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Wednesday, May 21, 2014.

Integration to attract capital

BY ANGELA CELIS

FINANCE Secretary Cesar Purisima said an economically integrated Association of Southeast Asian Nations (Asean) can attract more investors who are in search of huge markets and operational hubs.

Purisima said during the 10th Asean Finance Ministers' Investor Seminar held at the Manila Peninsula Hotel yesterday that the benefits of having a bigger economy serve as a case for Asean member countries to accelerate full integration of the region.

The Philippines' finance chief said that as a whole Asean countries cornered higher foreign direct investments last year compared with other countries in Asia.

Purisima likewise said Asean enjoys comparative advantage in a wide range of sectors, including electronics, garments, medical tourism, tourism, and ship building, among others.

"Asean, if it were one country, had 85 million tourists last year, outperforming France," Purisima said.

"We have to accentuate the strengths of Asean," he added.

While the region is composed of fast-growing economies, Purisima said that the Asean will even be bigger with integration.

"In the past three years, the growth of inter-Asean trade has outpaced the growth of world trade," the finance chief said.

"That just shows the benefits of a more connected, more harmonized Asean, which, as a single country, would have the third largest population and a GDP of over \$2 trillion," he added.

Finance ministers from the Asean countries have affirmed the ability of member countries to withstand shocks from tapering in the United States and threats of rising interest rates.

Enjoying sound macroeconomic

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INTEGRATION

fundamentals and favorable demographics, Asean countries expect to perform well vis-à-vis other emerging markets in the changing global economic landscape, they said.

"The Asean region has fared well in the aftermath of the 2008 global financial crisis. With strong fundamentals and improved regional cooperation, resiliency has further improved," U Win Shien, Finance and Revenue Minister of the Union of Myanmar, said.

Josephine Teo, Senior Minister of State at the Ministry of Finance and Transport in Singapore, said that while Asean is not expected to be fully spared from adverse effects of the tapering, any impact would be temporary.

At the end of the day, Teo said, investors would look at fundamentals in shaping their investment decisions. She said the strengths of Asean will eventually drive in more investments.

"If you look at FDIs to the region, you will see that what is driving those is the prolonged period of macroeconomic stability. That has been boosting investor confidence," Teo said.

Asean is composed of Brunei, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam.

With over 600 million people, Asean has the third biggest population next to China and India. Its relatively young workforce gives it an advantage over advanced economies suffering from aging population.

Member countries are targeting to integrate their economies starting next year and to realize a fully integrated regional economy within the medium term.

The AFMIS was organized by the Department of Finance with support from Citi, HSBC, Morgan Stanley and Standard Chartered Bank.

PH to share strategies

BY JOCELYN MONTEMAYOR

PRESIDENT Aquino said the Philippines would share its strategies and experiences that enabled it to restore integrity and trust in government institutions when it welcomes delegates to the May 21 to 24 World Economic Forum-East Asia (WEF-EA).

The President in his message posted at the official WEF-EA website (www.wef-ea.ph) called on delegates to look at potential areas for collaboration, investments and development.

Aquino said he is also looking forward to discussions on new perspectives and fresh solutions to matters of regional and global importance especially those related to disaster risk management and technological innovation.

He said it is a privilege for the Philippines to host this year's 234rd WEF-EA especially after East Asia had been acknowledged as a key driver of the global economy and a critical player in international affairs.

"The strategic location of the Philippines has historically positioned our archipelago as the center of transcontinental trade and cultural exchange, and the dynamic resurgence of our economy these past few years has enabled the Philippines to once again assume this significant role," he added.

At least two presidents, a prime minister

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PH

and a vice president will lead the 600 delegates from 30 countries that is expected to attend the WEF-EA which has the theme "Leveraging Growth for Equitable Progress."

Communications secretary Herminio Coloma Jr. said the WEF-EA which would be attended by Presidents Aquino of the Philippines, Susilo Bambang Yudhoyono of Indonesia, Prime Minister Nguyen Tan Dung of Vietnam, and Vice President Nyan Tun of Myanmar, among others would discuss how to achieve equitable progress, advancing

models for sustainable growth and realizing regional connectivity.

Coloma said other possible issues to be raised during the summit are the possible opportunities for growth within the ASEAN community and the establishment of the ASEAN community by 2015; programs that would push for a wide and meaningful progress for the benefit of some three billion people in Southeast Asia, India and China; and the Philippine economic growth and improved investment credit ratings.

