

PhilWeb

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

To All Stockholders:

Please be advised that the annual meeting of the stockholders of PhilWeb Corporation will be held on Wednesday, 27 September 2017 at 10:00 a.m. at Manila Golf & Country Club, Harvard Street, Forbes Park, Makati City.

The following is the agenda of the meeting:

1. Call to order
2. Certification of Notice and Quorum
3. Review and Approval of the Minutes of the Previous Meeting held on 31 May 2016
4. Annual Report of Management and Approval of the 2016 Audited Financial Statements
5. Ratification of Acts of the Board of Directors and Management Since the Last Annual Stockholders' Meeting
6. Election of Directors
7. Amendment of the Third Article of the Articles of Incorporation to reflect the new address of the Principal Office of the Corporation to 6/F Adamson Centre, 121 L.P. Leviste Street Salcedo Village, Makati City, Philippines
8. Amendment of the Fourth Article of the Articles of Incorporation to extend the corporate term of the Corporation for another 50 years
9. Amendment of the Sixth Article of the Articles of Incorporation to reduce the number of members of the board of directors from fifteen to eleven
10. Amendment of Sections Two, Three and Nine, Article II-A of the By-laws of the Corporation to replace the Nomination Committee with the Corporate Governance Committee
11. Amendment of Section Ten, Article IV of the By-laws of the Corporation to replace the Compensation Committee with the Corporate Governance Committee
12. Appointment of External Auditor
13. Other Matters
14. Adjournment

For purposes of the meeting, only stockholders of record as of 25 August 2017 are entitled to notice of, and to vote at, the Annual Stockholders' Meeting.

Copies of the minutes of the Annual Stockholders' Meeting held on 31 May 2016 will be available upon request.

Registration starts at 9:30 a.m. For your convenience in registering your attendance, please have available some form of identification, such as your driver's license or passport. For representatives of corporate stockholders, kindly bring a copy of the Board Resolution authorizing you to vote the shares of the company you represent.

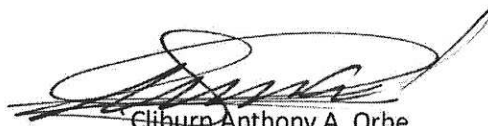
Should you be unable to attend the meeting in person, you may want to execute a proxy in favor of a representative. The giving of such proxy will not affect your right to vote in person, should you decide to attend the Annual Meeting.

Proxies must be filed with and received by the Office of the Corporate Secretary at 6/F Adamson Centre, 121 L.P. Leviste Street Salcedo Village, Makati City not later than 13 September 2017 at 5:00 p.m. Validation of proxies shall be made on 18 September 2017 at 2:00 p.m. at 6/F Adamson Centre, 121 L.P. Leviste Street Salcedo Village, Makati City.

If no direction is made, the proxy will be voted "FOR" the election of the nominees, "FOR" the ratification of the board appointment of the independent auditor, and such other matters as may properly come before the meeting in the manner described therein as recommended by Management.

Copies of the following documents will be available upon request: (i) Minutes of the Annual Stockholders' Meeting held on 31 May 2016; (ii) Information Statement; (iii) Management Report; (iv) Consolidated Audited Financial Statements for the year 2016.

4 August 2017



Cliburn Anthony A. Orbe
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. Exact name of the Registrant as specified in its charter: **PHILWEB CORPORATION**

Province, Country or other jurisdiction of Industry Classification Code Incorporation or
Organization: **Philippines**

4. SEC Identification Number : **39121**

5. BIR Tax Identification Number : **000-141-527-000**

6. Address of principal office : **The Penthouse, Alphaland Southgate Tower
2258 Chino Roces corner EDSA, Makati City**

7. Registrant's Telephone No. : **(632) 2365577**

8. Date, time and place of the meeting of security holders: **September 27, 2017 at 10:00
a.m. at Manila Golf & Country Club, Harvard Street, Forbes Park, Makati City.**

9. Approximate date on which the Information Statement is first to be sent or given to
security holders: **September 5, 2017**

10. Securities registered pursuant to Sections 4 and 8 of the RSA:

Title of Each Class	Number of Shares of Common Stock Outstanding
Common Stock P1.00 par value	1,435,626,680 common shares (net of treasury shares of 81,380,938)

11. Are any or all these securities listed on the Philippine Stock Exchange:

Yes No

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

INFORMATION STATEMENT

GENERAL INFORMATION

Date, Time and Place of Meeting of Security Holders

The annual stockholders' meeting will be held on September 27, 2017 at 10:00 am at Manila Golf & Country Club, Harvard Street, Forbes Park, Makati City.

The complete mailing address of the principal office of the Registrant is The Penthouse, Alphaland Southgate Tower, 2258 Chino Roces Avenue corner EDSA, Makati City 1232, Metro Manila.

The approximate date when the information statement will be first sent to security holders will be on September 5, 2017.

Dissenters' Right of Appraisal

There is an amendment to the Fourth Article of the Articles of Incorporation to extend the corporate term of the Registrant for another 50 years that will be taken up during the annual stockholders' meeting with respect to which the law allows the exercise of appraisal right by any dissenting stockholder. The Corporation Code limits the exercise of the appraisal right to the following instances:

- a. In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of share, or of authorizing preferences in respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence (Section 81);
- b. In case of the sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets (Section 81);
- c. In case of merger or consolidation (Section 81);
- d. In case of investments in another corporation, business or purpose (Section 42).

Since the said amendment to be taken up is included in the foregoing, the appraisal right will be available. Any stockholder who voted against the proposed action and who wishes to exercise such right must make a written demand, within thirty (30) days after the date of the meeting or when the vote was taken, for the payment of the fair market value of his shares. Upon payment, he must surrender his certificates of stock. No payment shall be made to any

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dissenting stockholder unless the Company has unrestricted retained earnings in its books to cover such payment.

Further, if at any time after this Information Statement has been sent out, an action which may give rise to the right of appraisal is proposed at the meeting, any stockholder who voted against the proposed action and who wishes to exercise such right must make a written demand, within thirty (30) days after the date of the meeting or when the vote was taken, for the payment of the fair market value of his shares. Upon payment, he must surrender his certificates of stock. No payment shall be made to any dissenting stockholder unless the Company has unrestricted retained earnings in its books to cover such payment.

INTEREST OF CERTAIN PERSONS IN OR OPPOSITION TO MATTERS TO BE ACTED UPON

The directors, officers, nominees for directors and their associates do not have a substantial interest, direct or indirect, by security holdings or otherwise in any matter to be acted upon, other than election to office.

