



Global Ferronickel Holdings, Inc.

SECURITIES AND EXCHANGE
COMMISSION

RECEIVED
MAY 23 2017

MARKET REGULATION DEPT.
BY: *[Signature]* TIME: *[Signature]*

Notice of Annual Meeting of Stockholders

NOTICE IS HEREBY GIVEN that the Annual Meeting of the Stockholders of GLOBAL FERRONICKEL HOLDINGS, INC. (the "Company") shall be held on Wednesday, 28 June 2017, at 3:00 p.m. at Dusit Thani Manila located at EDSA, Makati City to consider the following agenda:

AGENDA

1. Call to Order;
2. Certification of Notice and the Existence of Quorum;
3. Approval of the Minutes of the Previous Annual Stockholders' Meeting held on 29 June 2016;
4. Annual Report and Approval of the Audited Financial Statements as of 31 December 2016;
5. Election of Directors;
6. Appointment of External Auditor;
7. Appointment of Stock and Transfer Agent;
8. Other Matters; and
9. Adjournment.

The Company has, in accordance with the By-Laws, fixed the close of business on 29 May 2017 as the record date for the determination of the stockholders entitled to notice of and to vote at such meeting and on any adjournment thereof.

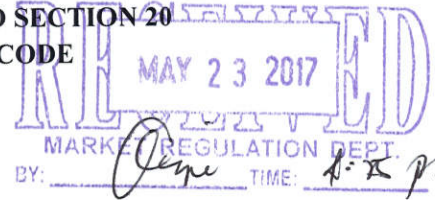
Registration for those who are personally attending the meeting will start at 2:00 p.m. and shall end promptly at 3:00 p.m. All stockholders who will not, are unable, or do not expect to attend the meeting in person are encouraged to fill out, date, sign and send a proxy to the Corporation's Corporate Secretary at 7th Floor, Corporate Business Centre, 151 Paseo De Roxas corner Arnaiz Street, Makati City, Metro Manila, Philippines. All proxies should be received by the Corporate Secretary on or before 16 June 2017. Proxies submitted shall be validated by a Committee of Inspectors on 23 June 2017 at 3:00 p.m. at the aforementioned address. For corporate stockholders, proxies should be accompanied by a Secretary's Certification on the appointment of the corporation's authorized signatory.

To avoid inconvenience in registering your attendance at the meeting, you or your proxy is requested to bring identification paper(s) containing a photograph and signature, e.g. passport, driver's license or any other government identification card.

City of Makati, Metro Manila, 23 May 2017.

[Signature]
EVEART GRACE P. CLARO
Assistant Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS
INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE



1. Check the appropriate box:
☒ Preliminary Information Statement
☐ Definitive Information Statement
2. Name of Registrant as specified in its charter
Global Ferronickel Holdings, Inc. (formerly Southeast Asia Cement Holdings, Inc.)
3. Province, country or other jurisdiction of incorporation or organization
Metro Manila, Philippines
4. SEC Identification Number: **AS094-003992**
5. BIR Tax Identification Code: **003-871-592**
6. Address of Principal Office:
7th Floor, Corporate Business Centre, 151 Paseo De Roxas corner Arnaiz Street, Makati City, Metro Manila, Philippines
7. Registrant's telephone number, including area code: (632) 519-7888
8. Date, time and place of the meeting of security holders:
Date: 28 June 2017, Wednesday
Time: 3:00 p.m.
Place: Dusit Thani Manila
9. Approximate date on which the Information Statement is first to be sent or given to security holders: **7 June 2017**
10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants) (as of 31 December 2015):

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
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Common Shares	2,334,640,312 shares
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11. Are any or all of registrant's securities listed on a Stock Exchange?
 Yes ☒ No ☐

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

Philippine Stock Exchange	
Common Shares	2,334,640,312 shares

GENERAL INFORMATION

Date, Time and Place of Meeting of Security Holders (“Annual Stockholders’ Meeting”)

Date of Meeting: 28 June 2017, Wednesday
Time of Meeting: 3:00 p.m.
Place of Meeting: Dusit Thani Manila

Registrant’s Mailing Address: **7th Floor, Corporate Business Centre,
151 Paseo De Roxas cor. Arnaiz Street,
Makati City, Metro Manila, Philippines**

The approximate date on which the information statement is first to be sent or given to security holder is **7 June 2017**.

Dissenters' Right of Appraisal

A stockholder of the Company may exercise his appraisal right against certain corporate matters or actions and in the manner provided in Title X of the Corporation Code as follows:

- a. A stockholder will be entitled to exercise his appraisal right in case any of the following matters or actions occurs:
 - i. In case of any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any shareholder or any class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of the Company’s corporate existence;
 - ii. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code;
 - iii. In case of merger or consolidation of the Company with another corporation; and
 - iv. In case the Company decides to invest its funds in another corporation or business outside of its primary purpose.
- b. A stockholder must have voted against the proposed corporate action in order to avail himself of the appraisal right;
- c. The dissenting stockholder shall make a written demand on the Company for payment of the fair value of his shares within thirty (30) days after the date on which the vote was taken. The failure of the stockholder to make the demand within such period shall be deemed a waiver of his appraisal right;

- d. If the proposed corporate action is implemented or effected, the Company shall pay to such dissenting stockholder, upon surrender of the certificate(s) of stock representing his shares within ten (10) days after demanding payment of his shares, the fair value thereof, provided the Company has unrestricted retained earnings; and
- e. Upon payment of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the Company.

There are no corporate matters or actions that will entitle dissenting stockholders to exercise their right of appraisal as provided in Title X of the Corporation Code.

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

- (a) Except for the Employee Stock Option Plan, no current director, nominee for election as director, associate of the nominee or executive officer of the Company at any time since the beginning of the last fiscal year has had any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon in the agenda of the annual stockholders' meeting other than the election of directors.
- (b) None of the incumbent directors has informed the Company in writing of an intention to oppose any action to be taken by the Company at the Annual Stockholders' Meeting.

CONTROL AND COMPENSATION INFORMATION

Voting Securities and Principal Holders Thereof

- (a) The Company has 5,804,021,399 outstanding shares as of 30 April 2017, all of which are common shares of stock. As of 30 April 2017, 1,650,797,356 common shares, or equivalent to 23.52% of the outstanding shares, are owned by foreigners. Each share is entitled to one vote.
- (b) In accordance with the By-Laws of the Company, the Board of Directors has set 29 May 2017 as the record date for the purpose of determining stockholders entitled to notice of and to vote at the Annual Stockholders' Meeting. All stockholders of record on 29 May 2017 are entitled to notice and to vote at the Annual Stockholders' Meeting.

Security Ownership of Certain Record and Beneficial Owners And Management

As of 30 April 2017, the following persons or groups are known to the Company as directly or indirectly the record or beneficial owners of more than five (5%) of the Company's voting securities¹:

<i>Title of Class</i>	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent of Ownership
Common	PCD Nominee Corporation G/F Makati Stock Exchange Building, 6767 Ayala Avenue, Makati City Shareholder	Direct- Please see note below	Filipino	1,597,934,891	27.44%
Common	Huatai Investment Pty. Ltd. Auburn, Australia Shareholder	Direct – Please see note below	Australian	974,476,713	16.74%
Common	Sohoton Synergy, Inc. 7 th Floor, Corporate Business Center, 151 Paseo de Roxas cor. Arnaiz St., Makati City Shareholder	Direct – Please see note below	Filipino	761,037,313	13.07%
Common	PCD Nominee Corporation G/F Makati Stock Exchange Building, 6767 Ayala Avenue, Makati City Shareholder	Direct- Please see note below	Non-Filipino	622,682,079	10.69%

¹The shares as stated in the Certificate of Approval of Increase of Capital Stock, as approved by the SEC on 22 December 2014.

Common	Regulus Best Nickel Holdings, Inc. 7 th Floor, Corporate Business Center, 151 Paseo de Roxas cor. Arnaiz St., Makati City Shareholder	Direct – Please see note below	Filipino	523,154,668	8.99%
Common	Blue Eagle Elite Venture, Inc. 7 th Floor, Corporate Business Center, 151 Paseo de Roxas cor. Arnaiz St., Makati City Shareholder	Direct- Please see note below	Filipino	348,769,779	5.99%
Common	Ultimate Horizon Capital, Inc. 7 th Floor, Corporate Business Center, 151 Paseo de Roxas cor. Arnaiz St., Makati City Shareholder	Direct- Please see note below	Filipino	348,769,779	5.99%

PCD Nominee Corporation (“PCDNC”) is a wholly-owned subsidiary of PCD. The beneficial owners of such shares registered under the name of PCDNC are PCD’s participants who hold the shares in their own behalf or in behalf of their clients. The PCD is prohibited from voting these shares. Instead, the participants have the power to decide how the PCD shares in the Company are to be voted.

