

COVER SHEET

COMPANY REGISTRATION AND MONITORING DEPARTMENT

Nature of Application

SEC Registration Number

Amended Definitive Information Statement

CS 200602356

Company Name

GMA HOLDINGS INC.

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

UNIT 50 TOWER ONE ONE MCKINLEY
PLACE NEW BONIFACIO GLOBAL
CITY FORT BONIFACIO TAGUIG
CITY

COMPANY INFORMATION

Company's Email Address

Company's Telephone Number/s

Mobile Number

8163716

CONTACT PERSON INFORMATION

The designated person MUST be a Director/Trustee/Partner/Officer/Resident Agent of the Corporation

Name of Contact Person

Email Address

Telephone Number/s

Mobile Number

ATTY. ANNA TERESA ABROGAN

8163716

Contact Person's Address

To be accomplished by CRMD Personnel

Date

Signature

Assigned Processor:

Document I.D.

Received by Corporate Filing and Records Division (CFRD)

Forwarded to:

| |
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Corporate and Partnership Registration Division
Green Lane Unit
Financial Analysis and Audit Division
Licensing Unit

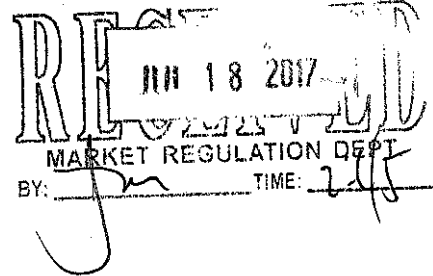


July 14, 2017

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

SECURITIES AND EXCHANGE
COMMISSION



Dear Stockholder:

Please be informed that the Annual Meeting of the Stockholders of GMA Holdings, Inc. is on **August 18, 2017 (Friday) at 10:00 a.m. at Dario (formerly 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 September 30, 2016.
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 26, 2017 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
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 August 14, 2017. You may deliver the proxy or send it in advance through fax no. (632) 812-0008. Validation of proxies shall be held on August 16, 2017 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 **Dario (formerly Balducci), G/F Serendra, Bonifacio Global City, Fort Bonifacio, Taguig City on Friday, August 18, 2017** at 10:00 a.m. and at any postponement or adjournment thereof.

Name

Signature

Date

No. of Shares Held

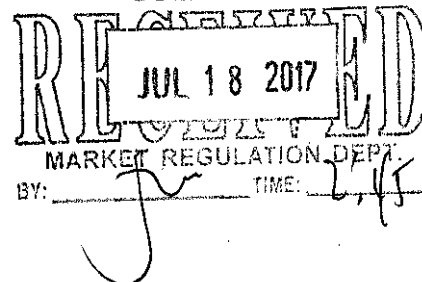
SECURITIES AND EXCHANGE COMMISSION

AMENDED SEC FORM 20-IS

AMENDED INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

GMA HOLDINGS, INC.

SECURITIES AND EXCHANGE
COMMISSION



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 18, 2017

TIME : 10:00 a.m.

**PLACE: Dario (formerly) Balducci, G/F Serendra, Bonifacio Global City,
Fort Bonifacio, Taguig City**

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

July 27, 2017

10. In case of Proxy Solicitations:

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

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

11. 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") | 832,110,100 |

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 27, 2017, is being furnished to the stockholders of record of GMA Holdings, Inc. as of April 26, 2017 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 18, 2017
Time : 10:00 a.m.
**Place: Dario (formerly Balducci), G/F Serendra, Bonifacio Global City,
Fort Bonifacio, Taguig City**

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

July 27, 2017

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

Securities and Principal Holders Thereof

- (a) GMA Holdings, Inc. ("the Company") has 10,000 common shares subscribed and outstanding as of April 30, 2017. 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 26, 2017 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 April 30, 2017

As of April 30, 2017, 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 April 30, 2017:

As of April 30, 2017, 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 (2017-2018):

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 April 30, 2017, 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 | 77 |
| Gilberto R. Duavit, Jr. | Filipino | Director | 2007 | President/Chief Executive Officer | 2007 | 53 |
| Joel Marcelo G. Jimenez | Filipino | Director | 2007 | N/A | N/A | 53 |
| Felipe S. Yalong | Filipino | Corporate Treasurer | 2007 | Chief Financial Officer/Chief Operating Officer | 2012 | 60 |
| Artemio V. Panganiban | Filipino | Independent Director | 2009 | N/A | N/A | 80 |
| Jaime C. Laya | Filipino | Independent Director | 2008 | N/A | N/A | 78 |
| Ronaldo P. Mastrilli | Filipino | N/A | N/A | Comptroller/Chief Accounting Officer | 2007 | 51 |
| Anna Teresa M. Gozon-Abrogar | Filipino | Corporate Secretary | 2007 | N/A | N/A | 45 |
| Roberto O. Parel | Filipino | N/A | N/A | Vice-President/Compliance Officer | 2013 | 61 |

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

Felipe L. Gozon, Filipino, 77 years old, is the Chairman of the Board of Directors and Chief Executive Officer of GMA Network, Inc.

Atty. Gozon is a Senior Partner at the Law Firm of Belo Gozon Elma Parel Asuncion & Lucila. Aside from GMA Network, Inc., he is also Chairman and CEO of GMA New Media, Inc. and FLG Management and Development Corp.; Chairman of Alta Productions Group, Inc., Citynet Network Marketing and Productions, Inc., Mont-Aire Realty and Development Corp., Philippine Entertainment Portal, Inc., RGMA Network, Inc., and Justitia Realty and Management Corp.; President of Gozon Development Corporation, BGE Holdings, Inc., and Lex Realty Corporation; Director of, among other companies, Philippine Chamber of Commerce and Industry, Chamber of Commerce of the Philippine Islands; and Vice President/Treasurer of Antipolo Agri-Business and Land Development Corp. 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 achievements in law, media, public service, and business, including the prestigious Chief Justice Special Award given by the Chief Justice of the Philippines (1991), Presidential Award of Merit given by the Philippine Bar Association (1990 & 1993), CEO of the Year given by Uno Magazine (2004), Master Entrepreneur – Philippines (2004) by Ernst and Young, Outstanding Citizen of Malabon Award for Legal and Business Management by the Kalipunan ng Samahan sa Malabon (KASAMA) (2005), People of the Year by People Asia Magazine (2005), Outstanding Manilan Award in the field of Social Responsibility and Broadcasting given by the City Government of Manila (2011), Quezon City

Gawad Parangal Most Outstanding Citizen for 2011 given by the City Government of Quezon (2011), Tycoon of the Decade Award given by BizNews Asia (2011), Lifetime Achievement Award given by the UP Alumni Association (2012), Certificate of Recognition given by the Civil Aeronautics Board (2012), Personality of the Year for Broadcast Media given by SKAL International Makati (2013), Outstanding Member-Achiever given by Phi Kappa Phi UP Chapter (International Honor Society) (2013), Visionary Management CEO Award given by BizNews Asia (2013), Lifetime Achievement Award given by UP Preparatory High School Alumni (2014), Entrepreneurship Excellence Award and Best Broadcast CEO Award given by BizNews Asia (2014), The Rotary Golden Wheel Award for Corporate Media Management given by Rotary International District 3780 and Quezon City Government (2014), and Global Leadership Award for Excellence in Media Sector (first Filipino to win the award) given by The Leaders International together with the American Leadership Development Association in Kuala Lumpur, Malaysia (2015). He is also listed among Biz News Asia's Power 100 (2003 to 2010).

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

Gilberto R. Duavit, Jr., Filipino, 53 years old, is the President and Chief Operating Officer of GMA Network, Inc. He has been a Director of the Company since 1999 and is currently the Chairman of the Network's Executive Committee. Aside from GMA Network, Inc., he is the Chairman of the Board of GMA Network Films, Inc. and GMA Worldwide, Inc. He also serves as President and CEO of GMA Holdings, Inc., RGMA Marketing and Productions, Inc., Film Experts, Inc., and Dual Management and Investments, Inc. He is the President and a Director of Group Management and Development, Inc.; President and Director of MediaMerge Corp., Citynet Network Marketing and Productions, Inc.; Director of RGMA Network, Inc., GMA New Media, Inc., Alta Productions Group, Inc., Optima Digital, Inc., and Mont-Aire Realty and Development Corp. He also serves as the President and a Trustee of GMA Kapuso Foundation, Inc. and a Trustee of the Guronasyon Foundation, Inc. and the HERO Foundation.

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

Joel Marcelo G. Jimenez, Filipino, 53 years old, has been a Director of GMA Network, Inc. since 2002. He is currently the Vice Chairman of the Executive Committee of GMA Network, Inc., 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, 60 years old, is the Executive Vice President and Chief Financial Officer of GMA Network, Inc. He has been a Director of the Company since 2002. Aside from GMA Network, Inc., he also serves as Director and Corporate Treasurer of GMA Holdings, Inc., Scenarios, Inc., and GMA Network Films, Inc.; Director of Unicapital, Inc., and Majalco Finance and Investments, Inc.; Corporate Treasurer of RGMA Network, Inc., MediaMerge Corp.; Executive Vice President of RGMA Marketing and Productions, Inc.; and Corporate Treasurer of the Board of Trustees of GMA Kapuso Foundation, Inc..

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

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

Dr. Jaime C. Laya, Filipino, 78 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, 80 years old, has been an Independent Director of GMA Network, Inc. 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.

Anna Teresa G. Abrogar, Filipino, 45 years old, has been a Director of GMA Network, Inc. since 2000. She graduated cum laude, BS Management Engineering from Ateneo de Manila University and obtained her Bachelor of Laws degree from the University of the Philippines where she graduated valedictorian, cum laude. She later obtained her Master of Laws from Harvard University.

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

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

Ronaldo P. Mastrilli, Filipino, 51 years old, is the Senior Vice President of GMA Network, Inc.'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. Mastrilli concurrently holds key positions in GMA Subsidiaries namely: Comptroller/Chief Accounting Officer of GMA Holdings, Treasurer of Alta Productions, Director of Script2010 and GMA Kapuso Foundation, and Comptroller of GMA Films, GMA Kapuso Foundation and GMA Worldwide.

Roberto O. Parel, Filipino, 61 years old, has been the Compliance Officer of the Company since 2012. 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.

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.

Felipe S. Yalong

Ronaldo P. Mastrili

President and Chief Executive Officer

Chief Financial Officer/ Chief Operating Officer

Chief Accounting Officer/ Comptroller

| | Year | Salaries (in thousands) | Bonuses (in thousands) | Other Income | Total (in thousands) |
|--|------|-------------------------------|------------------------------|-----------------|----------------------------|
| CEO and the highest compensated officers named above | 2014 | - | - | - | - |
| | 2015 | - | - | - | - |
| | 2016 | - | - | - | - |
| | 2017 | - | - | - | - |
| | | | | | |

| | | | | | | | | | |
|--|------------|---|---|---|---|---|---|---|---|
| | (estimate) | | | | | | | | |
| Aggregate compensation paid to all officers and directors as a group unnamed | 2014 | - | - | - | - | - | - | - | - |
| | 2015 | - | - | - | - | - | - | - | - |
| | 2016 | - | - | - | - | - | - | - | - |
| | 2017 | - | - | - | - | - | - | - | - |
| | (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 May 26, 2017.
- (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 2015 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 2016, 2015 and 2014 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.

(e) 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, 2015 and 2016;
- 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, 2016.
- b. Approval of the Minutes of the Annual Stockholders' Meeting held on September 30, 2016. The salient matters are summarized as follows:
 - (1) Approval of the Minutes of the Stockholders' Meeting held on August 13, 2015.
 - (2) Report of the President
 - (3) Ratification of Acts of the Board of Directors for the Previous Year
 - (4) Election of Directors, including the Independent Directors
 - (5) 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 September 30, 2016 to August 18, 2017 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 August 13, 2015
- > 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

No action is to be taken with respect to any amendment of the registrant's charter, by-laws or other documents.

Item 18. Other Proposed Action

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

(i) Declaration on March 27, 2017 by the Company of cash distribution to the PDR holders of Php 0.73 per PDR or the same dividend rate that will be paid by GMA Network, Inc. to its common shareholders, undiminished by the PDR holders' proportionate share in the operating cost of GMA Holdings, Inc. The foregoing cash distribution in the amount of Php 0.73 per PDR shall be distributed to the PDR Holders as of April 20, 2017 and will be paid out to the PDR holders on May 16, 2017;

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

(iii) 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).

(iv) All acts and resolutions of the Board of Directors and Management for the period covering September 30, 2016 to May 26, 2017 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 September 30, 2016
- > 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**

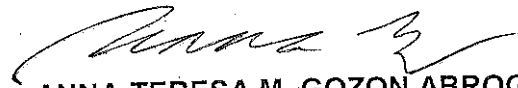
Copies of the latest Unaudited Interim Financial Statements will be made available to each stockholder at least five (5) calendar days before the Annual Meeting. Such report can be viewed at the GMA Network Inc.'s official website and hard copies of the company's ifrs and management discussion may be available upon request five (5) calendar days before the said meeting.

