, for potential losses on credits extended. The Company's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amount of the instruments. The Company does not require any collateral for its 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. 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) and accounts receivable as high grade financial assets as at March 31, 2015 and December 31, 2014.

As at March 31, 2015 and December 31, 2014, the aging analysis of accounts receivable is as follows:

	March 31, 2015	December 31, 2014
Neither past due nor impaired	P195,604	P143,407
Past due but not impaired:		
31-60 days	13,250	30,600
61-150 days	99,980	9,380
151-365 days	-	-
	P308,834	P183,387

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 months ended March 31, 2015.

The Company's capital management is undertaken by GMA. The Company's capital includes the total stockholders' equity, which amounted to ₱0.59 million and ₱1.17 million as at March 31, 2015 and December 31, 2014, respectively.

14. Financial Assets and Liabilities

Fair Value Determination

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

Cash and Cash Equivalents, Accounts Receivable, Accounts Payable and Other Current Liabilities (excluding Statutory Payables), Dividends payable and Due to Shareholders
The carrying amounts approximate the fair values due to the short-term maturities of these financial instruments.

AFS investment

Unquoted AFS investment is carried at fair value based on observable market data, which is estimated using the discounted cash flow methodology. Discount rates used range from 2.38% to 4.19% and 2.38% to 3.90% as at March 31, 2015 and December 31, 2014, respectively. The fair value is under level 2 of the fair value hierarchy.

15. Basic/Diluted Earnings (Loss) Per Share Computation

Basic/diluted EPS is computed as follows:

	March 31, 2015	March 31, 2014
Net income (loss) attributable to equity holders (a)	P210,008	(P42,749)
Common shares issues at beginning and end of year (b)	10,000	10,000
Basic/Diluted Earnings (Loss) Per Share (a/b)	P21.00	(P4.27)

OTHER FINANCIAL INFORMATION

The Company has no other information that needs to be disclosed other than disclosures made under SEC Form 17-C, if any.


SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer: GMA HOLDINGS, INC.

By:

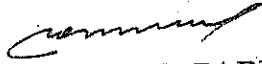

FELIPE S. YALONG
Chief Operating Officer/Chief Financial Officer


RONALDO P. MASTRILI
Comptroller/Chief Accounting Officer

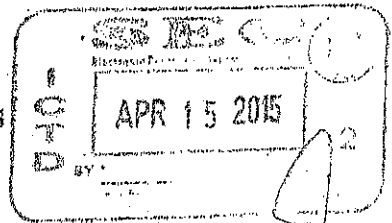
CERTIFICATION

THIS IS TO CERTIFY that in compliance with Article 9(B) of the 1987 Philippine Constitution, none of the Directors, Independent Directors and Officers of GMA Holdings, Inc. are elected as public servants and or appointed in any government agency, local or foreign, without authority of law.

Issued this 10th day of July 2015.


ROBERTO O. PAREL
Compliance Officer
GMA Holdings, Inc.

CERTIFICATION OF INDEPENDENT DIRECTORS



I, **JAIME C. LAYA**, Filipino, of legal age, and with office address at Suite 703 Midland Mansion Condominium A, Arnaiz Avenue, Makati City, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am an Independent Director of GMA Holdings, Inc.;
2. I am affiliated with the following companies or organizations:

Company/Organization	Position	Period of Service
Philippine Trust Company (Philtrust Bank)	Chairman and President	2004-present
Philippine AXA Life Insurance Co., Inc.	Director	2005-present
GMA Network, Inc.	Independent Director	2007-present
GMA Holdings, Inc.	Independent Director	2007-present
Ayala Land, Inc.	Independent Director	2010-present
Manila Water Company, Inc.	Independent Director	2014-present
Escuela Taller Foundation of the Philippines, Inc.	Chairman	2013-present
Don Norberto Ty Foundation, Inc.	Chairman	2003-present
Cofradia de la Inmaculada Concepción	Trustee	1979-present
Heart Foundation of the Philippines, Inc.	Trustee	ca. 1983-present
CIBI Foundation, Inc.	Trustee	1998-present
St. Paul University - Quezon City	Trustee	2002-present
Fundación Santiago, Inc.	Trustee	2002-present
Cultural Center of the Philippines	Trustee	2003-present
Metropolitan Museum of Manila	Trustee	ca. 2004-present
Yuchengco Museum	Trustee	ca. 2007-present
Society for Cultural Enrichment, Inc.	Trustee	2009-present
Ayala Foundation, Inc.	Trustee	2013-present
Manila Polo Club	Trustee	2014-present
Filipinas Opera Society Foundation, Inc.	Director	2014-present
Various family corporations	Director	ca. 1960-present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of GMA Holdings, Inc., as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations.


4. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code.
5. I shall inform the Corporate Secretary of GMA Holdings, Inc. of any changes in the above-mentioned information within five (5) days from its occurrence.

Done this 15th day of April two thousand and fifteen at Quezon City.


JAIME C. LAYA
Affiant

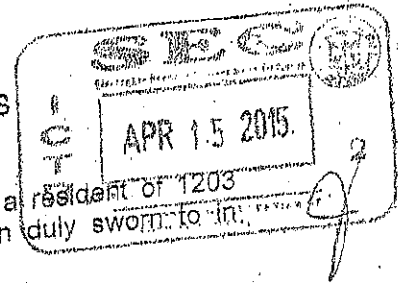
SUBSCRIBED AND SWORN to before me this 15th day of April, two thousand and fifteen, at Quezon City, affiant personally appeared before me and exhibited to me his Passport No. EC3123777 issued at Manila on January 7, 2015.

Doc. No. 928
Page No. 44
Book No. 12
Series of 2015.


Notary Public
MARIA THERESA E. DE MESA
Appointment No. M-528
Notary Public for Makati City
Until December 31, 2015
Roll No. 47224

PTR No. 4754924/Jan. 9, 2015/Makati City
Lifetime IBP No. 09348/Oct. 1, 2010/Manila IV
13 & 16 Floors, Sagittarius Condominium
H.V. dela Costa Street, Salcedo Village
Makati City

CERTIFICATION OF INDEPENDENT DIRECTORS



I, **ARTEMIO V. PANGANIBAN**, Filipino, of legal age, and a resident of 1203 Acacia Street, Dasmariñas Village, Makati City, after having been duly sworn to in accordance with law, do hereby declare that:

- I am an Independent Director of **GMA HOLDINGS, INC.**;
- I am affiliated with the following listed companies or organizations:

Company/Organizations	Position/Relationship	Period of Service
First Philippine Holdings Corporation	Independent Director	2007 - present
Metro Pacific Investments Corporation	Independent Director	2007 - present
Manila Electric Company	Independent Director	2008 - present
Robinsons Land Corporation	Independent Director	2008 - present
GMA Network, Inc.	Independent Director	2007 - present
Petron Corporation	Independent Director	2010 - present
Bank of Philippine Islands	Independent Director	2010 - present
Asian Terminals Inc.	Independent Director	2013 - present
Philippine Long Distance Tel. Co.	Independent Director	2012 - present
Jollibee Foods Corporation	Non-Executive Director	2007 - present
Metropolitan Bank and Trust Co.	Senior Adviser	2014 - present
Double Dragon Properties Corp.	Adviser	

(For my full bio-data, log to my personal website: cpanganiban.com)

- I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **GMA HOLDINGS, INC.**, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations.
- I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code.
- I shall inform the Corporate Secretary of **GMA HOLDINGS, INC.**, of any changes in the above-mentioned information within five (5) days from its occurrence.

Done this APR 15 2015 day of April 2015 at Makati City.

ARTEMIO V. PANGANIBAN
Affiant

APR 15 2015

SUBSCRIBED AND SWORN to before me this APR 15 2015 day of April 2015 at Makati City, affiant personally appeared before me and exhibited to me his Passport Number EC2160733 issued on September 22, 2014 by the DFA, Manila and will expire on September 21, 2019.

