



SEC News Service

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Filinvest Land to raise P7 billion from bond float

PROPERTY developer Filinvest Land Inc. is raising P7 billion from the float of its fixed-rate notes, proceeds of which will be used to pay its maturing debts and finance its capital expenditure for the remaining months of the year.

In its regulatory filing, the Gotianun-controlled firm said its issuance will be composed of P5 billion in principal amount and an over allotment of P2 billion, with the debt carrying tenors of seven and 10 years.

The bonds will be listed at the Philippine Dealing & Exchange Corp.

BDO Capital and Investment Corp., BPI Capital Corp. & First Metro Investment Corp.

have been tapped as joint issue manager, bookrunners and lead underwriters. Its filing showed that a total of P4.95 billion has been allocated for debt refinancing of obligations maturing on November 20, December 15 this year and June 15, 2015. The remainder will be used as capital expenditures for the company's various high-rise, medium-rise buildings all over Manila, Cebu, Iloilo City, Cagayan de Oro and Davao City.

The debt paper carries a call option on the fifth year of issuance for the seven-year bond, and on the seventh year for the 10-year bond.

Filinvest Land reported profits of P2 bil-

lion for the first half of the year and consolidated revenues of P7.8 billion, both higher than last year's figures.

The company earlier said it has a total of 22 project launches this year worth P17.5 billion, focusing on all three class segments of the market. The company's president and CEO Josephine Gotianun-Yap said most of these projects will be in the affordable and mid-income housing segments, and only a handful for the upscale market. "We are expanding our affordable brand, not just in the greater Metro Manila area but also in other areas of Luzon, [the] Visayas and Mindanao," she said. *VG Cabuag*

Legislators suit up SEC versus illicit charitable organizations, NGOs

THE House Committee on Banks and Financial Intermediaries on Wednesday approved the bill empowering the Securities and Exchange Commission (SEC) to monitor charitable organizations, foundations and non-governmental organizations (NGOs).

Liberal Party Rep. Nelson Colantes of Batangas, chairman of the committee, said that House Bill 4449, authored by Liberal Party Rep. Joaquin Chipeco Jr. of Laguna, was unanimously approved by the members of the panel.

The bill mandates the SEC to investigate the activity of some NGOs, foundations, and similar organizations that may be involved in unscrupulous transactions similar to the groups implicated in the in-

famous pork-barrel scam.

Under the measure, SEC is directed to enlist the assistance of any branch, department, bureau, office, agency or instrumentality of the government, including government-owned and -controlled corporations (GOCCs), in undertaking its monitoring and investigatory functions. It shall furnish the appropriate law-enforcement agencies with the official results of its investigation.

The bill also provides that the SEC shall conduct a periodic review of their budgetary requirements, upgrade their personal services and institutionalize their computer-assisted monitoring and review of activities of all active NGOs, foundations and similar institutions registered with the commission.

Chipeco said that, "the continuing saga involving priority development assistance fund or PDAF accountabilities has brought to the fore widespread abuses and malpractices committed by some NGOs. Registered as nonstock, nonprofit organizations, these fraudulent organizations have put honest-to-goodness foundations and NGOs as whole into disrepute."

At present, there is no law mandating the SEC to monitor foundations, NGOs, and similar groups except for some provisions of Republic Act 10168 or the Terrorist Financing Prevention and Suppression Act of 2012.

The measure also aims to address the reported acute lack of resources and personnel on the part of the SEC.

Chipeco said SEC has only eight processors tasked to do the job and could not possibly check the activities of 10,000 active foundations of a total of 21,000 registered foundations.

He explained that the current SEC practice of performing random examinations of around 6 percent to 10 percent of the active foundations in a year is not enough to cleanse the slate of illegitimate organizations.

"It is also deemed necessary to equip the commission with sufficient information technology to, among others, trigger alerts regarding irregular activities of these organizations from the moment they file their applications for registration with the commission," Chipeco said. *Jovee Marie N. Dela Cruz*

Lower tax rates for companies?

By Mikhail Franz E. Flores
Reporter

COMPANIES may soon pay reduced income taxes for ten years, instead of enjoying income tax holidays (ITH) for four years, Trade Secretary Gregory L. Domingo said on Tuesday.

"Well, we're looking at the possibility of offering a 10-year 15% tax on net income in lieu of ITH for BOI (Board of Investments)-registered firms," Mr. Domingo told reporters at the sidelines of an event on Tuesday. Mr. Domingo was prompted to make this remark when he asked if the Trade and Finance Departments have already come up with a compromise on fiscal incentives to be given to firms.

Many companies that avail of the four-year income tax holidays "don't make much money" before they are subject to the regular income taxes for corporations, Mr. Domingo said.

Corporations, in general, are taxed 32% of their net income under the National Internal Revenue Code of 1997.

"Prolonging the period but assessing them a very reasonable rate seems to be quite an attractive proposition," Mr. Domingo said.

"Companies actually don't mind paying taxes here as long as it's a very reasonable rate," he added.

The Senate Committee on Ways and Means, which tackles bills on the rationalization of fiscal incentives, have instructed the two departments to reconcile the privileges they prefer and come up with a compromise version.

Mr. Domingo said the consolidated version is already "95% complete". "Basically, there was already a meeting of the minds but it's just on the details," Mr. Domingo said. "We're still trying to consolidate.

"You agree in the concept but we have differences in its implementation," he added.