As of 30 April 2017, the participants of PCDNC who own more than 5% of the Company’s outstanding capital are as follows:

<i>Title of Class</i>	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent of Ownership
Common	SB Equities, Inc.	Direct	Filipino	340,533,256	5.85%
Common	Maybank Atr Kim Eng Securities, Inc.	Direct	Filipino	305,483,767	5.25%

The shares held by Huatai Investment Holding Pty. Ltd., Sohoton Synergy, Inc., Regulus Best Nickel Holdings, Inc., Blue Eagle Elite Venture, Inc. and Ultimate Horizon Capital, Inc. will be voted or disposed by the persons who shall be duly authorized by these record or beneficial shareholders for the purpose.

Security Ownership of Directors and Officers as of 30 April 2016 of this Prospectus

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	% of Total Outstanding Shares
Common	Joseph C. Sy	2,703,904,990.87 (direct and indirect)	Filipino	46.44%
Common	Ming Huat Chua	6,786,667 (direct and indirect)	Malaysian	0.12%
Common	Dante R. Bravo	21,677,538 (direct)	Filipino	0.37%
Common	Luis N. Yu, Jr.	50,000,000(direct)	Filipino	0.86%
Common	Gu Zhi Fang	1 (direct)	Chinese	0%
Common	Francis C. Chua	333 (direct)	Filipino	0%
Common	Dennis Allan T. Ang	20,333,361 (direct)	Filipino	0.35%
Common	Mary Belle D. Bituin	1(direct)	Filipino	0%
Common	Edgardo G. Lacson	1(direct)	Filipino	0%
Common	Roberto C. Amores	1(direct)	Filipino	0%
Common	Noel B. Lazaro	1,933,333 (direct)	Filipino	0.03%
Common	Carlo Matilac	1(direct)	Filipino	0%
Common	Eveart Grace P. Claro	0	Filipino	0%
TOTAL		<u>2,804,636,227.87</u>		48.19%

Voting Trust Holders of 5.0% or More

There were no persons holding more than 5.0% of a class of shares of the Company under a voting trust or similar agreement as of the date of this Prospectus.

Change in Control

As of the date of this Prospectus, there are no arrangements which may result in a change in control of the Company.

BOARD OF DIRECTORS AND EXECUTIVE OFFICERS

The following are the incumbent directors and officers of the Company:

Name	Age	Nationality	Position
Joseph C. Sy	50	Filipino	Chairman of the Board of Directors and Director
Ming Huat Chua.....	54	Malaysian	Vice-Chairman of the Board of Directors and Director
Dante R. Bravo	41	Filipino	President and Director
Dennis Allan T. Ang	40	Filipino	Director
Francis C. Chua	68	Filipino	Director
Mary Belle D. Bituin	49	Filipino	Treasurer/ Senior Vice President for Finance/ Human Resources Department/ Director
Luis N. Yu, Jr.	61	Filipino	Director
Gu Zhi Fang	43	Chinese	Director
Edgardo G. Lacson	73	Filipino	Independent Director
Roberto C. Amores	64	Filipino	Independent Director
Noel B. Lazaro	48	Filipino	Senior Vice President for Legal and Regulatory Affairs, Corporate Secretary and Corporate Information Officer
Carlo Matilac.....	44	Filipino	Senior Vice President for Operations
Eveart Grace Pomarin-Claro.....	36	Filipino	Assistant Corporate Secretary and Alternate Corporate Information Officer

Upon recommendation of the Company's Nomination Committee as required by the Company's Manual on Corporate Governance, the following are nominated for re-election or election to the position stated below for the year 2017-2018, to hold office as such for one year or until their successors shall have been duly elected and qualified.

The business experience for the past five years of each of our directors and key executive officers is set forth below.

Joseph C. Sy

Chairman of the Board of Directors and Director

Mr. Sy became Chairman of the Board of Directors on 6 August 2015. He became President of Platinum Group Metals Corporation ("PGMC") and Company in July 2011 and 29 August 2014, respectively. He is also a Director and President of Iplan Nickel Corporation, Chairman and President of Ferrochrome Resources Inc. and the Director of Mining for the Philippine Chamber of Commerce and Industry. Mr. Sy has more than fourteen years of experience in managing and heading companies engaged in mining and mineral exploration and development.

Chua Ming Huat

Vice Chairman

Mr. Chua became Vice Chairman of the Board of Directors on 29 July 2016. Mr. Chua Ming Huat was former President of Genting Hong Kong Limited ("GHK") and a director of Norwegian Cruise Line Holdings Ltd., a company listed on the NASDAQ Global Select Market. He held key management positions in various international securities companies in Malaysia, Singapore and Hong Kong, with extensive knowledge in the management of securities, futures and derivatives trading,

asset and unit trust management, corporate finance and corporate advisory business. He was a director and member of the Listing Committee of the MESDAQ market of Bursa Malaysia Securities Berhad. He has a Bachelor of Arts degree in Political Science and Economics from the Carleton University in Ottawa, Canada.

Dante R. Bravo

President and Director

Mr. Bravo is currently President of the Company. He previously served as Executive Vice President of the Company. He has been a Director, Executive Vice President and Corporate Secretary of PGMC since 2011. He was Chief Finance Officer of PGMC from 2011 to 2013. He is also an attorney-at-law and a Certified Public Accountant in the Philippines. Mr. Bravo served as a Director from 2004 to 2011 and a Senior Associate from 2002 to 2004 at SGV. He is a professor of law at San Beda College and a lecturer for the Mandatory Continuing Legal Education Program for lawyers. He was the Chief Political Affairs Officer of Congressman Mr. Narciso R. Bravo Jr. He holds a Bachelor of Laws degree from San Beda College and a Bachelor of Accountancy degree from the University of Santo Tomas. Mr. Bravo has more than 10 years of corporate management experience.

Dennis Allan T. Ang

Director

Mr. Ang became a Director of the Company on 6 August 2015. He is the Corporate Secretary of Maxima Machineries, Inc. since February 2009 and System Architect and Lead Programmer of Engagement Workflow System Architecture Development since July 2015. He founded Full Metro Gear Corp. and Engagement, Inc in 2014 and 2007, respectively. He occupied several key positions in Asian Institute of Management from 2001 to 2006. Mr. Ang holds a degree in Bachelor of Science in Management Information Systems from Ateneo de Manila University and a Masters Degree in Business Administration from Asian Institute of Management.

Francis C. Chua

Director

Mr. Chua became a Director of the Company on 22 October 2014. He is the Honorary Consulate General of the Republic of Peru and the Honorary President of the Federation of Filipino Chinese Chamber of Commerce and Industry. He is also the President Emeritus of the Chamber of Commerce of the Philippines Foundations. Mr. Chua served as special envoy on Trade and Investments on China. He holds a Bachelor of Science degree in Industrial Engineering from the University of the Philippines, College of Engineering.

Mary Belle D. Bituin

Senior Vice President, Chief Financial Officer and Director

Ms. Bituin became a Director on 2 November 2015. Ms. Bituin holds a Bachelor of Science degree in Business Administration, major in accounting from Philippine School of Business Administration Manila. She is a Certified Public Accountant. She was Vice President for Business Transformation of Globe Telecom, Inc.. She was The International Auditor for International Audits at the Cooperative

for Assistance and Relief Everywhere (CARE), a leading international humanitarian organization fighting global poverty based in Atlanta, Georgia USA, from 1994 to 1998. She was also a Senior Auditor at SGV & Co. where she worked from 1988 to 1994.

Gu Zhi Fang

Director

Ms. Gu Zhi Fang became a Director of the Company on 22 October 2014. She has been The General Manager of Ferrochrome Resources, Inc. since 2011. She is Director and General Manager of Jiangsu Lianhua Paper Ltd., Wujiang, Jiangsu Province, China. She holds a degree in International Trade from Suzhou University.

Luis N. Yu, Jr.

Director

Mr. Yu, Jr. is Chairman Emeritus of 8990 Holdings, Inc. since 2012. He is also Chairman of Ceres Homes, Inc. since 2002 and President of Deca Housing Corporation since 1995. He holds a Masteral Degree in Business Management from the Asian Institute of Management and a Bachelor of Arts Major in Social Science from the Velez College in Cebu City.

INDEPENDENT DIRECTORS

Pursuant to the requirements of Section 38 of the SRC, the Company's Board of Directors and stockholders approved the amendment of the Company's By-Laws adopting the requirement on the nomination and election of independent directors on 29 June 2005.

In compliance with the requirements of the Code of Corporate Governance and the Securities and Exchange Commission's Guidelines on the Nomination and Election of Independent Directors (SEC Memorandum Circular No. 16, Series of 2002), the Nomination Committee (composed of Atty. Miguel B. Varela as Chairman, and Mr. Joseph C. Sy and Mr. Raul M. Ang) constituted by the Board of Directors in a meeting held on 6 August 2015, endorsed the respective nominations given in favor of Mr. Edgardo Gapuz Lacson (nominated by Atty. Dante R. Bravo) and Mr. Roberto C. Amores (nominated by Mr. Joseph C. Sy). None of the nominees for independent directors are related to any member of the Board of Directors of the Company

Edgardo Gapuz Lacson

Independent Director

Mr. Lacson is currently the President of MIS Maritime Corporation. He is also the President of Safe Seas Shipping Agency and Marine Industrial Supply Corporation. He holds a Bachelor of Science in Commerce Major in Accountancy from the De La Salle College.