Doc. No. 327
Page No. 41
Book No. II
Series of 2015.

MARIA TERESA E. DE MESA
Appointment No. M-528
Notary Public for Makati City
Until December 31, 2015
Roll No. 47224
PTR No. 4754924/Jan. 9, 2015/Makati City
Lifetime IHP No. 09348/Oct. 1, 2010/Manila IV
15 & 16 Floors, Sagitarius Condominium
H.V. dela Costa Street, Salcedo Village
Makati City



OFFICIAL RECEIPT
Republic of the Philippines
DEPARTMENT OF FINANCE
SECURITIES & EXCHANGE COMMISSION
SEC Building, EDSA, Greenhills
City of Mandaluyong, 1554



Accountable Form No. 51 Revised 2006		ORIGINAL	
DATE April 23, 2015		No. 1263476	
PAYOR CNA HOLDINGS INC. GLOBAL CITY, TAGUIG			
NATURE OF COLLECTION	ACCOUNT CODE	RESPONSIBILITY CENTER	AMOUNT
LIF (04823) NIRELLANES AGENCIE	154-180 678		50.00 5,000.00
TOTAL			PHP 5,050.00
AMOUNT IN WORDS FIVE THOUSAND FIFTY PESOS AND 0/100			
<input type="checkbox"/> Cash <input type="checkbox"/> Treasury Warrant <input type="checkbox"/> Check <input type="checkbox"/> Money Order		Received the Amount Stated Above	
Treasury Warrant, Check, Money Order Number		COLLECTING OFFICER Carlito A. MORA 1263476	
Date of Treasury Warrant, Check, Money Order		O.R. No.	

NOTE: Write the number and date of this receipt on the back of this receipt.

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

FS FOR FILING WITH SEC

AFTER THE BIR HAS DULY
STAMPED "RECEIVED."

SEC Registration Number

C S 2 0 0 6 0 2 3 5 6

Company Name

G M A H O L D I N G S , I N C .

Principal Office (No./Street/Barangay/City/Town/Province)

5 D T o w e r O n e , O n e M c K i n l e y P l a
c e , N e w G l o b a l B o n i f a c i o C i t y ,
F o r t B o n i f a c i o , T a g u i g C i t y

Form Type

A A F S

Department requiring the report

-

Secondary License Type, If Applicable

Not Applicable

COMPANY INFORMATION

Company's Email Address

Company's Telephone Number/s

982-7777

Mobile Number

-

No. of Stockholders

7

Annual Meeting
Month/Day

5/30

Fiscal Year
Month/Day

12/31

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

982-7777

Mobile Number

-

Contact Person's Address

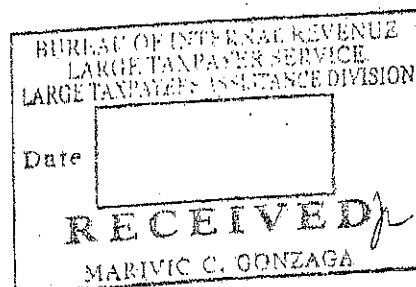
GMA Network Center, Timog Avenue corner EDSA, Quezon City

Note: 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.



INDEPENDENT AUDITORS' REPORT

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



Report on the Financial Statements

We have audited the accompanying financial statements of GMA Holdings, Inc., which comprise the statements of financial position as at December 31, 2014 and 2013, 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, 2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of GMA Holdings, Inc. as at December 31, 2014 and 2013, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2014 in accordance with Philippine Financial Reporting Standards.

Report on the Supplementary Information Required Under Revenue Regulations No. 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 No. 15-2010 in Note 16 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 whole.

SYCIP GORRES VELAYO & CO.

Marydith C. Miguel

Marydith C. Miguel

Partner

CPA Certificate No. 65556

SEC Accreditation No. 0087-AR-3 (Group A),

January 18, 2013, valid until January 17, 2016

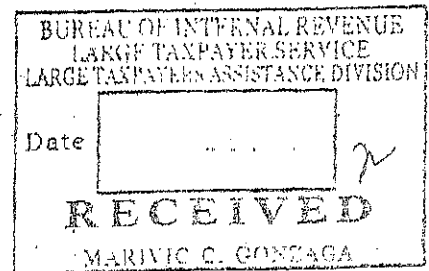
Tax Identification No. 102-092-270

BIR Accreditation No. 08-001998-55-2015,

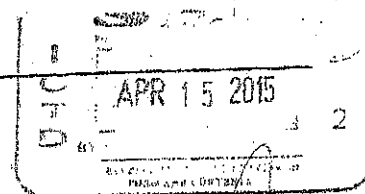
February 27, 2015, valid until February 26, 2018

PTR No. 4751303, January 5, 2015, Makati City

March 30, 2015



GMA HOLDINGS, INC.
STATEMENTS OF FINANCIAL POSITION



December 31, /

2014

2013

ASSETS

Current Assets	₱26,665,221	₱47,929,988
Cash and cash equivalents (Notes 6 and 13)	183,387	153,310
Accounts receivable (Note 13)	304,000	207,488
Prepaid tax and other current assets	27,152,608	48,290,786
Total Current Assets		

Noncurrent Asset	21,759,216	-
Available-for-sale investment (Notes 7 and 14)		
	₱48,911,824	₱48,290,786

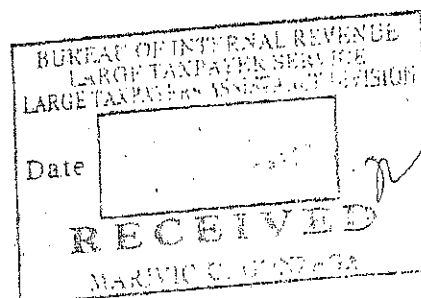
LIABILITIES AND EQUITY

Current Liabilities	₱241,194	₱729,558
Accounts payable and other current liabilities (Notes 8 and 13)	47,271,600	47,271,600
Due to shareholders (Notes 12 and 13)	47,512,794	48,001,158
Total Current Liabilities		

Noncurrent Liability	227,765	-
Deferred tax liability (Note 11)	47,740,559	48,001,158
Total Liabilities		

Equity (Note 9)	100,000	100,000
Capital stock	539,814	189,628
Retained earnings		
Unrealized gain on available-for-sale investment - net of tax	531,451	-
(Note 7)	1,171,265	289,628
Total Equity		
	₱48,911,824	₱48,290,786

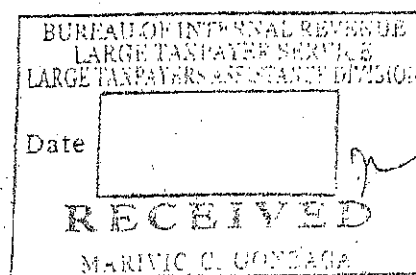
See accompanying Notes to Financial Statements.



GMA HOLDINGS, INC.
STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2014	2013	2012
REVENUE			
Interest income (Notes 6 and 7)	₱1,242,815	₱1,205,493	₱1,686,795
Exercise fees (Note 5)	409,143	-	222,560
	1,651,958	1,205,493	1,909,355
OPERATING EXPENSES (Note 10)	1,045,026	1,344,184	1,097,954
INCOME (LOSS) BEFORE INCOME TAX	606,932	(138,691)	811,401
PROVISION FOR INCOME TAX (Note 11)			
Current	256,746	241,099	341,963
Deferred	-	-	456,299
	256,746	241,099	798,262
NET INCOME (LOSS)	350,186	(379,790)	13,139
OTHER COMPREHENSIVE INCOME			
<i>Item to be reclassified to profit or loss in subsequent periods</i>			
Unrealized gain on available-for-sale investment - net of tax (Note 7)	531,451	-	-
TOTAL COMPREHENSIVE INCOME (LOSS)	₱881,637	(₱379,790)	₱13,139
Basic/Diluted Earnings (Loss) Per Share (Note 15)	₱35.02	(₱37.98)	₱1.31

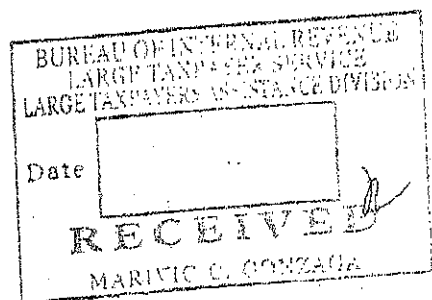
See accompanying Notes to Financial Statements.



