

A S 0 9 4 0 3 9 9 2

SEC Registration Number

G L O B A L F E R R O N I C K E L H O L D I N G S I N C

f o r m e r l y :

S O U T H E A S T A S I A C E M E N T H O L D I N G S

I N C

(Company's Full Name)

7 F C O R P O R A T E B U S I N E S S C E N T E R 1 5 1

P A S E O D E R O X A S C O R A R N A I Z S T

M A K A T I

(Business Address: No. Street City/Town/Province)

Atty. Noel Lazaro

(Contact Person)

(632) 5118229

(Company Telephone Number)

Preliminary Information Statement

Month Day

(Fiscal Year)

2 0 - I S

(Form Type)

Month Day

(Annual Meeting)

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.



Global Ferronickel Holdings, Inc.

(formerly known as Southeast Asia Cement Holdings, Inc.)



## Notice of Annual Meeting of Stockholders

NOTICE IS HEREBY GIVEN that the Special Meeting of the Stockholders of GLOBAL FERRONICKEL HOLDINGS, INC. (formerly known as Southeast Asia Cement Holdings, Inc.) (the "Company") shall be held on Monday, 3 October 2016, at 2:00 p.m. at The City Club, Alphaland Makati Place, 7232 Ayala Avenue Extension, 1209 Makati City to consider the following agenda:

### AGENDA

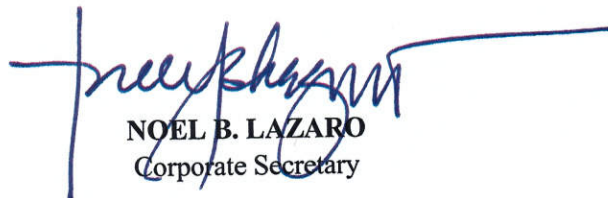
1. Call to Order;
2. Certification of Notice and the Existence of Quorum;
3. Approval of the Minutes of the Annual Stockholders' Meeting held on June 29, 2016;
4. Approval of the Reverse Stock Split;
5. For Stockholders' Approval:
  - i. Increase in the authorized capital stock of the Corporation to Php12,555,020,001.30 divided into 11,957,161,906 common shares with par value of Php1.05 per share;
  - ii. Notice of regular or special meeting of the Board may be sent by electronic mail; and
  - iii. The members of the Board of Directors may participate in the meeting by means of telephone, electronic or other suitable electronic communication facilities, including, by telephone conference, videoconference, or the internet or any combination of those methods;
6. Other Matters; and
7. Adjournment

The Company has, in accordance with the By-Laws, fixed the close of business on 12 September 2016 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 1:00 p.m. and shall end promptly at 2:00 p.m. All stockholders who will not be able to attend the meeting in person are encouraged to fill out, date, sign and send a proxy to the Corporation's Corporate Secretary at 7<sup>th</sup> 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 15 September 2016. Proxies submitted shall be validated by a Committee of Inspectors on 23 September 2016 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.

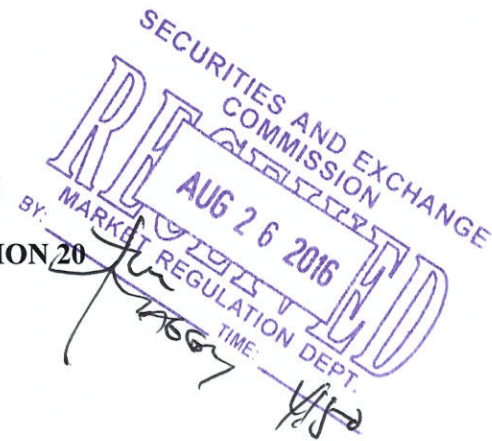
To avoid inconvenience in registering your attendance at the meeting, you or your proxy is requested to bring identification paper(s) containing a photograph and signature, e.g. passport, driver's license or any other government identification card.

City of Makati, Metro Manila, 26 August 2016.

  
NOEL B. LAZARO  
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:  
**7<sup>th</sup> 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: 03 October 2016, Monday**  
**Time: 2:00 p.m.**  
**Place: The City Club, Alphaland Makati Place**
9. Approximate date on which the Information Statement is first to be sent or given to security holders: **12 September 2016**
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
---------------------	---

<b>Common Shares</b>	<b>7,003,920,939 shares</b>
----------------------	-----------------------------

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:

<b>Philippine Stock Exchange</b>	
<b>Common Shares</b>	<b>7,003,920,939 shares</b>

## GENERAL INFORMATION

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

Date of Meeting:	03 October 2016, Monday
Time of Meeting:	2:00 p.m.
Place of Meeting:	The City Club, Alphaland Makati Place 7232 Ayala Avenue Extension, 1209 Makati City

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 **12 September 2016**.