Roberto C. Amores

Independent Director

Mr. Roberto C. Amores became a Director of the Company on March 17, 2015. He is the Director-in-Charge for Agriculture at the Philippine Chamber of Commerce & Industry, a member of the

Technical Advisory Group for Agribusiness office of Sec. Arthur C. Yap in the Department of Agriculture, the President of the Philippine Food Processors and Exporters Organization, Inc. and a council member and trustee of the Export Development Council – DTI. He holds a Bachelor of Arts degree from the University of Philippines. Mr. Amores has more than 30 years of corporate management experience.

The Company undertakes to submit the Certifications on the Qualification and Disqualification of Messrs. Lacson and Amores within thirty (30) days from the Annual Stockholders' Meeting.

Other Executive Officers

Noel B. Lazaro

Senior Vice President for Legal, Corporate Secretary, Compliance Officer and Corporate Information Officer

Mr. Lazaro became Senior Vice President and General Counsel of the Company and PGMC in 2014. He joined PGMC on August 1, 2014. He became a director of PGMC on August 1, 2014. He is also a director and Corporate Secretary of Southeast Palawan Nickel Ventures, Inc., PGMC CNEP and SIRC. He is an attorney-at-law in the Philippines. Mr. Lazaro served as a partner for Siguion Reyna Montecillo & Ongsiako, an associate at SyCip Salazar Hernandez & Gatmaitan, a professorial lecturer for the Lyceum of the Philippines College of Law, the De la Salle University Graduate School of Business and Far Eastern University Institute of Law, Master of Business Administration-Juris Doctor Dual Degree Program. He holds a Bachelor of Laws degree from the University of the Philippines College of Law.

Carlo Matilac

Senior Vice President for Operations

Mr. Matilac became Senior Vice President for Operations of the Company on 6 August 2015. He joined PGMC in 2012. Mr. Matilac's primary duties include mineral evaluation, planning and design of the mine, mine development and production. Mr. Matilac served as a technical specialist for BHP Billiton and QNI, and a mine engineering superintendent for Manila Mining Corp. He holds a Master in Business Administration from the Saint Paul University and a Bachelor of Science in Mining Engineering from Cebu Institute of Technology. Mr. Matilac has more than 19 years of technical and engineering experience in managing companies engaged in mining and mineral exploration development.

Eveart Grace Pomarin-Claro

Assistant Corporate Secretary and Alternate Corporate Information Officer

Atty. Pomarin- Claro has been Assistant Corporate Secretary and Alternate Corporate Information Officer of the Company since September 10, 2014. Atty. Pomarin-Claro served as Corporate Secretary of the Company from February 1, 2014 to August 29, 2014.

Significant Employees

No single person is expected to contribute more significantly than others do to the business since the Company considers the collective efforts of all its employees as instrumental to the overall success of the Company's performance. Other than standard employment contracts, there are no arrangements with non-executive employees that will assure the continued stay of these employees with the Company.

Involvement In Certain Legal Proceedings Of Directors And Executive Officers

To the best of the Company's knowledge and belief and after due inquiry, none of the Company's directors, nominees for election as director, or executive officer have in the five-year period prior to the date of this Information Statement: (1) had any petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within a two-year period of that time; (2) have been convicted by final judgment in a criminal proceeding, domestic or foreign, or have been subjected to a pending proceeding in courts of a criminal nature, domestic or foreign, excluding traffic violations and other minor offenses; (3) have been the subject of any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting their involvement in any type of business, securities, commodities or banking activities; or (4) have been found by a domestic or foreign court of competent jurisdiction (in a civil action), the Philippine SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, such judgment having not been reversed, suspended, or vacated.

Certain Relationships and Related Transactions

There are no transactions during the past two (2) years to which the Company or any of its subsidiaries was or is to be a party, and in which a director, executive officer, stockholder owning ten percent (10%) or more and members of their immediate family had or are to have a direct or indirect material interest

Note 29 of the audited financial statements for the period ended 31 December 2015 (Annex "A") provides information on the Company's significant transactions with related parties.

There are no transactions with parties that fall outside the definition of "related parties" under SFAS/IAS No. 24, with whom the Company or its related parties have a relationship that enables the parties to negotiate terms of material transactions that may not be available from other, more clearly independent parties on an arm's length basis.

Disagreement with Director

No director has resigned nor declined to stand for re-election to the Board of Directors since the date of the last Annual Stockholders' Meeting because of a disagreement with the Company on any matter relating to the latter's operations, policies, or practices.

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

Compensation

The following are the Company's Chairman of the Board of Director, its President and its two other executive officers of the Company as of the date of this Information Statement:

Name	Position
Joseph C. Sy.....	Chairman of the Board of Directors and Director
Dante R. Bravo.....	President and Director
Mary Belle D. Bituin.....	Senior Vice President and Chief Financial Officer
Noel B. Lazaro.....	Senior Vice President for Legal, Corporate Secretary, Compliance Officer, Corporate Information Officer and Corporate Secretary

The following table identifies and summarizes the aggregate compensation of the Company's President and its three other executive officers of the Group in the fiscal years ended 31 December 2014, 2015 and their estimated compensation for 2016:

	Year	Total⁽¹⁾
		(₱)
		(in millions)
President and the three most highly compensated executive officers named above.....	2014	0
	2015	8.4
	2016	8.4 (<i>estimated</i>)
Aggregate compensation paid to all other officers as a group unnamed	2014	0
	2015	26
	2016	30(<i>estimated</i>)

Note:

(1) Includes salary, bonuses and other income.

The Compensation and Remuneration Committee comprises at least three members, including the President and one independent director. It ensures that the compensation policies and practices are consistent with the corporate culture, strategy and business environment under which the Company operates. It is responsible for objectively recommending a formal and transparent framework of remuneration and evaluation for the members of the Board and the Company's key executives to enable the directors and officers to run the company successfully. It evaluates and recommends to the

Board incentives and other equity-based plans designed to attract and retain qualified and competent individuals.

The Compensation and Remuneration Committee reports directly to the Board and is required to meet at least once a year and provides overall direction on the compensation and benefits strategy of the Company. The composition of the Compensation and Remuneration Committee consist of three (3) members, including Mr. Roberto C. Amores as chairman, and Mr. Joseph C. Sy and Atty. Dante R. Bravo as members.

Standard Arrangements

Other than payment of a fixed monthly director's fee of ₱200,000, there are no other standard arrangements pursuant to which directors of the Company are compensated, or were compensated, directly or indirectly, for any services provided as a director and for their committee participation or special assignments.

Other Arrangements

There are no other arrangements pursuant to which any director of the Company was compensated, or to be compensated, directly or indirectly, for any service provided as a director.

Family Relationships

There are no family relationships between any Directors and any members of the Company's senior management as of the date of this Information Statement, except Mr. Sy and Ms. Gu who are husband and wife.

Employment Contracts

As of the date of this Information Statement, the Company has no special employment contracts with the named executive officers.

Warrants and Options Outstanding

As of the date of this Information Statement, there are no outstanding warrants or options held by the President, the CEO, the named executive officers, and all officers and directors as a group.

CORPORATE GOVERNANCE

The Board of Directors of the Company approved the Company's Revised Corporate Governance Manual (the "Manual") during the meeting of the Board of Directors on 22 July 2014. The Manual assists the Company in monitoring and assessing its level of compliance with leading practices on good corporate governance as specified in pertinent Philippine SEC circulars. Aside from establishing specialized committees to aid in complying with the principles of good corporate governance, the Manual also outlines specific investor's rights and protections and enumerates particular duties expected from the Board members, officers and employees. It also features a disclosure system which highlights adherence to the principles of transparency, accountability and fairness. A compliance officer is tasked with the formulation of specific measures to determine the level of compliance with the Manual by the Board members, officers and employees. There has been no deviation from the Manual's standards as of the date of this Information Statement.

COMPENSATION PLANS

On 20 May 2016, the Board of Directors of FNI approved the Stock Option Plan and Buy-Back Program of FNI to purchase shares from the PSE as may be permitted by the laws. In particular, Section 41 of the Corporation Code allows any corporation to purchase its shares to the extent of its unrestricted retained earnings. The Buy-Back Program is implemented by FNI in accordance with the law and the rules of PSE.

On 29 June 2016, the stockholders representing at least two-thirds of the outstanding capital stock of FNI approved the stock option plan and buy-back program. As of 11 November 2016, FNI has purchased 16,000,000* common shares for its Buy-Back program.

The Compensation Committee, on the recommendation of the President and the Human Resource Department of the company shall select eligible participants (the “Participants”). In determining the eligibility of the Participant, the position and responsibilities of the Participant, the nature and value of his /her services and accomplishments, his/her present and potential contribution to the long-term success of the Company or the subsidiary or affiliate in which he is employed, and such other relevant factors shall be considered. Participation in a given year does not give rise to any right to continued participation in succeeding years.

The Compensation Committee, acting on the recommendation of the President and the Human Resources Department, shall determine the number of Option Shares to be offered a Participant. The total number of Options to be offered to all Participants shall be determined by the Compensation Committee.

The Plan covers up to 1,054,915,344* common shares of the Company. The Participants may avail themselves of the Plan at a certain exercise price subject, but not limited, to the following provisions:

- i. a reasonable vesting period; and
- ii. a reasonable exercise period.