GMA HOLDINGS, INC.
STATEMENTS OF CHANGES IN EQUITY

	Capital Stock (Note 9)	Retained Earnings (Note 9)	Unrealized Gain on Available-for-sale Investment - Net of Tax (Note 7)	Total Equity
Balances as at January 1, 2014	P100,000	P189,628	P-	P289,628
Net income	-	350,186	-	350,186
Other comprehensive income	-	-	531,451	531,451
Total comprehensive income	-	350,186	531,451	881,637
Balances as at December 31, 2014	P100,000	P539,814	P531,451	P1,171,265
Balances as at January 1, 2013	P100,000	P569,418	P-	P669,418
Total comprehensive loss	-	(379,790)	-	(379,790)
Balances as at December 31, 2013	P100,000	P189,628	P-	P289,628
Balances as at January 1, 2012	P100,000	P3,150,276	P-	P3,250,276
Total comprehensive income	-	13,139	-	13,139
Cash dividends - P259 a share	-	(2,593,997)	-	(2,593,997)
Balances as at December 31, 2012	P100,000	P569,418	P-	P669,418

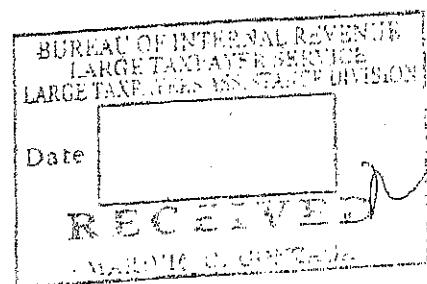
See accompanying Notes to Financial Statements.



GMA HOLDINGS, INC.
STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2014	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) before income tax	₱606,932	(₱138,691)	₱811,401
Adjustment for interest income (Notes 6 and 7)	(1,242,815)	(1,205,493)	(1,686,795)
Operating loss before working capital changes	(635,883)	(1,344,184)	(875,394)
Decrease (increase) in:			
Accounts receivable	40,650	142,730	(96,560)
Prepaid tax and other current assets	(96,512)	(98,382)	(65,843)
Increase (decrease) in accounts payable and other current liabilities	(488,364)	246,485	242,041
Cash flows used in operations	(1,180,109)	(1,053,351)	(795,756)
Interest received	1,172,087	1,162,885	1,734,262
Income taxes paid	(256,745)	(241,099)	(341,963)
Net cash provided by (used in) operating activities	(264,767)	(131,565)	596,543
CASH FLOW FROM INVESTING ACTIVITY			
Payment of available-for-sale investment (Note 7)	(21,000,000)	-	-
Payment of cash dividends (Note 9)	-	-	(2,593,997)
Net cash used in financing activities	(21,000,000)	-	(2,593,997)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(21,264,767)	(131,565)	(1,997,454)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	47,929,988	48,061,553	50,059,007
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 6)	₱26,665,221	₱47,929,988	₱48,061,553

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), an affiliate.

In 2007, the Company issued Philippine Deposit Receipts (PDRs), which were listed and traded in the Philippine Stock Exchange (PSE) (see Note 5).

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 30, 2015.

2. Basis of Preparation, Statement of Compliance and Changes in Accounting Policies and Disclosures

Basis of Preparation

The financial statements of the Company have been prepared on a historical cost basis, except for available-for-sale (AFS) investment which is measured at fair value. The financial statements are presented in Philippine peso, which is the Company's functional and presentation currency. Amounts are rounded off to the nearest peso, except when otherwise indicated.

Statement of Compliance

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



Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the following new, amended and improvements to PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretation from International Financial Reporting Interpretations Committee (IFRIC) which the Company adopted during the year:

- Investment Entities (*Amendments to PFRS 10, Consolidated Financial Statements*, PFRS 12, *Disclosure of Interests in Other Entities*, and PAS 27, *Separate Financial Statements*)
- PAS 32, *Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities* (Amendments)
- PAS 36, *Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets* (Amendments)
- PAS 39, *Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting* (Amendments)
- Philippine Interpretation IFRIC 21, *Levies*
- Annual improvements to PFRSs 2010 - 2012 Cycle (PFRS 13, *Fair Value Measurement*)
- Annual improvements to PFRSs 2011 - 2013 Cycle (PFRS 1, *First-time Adoption of PFRS*)

The adoption of the new, amended and improvements to standards and interpretations did not have significant impact on the financial statements of the Company.

Future Changes in Accounting Policies and Disclosures

The Company did not early adopt the following new standards, amendments and improvements to PFRS and Philippine Interpretations that have been approved but are not yet effective as at December 31, 2014. The Company does not expect these changes to have a significant impact on its financial statements unless otherwise indicated.

Standards issued but not yet effective

- PFRS 9, *Financial Instruments - Classification and Measurement* (2010 version) - PFRS 9 (2010 version) reflects the first phase on the replacement of PAS 39 and applies to the classification and measurement of financial assets and liabilities as defined in PAS 39. PFRS 9 requires all financial assets to be measured at fair value at initial recognition. A debt financial asset may, if the fair value option (FVO) is not invoked, be subsequently measured at amortized cost if it is held within a business model that has the objective to hold the assets to collect the contractual cash flows and its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding. All other debt instruments are subsequently measured at fair value through profit or loss (FVPL). All equity financial assets are measured at fair value either through other comprehensive income (OCI) or profit or loss. Equity financial assets held for trading must be measured at FVPL. For FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. All other PAS 39 classification and measurement requirements for financial liabilities have been carried forward into PFRS 9, including the embedded derivative separation rules and the criteria for using the FVO.

PFRS 9 (2010 version) is effective for annual periods beginning on or after January 1, 2015. The mandatory adoption date was moved to January 1, 2018 when the final version of PFRS 9 was adopted by the Philippine Financial Reporting Standards Council (FRSC). Such adoption, however, is still for approval by the Board of Accountancy (BOA).



- Philippine Interpretation IFRIC 15, *Agreements for the Construction of Real Estate*, this interpretation covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. The SEC and the FRSC have deferred the effectivity of this interpretation until the final Revenue standard is issued by the International Accounting Standards Board and an evaluation of the requirements of the final Revenue standard against the practices of the Philippine real estate industry is completed. The interpretation is not relevant to the Company.

Effective January 1, 2015

- PAS 19, *Employee Benefits - Defined Benefit Plans: Employee Contributions* (Amendments), PAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognize such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after January 1, 2015.
- *Annual Improvements to PFRSs (2010 - 2012 cycle)*
 - PFRS 2, *Share-based Payment - Definition of Vesting Condition*, this improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:
 - a. A performance condition must contain a service condition.
 - b. A performance target must be met while the counterparty is rendering service.
 - c. A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group.
 - d. A performance condition may be a market or non-market condition.
 - e. If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied.
 - PFRS 3, *Business Combinations - Accounting for Contingent Consideration in a Business Combination*, the amendment is applied prospectively for business combinations for which the acquisition date is on or after July 1, 2014. It clarifies that a contingent consideration that is not classified as equity is subsequently measured at FVPL whether or not it falls within the scope of PAS 39, (or PFRS 9, if early adopted).
 - PFRS 8, *Operating Segments - Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets*, the amendments are applied retrospectively and clarify that:
 - a. An entity must disclose the judgments made by management in applying the aggregation criteria in the standard, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'.
 - b. The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.