### 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 17,466,007,052 outstanding shares as of 31 July 2016, all of which are common shares of stock. As of 31 July 2016, 4,839,325,304 common shares, or equivalent to 27.71% 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 12 September 2016 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 12 September 2016 are entitled to notice and to vote at the Annual Stockholders' Meeting.

### **Security Ownership of Certain Record and Beneficial Owners And Management**

As of 31 July 2016, 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 securities<sup>1</sup>:

---

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

<b><i>Title of Class</i></b>	<b>Name, Address of Record Owner and Relationship with Issuer</b>	<b>Name of Beneficial Owner and Relationship with Record Owner</b>	<b>Citizenship</b>	<b>No. of Shares Held</b>	<b>Percent of Ownership</b>
Common	PCD Nominee Corporation G/F Makati Stock Exchange Building, 6767 Ayala Avenue, Makati City Shareholder	Direct- Please see note below	Filipino	4,527,424,678	25.92%
Common	Huatai Investment Pty. Ltd. Auburn, Australia Shareholder	Direct – Please see note below	Australian	2,923,430,140	16.74%
Common	Sohoton Synergy, Inc. 7 <sup>th</sup> Floor, Corporate Business Center, 151 Paseo de Roxas cor. Arnaiz St., Makati City Shareholder	Direct – Please see note below	Filipino	2,683,111,939	15.36%
Common	PCD Nominee Corporation G/F Makati Stock Exchange Building, 6767 Ayala Avenue, Makati City Shareholder	Direct- Please see note below	Non-Filipino	1,735,317,502	09.93%
Common	Regulus Best Nickel Holdings, Inc. 7 <sup>th</sup> Floor, Corporate Business Center, 151 Paseo de Roxas cor. Arnaiz St., Makati City Shareholder	Direct – Please see note below	Filipino	1,569,464,006	8.99%

Common	Blue Eagle Elite Venture, Inc. 7 <sup>th</sup> Floor, Corporate Business Center, 151 Paseo de Roxas cor. Arnaiz St., Makati City Shareholder	Direct- Please see note below	Filipino	1,046,309,337	5.99%
Common	Ultimate Horizon Capital, Inc. 7 <sup>th</sup> Floor, Corporate Business Center, 151 Paseo de Roxas cor. Arnaiz St., Makati City Shareholder	Direct- Please see note below	Filipino	1,046,309,337	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.

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 31 July 2016**

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	% of Total Outstanding Shares
Common	Joseph C. Sy	8,494,212,516.19 (direct and indirect)	Filipino	48%
Common	Ming Huat Chua	20,360,001 (direct and indirect)	Malaysian	0.12%
Common	Dante R. Bravo	65,032,614 (direct)	Filipino	0.37%
Common	Luis N. Yu, Jr.	150,000,000 (direct)	Filipino	0.86%
Common	Gu Zhi Fang	1 (direct)	Chinese	0%
Common	Francis C. Chua	1,000 (direct)	Filipino	0.0%
Common	Dennis Allan T. Ang	73,223,084 (direct)	Filipino	0.4%
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	5,800,001(direct)	Filipino	0.03%
Common	Carlo Matilac	1(direct)	Filipino	0%
Common	Ramon Peter E. Adviento	215,000(direct)	Filipino	.0003%

Common	Eveart Grace P. Claro	0	Filipino	0%
<b>TOTAL</b>		<b><u>8,808,844,221.19</u></b>		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:

<b>Name</b>	<b>Age</b>	<b>Nationality</b>	<b>Position</b>
Joseph C. Sy	49	Filipino	Chairman of the Board of Directors and Director
Ming Huat Chua	53	Malaysian	Vice Chairman
Dante R. Bravo	40	Filipino	President and Director
Luis N. Yu, Jr.	60	Filipino	Director
Gu Zhi Fang	42	Chinese	Director
Francis C. Chua	67	Filipino	Director
Dennis Allan T. Ang	39	Filipino	Director
Mary Belle D. Bituin	48	Filipino	Senior Vice President, Chief Financial Officer, Director
Edgardo G. Lacson	72	Filipino	Independent Director
Roberto C. Amores	64	Filipino	Independent Director
Noel B. Lazaro	47	Filipino	Senior Vice President for Legal and Regulatory Affairs, Corporate Secretary, and Corporate Information Officer
Carlo Matilac	43	Filipino	Senior Vice President for Operations
Ramon Peter E. Adviento	51	Filipino	Senior Vice President for Investor Relations
Eveart Grace P. Claro	35	Filipino	Assistant Corporate Secretary and Alternate Corporate Information Officer

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 Ipilán 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.