No person has informed the Registrant in writing that he intends to oppose any action to be taken by the Registrant at the meeting.

CONTROL AND COMPENSATION INFORMATION

Voting Securities and Principal Holders Thereof

There are 1,435,626,680 outstanding common shares (net of treasury shares of 81,380,938) as of July 31, 2017 entitled to notice and to vote during the meeting. Each common share is entitled to one vote, except with respect to the election of directors where the stockholders are entitled to cumulative voting. There is no classification of voting securities.

The record date to determine the stockholders entitled to notice and to vote at the meeting is on August 25, 2017.

The election of the members of the board of directors for the current fiscal year will be taken up and all stockholders have the right to cumulate their votes in favor of their chosen nominees for director in accordance with Section 24 of the Corporation Code. Section 24 provides that a stockholder, may vote such number of shares registered in his name as of the record date for as many person as there are directors to be elected, or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit. The total number of votes cast by such

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stockholders should not exceed the number of shares owned by him as shown in the books of the corporation multiplied by the whole number of directors to be elected.

No person has informed the Registrant in writing that he intends to oppose any action to be taken by the registrant at the meeting.

Security Ownership of Certain Record and Beneficial Owners and Management

(1) Security Ownership of Certain Record and Beneficial Owners

As of July 31, 2017, Registrant knows of no one who beneficially owns more than 5% of its common stock except as set forth in the table below:

<i>Title of Class</i>	<i>Name and Address of Record Owner and Relationship with Issuer</i>	<i>Name of Beneficial Owner and Relationship with Record Owner</i>	<i>Citizenship</i>	<i>Amount and Nature of Record / Beneficial Ownership (indicate "r" or "b")</i>	<i>Percent Held</i>
Common	Gregorio Araneta, Incorporated 6/F Adamson Centre, 121 L.P. Leviste Street, Salcedo Village, Makati City Stockholder	Gregorio Ma. Araneta III Proxy/Representative	Filipino	784,695,474 (r&b - direct)	54.66%
Common	PhilWeb Casino Corporation The Penthouse, Alphaland Southgate Tower, 2258 Chino Roces Avenue cor. EDSA, Makati City Stockholder	Dennis O. Valdes Proxy/Representative	Filipino	258,729,407 (r&b - direct)	18.02%

(2) Security Ownership of Management

As of July 31, 2017, the following are the details of the security ownership of Management based on total outstanding shares of 1,435,626,680:

<i>Title of Class</i>	<i>Name of Beneficial Owner</i>	<i>Citizenship</i>	<i>Number of Shares and Nature of Beneficial Ownership</i>	<i>Percentage of Ownership</i>
Common	Gregorio Ma. Araneta III Chairman	Filipino	100 (direct) 784,695,474 (indirect)	0.00% 54.66%
Common	Dennis O. Valdes President	Filipino	2,533,200 (direct) 21,223,565 (indirect)	0.18% 1.48%
Common	Crisanto Roy B. Alcid Director	Filipino	100 (direct)	0.00%
Common	Tomas I. Alcantara Independent Director	Filipino	372,000 (direct)	0.03%
Common	Rafael B. Ortigas Director	Filipino	1,200 (direct)	0.00%
Common	Edgardo J. Angara Independent Director	Filipino	100 (direct)	0.00%
Common	Zaldy M. Prieto Director	Filipino	703,100 (direct)	0.04%
Common	Mario A. Oreta Director	Filipino	1 (direct)	0.00%
Common	Edgar Brian K. Ng Director	Filipino	151,500 (direct)	0.01%
Common	Cliburn Anthony A. Orbe Director/ Corporate Secretary	Filipino	202,800 (direct)	0.02%
Common	Michael Angelo Patrick M. Asperin Director	Filipino	1 (direct)	0.00%

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Common	Raymund S. Aquino Director/Asst. Secretary	Corp	Filipino	114,866 (direct)	0.01%
Aggregate Ownership of Directors and Officers as a Group				810,148,007	56.43%

There are no voting trust agreements or any other similar agreement that may result in a change in control of the Company of which the Company has any knowledge. On May 22, 2017, Mr. Roberto V. Ongpin sold to Gregorio Araneta, Incorporated 653,151,896 shares in Registrant. On June 2, 2017, Mr. Roberto V. Ongpin sold 118,500,000 shares of Registrant to Gregorio Araneta, Incorporated. The total 771,651,896 shares in Registrant now owned by Gregorio Araneta, Incorporated represent 53.75% of the total issued and outstanding shares of the Registrant. These transactions mark the sale of Mr. Roberto V. Ongpin's full holdings in Registrant to Gregorio Araneta, Incorporated.

Directors and Executive Officers

PhilWeb's Board of Directors is composed of 12 members elected by and from among the Company's stockholders. The Board is responsible for providing overall management and direction to the Company.

The present directors and executive officers of the Company and a brief description of their business experience for the past five years are discussed below:

Name	Age	Position/Citizenship/Period Served/Term of Office
Gregorio Ma. Araneta III	69	Director & Chairman/Filipino/3 yrs./1 yr.
Dennis O. Valdes	55	Director & President/Filipino/10 yrs./1yr.
Tomas I. Alcantara	70	Director/Filipino/15 yrs./1 yr.
Crisanto Roy B. Alcid	47	Director/Filipino/2 yrs./1 yr.
Edgardo J. Angara	82	Director /Filipino/3 yrs./1 yr.
Michael Angelo Patrick M. Asperin	58	Director/Filipino/3 yrs./1 yr.
Edgar Brian K. Ng	47	Director/Filipino/3 yrs./1 yr.
Cliburn Anthony A. Orbe	43	Director & Corporate Secretary /Filipino/3 yrs./1 yr.
Mario A. Oreta	72	Director/Filipino/1 yr./1 yr.
Rafael B. Ortigas	45	Director/Filipino/13 yrs./1 yr.
Zaldy M. Prieto	42	Director & CFO/Filipino/3 yrs./1 yr.
Raymund S. Aquino	48	Director & Assistant Corporate Secretary/Filipino/1 yr./1 yr.

Gregorio Ma. Araneta III was elected Chairman of the Company in September 2016. He was elected Director of the Company in May 2014. He is the Chairman and Chief Executive Officer of Araneta Properties, Inc. since 2010. He is the Chairman and President of Gregorio Araneta, Inc., ARAZA Resources Corporation, H. E. Heacocks Resources Corp., Gregorio Araneta Management Corporation, Gamma Properties Inc. and Carmel Development Inc. He is also the Chairman of Energy and Gas Holdings Inc. Mr. Araneta attended the University of San Francisco and the Ateneo de Manila University, where he received his degree in Bachelor of Arts in Economics.

