

GLOBAL FERRONICKEL HOLDINGS, INC. ANNOUNCES 2015 FINANCIAL AND OPERATING RESULTS

Makati City, 11 April 2016 – Global Ferronickel Holdings, Inc. (GFNI; PSE:FNI) today announced its audited financial and operating results for 2015 with net income at PHP1.112 billion compared to P4.817 billion reported in 2014. Our operations encountered unusually heavy rainfall during the months of June and August that affected ship loading activities due to the need to reduce moisture content to the desired level of 33%. This brought down total shipments to ninety nine (99) vessels as compared to one hundred seventeen (117) vessels in the previous year. In addition, the decrease in shipment volume was exacerbated by the decline in nickel ore prices from 2014 average of US\$43.30/WMT to US\$26.69/WMT average for 2015, lower by US\$16.61/WMT or 38.4%.

For 2015, total volume exported was 5.352 million WMT, a 15% drop from 2014 volume of 6.303 million WMT. However, the volume of high grade and medium grade was higher by 279k WMT or 288% and 1,987k WMT or 83%, respectively. The low grade ore exported was lower by 3,217k WMT or 84%. The breakdown of 2015 exports is as follows: 376k WMT (high grade), 4,368k WMT (medium grade) and 608k WMT low grade. This brings total ore export revenues to US\$142.94 million in 2015 from US\$272.78 million in 2014. The shift in mining strategy was disclosed in the 3Q15 discussion of results with the exposure of the middle grade ore which was higher than previously explored and this helped mitigate the low nickel ore prices.

The cost of sales decreased by 9.1% to PHP3.398 billion in spite of the 15% drop in production volume. However, the Company took over the port operations in CAGA 2 which increased the shipping and distribution cost compared to 2014. Also, there was a one-off increase in the depletion expense to PHP284 million because of the change in determining the basis (latest declared mine reserves) of such expense.

The year 2015 was very challenging as commodity prices fell to decade lows. In spite of this, the Company has managed to become the second largest nickel ore producer. For 2016, we will implement cost cutting measures to decrease our cost due to low fuel prices. Then, our exploration efforts in Surigao is bearing fruit and we expect results to be out by end 2Q16.

On the other hand, our Ipilan mine in Palawan has moved forward with its permitting process. We expect the Ipilan mine to start producing within the 4th quarter of 2016 and it will complement the seasonal weather pattern of our Surigao mine providing us with a nickel production for the entire year. Our Ipilan mine will be a major contributor to our earnings in the future. So when Ipilan comes into operation, this will significantly increase our capacity to match the top producer in total ore export sales.

Finally, in line with the 4.5 million WMT contractual commitment for 2016 by three big Chinese customers that was recently disclosed, the shipment volume for this year would likely be similar to that of 2015. This gives the Company the assurance of good results for this year despite a challenging market environment for commodities. Most importantly, the Company would remain to be profitable and have strong cash flow because of cost reduction measures and a better mix of higher quality ores.

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GLOBAL FERRONICKEL HOLDINGS, INC. AND SUBSIDIARIES
(Formerly Southeast Asia Cement Holdings, Inc. and Subsidiaries)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in Thousands)