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 JUL 14 2017

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 April 30, 2017 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.

| 2016 | | Stock Prices (GMAP) | |
|---------------|-----------|---------------------|----------------|
| <u>Period</u> | <u>in</u> | <u>Highest</u> | <u>Lowest</u> |
| <u>2015</u> | | <u>Closing</u> | <u>Closing</u> |
| 1Q | | 7.20 | 6.00 |
| 2Q | | 7.20 | 6.10 |
| 3Q | | 6.36 | 6.00 |
| 4Q | | 6.20 | 5.85 |

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 13, 2017, is P6.05 for GMAP (PDRs).

Holders

The total number of shareholders as of April 30, 2017 was seven. The number of shares subscribed as of April 30, 2017 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.

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

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

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

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

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 P231.53 million to all shareholders of record as of April 24, 2014. These were remitted to PDR holders on May 20, 2014.

Cash Dividends to Common Shareholders

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

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

On August 25, 2015, the BOD approved the Company's declaration and distribution of Php 500 thousand from the retained earnings of the corporation as of December 31, 2015. This was paid out to the Company's common stockholders on October 21, 2015.

The company has no dividend declaration in 2014 and 2013.

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 8, 2016, the Company approved a cash distribution to the PDR holders of P0.40 per PDR or the same dividend rate that was paid by GMA Network, Inc. totaling to Php 338.54 million to all shareholders of record as of April 25, 2016. These were remitted to the PDR holders on May 17, 2016.

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

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 P231.53 million to all shareholders of record as at April 24, 2014. These were remitted to PDR holders on May 20, 2014.

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, 2016 and 2015

GMA Holdings Inc. ended the year with a total comprehensive income amounting to P1.05 million, a reversal from last year's P91 thousand total comprehensive loss due to this year's unrealized gain on Available-for-sale (AFS) investment of P20 thousand, a reversal from last year's unrealized loss of P726 thousand, brought about by changes in its fair value. Likewise, net income after tax amounted to P1.03 million, an increase of P397 thousand from last year's net income after tax of P635 thousand mainly due to higher revenues coupled with lower operating expenses. This year's revenues reached P2.51 million, an improvement of 17% or P363 thousand from last year's level of P2.14 million mainly brought about by the increase in exercise fees generating P508 thousand from the conversion of 11,387,000 PDR shares to common shares compared with P89 thousand from the 1,995,900 PDR shares converted during the same period of last year. Interest income, however, declined to P2.00 million in 2016 versus P2.05 million in 2015 due to lower interest income earned on cash placement.

Operating expenses for the year 2016 totaled P1.06 million vis-a-vis P1.09 million in 2015 mainly due to the decrease in professional fees to P308 thousand versus P400 thousand in 2015. On the other hand, listing fees amounted to P614 thousand, an increase of 7% as compared with P576 thousand in 2015 due to the offshoot of higher market cap. Local business tax went up to P32 thousand from last year's P20 thousand due to higher 2015 tax base used for 2016 payment.

On March 27, 2017, the Board of Directors approved the Company's cash dividend declaration of P1.00 million to its common stockholders from the retained earnings of the Company as of December 31, 2016.

Financial Condition. Total assets amounted to P48.71 million, a tad higher than last year's P48.22 million primarily due to the increase in accounts receivable caused by more conversion of PDR shares to common shares in 2016.

For the years ended December 31, 2015 and 2014

GMA Holdings Inc. ended the year with a pre-tax income of P1.05 million, an increase of P443 thousand from last year's pre-tax income of P607 thousand mainly due to higher revenues despite higher operating expenses. Likewise, net income after tax amounted to P635 thousand versus P350 thousand net income after tax in 2014. This year's revenues reached P2.14 million, an improvement of 30% or P490 thousand from last year's level of P1.65 million mainly brought about by the climb in interest income of P2.05 million. For 2015, a total of P2.00 million PDR shares were converted to common shares which generated exercise fees of P89 thousand vis-a-vis P9.16 million PDR shares in 2014, for an exercise fee of P409 thousand.

Operating expenses inched up by 5% to P1.09 million from P1.05 million in 2014 due to higher professional fees partly negated by lower PSE listing fees and miscellaneous expenses. Professional fees settled at P400 thousand, 95% more than the P205 thousand posted a year ago which included payment to BGE for the amendment of Articles of Incorporation (to incorporate complete address). On the other hand, listing fees of P576 thousand dropped by 17% from P690 thousand in 2014 as an offshoot of lower market cap.

On April 8, 2016, the BOD approved the company's declaration and distribution of P600 thousand dividends from the retained earnings of the corporation as of December 31, 2015 and will be paid out to the Company's common stockholders on May 17, 2016.

Financial Condition. Total assets amounted to P48.52 million, a tad lower from last year's P48.91 million primarily due to the decrease in the fair market value of Available-for-sale investment (under non-current asset).

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 P1.05 million 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 P280 thousand 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 P21.00 million cash equivalents to Available-for-sale 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, 2016, 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, 2016, 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 2016, 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, 2016, 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, 2016 vs. December 31, 2015)

- Cash and cash equivalent increased by P42 thousand to P26.89 million as a result of interest received from Available-for-sale investment added to cash in bank and collection of accounts receivable.

Current liabilities likewise increased by P40 thousand to P47.68 million, due to unpaid liabilities for professional and audit fees.

- 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

Copies of the latest unaudited Interim Financial Statements will be made available to each stockholder at least five (5) calendar days before the Annual Meeting. Such report can be viewed at the GMA Network Inc.'s official website and hard copies of the company's ifrs and management discussion may be available upon request five (5) calendar days before the said meeting.

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. The Company has adopted a Revised Manual on Corporate Governance to institutionalize the Company's adherence to these principles. This Revised Manual clearly 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 Revised 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 Revised 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 Revised Manual on Corporate Governance dated July 31, 2014 as well as the Company's Annual Corporate Governance Report for 2015 which are adopted herein as filed with the Securities and Exchange Commission, there has been no deviations from the Company's Manual as of date.

VII. Financial Statements

Kindly see attached Audited Financial Statements.



STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

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

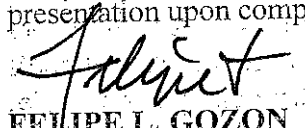
The management of **GMA Holdings, Inc.** is responsible for the preparation and fair presentation of the financial statements including the additional components attached therein, for the years ended **December 31, 2016 and 2015**, in accordance with Philippine Financial Reporting Standards. This responsibility 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.

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

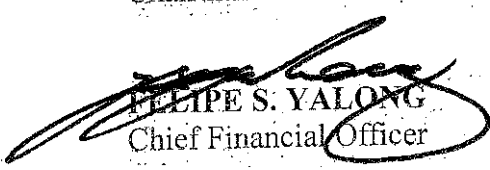
The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the additional components attached therein, 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

Signed this 27th day of March 2017.

GMA HOLDINGS, INC.

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

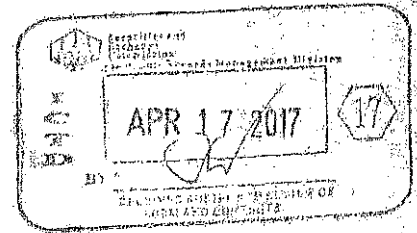
SUBSCRIBED AND SWORN to before me this 17 day of April 2017 at Makati City, affiants exhibiting to me their competent evidence of identities as follows:

| <u>Name</u> | <u>Valid ID</u> | <u>Issued on/Issued at</u> |
|--------------------|------------------------|----------------------------|
| Felipe L. Gozon | Passport No. EB7372600 | Feb. 13, 2013/DFA, Manila |
| Gilberto R. Duavit | Passport No. EC1839631 | Aug. 08, 2014/DFA, Manila |
| Felipe S. Yalong | Passport No. EB7528245 | March 01, 2013/DFA, Manila |

Doc. No. 19
Page No. 4
Book No. 6
Series of 2017


SALVADOR P. ESCALANTE
NOTARY PUBLIC FOR MAKATI CITY

Appointment No. M-422
Until December 31, 2017
Roll of Attorneys No. 54608
MCLE Compliance Certificate No. Y-0021983, 6-7-16
IBP No. 1063925 1-12-17, Quezon City
PTR No. 5912539 1-4-17, Makati City
The Athenaeum Bldg.,
160 L.P. Leviste St., Makati City



TREASURER'S CERTIFICATION

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

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

Witness my hand on this _____ day of 04 APR 2017 at City of QUEZON CITY

FELIPE S. YALONG
Corporate Treasurer

Acknowledgement

SUBSCRIBED AND SWORN to before me this 04 APR 2017 day of _____ at _____
affiants exhibited to me his TIN 102-874-052 (Felipe S. Yalong).

Doc. No. 405
Page No. 82
Book No. IV
Series of 2017

NOTARY PUBLIC
UNTIL DECEMBER 31, 2017
Mater No. 161 (2015-2017)
GMA North Center, Timog Ave.
Cor. EDSA, Diliman, Q.C.
MCL No. IV-00193061/04-14-16
STR No. 3723/21; 01-09-17; Q.C.
D.R. No. 1221298; 01-09-17; PARR
CSP No. 50741

GENERAL FORM FOR FINANCIAL STATEMENTS

NAME OF CORPORATION: GMA HOLDINGS, INC.CURRENT ADDRESS: 5D Tower One, One McKinley Place, New Bonifacio Global City, Taguig CityTEL. NO.: 982-7777 loc 8001/8089

FAX NO.: _____

PSIC: _____

COMPANY TYPE: Holding Company

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

Table 1. Balance Sheet

| FINANCIAL DATA | 2016 | 2015 |
|---|----------------------|-------------------|
| | (in Philippine Peso) | |
| A. ASSETS (A.1 + A.2 + A.3 + A.4 + A.5 + A.6 + A.7 + A.8 + A.9 + A.10) | 48,710,823 | 48,218,573 |
| A.1 Current Assets (A.1.1 + A.1.2 + A.1.3 + A.1.4 + A.1.5) | 27,885,561 | 27,413,055 |
| A.1.1 Cash and cash equivalents (A.1.1.1 + A.1.1.2 + A.1.1.3) | 5,000 | 5,000 |
| A.1.1.1 On hand | 26,883,153 | 26,841,541 |
| A.1.1.2 In domestic banks/entities | | |
| A.1.1.3 In foreign banks/entities | 555,810 | 199,515 |
| A.1.2 Trade and Other Receivables (A.1.2.1 + A.1.2.2) | 585,810 | 199,515 |
| A.1.2.1 Due from domestic entities (A.1.2.1.1 + A.1.2.1.2 + A.1.2.1.3 + A.1.2.1.4) | 413,660 | 24,430 |
| A.1.2.1.1 Due from customers (trade) | | |
| A.1.2.1.2 Due from related parties | 142,150 | 175,085 |
| A.1.2.1.3 Others, specify (A.1.2.1.3.1 + A.1.2.1.3.2) | 142,150 | 175,085 |
| A.1.2.1.3.1 Interest Receivable | | |
| A.1.2.1.3.2 Others | | |
| A.1.2.1.4 Allowance for doubtful accounts (negative entry) | | |
| A.1.2.2 Due from foreign entities, specify (A.1.2.2.1 + A.1.2.2.2 + A.1.2.2.3 + A.1.2.2.4) | | |
| A.1.2.2.1 | | |
| A.1.2.2.2 | | |
| A.1.2.2.3 | | |
| A.1.2.2.4 Allowance for doubtful accounts (negative entry) | | |
| A.1.3 Inventories (A.1.3.1 + A.1.3.2 + A.1.3.3 + A.1.3.4 + A.1.3.5 + A.1.3.6) | | |
| A.1.3.1 Raw materials and supplies | | |
| A.1.3.2 Goods in process (including unfinished goods, growing crops, unfinished | | |
| A.1.3.3 Finished goods | | |
| A.1.3.4 Merchandise/Goods in transit | | |
| A.1.3.5 Unbilled Services (in case of service providers) | | |
| A.1.3.6 Others, specify (A.1.3.6.1 + A.1.3.6.2) | | |
| A.1.3.6.1 | | |
| A.1.3.6.2 | | |
| A.1.4 Financial Assets other than Cash/Receivables/Equity Investments (A.1.4.1 + A.1.4.2 + A.1.4.3 + A.1.4.4 + A.1.4.5 + A.1.4.6) | | |
| A.1.4.1 Financial Assets at Fair Value through Profit or Loss - issued by domestic entities (A.1.4.1.1 + A.1.4.1.2 + A.1.4.1.3 + A.1.4.1.4 + A.1.4.1.5) | | |
| A.1.4.1.1 National Government | | |
| A.1.4.1.2 Public Financial Institutions | | |
| A.1.4.1.3 Public Non-Financial Institutions | | |
| A.1.4.1.4 Private Financial Institutions | | |
| A.1.4.1.5 Private Non-Financial Institutions | | |
| A.1.4.2 Held to Maturity Investments - issued by domestic entities (A.1.4.2.1 + A.1.4.2.2 + A.1.4.2.3 + A.1.4.2.4 + A.1.4.2.5) | | |
| A.1.4.2.1 National Government | | |
| A.1.4.2.2 Public Financial Institutions | | |
| A.1.4.2.3 Public Non-Financial Institutions | | |
| A.1.4.2.4 Private Financial Institutions | | |
| A.1.4.2.5 Private Non-Financial Institutions | | |

NOTE:

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

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

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

GENERAL FORM FOR FINANCIAL STATEMENTS

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

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

Table 1. Balance Sheet

| FINANCIAL DATA | 2016 | 2015 |
|---|------------|------------|
| (In Philippine Peso) | | |
| A.1.4.3 Loans and Receivables - issued by domestic entities: (A.1.4.3.1 + A.1.4.3.2 + A.1.4.3.3 + A.1.4.3.4 + A.1.4.3.5) | | |
| A.1.4.3.1 National Government | | |
| A.1.4.3.2 Public Financial Institutions | | |
| A.1.4.3.3 Public Non-Financial Institutions | | |
| A.1.4.3.4 Private Financial Institutions | | |
| A.1.4.3.5 Private Non-Financial Institutions | 20,825,264 | 20,805,523 |
| A.1.4.4 Available-for-sale financial assets - issued by domestic entities: (A.1.4.4.1 + A.1.4.4.2 + A.1.4.4.3 + A.1.4.4.4 + A.1.4.4.5) | | |
| A.1.4.4.1 National Government | | |
| A.1.4.4.2 Public Financial Institutions | | |
| A.1.4.4.3 Public Non-Financial Institutions | 20,825,264 | 20,805,523 |
| A.1.4.4.4 Private Financial Institutions | | |
| A.1.4.4.5 Private Non-Financial Institutions | | |
| A.1.4.5 Financial Assets issued by foreign entities: (A.1.4.5.1 + A.1.4.5.2 + A.1.4.5.3 + A.1.4.5.4) | | |
| A.1.4.5.1 Financial Assets at fair value through profit or loss | | |
| A.1.4.5.2 Held-to-maturity investments | | |
| A.1.4.5.3 Loans and Receivables | | |
| A.1.4.5.4 Available-for-sale financial assets | | |
| A.1.4.5 Allowance for decline in market value (negative entry) | 441,598 | 368,999 |
| A.1.5 Other Current Assets (state separately material items) (A.1.5.1 + A.1.5.2 + A.1.5.3) | | |
| A.1.5.1 Prepaid Tax Asset | 441,598 | 368,999 |
| A.1.5.2 Input Vat | | |
| A.1.5.3 | | |
| A.2 Property, plant, and equipment (A.2.1 + A.2.2 + A.2.3 + A.2.4 + A.2.5 + A.2.6 + A.2.7 + A.2.8) | | |
| A.2.1 Land | | |
| A.2.2 Building and improvements including leasehold improvement | | |
| A.2.3 Machinery and equipment (on hand and in transit) | | |
| A.2.4 Transportation/motor vehicles, automotive equipment, autos and trucks, and delivery equipment | | |
| A.2.5 Others, specify (A.2.5.1 + A.2.5.2 + A.2.5.3 + A.2.5.4 + A.2.5.5) | | |
| A.2.5.1 Property, or equipment used for education purposes | | |
| A.2.5.2 Construction in progress | | |
| A.2.5.3 | | |
| A.2.5.4 | | |
| A.2.5.5 | | |
| A.2.6 Appraisal Increase, specify (A.2.6.1 + A.2.6.2 + A.2.6.3 + A.2.6.4) | | |
| A.2.6.1 | | |
| A.2.6.2 | | |
| A.2.6.3 | | |
| A.2.6.4 | | |
| A.2.7 Accumulated Depreciation (negative entry) | | |
| A.2.8 Impairment Loss or Reversal (if loss, negative entry) | | |
| A.3 Investments accounted for using the equity method (A.3.1 + A.3.2 + A.3.3) | | |
| A.3.1 Equity in domestic subsidiaries/affiliates | | |
| A.3.2 Equity in foreign branches/subsidiaries/affiliates | | |
| A.3.3 Others, specify (A.3.3.1 + A.3.3.2 + A.3.3.3 + A.3.3.4) | | |
| A.3.3.1 | | |
| A.3.3.2 | | |
| A.3.3.3 | | |
| A.3.3.4 | | |
| A.4 Investment Property | | |
| A.5 Biological Assets | | |
| A.6 Intangible Assets (A.6.1 + A.6.2) | | |
| A.6.1 Major Intangibles, specify (A.6.1.1 + A.6.1.2 + A.6.1.3 + A.6.1.4) | | |
| A.6.1.1 | | |
| A.6.1.2 | | |
| A.6.1.3 | | |
| A.6.1.4 | | |
| A.6.2 Others, specify (A.6.2.1 + A.6.2.2 + A.6.2.3 + A.6.2.4) | | |
| A.6.2.1 | | |
| A.6.2.2 | | |
| A.6.2.3 | | |
| A.6.2.4 | | |
| A.7 Assets Classified as Held for Sale | | |
| A.8 Assets included in Disposal Groups Classified as Held for Sale | | |

GENERAL FORM FOR FINANCIAL STATEMENTS

NAME OF CORPORATION: GMA HOLDINGS, INC.
CURRENT ADDRESS: 5D Tower One, One McKinley Place, New Bonifacio Global City, Taguig City
TEL. NO.: 982-7777 loc 0001/8888 FAX NO.: PSIC:
COMPANY TYPE: Holding Company

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

Table 1. Balance Sheet

| FINANCIAL DATA | 2016 | 2015 |
|--|------------|------------|
| (In Philippine Peso) | | |
| A.9 Long-term receivables (net of current portion) (A.9.1 + A.9.2 + A.9.3) | | |
| A.9.1 From domestic entities, specify (A.9.1.1 + A.9.1.2 + A.9.1.3 + A.9.1.4) | | |
| A.9.1.1 | | |
| A.9.1.2 | | |
| A.9.1.3 | | |
| A.9.1.4 | | |
| A.9.2 From foreign entities, specify (A.9.2.1 + A.9.2.2 + A.9.2.3 + A.9.2.4) | | |
| A.9.2.1 | | |
| A.9.2.2 | | |
| A.9.2.3 | | |
| A.9.2.4 | | |
| A.9.3 Allowance for doubtful accounts, net of current portion (negative entry) | | |
| A.10 Other Assets (A.10.1 + A.10.2 + A.10.3 + A.10.4 + A.10.5) | | |
| A.10.1 Deferred charges - net of amortization | | |
| A.10.2 Deferred Income Tax | | |
| A.10.3 Advance/Miscellaneous deposits | | |
| A.10.4 Others, specify (A.10.4.1 + A.10.4.2 + A.10.4.3 + A.10.4.4) | | |
| A.10.4.1 Deferred Tax Asset | | |
| A.10.4.2 | | |
| A.10.4.3 | | |
| A.10.4.4 | | |
| A.10.5 Allowance for write-down of deferred charges/bad accounts (negative entry) | 47,678,338 | 47,638,048 |
| B. LIABILITIES (B.1 + B.2 + B.3 + B.4 + B.5) | 47,678,338 | 47,638,048 |
| B.1 Current Liabilities (B.1.1 + B.1.2 + B.1.3 + B.1.4 + B.1.5 + B.1.6 + B.1.7) | 47,672,123 | 47,635,360 |
| B.1.1 Trade and Other Payables to Domestic Entities | | |
| B.1.1.1 Loans/Notes Payables | 9,643 | 8,881 |
| B.1.1.2 Trade Payables | 47,271,600 | 47,271,600 |
| B.1.1.3 Payables to Related Parties, specify (B.1.1.3.1 + B.1.1.3.2 + B.1.1.3.3) | 47,271,600 | 47,271,600 |
| B.1.1.3.1 Due to shareholders | | |
| B.1.1.3.2 | | |
| B.1.1.3.3 | 390,880 | 354,879 |
| B.1.1.4 Others, specify (B.1.1.4.1 + B.1.1.4.2 + B.1.1.4.3) | 44,321 | 2,618 |
| B.1.1.4.1 Deferred output VAT | 346,559 | 352,261 |
| B.1.1.4.2 Accrued Expenses | | |
| B.1.1.4.3 | | |
| B.1.2 Trade and Other Payables to Foreign Entities (specify) (B.1.2.1 + B.1.2.2 + B.1.2.3 + B.1.2.4) | | |
| B.1.2.1 | | |
| B.1.2.2 | | |
| B.1.2.3 | | |
| B.1.2.4 | | |
| B.1.3 Provisions | | |
| B.1.4 Financial Liabilities (excluding Trade and Other Payables and Provisions) | | |
| (B.1.4.1 + B.1.4.2 + B.1.4.3) | | |
| B.1.4.1 | | |
| B.1.4.2 | | |
| B.1.4.3 | 3,526 | 289 |
| B.1.4.4 | | |
| B.1.5 Liabilities for Current Tax | 2,689 | 2,419 |
| B.1.6 Deferred Tax Liabilities | | |
| B.1.7 Others, specify (If material, state separately; indicate if the item is payable to public/private or financial/non-financial institutions) | 2,689 | 2,419 |
| B.1.7.1 Dividends declared and not paid at balance sheet date | | |
| B.1.7.2 Acceptances Payable | | |
| B.1.7.3 Liabilities under Trust Receipts | | |
| B.1.7.4 Portion of Long-term Debt Due within one year | | |
| B.1.7.5 Deferred Income | | |
| B.1.7.6 Any other current liability in excess of 5% of Total Current Liabilities, specify: | | |
| (B.1.7.6.1 + B.1.7.6.2 + B.1.7.6.3 + B.1.7.6.4) | | |
| B.1.7.6.1 | | |
| B.1.7.6.2 | | |
| B.1.7.6.3 | | |
| B.1.7.6.4 | | |

GENERAL FORM FOR FINANCIAL STATEMENTS

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

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

Table 1. Balance Sheet

| FINANCIAL DATA | | 2018 | 2019 |
|---|--|----------------------|------------|
| | | (in Philippine Peso) | |
| B.2 Long-term Debt - Non-current Interest-bearing Liabilities (B.2.1 + B.2.2 + B.2.3 + B.2.4 + B.2.5) | | | |
| B.2.1 Domestic Public Financial Institutions | | | |
| B.2.2 Domestic Public Non-Financial Institutions | | | |
| B.2.3 Domestic Private Financial Institutions | | | |
| B.2.4 Domestic Private Non-Financial Institutions | | | |
| B.2.5 Foreign Financial Institutions | | | |
| B.3 Indebtedness to Affiliates and Related Parties (Non-Current) | | | |
| B.4 Liabilities Included in the Disposal Groups Classified as Held for Sale | | | |
| B.5 Other Liabilities (B.5.1 + B.5.2) | | | |
| B.5.1 Deferred Income Tax | | | |
| B.5.2 Others, specify (B.5.2.1 + B.5.2.2 + B.5.2.3 + B.5.2.4) | | | |
| B.5.2.1 | | | |
| B.5.2.2 | | | |
| B.5.2.3 | | | |
| B.5.2.4 | | 1,032,487 | 580,530 |
| C. EQUITY (C.3 + C.4 + C.5 + C.6 + C.7 + C.8 + C.9 + C.10) | | 100,000 | 100,000 |
| C.1 Authorized Capital Stock (no. of shares, par value and total value; show details) | | 100,000 | 100,000 |
| (C.1.1 + C.1.2 + C.1.3) | | | |
| C.1.1 Common shares 10,000 shares par value of P10 | | | |
| C.1.2 Preferred Shares | | 100,000 | 100,000 |
| C.1.3 Others | | 100,000 | 100,000 |
| C.2 Subscribed Capital Stock (no. of shares, par value and total value) (C.2.1 + C.2.2 + C.2.3) | | | |
| C.2.1 Common shares 10,000 shares par value of P10 | | | |
| C.2.2 Preferred Shares | | 100,000 | 100,000 |
| C.2.3 Others | | 100,000 | 100,000 |
| C.3 Paid-up Capital Stock (C.3.1 + C.3.2) | | | |
| C.3.1 Common shares 10,000 shares par value of P10 | | | |
| C.3.2 Preferred Shares | | | |
| C.4 Additional Paid-in Capital / Capital in excess of par value / Paid-in Surplus | | (174,736) | (194,477) |
| C.5 Minority Interest | | (174,736) | (194,477) |
| C.6 Others, specify (C.6.1 + C.6.2 + C.6.3 + C.6.4 + C.6.5) | | | |
| C.6.1 Unrealized loss on available-for-sale investment | | | |
| C.6.2 | | | |
| C.6.3 | | | |
| C.6.4 | | | |
| C.6.5 | | | |
| C.7 Appraisal Surplus/Revaluation Increment in Property/Revaluation Surplus | | 1,107,223 | 675,007 |
| C.8 Retained Earnings (C.8.1 + C.8.2) | | 1,107,223 | 675,007 |
| C.8.1 Appropriated | | | |
| C.8.2 Unappropriated | | | |
| C.9 Head / Home Office Account (for Foreign Branches only) | | | |
| C.10 Cost of Stocks Held in Treasury (negative entry) | | 48,710,825 | 48,218,578 |
| D. TOTAL LIABILITIES AND EQUITY (B + C) | | | |

Control No.: C6200802358

Form Type: GFFS (rev 2006)