Dennis O. Valdes was elected Director of the Company in July 2006. He is the President of the Company, and serves as Director of Alphaland Corporation and Atok-Big Wedge Co., Inc. His previous work experience includes ten years with the Inquirer Group of Companies, as a Director of the newspaper, and also expanding their internet, printing and ink-making operations. Prior to that, he spent six years with The NutraSweet Company developing their business in Asia. He is a Certified Public Accountant, graduated magna cum laude in Business Administration and Accountancy from the University of the Philippines, and has an MBA from the Kellogg School of Management, Northwestern University.

Tomas I. Alcantara was elected Independent Director of the Company in May 2002. He holds a Bachelor of Science degree in Economics from Ateneo de Manila University, a Masters in Business Administration degree from Columbia University, USA and attended the Advance Management Program of the Harvard Business School. Mr. Alcantara was Undersecretary for the Industry and Investment Group of the Department of Trade and Industry and the Vice Chairman and Managing Head of the Board of Investments from July 1986 to March 1995. He was also Special Envoy of the Philippine President to APEC in 1996. He is presently the Chairman and President of Alsons Consolidated Resources, Inc., and of several power and property development companies in the Alcantara Group. He is Chairman of Holcim Philippines, Inc. and Eagle Ridge Golf & Country Club, Inc.

Senator Edgardo J. Angara was elected Independent Director of the Company in May 2014. He was the longest serving senator in the post-EDSA Senate, authoring many laws including the Free High School Education Act, the Generics Act, Philhealth Act, the Senior Citizens Act, the Renewable Energy Act, and others. He graduated from the University of the Philippines in 1958, passed the bar in 1959, and joined the law firm of Ponce-Enrile Siguion-Reyna Montecillo & Belo Law Offices. He obtained his Masters of Laws majoring in International Relations & Corporate laws from the University of Michigan under the DeWitt Fellowship. Senator Angara is a founding member of the ACCRA Law Offices, one of the Philippines' top law firms. He also served as president of the Philippine Bar Association in 1975, president of the Integrated Bar of the Philippines in 1979 and founding president of the ASEAN Law Association.

Michael Angelo Patrick M. Asperin was elected Director of the Company in August 2014. He graduated from the Philippine Military Academy in 1981. He served as Senior Vice President for Security for the Company from 2009 to 2012, and as Enterprise Risk and Security Management Officer of Petron Corporation from 2007 to 2009. He is also the CEO of Alphaland Balesin Island Club Inc., Executive Vice President for Operations of Alphaland Corporation, and President of Alphaland Aviation, Inc.

Edgar Brian K. Ng was elected Director of the Company in May 2014. He is currently the Senior Vice President for Gaming of the Company. In the past, he served as Managing Director/Country Manager of Affinity Express Philippines, Inc., Vice President & Country Manager of RR Donnelley Global Outsourcing, Director for Operations of OfficeTiger Philippines Corporation, and Director of Special Projects (Global Operations Support) for SPi. He also spent six years with The Print Town Group starting as a Prepress Manager for FEP Printing Corp and ending as Senior Vice President of LexMedia Digital. Aside from the corporate world, Mr. Ng has been heavily involved in the academe, as an instructor at both the undergraduate and graduate levels of Ateneo Universities. He has a Bachelor of Arts degree from the Ateneo de Manila University and an MBA from the Ateneo Graduate School of Business.

Cliburn Anthony A. Orbe was elected Director of the Company in May 2014. He also serves as the Company's Corporate Secretary and Corporate Information Officer. He has a Bachelor of Laws degree from Mindanao State University where he graduated cum laude and class valedictorian. He was formerly an associate of the Rodrigo Berenguer Guno law firm. He is a member of the Integrated Bar of the Philippines.

Crisanto Roy B. Alcid was elected Director of the Company in April 2015. He is the President and Chief Operating Officer of Araneta Properties, Inc. while concurrently serving as Director and Executive Vice President of Gregorio Araneta, Inc., Carmel Development Corp., Gregorio Araneta Management Corporation, and Araza Resources Corporation. He is also a Director of Philippine Coastal Storage & Pipeline Corp. Before joining the Araneta Group, he was formerly connected with Ayala Land, Inc., Asiastrust Development Bank, and Citibank N.A. Mr. Alcid holds a Bachelor of Science Degree in Management Engineering from the Ateneo de Manila University and has completed the General Management Program at the Harvard Business School.

Mario A. Oreta was elected Director of the Company in May 2016. He is also a former President and Vice-Chairman of Alphaland Development, Inc., Alphaland Balesin Island Resort Corporation, Alphaland Makati Place, Inc., The City Club at Alphaland Makati Place, Inc., Alphaland Balesin Island Club, Inc., and Alphaland Property Management Corporation. He is also a Director of Atok-Big Wedge Co., Inc. Mr. Oreta graduated with honors from the Ateneo De Manila University with a degree of Bachelor of Laws and immediately joined the law firm of Siguion Reyna, Montecillo

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and Ongsiako. He was also the founder and managing partner of Tanjuatco Oreta and Factoran Law Offices.

Rafael B. Ortigas was elected Director of the Company in April 2002. He is the Chairman and President of Leafar Commercial Corporation, a Director of Sagitro, Inc. and ISM Communications Corporation. He was a director of Itogon-Suyoc Resources, Inc., and OCLP Holdings, Inc. and former General Partner of Ortigas and Company Ltd. Partnership. He is also a Trustee and President of Leafar Foundation, Inc. and a Trustee of the Ortigas Foundation, Inc. He has a Bachelor of Science degree in Computer Science from De La Salle University and an MBA from Ateneo de Manila Graduate School of Business.

Zaldy M. Prieto was elected Director of the Company in May 2014. He was elected as the CFO and Treasurer of the Company in November 2008. Mr. Prieto is a certified public accountant and certified financial consultant. He has been practicing as a finance professional since 1995. His previous work experiences include being a senior tax consultant of SGV & Co., assistant vice president for finance in Ford Motor Company and plant controller and assistant finance director of James Hardie Philippines. He has also served as a director of Primus Finance and Leasing Co., and Ford Philippines Component Manufacturing Company. He is a member of the Philippine Institute of Certified Public Accountants and Institute of Financial Consultants.

Raymund Nonato S. Aquino was elected Director of the Company in May 2016 and was elected Assistant Corporate Secretary of the Company in May 2011. He was a director of SGV & Co. He has a Juris Doctor Degree from the Ateneo de Manila University College of Law and a Bachelor of Arts degree major in Legal Management from the Ateneo de Manila University. He is a member of the Integrated Bar of the Philippines.