- PAS 16, *Property, Plant and Equipment*, and PAS 38, *Intangible Assets - Revaluation Method - Proportionate Restatement of Accumulated Depreciation and Amortization*, the amendment is applied retrospectively and clarifies in PAS 16 and PAS 38 that the asset may be revalued by reference to the observable data on either the gross or the net carrying amount. In addition, the accumulated depreciation or amortization is the difference between the gross and carrying amounts of the asset.
- PAS 24, *Related Party Disclosures - Key Management Personnel*, the amendment is applied retrospectively and clarifies that a management entity, which is an entity that provides key management personnel services, is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.
- *Annual Improvements to PFRSs (2011 - 2013 cycle)*
 - PFRS 3, *Business Combinations - Scope Exceptions for Joint Arrangements*, the amendment is applied prospectively and clarifies the following regarding the scope exceptions within PFRS 3:
 - a. Joint arrangements, not just joint ventures, are outside the scope of PFRS 3.
 - b. This scope exception applies only to the accounting in the financial statements of the joint arrangement itself.
 - PFRS 13, *Fair Value Measurement - Portfolio Exception*, the amendment is applied prospectively and clarifies that the portfolio exception in PFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of PAS 39 (or PFRS 9, as applicable).
 - PAS 40, *Investment Property*, the amendment is applied prospectively and clarifies that PFRS 3, and not the description of ancillary services in PAS 40, is used to determine if the transaction is a purchase of an asset or business combination. The description of ancillary services in PAS 40 only differentiates between investment property and owner-occupied property (i.e., property, plant and equipment).

Effective January 1, 2016

- PAS 16, *Property, Plant and Equipment* and PAS 38, *Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortization (Amendments)*, the amendments clarify the principle in PAS 16 and PAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets. The amendments are effective prospectively for annual periods beginning on or after January 1, 2016, with early adoption permitted.
- PAS 16, *Property, Plant and Equipment* and PAS 41, *Agriculture - Bearer Plants (Amendments)*, the amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of PAS 41. Instead, PAS 16 will apply. After initial recognition, bearer plants will be measured under PAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity).



The amendments also require that produce that grows on bearer plants will remain in the scope of PAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, PAS 20, *Accounting for Government Grants and Disclosure of Government Assistance*, will apply. The amendments are retrospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. This standard is not relevant to the Company.

- PAS 27, *Separate Financial Statements - Equity Method in Separate Financial Statements* (Amendments), the amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying PFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of PFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to PFRS. The amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. The Standard is not relevant to the Company.
- PFRS 10, *Consolidated Financial Statements* and PAS 28, *Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*, these amendments address an acknowledged inconsistency between the requirements in PFRS 10 and those in PAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. These amendments are effective from annual periods beginning on or after January 1, 2016.
- PFRS 11, *Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations* (Amendments), the amendments to PFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant PFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, scope exclusion has been added to PFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party. The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted.
- PFRS 14, *Regulatory Deferral Accounts*, PFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of PFRS. Entities that adopt PFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and other comprehensive income. The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. PFRS 14 is effective for annual periods beginning on or after January 1, 2016. The standard is not relevant to the Company.



■ Annual Improvements to PFRSs (2012 - 2014 cycle)

- PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations - Changes in Methods of Disposal*, the amendment is applied prospectively and clarifies that changing from a disposal through sale to a disposal through distribution to owners and vice-versa should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in PFRS 5. The amendment also clarifies that changing the disposal method does not change the date of classification.
- PFRS 7, *Financial Instruments: Disclosures - Servicing Contracts*, PFRS 7 requires an entity to provide disclosures for any continuing involvement in a transferred asset that is derecognized in its entirety. The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance in PFRS 7 in order to assess whether the disclosures are required. The amendment is to be applied such that the assessment of which servicing contracts constitute continuing involvement will need to be done retrospectively. However, comparative disclosures are not required to be provided for any period beginning before the annual period in which the entity first applies the amendments.
- PFRS 7, *Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements*, this amendment is applied retrospectively and clarifies that the disclosures on offsetting of financial assets and financial liabilities are not required in the condensed interim financial report unless they provide a significant update to the information reported in the most recent annual report.
- PAS 19, *Employee Benefits - Regional Market Issue Regarding Discount Rate*, this amendment is applied prospectively and clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.
- PAS 34, *Interim Financial Reporting - Disclosure of Information 'Elsewhere in the Interim Financial Report'*, the amendment is applied retrospectively and clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report).

Effective January 1, 2018

- PFRS 9, *Financial Instruments - Hedge Accounting and Amendments to PFRS 9*, PFRS 7 and PAS 39 (2013 version), PFRS 9 (2013 version) already includes the third phase of the project to replace PAS 39 which pertains to hedge accounting. This version of PFRS 9 replaces the rules-based hedge accounting model of PAS 39 with a more principles-based approach. Changes include replacing the rules-based hedge effectiveness test with an objectives-based test that focuses on the economic relationship between the hedged item and the hedging instrument, and the effect of credit risk on that economic relationship; allowing risk components to be designated as the hedged item, not only for financial items but also for non-financial items, provided that the risk component is separately identifiable and reliably measurable; and allowing the time value of an option, the forward element of a forward



contract and any foreign currency basis spread to be excluded from the designation of a derivative instrument as the hedging instrument and accounted for as costs of hedging. PFRS 9 also requires more extensive disclosures for hedge accounting.

PFRS 9 (2013 version) has no mandatory effective date. The mandatory effective date of January 1, 2018 was eventually set when the final version of PFRS 9 was adopted by the FRSC. The adoption of the final version of PFRS 9, however, is still for approval by BOA.

- PFRS 9, *Financial Instruments* (2014 or final version), in July 2014, the final version of PFRS 9, *Financial Instruments*, was issued. PFRS 9 reflects all phases of the financial instruments project and replaces PAS 39, *Financial Instruments: Recognition and Measurement*, and all previous versions of PFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. PFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of PFRS 9 is permitted if the date of initial application is before February 1, 2015.
- IFRS 15, *Revenue from Contracts with Customers*, IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is 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. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2017 with early adoption permitted. The Company is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date once adopted locally.

3. Summary of Significant Accounting Policies

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.

Determination of Fair Value

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 nonfinancial 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; and

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. 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.

The Company recognizes transfers into and transfers out of fair value hierarchy levels by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) as at the date of the event or change in circumstances that caused the transfer.

Financial Instruments

Date of Recognition. The Company recognizes a financial asset or a financial liability in the statements of financial position when it becomes a party to the contractual provisions of the instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using settlement date accounting. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

Initial Recognition and Measurement. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at FVPL, includes transaction cost.



The Company classifies its financial instruments in the following categories: financial assets and financial liabilities at FVPL, loans and receivables, held-to-maturity (HTM) investments, AFS investments and other financial liabilities. The classification depends on the purpose for which the instruments are acquired and whether these are quoted in an active market. Management determines the classification at initial recognition and, where allowed and appropriate, re-evaluates this classification at every reporting date.

The Company has no HTM investments and financial liabilities at FVPL as at December 31, 2014 and 2013.

Subsequent Measurement. The subsequent measurement of financial assets depends on their classification as follows:

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 method (EIR), less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortization as well as the losses arising from impairment is included in the "Interest income" account in the statement of comprehensive income. Loans and receivables are included in current assets if maturity is within twelve months from the reporting date. Otherwise, these are classified as noncurrent assets.