At least three bills are pending before the Senate which seeks to rationalize fiscal incentives: Senator Cynthia A. Villar's Senate Bill no. 35, Senator, Ralph G. Recto's Senate Bill no. 987 and Sen. Loren B. Legarda's Senate Bill no. 2048.

Mr. Recto's Bill seeks to grant either a 15% tax rate for a firm's net income or 5% tax out of gross income earned (GIE). Ms. Legarda's proposal, on the other hand, grants either a five-year income tax holiday, 5% GIE, or a 10-year 15% tax rate on net income. Meanwhile, Ms. Villar's bill seeks to impose a six-year income tax holiday and a 15% income after the period or a 5% GIE tax.

Sought for comment, business groups had mixed views on the fiscal incentive being considered.

American Chamber of Commerce and Industry Adviser John

D. Forbes said, "That would be good as an option".

"Let's try it for ten years and see how it works. We should not put at risk the success of PEZA (Philippine Economic Zone Authority)," Mr. Forbes said via text message.

European Chamber of Commerce of the Philippines Executive Vice-President Henry Schumacher, for his part, said it should be "seen in the light the income tax has to be reduced to remain competitive as an investment destination".

"I still believe that tax holidays as being offered now are the better incentive," he said in a text message.

Fixed-asset investments report inflow

FOREIGN investments in fixed assets, factories, and equipment swung to a net inflow in June from a year ago, the Philippines' central bank yesterday reported, as investors continued to take a favorable view of the economy.

Net foreign direct investment (FDIs) inflows reached \$588 million in June, a turnaround from the \$26-million net outflows in the same month last year, the Bangko Sentral ng Pilipinas (BSP) said in a statement.

"This developed as increases were registered across FDI major components," the BSP said.

Bulk of FDIs — which also help generate more jobs — was made up of foreign parent's placements in debt instruments issued by local affiliates amounting to a \$459-million net inflow, up by more than threefold

from the \$108 million recorded in June 2013.

Equity capital investments also reversed a \$192-million outflow seen a year ago at \$54 million. Most of equity capital placements were channeled to real estate; manufacturing; transportation and storage; mining and quarrying; and administrative and support service activities. Funds came mainly from the United States, Singapore, Japan, Hong Kong, and Germany.

Reinvestment of earnings likewise went up 27% to \$75 million from \$59 million a year ago.

Results for June brought the first-semester FDI tally to a \$3.572-billion inflow, which was 77% higher than the net \$2.019 billion registered in the comparable 2013 period.

Increased FDI levels continued to reflect "strong investor confidence

in the country's solid macroeconomic fundamentals."

Placements in debt instruments in the first half rose to \$2.411 billion from \$1.204 billion as foreign parent firms lent more to local affiliates to fund existing operations or expansion; net equity capital inflows increased to \$762 million from \$583 million; and reinvestments reached soared to \$400 million from \$232 million.

FDIs ended last year with a \$3.86-billion net inflow, 20% more than the \$3.215 billion recorded in 2012 and breaching the central bank's full-year forecast of \$2.1 billion.

For this year, the BSP expects net FDI inflows to reach \$1 billion, down from an initial estimate of \$2.6 billion. — **Daryll Edlison D. Saclag**

Alphaland to appeal delisting, seeks to overturn ban against two officers

EMBATTLED Alphaland Corp. on Wednesday said it plans to contest all the way to the Supreme Court the Philippine Stock Exchange's (PSE) decision to delist its shares over company violations of disclosure rules.

Alphaland also assured its shareholders that operations will continue and that the leadership of its Chairman and Chief Executive Officer Roberto V. Ongpin in other companies will remain unaffected.

"Alphaland intends to move for reconsideration of the PSE decision. If the PSE does not reconsider, Alphaland will appeal to the Securities and Exchange Commission (SEC). Beyond the SEC, Alphaland will further elevate it to the courts (first by ap-

pealing to the Court of Appeals and then, if necessary, to the Supreme Court)," Mr. Ongpin said in a statement e-mailed to media, noting that the status quo will hold during the appeal process.

He said the PSE decision is "not yet executory," and therefore "has no impact whatsoever" on the company's operations.

"In fact, trading in Alphaland shares has been suspended by the PSE since 20 January 2014 and for the eight months that the company has been in this situation, it has just proceeded with its business and has completed, and is in the process of completing, its various projects," Mr. Ongpin said.

The former Trade minister assured continued operations of its membership clubs, The City Club and Alphaland Balesin Island Club; completion of existing projects including Alphaland Makati Place project; and conceptualization of future projects like the Alphaland Baguio Mountain Log Homes.

The June 5 agreement with former shareholders, the Aland Singapore Group, also stands.

The agreement stipulates that the former shareholders will depart from the company in exchange for some assets and P2.5 billion in cash.

"Since the disqualification of Alphaland's officers is clearly prospective in application, none of the existing listed companies in

which Mr. Ongpin is an officer and/or director (such as Philweb Corp. and Atok-Big Wedge Co., Inc., where he is both chairman and chief executive officer) will be affected," the statement read, noting that the prohibition only prevents the disqualified officer from being a director or officer of a company applying for listing.

"It must be emphasized that the PSE decision is NOT final and executory and is subject to the appeal process described above. Alphaland certainly intends to appeal."

In case the Supreme Court upholds PSE's decision, all it means is that Alphaland will become a private company and "no longer subject to the jurisdiction of the PSE."