	December 31	
	2015	2014
ASSETS		
Current Assets		
Cash	₱502,876	₱691,869
Trade and other receivables	700,770	324,468
Current portion of finance lease receivable	167,949	95,910
Advances to related parties	1,639,231	1,767,858
Inventories - at cost	643,783	246,042
Prepayments and other current assets	15,477	55,345
Total Current Assets	3,670,086	3,181,492
Noncurrent Assets		
Property and equipment	2,049,979	2,306,893
Deposits for future stock subscription	1,651,247	—
Mining rights	301,605	396,500
Finance lease receivable - net of current portion	319,593	770,814
Investment property	319,865	319,865
Mine exploration costs	140,790	140,659
Deferred income tax assets - net	97,785	43,263
Available-for-sale (AFS) financial assets	5,903	8,854
Other noncurrent assets	528,160	486,531
Total Noncurrent Assets	5,414,927	4,473,379
TOTAL ASSETS	₱9,085,013	₱7,654,871
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables	₱792,661	₱1,080,674
Current portion of bank loans	987,350	573,865
Amounts owed to related parties	624,211	344,293
Dividends payable	20,287	20,287
Current portion of finance lease liabilities	14,994	26,451
Advances from customers	—	27,145
Income tax payable	1,063	4,101
Total Current Liabilities	2,440,566	2,076,816
Noncurrent Liabilities		
Bank loans - net of current portion	7,234	46,361
Provision for mine rehabilitation and decommissioning	58,259	60,212
Retirement obligation	39,985	30,101
Finance lease liabilities - net of current portion	—	14,994
Other noncurrent liabilities	1,095	357
Total Noncurrent Liabilities	106,573	152,025
Total Liabilities	2,547,139	2,228,841
Equity		
Capital stock	6,113,455	6,113,455
Additional paid-in capital	1,822,292	1,822,292
Valuation gain on AFS financial assets	—	506
Gain on remeasurement of retirement obligation	2,277	1,675
Equity reserve	(7,210,616)	(7,210,807)
Retained earnings	5,810,484	4,691,549
Treasury stock	(18)	(18)
Equity attributable to the Equity holders of the Parent Company	6,537,874	5,418,652
Non-controlling interest	—	7,378
Total Equity	6,537,874	5,426,030
TOTAL LIABILITIES AND EQUITY	₱9,085,013	₱7,654,871

GLOBAL FERRONICKEL HOLDINGS, INC. AND SUBSIDIARIES
(Formerly Southeast Asia Cement Holdings, Inc. and Subsidiaries)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2015, SIX MONTHS ENDED
DECEMBER 31, 2014 AND YEAR ENDED JUNE 30, 2014
(Amounts in Thousands, Except Earnings Per Share)

	December 31		June 30
	2015	2014	2014
SALE OF ORE	₱6,533,218	₱9,047,476	₱5,667,768
COST OF SALES	3,479,702	2,556,640	2,514,842
GROSS PROFIT	3,053,516	6,490,836	3,152,926
OPERATING EXPENSES			
Excise taxes and royalties	906,351	1,258,746	795,893
General and administrative	629,788	237,316	430,546
Shipping and distribution	166,471	63,749	202,243
Amortization of mining rights	94,894	—	—
	1,797,504	1,559,811	1,428,682
FINANCE INCOME	9,431	3,465	7,956
FINANCE COSTS	(88,891)	(73,323)	(202,058)
OTHER INCOME (CHARGES) - net	(115,500)	(77,424)	209,164
INCOME BEFORE INCOME TAX	1,061,052	4,783,743	1,739,306
PROVISION FOR (BENEFIT FROM) INCOME TAX			
Current	4,081	6,673	142
Deferred	(54,779)	(39,977)	68,835
	(50,698)	(33,304)	68,977
NET INCOME	1,111,750	4,817,047	1,670,329
OTHER COMPREHENSIVE INCOME (LOSS)			
<i>Item that may be reclassified to profit or loss in subsequent periods:</i>			
Valuation gain (loss) on AFS financial assets	(506)	(337)	4,174
<i>Item that will not be reclassified to profit or loss in subsequent periods:</i>			
Remeasurement gain (loss) on retirement obligation	857	(6,224)	204
Income tax effect	(257)	1,867	(61)
	600	(4,357)	143
	94	(4,694)	4,317
TOTAL COMPREHENSIVE INCOME	₱1,111,844	₱4,812,353	₱1,674,646
Net Income Attributable To:			
Equity holders of the Parent Company	₱1,111,750	₱4,809,681	₱1,667,776
NCI	—	7,366	2,553
	₱1,111,750	₱4,817,047	₱1,670,329
Total Comprehensive Income Attributable To:			
Equity holders of the Parent Company	₱1,111,844	₱4,804,995	₱1,672,087
NCI	—	7,358	2,559
	₱1,111,844	₱4,812,353	₱1,674,646
Basic/Diluted Earnings Per Share on Net Income Attributable to			
Equity Holders of the Parent Company	₱0.06	₱0.66	₱0.24