Alliance Select sued over equity infusion

By Jenniffer B. Austria

SINGAPOREAN investors of canned tuna manufacturer Alliance Select Foods Inc. have filed a civil case with the Pasig regional trial court to stop the P563-million equity investment of Strong Oak Inc. into the company.

Singaporean investors Albert Hong Hin Kay and Hedy Yap-Chua asked the court to declare null and void the resolution passed by the board of Alliance Select approving the issuance of 430.29 unissued common shares to Strong Oak at P1.31 apiece. They also asked the court to inspect the corporate books of Alliance Select.

The latest filing adds to two

outstanding criminal complaints filed by shareholders from the Lion City, implicating Alliance Select board directors George SyCip, Ibarra Malonzo, Jonathan Dee and Alvin Dee.

Hong and Chua said in the latest petition they were given inadequate notice and inadequate materials by the Alliance Select when the board held a meeting on May 5 to approve the issuance of shares to Strong Oak.

Hong and Chua said Alliance Select called a boardroom meeting on May 5 to discuss an update on capital generation, but it was only an hour before the scheduled board meeting when both shareholders received an e-mail containing an information pack on Strong Oak.

Robinsons Land not pursuing bond sales

By Jenniffer B. Austria

ROBINSONS Land Corp. of retail tycoon John Gokongwei is no longer keen on issuing corporate bonds this year to refinance maturing obligations and partially fund P16 billion in capital spending.

Robinsons Land senior vice president BJ Sebastian said in a text message the company will use internal cash and tap bank loans to finance P5 billion in bonds maturing in July and another P5 billion due in August.

"There will be no bond offering for RLC. We will use bank loans and internal cash [to financing maturing debt]," Sebastian said.

Robinsons earlier expressed plans to issue between P10 billion and P15 billion in corporate bonds to replace maturing ones and partially finance capital expenditures for the year.

The property company has earmarked P16 billion in capital expenditures for the current fiscal year 2014 to roll out new shopping malls and residential projects and finance land acquisition for future development.

Robinsons Land has allotted at least 20 percent of the budget for residential condominiums and housing units and 80 percent for malls, office buildings and hotels.



Republic of the Philippines
 Department of Finance
Securities and Exchange Commission
 SEC Building, EDSA, Greenhills, Mandaluyong City
MARKETS AND SECURITIES REGULATION DEPARTMENT

IN THE MATTER OF

**P-H-O-E-N-I-X PETROLEUM
 PHILIPPINES, INC.**
 (Registrant)

REGISTRATION OF SECURITIES
 (Fifty Million Preferred Shares with
 a par value of P1.00)

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NOTICE

Notice is hereby given that on May 6, 2014, a sworn Registration Statement was filed with the Securities and Exchange Commission on behalf of **P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC.** (the "Corporation") for the registration of 50,000,000 Preferred Shares with a par value of ₱1.00 of which 5,000,000 shares were sold on December 20, 2013 by way of exempt transaction under Rule 10.1 (1) & (k) of the Implementing Rules and Regulations of the Securities Regulation Code.

Please be informed also that a separate Registration Statement was filed on May 9, 2014 to cover the registration of Two Billion Pesos (P2,000,000,000.00) worth of Short Term Commercial Paper. A relevant notice shall also be published.

According to the documents presented on May 6, 2014, the following persons are the key officers/directors of the Corporation:

NAME	POSITION
Dennis A. Uy	President and Chief Executive Officer
Domingo T. Uy	Chairman
Socorro Ermac-Cabrerros	Director and Corporate Secretary
Romeo B. De Guzman	Director and Chief Operating Officer
J.V. Emmanuel De Dios	Director
Paul Dominguez	Director
Jose Manuel R. Quimson	Director
Joseph John L. Ong	Director
Cherylyn C. Uy	Director
Monico V. Jacob	Independent Director
Justice Consuelo Ynares-Santiago	Independent Director
Gigi Q. Fuensalida	Assistant Corporate Secretary
Chryss Alfonsus Damuy	Treasurer

The said Registration Statement and other documents attached thereto are open for inspection by interested parties during business hours, and copies thereof, photostatic or otherwise, shall be furnished to any party upon request at such fees as the Commission may prescribe. The Registration Statement and the Prospectus dated May 6, 2014 and the corresponding updated version may also be downloaded from www.phoenixfuels.ph.


VICENTE GRACIANG P. FELIZMENIO, JR.
 Director
 Markets and Securities Regulation Department

Anglo to increase stake at Philodrill to 34.3%

ANGLO Philippine Holdings, Inc., said it is increasing its stake in listed oil exploration company, Philodrill Corp.