The Company's loans and receivables include cash and cash equivalents and accounts receivable.

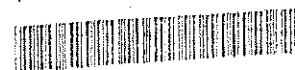
AFS Investments. AFS investments are non-derivative financial assets which include equity investments and debt securities. Equity investments classified as AFS are those that are neither held classified as held for trading nor designated at FVPL. Debt securities in this category are those that are intended 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 market conditions.

After initial recognition, AFS investments are measured at fair value with unrealized gains or losses being recognized as a separate component of equity until the investment is derecognized or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the statement of comprehensive income. Unlisted AFS financial assets, on the other hand, are carried at cost, net of any impairment until the investment is derecognized. Interest earned while holding AFS investments is reported as interest income in the statement of comprehensive income.

Other Financial Liabilities. This category pertains to financial liabilities that are not held for trading or not designated as at FVPL upon the inception of the liability. These include liabilities arising from operations or borrowings. Other financial liabilities are recognized initially at fair value and are subsequently carried at amortized cost, taking into account the impact of applying the EIR method of amortization (or accretion) for any related premium, discount and any directly attributable transaction costs. Gains and losses are recognized in the statement of comprehensive income when the liabilities are derecognized as well as through the EIR amortization process.

The Company's financial liabilities include accounts payable and other current liabilities (excluding statutory payables) and due to shareholders.

As at December 31, 2014 and 2013, the Company does not have any financial liabilities at FVPL or derivatives designated as hedging instruments.



Classification of Financial Instruments Between Liability and Equity

A financial instrument is classified as debt if it provides for a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company; or
- satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Company does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability. The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue.

Derecognition of Financial Assets and Liabilities

Financial Asset. A financial asset (or, when applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the right to receive cash flows from the asset have expired; or
- the Company has transferred its right to receive cash flows from the asset and either: (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

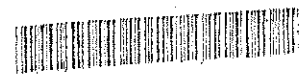
When the Company has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. 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.

Financial Liabilities. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired.

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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of comprehensive income.

Impairment of Financial Assets

The Company assesses at each reporting date whether a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired, if and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (an incurred loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or a group of financial assets that can be reliably estimated. Objective evidence of impairment may include indications that the borrower or a group of borrowers 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 where observable data indicate that there is 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. If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss 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 been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss shall be recognized in the statement of comprehensive income. The financial assets, together with the associated allowance accounts, are written off when there is no realistic prospect of future recovery.

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are no longer included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date. Any subsequent reversal of an impairment loss is recognized in the statement of comprehensive income. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset. Loans, together with the associated allowance, are written off when there is no realistic prospect of future recovery and all collateral, if any, has been realized or has been transferred to the Company. If a future write-off is later recovered, the recovery is recognized in the statement of comprehensive income. Any subsequent reversal of an impairment loss is recognized in the statement of comprehensive income, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

Financial Assets Carried at Cost. If there is an objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

"Day 1 Difference." Where the transaction price is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value of the financial instruments (a "Day 1 difference") in profit or loss unless it qualifies for recognition as some other type of asset. In cases where data which is not observable is used, the difference between the transaction price and model value is



only recognized in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the "Day 1 difference" amount.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if, and only 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. This is not generally the case with master netting agreements, therefore, the related assets and liabilities are presented at gross in the statements of financial position.

Equity

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. Proceeds and/or fair value of considerations received in excess of par value are recognized as additional paid-in capital.

Earnings per share

Basic earnings per share (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.

Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount can be reliably measured, regardless of when the payment is being made. 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.

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

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

Expenses

Expenses presented as "Operating expenses" account in the statements 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 Income Tax. Deferred income-tax is provided using the liability method on 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 liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that sufficient taxable profit will be available against which the deductible temporary differences can be utilized.

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:

- where 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 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 tax assets to be utilized. Unrecognized deferred 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 tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates and tax laws 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 other comprehensive income is recognized in other comprehensive income section of the statements of comprehensive income.

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

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of "Prepaid tax and other current assets" or "Accounts payable and other current liabilities" accounts in the statements of financial position.

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

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

4. 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. Future events may occur which can cause the estimates used in arriving at the estimates to change. The effects of any changes in estimates will be recognized in the financial statements as these become reasonably determinable.

Judgments and 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.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgment, apart from those involving estimates and assumptions, which has the most significant effect on the amounts recognized in the financial statements.

Determining Fair Value of AFS Investment. The Company has no intention of selling its 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. Accordingly, the Company has classified its Union Bank of the Philippines Tier 2 Note, or UBP Tier Note, as AFS investment. The Company has no plans to dispose its AFS investment within 12 months from the end of the reporting date.

The Company carries AFS investment at fair value. Fair value of AFS investment recorded in the statements of financial position cannot be derived from active markets, hence fair value determination is deemed based on management's estimate of amounts that could be realized under current market conditions, assuming an orderly liquidation over a reasonable period of time.

The fair value of AFS investment is discussed in Note 14.

Estimates and Assumptions

The key 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.

Impairment of AFS Investments. The Company assesses individually at each reporting date whether there is an objective evidence that an investment based on the same criteria as financial assets carried at amortized cost. However, the Company also recognizes an impairment loss, if and only if, it is probable that the Company will sell the investments and the expected cash flows to be realized from the disposal of the AFS investments are less than their carrying values.

There were no provisions for impairment losses in 2014 and 2013. The carrying value of AFS investment amounted to ₱21.76 million and nil as at December 31, 2014 and 2013, respectively (see Note 7).

Estimating Realizability of Deferred Tax Assets. The Company's assessment on the recognition of deferred tax assets on nondeductible temporary differences and carryforward benefits of NOLCO and excess MCIT is based on the 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 tax assets amounting to ₱0.87 million and ₱1.05 million as at December 31, 2014 and December 31, 2013, respectively as management believes that sufficient taxable profit will not be available against which the deductible temporary differences can be utilized (see Note 11).

5. Philippine Deposit Receipts

On July 30, 2007, the Company issued 822,115,000 PDRs relating to 822,115,000 GMA shares. On August 21, 2007, additional 123,317,000 PDRs were issued relating to 123,317,000 GMA shares. Each PDR was issued for a total consideration of ₱8.50.

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 statements of comprehensive income. Exercise fees amounted to ₱0.41 million, nil and ₱0.22 million in 2014, 2013 and 2012, 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 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 mentioned 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	
	2014	2013	2014	2013
Balance at beginning of year	₱7,288,833,300	₱7,288,833,300	857,509,800	857,509,800
Exercise of PDRs	(77,900,800)	-	(9,164,800)	-
Balance at end of year	₱7,210,932,500	₱7,288,833,300	848,345,000	857,509,800

On April 2, 2014, the Company approved a cash distribution to PDR holders of ₱0.27 per share, in relation to dividends declared by GMA, totaling to ₱231.53 million to all shareholders of record as at April 24, 2014. These were remitted to PDR holders on May 20, 2014.

On April 24, 2013, the Company approved a cash distribution to PDR holders of ₱0.25 per share, in relation to dividends declared by GMA, totaling to ₱214.38 million to all shareholders of record as at April 17, 2013. These were remitted to PDR holders on May 15, 2013.

The Company retains the right to receive cash flows from its investments in GMA but it also assumes a contractual obligation to pay those cash flows to the PDR holders which is considered a "pass-through" arrangement. Thus, the Company did not recognize the dividend income received from GMA arising from the acquisition and holding of the underlying shares of GMA in its financial statements.



Event after the Reporting Date

On March 30, 2015, the Company approved a cash distribution to PDR holders of ₱0.25 per share, in relation to dividends declared by GMA, totaling ₱211.75 million to all shareholders of record as at April 24, 2015 and will be paid on May 19, 2015.