"I would like to assure the investing public that even as a private company (and Alphaland has practically operated as such for the last eight months without interruption in our construction activities), Alphaland will continue to live on," Mr. Ongpin said.

In a Sept. 5 resolution, the PSE said Alphaland shares will be removed from its registry of listed companies following the completion of a tender offer within 60 days. Trading in its shares remains suspended, while the company is also prohibited from applying for relisting for five years.

The PSE also said Mr. Ongpin, Alphaland President Mario A. Oreta, and Alphaland Corporate Secretary

and Corporate Information Officer Rodolfo Ma. A. Ponferrada are now "disqualified from becoming directors and/or executive officers in any company applying for listing with the Exchange."

Mr. Ongpin, without admitting guilt, appealed to the PSE to spare Messrs. Ponferrada and Oreta from penalties, saying Mr. Ponferrada was just following his instructions, while Mr. Oreta had nothing to do with the disclosures in question.

Alphaland is a joint venture between Mr. Ongpin and UK-based Ashmore group. The partnership soured after the Ongpin group accused the latter of misrepresenting a sale. —

Daphne J. Magturo

Philippine M&A to focus on internal deals — S&P

SEVENTEEN Philippine companies have been identified by Standard & Poor's (S&P) as among the potential regional players in mergers and acquisitions (M&A) over the next few years, though their activity is likely to be focused initially on deals within the country.

In a series of seven reports launched yesterday, the international credit ratings agency said Aboitiz Power Corp.; Alliance Global Group, Inc.; Ayala Corp.; and DMCI Holdings, Inc. are among the Philippine companies which will likely accelerate their expansion via M&A in the next two years as money to finance such activities remains relatively cheap.

Other companies cited were Ayala Land, Inc.; Globe Telecom, Inc.; International Container Terminal Services, Inc.; JG Summit Holdings, Inc.; Jollibee Foods Corp.; Lopez Holdings Corp.; Manila Electric Co.; PAL Holdings, Inc.; Petron Corp.; Philippine Long Distance Telephone Co.; San Miguel Corp.; SM Prime Holdings, Inc.; and Universal Robina Corp.

"The growth trend by acquisitions is pretty consistent across all countries except Indonesia. In the Philippines so far, most of the investment has been on organic growth. But as the domestic market gets more mature, we see mergers and acquisitions as the next avenue for rapid growth for large companies in the country," S&P credit analyst Xavier Jean said in an e-mail on Wednesday.

"Among those companies, we see the Filipino conglomerates as the most likely to engage in merger and acquisitions. That's because of their large size, the high number of strategic options available to

them and their established access to domestic banks for funding," he added.

The expansion of these local firms, however, is expected to be limited to the domestic market, compared to other ASEAN companies which have long explored markets outside their home country, Mr. Jean noted.

"Filipino conglomerates have been less tempted so far to go out of their home turf [as they] tend to have preference for domestic development. But in the longer term, we believe further integration of the economies in ASEAN, better availability of cross-border funding will incentivize Filipino conglomerates to expand outside their domestic markets," the analyst said.

"We still see a lot of scope for growth in the Philippine domestic markets as economic growth remains steady, so we believe M&A in the Philippines is more likely to be domestic in the short term," he added.

S&P noted that Malaysian conglomerates are seen driving M&A activity in the region, followed by Singapore, Thailand, the Philippines, Indonesia, and Vietnam.

In the "ASEAN Top Companies: Watch the Conglomerates" report, S&P said that these diversified companies contributed about 10% of the \$13 billion in aggregate acquisitions last year. But the percentage rises to nearly 60% if their subsidiaries are included, the report added.

"That latter level has been sustained for the past two years and is likely to continue in 2014, as conglomerates, especially those in Thailand and the Philippines, remain on the lookout for further expansion," S&P said. — **Daryll Edison D. Saclag**

Thursday, September 11, 2014

Bill empowering SEC to probe NGOs secures approval on first reading

By Melissa Luz T. Lopez

IN LIGHT of recent controversies, a panel at the House of Representatives has approved a measure which empowers the Securities and Exchange Commission (SEC) to investigate nongovernment organizations (NGOs).

Yesterday, the committee on banks and financial intermediaries approved on first reading House Bill (HB) 4449, sponsored by Laguna Rep. Joaquin M. Chipeco, Jr. (2nd district).

"We are pushing this bill precisely because of what is happening in the last few months about all of these scams involving the NGOs," Mr. Chipeco told

lawmakers during the meeting.

The SEC stands as the government body regulating corporations and organizations registered in the Philippines, including NGOs, foundations, and charitable institutions.

HB 4449 authorizes the SEC to "investigate the acts and practices" of NGOs based on filed complaints.

The measure will also extend the power to subpoena the heads of NGOs and foundations to the SEC if necessary for investigations, as recommended by committee chairman Rep. Nelson P. Collantes (Batangas, 3rd district).

In 2013, the P10-billion pork barrel scam came to a head when a Commission on Audit report bared that portions of the Pri-

ority Development Assistance Fund (PDAF) of lawmakers were coursed through NGOs to implement bogus agriculture and livelihood projects.

Plunder and graft charges have been filed before the Sandiganbayan against three senators and their staff, along with alleged scam mastermind Janet Lim-Napoles who is said to have owned the fake NGOs,

which are registered with the SEC. "There must be somebody to really investigate all of these nongovernment organizations and foundations so that they can be effectively monitored," Mr. Chipeco said.