Except for Tomas I. Alcantara, Edgardo J. Angara, Raymund S. Aquino, Michael Angelo Patrick M. Asperin, Edgar Brian K. Ng, Cliburn Anthony A. Orbe and Zaldy M. Prieto, the foregoing will be nominated for re-election to the Board of Directors at the meeting. None of the above mentioned directors have 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 Company's operations, policies, or practices.

New nominees for directors:

Edgar N. Ang is a Filipino and 65 years old. He is the Chairman and President of both The Angcore Group of Companies and AB&T Resources, Inc., which are engage in Automotive Distribution. He is also the President of Rubiken Trading Corporation a fertilizer-chemical company. Previously, he was the founder and managing director of Davao Cable World Network and Filipino Cable Corporation prior to its sale. He is

also currently serving as Honorary Consul of the Republic of Korea to Davao City. He studied at the Ateneo de Manila University and Sophia University in Tokyo, graduating with Bachelor of Science degrees in Economics & Business Administration.

Luis M. Araneta is a Filipino and 31 years old. He is a Director and the Business Development Manager of Araneta Properties, Inc. He is the President of Estancias Holdings, Inc. and Cerros Corp, Vice-President and Treasurer of ARAZA Resources Corporation, Director and Corporate Secretary of Carmel Development, Inc., Director of PAGREL, Inc. He is a Director of Belisama Hydropower Corporation and Gregorio Araneta Energy Holdings, Inc. and Corporate Secretary of Gamma Properties, Inc. He studied at the Pace University in New York City where he earned his degree in Business Administration in Management.

Philip S. Tuazon is a Filipino and 66 years old. He is currently a Director of the Philippine Ports Authority as Private Sector Representative, which position he also held in 1993 to 1999. Concurrently he is also a Director of JYT Investment and Vice President/Director of Fairwind Harbor Services, Incorporated. He was formerly connected with New Filipino Maritime Agencies, Incorporated as Executive Vice President/Director and Director/President of Dolomite Mining Corporation. He was appointed as Administrator of Maritime Industry Authority (MARINA) where he served for almost seven years. He attended his collegiate years in Ateneo De Manila University, where he received his degree in Bachelor of Arts in Economics.

William M. Valtos, Jr. is a Filipino and 56 years old. He is the Group President for Financial Services of ICCP Group. He is the Vice Chairman and CEO of Investment & Capital Corporation of the Philippines and a Director of Fiducia Asset Management Pte. and the Senior Managing Director of ICCP SBI Venture Partners. He studied at the University of Illinois where he earned his degree in Bachelor of Arts in Economics and Political Science, and has an MBA from the Kellogg School of Management, Northwestern University.

Independent Directors / Nomination Committee

Under its Manual on Corporate Governance submitted with the Securities and Exchange Commission (SEC) on August 29, 2002, the Board of Directors may create a Nomination Committee, which may have at least three voting members. It shall pre-screen and shortlist all candidates nominated to become a member of the Board of Directors including the Independent Directors in accordance with the guidelines provided in the Manual on Corporate Governance and conformably with SRC Rule 38.

The following are the Company's incumbent Independent Directors:

1. Tomas I. Alcantara

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2. Edgardo J. Angara
3. Mario A. Oreta

In compliance with SRC Rule 38 and the Company's Manual on Corporate Governance, the following are the incumbent members of the Nomination Committee:

1. Gregorio Ma. Araneta III - Director / Chairman
2. Tomas I. Alcantara - Independent Director /Member

Procedures for the Nomination of the Independent Directors

The Nomination Committee prior to a stockholders' meeting shall conduct the nomination of independent directors. The nominating stockholders together with the acceptance and conformity by the would-be nominees shall sign all the recommendations. The Nomination Committee shall pre-screen the qualification and prepare a final list of all candidates and put in place screening policies and parameters to enable it to effectively review the qualifications of the nominees for independent directors. After the nomination, the Nomination Committee shall prepare a Final List of Candidates which shall contain all the information about all the nominees for independent directors, as required under Part IV (A) and (C) of Annex "C" of SRC Rule 12, which list, shall be made available to the SEC and to all stockholders through the filing and distribution of the Information Statement, in accordance with SRC Rule 20, or in such other reports the Company is required to submit to the SEC. The name of the independent director shall be identified in such report including any relationship with the nominee.

Only nominees whose names appear on the Final List of Candidates shall be eligible for election as Independent Directors. No further nominations shall be entertained or allowed on the floor during the actual annual stockholders' meeting.

The SEC approved the amendment of the Company's By-Laws, which include among others, the procedure for the nomination and election of independent directors on November 10, 2005.

As of the date of this Information Statement, the Nomination Committee has received and approved the following nominations for independent director:

Nominee for Independent Director (a)	Person/Group recommending nomination (b)	Relation of (a) and (b)
Mario A. Oreta	Dennis O. Valdes	None
Rafael B. Ortigas	Dennis O. Valdes	None
Philip S. Tuazon	Dennis O. Valdes	None
William M. Valtos, Jr.	Dennis O. Valdes	None

Family Relationship of Directors and Officers

The Company does not know of any family relationship among its directors and officers.

Certain Relationships and Related Transactions

The Company's legal counsel is the law firm of Orbe & Altubar Law Offices where Atty. Cliburn Anthony A. Orbe is a senior partner. Please also refer to Note Number 15 on Related Party Transactions of the enclosed Consolidated Financial Statements for the year 2016.

Other than the foregoing, there has been no transaction outside of the ordinary course of business during the last two years, nor is any transaction presently proposed, to which the Company was or is to be a party in which any Director or Executive Officer of the Company, or owner of more than 10% of the Company's voting securities or any member of the immediate family of any of the foregoing persons had or is to have a direct or indirect material interest. In the ordinary and regular course of business, the Company had or may have had transactions with other companies in which some of the foregoing persons may have an interest.

Mr. Gregorio Ma. Araneta III directly and indirectly owns at least 54.66% of the Company's voting securities. No person, natural or juridical, owns more than 50% of the Company's voting securities.

Significant Employees

There are no persons other than the executive officers that are expected by the Company to make a significant contribution to the business.

Involvement of Directors and Officers in Certain Legal Proceedings

The Company is not aware that any of its directors and officers is involved during the past five years and up to the date of the filing of this report in any bankruptcy proceedings. Neither have they been convicted by final judgment in any criminal proceeding or been subject to any order, judgment or decree by a court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting their involvement in any type of business, securities, commodities or banking activities, nor found in action by any court or administrative body to have violated a securities or commodities law.