6. Cash and Cash Equivalents

	2014	2013
Cash on hand and in banks	₱1,240,820	₱1,643,366
Short-term deposits	25,424,401	46,286,622
	<u>₱26,665,221</u>	<u>₱47,929,988</u>

Cash in banks earn interest at the respective bank deposit rates. 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 banks and short-term deposits amounted to ₱1.12 million, ₱1.21 million and ₱1.69 million in 2014, 2013 and 2012, respectively.

7. Available-for-sale Investment

In 2014, the Company purchased at par a ten-year UBP Tier Note with a face value of ₱21.00 million bearing a fixed interest rate of 5.38%. The maturity date of this note is on February 20, 2025.

Interest income earned on the UBP Tier Note amounted to ₱0.12 million in 2014.

The movement in AFS investment is as follows:

Balance at beginning of year	₱-
Additions	21,000,000
Change in fair value	759,216
Balance at end of year	<u>₱21,759,216</u>

As at December 31, 2014, movement of net unrealized gain on AFS investment is as follows:

Balance at beginning of year	₱-
Gain due to changes in fair market value of AFS investment	759,216
Tax effect of the changes in fair market values	(227,765)
	<u>₱531,451</u>



8. Accounts Payable and Other Current Liabilities

	2014	2013
Accounts payable	₱9,240	₱67,454
Accrued expenses:		
Professional and trust fees	225,910	657,824
Others	1,760	4,280
Deferred output VAT	4,284	-
	₱241,194	₱729,558

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

9. Equity

a. Capital Stock

The Company has 10,000 authorized, subscribed and issued 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 March 30, 2015, the BOD approved the Company's declaration and distribution of cash dividends amounting to ₱0.50 million to all stockholders of record as at December 31, 2014.

The Company has no dividend declaration in 2013.

In 2012, the Company declared ₱259 per share cash dividends amounting to ₱2.59 million to all stockholders of record as at May 25, 2012. This was paid on June 8, 2012.

10. Operating Expenses

	2014	2013	2012
Listing fees	₱690,295	₱799,199	₱560,275
Professional fees	280,085	479,835	479,835
Taxes and licenses	42,788	33,168	33,239
Others	31,858	31,982	24,605
	₱1,045,026	₱1,344,184	₱1,097,954



11. Income Taxes

Current Income Tax

The components of the Company's provision for current income tax are as follows:

	2014	2013	2012
Final tax interest	P248,563	P241,099	P337,512
MCIT	8,183	-	4,451
	P256,746	P241,099	P341,963

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

	2014	2013	2012
Income tax computed at statutory income tax rate	P182,080	(P41,607)	P243,420
Deduction in income tax resulting from:			
Interest income already subjected to final tax	(124,282)	(120,549)	(168,526)
Change in unrecognized deferred tax assets	(181,061)	326,965	723,368
Expired NOLCO and MCIT	380,009	76,290	-
	P256,746	P241,099	P798,262

Unrecognized Deferred Tax Assets

In 2012, the Company's 2011 recognized deferred tax assets on NOLCO and MCIT amounting to P434,638 and P21,1661, respectively, were derecognized as management believes that sufficient taxable profit will not be available against which the deductible temporary differences can be utilized.

The unrecognized deferred tax assets as at December 31 are as follows:

	2014	2013
NOLCO	P856,638	P1,045,882
MCIT	12,634	4,451
	P869,272	P1,050,333

As at December 31, 2014, 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, 2012	December 31, 2015	P875,394	P4,451
December 31, 2013	December 31, 2016	1,344,184	-
December 31, 2014	December 31, 2017	635,883	8,183
		P2,855,461	P12,634



The movements in NOLCO and MCIT follow:

	2014	2013
NOLCO:		
Balance at beginning of year	₱3,486,273	₱2,324,187
Additions	635,883	1,344,184
Expired NOLCO	(1,266,695)	(182,098)
Balance at end of year	₱2,855,461	₱3,486,273
MCIT:		
Balance at beginning of year	₱4,451	₱26,112
Additions	8,183	-
Expired MCIT	-	(21,661)
Balance at end of year	₱12,634	₱4,451

As at December 31, 2014, deferred tax liability pertains to unrealized gain on AFS investment amounting to ₱0.23 million presented under equity in the statements of financial position.

12. 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

Transactions with related parties have been entered into at terms no less favorable than could have been obtained if the transactions were entered into with unrelated parties. 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	2014	₱-	(₱47,271,600)	Upon demand,	Unsecured
Portion of proceeds retained from issuance of PDRs	2013	-	(47,271,600)	noninterest-bearing	
Belo, Gozon, Elma Law Firm	2014	-	(90,909)	Upon demand,	Unsecured
	2013	164,835	(432,824)	noninterest-bearing	

The outstanding balance of "Due to shareholders" account in the statements of financial position pertains to ₱0.05 per PDR portion of the original proceeds retained by the Company, as the PDR issuer, in consideration for the rights granted under the PDRs. 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.



13. Financial Risk Management Objectives and Policies

The Company's principal financial instruments include cash and cash equivalents. The main purpose of these financial instruments includes raising financing for the Company's operations and managing identified financial risks. The Company has other financial assets and liabilities such as accounts receivable, accounts payable and other current liabilities (excluding statutory payables) and due to shareholders, which arise directly from its operations. Liquidity risk, interest rate risk, fair value interest rate risk and credit risk are the main risks arising from the Company's financial instruments.

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

Liquidity Risk. The Company is exposed to the possibility that adverse changes in the business environment and/or its operations would result in substantially higher working capital requirements and subsequently pose difficulty in financing the additional working capital.

The Company manages its liquidity risk by using its cash and cash equivalents from operations 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 table below summarizes 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:

	As at December 31, 2014			Total
	On Demand	3 to 12 Months	More than 1 year	
Financial Assets				
Cash and cash equivalents	P26,665,221	P-	P-	P26,665,221
AFS investment	-	-	21,759,216	21,759,216
	P26,665,221	P-	P21,759,216	P48,424,437
Financial Liabilities				
Accounts payable and other current liabilities*	P236,910	P-	P-	P236,910
Due to shareholders	47,271,600	-	-	47,271,600
	P47,508,510	P-	P-	P47,508,510

*Excluding deferred output VAT amounting to P4,284 as at December 31, 2014.

	As at December 31, 2013		Total
	On Demand	3 to 12 Months	
Financial Asset			
Cash and cash equivalents	P47,929,988	P-	P47,929,988
Financial Liabilities			
Accounts payable and other current liabilities	P729,558	P-	P729,558
Due to shareholders	47,271,600	-	47,271,600
	P48,001,158	P-	P48,001,158



Interest Rate Risk. Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to changes in interest rates is minimal and is attributed to cash and cash equivalents.

The following table demonstrates the sensitivity of the Company's income before income tax for the years ended December 31, 2014 and 2013 to a reasonably possible change in interest rates, with all other variables held constant. There is no impact on the Company's equity other than those already affecting profit or loss.

	Increase (Decrease) in Basis Points	Effect on Income Before Income Tax	
		2014	2013
Cash and cash equivalents	50	₱133,301	₱239,625
	(50)	(133,301)	(239,625)

Fair Value Interest Rate Risk. The Company follows a prudent policy on managing its assets and liabilities to ensure that exposure to fluctuations in interest rates are kept within acceptable limits. There are no floating rate financial assets and financial liabilities. Term deposits with banks and debt securities carry fixed rates throughout the period of deposit or placement.

The Company's AFS investment earns fixed interest rate at 5.38% in 2014. Fixed interest rate instrument exposes the Company to fair value interest rate risk, such as the fair value will fluctuate because of changes in market prices. In order to manage its interest rate risk, the Company places its excess funds in high yield investments and other short-term deposits.

The following table below demonstrates the sensitivity of fair value changes due to possible change in interest rates with all other variables held constant.