Another bill seeking to centralize the accreditation of NGOs availing government funds, meanwhile, is pending at the committee on people's organizations.

Central bank rate hike spooks stock market

SHARE PRICES pulled back from recent highs for a second day yesterday as investors took positions on rate hike prospects.

Investors also continued to cash in, with the benchmark Philippine Stock Exchange index (PSEi) plunging below 7,200 in intraday session before firming up at the closing bell.

The 30-company main index still managed to end above 7,200,

but still down 40.89 points or 0.56% at 7,212.78.

All counters remained in negative territory, dragged by mining and oil which fell 281.79 points or 1.56% to 17,724.84.

"Investors are still taking profits because as you remember, the market's ascent in the past few weeks was a bit fast. Today we hit support at 7,200, but it bounced back and closed above 7,200," Al-

exander Adrian O. Tiu, analyst at AB Capital Securities, Inc., said in a phone interview yesterday.

He noted that while encouraging July exports and employment data contributed to positive investor sentiment, yesterday's trading was affected by beliefs the Bangko Sentral ng Pilipinas (BSP) will again raise interest rates by a quarter of a percentage point when it meets today.

"It will take more for corporations to borrow and it will have an effect on their bottom line. It has already been priced in, considering that inflation is also in the upper band," Mr. Tiu said.

Jason T. Escartin, investment analyst at online brokerage firm *2TradeAsia.com*, said there was a "follow-through breather" yesterday, "as traders lock in their profits from prior sessions' ascent."

"Some players temporarily held onto cash, while weighing the local Monetary Board's possible decision on benchmark interest rates this Thursday," he said, advising investors to "position selectively on dips."

Value turnover slightly improved to P8.95 billion from Tuesday's P8.63 billion.

Decliners overwhelmed advancers, 105-71. Net foreign buy-

ing was logged at P151.96 million, a turnaround from Tuesday's net outflow of P669.74 million.

Asked if the index's decline will continue, Mr. Tiu said: "Definitely, especially with the BSP rate hike. Basically they're trying to tighten monetary policy in the country so people are less willing to spend, and this will have a chain effect in the economy." — **Daphne J. Magturo**

FDI inflows up \$560M in June

FOREIGN direct investments (FDI) posted net inflows amounting to \$588 million in June 2014, a turnaround from the \$26 million net outflows registered in the same period last year.

Bangko Sentral ng Pilipinas (BSP) said this developed as increases were registered across major components.

In particular, investments in debt instruments rose by more than four-fold to \$459 million from \$108 million in the same period last year.

"This resulted on account of higher lending of parent companies abroad to their local affiliates to fund existing operations and business expansion plans in the country," BSP said.

Equity capital transactions which reversed to net inflows of \$54 million, from net outflows of \$192 million a year ago, also helped boost FDI level for the month.

The bulk of these equity capital investments - emanating mainly from the United States, Singapore, Japan, Hong Kong and Germany - was channeled mainly to real estate, manufacturing, transportation and storage, mining and quarrying, and administrative and support service activities.

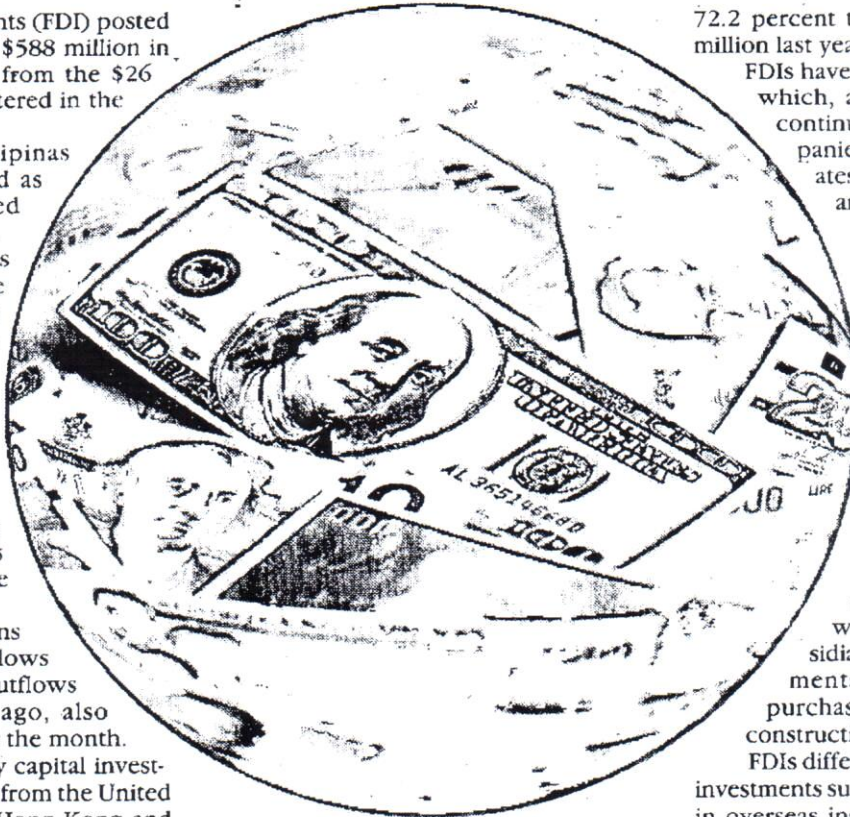
Furthermore, reinvestment of earnings increased from \$59 million to \$75 million.