GENERAL FORM FOR FINANCIAL STATEMENTS

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

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

Table 2. Income Statement

| FINANCIAL DATA | 2016 | 2015 | 2014 |
|---|----------------------|-----------|-----------|
| | (In Philippine Peso) | | |
| | 2,505,042 | 2,141,960 | 1,651,958 |
| | 508,348 | 89,103 | 409,143 |
| A. REVENUE / INCOME (A.1 + A.2 + A.3 + A.4) | | | |
| A.1 Net Sales or Revenue / Receipts from Operations (manufacturing, mining, utilities, trade, services, etc.) (from Primary Activity) | | | |
| A.2 Share in the Profit or Loss of Associates and Joint Ventures accounted for using the | | | |
| A.3 Other Revenue (A.3.1 + A.3.2 + A.3.3 + A.3.4 + A.3.5) | | | |
| A.3.1 Rental Income from Land and Buildings | | | |
| A.3.2 Receipts from Sale of Merchandise (trading) (from Secondary Activity) | | | |
| A.3.3 Sale of Real Estate or other Property and Equipment | | | |
| A.3.4 Royalties, Franchise Fees, Copyrights (books, films, records, etc.) | | | |
| A.3.5 Others, specify (A.3.5.1 + A.3.5.2 + A.3.5.3 + A.3.5.4 + A.3.5.5 + A.3.5.6 + A.3.5.7) | | | |
| A.3.5.1 Rental Income, Equipment | | | |
| A.3.5.2 | | | |
| A.3.5.3 | | | |
| A.3.5.4 | | | |
| A.3.5.5 | | | |
| A.3.5.6 | | | |
| A.3.5.7 | 1,996,694 | 2,052,857 | 1,242,815 |
| A.4 Other Income (non-operating) (A.4.1 + A.4.2 + A.4.3 + A.4.4) | 1,996,694 | 2,052,857 | 1,242,815 |
| A.4.1 Interest Income | | | |
| A.4.2 Dividend Income | | | |
| A.4.3 Gain / (Loss) from selling of Assets, specify (A.4.3.1 + A.4.3.2 + A.4.3.3 + A.4.3.4 + A.4.3.5 + A.4.3.6 + A.4.3.7) | | | |
| A.4.3.1 | | | |
| A.4.3.2 | | | |
| A.4.3.3 | | | |
| A.4.3.4 | | | |
| A.4.4 Gain / (Loss) on Foreign Exchange (A.4.4.1 + A.4.4.2 + A.4.4.3 + A.4.4.4) | | | |
| A.4.4.1 | | | |
| A.4.4.2 | | | |
| A.4.4.3 | | | |
| A.4.4.4 | | | |
| B. COST OF GOODS SOLD (B.1 + B.2 + B.3) | | | |
| B.1 Cost of Goods Manufactured (B.1.1 + B.1.2 + B.1.3 + B.1.4 + B.1.5) | | | |
| B.1.1 Direct Material Used | | | |
| B.1.2 Direct Labor | | | |
| B.1.3 Other Manufacturing Cost / Overhead | | | |
| B.1.4 Goods in Process, Beginning | | | |
| B.1.5 Goods in Process, End (negative entry) | | | |
| B.2 Finished Goods, Beginning | | | |
| B.3 Finished Goods, End (negative entry) | | | |
| C. COST OF SALES (C.1 + C.2 + C.3) | | | |
| C.1 Purchases | | | |
| C.2 Merchandise Inventory, Beginning | | | |
| C.3 Merchandise Inventory, End (negative entry) | | | |
| D. COST OF SERVICES, SPECIFY (D.1 + D.2 + D.3 + D.4 + D.5 + D.6) | | | |
| D.1 | | | |
| D.2 | | | |
| D.3 | | | |
| D.4 | | | |
| D.5 | | | |
| D.6 | | | |

Control No.: CS200602356

Form Type: GFFS (rev 2006)

GENERAL FORM FOR FINANCIAL STATEMENTS

NAME OF CORPORATION: GMA HOLDINGS, INC.

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

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

FAX NO.:

PSIC:

COMPANY TYPE: Holding Company

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

Table 2. Income Statement

| FINANCIAL DATA | 2016 | 2015 (in Philippine Peso) | 2014 |
|--|-----------|------------------------------|-----------|
| E. OTHER DIRECT COSTS, SPECIFY (E.1 + E.2 + E.3 + E.4 + E.5 + E.6) | | | |
| E.1 | | | |
| E.2 | | | |
| E.3 | | | |
| E.4 | | | |
| E.5 | | | |
| E.6 | 2,505,042 | 2,141,960 | 1,851,958 |
| F. GROSS PROFIT (A - B - C - D - E) | 1,063,320 | 1,094,413 | 1,045,026 |
| G. OPERATING EXPENSES (G.1 + G.2 + G.3 + G.4) | | | |
| G.1 Selling or Marketing Expenses | 1,063,320 | 1,094,413 | 1,045,026 |
| G.2 Administrative Expenses | | | |
| G.3 General Expenses | | | |
| G.4 Other Expenses, specify (G.4.1 + G.4.2 + G.4.3 + G.4.4 + G.4.5 + G.4.6) | | | |
| G.4.1 Interest Expense and Bank Charges | | | |
| G.4.2 | | | |
| G.4.3 | | | |
| G.4.4 | | | |
| G.4.5 | | | |
| G.4.6 | | | |
| H. FINANCE COSTS | 1,441,722 | 1,047,547 | 606,932 |
| I. NET INCOME (LOSS) BEFORE TAX (F - G - H) | (409,506) | (412,354) | (256,746) |
| J. INCOME TAX EXPENSE (negative entry) | 1,032,210 | 635,193 | 350,186 |
| K. INCOME (LOSS) AFTER TAX | | | |
| L. Amount of (i) Post-Tax Profit or Loss of Discontinued Operations; and (ii) Post-Tax Gain or Loss Recognized on the Measurement of Fair Value less Cost to Sell or on the Disposal of the Assets or Disposal Group(s) constituting the Discontinued Operation (if any) | | | |
| L.1 | | | |
| L.2 | | | |
| M. Profit or Loss Attributable to Minority Interest | | | |
| N. Profit or Loss Attributable to Equity Holders of the Parent | | | |

GENERAL FORM FOR FINANCIAL STATEMENTS

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

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

Table 3. Cash Flow Statements

| FINANCIAL DATA | 2016 | 2015 | 2014 |
|---|----------------------|-------------|--------------|
| | (in Philippine Peso) | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | 1,441,722 | 1,047,547 | 606,932 |
| Net Income (Loss) Before Tax and Extraordinary Items | | | |
| Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities | | | |
| Depreciation | | | |
| Amortization, specify: | | | |
| | (1,996,694) | (2,052,857) | (1,242,815) |
| Others, specify: | | | |
| Interest income | | | |
| Interest expense and bank charges | 2,029,629 | 2,021,179 | 1,172,087 |
| Interest received | | | |
| Interest paid | (406,249) | (410,958) | (256,745) |
| Income taxes paid | | | |
| Write-down of Property, Plant, and Equipment | | | |
| Changes in Assets and Liabilities: | | | |
| Decrease (Increase) in: | (389,230) | 15,550 | 40,650 |
| Receivables | (74,599) | (64,126) | (96,512) |
| Prepaid Tax | | | |
| Others, specify: | | | |
| | | | |
| Increase (Decrease) in: | 37,033 | 124,580 | (488,364) |
| Accounts payable and accrued expenses | | | |
| Withholding taxes payable | | | |
| Others, specify: Due to shareholders | | | |
| | | | |
| A. Net Cash Provided by (Used in) Operating Activities (sum of above rows) | 641,612 | 680,915 | (264,767) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| (Increase) Decrease in Long-Term Receivables | | | |
| (Increase) Decrease in Investment | | | |
| Reductions/(Additions) to Property, Plant, and Equipment | | | |
| Others, specify: | | | |
| | | | |
| B. Net Cash Provided by (Used in) Investing Activities (sum of above rows) | | | |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from: | | | |
| Loans | | | |
| Long-term Debt | | | (21,000,000) |
| Issuance of Securities | | | |
| Others, specify: Payment of available-for-sale investment | | | |
| | | | |
| Payments of: | | | |
| (Loans) | | | |
| (Long-term Debt) | | | |
| (Stock Subscriptions) | | | |
| Others, specify (negative entry): | (600,000) | (499,595) | |
| Payment of cash dividends | | | |
| | | | |
| C. Net Cash Provided by (Used in) Financing Activities (sum of above rows) | (600,000) | (499,595) | (21,000,000) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C) | 41,612 | 181,320 | (21,264,767) |
| Cash and Cash Equivalents | 26,846,541 | 26,665,221 | 47,929,998 |
| Beginning of year | 26,888,153 | 26,846,541 | 26,665,221 |
| End of year | | | |

GENERAL FORM FOR FINANCIAL STATEMENTS

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

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

Table 4. Statement of Changes in Equity

| FINANCIAL DATA | (in Philippine Peso) | | | | | | TOTAL |
|---|----------------------|----------------------------|-----------------------|-------------------------|---|-------------------|-----------|
| | Capital Stock | Additional Paid in Capital | Revaluation Increment | Translation Differences | Unrealized Gain (Loss) on AFS Investment - Net of Tax | Retained Earnings | |
| A. Balance, 2014 | 100,000 | | | | 531,451 | 539,814 | 1,171,265 |
| A.1 Correction of Error(s) | | | | | | | |
| A.2 Changes in Accounting Policy | | | | | | | |
| B. Restated Balance | | | | | | | |
| C. Surplus | | | | | | | |
| C.1 Surplus (Deficit) on Revaluation of Properties | | | | | | | |
| C.2 Surplus (Deficit) on Revaluation of Investments | | | | | | | |
| C.3 Currency Translation Differences | | | | | | | |
| C.4 Other Surplus (specify) | | | | | (725,928) | | |
| C.4.1 Other comprehensive loss | | | | | | | |
| C.4.2 | | | | | | | |
| C.4.3 | | | | | | | |
| C.4.4 | | | | | | 635,193 | 635,193 |
| C.4.5 | | | | | | (500,000) | (500,000) |
| D. Net Income (Loss) for the Period | | | | | | | |
| E. Dividends (negative entry) | | | | | | | |
| F. Appropriation for (specify) | | | | | | | |
| F.1 | | | | | | | |
| F.2 | | | | | | | |
| F.3 | | | | | | | |
| F.4 | | | | | | | |
| F.5 | | | | | | | |
| G. Issuance of Capital Stock | | | | | | | |
| G.1 Common Stock | | | | | | | |
| G.2 Preferred Stock | | | | | | | |
| G.3 Others | 100,000 | | | | (194,477) | 675,007 | 580,530 |
| H. Balance, 2015 | | | | | | | |
| H.1 Correction of Error(s) | | | | | | | |
| H.2 Changes in Accounting Policy | | | | | | | |
| I. Restated Balance | | | | | | | |
| J. Surplus | | | | | | | |
| J.1 Surplus (Deficit) on Revaluation of Properties | | | | | | | |
| J.2 Surplus (Deficit) on Revaluation of Investments | | | | | | | |
| J.3 Currency Translation Differences | | | | | 19,741 | | 19,741 |
| J.4 Other Surplus (specify) | | | | | | | |
| J.4.1 Other comprehensive income | | | | | | | |
| J.4.2 | | | | | | | |
| J.4.3 | | | | | | | |
| J.4.4 | | | | | | 1,032,216 | 1,032,216 |
| J.4.5 | | | | | | (600,000) | (600,000) |
| K. Net Income (Loss) for the Period | | | | | | | |
| L. Dividends (negative entry) | | | | | | | |
| M. Appropriation for (specify) | | | | | | | |
| M.1 | | | | | | | |
| M.2 | | | | | | | |
| M.3 | | | | | | | |
| M.4 | | | | | | | |
| M.5 | | | | | | | |
| N. Issuance of Capital Stock | | | | | | | |
| N.1 Common Stock | | | | | | | |
| N.2 Preferred Stock | | | | | | | |
| N.3 Others | 100,000 | | | | (174,736) | 1,107,223 | 1,032,487 |
| O. Balance, 2016 | | | | | | | |

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

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

COMPANY INFORMATION

Company's Email Address

-

Company's Telephone Number

816-3716

Mobile Number

-

No. of Stockholders

7

Annual Meeting (Month / Day)

9/30

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. Mastrilli

Email Address

rpmastrilli@gmanetwork.com

Telephone Number/s

816-3716

Mobile Number

-

CONTACT PERSON'S ADDRESS

GMA Network Center, Timog Avenue corner EDSA, Quezon City

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

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



SyCip Gorres Velayo & Co.
8760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 894 0307
Fax: (632) 819 0872
sy.com/ph

BOA/PRC Reg. No. 0001,
December 14, 2015, valid until December 31, 2018
SEC Accreditation No. 0012-FR-4 (Group A),
November 10, 2015, valid until November 9, 2018

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of GMA Holdings, Inc. (the Company), which comprise the statements of financial position as at December 31, 2016 and 2015, 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, 2016, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2016 and 2015, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2016 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

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

Key Audit Matter

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

APR 17 2017



Fair Valuation of Investment in Unquoted Debt Security Classified as Available-for-Sale Investment

Audit Response

Audit Response

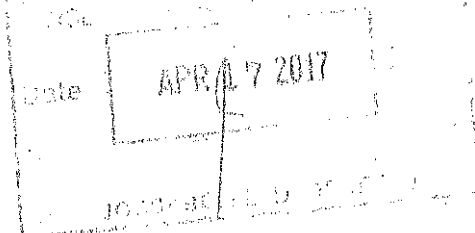
We traced the terms (e.g., principal amount, interest rate, and repayment dates) used in the Company's valuation to the investment agreement. We reviewed the inputs used in determining the discount rates based on observable yields of benchmark government securities and credit rating of the counterparty.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

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2016, but does not include the financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2016 are expected to be made available to us after the date of this auditor's report.