The option can be either equity-settled, cash-settled or both subject to further analysis. The fair value shall be determined accordingly.

*Note: Before the approval of the reverse stock split issued by the SEC on November 7, 2016. The 16,000,000 common shares have been converted to 5,333,333 common shares after the approved reverse stock split. The 1,054,915,344 have been converted to 351,638,448 common shares after the approved reverse stock split.

On 9 May 2017, upon recommendation of the Compensation Committee, the Board of Directors approved the Employee Stock Option Master Plan which is a share-based compensation plan. It also approved the granting of the 1st Tranche which comprised of 20,000,000 option grants to be vested over three (3) years at a strike price of P2.00 and 20,000,000 share grants to be granted over two (2) year (i.e., 10,000,000 share grants each year).

MANAGEMENT REPORT

Appointment of Stock and Transfer Agent

Securities Transfer Services, Inc. (“STSI”) will be nominated and recommended to the stockholders for reappointment as the Company’s stock and transfer agent for the year 2017-2018. Representatives of STSI are expected to be present at the upcoming Annual Stockholders’ Meeting to respond to appropriate questions and to make a statement if they so desire.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The Company's Board of Directors reviews and approves the engagement of services of the Company's external auditors, who are appointed upon the recommendation of the Audit Committee, and which appointment shall be ratified by the stockholders during the annual stockholders' meeting. The Chairman of the Company's Audit Committee is Mr. Roberto C. Amores. He is joined by Atty. Dante R. Bravo and Mr. Miguel B. Varela as members of the Audit Committee.

The auditing firm of Sycip Gorres Velayo & Co. ("SGV"), a member firm of Ernst & Young Global Limited will be nominated and recommended to the stockholders for reappointment as external auditor for the year 2017-2018. Representatives of the said firm are expected to be present at the upcoming Annual Stockholders' Meeting to respond to appropriate questions and to make a statement if they so desire.

In compliance with SRC Rule 68 (3) (b) (iv) of the Securities Regulation Code, the appointment of a signing partner of SGV shall not exceed five (5) consecutive years. Mr. Jaime F. Del Rosario, commenced as engagement partner of the Company starting 2014.

The independent auditors for the Company were changed from Navarro, Amper & Co. to SGV effectively from July 2014 after the acquisition of the PGMCM by the Company. SGV has been the auditor for PGMCM since 2005, for the considerations of consistency and ease of consolidation of the Company's and PGMCM's financial statements. SGV was also appointed by the Company as its auditors. There were no disagreements between the two auditing firms.

External Audit Fees

The following table sets out the aggregate fees billed for each of the last two years for professional services rendered by SGV, excluding fees directly related to the Offer.

	For the year ended December 31		
	2016	2015	2014
	(P thousands)		
Audit and Audit-Related Fees ⁽¹⁾	12,243.3	12,979.3	19,341.7
Non-Audit Services ⁽²⁾	17,297.6	13,145.9	5,878.8
Total	29,540.9	26,125.2	25,220.5

(1) *Audit and Audit-Related Fees.* This category includes the audit of annual financial statements, review of interim financial statements and services that are normally provided by the independent auditor in connection with statutory and regulatory filings or engagements for those calendar years.

The fees presented above include out-of-pocket expenses incidental to the independent auditors' work, the amounts of which do not exceed 10.0% of the agreed-upon engagement fees.

(2) *Non-Audit Services.* This category includes the tax advisory fees for the tax advisory services provided by SGV, on PGMCM's corporate restructuring. The fees presented above include out-of-pocket expenses incidental to the work performed, the amounts of which do not exceed 10.0% of the agreed-upon engagement fees.

Market Price of and Dividends

Market Information

The PSE is the principal market for the Company's shares. The closing price of the shares as of 28 December 2016 was at ₱2.86 per share. On 19 May 2017, the closing price of the shares on the PSE was ₱2.51 per share.

The high and low sale prices of the shares of stock of the Company for each quarter during the last two fiscal years are as follows:

YEAR	Q1		Q2		Q3		Q4	
	High	Low	High	Low	High	Low	High	Low
2016	0.92	0.46	1.14	0.80	1.00	0.81	3.75	0.99
2015	3.68	1.73	2.36	1.17	1.68	0.92	1.34	0.67
2014	1.4	0.96	3.1	1.07	3.0	1.82	2.8	1.83

Holders

The Company has approximately 1,711 shareholders owning shares as of 30 April 2017. Based on the records, the following are the top 20 stockholders with their respective shareholdings and percentage to total shares outstanding as of said date:

Stockholder Name	Nationality	No. of Shares	%
PCD Nominee Corp – Filipino	Filipino	1,597,934,891	27.44%
Huatai Investment Pty. Ltd.	Australian	974,476,713	16.74%
Sohoton Synergy, Inc.	Filipino	761,037,313	13.07%
PCD Nominee Corp – Non-Filipino	Foreign	622,682,079	10.69%
Regulus Best Nickel Holdings, Inc.	Filipino	523,154,668	8.99%
Blue Eagle Elite Venture, Inc.	Filipino	348,769,779	5.99%
Ultimate Horizon Capital, Inc.	Filipino	348,769,779	5.99%
Bellatrix Star, Inc.	Filipino	187,952,034	3.23%
Alpha Centauri Fortune Group, Inc.	Filipino	187,952,034	3.23%
Antares Nickel Capital, Inc.	Filipino	91,342,805	1.57%
Red Lion Fortune Group, Inc.	Filipino	57,588,866	0.99%
Wei Ting	Chinese	49,595,062	0.85%
Great South Group Ventures, Inc.	Filipino	32,644,851	0.56%
Dante R. Bravo	Filipino	13,950,791	0.24%
Seng Gay Chan	Singaporean	10,463,093	0.18%
Orion-Squire Capital, Inc. A/C-0459	Filipino	2,153,874	0.04%
Squire Securities, Inc.	Filipino	818,244	0.01%
George L. Go	Filipino	511,531	0.01%
Kuok Philippines Properties, Inc.	Filipino	437,692	0.01%
Gabriel Tong	Filipino	396,400	0.01%

Dividends

Below is the history of the recent dividend declarations made by the Company and PGM C for the three most recent fiscal years.

	For years ended December 31		
	2016	2015	2014
	(P in millions)		
The Company (cash dividend)	-		-
(property dividend)	-	-	
<i>Subsidiaries</i>			
PGMC (cash dividend)	-	6,153	6,153
Total	-	-	6,153 ⁽¹⁾

Note 1: This dividend declaration was made prior to the Company's acquisition of PGM C in October 2014.

On December 22, 2014, SEC approved the change in fiscal year from June 30 to calendar year December 31.

Other than as set forth above, none of our other subsidiaries declared any dividends for the years ended December 31, 2016 and 2015. Declarations of dividends in previous years are not indicative of future dividend declarations.

The Group did not declare or pay any dividends within the three months period ended March 31, 2017.

Description of Registrant's Securities

As of December 31, 2016, the Company has a total issued capital stock of 5,822,357,151 common shares. 5,816,021,399 common shares of the Company are outstanding and 6,335,752 shares are treasury stock.

Recent Sales of Unregistered or Exempt Securities including Recent Issuance of Securities Constituting an Exempt Transaction

On June 30, 2014, IHoldings, Inc., Kwantlen Development Corp. and Januarius Resources Realty Corp (collectively, the IHoldings Group) owned 74.80%, 10.17% and 4.85% of the Company, respectively.

On July 9, 2014, IHoldings Group entered into a Share Purchase Agreement with Huatai Investment Holdings Pty. Ltd., Regulus Best Nickel Holdings, Inc., Bellatrix Star, Inc., Alpha Centauri Fortune Group, Inc., Antares Nickel Capital, Inc., Blue Eagle Elite Ventures, Inc., Ultimate Horizon Capital, Inc., Sohoton Energy, Inc., Great South Group Ventures, Inc., Red Lion Fortune Group, Inc., Wei Ting, Dante R. Bravo and Seng Gay Chan (collectively, the "Thirteen Stockholders") pursuant to which IHoldings Group will sell to the Thirteen Stockholders 6,291,132,047 common shares of the Company (the "Subject Shares") comprising the entirety of their respective shareholdings and

representing 89.82% of the total issued and outstanding capital stock of the Company. This Share Purchase Agreement was amended on September 4, 2014,

On September 5, 2014, as a requirement under the Securities Regulation Code (SRC), the Thirteen Stockholders have launched a mandatory tender offer to acquire the shares of the minority stockholders holding 712,781,634 common shares of the Company and filed a Tender Offer Report with the SEC and PSE. The Tender Offer period lapsed October 10, 2014 where 204,264 common shares (the “Tendered Shares”) were tendered to the Thirteen Stockholders. After the lapse of the tender offer period, the Thirteen Stockholders completed the purchase of the Subject Shares in accordance with the Share Purchase Agreement. The Subject and Tendered Shares were crossed through the PSE on October 15, 2014.