On a cumulative basis, net inflows surged by 76.9 percent to \$3.6 billion for the first six months of the year from \$2 billion in the previous year.

BSP explained this continued to reflect strong investor confidence in the country's solid macroeconomic fundamentals.

The increase in FDI during the period was brought about by the large increments in all FDI major components.

Investments of parent companies abroad



72.2 percent to \$400 million from \$232 million last year.

FDIs have been growing since March which, according to BSP, showed continued lending of parent companies abroad to their local affiliates to fund existing operations and expansion of their businesses in the country.

In January, strong inflows of FDIs worth more than \$1-billion were recorded. But economists say a slowdown is expected as the actual tapering of the US Federal reserve begin. Investors shy away from emerging markets on uncertainties brought by this Fed plan.

FDIs come in the form of multinationals lending money or keeping profits with their Philippine subsidiaries, as well as new investments in the country for the purchase of new equipment and construction of facilities.

FDIs differ substantially from indirect investments such as portfolio flows, wherein overseas institutions invest in equities listed on a nation's stock exchange.

BSP statistics on FDI covers actual investment inflows, which could be in the form of equity capital, reinvestment of earnings and borrowings between affiliates.

In contrast to investment data from other government sources, the BSP's FDI data include investments where ownership by the foreign enterprise is at least 10 percent.

Meanwhile, FDI data of Investment Promotion Agencies (IPAs) do not make use of the 10 percent threshold and include borrowings from foreign sources that are non-affiliates of the domestic company.

Also, the BSP's FDI data are presented in net terms while the IPAs' FDI do not account for equity withdrawals.

in debt instruments issued by local affiliates reached \$2.4 billion from \$1.2 billion a year ago.

Equity capital also posted net inflows of \$762 million, 30.7 percent higher than the year-ago level of US\$583 million, as placements of \$1.1 billion more than compensated for the \$356 million withdrawals.

Equity capital investments - which emanated largely from the United States, Hong Kong, Singapore, Japan and the United Kingdom - were channeled largely to activities related to financial and insurance, real estate, manufacturing, wholesale and retail trade, and transportation and storage activities.

Reinvestment of earnings increased by

Asean companies' growth hinges on rising debt, credit availability

MAJOR companies in the Association of Southeast Asian Nations (Asean) remain firmly on their growth path.

But they are increasingly financing a growing gap between cash inflows and investments, acquisitions and dividends, with debt and that could pose a risk, said Standard & Poor's Ratings Services yesterday in a series of seven reports on the largest companies in the region.

The reports highlight Standard & Poor's first-ever survey of 100 of Asean's largest companies by market capitalization and discuss the developments in credit quality, leverage, capital spending, and corporate strategies in anticipation of the 2015 Asean Economic Community initiative.

"Asean companies are increasingly using debt to finance growth and are likely to continue doing that over the next two years," said Standard & Poor's credit analyst Xavier Jean.

Standard & Poor's estimates that internal cash flows and cash balances could fund only about half of almost \$300 billion Asean's largest companies spent on expansion and acquisitions between 2008 and the first quarter of 2014.

At the same time, these companies issued about \$150 billion of additional debt to bridge the gap. The result of ongoing

investment by Asean companies has weakened their credit profiles since 2011, when growth in revenues and cash flows started to wane.

Rising leverage raises the risk of financial distress, debt or corporate restructuring, or default if competition increases or growth slows down.

"The largest companies in Asean sailed through the 2008-2009 crisis relatively unscathed because of their low debt," said Jean.

"But because of their greater leverage now, we believe the next global financial shock wave or a scenario of lower growth in China could harm these companies more today."

Standard & Poor's notes that most Asean companies have enough earnings buffer to absorb a gradual increase in interest rates.

In addition, liquidity is generally not an immediate concern.

S&P estimate that these companies have about \$70 billion of debt maturing in the next 12 months, compared with close to \$110 billion in cash balance.

Standard & Poor's expects growth via acquisition outside the region will likely remain high on the agenda of Asean companies seeking to improve their international presence and counter stalling revenues

and profits.

Acquisitions more than doubled for the 100 Asean companies between 2011 and 2012, stayed high in 2013 and are on track for a record year in 2014.

The report also highlights the increased credit risk that follows debt-financed acquisitions.

Standard & Poor's views Asean conglomerates as a barometer for the region's economic potential.

That's because of their size, rapid expansion, integration within the regional bank and capital markets, and control or influence over a wide range of large listed subsidiaries.

"Conglomerates are the ones to watch," Jean said.

"Their financial structures are becoming more complex and leveraged, and they have a seemingly insatiable appetite for acquisitions. In that context, an understanding of the full picture of a group and the real scale of its leverage and liquidity is more critical than ever to assessing their credit quality and that of their subsidiaries."

Standard & Poor's also reviewed the business and financial risk profiles of the 100 companies in the report as well as industry and country-specific trends.

Macay to raise P10B via share sale

MACAY Holdings Inc., a bottler of soft drinks in the Philippines, plans to raise as much as 10 billion pesos (\$228 million) through a follow-on share sale which is mainly targeted at foreign investors, a person familiar with the matter said.

The follow-on offer would be equivalent to 30 percent of Macay Holdings' outstanding issued shares, and aims to raise between P5 billion and P10 billion which will be used to expand the business, said the source who declined to be named as the plans were confidential.