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

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



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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

APR 17 2017

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

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

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

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

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

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 in Note 17 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of GMA Holdings, Inc. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is Ms. Mariecris N. Barboso.

SYCIP GORRES VELAYO & CO.

Mariecris N. Barboso

Mariecris N. Barboso

Partner

CPA Certificate No. 97101

SEC Accreditation No. 1513-A (Group A),

October 6, 2015, valid until October 5, 2018

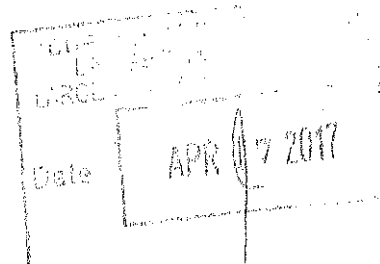
Tax Identification No. 202-065-716

BIR Accreditation No. 08-001998-108-2015,

March 4, 2015, valid until March 3, 2018

PTR No. 5908670, January 3, 2017, Makati City

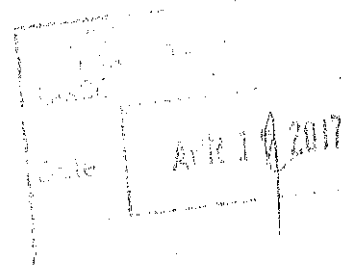
March 27, 2017



GMA HOLDINGS, INC.
STATEMENTS OF FINANCIAL POSITION

| | December 31 | |
|---|--------------------|--------------------|
| | 2016 | 2015 |
| ASSETS | | |
| Current Assets | P26,888,153 | P26,846,541 |
| Cash and cash equivalents (Notes 6, 13 and 14) | 555,810 | 199,515 |
| Accounts receivable (Notes 13 and 14) | 441,598 | 366,999 |
| Other current assets | 27,885,561 | 27,413,055 |
| Total Current Assets | | |
| Noncurrent Asset | 20,825,264 | 20,805,523 |
| Available-for-sale investment (Notes 7, 13 and 14) | P48,710,825 | P48,218,578 |
| LIABILITIES AND EQUITY | | |
| Current Liabilities | P403,212 | P366,179 |
| Accounts payable and other current liabilities (Notes 8, 13 and 14) | 47,271,600 | 47,271,600 |
| Due to shareholders (Notes 12, 13 and 14) | 3,526 | 269 |
| Income tax payable | 47,678,338 | 47,638,048 |
| Total Liabilities | | |
| Equity | 100,000 | 100,000 |
| Capital stock (Note 9) | 1,107,223 | 675,007 |
| Retained earnings (Note 9) | (174,736) | (194,477) |
| Unrealized loss on available-for-sale investment (Note 7) | 1,032,487 | 580,530 |
| Total Equity | P48,710,825 | P48,218,578 |

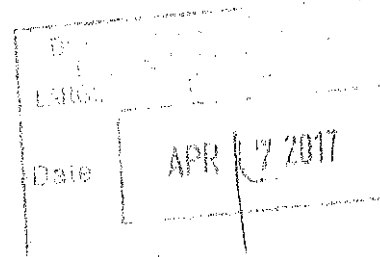
See accompanying Notes to Financial Statements.



GMA HOLDINGS, INC.
STATEMENTS OF COMPREHENSIVE INCOME

| | Years Ended December 31 | | |
|--|-------------------------|------------|------------|
| | 2016 | 2015 | 2014 |
| REVENUE | | | |
| Interest income (Notes 6 and 7) | ₱1,996,694 | ₱2,052,857 | ₱1,242,815 |
| Exercise fees (Note 5) | 508,348 | 89,103 | 409,143 |
| | 2,505,042 | 2,141,960 | 1,651,958 |
| | 1,063,320 | 1,094,413 | 1,045,026 |
| OPERATING EXPENSES (Note 10) | | | |
| | 1,441,722 | 1,047,547 | 606,932 |
| INCOME BEFORE INCOME TAX | | | |
| | 409,506 | 412,354 | 256,746 |
| PROVISION FOR INCOME TAX (Note 11) | | | |
| | 1,032,216 | 635,193 | 350,186 |
| NET INCOME | | | |
| OTHER COMPREHENSIVE INCOME (LOSS) | | | |
| <i>Item to be reclassified to profit or loss in subsequent periods -</i> | | | |
| Unrealized gain (loss) on available-for-sale investment (Note 7) | 19,741 | (725,928) | 531,451 |
| TOTAL COMPREHENSIVE INCOME (LOSS) | ₱1,051,957 | (₱90,735) | ₱881,637 |
| Basic/Diluted Earnings Per Share (Note 15) | ₱103.22 | ₱63.52 | ₱35.02 |

See accompanying Notes to Financial Statements.



GMA HOLDINGS, INC.
STATEMENTS OF CHANGES IN EQUITY

| | Capital Stock (Note 9) | Retained Earnings (Note 9) | Unrealized Gain (Loss) on Available-for-Sale Investment (Note 7) | Total |
|-----------------------------------|---------------------------|----------------------------------|--|------------|
| Balances as at January 1, 2016 | P100,000 | P675,007 | (P194,477) | P580,530 |
| Net income | — | 1,032,216 | — | 1,032,216 |
| Other comprehensive income | — | — | 19,741 | 19,741 |
| Total comprehensive income | — | 1,032,216 | 19,741 | 1,051,957 |
| Cash dividends (Note 9) | — | (600,000) | — | (600,000) |
| Balances as at December 31, 2016 | P100,000 | P1,107,223 | (P174,736) | P1,032,487 |
| Balances as at January 1, 2015 | P100,000 | P539,814 | P531,451 | P1,171,265 |
| Net income | — | 635,193 | — | 635,193 |
| Other comprehensive loss | — | — | (725,928) | (725,928) |
| Total comprehensive income (loss) | — | 635,193 | (725,928) | (90,735) |
| Cash dividends (Note 9) | — | (500,000) | — | (500,000) |
| Balances as at December 31, 2015 | P100,000 | P675,007 | (P194,477) | P580,530 |
| 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 |

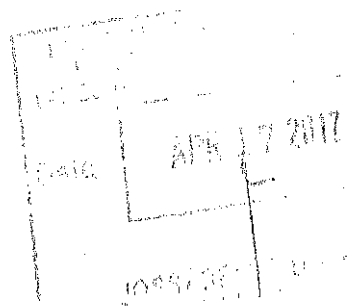
See accompanying Notes to Financial Statements.

APR 17 2017

GMA HOLDINGS, INC.
STATEMENTS OF CASH FLOWS

| | Years Ended December 31 | | |
|---|-------------------------|--------------------|---------------------|
| | 2016 | 2015 | 2014 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Income before income tax | P1,441,722 | P1,047,547 | P606,932 |
| Adjustment for interest income (Notes 6 and 7) | (1,996,694) | (2,052,857) | (1,242,815) |
| Operating loss before working capital changes | (554,972) | (1,005,310) | (635,883) |
| Decrease (increase) in: | | | |
| Accounts receivable | (389,230) | 15,550 | 40,650 |
| Other current assets | (74,599) | (64,126) | (96,512) |
| Increase (decrease) in accounts payable and other current liabilities | 37,033 | 124,580 | (488,364) |
| Cash flows used in operations | (981,768) | (929,306) | (1,180,109) |
| Interest received | 2,029,629 | 2,021,179 | 1,172,087 |
| Income taxes paid | (406,249) | (410,958) | (256,745) |
| Net cash provided by (used in) operating activities | 641,612 | 680,915 | (264,767) |
| CASH FLOW FROM AN INVESTING ACTIVITY | | | |
| Purchase of available-for-sale investment (Note 7) | - | - | (21,000,000) |
| CASH FLOW FROM A FINANCING ACTIVITY | | | |
| Payment of cash dividends (Note 9) | (600,000) | (499,595) | - |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 41,612 | 181,320 | (21,264,767) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 26,846,541 | 26,665,221 | 47,929,988 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 6) | P26,888,153 | P26,846,541 | P26,665,221 |

See accompanying Notes to Financial Statements.



GMA HOLDINGS, INC.
NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

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

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

In 2007, the Company issued Philippine Deposit Receipts (PDRs), which were listed and traded in The Philippine Stock Exchange, Inc. (PSE) (see Note 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 27, 2017.

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. All values are rounded to the nearest peso.

Statement of Compliance

The Company's financial statements have been prepared in accordance 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 that the Company has adopted the following new accounting pronouncements starting January 1, 2016. Adoption of these pronouncements did not have any significant impact on the Company's financial position or performance unless otherwise indicated.

- * Amendments to PFRS 10, PFRS 12 and PAS 28, *Investment Entities*, Applying the Consolidation Exception

- Amendments to PFRS 11, *Accounting for Acquisitions of Interests in Joint Operations*
- PFRS 14, *Regulatory Deferral Accounts*
- Amendments to PAS 1, *Disclosure Initiative*
- Amendments to PAS 16 and PAS 38, *Clarification of Acceptable Methods of Depreciation and Amortization*
- Amendments to PAS 16 and PAS 41, *Agriculture: Bearer Plants*
- Amendments to PAS 27, *Equity Method in Separate Financial Statements*
- Annual Improvements to PFRSs 2012 - 2014 Cycle
 - Amendment to PFRS 5, *Changes in Methods of Disposal*
 - Amendment to PFRS 7, *Servicing Contracts*
 - Amendment to PFRS 7, *Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements*
 - Amendment to PAS 19, *Discount Rate: Regional Market Issue*
 - Amendment to PAS 34, *Disclosure of Information 'Elsewhere in the Interim Financial Report'*

Future Changes in Accounting Policies

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

Effective beginning on or after January 1, 2017

- Amendment to PFRS 12, *Clarification of the Scope of the Standard (Part of Annual Improvements to PFRSs 2014 - 2016 Cycle)*
- Amendments to PAS 7, *Statement of Cash Flows, Disclosure Initiative*

The amendments to PAS 7 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). On initial application of the amendments, entities are not required to provide comparative information for preceding periods. Early application of the amendments is permitted.

Application of amendments will result in additional disclosures in the 2017 financial statements of the Company.

- Amendments to PAS 12, *Income Taxes, Recognition of Deferred Tax Assets for Unrealized Losses*

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognized in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other

components of equity. Entities applying this relief must disclose that fact. Early application of the amendments is permitted.

Effective beginning on or after January 1, 2018

- Amendments to PFRS 2, *Share-based Payment, Classification and Measurement of Share-based Payment Transactions*
- Amendments to PFRS 4, *Insurance Contracts, Applying PFRS 9, Financial Instruments, with PFRS 4*
- PFRS 15, *Revenue from Contracts with Customers*

PFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. Under PFRS 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 PFRS 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 PFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2018.

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

- PFRS 9, *Financial Instruments*

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 providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The adoption of PFRS 9 will have an effect on the classification and measurement of the Company's financial assets and impairment methodology for financial assets, but will have no impact on the classification and measurement of the Company's financial liabilities. The Company is currently assessing the impact of adopting this standard.

- Amendments to PAS 28, *Measuring an Associate or Joint Venture at Fair Value (Part of Annual Improvements to PFRSs 2014 - 2016 Cycle)*
- Amendments to PAS 40, *Investment Property, Transfers of Investment Property*
- Philippine Interpretation IFRIC-22, *Foreign Currency Transactions and Advance Consideration*

Effective beginning on or after January 1, 2019

- PFRS 16, *Leases*

Deferred effectivity

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

3. Summary of Significant Accounting Policies

Current versus Noncurrent Classification

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

An asset as current when it is:

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

A liability is current when:

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

The Company classifies all other assets and liabilities as noncurrent.

Fair Value Measurement

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

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

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

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

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

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

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; 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. At each reporting date, the management analyzes the movements in the values of assets and liabilities which are required to be remeasured or reassessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

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

Details as to how the fair value of assets and liabilities are measured are provided in Note 14.

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.

Financial Instruments

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

Financial Assets

Initial Recognition and Measurement

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

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

Subsequent Measurement

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

- Financial assets at FVPL
- Loans and receivables
- HTM investments
- AFS financial assets

The Company has no financial assets at FVPL and HTM investments.

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

This category includes cash and cash equivalents and accounts receivable.

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

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

Derecognition

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

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

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

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

Impairment of Financial Assets

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

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

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

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

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

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

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest is recorded as part of interest income. If, in a subsequent year, the

fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed through profit or loss.

'Day 1 Difference'. Where the transaction price in a non-active market is different from the fair value based on 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 (a 'Day 1 difference') in profit or loss unless it qualifies for recognition as some other type of asset. In cases where unobservable data is used, the difference between the transaction price and model value is recognized in profit or loss only 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.

Financial Liabilities

Initial Recognition and Measurement

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

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

This category includes accounts payable and other current liabilities (excluding deferred output VAT) and due to shareholders.

Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

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

Derecognition

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

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities

simultaneously. The Company assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Company and all of the counterparties.

Other Current Assets

Other current assets include input VAT and prepaid taxes which represent prior year's excess tax credits from taxes withheld and are deductible from the Company's income tax payable.

Equity

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

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

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

Revenue

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 payment is 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. The Company has concluded that it is acting as a principal in all its revenue arrangements.