**Ming Huat Chua**

*Vice Chairman of the Board of Directors*

Mr. Chua became a Director of the Company on 29 June 2016 and Vice Chairman of the Board of Directors on 28 July 2016. Mr. Chua 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 became President of the Company on August 6, 2015. He previously served as Executive Vice President of the Company. He has been a Director, Executive Vice President and Corporate Secretary of PGMCM since 2011. He was Chief Finance Officer of PGMCM 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 has been 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 of the Company 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 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 became a Director of the Company on 29 June 2016. Mr. Yu, Jr. has been Chairman Emeritus of 8990 Holdings, Inc. since 2012. He has also assumed the post of 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**

**Edgardo Gapuz Lacson**

*Independent Director*

Mr. Lacson became a Director of the Company on 29 June 2016. Mr. Lacson is a Director of the Philippine Stock Exchange and Puregold Price Club, Inc. He is also a Trustee of De La Salle University, Home Development Mutual Fund, ADR Institute for Strategic and International Studies and Philippine Disaster Recovery Foundation. Mr. Lacson is the President of MIS Maritime Corporation, Safe Seas Shipping Agency, Marine Industrial Supply Corporation and EML Realty. He is also a Trustee, Past President and Honorary Chairman of the Philippine Chamber of Commerce and Industry. 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.

**Other Executive Officers****Noel B. Lazaro***Senior Vice President for Legal, Corporate Secretary, Compliance Officer and Corporate Information Officer*

Mr. Lazaro became the Corporate Secretary, Compliance Officer and Corporate Information Officer of the Company on October 22, 2014. He also acts as its Senior Vice President for Legal and Regulatory Affairs. He joined PGMCI as General Counsel on August 1, 2014. He is a Director and Corporate Secretary of Southeast Palawan Nickel Ventures, Inc., Ipilan Nickel Corporation, PGMCI CNEP and SIRC. Mr. Lazaro served as Partner for Siguion Reyna Montecillo & Ongsiako, Associate at SyCip Salazar Hernandez & Gatmaitan and Professorial Lecturer for the Lyceum of the Philippines College of Law, and for 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 completed his Bachelor of Laws degree from the University of the Philippines College of Law and placed 19<sup>th</sup> in the 1995 Philippine Bar Examinations.

**Carlo Matilac***Senior Vice President for Operations*

Mr. Matilac became Senior Vice President for Operations of the Company on August 1, 2014. Mr. Matilac served as a Technical Specialist for BHP Billiton and QNI, and a Mine Engineering Superintendent for Manila Mining Corp. Mr. Matilac has more than 19 years of technical and engineering experience in managing companies engaged in mining and mineral exploration development. He completed a Master in Business Administration from the Saint Paul University and a Bachelor of Science in Mining Engineering from Cebu Institute of Technology. He placed 1<sup>st</sup> in the 1994 Mining Engineer Licensure Examinations.

**Ramon Peter E. Adviento***Senior Vice President for Investor Relations*

Mr. Adviento joined the Company in November 2015 as Senior Vice President for Investor Relations. Mr. Adviento has over 18 years of experience in mine planning/design, mining operation, rehabilitation, consultancy for copper, gold, nickel, chromite, coal and 14 years in investment banking

industry as analyst/investment banker. He was voted by the Fund Management Association of the Philippines as the best mining analyst for 4 years from 2012 till 2015. He was Vice President and Senior Analyst in Maybank ATR Kim Eng and Vice President, Head of Operations in Century Peak Metal Holdings Corp. He completed a Bachelor of Science degree in Engineer of Mines from the University of the Philippines and a Master in Business Management from the Asian Institute of Management. He placed 7th in the 1990 Mining Engineer Licensure Exam.

### **Eveart Grace Pomarin-Claro**

#### *Assistant Corporate Secretary and Alternate Corporate Information Officer*

Ms. Pomarin-Claro became Assistant Corporate Secretary and Alternate Corporate Information Officer of the Company on September 10, 2014. Ms. Pomarin-Claro served as Corporate Secretary of the Company from February 1, 2014 to August 29, 2014. She is Assistant Corporate Secretary of PGMC, Surigao Integrated Resources Corporation and the Corporate Secretary of Ipilan Nickel Corporation, Nickel Laterite Resources, Inc. and Celestial Nickel Mining Exploration Corporation. She completed a Bachelor of Laws from the University of St. La Salle.

### **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, except that PGMC transacted and sold ore to Wish Way Resources ("Wish Way"), a

company controlled by the family of Ms. Gu Zhi Fang, a director of the Company and the wife of Mr. Joseph C. Sy. PGMC believes that its transactions with Wish Way were fair, reasonable, and made on an arm's length basis.