Macay Holdings, with a market value of \$1.1 billion, plans to complete the share sale in the fourth quarter, the source added.

Macay Holdings, which currently holds distribution and bottling rights for RC Cola

in the Philippines, has agreed to buy ARC Holdings Inc, which has the trademark and related rights for RC Cola and Arcy's Rootbeer brands in the Philippines.

Both companies are controlled by businessmen and former ambassador Alfredo Yao, who is trying to combine various businesses into the listed unit.

Separately, Yao also holds a majority stake in AirAsia Zest, a partnership with Malaysian low-cost airline firm AirAsia Bhd.

Macay Holdings' second-quarter revenues rose 35 percent to 2.7 billion pesos while net income for the quarter was also 23 percent higher.

Shares of Macay Holdings were unchanged at 43.3 pesos each while the broader index PSI slipped 0.6 percent as of 0620 GMT. -Reuters

DOF, BOI reach agreement

15% corporate income tax to replace ITH

By **BERNIE CAHILES-MAKILAT**

The Department of Finance, the government revenue maximizing agency, and the Board of Investments, which is the government's investment maximizing agency, have agreed to abolish the grant of income tax holiday (ITH) to investors and instead give them a reduced income tax rate of 15 percent for a period of ten years from the current 32 percent.

Trade and Industry Secretary Gregory L. Domingo, who is also chair of the BOI, said this as he reported that the proposed Fiscal Incentives Rationalization bill is now making progress in

Congress.

"We have an agreement with DOF, we're looking at the possibility of offering 10 years of 15 percent tax on net income in lieu of ITH for BOI-registered firms," Domingo said.

The 15 percent reduced income tax is equivalent to what Hong Kong is offering to investors, he pointed out. It is also 17 notches lower than the current 32 percent corporate income tax (CIT) rate.

There is also a current move in the Senate to reduce the 32 percent CIT and the 30 percent individual income tax rate to 25 percent to align the Philippines' income tax rate, which is the

highest in the Asean region.

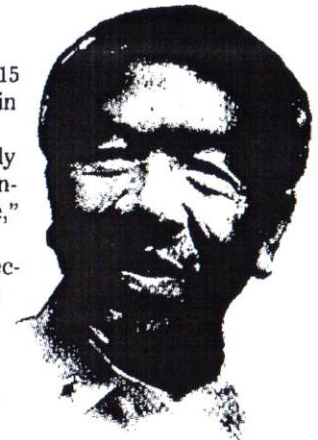
Domingo, however, clarified that the planned 15 percent CIT to BOI-registered firms will not be in lieu of all other national taxes.

Domingo further noted that companies actually do not mind paying taxes as long as it is very reasonable rate. "So, that (15%) is a very reasonable rate," Domingo added.

A reduced CIT, he explained, would be more effective than ITH because a company normally does not earn income during the first four years of its operation. This makes the ITH useless because a company cannot apply of the ITH on the first few years of its operation as there is no income to speak of in the first place.

The BOI grants ITH of up to a maximum of 8 years.

► **B-11**



DOMINGO

15% corporate...

◀B-1

A registered pioneer enterprise with pioneer incentives is entitled to 6 years ITH and additional 2-year bonus ITH for a maximum of 8 years. A non-pioneer enterprise is allowed up to four-year ITH and additional 2-year bonus.

This incentive granting has been a bone of contention between the DOF and BOI with the DOF saying the tax incentives have been a drain to government revenues. The BOI, however, would argue that given all things being equal in ASEAN, no investors will not come into the country without tax incentives.

Although 95 percent of their respective positions have been consolidated already, Domingo said that both agencies have yet to submit a consolidated version.

On the special laws that grant

incentives to investors in specific economic activities, Domingo said it would be good to consolidate them into the Fiscal Incentives Harmonization but said they have not discussed this yet.

If possible, he said, it would be better to consolidate all special incentive-giving laws into one law but if not, "We just have to face realities on what is doable."

There are an estimated 50 special laws including oil deregulation, renewable energy, and jewelry act, which grant incentives on a permanent basis.

"It is very bad policy to give incentives on a permanent basis and that's what these laws have granted because the incentives by nature should only be given when you need it. But these laws, the way they're written they support up to the end of time," Domingo said. (BCM)

Macay to raise \$228M via FOO

Macay Holdings Inc, a bottler of soft drinks in the Philippines, plans to raise as much as ₱10 billion (\$228 million) through a follow-on share sale which is mainly targeted at foreign investors, a person familiar with the matter said. The follow-on offer (FOO) would be equivalent to 30 percent of Macay Holdings' outstanding issued shares, and aims to raise between 5 billion and 10 billion pesos which will be used to expand the business, said the source who declined to be named as the plans were confidential. Macay Holdings, with a market value of \$1.1 billion, plans to complete the share sale in the fourth quarter, the source added. Macay Holdings, which currently holds distribution and bottling rights for RC Cola in the Philippines, has agreed to buy ARC Holdings Inc, which has the trademark and related rights for RC Cola and Arcy's Rootbeer brands in the Philippines. (Reuters)

Alphaland to contest PSE delisting order

Alphaland Corporation intends to ask the Philippine Stock Exchange to reconsider its decision to delist the property developer and, if denied, raise the appeal to the Securities and Exchange Commission.

In a statement dictated from Europe, Alphaland Chairman Roberto V. Ongpin added that, "beyond the SEC, Alphaland will further elevate it to the courts (first by appealing to the Court of Appeals and then, if necessary, to the Supreme Court)."