Christopher Gotanco, Anglo Philippine president, said this will enable the company to "equitize" its earnings in Philodrill as it will increase its stake to 34.3 percent from the current 11.8 percent.

The company will be using the proceeds in a P4.2 billion private placement of majority shareholder Alakor Corp.

"Philodrill over the last so many years has been giving regular dividends and in addition to that we look forward to even more

promising result of its various exploration activities," Gotanco said.

Shareholders on Tuesday approved a proposal to waive other shareholders' rights to subscribe to a similar share offer upon the completion of the private placement.

The private placement covers 2.3 billion unissued shares priced at P1.8516.

About P1.6 billion may be used to acquire the additional Philodrill stake, according to Adrian Arias, Anglo Philippines executive Vice President.

The remaining amount will be used for the company's other businesses which

include the company's share of developing the Trinoma area, and acquiring a property in Bataan.

Anglo has investments in United Paragon Mining Corp., Atlas Consolidated Mining and Development Corp. Philodrill, North Triangle Depot Commercial Corp. or the current Trinoma shopping mall in Quezon City, MRT Development Corp., MRT Holdings Inc., Brightnote Asset Corporation and Filipinas Energy Corp.

Anglo Philippines shareholders also increased the company's capitalization to P4 billion from 2 billion shares.

8990 Holdings Q1 income up

By Miguel R. Camus

8990 HOLDINGS Inc., a listed mass housing developer, said net income in the first quarter rose 30 percent to P933.6 million as it launched more projects.

The company said in a stock exchange filing that sales rose by 22.3 percent to P1.92 billion in the first quarter of the year from P1.57 billion in the same period last year.

8990 President and CEO Januario Jesus Atencio attributed the revenue increase to the successful launching of the company's new project - DECA Homes Indangan in Davao City, as well as the increased sales in ongoing DECA Homes projects in Angeles, Cebu, Gen. Trias and Iloilo cities.

Atencio noted that since 2011, when the company's in-house financing program was launched, the company has been experiencing growth of at least 30 percent per year.

"From the first quarter performance, it's looking like another banner year for 8990," he said in the filing.

Century plea vs Okada junked

By Doris C. Dumlao

THE MAKATI Regional Trial Court has dismissed for "lack of merit" Century Properties Group's lawsuit against the group of Japanese gaming magnate Kazuo Okada, which terminated their real estate partnership in entertainment complex called Manila Bay Resorts.

CPG had filed a petition for interim measures of protection against Okada's local affiliates Eagle I Landholdings, Inc., Eagle II Holdco., Inc. and Brontia Ltd.

Okada-led Universal Entertainment Corp. announced yesterday that the Makati court issued an order on May 13 dismissing CPG's petition.

The Japanese-led group noted that it had negotiated with CPG in relation to the casino project in the Philippines but the conditions were not met.

As such, the Okada group sent a termination notice to CPG, which in turn objected to the termination and filed the petition in the Makati court.

To recall, CPG had sought an ex parte 20-day temporary order of protection against the Okada group, following the former's filing of a supplemental notice of dispute.

CPG had argued that the basis for Okada's notice of termination was "unfounded."

The local property developer argued that the withdrawal of First Paramount Holdings 888—one of three parties to the agreement—should not have rendered the deal ineffective, noting that the provisions under the investment agreement "provided alternative measures to exhaust all reasonable means for the said agreement to come to a close."

The deal would have made CPG 36-percent owner of Eagle 1, the holding firm that owns the 44-hectare estate within Pagcor Entertainment City where Okada's gaming complex will rise.

The triumvirate collapsed after First Paramount, another privately held local firm, backed out of the deal to acquire 24 percent of Eagle 1.

Stock market rises; Coal Asia top gainer

STOCKS rose for the second day, following gains on Wall Street, but tempered by concerns the benchmark index, which is within 0.3 percent of entering a bull market, may face a correction in coming months.

The Philippine Stock Exchange index, the 30-company benchmark, rose 11 points, or 0.2 percent, to close at 6,882.73 on Tuesday.

BDO Unibank Inc., which oversees about \$18 billion, is reducing equity holdings on concern a rally that drove valuations to the most expensive level in Asia is poised to end.

Philippine shares have posted the second-biggest gain among equity gauges in Asia since December as the economy's strongest two-year expansion

since the 1950s and a ratings upgrade by Standard & Poor's lured overseas funds.

The rally pushed valuations to 18.1 times estimated earnings last week, the highest level since August and the most expensive in the region, according to data compiled by Bloomberg.