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:

<b>Name</b>	<b>Position</b>
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 and Regulatory Affairs, Corporate Secretary, and Corporate Information Officer

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:

	<b>Year</b>	<b>Total<sup>(1)</sup></b> <b>(₱)</b> <b>(in millions)</b>
President and the three most highly compensated executive officers named above.....	2014	0
	2015	8.4
	2016	8.4 ( <i>estimated</i> )

	<b>Year</b>	<b>Total<sup>(1)</sup></b> <b>(₱)</b> <b>(in millions)</b>
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 for 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**

During the Annual Stockholders' Meeting held on June 29, 2016, the stockholders approved the establishment and implementation of a Stock Option Plan (the "Plan") for eligible participants (the "Participants").

The Compensation Committee, on the recommendation of the President and the Human Resource Department of the company shall select eligible 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 to 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 1,940,779,368 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.

## **MANAGEMENT REPORT**

### **Appointment of Stock and Transfer Agent**

Securities Transfer Services, Inc. ("STSI") was reappointed as the Company's stock and transfer agent for the year 2016-2017 during the Annual Stockholders' Meeting held on June 29, 2016.

## Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The auditing firm of Sycip Gorres Velayo & Co. (“SGV”), a member firm of Ernst & Young Global Limited was reappointed as external auditor for the year 2016-2017 during the Annual Stockholders’ Meeting held on June 29, 2016.

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 31 December	
	2015	2014
	(₱ thousands)	
Audit and Audit-Related Fees <sup>(1)</sup> .....	13,541.80	7,976.9
Non-Audit Services <sup>(2)</sup> .....	9,998.40	472.2
Total .....	23,540.20	8,449.1

(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 December 29, 2015 was at ₱0.69 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	3.47	1.84	1.14	0.80	NA	NA	NA	NA
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

## Holdings

The Company has approximately 1,726 shareholders owning shares as of 31 July 2016. 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	4,527,424,678	25.92
Huatai Investment Pty. Ltd.	Australian	2,923,430,140	16.74
Sohoton Synergy, Inc.	Filipino	2,683,111,939	15.36
PCD Nominee Corp – Non-Filipino	Foreign	1,735,317,502	9.93
Regulus Best Nickel Holdings, Inc.	Filipino	1,569,464,006	8.99
Blue Eagle Elite Venture, Inc.	Filipino	1,046,309,337	5.99
Ultimate Horizon Capital, Inc.	Filipino	1,046,309,337	5.99
Bellatrix Star, Inc.	Filipino	563,856,102	3.23
Alpha Centauri Fortune Group, Inc.	Filipino	563,856,102	3.23
Antares Nickel Capital, Inc.	Filipino	274,028,415	1.57
Red Lion Fortune Group, Inc.	Filipino	172,766,598	.99
Wei Ting	Chinese	148,785,188	.85
Great South Group Ventures, Inc.	Filipino	97,934,554	.56
Dante R. Bravo	Filipino	41,852,374	.24
Seng Gay Chan	Singaporean	31,389,280	.18
Orion-Squire Capital, Inc. A/C-0459	Filipino	6,461,622	.04
Squire Securities, Inc.	Filipino	2,454,733	.01
George L. Go	Filipino	1,534,593	.01
Kuok Philippines Properties, Inc.	Filipino	1,313,076	.01
Gabriel Tong	Filipino	1,189,200	.01

## Dividends

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

	For the year ended 31 December 2015	For six months ended December 31 2014	For the year ended June 30, 2014	2013
	(₱ in millions)			
The Company (cash dividend)	-	-		10,500 <sup>(1)</sup>

(property dividend)	-	-	-	
<i>Subsidiaries</i>	-			
PGMC (cash dividend)	-	1,084	5,069	-
Total	-	1,084 <sup>(1)</sup>	5,069 <sup>(1)</sup>	10,500 <sup>(1)</sup>

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

Other than as set forth above, none of our other subsidiaries declared any dividends for the years ended 30 June 2013, 2014, six months ended 31 December 2014, and 31 December 2015, respectively. 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 July 31, 2016.

### **Description of Registrant's Securities**

As of 31 July 2016, the Company has a total issued capital stock of 17,467,014,310 common shares. 17,466,007,052 common shares of the Company are outstanding and 1,607,258 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 7<sup>th</sup> 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 PGMC who transferred their shares in PGMC 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 PGMC'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 PGMC.

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.

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

Please refer to Note 31 of the June 30, 2016 unaudited consolidated financial statements for the financial information of the Group's various business segments.

## Summary Financial Information

The following discussion and analysis is based on the unaudited interim consolidated financial statements as at June 30, 2016 and for the six-month period ended June 30, 2016 and 2015 and audited consolidated financial statements as at December 31, 2015 and 2014 and for the year ended December 31, 2015, for the six (6) months ended December 31, 2014 and for the fiscal years ended June 30, 2014 and 2013, prepared in accordance with Philippine Financial Reporting Standards (PFRS) and accompanying Notes to the Consolidated Financial Statements and should be read in conjunction with the audited consolidated financial statements.