On September 10, 2014 and October 22, 2014, the Board of Directors and the stockholders of the Company, respectively, approved the following amendments to the Articles of Incorporation and By-laws:

- Change in the Company’s name from Southeast Asia Cement Holdings, Inc. to Global Ferronickel Holdings, Inc.;
- Change in the registered and principal address from Room 1104, Liberty Center Buildings, 104 H.V. dela Costa corner Leviste Streets, Salcedo Village, Makati City to 7th Floor, Corporate Business Centre, 151 Paseo de Roxas corner Arnaiz Street, Makati City;
- Increase in the number of directors from nine (9) to ten (10) members;
- Increase in the authorized capital stock of the Company from ₱2,555,000,000.00 divided into 7,300,000,000 common shares with par value of ₱0.35 per share to ₱12,555,000,000.20 divided into 35,871,428,572 common shares with a par value of ₱0.35 per share; and
- Change of fiscal year from June 30 to December 31.

The Board and the stockholders of the Company also approved the issuance of 10,463,093,371 new common shares of the Company resulting from the increase in the authorized capital stock to the Thirteen Shareholders who are also the stockholders of PGMC in exchange for the sale and transfer to the Company of 99.85% of the outstanding capital stock of PGMC under a Deed of Exchange dated October 23, 2014; and the follow-on offering and listing of shares with the PSE which includes the 10,463,093,371 common shares issued to the stockholders of PGMC.

On October 23, 2014, the Company executed a Deed of Exchange for a share-for-share swap (Share Swap) with the Thirteen Stockholders of PGMC. The Company will issue 10,463,093,371 common shares to the Thirteen Stockholders in exchange for the 99.85% outstanding shares of PGMC and cancel the receivables of the Company assumed by the Thirteen Stockholders from the IHoldings Group pursuant to the Share Purchase Agreement dated July 9, 2014, as amended on September 4, 2014. The total par value of the 10,463,093,371 common shares to be issued by the Company to the Thirteen Stockholders amounted to ₱3,662.1 million.

On November 27, 2014, the Company entered into a Memorandum of Agreement with Giantlead Prestige, Inc., Alpha Centauri Fortune Group, Inc., Antares Nickel Capital, Inc., Huatai Investment Holding Pty. Ltd. and an individual for the purchase of 500,000 common shares and 6,250,000,000

preferred shares or one hundred percent (100%) interest of Southeast Palawan Nickel Ventures, Inc. (SPNVI) for \$50.0 million or its Philippine peso equivalent.

On December 1, 2014, the Company filed with SEC a Notice of Exempt Transaction under Section 10.1 (e) and (i) of the Securities Regulation Code, or pursuant to the sale of capital stock of a corporation to its own stockholders exclusively, where no commission or other remuneration is paid or given directly or indirectly in connection with the sale of such capital stock and pursuant to the subscription for shares of the capital stock of a corporation prior to the incorporation thereof or in pursuance of an increase in its authorized capital stock under the Philippine Corporation Code, when no expense is incurred, or no commission, compensation or remuneration is paid or given in connection with the sale or disposition of such securities, and only when the purpose for soliciting, giving or taking of such subscriptions is to comply with the requirements of such law as to the percentage of the capital stock of a corporation which should be subscribed before it can be registered and duly incorporated, or its authorized capital increased, for the issuance of the aforementioned 10,463,093,371 new common shares. An amended Notice of Exempt Transaction was filed on February 18, 2015.

On December 22, 2014, the Philippine SEC approved the Company's application to increase in the authorized capital stock of the Company to ₱12,555,000,000.20 divided into 35,871,428,572 common shares with a par value of ₱0.35 per share, and the issuance of 10,463,093,371 to the stockholders of PGMCI who transferred their shares in PGMCI to the Company, as well as the amendment of its articles of incorporation and by-laws to reflect the change in the corporate name, principal address, number of directors and fiscal year.

On February 26, 2015, the Company's stockholders representing 71.64% of the total outstanding shares unanimously approved and ratified the planned acquisition of SPNVI.

On May 19, 2015, SEC approved PGMCI's increase of authorized capital stock from ₱ 715,375,046.80 to ₱ 1,515,375,046.80. Out of the increase in the authorized capital stock of ₱800,000,000.00 divided into 80,000,000,000 Class A Common Shares with a par value of ₱0.01 per share, FNI subscribed 20,000,000,000 Class A Common Shares or 61.51% of PGMCI.

On August 6, 2015, the Board of Directors of the Company approved the following:

- the execution of the Contract to Sell for the purchase of 500,000 common shares and 6,250,000,000 preferred shares or one hundred percent (100%) interest of SPNVI for \$50.0 million or its Philippine peso equivalent
- subscription of the company to the remaining unissued and unsubscribed shares of SPNVI consisting of Three Hundred Thousand (300,000) common shares with a par value of One Peso (₱ 1.00) per share, and Three Billion Seven Hundred Fifty Million (3,750,000,000) preferred shares with a par value of One Centavo (₱ 0.01) per share, for a total subscription price of Thirty Seven Million Eight Hundred Thousand Pesos (₱ 37,800,000.00)

The Company, its Subsidiaries and Affiliates (collectively, the “Group”) have no record of any bankruptcy, receivership or similar proceedings during the past three (3) years. Neither has the Group made any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets not in the ordinary course of business from 2013 to 2015, except as disclosed and mentioned herein, and in the Company and Subsidiaries’ audited financial statements.

Management’s Discussion and Analysis of Financial Position and Results of Operations

Plan of Operations

The Company will serve as a holding company and will retain its shares in PGMC. The Company will also explore other opportunities in the next twelve (12) months. The Company shall finalize consolidation of Ipilan Nickel Corporation into the Group as soon as practicable.

Operating Segment Information

The Group’s operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The mining segment is engaged in the mining and exploration of nickel saprolite and limonite ore and limestone.

The services segment is engaged in the chartering out of land craft tanks (LCTs) to PGMC.

Summary Financial Information

The following discussions and analyses are based on the audited consolidated financial statements as at December 31, 2016 and 2015 and for the years ended December 31, 2016 and 2015, and for the six months ended December 31, 2014, prepared in conformity with Philippine Financial Reporting Standards (PFRS) and accompanying Notes to the Consolidated Financial Statements and should be read in conjunction with those audited consolidated financial statements.

The Group has not, in the past five years and since its incorporation, revised its financial statements for reasons other than changes in accounting period and policies.

The consolidated financial statements as at December 31, 2016 and 2015 and for the years ended December 31, 2016 and 2015 and six months ended December 31, 2014 are hereto attached.

The following tables set forth the summary financial information for the years ended December 31, 2016 and 2015 and six months ended December 31, 2014 and as at December 31, 2016 and 2015:.

Summary Consolidated Statements of Comprehensive Income

	For the Years Ended		For the Six	Horizontal Analysis	
	December 31		Months Ended	Increase (Decrease)	
	2016	2015	2014	2016 vs. 2015	%
<i>In Thousand Pesos</i>					
Sale of Nickel Ore	3,773,669	6,533,218	9,047,476	(2,759,549)	-42%
Cost of Sales	(2,308,220)	(3,509,917)	(2,463,831)	(1,201,697)	34%
Operating Expenses	(1,254,594)	(1,767,289)	(1,652,620)	(512,695)	29%
Finance Costs	(67,696)	(88,891)	(73,323)	(21,195)	24%
Finance Income	6,505	9,431	3,465	(2,926)	-31%
Share in Net Loss of An Associate	(184)	-	-	184	0%
Other Charges - net	(32,373)	(115,500)	(77,424)	(83,127)	72%
Benefit from (Provision for) Income Tax	(79,613)	50,698	33,304	130,311	257%
Net Income	37,494	1,111,750	4,817,047	(1,074,256)	-97%

	For the Years Ended		For the Six	Vertical Analysis	
	December 31		Months Ended	Increase (Decrease)	
	2016	2015	2014	2016 vs. 2015	%
<i>In Thousand Pesos</i>					
Sale of Nickel Ore	3,773,669	6,533,218	9,047,476	(2,759,549)	-257%
Cost of Sales	(2,308,220)	(3,509,917)	(2,463,831)	(1,201,697)	112%
Operating Expenses	(1,254,594)	(1,767,289)	(1,652,620)	(512,695)	48%
Finance Costs	(67,696)	(88,891)	(73,323)	(21,195)	2%
Finance Income	6,505	9,431	3,465	(2,926)	0%
Share in Net Loss of An Associate	(184)	-	-	184	0%
Other Charges - net	(32,373)	(115,500)	(77,424)	(83,127)	8%
Benefit from (Provision for) Income Tax	(79,613)	50,698	33,304	130,311	-12%
Net Income	37,494	1,111,750	4,817,047	(1,074,256)	-100%

Note: Horizontal analysis for 2015 versus 2014 was not presented as figures are not comparable. In 2014, the Company changed its reporting period from June 30 fiscal year to December 31.