	Increase (Decrease) in Basis Points	Effect on Equity
		2014
AFS investment	50	(₱804,227)
	(50)	843,111

Credit Risk. Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. 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 ensures that services are made to customers with appropriate credit history. The Company has an internal mechanism to monitor the granting of credit and management of credit exposures. The Company has made provisions, where necessary, for potential losses on credits extended. The Company's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amount of the instruments. The Company does not require any collateral for its 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. 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) and accounts receivable as high grade financial assets as at December 31, 2014 and 2013.

As at December 31, the aging analysis of accounts receivable is as follows:

	2014	2013
Neither past due nor impaired	₱143,407	₱72,680
Past due but not impaired:		
31-60 days	30,600	-
61-150 days	9,380	-
151-365 days	-	80,630
	₱183,387	₱153,310

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, 2014, 2013 and 2012.

The Company's capital management is undertaken by GMA. The capital includes the total equity, which amounted to ₱0.64 million and ₱0.29 million as at December 31, 2014 and 2013, respectively.

14. Financial Assets and Liabilities

Fair Value Determination

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

Cash and Cash Equivalents, Accounts Receivable, Accounts Payable and Other Current Liabilities (excluding Statutory Payables) and Due to Shareholders

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

AFS Investment

Unquoted AFS investment is carried at fair value based on observable market data, which is estimated using the discounted cash flow methodology. Discount rates used range from 2.38% to 3.90% in 2014. The fair value is under level 2 of the fair value hierarchy.



15. Basic/Diluted Earnings (Loss) Per Share Computation

Basic/diluted EPS is computed as follows:

	2014	2013	2012
Net income attributable to equity holders (a)	₱350,186	(₱379,790)	₱13,139
Common shares issues at beginning and end of year (b)	10,000	10,000	10,000
Basic/diluted earnings (loss) per share (a/b)	₱35.02	(₱37.98)	₱1.31

16. Supplementary Information Required by Revenue Regulations (RR) No. 15-2010

RR 15-2010

The Company reported and/or paid the following types of taxes in 2014:

Value added tax (VAT)

The Company's sales are subject to output VAT while its purchases from other VAT-registered individuals or corporations are subject to input VAT. The VAT rate is 12.0%.

a. Net Sales/Receipts and Output VAT declared in the Company's VAT returns

The Company's taxable sales from services amounted to ₱373,446 with corresponding output VAT of ₱44,814.

The Company's sales that are subject to output VAT are reported under "Exercise Fee" account in the statement of comprehensive income.

b. Input VAT

Balance at January 1	₱198,178
Current year's domestic purchases for services	149,508
Total claims at December 31, 2014	₱347,686

Other Taxes and Licenses

All other local and national taxes paid for the year ended December 31, 2014 consist of:

Local taxes and license fees	₱42,288
Registration fees	500
	₱42,788



Withholding Taxes

Withholding taxes paid and/or withheld for the year ended December 31, 2014 consist of:

Final withholding tax	₱30,741,802
Expanded withholding tax	13,966
	<u>₱30,755,768</u>

Tax Assessments and Cases

As at December 31, 2014, the Company has no ongoing tax assessments and cases with 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, 2014.



GMA HOLDINGS, INC.
INDEX TO THE FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES
AS AT DECEMBER 31, 2014

- | | |
|--|----------------|
| I. Supplemental schedules required by Annex 68-E | |
| A. Financial assets | Attached |
| B. Amounts receivable from directors, officers, employees,
related parties and principal stockholders (other than
related parties) | Not applicable |
| C. Amounts of receivables and payable from/to related parties which are
eliminated during consolidation process of financial statements | Not applicable |
| D. Intangible assets - other asset | Not applicable |
| E. Long-term debt | Not applicable |
| F. Indebtedness to related parties (Long-term loans from related parties) | Not applicable |
| G. Guarantees of securities of other issuers | Not applicable |
| H. Capital stock | Attached |
| II. Schedule of all the effective standards and interpretations | Attached |
| III. Reconciliation of retained earnings available for dividend declaration | Attached |
| IV. Schedule of financial ratios | Attached |

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
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, 2014 and 2013 and for each of the three years in the period ended December 31, 2014 included in this Form 17-A, and have issued our report thereon dated March 30, 2015. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. These schedules listed in the Index to 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.

Marydell C. Miguel

Marydell C. Miguel

Partner

CPA Certificate No. 65556

SEC Accreditation No. 0087-AR-3 (Group A),
January 18, 2013, valid until January 17, 2016.

Tax Identification No. 102-092-270

BIR Accreditation No. 08-001998-55-2015,
February 27, 2015, valid until February 26, 2018

PTR No. 4751303, January 5, 2015, Makati City

March 30, 2015



GMA HOLDINGS, INC.

**I. SUPPLEMENTAL SCHEDULES REQUIRED BY ANNEX 68-E
AS AT DECEMBER 31, 2014**

Schedule A. Financial Assets

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and rates	Amount shown in the statements of financial position	Value based on market quotation		Income received and accrued
			at end of reporting period		
Cash and cash equivalents		P5,000	P-		P-
Cash on hand	-	1,235,820	-		11,740
Cash in banks	-	1,240,820	-		11,740
Peso Placements					
Union Bank of the Philippines	-	-	-		210,275
Unicapital, Inc.	-	25,424,401	-		895,043
	-	25,424,401	-		1,105,318
Total	-	P26,665,221	P-		P1,117,058
Available-for-sale investment	-	P21,759,216	-		P125,757

Schedule H. Capital Stock

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related statements of financial position 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	10,000	10,000	-	-	9,991	9

GMA HOLDINGS, INC.

**II. SCHEDULE OF ALL THE EFFECTIVE STANDARDS AND INTERPRETATIONS
AS AT DECEMBER 31, 2014**

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2014		Adopted	Not Adopted	Applicable
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics		✓		
PFRSs Practice Statement Management Commentary				✓
Philippine Financial Reporting Standards				
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards	✓		
	Amendments to PFRS 1 and PAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate			✓
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters			✓
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters			✓
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			✓
	Amendments to PFRS 1: Government Loans			✓
	Amendment to PFRS 1: First-time Adoption of Philippine Financial Reporting Standards - Meaning of 'Effective PFRSs'	✓		
				✓
PFRS 2	Share-based Payment			✓
	Amendments to PFRS 2: Vesting Conditions and Cancellations			✓
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			✓
	Amendments to PFRS 2: Share-based Payment - Definition of Vesting Condition*	Not Early Adopted		
PFRS 3 (Revised)	Business Combinations			✓
	Business Combinations - Accounting for Contingent Consideration in a Business Combination*	Not Early Adopted		
	Business Combinations - Scope Exceptions for Joint Arrangements*	Not Early Adopted		