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

## Statement of Consolidated Financial Condition

On 22 April 2015, the Company subscribed to PGMC a total of 20,000,000,000 Class A common shares out of the increase in PGMC's authorized capital stock with the par value of ₱0.01 each amounting to a total of ₱200.0 million and paid a total amount of ₱50.0 million of the subscription.

The consolidated financial statements as at December 31, 2015 and 2014, and for the fiscal year ended June 30, 2014 are hereto attached.

The following tables set forth the summary financial information as at June 30, 2016 and December 31, 2015 and 2014:

### Summary Consolidated Statements of Financial Position

				Horizontal Analysis			
	30 June 2016	31 December 2015	31 December 2014	Increase (Decrease)		Increase (Decrease)	
	<i>(In Thousand Pesos)</i>			2016 vs. 2015	%	2015 vs. 2014	%
Current assets	3,347,922	3,670,086	3,181,492	(322,164)	(9%)	488,594	15%
Noncurrent assets	5,672,955	5,414,927	4,473,379	258,028	5%	941,548	21%
Total assets	9,020,877	9,085,013	7,654,871	(64,136)	(0%)	1,430,142	19%
Current liabilities	2,647,781	2,440,566	2,076,816	207,215	8%	363,750	18%
Noncurrent liabilities	112,232	106,573	152,025	5,659	5%	(45,452)	(30%)

Total Liabilities	2,760,013	2,547,139	2,228,841	212,874	8%	318,298	14%
Equity attributable to equity holders of the Parent	6,260,864	6,537,874	5,418,652	(277,010)	(4%)	1,119,222	21%
Non-controlling interests	-	-	7,378	-	0%	(7,378)	(100%)
Total liabilities and equity	9,020,877	9,085,013	7,654,871	(64,136)	(0%)	1,430,142	19%

### Summary Consolidated Statements of Financial Position

	Vertical Analysis						
	30 June 2016	31 December 2015	31 December 2014	Increase (Decrease)		Increase (Decrease)	
	<i>(In Thousand Pesos)</i>			2016 vs. 2015	%	2015 vs. 2014	%
Current assets	3,347,922	3,670,086	3,181,492	(322,164)	(502%)	488,594	34%
Noncurrent assets	5,672,955	5,414,927	4,473,379	258,028	402%	941,548	66%
<b>Total assets</b>	<b>9,020,877</b>	<b>9,085,013</b>	<b>7,654,871</b>	<b>(64,136)</b>	<b>(100%)</b>	<b>1,430,142</b>	<b>100%</b>
Current liabilities	2,647,781	2,440,566	2,076,816	207,215	323%	363,750	25%
Noncurrent liabilities	112,232	106,573	152,025	5,659	9	(45,452)	(3%)
Total Liabilities	2,760,013	2,547,139	2,228,841	212,874	332%	318,298	22%
Equity attributable to equity holders of the Parent	6,260,864	6,537,874	5,418,652	(277,010)	(432%)	1,119,222	78%
Non-controlling interests	-	-	7,378	-	0%	(7,378)	(0%)
<b>Total liabilities and equity</b>	<b>9,020,877</b>	<b>9,085,013</b>	<b>7,654,871</b>	<b>(64,136)</b>	<b>(100%)</b>	<b>1,430,142</b>	<b>100%</b>

### Statement of Consolidated Statement of Income

PGMC mine is only in production during the drier months of the year between April to October of each year.

### Summary of Consolidated Statement of Income

The following table sets forth the summary financial information for the year ended 31 December 2015, and six months ended 31 December 2014 and for the fiscal years ended 30 June 2014 and 30 June 2013:

In Millions	December 31, 2015	Six (6) months ended December 31, 2014	June 30, 2014	June 30, 2013
Revenues	₱6,533.22	₱9,047.48	₱5,667.77	₱4,664.50
Cost and Expenses	(5,277.21)	(4,116.45)	(3,943.52)	(3,526.51)
Gross Profit	1,256.01	4,931.03	1,724.25	1,137.99
Other Income	9.43	3.46	7.96	0.34

Other Expenses	(204.39)	(150.75)	7.10	(342.77)
Profit (Loss) Before Tax	1,061.05	4,783.74	1,739.31	795.56
Income Tax Expense	50.70	33.30	(68.98)	54.22
Profit for the Year	₱1,111.75	₱4,817.04	₱1,670.33	₱849.78
Other Comprehensive Income(Loss) - net of tax	0.09	(4.69)	4.32	(15.61)
Total Comprehensive Income (Loss)	₱1,111.84	₱4,812.35	₱1,674.65	₱834.17
Total Comprehensive Income Attributable To				
Equity holders of the Parent Company	₱1,111.84	₱4,804.99	₱1,672.09	₱832.89
NCI	-	₱7.36	₱2.56	₱1.28