Summary Consolidated Statements of Financial Position

				Horizontal Analysis			
	2016	2015	2014	Increase (Decrease)		Increase (Decrease)	
				2016 vs. 2015	%	2015 vs. 2014	%
<i>In Thousand Pesos</i>							
Current Assets	3,383,713	3,670,086	3,181,492	(286,373)	-8%	488,594	15%
Noncurrent Assets	6,042,981	5,414,927	4,473,379	628,054	12%	941,548	21%
Total Assets	9,426,694	9,085,013	7,654,871	341,681	4%	1,430,142	19%
Current Liabilities	2,227,747	2,440,566	2,076,816	(212,819)	-9%	363,750	18%
Noncurrent Liabilities	652,388	106,573	152,025	545,815	512%	(45,452)	-30%
Non-controlling interests	-	-	7,378	-	0%	(7,378)	-100%
Equity attributable to equity holders of the Parent	6,546,559	6,537,874	5,418,652	8,685	0%	1,119,222	21%
Total Liabilities and Equity	9,426,694	9,085,013	7,654,871	341,681	4%	1,430,142	19%

Summary Consolidated Statements of Financial Position

	2016	2015	2014	Vertical Analysis			
				Increase (Decrease)		Increase (Decrease)	
				2016 vs. 2015	%	2015 vs. 2014	%
				In Thousand Pesos			
Current Assets	3,383,713	3,670,086	3,181,492	(286,373)	-84%	488,594	34%
Noncurrent Assets	6,042,981	5,414,927	4,473,379	628,054	184%	941,548	66%
Total Assets	9,426,694	9,085,013	7,654,871	341,681	100%	1,430,142	100%
Current Liabilities	2,227,747	2,440,566	2,076,816	(212,819)	-62%	363,750	25%
Noncurrent Liabilities	652,388	106,573	152,025	545,815	160%	(45,452)	-3%
Non-controlling interests	-	-	7,378	-	0%	(7,378)	-1%
Equity attributable to equity holders of the Parent	6,546,559	6,537,874	5,418,652	8,685	3%	1,119,222	78%
Total Liabilities and Equity	9,426,694	9,085,013	7,654,871	341,681	100%	1,430,142	100%

Summary Consolidated Statements of Cash Flows

	For the Years Ended		For the Six Months Ended
	December 31		
	2016	2015	2014
<i>In Thousand Pesos</i>			
Net Cash Flows From (Used in):			
Operating Activities	603,946	776,154	3,308,321
Investing Activities	(531,309)	(1,593,944)	(2,103,286)
Financing Activities	(43,305)	602,883	(757,923)
Net Increase (Decrease) in Cash	29,332	(214,907)	447,112
Effect of Exchange Rate Changes on Cash	19,734	25,914	11,593
Cash at Beginning of Year	502,876	691,869	233,164
Cash at End of Year	551,942	502,876	691,869

RESULTS OF OPERATIONS

Calendar year ended December 31, 2016 compared with calendar year ended December 31, 2015

Sale of Nickel Ore

The Group's sale of nickel ore for the year ended December 31, 2016 generated total export revenues of ₱3,773.7 million compared to ₱6,533.2 million in the year ended December 31, 2015, a decline of ₱2,759.5 million or 42%. The decrease was attributable to the lower volume shipped, change in product mix and decline in the selling price of nickel ore.

The sale of nickel ore for the year ended December 31, 2016 was 4.309 million WMT of nickel ore, declined by 1.043 million WMT or 19%, compared to 5.352 million WMT of nickel ore in the year ended December 31, 2015. We were able to ship only 80 vessels of nickel ore during the year ended December 31, 2016 as against 99 vessels of nickel ore during the same period last year. These shipments sold solely to Chinese customers consisted of 2.396 million WMT low-grade nickel ore, 1.858 million WMT medium-grade nickel ore and 0.056 million WMT high-grade nickel ore compared to 0.608 million WMT low-grade nickel ore, 4.368 million WMT medium-grade nickel ore and 0.376 million WMT high-grade nickel ore of the same period in 2015. The reduction in shipments was brought about by unfavorable weather conditions which affected production and loading operations. The decrease in the export revenues was aggravated by the decline of nickel ore

price from last year's average of US\$26.69/WMT to only US\$17.93/WMT average for the year ended December 31, 2016 lower by US\$8.76/WMT or 33%.

Cost of Sales

The cost of sales was ₱2,308.2 million for the year ended December 31, 2016 as compared to ₱3,509.9 million of the same period this year, a decrease by ₱1,201.7 million, or 34%. The decrease in cost of sales was due to decline in the volume shipped, change in product mix as more low grade ores were shipped in 2016 as compared to the same period in 2015 and as the result of cost rationalizations and greater operational efficiencies.

The significant factor in the decline in the cost of sales was due to the decrease by ₱840.5 million in contract hire from ₱2,388.9 million in 2015 to ₱1,548.4 million in 2016, or 35%. Moreover, there was a decrease in equipment rentals by ₱35.6 million or 50%, from ₱70.8 million in 2015 to ₱35.2 million in 2016 due to non-renewal of equipment lease (as all heavy equipment are now provided in full by the Contractors) and Group-owned equipment previously allowed to be used by one of the mining contractors were returned upon expiration of the mining contract with this contractor. Furthermore, depreciation, depletion and amortization went down by ₱209.1 million or 36% as a result of the change in depletion rate. For the year ended December 31, 2015 and for the period January 1 to June 30, 2016, the depletion rate used was ₱60.48 per WMT computed based on the previous Joint Ore Reserve Committee Report received from Runge Pincock Minarco in February 2015 with an indicated mineral reserve estimate of 13.2 million DMT for Cagdianao Areas 2 and 4. For the period July 1 to December 31, 2016, the rate used in computing depletion was ₱31.71 per WMT based on the latest Philippine Mining Reporting Code Competent Person's (PMRC-CP Technical Report) dated September 15, 2016 with an indicated mineral reserve estimate of 25.6 million WMT for Cagdianao Areas 2 and 4 out of the total indicated ore reserve of 35.5 million WMT for CAGAs 1 to 5. For fuel, oil and lubricants, it went down by ₱140.5 million, from ₱151.5 million in 2015 to ₱11.0 million for the same period this year. However, the decrease was partially offset by the increase in personnel costs by ₱28.0 million or 22% as the Group re-embarked its in-house operations on the control and monitoring of contracted activities to ensure quality of work, which translated to hiring of additional local manpower in 2016.

Operating Expenses

The operating expenses amounted to ₱1,254.6 million for the year ended December 31, 2016 compared to ₱1,767.3 million for the year ended December 31, 2015, a decrease of ₱512.7 million or 29%.

General and Administrative

General and administrative expenses were ₱460.9 million in 2016 compared to ₱628.3 million in 2015, a decrease of ₱167.4 million, or 27%. The decline was mainly due to the decrease in consultancy fees and outside services, marketing and entertainment, and SEC and listing fees which pertained to the cost incurred in 2015 related to the Group's planned follow-on offering. The decrease was partially offset by the increase in rent expense related to office rentals of PIL, new subsidiary in 2016 and increase in personnel costs as the Group hired additional manpower to complement the management team of the Group and employees of PIL.

Excise Taxes and Royalties

Excise taxes and royalties were ₱503.3 million and ₱972.6 million in 2016 and 2015, respectively, a decrease of ₱469.3 million, or 48%. Since these expenses were computed and paid based on the percentage of gross sales, the decline in nickel ore price and volume shipped and change in product mix consequently lowered the excise taxes and royalties taken up.

Shipping and Distribution

Shipping and loading costs were ₱290.4 million for the year ended December 31, 2016 compared to ₱166.5 million in the same period last year, an increase of ₱123.9 million, or 74%. Although the actual volume of nickel ore shipped in 2016 was lower compared to the same period last year, the shipping and distribution costs incurred this year expectedly rose as the Group embarked in directly handling full port operations in 2016 compared to 2015 where the Group only operated one of the two causeways.

Finance Costs

The finance costs were ₱67.7 million and ₱88.9 million in 2016 and 2015, respectively, a decrease of ₱21.2 million, or 24%. The decline was primarily due to the retirement of long-term loans with Amsterdam Trade Bank (ATB), and Trade and Investment Development Corporation of the Philippines (PhilEXIM).

Finance Income

The finance income was ₱6.5 million for the year ended December 31, 2016 compared to ₱9.4 million for the same period in 2015, a decrease of ₱2.9 million, or 31%. The finance income in 2016 was primarily consisted of the interest income related to finance lease arising from JL Earthmoving Corporation's (JLEC) lease of the Group's transportation and handling equipment.

Other Charges -net

Net other charges were ₱32.4 million for the year ended December 31, 2016 as compared to net other charges amounted to ₱115.5 million for the same period last year, a decrease of ₱83.1 million, or 72%. The increase was brought about by the recognition of net foreign exchange gains in 2016 compared to net foreign exchange losses in 2015 and significant amount of loss on modification finance lease recognized in the prior year.

Provision for (Benefit from) Income Tax

Current

The current provision for income tax represents minimum corporate income tax (MCIT) for the year ended December 31, 2016 and 2015. Effective November 2007, the Company was entitled to income tax holiday as one of the incentives granted by the Board of Investments as a non-pioneer enterprise. The Company's income tax holiday incentive expired on November 15, 2015.

Deferred

The provision for deferred income tax were ₱44.2 million for the year ended December 31, 2016 as compared to the benefit from deferred income tax of (₱54.8) million for the same period last year, an increase of the provision amounting to ₱99.0 million, or 181%. The increase was brought about by the application of net loss carry over partially offset by the recognition of excess MCIT for the year ended December 31, 2016.