"Needless to state, until the mentioned appeal process is exhausted, the PSE decision does not become final and executory. In the meantime, during the appeal process, the status quo remains," Ongpin noted.

Ongpin said the decision by the PSE to delist Alphaland "has resulted in a substantial amount of confusion" among Alphaland shareholders and its Club members as well as in the public in general.

He said people have the impression "that the PSE decision is tantamount to the demise of Alphaland. This is of course a very serious misconception

and, if not corrected, will inevitably affect every aspect of Alphaland's business."

Ongpin also pointed out that the PSE decision to delist the firm "has no impact whatsoever on Alphaland's operations. In fact, trading in Alphaland shares has been suspended by the PSE since January 20, 2014 and for the 8 months that the company has been in this situation, it has just proceeded with its business and has completed, and is in the process of completing, its various projects."

According to Ongpin, Alphaland's membership clubs, namely The City Club at Alphaland Makati Place and Alphaland Balesin Island Club, will be unaffected and their operations will continue to run as usual.

Despite the PSE decision, Ongpin said the agreement between the Ashmore group's Aland Singapore Group and the RVO Group signed on June 5, 2014 will proceed.

Under this agreement, in exchange for certain assets of Alphaland, the Aland Singapore Group will deliver to Alphaland its entire shareholdings in

Alphaland and P2.5 billion in cash.

Since the disqualification of Alphaland's officers (as part of PSE penalties) will be suspended once the appeal is filed, Ongpin said he will continue to sit as chairman and chief executive of listed firms Philweb Corporation and Atok-Big Wedge Co., Inc.

He noted that "the prohibition only prevents the disqualified officer from being a director or officer of a company applying for listing. It must be emphasized that the PSE decision is NOT final and executory and is subject to the appeal process."

"Assuming that the PSE decision is upheld by the Supreme Court, all it means is that Alphaland shall become a private company and no longer subject to the jurisdiction of the PSE," said Ongpin.

However, he said Alphaland will continue as a private company and will complete all of its present and existing projects (including the Alphaland Makati Place project) as well as conceptualize future projects (like the Alphaland Baguio Mountain Log Homes project). (James A. Loyola)

Aboitiz Power lists ₱10-B bonds at PDEX

By MYRNA MAVELASCO

Aboitiz Power Corporation has listed its ₱10 billion bond issue with the Philippine Dealing and Exchange Corporation (PDEX), the company has noted in its statement to the media.

The Aboitiz firm earlier apprised the Philippine Stock Exchange (PSE) that it secured the PDEX's approval for the listing, and such "paves the way for the secondary market trading of the bonds." The listing was instituted Wednesday (September 10).

The bond issues are twice oversubscribed, and such has given the company the leverage to increase its transaction to ₱10 billion from what was originally targeted at ₱5.0 billion. Tapped as issue manager and lead underwriter for the issue is BPI Capital Corporation.

Proceeds from this deal will be used to bankroll the company's various power projects that have already been advanced into construction phases.

The bonds will be of two tranches – one is of seven-year tenor with a fixed interest rate of 5.205-percent per annum maturing in 2021; and the other would be 12-year bonds with fixed interest rate

of 6.10-percent to lapse in 2026.

Aboitiz Power president and chief operating officer Antonio Moraza considers this latest development as "a testament to AboitizPower's continued expansion and the investing public confidence in our growth story."

The company has been pursuing various expansions – mainly for its power generation portfolio – across electricity grids in Luzon, Visayas and Mindanao.

In its current projects' log are the 400-megawatt expansion of the Pagbilao power plant; 14-MW Sabangan hydropower facility; 300-MW Davao coal plant; 300-MW coal plant in Toledo, Cebu; and the 68-MW Manolo Fortich hydro plant in Bukidnon.

What has been cast in Aboitiz Power's organic investment growth would be capacity additions of 2,000 megawatts in the next five years. A capital outlay of P80 billion has already been clearly allocated for these ventures.

This week, the company together with partner Team Energy Philippines will formally launch the construction of the Pagbilao plant expansion project – it is aligned as part of Luzon grid's medium term power supply solution.

Alphaland to finish projects despite delisting

ALPHALAND Corp., the property company led by former trade minister Roberto Ongpin, assured Wednesday it will complete all ongoing projects and build new ones, despite the decision of the Philippine Stock Exchange to delist the company.

Ongpin, who is currently in Europe, said in a statement the PSE decision was not final and executory and that Alphaland would exhaust all measures including appealing the decision, first with the PSE and then to the Securities and Exchange Commission.

"Beyond the SEC, Alphaland

will further elevate it to the courts, first by appealing to the Court of Appeals and then, if necessary, to the Supreme Court. Needless to state, until the mentioned appeal process is exhausted, the PSE decision does not become final and executory. In the meantime, during the appeal process, the status quo remains," Ongpin said.

The company said assuming the PSE's decision was upheld by the Supreme Court, Alphaland would complete all of present and existing projects, including the Alphaland Makati

Place project.

It said it would also develop new projects such as the Alphaland Baguio Mountain Log Homes development.

"Alphaland certainly intends to appeal. Alphaland has been in this situation for eight months now and the PSE decision [since not executor] adds nothing new," Ongpin said.