The following table sets forth the summary financial information (unaudited) for the six months ended-30 June 2016, 2015 and 2014:

	2016	2015	2014
	<i>(In Thousand Pesos)</i>		
Revenues	₱701,221	₱1,793,100	₱2,932,202
Cost and Expenses	(1,049,214)	(1,500,899)	(1,967,324)
Finance Cost and Other Charges-net	(27,233)	(125,415)	(56,519)
Profit (Loss) Before Tax	(375,226)	166,786	908,359
Income Tax Expense	(93,348)	13,817	10,205
Profit (Loss) for the Period	(281,878)	152,969	898,154
Other Comprehensive Loss - net of tax	4,868	(295)	3,289
Total Comprehensive Income (Loss)	(₱277,010)	₱152,674	901,443
Basic and Diluted Earnings (Loss) Per Share	(0.02)	0.01	0.13

#### ***Material Changes in Statements of Comprehensive Income Accounts***

#### **Total Comprehensive Income: Six-Months Ended June 30, 2016 Compared with Six-Months Ended June 30, 2015**

##### Export Revenues

The Group's second quarter 2016 mining operations generated total export revenues of ₱663.2 million, bringing to date revenues to ₱701.2 million compared to ₱1,793.1 million in the six months ended June 30, 2015, a decrease of ₱1,091.9 million or 60.9% due to the decrease in the volume shipped, change in product mix and decline in the selling price of nickel ore.

The sale of nickel ore for the six months ended June 30, 2016 was 1.090 million wet metric tons (WMT) of nickel ore, shrunk by 0.471 million WMT or 30.1%, compared to 1.561 million WMT of nickel ore in the six months ended June 30, 2015. We were able to ship only 20 vessels of nickel ore during the six months period ended June 30, 2016 as against 29 vessels of nickel ore during the same period last year. These shipments sold solely to Chinese customers consisted of 0.880 million WMT low-grade nickel ore and 0.210 WMT medium-grade nickel ore compared to 0.222 million WMT low-grade nickel ore, 1.284 million WMT medium-grade nickel ore and 0.055 million WMT high-

grade nickel ore of the same period in 2015. The reduction in shipments was brought about by intermittent rainfall which was three times higher than the same period in 2015.

The decrease in the export revenues was aggravated by the decline of nickel ore price from last year's average of United States dollar (US\$)26.15/WMT to only US\$13.48/WMT average for the period January to June of 2016 lower by US\$12.67/WMT or 48.4%.

#### Service Revenues

The service income realized for the landing craft tanks (LCT) chartered by Platinum Group Metals Corporation (PGMC) from its subsidiary, PGMC-CNEP Shipping Services Corp., amounted to ₱38.5 million for the six months period ended June 30, 2016 as compared to ₱37.2 million for the same period last year.

#### Cost of Sales

The cost of sales went down from ₱929.7 million for the six months ended June 30, 2015 to ₱682.2 million for the same period this year, a decrease by ₱247.5 million, or 26.6%. 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 the first half of 2016 as compared to the same period in 2015) and the result of cost rationalizations and greater operational efficiencies.

Contract hire decreased by ₱244.9 million (from ₱632.5 million in 2015 to ₱387.6 million in 2016), or 38.7%. Moreover, there was a significant decrease in equipment rentals by ₱23.1 million or 81.1% (from ₱28.5 million to ₱5.4 million) due to non-renewal of equipment lease (as all heavy equipment are now provided in full by the Contractors). The decrease was partially offset by the increase in personnel costs by ₱13.0 million or 31.1% 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. On the other hand, depreciation and depletion expense increased by ₱11.2 million or 7.9% due to the increase in depletion rate. In 2015, the depletion rate was ₱15.57 per WMT, computed based on 55.9 million dry metric tons (DMT) mineral resources; while in 2016 the depletion rate was ₱60.48 per WMT, computed based on 13.2 million DMT mineral reserves per the latest Joint Ore Reserves Committee (JORC) report of the Surigao Mine Cagdianao Area (CAGA).

#### Operating Expenses

##### *Excise Taxes and Royalties*

Excise taxes and royalties were ₱85.6 million and ₱258.4 million during the first half of 2016 and 2015, respectively. Since these expenses were computed and paid based on the percentage of the revenues, the decline in nickel ore price and volume shipped consequently lowered the excise taxes and royalties taken up.