Net Income

As a result of the foregoing, net income was ₱37.5 million in the year ended December 31, 2016 as compared to ₱1,111.8 million in the year ended December 31, 2015, a decrease of ₱1,074.3 million, or 97%.

Other Comprehensive Income – net of tax

Cumulative Translation Adjustment

The Company had recognized cumulative translation adjustment amounting to ₱14.1 million which pertained to the exchange differences arising on the translation of a subsidiary's functional currency to the presentation currency of the Company.

Valuation Loss on AFS Financial Assets

The Company had a net valuation loss on AFS financial assets of nil and ₱0.5 million in the year ended December 31, 2016 and 2015, respectively.

Remeasurement Gain on Retirement Obligation

Remeasurement gain on retirement obligation recognized in 2016 and 2015 amounted to ₱3.1 million and ₱0.6 million, respectively.

Total Comprehensive Income (Loss) –net of tax

As a result of the foregoing, total comprehensive loss - net of tax was ₱11.0 million in 2016 compared to ₱0.09 million total comprehensive income - net of tax in 2015.

Calendar year ended December 31, 2015 compared with six months ended December 31, 2014 compared with fiscal year ended June 30, 2014

The Company's fiscal year began on July 1 and ended on June 30 prior to the acquisition of PGM by the Company on December 22, 2014. SGV has audited and rendered an unqualified audit report on the Company's consolidated financial statements as of December 31, 2015 and 2014 and for the year ended December 31, 2015, for the six months ended December 31, 2014 and for the fiscal year ended June 30, 2014. On December 22, 2014, the Philippine SEC approved the amendment of the fiscal year of the Company to commence on the first day of January and end on the last day of December beginning in fiscal year 2015.

Total Comprehensive Income

For the year ended December 31, 2015, the Group has total comprehensive income of ₱1,111.8 million, compared to ₱4,812.4 million for the six (6) months ended December 31, 2014 and ₱1,674.6 million for the fiscal year ended June 30, 2014.

The foregoing result was due to the decrease in the volume shipped and decline in the selling price of nickel ore. The Company's mining operations encountered unusually heavy rainfall during the months of June and August that slowed down ship loading activities and necessitated longer time to reduce moisture content to the acceptable and 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 the value of the ores shipped 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%.

FINANCIAL POSITION

Calendar year as at December 31, 2016 and 2015

As at December 31, 2016, total assets of the Group stood at ₱9,426.7 million, up by ₱341.7 million or 4%, from ₱9,085.0 million as at December 31, 2015.

Current assets were ₱3,383.7 million as at December 31, 2016 compared to ₱3,670.1 million as at December 31, 2015, a decrease of ₱286.4 million or 8%. The decrease in current assets was caused primarily by the decrease in inventory of ₱367.8 million or 57% due to the usage of inventory in the construction of roads and trails in the mining area; and decrease in finance lease receivable of ₱95.7 million or 57% due to the mutual agreement between the Group and Frasec Ventures Corporation to terminate the mining contract which resulted to the termination of the finance lease and derecognition of the corresponding finance lease receivable. This was offset by the increase in trade and other receivables of ₱146.4 million or 21% and cash of ₱49.1 million or 10%.

Noncurrent assets increased by ₱628.1 million or 12% from ₱5,414.9 million as at December 31, 2015 to ₱6,043.0 million as at December 31, 2016. The increase was mainly due to increase in deposits for future acquisition of ₱566.1 million or 34% as a result of the Deed of Assignments entered by the Company in relation to the planned acquisition of SPNVI; additional mine exploration costs incurred during the year amounting to ₱83.0 million and other noncurrent assets rose by ₱150.9 million or 28% as a result of the additional US\$3 million Debt Service Reserve Account requirement on the Taiwan Cooperative Bank (TCB) loan. This was offset by the decrease in noncurrent portion of finance lease receivable of ₱158.9 million or 50% (as mentioned in the current assets section) and deferred tax assets of ₱39.5 million or 40% due to the application of net loss carry over in 2016.

Total current liabilities decreased by ₱212.8 million as at December 31, 2016 from the ₱2,440.6 million as at December 31, 2015 which was due to the payment of trade payables and the application of advances from customers on Group's trade collectibles.

Total noncurrent liabilities increased by ₱545.8 million during the year from ₱106.6 million as at December 31, 2015 as a result of assignment of payable to the Group.

Calendar year as at December 31, 2015 and 2014

Total assets amounted to ₱9,085.0 million and ₱7,654.9 million as at December 31, 2015 and 2014, respectively, an increase of ₱1,430.1 or 19%, due to increase in current assets by ₱488.6 million in 2015 from ₱3,181.5 million as at December 31, 2014 due primarily to the increase in trade receivables and ore inventories.

Total current liabilities increased by ₱363.8 million as at December 31, 2015 from ₱2,076.8 million as at December 31, 2014 which was the net effect of payments of maturing loans and the availment of additional service vehicle loans and short-term dollar loan amounting to US\$20.0 million equivalent to ₱941.2 million.

Total noncurrent liabilities insignificantly reduced to ₱106.6 million from ₱152.0 million, a decrease by ₱45.4 million or 30%, as a result of currently maturing portions of long-term bank loan and finance lease obligation.

Cash Dividends Payable and Treasury stock Distributable as dividends

On June 15, 2014, the PGMC's BOD approved the declaration of cash dividends in the amount of ₱1,411.7 million and property dividends of ₱3,657.4 million to stockholders of record as at June 15, 2014. On September 1, 2014, PGMC's BOD amended its initial dividend declaration dated June 15, 2014 by declaring cash dividends in the amount of ₱5,069.1 million out of its unrestricted retained earnings. Out of the total dividends declared, ₱4,309.0 million pertains to 16% participating, non-cumulative, preferred stockholders at ₱0.07 per share and the remaining ₱760.1 million pertains to common stockholders at ₱0.06 per share. On December 29, 2014, PGMC settled its cash dividends payable amounting to ₱5,069.1 million. The dividends payable was offset against the cash advances to stockholders classified under "Advances to related parties".

On July 15, 2014, the PGMC's BOD approved the declaration of cash dividends amounting to ₱1,084.6 million at ₱0.09 per share. The dividends were settled on August 29, 2014.

On May 22, 2013, the BOD of the Company approved the declaration of cash dividends in the amount of ₱1.656 per outstanding common share or ₱10,500 million to stockholders of record as at June 5, 2013, payable on June 12, 2013. In 2014, cash dividends declared and payable to certain shareholders on May 22, 2013 amounting to ₱20.3 million were returned as stale checks and presented as cash dividends payable as at December 31, 2016 and will be reissued to such investors subsequent to year-end.

As at December 31, 2016 and 2015 dividends payable amounted to ₱20.3 million and ₱20.3 million, respectively.

On December 1, 2014, the BOD approved the adoption of a dividend policy of declaring dividends equivalent to at least twenty percent (20%) of the unrestricted retained earnings of GFHI for the preceding year as indicated in its audited financial statements.

Capital Stock

The capital structure of the Company as at December 31, 2016 and 2015 is as follows:

	2016	2015
Authorized shares	11,957,161,906	35,871,428,572
Par Value	₱1.05	₱0.35
Total Authorized Capital Stock	12,555,020,001.30	35,871,428,572
Issued shares	5,822,357,151	17,467,014,310
Total Capital Stock (amounts in thousand Pesos)	6,113,475	6,113,455

The Company has only one class of common shares. The common shares do not carry any right to fixed income.

As discussed in the Corporate Information above, the BOD and stockholders of the Parent Company approved a capital restructuring through a reverse stock split. In relation to this, the Parent Company applied for an increase in its authorized capital stock which was approved by the SEC on November 7, 2016. Out of the increase in capital stock, an individual stockholder subscribed a total of ₱20,000.40 divided into 19,048 common shares at a par value of ₱1.05.

The Company applied for an increase in its authorized capital stock from ₱2,555.0 million divided into 7,300,000,000 common shares with a par value of ₱0.35 per share to ₱12,555.0 million divided into 35,871,428,572 common shares with a par value of ₱0.35 per share. The increase in the authorized capital stock as well as the issuance of the 10,463,093,371 common shares to the Thirteen Stockholders in accordance with the Share Swap transaction was approved by the SEC on December 22, 2014.

Before the reverse stock split, all issued shares of GFHI, except for the newly issued 10,463,093,371 common shares to the Thirteen Stockholders, are listed in the PSE. The following table summarizes the track record of registrations of securities under the SRC.

Transaction	Subscribers	Registration Date	Issue/Offer Price	Number of Shares
Initial registration	Various	October 1994	1.50	5,000,000,000
Additional registration	Various	September 1996	–	1,150,000,000
Exempt from registration	Various	December 1998	–	305,810,000
Exempt from registration	Two individuals	June 2013	0.35	554,000,000
				7,009,810,000

Treasury Stock

The Company has 6,335,752 shares (after the reverse stock split) amounting to ₱17.8 million and 7,258 shares (before the reverse stock split) amounting to ₱18.4 thousand in treasury stock as at December 31, 2016 and 2015, respectively.