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

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 statement of comprehensive income are recognized as incurred.

Taxes

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

Current income tax relating to items recognized directly in equity is recognized in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect

to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

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

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

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

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

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

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

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

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

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 "Other current assets" or "Accounts payable and other current liabilities" accounts in the statement of financial position.

Earnings Per Share (EPS)

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

Provisions

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

Contingencies

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

Events after the Reporting Date

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. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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

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

Determining Fair Value of 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.

The Company carries AFS investment at fair value. Since AFS investment cannot be derived from active markets, the fair value is determined using appropriate valuation technique, which is discounted cash flow methodology. The inputs to the model are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair value.

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

Impairment of AFS Investment. The Company follows the guidance of PAS 39 to determine when an AFS investment is impaired. Judgment by management is required in the estimation of the amount and timing of future cash flows when determining if allowance is required. Such estimates are based on assumptions about a number of factors and actual results may differ. Allowance may be based on any deterioration in the internal rating of the investment since it was acquired. These internal ratings take into consideration factors such as any deterioration in risk, industry, and the financial health and near-term business outlook of the issuer, as well as identified structural weaknesses or deterioration in cash flows.

There was no provision for impairment loss in 2016 and 2015. The carrying value of AFS investment amounted to ₱20.83 million and ₱20.81 million as at December 31, 2016 and 2015, respectively (see Note 7).

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

The Company did not recognize deferred income tax assets amounting to ₱0.73 million and ₱0.96 million as at December 31, 2016 and 2015, 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 and August 21, 2007, the Company issued 822,115,000 and 123,317,000 PDRs relating to GMA shares, respectively. Total number of issued PDRs is 945,432,000 for a consideration of ₱8.50 per share or ₱8,036,172,000.

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

The GMA shares are still subject to ownership restrictions on shares of corporations engaged in mass media and GMA may reject the transfer of shares to persons other than Philippine nationals. The PDRs were listed in the PSE on July 30, 2007, and the same may be exercised at any time from said date. Any cash dividends or other cash distributions in respect of GMA shares received

by the Company shall be applied toward the operating expenses of the Company for the current and preceding years. A further amount equal to the operating expenses in the preceding year shall be set aside to meet operating or other expenses for the succeeding years. Any amount in excess of the aggregate of the operating expenses paid and the operating fund for such period shall be distributed to PDR holders pro-rata on the first business day after such cash dividends are received by the Company.

Upon exercise of the PDRs, an exercise price of ₱0.05 (VAT inclusive) per share shall be paid by the PDR holders. The exercise price is shown as "Exercise fees" account in the statement of comprehensive income. Exercise fees amounted to ₱0.51 million, ₱0.09 million and ₱0.41 million in 2016, 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 discussed above, the Company retains the rights to receive the cash flows from its investment in GMA and assumes a contractual obligation to pay those cash flows to the PDR holders, net of operating expenses (a "pass-through" arrangement). The "pass-through" test is met because the Company (a) has no obligation to the PDR holders unless it collects equivalent amounts from its investment in GMA, (b) is contractually prohibited from selling or pledging its investment in GMA other than as security to the PDR holders for the obligation to pay the cash flows, and (c) has an obligation to remit any cash flows from the investment in GMA to the PDR holders without material delay.

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

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

| | PDRs | | Number of Shares | |
|------------------------------|----------------|----------------|------------------|-------------|
| | 2016 | 2015 | 2016 | 2015 |
| Balance at beginning of year | ₱7,193,967,350 | ₱7,210,932,500 | 846,349,100 | 848,345,000 |
| Exercise of PDRs | (96,789,500) | (16,965,150) | (11,387,000) | (1,995,900) |
| Balance at end of year | ₱7,097,177,850 | ₱7,193,967,350 | 834,962,100 | 846,349,100 |

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 to ₱211.75 million to all shareholders of record as at April 24, 2015. These were remitted to PDR holders on May 19, 2015.

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

The BOD approved a resolution to pass on the entire amount of the cash dividends received from GMA without deducting the Company's 2016 and 2015 projected operating expenses on March 27, 2016 and April 17, 2015, respectively. Such expenses shall be covered by the interest income from the Company's cash and cash equivalents and AFS investment.

As discussed in Note 16, on March 27, 2017, the BOD approved a cash distribution to PDR holders in relation to dividends declared by GMA.

6. Cash and Cash Equivalents

| | 2016 | 2015 |
|---------------------------|-------------|-------------|
| Cash on hand and in banks | ₱1,540,880 | ₱722,018 |
| Short-term deposits | 25,347,273 | 26,124,523 |
| | ₱26,888,153 | ₱26,846,541 |

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 ₱0.87 million, ₱0.92 million and ₱1.12 million in 2016, 2015 and 2014, 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 from the UBP Tier Note amounted to ₱1.12 million, ₱1.13 million and ₱0.12 million in 2016, 2015 and 2014, respectively.

The movement in AFS investment is as follows:

| | 2016 | 2015 |
|------------------------------|-------------|-------------|
| Balance at beginning of year | ₱20,805,523 | ₱21,759,216 |
| Change in fair value | 19,741 | (953,693) |
| Balance at end of year | ₱20,825,264 | ₱20,805,523 |

Movement of net unrealized loss on AFS investment is as follows:

| | 2016 | 2015 |
|--|------------|------------|
| Balance at beginning of year | (₱194,477) | ₱531,451 |
| Gain (loss) due to changes in fair value of AFS investment | 19,741 | (725,928) |
| Balance at end of year | (₱174,736) | (₱194,477) |

8. Accounts Payable and Other Current Liabilities

| | 2016 | 2015 |
|-----------------------------|----------|----------|
| Accounts payable | ₱9,643 | ₱8,881 |
| Accrued expenses: | | |
| Professional and trust fees | 342,857 | 350,000 |
| Others | 3,702 | 2,261 |
| Deferred output VAT | 44,321 | 2,618 |
| Dividends payable | 2,689 | 2,419 |
| | ₱403,212 | ₱366,179 |

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

9. Equity

a. Capital Stock

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

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

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

b. Retained Earnings

On 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.

On April 8, 2016, the Company's BOD approved the Company's declaration and distribution of cash dividends amounting to ₱0.60 million to all shareholders of record as at April 25, 2016 and were paid on May 17, 2016.

On March 27, 2017, the BOD approved the Company's declaration and distribution of cash dividends amounting to ₱1.00 million to all stockholders of record as at April 20, 2017 (see Note 16).

10. Operating Expenses

| | 2016 | 2015 | 2014 |
|--------------------|------------|------------|------------|
| Listing fees | ₱614,064 | ₱576,046 | ₱690,295 |
| Professional fees | 382,857 | 475,291 | 280,085 |
| Taxes and licenses | 31,509 | 20,382 | 42,788 |
| Others | 34,890 | 22,694 | 31,858 |
| | ₱1,063,320 | ₱1,094,413 | ₱1,045,026 |

11. Income Taxes

Current Income Tax

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

| | 2016 | 2015 | 2014 |
|--------------------|----------|----------|----------|
| Final tax interest | ₱399,339 | ₱410,572 | ₱248,563 |
| MCIT | 10,167 | 1,782 | 8,183 |
| | ₱409,506 | ₱412,354 | ₱256,746 |

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:

| | 2016 | 2015 | 2014 |
|---|-----------|-----------|-----------|
| Income tax computed at statutory income tax rate | ₱432,517 | ₱314,264 | ₱182,080 |
| Income tax effect of: | | | |
| Interest income subjected to final tax | (199,669) | (205,285) | (124,282) |
| Movement in unrecognized deferred income tax assets | (226,597) | 36,306 | (181,061) |
| Expired NOLCO and MCIT | 403,255 | 267,069 | 380,009 |
| | ₱409,506 | ₱412,354 | ₱256,746 |

Deferred Tax Assets

The components of unrecognized deferred tax assets are as follows:

| | 2016 | 2015 |
|-----------------------------------|----------|----------|
| NOLCO | ₱658,849 | ₱895,613 |
| Unrealized loss on AFS investment | 52,421 | 58,343 |
| MCIT | 20,132 | 9,965 |
| | ₱731,402 | ₱963,921 |

As at December 31, 2016, 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, 2014 | December 31, 2017 | P635,883 | P8,183 |
| December 31, 2015 | December 31, 2018 | 1,005,310 | 1,782 |
| December 31, 2016 | December 31, 2019 | 554,972 | 10,167 |
| | | P2,196,165 | P20,132 |

The movements in NOLCO and MCIT follow:

| | 2016 | 2015 |
|------------------------------|-------------|------------|
| NOLCO: | | |
| Balance at beginning of year | P2,985,377 | P2,855,461 |
| Additions | 554,972 | 1,005,310 |
| Expired NOLCO | (1,344,184) | (875,394) |
| Balance at end of year | P2,196,165 | P2,985,377 |
| MCIT: | | |
| Balance at beginning of year | P9,965 | P12,634 |
| Additions | 10,167 | 1,782 |
| Expired MCIT | - | (4,451) |
| Balance at end of year | P20,132 | P9,965 |

In 2015, deferred income tax asset amounting to P0.23 million was partially recognized to offset against deferred income tax liability of the same amount arising from unrealized gain on AFS investment.

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 | 2016 | P- | P47,271,600 | On demand, noninterest-bearing | Unsecured |
| Portion of proceeds retained from issuance of PDRs | 2015 | - | 47,271,600 | | |
| Belo, Gozon, Elma Law Firm | 2015 | 67,857 | 267,857 | On demand, noninterest-bearing | Unsecured |
| | 2015 | 109,091 | 200,000 | | |

The outstanding balance of "Due to shareholders" account in the statements of financial position pertains to P0.05 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 and AFS investment. The main purpose of these financial instruments is to finance the Company's operations. The Company has other financial assets and liabilities such as accounts receivable, accounts payable and other current liabilities (excluding deferred output VAT) and due to shareholders, which arise directly from its operations.

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

- *Liquidity risk.* Liquidity risk arises from the possibility that the Company may encounter difficulties in raising funds to meet commitments from financial instruments.
- *Interest rate risk.* Fixed rate financial instrument is subject to fair value interest rate risk.
- *Credit risk.* Credit risk arises from default of the counterparty.

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

Liquidity Risk

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

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

The 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:

| | 2016 | | | Total |
|---|--------------------|--------------------|--------------------|--------------------|
| | On Demand | 3 to 12 Months | More than 1 year | |
| Financial Assets | | | | P26,888,153 |
| Cash and cash equivalents | P26,888,153 | P- | P- | 555,810 |
| Accounts receivable | 555,810 | - | - | 20,825,264 |
| AFS investment | - | 879,968 | 19,945,296 | P48,269,227 |
| | P27,443,963 | P879,968 | P19,945,296 | |
| Financial Liabilities | | | | P358,891 |
| Accounts payable and other current liabilities* | P358,891 | P- | P- | 47,271,600 |
| Due to shareholders | 5,523,495 | 41,748,105 | - | P47,630,491 |
| | P5,882,386 | P41,748,105 | | |

*Excluding deferred output VAT amounting to P44,321 as at December 31, 2016.

| | 2015 | | | Total |
|---|-------------|----------------|---------------------|-------------|
| | On Demand | 3 to 12 Months | More than 1 year | |
| Financial Assets | | | | P26,846,541 |
| Cash and cash equivalents | P26,846,541 | P— | P— | 199,515 |
| Accounts receivable | 199,515 | — | — | 20,805,523 |
| AFS investment | — | 880,679 | 19,924,844 | P47,851,579 |
| | P27,046,056 | P880,679 | P19,924,844 | |
| Financial Liabilities | | | | P363,561 |
| Accounts payable and other current liabilities* | P363,561 | P— | P— | 47,271,600 |
| Due to shareholders | 4,954,145 | 42,317,455 | P— | P47,635,161 |
| | P5,317,706 | P42,317,455 | | |

*Excluding deferred output VAT amounting to P2,618 as at December 31, 2015.

Interest Rate Risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's AFS investment which are subject to fair value interest rate risk.

Fair Value Interest Rate Risk. Fixed rate financial instruments are subject to this risk. The Company's AFS investment earns interest at a fixed rate of 5.38% throughout the period of investment. The following table below demonstrates the sensitivity of fair value changes due to possible change in interest rates with all other variables held constant (through the impact on other comprehensive income).

| | Increase (Decrease) in Basis Points | Effect on Equity | |
|----------------|---|------------------|------------|
| | | 2016 | 2015 |
| AFS investment | 50 | (P653,500) | (P931,494) |
| | (50) | 709,352 | 577,078 |

Credit Risk

Credit risk arising from cash and cash equivalents and AFS investment, 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. It is the Company's policy to enter into transactions with a diversity of creditworthy parties to mitigate any significant concentration of credit risk. The Company has an internal mechanism to monitor the granting of credit and management of credit exposures. The Company will make provisions, when necessary, for potential losses on credits extended. The Company does not require any collateral for its financial assets.

As at December 31, 2016 and 2015, the financial assets are generally viewed by management as good and collectible considering the credit history of the counterparties. No financial assets were identified by the Company as past due or impaired financial assets as at December 31, 2016 and 2015.

Credit Quality of Financial Assets

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

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

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

The Company classified its cash and cash equivalents (excluding cash on hand) and AFS investment as high grade financial assets as at December 31, 2016 and 2015.

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, 2016, 2015 and 2014.