##### *General and Administrative*

General and administrative expenses were ₱212.0 million in the first six months of 2016 compared to ₱244.3 million in the first half of 2015, a decrease of ₱32.3 million, or 13.2%. The decline was mainly due to the decrease in consultancy fees and outside services 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 PGMC International Limited (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.

### *Shipping and Distribution*

Shipping and loading costs were ₱69.5 million for the six months ended June 30, 2016 compared to ₱68.5 million in the same period last year, a very slight increase of ₱1.0 million, or 1.5%. Although the actual volume of nickel ore shipped for the first half of 2016 was lower compared to the same period last year, the shipping and distribution costs incurred this year were almost the same as similar number of LCTs were chartered not expecting prolonged adverse weather conditions would persist in this period of this year. In addition, the shipping and distribution costs is expected to increase as the Group embarked in conducting full port operations in 2016 compared to 2015 where the Group only operated one of the two causeways.

### *Finance Costs and Other Charges - net*

Finance costs and other charges amounted to ₱27.8 million in the first six months of 2016 compared to ₱130.2 million in the first six months of 2015, a substantial decrease of ₱102.4 million, or 78.7%. This was brought about by the retirement of long-term loans with Amsterdam Trade Bank (ATB), Trade and Investment Development Corporation of the Philippines (PhilEXIM) and Banco de Oro, and recognition of loss of modification of finance lease amounting to ₱41.4 million in the prior period.

### *Net Income*

As a result of the foregoing, the Group's consolidated net income decreased by ₱434.8 million, from ₱153.0 million for the first half of 2015 to (₱281.9) million for the same period of 2016.

### **Total Comprehensive Income: Calendar Year Ended December 31, 2015, Six-Months Ended December 31, 2014 and Fiscal Year Ended June 30, 2014**

For the year ended December 31, 2015, the Group has total comprehensive income of ₱1,111.84 million, compared to ₱4,812.35 million for the six (6) months ended December 31, 2014 and ₱1,674.65 for the fiscal year ending 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 38.4%.

### ***Material Changes in Consolidated Statements of Financial Position Accounts***

#### **Financial Position as at June 30, 2016 and December 31, 2015**

As at June 30, 2016, total assets of the Group stood at ₱9,020.9 million, a decline of ₱64.1 million or 0.7%, from ₱9,085.0 million as at December 31, 2015. The decline was due to the net effect of the decrease in current assets by ₱322.2 million and increase in noncurrent assets by ₱258.0 million because of the decrease in trade, finance lease and other receivables by ₱340.2 million, from ₱868.7 million to ₱528.5 million as a result of payment proceeds from letters of credit (LC) by nickel ore

buyers' LC issuing banks. However, advances to related parties increased by ₱210.2 million from ₱1,639.2 million to ₱1,849.4 million.

Total liabilities of the Group stood at ₱2,760.0 million as at June 30, 2016, an increase of ₱212.9 million or 8.4%, from ₱2,547.1 million as at December 31, 2015. The increase was due to the increase in current liabilities to ₱2,647.8 million from ₱2,440.6 million as a result of net availment of working capital loan from creditor bank.

#### **Financial Position as at December 31, 2015 and December 31, 2014**

Total assets amounted to ₱9,085.01 million and ₱7,654.87 million as at December 31, 2015 and 2014, respectively, an increase of ₱1,430.14 or 19%, due to increase in current assets by ₱488.59 million in 2015 from ₱3,181.49 million in 2014 due primarily to the increase in trade receivables and ore inventories.

Total current liabilities increased by ₱363.75 million in December 31, 2015 from ₱2,076.82 million in 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 ₱106.57 million from ₱152.02 million 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 P1,411.7 million and property dividends of P3,657.4 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 P5,069.1 million out of its unrestricted retained earnings. Out of the total dividends declared, P4,309.0 million pertains to 16% participating, non-cumulative, preferred stockholders at P0.07 per share and the remaining P760.1 million pertains to common stockholders at P0.06 per share. On December 29, 2014, PGMC settled its cash dividends payable amounting to P5,069.1 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 P1,084.6 million at P0.09 per share. The dividends were settled on August 29, 2014.

On May 22, 2013, the BOD of the Parent Company approved the declaration of cash dividends in the amount of P1.656 per outstanding common share or P10,500 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 P20.3 million were returned as stale checks and presented as cash dividends payable as at December 31, 2015 and December 31, 2014 and will be reissued to such investors subsequent to year-end.

As at December 31, 2015 and 2014, dividends payable amounted to P20.3 million and P20.3 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 31 March 2016, 31 December 2015, and 31 December 2014 is as follows:

	31 March 2016	31 December 2015	31 December 2014
Authorized	35,871,428,572 shares at 0.35 par value	35,871,428,572 shares at ₱0.35 par value	35,871,428,572 shares at ₱0.35 par value

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

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 stockholders of PGMC in accordance with the share swap transaction was approved by the SEC on 22 December 2014.