The heavier index, representing all shares, rose 1 point to settle at 4,110.62 Tuesday, even as losers outnumbered gainers, 100 to 77, with 39 issues unchanged.

Coal Asia Holdings Inc. emerged as the biggest gainer

among the 20 most active stocks, as it surged 35.6 percent to P1.60. DMCI Holdings Inc. advanced 2.7 percent to P77.07, while Jollibee Foods Corp. climbed 1.9 percent to P189.60.

Meanwhile, Asian stocks mostly rose Tuesday. Tokyo rose 0.49 percent, or 68.81 points, to 14,075.25 after four straight days of losses, while Sydney gained 0.21 percent, or 11.4 points, to 5,420.4. Seoul ended 0.19 percent lower, losing 3.88 points to 2,011.26.

In afternoon trade, Hong Kong was up 0.56 percent, while Shanghai was flat, ticking up 0.08 percent.

US stocks were lifted by a rally in tech shares, which have suffered heavy selling in recent weeks on concerns big-ticket firms such as Twitter and Netflix were overvalued.

The upbeat atmosphere came after Apple and Google said late Friday they were dismissing lawsuits against each other and would work together on patent reform. The good news spread throughout Wall Street.

The Nasdaq rose 0.86 percent, the Dow added 0.12 percent and the S&P 500 gained 0.38 percent Monday.

Attention now turns to the release of Japanese trade data on Wednesday as well as the Bank of Japan's latest policy meeting. That will be followed by the release of minutes from the US Federal Reserve's most recent policy meeting, which will give a better insight into the thinking of board members.

Thursday will see HSBC release its preliminary results on May manufacturing activity in China, with analysts hoping for signs of a pick-up in the world's number two economy. The British banking giant will also unveil its early results for the eurozone and United States later in the day.

With AFP, Bloomberg



Republic of the Philippines
Department of Finance
Securities and Exchange Commission
SEC Building, EDSA, Greenhills, Mandaluyong City
MARKETS AND SECURITIES REGULATION DEPARTMENT

IN THE MATTER OF

P-H-O-E-N-I-X PETROLEUM
PHILIPPINES, INC. /

(Registrant)

REGISTRATION OF SECURITIES
(Short Term Commercial Paper)

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NOTICE

Notice is hereby given that on May 9, 2014, a sworn statement was filed with the Securities and Exchange Commission (the "Commission") for and on behalf of **P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC.** (the "Registrant") for the registration of its Short Term Commercial Paper with an aggregate principal amount of up to Two Billion Pesos (Php2,000,000,000.00).

According to the papers presented, the following persons are the officers/directors of the Registrant:

NAME	POSITION
Dennis A. Uy	President and Chief Executive Officer
Domingo T. Uy	Chairman
Socorro Ennac-Cabrerros	Director and Corporate Secretary
Romeo B. De Guzman	Director and Chief Operating Officer
J.V. Emmanuel De Dios	Director
Paul Dominguez	Director
Jose Manuel R. Quimson	Director
Joseph John L. Ong	Director and Chief Finance Officer
Cherylyn C. Uy	Director
Monico V. Jacob	Independent Director
Justice Consuelo Ynares-Santiago	Independent Director
Gigi Q. Fuensalida	Assistant Corporate Secretary
Chryss Alfonsus Damuy	Treasurer

Said registration statement and other papers/documents attached thereto are open to inspection by interested parties during business hours, and copies thereof, photostatic or otherwise, shall be furnished to any party upon request, at such fees as the Commission may prescribe. The Registration Statement and the Prospectus dated May 9, 2014 and the corresponding updated version may also be downloaded from www.phoenixfuels.ph.

VICENTE GRACIANO P. FELIZMENIO, JR.
Director

BDO less bullish, starts selling stocks

By Ian Sayson

THE biggest Philippine money manager is reducing equity holdings on concern a rally that drove valuations to the most expensive level in Asia is poised to end.

The Philippine Stock Exchange Index, which is less than 0.1 percent away in entering a bull market, may face a correction in coming months, Fitzgerald Aclan, a vice president in the money management unit of BDO Unibank Inc., which oversees about \$18 billion, said in an interview in Manila. The bank plans to introduce new funds this year that give clients access to overseas markets, including the US and China.

Philippine shares have posted the biggest gain among equity gauges in Asia since December as the economy's strongest two-year expansion since the 1950s in 2013 and a ratings upgrade by Standard & Poor's lured overseas funds. The rally pushed valuations to 18.1 times estimated earnings last week, the highest level

since August and the most expensive in the region, according to data compiled by Bloomberg.