The Company's capital management is undertaken by GMA. The Company's capital includes the total equity, before other comprehensive income, which amounted to ₱1.21 million and ₱0.78 million as at December 31, 2016 and 2015, respectively.

14. Financial Assets and Liabilities

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

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

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

AFS Investment

The estimated fair value of AFS debt investment is based on the discounted values of future cash flows. The discount rates used were based on the spot yield curve derived from government securities of different tenors plus an estimate of the counterparty's credit spread, which is based on the counterparty's credit rating. The fair value is under level 2 of the fair value hierarchy.

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

| | Increase (Decrease) in Basis Points | Effect on Equity | |
|----------------|---|------------------|------------|
| | | 2016 | 2015 |
| AFS investment | 50 | (₱536,113) | (₱592,292) |
| | (50) | 554,042 | 614,393 |

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

Basic/diluted EPS is computed as follows:

| | 2016 | 2015 | 2014 |
|---|------------|----------|----------|
| Net income attributable to equity holders (a) | P1,032,216 | P635,193 | P350,186 |
| Common shares issued at beginning and end of year (b) | 10,000 | 10,000 | 10,000 |
| Basic/diluted earnings per share (a/b) | P103.22 | P63.52 | P35.02 |

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

16. Events after the Reporting Date

On March 27, 2017, the Company's BOD approved a cash distribution to PDR holders of P0.73 per share totaling P607.44 million, in relation to dividends declared by GMA to all shareholders of record as at April 20, 2017 and will be paid on May 16, 2017.

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

Further, the BOD approved the Company's declaration and distribution of cash dividends amounting to P1.00 million to all stockholders of record as at April 10, 2017.

17. Supplementary Information Required by Revenue Regulations (RR) 15-2010

The Company reported and/or paid the following types of taxes in 2016:

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%.

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

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

The Company's taxable sales from services amounted to P160,822 with corresponding output VAT of P19,299.

b. Input VAT

| | |
|--|----------|
| | P366,999 |
| Balance at January 1 | 93,898 |
| Current year's domestic purchases for services | 460,897 |
| Total input VAT | (19,299) |
| Applied against output VAT | P441,598 |
| Balance at December 31 | |

Other Taxes and Licenses

All other local and national taxes paid for the year ended December 31, 2016 consist of:

| | |
|------------------------------|----------------|
| Local taxes and license fees | P31,009 |
| Registration fees | 500 |
| | <u>P31,509</u> |

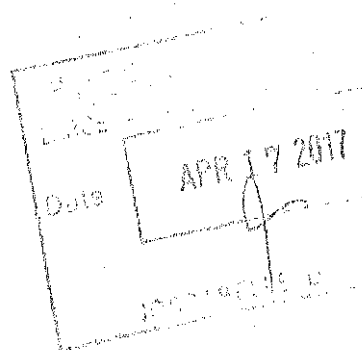
Withholding Taxes

Withholding taxes paid and/or withheld for the year ended December 31, 2016 consist of:

| | |
|--------------------------|--------------------|
| Final withholding tax | P42,980,314 |
| Expanded withholding tax | 15,281 |
| | <u>P42,995,595</u> |

Tax Assessments and Cases

As at December 31, 2016, 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, 2016.





Sycip Gorres Velayo & Co.
8760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 891 0307
Fax: (632) 819 0872
ey.com/ph

BOA/PRC Reg. No. 0031,
December 14, 2015, valid until December 31, 2018
SEC Accreditation No. 0012-FR-4 (Group A),
November 10, 2015, valid until November 9, 2018

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULE

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, 2016 and 2015 and for each of the three years in the period ended December 31, 2016 included in this Form 17-A, and have issued our report thereon dated March 27, 2017. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to 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.

Maricris N. Barbano

Maricris N. Barbano
Partner

CPA Certificate No. 97101

SEC Accreditation No. 1513-A (Group A),

October 6, 2015, valid until October 5, 2018

Tax Identification No. 202-065-716

BIR Accreditation No. 08-001998-108-2015,

March 4, 2015, valid until March 3, 2018

PTR No. 5908670, January 3, 2017, Makati City

March 27, 2017

GMA HOLDINGS, INC.
INDEX TO THE FINANCIAL STATEMENTS AND SUPPLEMENTARY
SCHEDULES AS AT DECEMBER 31, 2016

| | | |
|------|--|----------------|
| I. | Supplemental Schedules Required by Annex 68-B | Attached |
| A. | Financial Assets | Not applicable |
| 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 Assets | 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 | Attached |
| 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 |

GMA HOLDINGS, INC.

I. SUPPLEMENTAL SCHEDULES REQUIRED BY ANNEX 68-E AS AT DECEMBER 31, 2016

Schedule A. Financial Assets

| Name of issuing entity and association of each issue | Amount shown in the statements of financial position | Income received and accrued |
|--|--|-----------------------------|
| Cash and cash equivalents | P5,000 | P- |
| Cash on hand | | |
| Cash in banks: | 1,450,398 | 4,775 |
| Union Bank of the Philippines | - | 704 |
| Deutsche Bank | 85,482 | 196 |
| Banco De Oro | 1,540,880 | 5,675 |
| | 25,347,273 | 862,269 |
| Cash equivalents - Unicapital, Inc. | P26,888,153 | P867,944 |
| | P20,825,264 | P1,128,750 |
| Available-for-sale investment | | |

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

| Name and designation | Balance as at January 1, 2016 | Additions | Deductions Amount collected | Amount written off | Current | Noncurrent | Balance as at December 31, 2016 |
|---|-------------------------------|-----------|--------------------------------|--------------------|---------|------------|---------------------------------|
| Not Applicable: The Company has no receivable from directors, officer, employees, related parties and principal stockholders as at December 31, 2016. | | | | | | | |

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

| Name and designation | Balance as at January 1, 2016 | Additions | Deductions Amount collected | Amount written off | Current | Noncurrent | Balance as at December 31, 2016 |
|---|-------------------------------|-----------|--------------------------------|--------------------|---------|------------|---------------------------------|
| Not Applicable: The Company has no receivable from/payable to related parties which are consolidated as at December 31, 2016. | | | | | | | |

Schedule D. Intangible Assets - Other Assets

| Description | Beginning balance | Additions at cost | Charged to cost and expenses | Other changes: additions (deductions) | Ending balance |
|--|-------------------|-------------------|------------------------------|---------------------------------------|----------------|
| Not Applicable: The Company has no intangible asset as at December 31, 2016. | | | | | |

Schedule E. Long-term Debt

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

Not Applicable: The Company has no long-term debt as at December 31, 2016.

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

| Name of related party | Balance at January 1, 2016 | Balance at December 31, 2016 |
|-----------------------|----------------------------|------------------------------|
|-----------------------|----------------------------|------------------------------|

Not Applicable: The Company has no indebtedness to a related party as at December 31, 2016.

Schedule G. Guarantees of Securities of Other Issuers

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

Not Applicable: The Company has no guarantees of securities of other issuers as at December 31, 2016.

Schedule H. Capital Stock

| Title of issue | Number of shares authorized | Number of shares issued and outstanding as shown under related balance sheet caption | Number of shares reserved for options, warrants, conversion and other rights | Number of shares held by related parties | Directors, officers, and employees | Others |
|----------------|-----------------------------|--|--|--|------------------------------------|--------|
| Common | 10,000 | 10,000 | - | - | 9,991 | 9 |

GMA HOLDINGS, INC.

II. SCHEDULE OF ALL THE EFFECTIVE STANDARDS AND INTERPRETATIONS AS AT DECEMBER 31, 2016

| PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as at December 31, 2016 | | Adopted | Not Adopted | Not Applicable |
|---|--|-------------------|-------------|----------------|
| Framework for the Preparation and Presentation of Financial Statements | | ✓ | | |
| Conceptual Framework Phase A: Objectives and Qualitative Characteristics | | | | ✓ |
| PFRS 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 | | | ✓ |
| | Amendments to PFRS 1: Borrowing Costs | | | ✓ |
| | Amendment to PFRS 1: Meaning of 'Effective PFRSs' | | | ✓ |
| | Share-based Payment | | | ✓ |
| PFRS 2 | Amendments to PFRS 2: Vesting Conditions and Cancellations | | | ✓ |
| | Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions | | | ✓ |
| | Amendments to PFRS 2: Definition of Vesting Condition | | | ✓ |
| | Amendments to PFRS 2: Classification and Measurement of Share-based Payment Transactions* | Not Early Adopted | | |
| | | | | ✓ |
| PFRS 3 (Revised) | Business Combinations | | | ✓ |
| | Business Combinations - Accounting for Contingent Consideration in a Business Combination | | | ✓ |
| | Business Combinations - Scope Exceptions for Joint Arrangements | | | ✓ |
| | | | | ✓ |
| PFRS 4 | Insurance Contracts | | | |

| PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as at December 31, 2016 | | Adopted | Not Adopted | Not Applicable |
|---|---|-------------------|-------------|----------------|
| | Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts | | | ✓ |
| | Amendments to PFRS 4: Applying PFRS 9, Financial Instruments, with PFRS 4* | Not Early Adopted | | |
| PFRS 5 | Non-current Assets Held for Sale and Discontinued Operations | | | ✓ |
| | Amendments to PFRS 5: Changes in Methods of Disposal | | | ✓ |
| 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 | | | ✓ |
| | Amendments to PFRS 7: Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements | | | ✓ |
| PFRS 8 | Operating Segments | | | ✓ |
| | Amendments to PFRS 8: Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets | | | ✓ |

| PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as at December 31, 2016 | | Adopted | Not Adopted | Not Applicable |
|---|---|---------|-------------------|----------------|
| PFRS 9 | Financial Instruments* | | Not Early Adopted | |
| PFRS 10 | Consolidated Financial Statements | | | ✓ |
| | Amendments to PFRS 10, PFRS 12 and PAS 27: Investment Entities | | | ✓ |
| | Amendments to PFRS 10, PFRS 12 and PAS 28: Applying the Consolidation Exception | | | ✓ |
| PFRS 11 | Joint Arrangements | | | ✓ |
| | Amendments to PFRS 11: Accounting for Acquisitions of Interests in Joint Operations | | | ✓ |
| PFRS 12 | Disclosure of Interests in Other Entities | | | ✓ |
| | Amendments to PFRS 10, PFRS 12 and PAS 27: Investment Entities | | | ✓ |
| | Amendments to PFRS 10, PFRS 12 and PAS 28: Investment Entities: Applying the Consolidation Exception | | | ✓ |
| | Amendments to PFRS 12: Clarification of the Scope of the Standard* | | Not Early Adopted | |
| PFRS 13 | Fair Value Measurement | ✓ | | |
| | Amendment to PFRS 13: Short-term Receivables and Payables | ✓ | | |
| | Amendment to PFRS 13: Portfolio Exception | | | ✓ |
| PFRS 14 | Regulatory Deferral Accounts | | | |
| PFRS 15 | Revenue from Contracts with Customers* | | Not Early Adopted | |
| PFRS 16 | Leases* | | 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 | ✓ | | |
| | Amendments to PAS 1: Clarification of the requirements for comparative information | ✓ | | |
| | Amendments to PAS 1: Disclosure Initiative | ✓ | | |
| PAS 2 | Inventories | | | ✓ |

| PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as at December 31, 2016 | | Adopted | Not Adopted | Not Applicable |
|---|---|-------------------|-------------|----------------|
| PAS 7 | Statement of Cash Flows | ✓ | | |
| | Amendment to PAS 7: Disclosure Initiative* | Not Early Adopted | | |
| 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 | ✓ | | |
| | Amendment to PAS 12: Recognition of Deferred Income Tax Assets for Unrealized Losses* | Not Early Adopted | | |
| PAS 16 | Property, Plant and Equipment | | | ✓ |
| | Amendments to PAS 16: Classification of servicing equipment | | | ✓ |
| | Amendment to PAS 16: Property, Plant and Equipment - Revaluation Method - Proportionate Restatement of Accumulated Depreciation | | | ✓ |
| | Amendment to PAS 16 and PAS 38: Clarification of Acceptable Methods of Depreciation and Amortization | | | ✓ |
| | Amendment to PAS 16 and PAS 41: Bearer Plants | | | ✓ |
| PAS 17 | Leases | ✓ | | |
| PAS 18 | Revenue | | | ✓ |
| PAS 19 | Employee Benefits | | | ✓ |
| | Amendments to PAS 19: Actuarial Gains and Losses, Group Plans and Disclosures | | | ✓ |
| PAS 19 (Amended) | Employee Benefits | | | ✓ |
| | Amendments to PAS 19: Defined Benefit Plans: Employee Contributions | | | ✓ |
| | Amendments to PAS 19: Regional Market Issue Regarding Discount Rate | | | ✓ |
| 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 | Related Party Disclosures | | | |

| PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as at December 31, 2016 | | Adopted | Not Adopted | Not Applicable |
|---|--|-------------------|-------------|----------------|
| (Revised) | Amendments to PAS 24: Key Management Personnel | ✓ | | ✓ |
| 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 | | | ✓ |
| PAS 28 | Investments in Associates | | | ✓ |
| PAS 28 (Amended) | Investments in Associates and Joint Ventures | | | ✓ |
| | Amendments to PFRS 10, PFRS 12 and PAS 28: Applying the Consolidation Exception | | | |
| | Amendments to PAS 28: Measuring an Associate or Joint Venture at Fair Value* | Not Early Adopted | | |
| PAS 29 | Financial Reporting in Hyperinflationary Economies | | | ✓ |
| PAS 31 | Interests in Joint Ventures | | | ✓ |
| 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 | ✓ | | |
| | Amendments to PAS 32: Tax effect of distribution to holders of equity instruments | | | ✓ |
| PAS 33 | Earnings per Share | | | ✓ |
| PAS 34 | Interim Financial Reporting | | | ✓ |
| | Amendments to PAS 34: Interim financial reporting and segment information for total assets and liabilities | | | ✓ |
| | Amendments to PAS 34: Disclosure of Information Elsewhere in the Interim Financial Report | | | ✓ |

| PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as at December 31, 2016 | | Adopted | Not Adopted | Not Applicable |
|---|---|-------------------|-------------|----------------|
| PAS 36 | Impairment of Assets | ✓ | | |
| | Amendments to PAS 36: Recoverable Amount Disclosures for Non-Financial Assets | ✓ | | |
| | Provisions, Contingent Liabilities and Contingent Assets | ✓ | | |
| PAS 37 | | | | ✓ |
| PAS 38 | Intangible Assets | | | ✓ |
| | Amendments to PAS 16 and PAS 38: Revaluation Method - Proportionate Restatement of Accumulated Depreciation / Amortization | | | ✓ |
| | Amendment to PAS 16 and PAS 38: Clarification of Acceptable Methods of Depreciation and Amortization | | | ✓ |
| 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 | | | ✓ |
| | 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: Novation of Derivatives and Continuation of Hedge Accounting | | | ✓ |
| | | | | ✓ |
| PAS 40 | Investment Property | | | ✓ |
| | Amendment to PAS 40: Clarifying the Interrelationship between PFRS 3 and PAS 40 when Classifying Property as Investment Property or Owner-Occupied Property | | | ✓ |
| | Amendments to PAS 40: Transfers of Investment Property* | Not Early Adopted | | |

| PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as at December 31, 2016 | | Adopted | Not Adopted | Not Applicable |
|---|---|-------------------|-------------|----------------|
| PAS 41 | Agriculture | | | ✓ |
| | Amendment to PAS 16 and PAS 41: Bearer Plants | | | ✓ |
| 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 9 | Reassessment of Embedded Derivatives | | | ✓ |
| | Amendments to Philippine Interpretation IFRIC 9 and PAS 39: Embedded Derivatives | | | ✓ |
| IFRIC 10 | Interim Financial Reporting and Impairment | | | ✓ |
| 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 | | | ✓ |
| IFRIC 20 | Stripping Costs in the Production Phase of a Surface Mine | | | ✓ |
| IFRIC 21 | Levies | ✓ | | |
| IFRIC 22 | Foreign Currency Transactions and Advance Consideration* | Not Early Adopted | | |
| SIC 7 | Introduction of the Euro | | | ✓ |
| SIC 10 | Government Assistance - No Specific Relation to Operating Activities | | | ✓ |

| PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as at December 31, 2016 | | Adopted | Not Adopted | Not Applicable |
|---|--|---------|-------------|----------------|
| 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, 2016.

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, 2016.

GMA HOLDINGS, INC.

**III. RECONCILIATION OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
FOR THE YEAR ENDED DECEMBER 31, 2016**

| | |
|--|------------|
| Unappropriated retained earnings, beginning | P675,007 |
| Net income during the year closed to retained earnings | 1,032,216 |
| Dividend declaration during the year | (600,000) |
| Retained earnings - available for dividend declaration as at December 31, 2016 | P1,107,223 |

GMA HOLDINGS, INC.

**IV. SCHEDULE OF FINANCIAL RATIOS
FOR THE YEARS ENDED DECEMBER 31, 2016, 2015 and 2014**


| Financial Ratios | Description | December 31 | |
|-------------------------|---|-------------|-------|
| | | 2016 | 2015 |
| Current/liquidity ratio | Current assets over current liabilities | 0.58 | 0.58 |
| Asset to equity ratio | Total assets over total equity | 47.18 | 83.06 |
| Debt to equity ratio | Total liabilities over total equity | 46.18 | 82.06 |

| Financial Ratios | Description | Years ended December | | |
|------------------|--|----------------------|------|------|
| | | 2016 | 2015 | 2014 |
| Return on equity | Net income over total equity | 100% | 109% | 30% |
| Return on asset | Net income over total assets | 2% | 1% | 1% |
| EBITDA margin | Earnings before interest, tax and depreciation and amortization over total revenue | 58% | 49% | 37% |

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 JUL 14 2017 day of 2017.


ROBERTO O. PAREL
Compliance Officer
GMA Holdings, Inc.

CERTIFICATION OF INDEPENDENT DIRECTOR

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

1. I am a nominee for independent director of **GMA HOLDINGS, INC.** and have been its independent director since 2009;
2. I am affiliated with the following listed companies or organizations:

| Company/Organization | Position/ Relationship | Period of Service |
|--|---------------------------|----------------------|
| GMA Network, Inc. | Independent Director | 2007 - present |
| 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 |
| Petron Corporation | Independent Director | 2010 - present |
| Asian Terminals, Inc. | Independent Director | 2010 - present |
| Philippine Long Distance Tel. Co. | Independent Director | 2013 - present |
| Jollibee Foods Corporation | Non-Executive Director | 2012 - present |
| Metropolitan Bank & Trust Company | Senior Adviser | 2007 - present |
| Double Dragon Properties Corporation | Adviser | 2014 - present |
| Bank of the Philippine Islands | Member, Advisory Council | 2016 - present |
| (For my full bio-data, log on to my personal website: cjpanganiban.com) | | |

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, its Implementing Rules and Regulations and other SEC issuances.
4. To the best of my knowledge, I am not related to any director/officer/substantial shareholder of GMA HOLDINGS, INC. and its subsidiaries and affiliates.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. To the best of my knowledge, I am neither an officer nor an employee of any government agency or government-owned and controlled corporation.
7. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC Issuances.
8. 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.

MAR 30 2017

Done this ____ day of March, 2017 at Makati City.


ARTEMIO V. PANGANIBAN
Affiant

MAR 30 2017

SUBSCRIBED AND SWORN to before me this ____ day of March 2017 at Makati City, affiant personally appeared before me and exhibited to me his Diplomatic Passport Number DE0013400 issued on December 15, 2015 by the DFA, Manila and will expire on December 14, 2020.

Doc. No. 41

Page No. 704

Book No. 704

Series of 2017.


ATTY. VIRGILIO R. BATALLA

NOTARY PUBLIC FOR MAKATI CITY

APPT. NO. M-88

UNTIL DEC. 31, 2018

ROLL OF ATTY. NO. 48348

MCLE COMPLIANCE NO. IV-0016333-4/10/13

I.B.P.O.R No. 706762, LIFETIME MEMBER JAN 29, 2007

PTR No. 590-90-82 JAN. 3, 2017

EXECUTIVE BLDG. CENTER

MAKATI AVE. COR., JUPITER ST. MAKATI CITY

CERTIFICATION OF INDEPENDENT DIRECTOR

I, Jaime C. Laya, Filipino, of legal age and a resident of 11 Panay Avenue, Quezon City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of GMA Holdings, Inc. and have been its independent director since 2007.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporation):

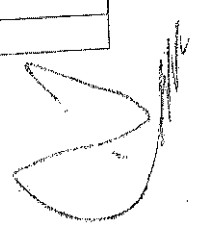
| COMPANY/ORGANIZATION | POSITION/RELATIONSHIP | PERIOD OF SERVICE |
|----------------------|-----------------------|-------------------|
| See attached | | |
| | | |
| | | |
| | | |

3. I possess all the qualification 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, its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of GMA Holdings, Inc. and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code. (where applicable).

| NAME OF DIRECTOR/ OFFICER/ SUBSTANTIAL SHAREHOLDER | COMPANY | NATURE OF RELATIONSHIP |
|---|---------|---------------------------|
| None | | |
| | | |
| | | |
| | | |

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

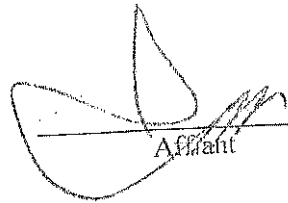
| OFFENSE CHARGED/INVESTIGATED | TRIBUNAL OR AGENCY INVOLVED | STATUS |
|---------------------------------|-----------------------------------|--------|
| None | | |
| | | |
| | | |
| | | |



6. I have the required written or consent from the President of the Cultural Center of the Philippines to be an independent director in GMA Holdings, Inc. pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its implementing Rules and Regulations, Code of Corporate Governance and other SEC Issuances.
8. I shall inform the Corporate Secretary of GMA Holdings, Inc. of any changes in the abovementioned information within five days from its occurrence.

Done, this 27th day of March, 2017 at Makati City

MAR 30 2017


Affiant

MAR 30 2017

SUBSCRIBED AND SWORN to before me this 27th day of March, 2017 at Makati City, affiant personally appeared before me and exhibited to me his Philippine Passport No. EC3123727 issued at Manila on 7 January 2015.

Doc. No.

Page No.

Book No.

Series of 2017.

39
67
64

ATTY. VIRGILIO R. BATALLA

NOTARY PUBLIC FOR MAKATI CITY

APPT. NO. M-88

UNTIL DEC. 31, 2018

ROLL OF ATTY. NO. 48348

MCLE COMPLIANCE NO. IV 0066323-7/10/13

I.B.P. C.R. No. 700762, LIFETIME MEMBER JAN 29, 2007

PTR No. 590-90-82 JAN 3, 2017

EXECUTIVE BLDG. CENTER

MAKATI AVE. COR., JUPITER ST. MAKATI CITY

JAIME C. LAYA, Ph.D.

March 27, 2017

Chairman and President - Philippine Trust Company (Philtrust Bank)
Chairman - Escuela Taller de Filipinas Foundation, Inc., Don Norberto Ty Foundation, Inc.
Independent Director, Philippine AXA Life Insurance Co., Inc., GMA Network, Inc., GMA Holdings, Inc.,
Ayala Land, Inc., Manila Water Company, Inc., Charter Ping An Insurance Corporation
Trustee, Cultural Center of the Philippines, St. Paul University -- Quezon City, Metropolitan Museum of
Manila, Yuchengco Museum, Ayala Foundation, Inc., and others
Director, Various family corporations
Columnist, *Manila Bulletin*

Past Positions - Government

Minister of Education, Culture and Sports and Chairman, University of the Philippines and other state uni-
versities and colleges, 1984-86
Minister of the Budget, 1975-81
Chairman of the Monetary Board and Governor, Central Bank of the Philippines, 1981-84
Chairman, National Commission for Culture and the Arts, 1996-2001
Professor of Business Administration and Dean, College of Business Administration, University of the
Philippines, 1957-78
Action Officer, Intramuros Administration (old city restoration project), 1979-86

Recent Past Positions - Private Sector

Founder and Chairman, Laya Mananghaya & Co., Certified Public Accountants and Management Consult-
ants (Member, KPMG International), 1986-2004.
Director and Trustee of various organizations -- Manila Polo Club, Bankers Association of the Philippines,
Association of Certified Public Accountants in Private Practice, and others

Education

B.S.B.A. (accounting; *magna cum laude*), University of the Philippines, 1957
M.S. (industrial management), Georgia Institute of Technology, 1961
Ph.D. (financial management), Stanford University, 1966

Honors

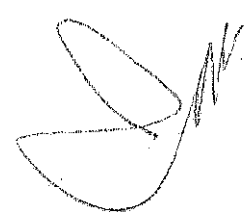
Orden del Mérito Civil (rank of *Encomienda de Número*), Spain, 2014
Distinguished Achievement Award, Philippine Institute of Certified Public Accountants, 2008
Lifetime Achievement Award, Association of Certified Public Accountants in Public Practice, 2007
Doctor of Laws (*honoris causa*), Philippine Womens' University, 1983
Doctor of Humanities (*honoris causa*), Mindanao State University, 1980
Outstanding CPA in Government, Philippine Institute of Certified Public Accountants, 1979
Ten Outstanding Young Men (TOYM) Awardee (Business Education), 1967

Professional Qualification

Certified Public Accountant, 1957 examination (8th place)

Personal Information

Born January 8, 1939



Cultural Center of the Philippines
SECURITIES AND EXCHANGE COMMISSION

March 26, 2017

SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA, Greenhills, Mandaluyong City, Philippines

Attention : Mr. Vicente Gradano P. Polimeno, Jr.
Director, Markets and Securities Regulation Department

Subject : Consent to the Nomination and Election of Dr. Jaime C. Laya
As Independent Director for the following companies:
a. Manila Water Company, Inc.
b. GMA Network, Inc.,
c. GMA Holdings, Inc.
d. Ayala Land, Inc.

Gentlemen:

With respect to the nomination of Dr. Jaime C. Laya, a Member of the Board of Trustees of the Cultural Center of the Philippines ("CCP"), to serve as Independent director of Manila Water Company, Inc. ("MWC"), GMA Network, Inc., GMA Holdings, Inc. and Ayala Land Inc., please be advised that the CCP interposes no objection to the nomination and election of Dr. Laya in the above-mentioned Boards.

Thank you.


RAUL M. SUNICO, Ph.D
President