All issued shares of the Company, except for the newly issued 10,463,093,371 common shares to the stockholders of PGMC, 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 7,258 shares in treasury stock amounting to ₱18.4 thousand as of 30 June 2016 and 31 December 2015.

There were no movements in treasury stock in for the period January 1 to June 30, 2016. Pursuant to the Voluntary Tender Offer, which the Company conducted from October to November 2012, the Company bought back 930,730,108 of its shares of stock at fair value of P2.496 per share, resulting in treasury stock in the books of the Company. These treasury stocks were declared as property dividends on 20 December 2012 and were distributed to shareholders on 27 May 2013. Due to the rounding down of the fractional shares from the property dividends, there are 7,258 treasury stocks amounting to P18,440 remaining as of 30 June 2013.

### **Retained Earnings**

The Group has unrestricted retained earnings amounting to P140.3 million and P422.2 million as at 30 June 2016 and 31 December 2015, respectively.

### **Key Performance Indicators (KPIs)**

The Group identified the following KPIs:

<i>KPI</i>	<i>Formula</i>	<i>December 2015</i>	<i>December 2014</i>	<i>June 2014</i>	<i>June 2013</i>
Profitability					
1. Return on Equity	Profit for the Year / Total Equity	17%	89%	25%	16%
2. Return on Assets	Profit for the Year / Total Assets	12%	63%	15%	9%
3. Earnings Per Share	Profit for the Year / Weighted Average Number of Common Shares Outstanding	0.06	0.66	0.24	0.14
Leverage					
4. Debt-to-Equity Ratio	Total Liabilities / Total Equity	0.38973	0.41077	5.6582	0.7417
Liquidity					
5. Current Ratio	Current Assets / Current Liabilities	151.13	153.19	0.74	16.27

### **Trends, events or uncertainties**

“The LME 3-month nickel price has started 2015 on a weak note as investor confidence has been shaken by increasing concern over the global economy, stronger US dollar and a falling oil price. However, the Chinese nickel market appears to have been fairly resilient to the decline in LME nickel prices so far. This divergence in trend means that the Chinese nickel price is now trading at a small premium to LME nickel prices”, according to CRU. Going into this year there was around 6-7 million tonnes of Indonesian ore stocks in China and CRU calculates that this will last until 2<sup>nd</sup> quarter of 2015.

**The Group identified the following KPIs as of 30 June 2016 and 31 December 2015:**

<i>KPI</i>	<i>Formula</i>	<i>2016</i>	<i>2015</i>
Earnings Per Share	Profit for the Period/Weighted Average Number of Shares Outstanding	(0.02)	0.06
Debt-to-Equity Ratio	Total Liabilities/Total Equity	0.44:1	0.39:1
Asset-to-Equity Ratio	Total Assets/Total Equity	1.44:1	1.39:1
Current Ratio	Current Assets / Current Liabilities	1.26:1	1.50:1

### **Capital Expenditures**

The Company does not have any outstanding commitment on capital expenditures as of 30 June 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. Approval of the Reverse Stock Split;
- b. Approval of the Increase in the authorized capital stock of the Corporation to PhP12,555,020,001.30 divided into 11,957,161,906 common shares with par value of PhP1.05 per share; and
- c. Approval of the Amendment of the By-laws
  - i. Notice of regular or special meeting of the Board may be sent by electronic mail; and
  - ii. The members of the Board of Directors may participate in the meeting by means of telephone, electronic or other suitable electronic communication facilities, including, by telephone conference, videoconference, or the internet or any combination of those methods;

### **Other Proposed Actions**

None

**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:

<b>Date</b>	<b>Results of BOD Meeting</b>
6-29-2016	Board of Directors approval of the employee stock option plan and buyback program
8-23-2016	Board of Directors approval of the following: 1. Reverse stock split of its common stock at a ratio of 1-for-3, to be effective as soon as practicable following the shareholders' approval 2. Amendment of the Articles of Incorporation to increase in the authorized capital stock of the Corporation to PhP12,555,020,001.30 divided into 11,957,161,906 common shares with par value of PhP1.05 per share 3. Amendment of the By-laws to include notice of regular or special meeting of the Board by electronic mail and attendance to board meetings by means of telephone, electronic or other suitable electronic communication facilities, including, by telephone conference, videoconference, or the internet or any combination of those methods 4. Setting of a Special Stockholders' Meeting to be held on 3 October 2016

**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, 7<sup>th</sup> 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 **26 August 2016**.

**GLOBAL FERRONICKEL HOLDINGS, INC.**  
(formerly Southeast Asia Cement Holdings, Inc.)

**Issuer**



**NOEL B. LAZARO**  
Corporate Secretary