As at December 31, 2016, the Company purchased a total of 6,333,333 common shares (after the reverse stock split) at an average price of ₱2.81 per share. The estimated number of shares for repurchase, approved and authorized by the BOD on June 29, 2016 is up to ten percent (10%) of the total outstanding shares of the Company.

Retained Earnings

The Group has unrestricted retained earnings amounting to ₱ 238.1 million and ₱422.2 million as at 31 March 2016 and 31 December 2015, respectively.

Key Performance Indicators (KPIs)

The Group identified the following KPIs:

KPI	Formula	2016	2015	2014
Profitability				
1. Return on Equity	Profit for the Year / Average Total Equity	0.57%	18.59%	88.78%
2. Return on Assets	Profit for the Year / Average Total Assets	0.41%	13.28%	62.93%
3. Earnings Per Share	Profit for the Year / Weighted Average Number of Common Shares Outstanding	0.01	0.22	0.97
Leverage				
4. Debt-to-Equity Ratio	Total Liabilities / Total Equity	0.44:1	0.39:1	0.41:1
Liquidity				
5. Current Ratio	Current Assets / Current Liabilities	1.52:1	1.50:1	1.53:1

Trends, events or uncertainties

Recent trends

The softness of nickel prices as reflected in LME 3-month nickel price continued into 2015 as investor confidence has been shaken by increasing concern over the global economy, a relatively strong US dollar, and falling oil prices. The ending of the US Federal Reserve's QE program has continued to boost the US dollar as have the ongoing concerns over the robustness of Chinese and European economic growth into 2015. LME nickel prices appear to have bottomed in 4Q 2015 for the 3-month nickel price and 1Q 2016 for the spot nickel price.

Outlook

The LME 3-month price is forecast to average \$9,790/t (\$4.44/lb) in 2016. In 2017, with the market estimated to record a lower than initially estimated surplus or even a deficit given the resiliency of Chinese nickel demand, prices are forecast to move higher. We are forecasting the LME 3-month nickel price to average \$11,893/t (\$5.39/lb) in 2017. Over the latter part of the forecast period, should the stocks to consumption ratio fall resulting in increasing cost pressures on the NPI sector, we should see further upside for prices well into 2018.

Uncertainties

Upon assumption of office by the new Philippine President Rodrigo Duterte and the appointment of Regina Paz Lopez as the DENR Secretary, the new government's responsible mining thrust took off with the mining industry audit. Ten mining firms, of which eight are ore producers, were initially ordered suspended prior to the start of the audit. On September 28, 2016, an additional 20 firms were recommended for suspension after the audit. The firms were given seven days upon receipt of the audit reports "to respond on why their operations should not be suspended." The DENR in turn will study the firms' responses within 2 weeks "then render its decision." The audit found these firms "to have violated various mining and environmental laws and regulations, such as violations of conditions of their environmental clearance certificates (ECCs), siltation, soil erosion, lack of tree-cutting or water permits, and no ISO 14001 certification." The initial firms recommended for suspension or issued suspension orders accounts for about 10% of the Philippines nickel mining capacity. These, together with the additional 20 firms recommended for suspension will put about 57% of the Philippines nickel mining capacity at risk. On the other hand, 11 out of the 41 metallic mines in current operation passed the audit.

On October 21, 2016, the Company received the results of the Mine Audit conducted by the DENR in the CAGA Mines. The DENR provided that “the Company should continue to operate on the following grounds:

- a. the Company is ISO 14001 certified;
- b. the Company is compliant with the policies, environmental laws, rules and regulations of the Philippine Mining Act and on the issued ECC particularly on the establishment of adequate environmental protection and enhancement measures including safety and housekeeping, and implementation of progressive rehabilitation of mined-out areas; and
- c. Social acceptability of the mine operation is high with several social development projects in place which are well implemented.

A copy of the Mine Audit Report has been submitted to the SEC.

Following the results of the mining audit, officials of the DENR and mining companies agreed to work together to address the issues, including the environmental issues.

Capital Expenditures

The Group does not have any outstanding commitment on capital expenditures as of December 31, 2016.

Operational and Financial Requirements

The Company maintains liquid assets in order to meet future operational and financial requirements.

Material Contingencies and Off-Balance Sheet Obligations

The Company is not aware of any significant commitment, guarantee, litigation or contingent liability during the reported period other than those discussed in this report and in the Audited Financial Statements and interim Financial Statements.

Events that will trigger direct or contingent financial obligation

The Group is not aware of any event that will trigger a direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation.

OTHER MATTERS

Action with Respect to Reports

The approval of the following will be considered during the Annual Stockholders' Meeting:

- a. Report of Management for the year 2015; and
- b. Approval of the Audited Financial Statements for the year ended 31 December 2015.

Other Proposed Actions

The following are to be proposed for approval during the stockholders' meeting:

1. Election of the Directors;
2. Appointment of External Auditors; and
3. Appointment of Stock and Transfer Agent.

Actions of the Board of Directors to be ratified and confirmed by the Stockholders:

The following acts, resolutions, and proceedings of the Board of Directors, the different Committees, and Management of the Company that have been duly reported by the Company in its reports or disclosed to the Philippine Stock Exchange and Securities and Exchange Commission, during the period are subject for the ratification and confirmation of the stockholders:

Date	Results of BOD Meeting
4-08-2016	Approval of Audited Financial Statements
5-20-2016	Setting of date of Annual Stockholders' Meeting
6-29-2016	Board Approval of the following: 1. Employee Stock Option Plan 2. Buy-back program
6-29-2016	Annual Stockholders' Meeting and election of Directors
7-28-2016	Board of Directors' Organizational Meeting and election of officers.
8-22-2016	Board approval of the following: 1. Reverse stock split 2. Amendment of Articles of Incorporation 3. Amendment of By-Laws 4. Setting of date of Special Stockholders' Meeting
10-3-2016	Special Stockholders' Meeting approving the following: 1. Reverse stock split 2. Amendment of Articles of Incorporation 3. Amendment of By-Laws
10-20-2016	The Board of Directors authorized the Corporation to enter into a Memorandum of Cooperation ("MoC") with Baiyin Nonferrous Group Co., Ltd. to evaluate the economic feasibility of providing trade financing to FNI's operations in Ipilán, Palawan mine and of constructing an integrated 200-series stainless steel plant in the Philippines with an annual capacity of one million tons using lower grade nickel ore sourced in the Philippines (an estimated total investment of around USD500 to USD700 million). For this purpose, the Corporation's Chairman, Joseph C. Sy, is authorized to negotiate the terms and conditions of the MoC as he may deem beneficial to the Corporation and to sign all papers and/or documents in connection with and pursuant to the foregoing authority.
12-13-2016	The Board ratified the filing of the registration statement with the Commission and the filing of the listing applications and its annexes with the PSE and authorized any one of Dante R. Bravo, Noel B. Lazaro or Mary Belle D. Bituin as signatories.
4-3-2017	Approval of Audited Financial Statements
5-9-2017	Upon recommendation of the Compensation Committee, the Board of Directors approved the Employee Stock Option Master Plan which is a share-based compensation plan. It also approved the granting of the 1 st Tranche which comprised of 20,000,000 option grants to be vested over three (3) years at a strike price of P2.00 and 20,000,000 share grants to be granted over two (2) year (i.e., 10,000,000 share grants each year).

Voting Procedures

Vote Required

- a. Each share of the common stock outstanding on the record date will be entitled to one (1) vote on all matters.
- b. In the election of directors, the ten (10) nominees with the greatest number of votes will be elected directors. If the number of nominees does not exceed the number of directors to be elected, the Secretary of the meeting, upon motion made, is instructed to cast all votes represented at the meeting in favor of the nominees. However, if the number of nominees exceeds the number of directors to be elected, voting shall be done by ballots. Cumulative voting shall be followed. Slots allotted for independent directors shall be filled only by qualified nominees for independent directors.
- c. For all proposals or matters submitted to a vote, the affirmative vote of stockholders holding at least a majority of the Company's outstanding capital stock present or represented by proxy and entitled to vote shall be necessary. Unless required by law, or the stockholders, the shares are traditionally voted by verbal motion and duly seconded during the meeting. A matter is carried and approved when there is no objection from the floor.
- c. Counting of votes, when necessary, shall be done by the Corporate Secretary or Assistant Corporate Secretary with the assistance of the independent auditors and the Company's stock transfer agent.

UNDERTAKING

Upon the written request of the stockholder, the Company undertakes to furnish such stockholder with a copy of SEC Form 17-A free of charge. Such written request for a copy of SEC Form 17-A shall be directed to the Office of the Corporate Secretary, 7th Floor, Corporate Business Centre, 151 Paseo De Roxas cor. Arnaiz Street, Makati City, Metro Manila, Philippines. At the discretion of the management, a charge may be made for exhibits provided such charge is limited to reasonable expenses incurred by the Company in furnishing such exhibits.

SIGNATURES

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, Metro Manila on **23 May 2017**.

GLOBAL FERRONICKEL HOLDINGS, INC.

Issuer



EVEART GRACE P. CLARO
Assistant Corporate Secretary