"We are opportunistic on certain sectors and stocks that we can take profit on," Aclan said on May 16. "Even as we remain positive on the market, we are not ruling out a correction in the near term. Share prices have gone up sharply."

The gauge reached an intraday high of 6,906.63 on May 14, exceeding a 20-percent gain from an Aug. 28 low, before closing below the threshold that some investors use to identify a bull market. The measure has climbed 17 percent this year. It climbed 0.2 percent to 6,882.73 at the close Tuesday.

Aclan, who declined to name which stocks he's selling, said any selloff won't be as sharp as the previous one in 2013. The index slumped 22 percent in three months from its peak in May after the US Federal Reserve signaled it would cut stimulus. The index will trade between 6,500 and 7,000 in the coming months, the 44-year-old money manager said. **Bloomberg**

AGI posts ₱4-b profit

By Jenniffer B. Austria

ALLIANCE Global Group Inc. of tycoon Andrew Tan said Tuesday net income in the first quarter rose 10.6 percent to P3.94 billion from P3.56 billion a year ago, on the strong performance of the property, liquor and gaming businesses.

Alliance Global said in a filing with the Philippine Stock Exchange consolidated revenues inched up 3.2 percent to P31.23 billion from P30.26 billion on year.

Sales of goods, such as real estate, alcoholic beverages and snack products, jumped 19 percent to P15 billion while those from services, including gaming, hotel, quick-service restaurants and rentals, declined 9 percent primarily due to a 23 percent contraction in gaming revenues, over half of the service revenues come from.

The conglomerate said it would continue to adopt prudent measures this year to ensure financial sustainability and look for new opportunities to enhance the overall profitability of the group.

"In 2014, all the business segments are expected to grow revenues and profits in line with targets," Alliance Global said. Property unit Megaworld Corp. posted a net profit of P2.69 billion in the first three months of the year, up 49 percent from P1.81 billion a year ago, due to strong residential sales in several townships.

Liquor unit Emperador Inc. ended the first quarter with a net profit of P1.72 billion, up 19 percent from P1.45 billion a year ago, while gaming firm Travellers International Hotel Group Inc. posted a strong net profit of P1.72 billion, up 73 percent from P995 million on year.

Net income of Golden Arches Development Corp., the local franchise holder of fastfood giant McDonalds, declined 26 percent to P171 million from P234 million in 2013 on higher cost of raw materials.

Alliance Global as of end-March 2014 had consolidated total assets of P336.4 billion, slightly higher from P332 billion at the beginning of year.

Cash and cash equivalents, however, dipped 9 percent to P86.4 billion from P95 billion at the beginning of the year, primarily due to Travellers' loan payments of P4.3 billion, the \$3.2-million investment of Emperador in a Spanish associate, and Megaworld's capital expenditure and business expansion activities.

Violago plans \$2.5-b hydro plants

By Alena Mae S. Flores

SAN Lorenzo Ruiz Builders and Developers Group Inc. has tapped BDO Capital and Investment Corp. as lead arranger for the funding of its four hydro projects with a combined capacity of 1,212 megawatts and project cost of \$2.5 billion that will supply much-needed power across the country.

"Because of the power crisis forecasted and instead of using coal-fired power plants, we feel it is our duty to provide clean and reliable energy as soon as possible," SLRB president and chief executive Oscar Violago told reporters.

The proposed projects include

the 500-MW Wawa pumped storage hydropower plant in San Mateo, Rizal, \$873 million; 160-MW Davao run-of-river, \$390 million; 240-MW Chico run-of-river in Kalinga; and the 312-MW Bolusao plants in Samar, \$556 million.

The Samar plants consist of

the 12-MW Bolusao run-of-river hydro project and the 300-MW Bolusao pumped storage station.

Violago, who pioneered the construction of 150-MW Casecanan hydropower project in the 1990s, said BDO Capital would arrange the financing for the debt and equity portion of the projects.

Eduardo Francisco, BDO Capital president, noted an increasing investor interest in the Philippine power sector, saying "this is the solution to the power crisis."

"We are the financial advisor. We will help them arrange and look for partners. We will help them get debt and equity partners. The local banks can help finance [the projects]," he said.

Violago is confident of securing government permits, such as the environmental compliance certificate within the year, with project scheduled by 2017 to 2018.

"These projects are very much needed by the country. We hope to government will lend its support to these projects," he said.

Violago said SLRB was in talks with two foreign and five local companies for possible partnership in the projects.