Legal Proceedings

1. Rodrigo R. Gadionco, Jr. vs. PhilWeb (CA G.R. CV-No. 01519) - Rescission of Lease Purchase Agreement.

The parties entered into a Lease Agreement with Option to Purchase on 22 November 2000. For alleged non-fulfillment of its obligation, Gandionco filed a case in the RTC to rescind the contract. PhilWeb stated that it never entered into such agreement for it was not signed by any of PhilWeb's authorized representatives. The Court Ruled in favor of Gandionco and declared the agreement between the parties as rescinded and ordered PhilWeb to pay Gadionco P 20,533.00 in litigation expenses, P20,000 in moral damages, P20,000 in exemplary damages and P50,000 in attorney's fees, in the total amount of P110,533.00. Gadionco was likewise ordered by the court to return to PhilWeb 10 IBM Computers, amounting to approximately P200,000.00 and 5000 pieces of ZOOM cards. PhilWeb appealed the case to the Court of Appeals. The appeal is submitted for decision by the Court of Appeals.

2. PhilWeb vs Sonia K. Pamatmat
I.S. No. 07-J-8470
Qualified Theft

The respondent is a former employee of PhilWeb. During her tenure as a former employee of PhilWeb, she took a company vehicle and did not return the same upon termination of her employment. PhilWeb demanded the return of its vehicle. Despite said demand, she failed to return the said property. PhilWeb then filed a complaint charging the respondent of Qualified Theft.

PhilWeb filed a Petition for Certiorari to annul the Resolution of the Department of Justice dismissing the criminal case against Sonia K. Pamatmat. The case is pending resolution by the Court of Appeals.

3. PhilWeb Corporation vs. BOS (Antigua) Ltd.
Civil Case No. 06 - 712
For Damages with Attachment
Makati RTC Branch 139

The parties entered into a Memorandum of Agreement on November 20, 2005 for the operation of sports betting facility. BOS allegedly violated provisions in the MOA prompting PhilWeb to file a case against BOS.

The case will be litigated upon service of summons to BOS.

4. Arvin Arcales vs. PhilWeb Corporation, et al.,

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NLRC RAB-VII-Case No. 09-1476-11/ CA Case No. CA - G.R. SP. No. 07281
For Separation Pay, Backwages and damages

Arvin Arcales filed an illegal dismissal case with a claim for separation pay, backwages and damages. The National Labor Relations Commission (NLRC) decided on September 24, 2012 that Arcales was validly terminated from employment and that he is not entitled to the award of separation pay, backwages, moral and exemplary damages and attorney's fees. Arcales filed a Petition for Certiorari with the Court of Appeals to contest the NLRC Resolution upholding the validity of his termination from employment. On July 27, 2015, the Court of Appeals issued a Resolution denying Arcales' petition. Thereafter, the Court of Appeals issued a Resolution on March 11, 2016 stating that the decision dated July 27, 2015 has become final and executory for failure of Arcales to file a motion for reconsideration or appeal to the Supreme Court.

5. PhilWeb vs. Eduveges O. Batalan
NPS No. XV-05-INV-14B-0359
Qualified Theft

PhilWeb discovered that Eduveges O. Batalan, whose employment has been terminated for cause, stole money from the company amounting to Php534,273.00 through unliquidated cash advances and allowances. Accordingly, PhilWeb filed a case for qualified theft against Batalan. The preliminary investigation was concluded and this is pending resolution before the Office of the City Prosecutor of Makati City. This case has already been settled amicably between the parties.

6. Brinia A. Flojemon vs. PhilWeb, et al.
NLRC Case No. 00-04-03990

Brinia A. Flojemon filed an illegal dismissal case with the National Labor Relations Commission. On 30 October 2014, The Labor Arbiter issued a Decision in favor of Flojemon. On 29 December 2014, PhilWeb filed its Appeal Memorandum with the NLRC seeking to have the Decision of the NLRC reversed and set-aside. PhilWeb's Appeal Memorandum was denied by the NLRC on March 18, 2015. PhilWeb filed a Petition for Certiorari with the Court of Appeals on February 18, 2016 to overturn the decision of the NLRC. This case has already been settled amicably between the parties.

7. PhilWeb vs. Brinia A. Flojemon
NPS No. XV-05-INV-14B-0360
Qualified Theft

PhilWeb discovered that Brinia A. Flojemon, whose employment has been terminated for cause, stole money from the company amounting to Php1,829,000.00 through unliquidated cash advances and allowances. Accordingly, PhilWeb filed a case for qualified theft against Flojemon. On August 18, 2014, the Office of the City Prosecutor of

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Makati issued a Resolution dismissing the complaint filed by PhilWeb. Accordingly, PhilWeb seasonably filed a Motion for Reconsideration which was denied. On August 24, 2015, PhilWeb filed a Petition for Review with the Department of Justice. This case has already been settled amicably between the parties.

8. Eduveges O. Batalan vs. PhilWeb Corporation, et al.
NLRC Case No. 06-07844

Eduveges O. Batalan filed an illegal dismissal case with the National Labor Relations Commission. The Labor Arbiter issued a Decision in favor of Batalan. On 11 December 2014, PhilWeb filed its Appeal Memorandum with the NLRC seeking to have the Decision of the Labor Arbiter reversed and set-aside. PhilWeb's Appeal Memorandum was denied by the NLRC on March 18, 2015. PhilWeb filed a Petition for Certiorari with the Court of Appeals on February 18, 2016 to overturn the decision of the NLRC. This case has already been settled amicably between the parties.

9. PhilWeb Corporation vs. Commission on Audit
Decision No. 2015-097 (CGS-C Decision No. 2012-009) (ND No. 2011-001-(06/07))

On July 18, 2011, the Commission on Audit ("COA"), through its resident auditor, Atty. Resurreccion C. Quieta, issued a Notice of Disallowance ("ND") against PhilWeb regarding the payment of PAGCOR of 10% Software License Fee ("SLF") to PhilWeb effective on July 6, 2006.

PhilWeb challenged this ND and filed its Appeal Memorandum on 12 December 2011. On December 6, 2012, PhilWeb, received a copy of the Decision of the COA through Honorable Rufina S. Laquindanum dated 16 November 2012 denying its appeal and affirming the ND. Thereafter, PhilWeb filed its Petition for Review with the COA on 8 January 2013. On 8 May 2015, PhilWeb received a copy of the Decision of the COA dated 1 April 2015 dismissing its Petition for Review. On 19 May 2015, PhilWeb seasonably filed its Motion for Reconsideration. This Motion for Reconsideration is now pending resolution by the COA.