TABLE 1: SUMMARY OF FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2012		Adopted	Not Adopted	Not Applicable
PFRS 4	Insurance Contracts			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			✓
	Amendments to PFRS 5: Changes in Methods of Disposal*	Not Early Adopted		
PFRS 6	Exploration for and Evaluation of Mineral Resources			✓
PFRS 7	Financial Instruments: Disclosures	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets			✓
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition			✓
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	✓		
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets			✓
	Amendments to PFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities			✓
	Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures			✓
	Amendments to PFRS 7: Disclosures - Servicing Contracts*	Not Early Adopted		
	Amendments to PFRS 7: Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements*	Not Early Adopted		
PFRS 8	Operating Segments			✓
	Amendments to PFRS 8: Operating Segments - Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets*	Not Early Adopted		
PFRS 9	Financial Instruments*	Not Early Adopted		
	Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures*	Not Early Adopted		
PFRS 10	Consolidated Financial Statements			✓
	Amendments to PFRS 10: Investment Entities			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
Effective Date: December 31, 2014				
	Amendments to PFRS 10: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Not Early Adopted		
				✓
PFRS 11	Joint Arrangements	Not Early Adopted		
	Amendments to PFRS 11: Accounting for Acquisitions of Interests in Joint Operations*			
				✓
PFRS 12	Disclosure of Interests in Other Entities			✓
	Amendments to PFRS 12: Investment Entities			
PFRS 13	Fair Value Measurement	✓		
	Amendment to PFRS 13: Short-term Receivables and Payables	✓		
	Amendment to PFRS 13: Fair Value Measurement - Portfolio Exception*	Not Early Adopted		
PFRS 14	Regulatory Deferral Accounts*	Not Early Adopted		
PFRS 15	Revenue from Contracts with Customers*	Not Early Adopted		
Philippine Accounting Standards (PAS)				
PAS 1 (Revised)	Presentation of Financial Statements	✓		
	Amendment to PAS 1: Capital Disclosures	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income	✓		
				✓
PAS 2	Inventories	✓		
PAS 7	Statement of Cash Flows	✓		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
PAS 10	Events after the Reporting Period	✓		
PAS 11	Construction Contracts	✓		
PAS 12	Income Taxes			✓
	Amendment to PAS 12 - Deferred Tax: Recovery of Underlying Assets			✓
PAS 16	Property, Plant and Equipment	Not Early Adopted		
	Amendment to PAS 16: Property, Plant and Equipment - Revaluation Method - Proportionate			

PUBLISHED FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS ISSUED AS OF DECEMBER 31, 2017		Adopted	Not Adopted	Not Available
	Restatement of Accumulated Depreciation*			
	Amendment to PAS 16: Agriculture - Bearer Plants*			Not Early Adopted
PAS 17	Leases			✓
PAS 18	Revenue	✓		
PAS 19	Employee Benefits			✓
PAS 19 (Amended)	Employee Benefits			✓
	Amendments to PAS 19: Actuarial Gains and Losses, Group Plans and Disclosures			✓
	Amendments to PAS 19: Defined Benefit Plans: Employee Contributions*			Not Early Adopted
	Amendments to PAS 19: Regional Market Issue Regarding Discount Rate*			Not Early Adopted
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
PAS 21	The Effects of Changes in Foreign Exchange Rates			✓
	Amendment: Net Investment in a Foreign Operation			✓
PAS 23 (Revised)	Borrowing Costs			✓
PAS 24 (Revised)	Related Party Disclosures	✓		
PAS 26	Accounting and Reporting by Retirement Benefit Plans			✓
PAS 27	Consolidated and Separate Financial Statements			✓
PAS 27 (Amended)	Separate Financial Statements			✓
	Amendments to PAS 27: Investment Entities			✓
	Amendments to PAS 27: Equity Method in Separate Financial Statements*			Not Early Adopted
PAS 28	Investments in Associates			✓
PAS 28 (Amended)	Investments in Associates and Joint Ventures			✓
	Amendments to PAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*			Not Early Adopted
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
PAS 31	Interests in Joint Ventures			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS EFFECTIVE 1 JANUARY 2010		Adopted	Not Adopted	Not Applicable
PAS 32	Financial Instruments: Disclosure and Presentation	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendment to PAS 32: Classification of Rights Issues			✓
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities			✓
PAS 33	Earnings per Share	✓		
PAS 34	Interim Financial Reporting	✓		
	Amendments to PAS 34: Disclosure of Information 'Elsewhere in the Interim Financial Report'	Not Early Adopted		
PAS 36	Impairment of Assets	✓		
	Amendments to PAS 36: Recoverable Amount Disclosures for Non-Financial Assets			✓
PAS 37	Provisions, Contingent Liabilities and Contingent Assets			✓
PAS 39	Financial Instruments: Recognition and Measurement	✓		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	✓		
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			✓
	Amendments to PAS 39: The Fair Value Option			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets			✓
PAS 39	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition			✓
	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives			✓
	Amendment to PAS 39: Eligible Hedged Items			✓
	Amendment to PAS 39: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS (AND INTERPRETATIONS)		Adopted	Not Adopted	Not Applicable
Effective 1920 December 31, 2011				
PAS 40	Investment Property			✓
	Amendment to PAS 40*	Not Early Adopted		
PAS 41	Agriculture			✓
	Amendment to PAS 41: Agriculture - Bearer Plants*	Not Early Adopted		
Interpretations				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			✓
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			✓
IFRIC 4	Determining Whether an Arrangement Contains a Lease			✓
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✓
IFRIC 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment			✓
IFRIC 7	Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies			✓
IFRIC 8	Scope of PFRS 2			✓
IFRIC 9	Reassessment of Embedded Derivatives			✓
	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives			✓
IFRIC 10	Interim Financial Reporting and Impairment			✓
IFRIC 11	PFRS 2 - Group and Treasury Share Transactions			✓
IFRIC 12	Service Concession Arrangements			✓
IFRIC 13	Customer Loyalty Programmes			✓
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction			✓
	Amendments to Philippine Interpretations IFRIC-14, Prepayments of a Minimum Funding Requirement			✓
IFRIC 15	Agreements for the Construction of Real Estate*	Not Early Adopted		
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			✓
IFRIC 17	Distributions of Non-cash Assets to Owners			✓
IFRIC 18	Transfers of Assets from Customers			✓
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			✓

INTERNATIONAL FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as at December 31, 2014		Adopted	Not Adopted	Not Applicable
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			✓
IFRIC 21	Levies	✓		
SIC-7	Introduction of the Euro			✓
SIC-10	Government Assistance - No Specific Relation to Operating Activities			✓
SIC-12	Consolidation - Special Purpose Entities			✓
	Amendment to SIC - 12: Scope of SIC 12			✓
SIC-13	Jointly Controlled Entities - Non-Monetary Contributions by Venturers			✓
SIC-15	Operating Leases - Incentives			✓
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			✓
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease			✓
SIC-29	Service Concession Arrangements: Disclosures			✓
SIC-31	Revenue - Barter Transactions Involving Advertising Services			✓
SIC-32	Intangible Assets - Web Site Costs			✓

* Standards and interpretations which will become effective subsequent to December 31, 2014.

Note: Standards and interpretations tagged as "Not Applicable" are those standards and interpretations which were adopted but the entity has no significant covered transaction as at and for the year ended December 31, 2014.

GMA HOLDINGS, INC.

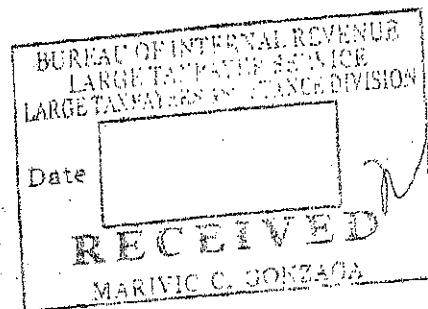
III. RECONCILIATION OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
FOR THE YEAR ENDED DECEMBER 31, 2014

Unappropriated retained earnings, beginning	₱189,628
Net income during the year closed to retained earnings	350,187
Retained earnings - available for	
dividend declaration as at December 31, 2014	₱539,815

GMA HOLDINGS, INC.

IV. SCHEDULE OF FINANCIAL RATIOS
FOR THE YEAR ENDED DECEMBER 31, 2014

Financial Ratios	Description	2014	2013
Current/liquidity ratio	Current assets over current liabilities	0.57	1.01
Asset to equity ratio	Total assets over total equity	41.76	166.73
Debt to equity ratio	Total liabilities over total equity	40.76	165.73
EBITDA margin	Earnings before interest, tax and depreciation and amortization over total revenue	0.37	(0.11)



MAP OF CONGLOMERATE - Not Applicable