"Not only will these projects augment and supplement the demand for power, they will also be implemented with the welfare of society and environment in mind by providing benefits in terms of income, scholarships, employment and investments

in the areas where they will be built," Violago said.

The 500-MW Wawa hydro project is a multi-purpose pumped storage project for peaking use in the Luzon grid, prioritizing ancillary services, such as regulating, contingency and dispatchable reserve to support the grid.

The Bolusao hydro projects, meanwhile, will address the perennial power shortage in the Visayas and are landmark projects because they will be the first power plant in Samar.

SLRB's Davao hydro project will partly solve the current power crisis in Mindanao while the Chico hydro project will tap the Chico and Tanudan rivers to provide additional capacity in Luzon.

SM lists P15-B bonds on PDEX

SM Investments Corp. (SM) returned to the organized market after its maiden listing two years ago.

It listed its P15 billion Fixed Rate Series E Bonds due 2021 and Series F Bonds due 2024 on the PDEX bourse, bringing the year-to-date total of new listings to P109.80 billion — 31 percent greater than the total new bond listings for the whole of 2013.

This means that the market is just about P1 billion away from breaching the banner year 2012 for the largest amount of new listings in a year.

Buoyed by the country's growing economy and investor appetite, the SM Bonds have met strong interest in the primary market thus leading to the exercise of its greenshoe option.

PDEX chairman and CEO Cesar Crisol said, "We hope you share our excitement about the corporate bond market's performance and the way in which these long term instruments are growing in recognition as mainstream financial products, promising a brighter and more dynamic future for Philippine investors and corporate issuer."

"We thank everyone with us today for your continued support enables us to strengthen our core as an Infrastructure provider, ensuring that trading activities across multiple markets and asset classes operate under an environment of integrity, transparency, and safety," Crisol said.

Manulife reports 27% sales increase in Q1

Manulife Philippines has registered a more than a quarter increase in sales in the first three months of the year due to strong performance of its regular pay variable unit linked products.

In a statement, Ryan Charland, Manulife Philippine president and chief executive said insurance sales across

agency, bancassurance and alternative distribution channels grew by 27 percent year-on-year in the first quarter.

Charland, however, did not provide the nominal amount for its total insurance sales in the first quarter.

Meanwhile, Manulife Philippines' total funds under management grew by 6 percent during the same period to \$1.8 billion from a year before.

To date, the company has more than 4,500 agents onboard, a 21 percent increase over the same period last year. Manulife now operates in more than 30 branch offices throughout the Philippines.

"Our regular pay variable unit linked products - Manulife Horizons and Manulife Affluence Builder - led the way in generating very strong insurance sales growth for the first three months of 2014 as against the same period of the prior year," Charland said.

"Despite challenging market conditions, our Manulife Chinabank Life Assurance Corp. (MCBLife) operations and alternative distribution channel also performed well in terms of insurance sales in the first three months of the year," he added.

The official said the volatile market environment in the first quarter had augmented the demand for more affordable and flexible financial solutions for clients who are looking to optimize their investments while upholding the protection of their families' future.

Manulife Horizons is a recently launched protection-oriented investment-linked insurance product designed to address the customer's life insurance needs at any stage of their life and to offer upside potential on their investments.

Manulife Affluence Builder, meanwhile, is an affordable regular-pay and minimum pay investment-linked insurance product designed to provide optimal return potential on the customer's investment, and help them reach their future protection and savings needs such as education and retirement. (CSL)

BDO fund manager cuts equity holdings

By IAN SAYSON
 (Bloomberg)

The biggest Philippine money manager is reducing equity holdings on concern a rally that drove valuations to the most expensive level in Asia is poised to end.

The Philippine Stock Exchange Index, which is within 0.3 percent of entering a bull market, may face a correction in coming months, Fitzgerald Aclan, a vice president in the money management unit of BDO Unibank Inc., which oversees about \$18 billion, said in an interview in Manila on May 16. The bank plans to introduce new funds this year that give clients access to overseas markets, including the U.S and China.

Philippine shares have posted the second-biggest gain among equity gauges in Asia since December as the economy's strongest two-year expansion since the 1950s in 2013 and a ratings upgrade by Standard & Poor's lured overseas funds. The rally pushed valuations to 18.1 times estimated earnings, last week, the highest level since August and the most expensive in the region, according to data compiled by Bloomberg.

"We are opportunistic on certain sectors and stocks that we can take profit on," said Aclan. "Even as we remain positive on the market, we are not ruling out a correction in the near term. Share prices have gone up sharply."