10. People of the Philippines vs. Mark Kevin N. Mardo, Catherine Joy Fajardo, Luke Villanueva and John Dela Fuente
Criminal Case Nos. 17-00661 to 17-00665

PhilWeb discovered that Mark Kevin Mardo manipulated PhilWeb's system and uploaded his own program and was able to remotely load gaming credits to eGames membership cards. Catherine Joy Fajardo, Luke Villanueva and John Dela Fuente then attempted to redeem these gaming credits. PhilWeb filed this criminal case for violation of the Cybercrime Prevention Act of 2012. The Office of the City Prosecutor of Makati City issued resolutions finding probable cause for violation of Cybercrime Prevention Act of

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2012. As a consequence thereof, five criminal information were filed with the RTC of Makati City Branch 141. Pre-trial is set on 13 September 2017.

Compensation of Directors and Executive Officers

The aggregate amount of compensation paid by the Company to all of its directors and management as a group for fiscal years 2015 and 2016 were P45,336,000.00 and P42,349,000.00, respectively. The estimated aggregate compensation for 2017 is P33,252,000.00.

Annual Compensation of Five Most Highly-Paid Executives including the CEO

(a) Name and Principal Position	(b) Year	(c) Salary	(d) Bonus	(e) Other Annual Comp.
1. Roberto V. Ongpin Chairman (elected January 18, 2000 and resigned August 4, 2016)				
2. Dennis O. Valdes President (elected in July 2006)				
3. Brian K Ng Senior Vice President (effective January 2011)				
4. Zaldy M. Prieto Senior Vice President & CFO (effective November 2008)				
5. Mona Liza I. Navarro Vice President (effective March 2014)				

**Aggregate Compensation of the CEO
 & Five Most Highly-Paid Executives**

2015	25,080,000	1,454,500	2,090,000
2016	21,782,000	-	2,038,000

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2017 ¹	20,388,000	-	1,699,000
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All Officers and Directors as a Group
Unnamed

2015	45,336,000	2,022,500	3,778,000
2016	42,349,000	-	3,529,083
2017 ²	33,252,000	-	2,771,000

There are no standard arrangements with regard to election, bonus, profit sharing, pension/retirement plan granting or extension of any option, warrant or right to purchase any securities. The Company has a stock option plan, which is administered by a stock options committee.

Employment Contracts and Termination of Employment and Change-in-Control Arrangements.

The abovementioned executive officers have employment contracts with the Company.

There has been no change in control arrangements with the present management.

Warrants and Options Outstanding

On February 16, 2001, the SEC approved the exemption of 4,447,134,695 common shares (equivalent to 44,471,347 shares based on the new par value, effective September 14, 2009) under the Company's Stock Option Plan from the registration requirements under the Securities Regulation Code (SEC Resolution No. 005, Series of 2001).

On November 18, 2003, the Stock Option Committee approved the awarding to selected individuals who have helped develop the business of the Company over the past two years options to subscribe to a total of One Billion Three Hundred Million (1,300,000,000) common shares at a price of P0.01 per share (the then prevailing market price was P0.012 per share).

On October 14, 2004, the Stock Option Committee of the Company approved the awarding to selected individuals who have helped develop the business of the Company over the past two years options to subscribe to 500,000,000 common share, at a price of P0.01 per share (the then prevailing market price was P0.012 per share).

¹ Estimated figures

² Estimated figures

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On March 2, 2005 the Board of Directors of PhilWeb Corporation approved the recommendation of the Stock Option Committee for additional option grants totaling 1,391,000,000 shares to its officers and employees at a price equivalent to a twenty percent (20%) discount over the average closing price of the Company during the past 30 trading days.

On January 20, 2006, the Stock Option Committee of the Company approved the award to selected officers and employees options to subscribe to total of 1,786,500,000 common shares, at a price of P0.013 per share (the then prevailing market price was P0.016 per share).

On November 29, 2006, the Stock Option Committee of the Company approved the award to selected officers options to subscribe to total of 1,156,000,000 common shares, at a price of P0.0248 (the then prevailing market price was P0.031 per share).

On April 9, 2008, the PSE approved the Company's application for the listing of additional 1,982,399,858 common shares with a par value of P0.01 per share, to cover the Stock Option Plan of PhilWeb Corporation.

On April 19, 2012, the Stock Option Committee of the Company approved the award to selected officers and employees of options to subscribe to a total of 8,900,000 common shares, at a price of P14.00 per share.

On 29 May 2014, the Stock Option Committee of the Company approved the award to selected officers and employees of options to subscribe to a total of 1,500,000 common shares, at a price of P4.15 per share.

Independent Public Accountants

The independent public accountant recommended for election for the current year is Reyes Tacandong & Co.

The Company has not had any disagreements on accounting and financial disclosures with its current external auditors for the same periods or any subsequent interim period.

Representatives of Reyes Tacandong & Co. shall be present at the meeting. They will have the opportunity to make a statement if they choose to do so, and will be available to respond to appropriate questions.

The 2016 audit of the Company by R.G. Manabat & Co. is in compliance with Securities Regulation Code Rule 68, paragraph 3(b)(iv) and SEC Memorandum Circular No. 8, Series of 2003 that provides that the external auditor should be rotated every five (5) years or earlier or the handling partner shall be changed.

The following are the members of the Audit Committee of the Company:

Mario A. Oreta	-	Director/Chairman
Tomas I. Alcantara	-	Independent Director/Member
Edgardo J. Angara	-	Independent Director/Member

OTHER MATTERS

Action with Respect to Reports

The Management Report and 2016 Audited Financial Statements, as set forth in the accompanying Annual Report, will be submitted for stockholders' ratification.

Approval of the Annual Report constitutes a ratification of the Company's performance during the previous fiscal year.

Approval of the Minutes of the Stockholders' Meeting held on May 31, 2016 constitutes a ratification of the accuracy and faithfulness of the Minutes to the events, which transpired during the meeting.

During the said meeting, the following significant matters were approved: (i) minutes of the annual stockholder's meeting held on August 11, 2015; (ii) Management Report and Audited Financial Statements for the Year Ended December 31, 2015; (iii) ratification and approval of corporate acts; (iv) election of directors; and (v) appointment of external auditor.

During the Organizational Meeting of the Board of Directors held on May 31, 2016, the following matters were discussed/approved: (i) minutes of the board meeting held on February 4, 2016; (ii) election of officers; (iii) election of members of the Executive Committee; and (iv) election of members to the Audit, Nomination, Compensation and Stock Option committees.