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Aclan, who declined to name which stocks he's selling, said any selloff won't be as sharp as the previous one in 2013. The index slumped 22 percent in three months from its peak in May after the U.S Federal Reserve signaled it would cut stimulus. The index will trade between 6,500 to 7,000 in the coming months, the 44-year-old money manager said.

Losses will be limited as the nation sustains annual economic growth of at least 6 percent for a third year, Aclan said. The gauge may overshoot 7,000 should earnings beat forecasts and may touch 7,400 towards year-end when investors start trading on 2015 earnings prospects, he said. BDO funds will prepare to buy when the gauge falls to 6,600, he said.

"The market is cheaper if you extend your earnings horizon," Aclan said. "The investment grade ratings upgrade further solidifies the view that Philippine macro fundamentals remain intact. The general direction is for us to look at opportunities when the market corrects."

The nation's long-term sovereign debt rating was raised one level to BBB, with a stable outlook, by S&P, which cited economic reforms and improvement in government finances. The upgrade came a year after the country exited junk status.

Philippine economic growth accelerated to 7.2 percent last year from a 6.8 percent in 2012 as the central bank cut interest rates to a record low and the government boosted infrastructure spending.

Aclan said his favored industries are consumer, property, gaming and infrastructure. He's underweight banks because of their expected weak earnings this year, and has below-benchmark positions in some utilities and energy companies.

Six of the 10 biggest gainers this year in the benchmark Philippine index are property and consumer-related shares. They include Megaworld Corp., the largest provider of BPO and call center offices, and Universal Robina Corp., a maker of bottled iced tea and snacks. Megaworld has gained 44 percent this year while Universal Robina has rallied 38 percent.

BDO plans to introduce about six feeder funds this year that will allow its clients to access overseas markets including China, Japan, the U.S and Europe. Executive Vice President Ado Abrogena said on May 16. The bank's assets under management will probably increase 10 percent this year, he said.

"There's a lot of liquidity in the Philippines and if you use that up just to buy Philippine assets, they become overvalued very fast," Abrogena said. "When that happens, you are better off looking for opportunities outside of the Philippines."

ICTSI's HK unit buying majority stake in Chinese port operations

By JAMES A. LOYOLA

ICTSI (Hong Kong) Ltd., an indirect wholly-owned subsidiary of International Container Terminal Services, Inc., (ICTS) will acquire 51 percent of a foreign container terminal in China's Shandong Province.

In a disclosure to the Philippine Stock Exchange, ICTSI said it will acquire a majority stake in DP World Yantai Company Limited which will be renamed Yantai International Container Terminals Limited or (YICT).

As part of the deal, ICTSI will also sell its entire 60 percent equity interest in Yantai Rising Dragon International Container Terminals Ltd. (YRDICTL). The acquisition has been approved by the Ministry of Commerce-Shandong Province of China.

"The objective of these transactions is to consolidate and optimize the overall port operations within the Zhifu Bay Port area in Yantai, China," ICTSI said.

DP World China (Yantai) Limited (DP World) will retain a 12.5 percent equity interest in YICT and the balance

of 36.5 percent equity interest in YICT will be owned by Yantai Port Holdings Company Limited (YPH).

YICT will become the only foreign container terminal within the Zhifu Bay Port area, with ICTSI as the majority shareholder.

ICTSI will also sell its entire 60 percent equity interest in YRDICTL to YPH. YPH will then become the 100 percent owner of YRDICTL and will dedicate it to handling local container cargo only.

The consideration for the acquisition of 51 percent of YICT by ICTSI will be paid in four installments and will be partially funded from the sale of ICTSI's 60 percent equity interest in YRDICTL to YPH.

Arising out of the basic requirements for "bonded operations" within the Yantai bonded port zone (Yantai Port) in Shandong Province, China, the major container operators within Yantai Port agreed to consolidate container operations.

This will allow it to achieve synergy in the allocation of resources, improve economies of scale by separating the

local and foreign container handling operations, and upgrade the professional level of the container operations of the Yantai Port as a whole.

DP World Yantai Company Limited is a sino-foreign equity joint venture company between Yantai Port Group Company Limited, Yantai Port Holdings Company Limited and DP World China (Yantai) Limited to operate a container, bulk, and roll-on-roll-off cargo terminal, and manage bonded warehousing and short-distance transport within the area of the Yantai Port.

It operates Berths no. 51, 52, 61 & 62 within Yantai Port with a total land area of 76.7 hectares, a combined length of 1,300 meters, and a controlling depth of up to 16 meters.