During the Regular Meeting of the Board of Directors held on August 3, 2016, the following matters were discussed/approved: (i) minutes of the board meeting held on May 31, 2016; and (ii) Management Report on the unaudited financial statements of the Company for the period ended 30 June 2016 and reported that revenues increased by 6.6% and its Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) is 4% higher than 2015.

During the Special Meeting of the Board of Directors held on August 5, 2016, the following matters were discussed/approved: (i) noted the resignations of Mr. Roberto V. Ongpin and Ms. Anna Bettina Ongpin as Chairman of the Board and director, respectively. With the foregoing, the President, Mr. Dennis O. Valdes, will be the presiding officer of meetings of the Board pending the election of a new chairman; and (ii) if the Intellectual Property License and Management Agreement with PAGCOR (IPLMA) is not extended, PAGCOR will require the

Company to shut down its e-Games services on 10 August 2016 at 11:59 PM. The Board recommended that contingency plans be prepared in the event that this transpires.

During the Special Meeting of the Board of Directors held on August 8, 2016, the Board directed Management to send notices to the operators of the e-Games that in the event that the IPLMA is not renewed or extended, the Company will shut down its e-Games services on 10 August 2016 at 11:59 PM.

During the Special Meeting of the Board of Directors held on August 9, 2016, the Board directed the President, Mr. Dennis O. Valdes, to write to PAGCOR a final appeal letter to renew or extend the IPLMA.

During the Special Meeting of the Board of Directors held on August 15, 2016, the Board were discussed the concerns raised by the gaming software provider of the Company and the operators and that the operators are willing to wait until 31 August 2016 and after this, they will either close down or switch to DFNN, Inc.

During the Special Meeting of the Board of Directors held on August 19, 2016, the Board discussed (i) the options available to the Company in the event that the IPLMA is not extended or renewed and, (ii) the payables of the Company.

During the Special Meeting of the Board of Directors held on August 23, 2016, the Board discussed (i) the new businesses being explored by the Company; and (ii) the payables of the Company.

During the Special Meeting of the Board of Directors held on August 31, 2016, the Board discussed (i) the status of the IPLMA (ii) the new businesses being explored by the Company; (iii) the payables of the Company; (iv) actions taken by the operators; and (v) directing that 216 employees be put temporarily in "forced leave" for one month starting on 1 September 2016.

During the Special Meeting of the Board of Directors held on September 19, 2016, the Board elected Mr. Gregorio Ma. Araneta III as its Chairman and noted the resignation of Mr. Victor C. Macalincag as a member of the board. The Board discussed (i) the new businesses being explored by the Company; (ii) the payables of the Company; and (iii) actions taken by the operators.

During the Special Meeting of the Board of Directors held on October 3, 2016, the Board discussed (i) the status of the new IPLMA with PAGCOR, (ii) the payables of the Company; (iii) actions taken by the operators; and (iv) the status of the sale of Mr. Roberto V. Ongpin of his shares in the Company to Gregorio Araneta Inc.

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During the Special Meeting of the Board of Directors held on October 7, 2016, the Board discussed (i) the new businesses being explored by the Company; (ii) the payables of the Company; and (iii) actions taken by the operators.

During the Special Meeting of the Board of Directors held on December 6, 2016, the Board decided to increase the members of the Executive Committee from three to five and appointed the following as its members: Gregorio Ma. Araneta III, Dennis O. Valdes, Crisanto Roy B. Alcid, Edgar Brian K. Ng and Zaldy M. Prieto with Raymund S. Aquino as the secretary.

Copies of the minutes will be made available for review by the stockholders present in the annual meeting.

The affirmative vote of a majority of the votes cast on this matter is necessary for approval of the minutes.

Other Proposed Actions

The acts of Management from the last annual stockholders' meeting to the present will be presented for stockholders' ratification at the meeting.

During the meeting of the Executive Committee of the Board of Directors held on 7 August 2017, the following matters were approved: (i) approved the amendment of the Third Article of the Articles of Incorporation to reflect the new address of the Principal Office of the Corporation as follows: "THIRD: That the place where the principal office of the corporation is to be established or located is 6/F Adamson Centre, 121 L.P. Leviste Street, Salcedo Village, Makati City, Philippines."; (ii) approved the amendment of the Fourth Article of the Articles of Incorporation to extend the corporate life of the Corporation as follows: "FOURTH: That the term for which said corporation is to exist is for another fifty (50) years from and after expiration of its original term on 19 August 2019."; (iii) approved the amendment of the Sixth Article of the Articles of Incorporation to reduce the number of directors as follows: "SIXTH: That the number of directors of said corporation shall be eleven (11) and that the names and residences of the directors of the corporation who are to serve until their successors are elected and qualified as provided by the By-Laws are as follows: "; (iv) approved the amendment of Section Two, Article II-A of the By-laws of the Corporation by replacing the Nominations Committee with the Corporate Governance Committee, thus: "Stockholders shall submit their nominations for independent director to the Corporation's Corporate Governance Committee not later than 30 days before the date of the stockholders' meeting. The nomination form shall contain the name of the nominee for independent director and all information that may be required by the Securities and Exchange Commission under its rules and regulations. The nomination form should be signed by the nominating stockholder and have the signed conformity of the nominee."; (v) approved the amendment of Section Three, Article II-A of the By-laws of the Corporation by replacing the Nominations Committee with the Corporate Governance Committee, thus: "The Corporate Governance Committee shall only review those nominations with complete requirements. After screening the qualifications of all

nominees, the **Corporate Governance Committee** shall prepare the final list of candidates for independent director and the information required under the existing rules of the Commission.”; (vi) approved the amendment of Section Nine, Article II-A of the By-laws of the Corporation by replacing the Nominations Committee with the Corporate Governance Committee, thus: “In case of resignation, disqualification or cessation of an independent director, the Commission shall be notified of such fact within five (5) days of the resignation, disqualification, or cessation. The vacancy shall thereafter be filled by the vote of at least a majority of the remaining directors, if still constituting a quorum, upon the nominations of the **Corporate Governance Committee**. Otherwise, the vacancy shall be filled by the stockholders in a regular or special meeting called for the purpose. An independent director so elected to fill a vacancy shall serve only for the unexpired term of his predecessor in office.”; (vii) approved the amendment of Section Ten, Article IV of the By-laws of the Corporation by replacing the Compensation Committee with the Corporate Governance Committee, thus: “**Corporate Governance Committee** - The Board shall create a **Corporate Governance Committee** made up of three (3) directors who shall determine the compensation of all officers of the corporation.”

Item 17. Amendments to Articles of Incorporation and By-laws

The amendments to the Articles of Incorporation reflect the long term commitment of the new majority owner of the Registrant. The amendments to the By-laws are to implement SEC Memorandum Circular No. 19 Series of 2016. These amendments do not affect the business, operations and capital structure of the Registrant. These amendments will be presented for stockholders’ approval at the meeting.

Voting Procedures

For the election of directors, the fifteen (15) nominees receiving the most number of votes will be elected to the Board of Directors. Cumulative voting will apply.

For the approval of the amendment to the Articles of Incorporation and By-laws, the favorable vote by stockholders owning or representing at least two-thirds (2/3) of the outstanding capital stock is necessary. For all other matters to be taken up, majority vote of the outstanding capital stock present and represented at the meeting where a quorum exists shall be sufficient.

Voting shall be done *viva voce* or by raising of hands and the votes for or against the matter submitted shall be tallied by the Corporate Secretary in case of a division of the house.

UPON THE WRITTEN REQUEST OF A STOCKHOLDER, THE COMPANY WILL PROVIDE, WITHOUT CHARGE, A COPY OF THE COMPANY’S SEC FORM 17-A (ANNUAL REPORT) DULY FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THE STOCKHOLDER MAY BE CHARGED A REASONABLE COST FOR PHOTOCOPYING THE EXHIBITS.

ALL REQUESTS MAY BE SENT TO THE FOLLOWING ADDRESS:

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PhilWeb Corporation
The Penthouse Alphaland Southgate Tower
2258 Chino Roces corner EDSA Makati City 1232
Attention: Mr. Zaldy M. Prieto
SVP/Chief Finance Officer

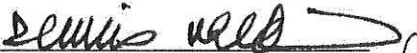
SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati on August 29, 2017.

Issuer: **PHILWEB CORPORATION**

Date: August 29, 2017

Signature and Title:


Dennis O. Valdes
President

PHILWEB CORPORATION

MANAGEMENT REPORT

for the
2017 Annual Meeting of Stockholders
Pursuant to SRC Rule 20 (4) (A)

A. *Audited Financial Statements for Fiscal Year Ended December 31, 2016*

Please see attached audited consolidated financial statements as of December 31, 2016.

B. *There were no disagreements with the accountants*

C. *Management's Discussion and Analysis or Plan of Operations*

Plan of Operations

The current capitalization of the Company, and expected future revenues from its various Internet gaming activities are projected to sufficiently meet the Company's operating cash requirements. Acquisition of computers and other equipment, which are not expected to be of material amount, shall be funded from internally generated funds.

No extraordinary purchase or sale of plant and equipment are expected beyond those in the regular course of the Company's operations. All purchases will be financed through internally generated funds and existing capitalization.

Hiring of employees will continue in the regular course of business.

Results of Operation

	For the Period Ended December 31 2016	For the Year Ended December 31 2015	For the Year Ended December 31 2014	For the Year Ended December 31 2013
Income Statement				
Revenues	1,019,726,562	1,667,610,476	1,639,956,575	1,493,699,764
Costs and Expenses	676,313,684	650,347,733	607,850,800	838,984,041
Other Income (Loss) - Net	(635,154,886)	26,303,885	6,607,131	(464,734,911)
Net Income	(297,691,858)	869,626,033	903,875,688	202,894,555
Retained Earnings at Beginning of Period	2,617,356,756	2,450,743,551	2,015,642,772	2,073,440,678
Retained Earnings at End of Period	1,856,644,010	2,617,356,756	2,450,743,551	2,015,642,772

Balance Sheet				
Current Assets	317,921,025	737,544,824	1,233,786,008	1,063,149,112
Total Assets	648,366,801	1,580,166,741	2,114,515,904	2,042,159,181
Total Liabilities	402,467,732	682,740,875	1,124,375,456	1,491,016,332
Total Equity	245,899,069	897,425,866	990,140,448	551,142,849

Performance for the Period Ended December 31, 2016

Cash and Cash Equivalents

The cash and cash equivalents decreased by P112.2 million or 53.4% versus last year. The Company generated cash from operation amounting to P511.1 million and proceeds from subscription and issuance of shares of P111.7 million, and used its cash mainly for payment of dividends of P464.6 million, payment of loan of P150.0 million and payment of CAPEX of P100.7 million.

Receivables (net)

The receivables decreased by P10.8 million or 5.3% versus last year, mainly due to collection of receivables.

Notes Receivable

The decreased in notes receivable of P234.2 million or 100% versus last year, was mainly due to collection of receivables and recovery of investment as payment of the balance of debt. The investment was eventually disposed.

Prepayments and Other Current Assets

Prepayments and other current assets decreased by P62.4 million or 69.3% versus last year mainly due to the reclassification of input VAT to other non-current assets.

Investment in Associates

Investment in associates slightly decreased by P0.4 million or 2.8% due to equity in net losses from associates.

Noncurrent Receivables

Noncurrent receivables decreased by P510.3 million or 100% versus last year, due to recovery of investment as payment of the balance of debt. The investment was eventually disposed.

Property and Equipment

The decreased in property and equipment of P54.5 million or 21.7% represents the total acquisitions of P100.7 million less depreciation and amortization and impairment amounting to P154.3 million and disposal of P0.9 million.

The acquisitions mainly pertain to the upgrading network and data communication equipment for PeGS and leasehold improvements for BGI operations.

Deferred Tax Assets

Deferred tax assets recognized amounting to P26.5 million represent the amounts of income taxes recoverable in future periods arising from deductible temporary differences and Net Operating Losses.

Other Noncurrent Assets

Other noncurrent assets increased by P40.2 million or 76.5% mainly due to the reclassification of input VAT to other non-current assets.

Accounts Payable and Accrued Expenses

The increased in accounts payable and accrued expenses by P5.7 million or 1.9% was mainly due to increase in trade payable.

Income tax payable

The decreased of P106.9 million was due to payment of income tax payable.

Notes Payable

Notes payable decreased by P150 million or 75.0% due to payment of loans.

Retirement Benefits Liability

The decreased in retirement benefits liability of P1.4 million or 9.5% represents additional provision for employees' retirement benefits, net of actuarial gain.

Operators' deposit

Operator's deposit decreased by P27.7 million or 48.5% due to refund of operators' deposit.

Capital stock

The increased in capital stock of P93.3 million or 6.7% was due to issuance of shares and collection of unpaid subscribed capital during the year.