YRDICTL is a sino-foreign equity joint venture company between ICTSI and Yantai Port Holdings Company Limited to operate in the Yantai Port.

YRDICTL's terminal covers a total land area of 28.2 hectares. It operates Berths 38 and 39 in Yantai Port, with a combined length of 730 meters and controlling depth of 14 meters.

Row at Alliance Select worsens; Singaporeans oppose new investors

Alliance Select Foods International Inc. Singaporean board directors Albert Hong Hin Kay and Hedy Yap-Chua have filed a petition before the Pasig Regional Trial Court to declare the nullity of the recent board resolution to sell almost 500 million new shares to Strong Oak Inc.

Chua said key directors of Alliance Select are being accused of negligence to duty, for allegedly railroading fellow board members on the issuance of almost 500-million unissued shares to Strong Oak.

The complaint, filed last May 12 at the Regional Trial Court in Pasig, comes on the heels of what is being described by Singaporean investors and petitioners as a "fly by night deal" that effectively handed Strong Oak the second largest stake in Alliance Select at 28.7 percent.

This adds to two outstanding criminal complaints filed by shareholders from the Lion City, implicating a number of the tuna-canning company's directors

within its majority bloc—namely, George SyCip, Ibarra Malonzo, Jonathan Dee, and Alvin Dee.

Based on the latest complaint, Hong and Chua were given inadequate notice on Alliance Select's issuance of shares to Strong Oak, and Chua was likewise steamrolled when she tried to raise due concerns on the entry of the third-party investor.

According to Hong and Chua, Alliance Select called a boardroom meeting to discuss an update on capital generation. Around an hour before it took place, both shareholders received an email containing an information pack on Strong Oak, which was the first time they ever heard of the potential investor.

The affidavit states that during the meeting, "when petitioner Chua began to ask two or three questions about the capital raising, she was abruptly cut by Jonathan Dee who immediately moved to approve the issuance of almost 500 million unissued shares, and to allow Strong Oak Inc. to subscribe to such

shares."

It continues, "And immediately, without any discussions and without allowing Petitioners [Dr. Hong and Chua] to comment, Respondents voted to approve."

Chua said these constitute violations on boardroom protocols set by the Securities and Exchange Commission (SEC) and provisions underlined by the Philippine Code of Corporate Governance.

Strongoak's spokesman said it is an investment vehicle wholly owned by Seawood Resources, Inc. a multi-billion peso investment company headed by Grace Vera Cruz.

Seawood's primary focus is to seek strategic, long-term investment opportunities and helps bring companies to the next level of growth.

For each investment, the goal is to craft a distinctive strategy and follow it through with professional execution. The company is backed by a group of local and Hong Kong-based financial investors. (JAL)

Alliance Global notches ₱6.25-B net income in 1st quarter, up by 28%

Alliance Global Group Inc. reported a 28 percent hike in consolidated net profit for the first quarter of 2014 to ₱6.25 billion from ₱4.90 billion in the same period last year.

In a disclosure to the Philippine Stock Exchange, AGI said earnings this year included the ₱604-million non-recurring gain from acquisition of a subsidiary by Megaworld Corporation and fair value gains of the Group on marked-to-market securities.

However, this was offset by the effect of the reversal in foreign currency exchange gains. Finance costs and other charges swelled by 63 percent due to the foreign currency losses incurred by Megaworld, Travellers and Emperador

plus the additional interest expended by Megaworld this year for the \$250 million bond issued in April 2013.

Megaworld posted a net profit of ₱2.69 billion (including ₱604 million non-recurring gain) for the first quarter of 2014, 49 percent higher than the ₱1.81 billion for the same period in 2013 due to strong residential sales in its various townships and higher leasing income from its office and retail portfolio.

Emperador Inc. ended the first quarter of the year with net profit of ₱1.72 billion, a 19 percent jump from ₱1.45 billion a year ago, on the back of strong sales growth.

Travellers International Hotel Group Inc. posted a strong net profit

of ₱1.72 billion for the first quarter, 73 percent higher than the ₱995 million it reported for the same period last year, as a result of its cost management initiatives.

Golden Arches Development Corporation ADC ended the first quarter with a net income of ₱171 million from ₱234 million last year as cost of sales and services went up by 19 percent, primarily due to cost of inventory which increased by 19 percent from higher foreign exchange rates and higher prices of raw materials.

Global Estates Resorts Inc. reported a net profit of ₱103 million for the first quarter of the year, up 27 percent from ₱81 million a year ago. (JAL)