He said while Alphaland was undergoing appeal process, the company's businesses, including the City Club at Alphaland Makati Place and Alphaland Balesin Island Club would continue to run as usual.

Ongpin said the PSE decision would also not affect the agreement between the Aland Singapore Group and the RVO Group signed on June 5, 2014.

Under the agreement, in exchange for certain assets of Alphaland, the Aland Singapore Group will deliver to Alphaland its entire shareholdings in Alphaland and the sum of P2.5 billion in cash.

The PSE on Monday announced it was delisting Alphaland Corp. for repeated failure to submit accurate and timely disclosures of material information. **Jennifer B. Austria**

Finance, Trade agree to reduce corporate income tax rate

By Othel V. Campos

THE Finance and Trade Departments have agreed to support the reduction of the 32-percent corporate income tax rate, in place of the abolition of income tax holiday under the proposed fiscal incentives harmonization bill.

"We're looking at the possibility of offering as much as 10 years of reduced corporate income tax in lieu of the income tax holiday," Trade Secretary Gregory Domingo told reporters Tuesday night at the sidelines of the Asean Business Awards Philippines at the New World Hotel in Makati City.

The Trade Department earlier

proposed to cut the 32-percent corporate income tax by a quarter, to replace the income tax holiday. It said the high income tax rate was a deterrent to attracting more investments into the country when "most of our neighbors are lowering their tax rates."

Domingo said the Trade and Finance Departments had

a "meeting of minds" on the corporate tax proposal and were closer to crafting a consolidated bill, after agreeing "95 percent" to each other's version of the fiscal incentives bill.

"We're still threshing out the details. That's the remaining 5 percent. There's just a minor difference in the manner of

implementation, but in general, we have already agreed on most issues," he said.

The Senate committee on ways and means identified ITH as among the list of incentives that the government should soon eliminate. There are proposals for the gradual phase-out of income tax holiday within a span of three years.

Sy group not keen on stake in PAL

THE SM group emerged as the biggest financier to billionaire Lucio Tan's move to regain control of flag carrier Philippine Airlines, but a top executive said the conglomerate has no interest in venturing into the airline business.

"They have been long-time client of ours. It's about supporting a valued client," SM Investments Corp. vice chairman Tessie Sy-Coson said at the sidelines of Asean Business Awards Tuesday afternoon.

Sy was responding to queries on why BDO Unibank Inc., the conglomerate's banking unit, decided to help Tan buy back a 49-percent stake in PAL owned by San Miguel Corp.

Bloomberg on Tuesday reported that Tan, the Philippines' second-richest man, pledged shares in his companies to secure a loan from four banks to fund the acquisition of San Miguel Corp.'s stake in PAL.

Tan pledged shares in LT Group Inc., Philippine National Bank and real estate assets to secure a \$750-million loan from BDO Unibank Inc., China Banking Corp., Philippine National Bank and Asia United Bank.

Sy, who is also the chairman of BDO, did not disclose the exact amount of loan which BDO and Chinabank provided to the Tan group and the value of assets Tan pledged in exchange for the loan.

Sy, however, said the value of assets collateralized by Tan represented the same amount of loan provided by the group. She said the company was not interested in sitting in the board of PAL, despite providing the biggest loan to Tan group.

Share price of BDO on Wednesday closed at P94.50, down 0.3 percent while stock price of Chinabank gained 0.2 percent to close at P55.10 apiece.

San Miguel Corp. agreed to sell back its holdings in PAL to Tan, two years after the nation's largest company took management control and led the carrier's return to Europe.

San Miguel and Tan's group signed an agreement Monday, San Miguel president Ramon Ang said in a text message. The deal is valued at \$1-billion and requires Tan to meet certain conditions within a week.

Jennifer B. Austria

Stocks fall; PLDT, Nickel Asia retreat

THE stock market declined Wednesday in further profit-taking, in step with losses in Asia and Wall Street overnight.

The Philippine Stock Exchange Index dropped 40.89 points, or 0.6 percent, to 7,212.78 on a value turnover of nearly P9 billion. Losers beat gainers, 105 to 71, with 43 issues unchanged.

Philippine Long Distance Telephone Co., the biggest telecommunications firm, fell 0.8 percent to P3,378, while Nickel Asia Corp., the largest nickel producer, sank 4.2 percent to P44.15.

Nickel prices dropped for a second day on speculation a proposed ban on ore exports from the Philippines will not be rushed through the legislature.

"The market is trying to remove the froth in prices after it had overreacted in the past days to the proposed bill," said Hwang Il Doo, a senior metals trader at Korea Exchange Bank Futures Co. in Seoul. "The Philippines' ore export ban will not happen soon."

Puregold Price Club Inc. of

retail tycoon Lucio Co declined 2.9 percent to P32.20, while SM Prime Holdings Inc. of billionaire Henry Sy lost 3.9 percent to P16.40.

Petron Corp., the biggest oil company, fell 2.9 percent to P11.60. DMCI Holdings Inc., which has investments in coal mining, power plants, construction and water distribution, dropped 2.6 percent to P80.80.

Robinsons Retail Holdings Inc. of retail and airline tycoon John Gokongwei rose 1.5 percent to P68.

The rest of Asian markets were mostly lower Wednesday following a fall on Wall Street, with shares of Apple's suppliers mixed as investors were left unimpressed with the US giant's latest iPhone and watch.

The dollar resumed its uptrend against the yen, hitting a fresh six-year high, while the pound edged up but was still struggling on fears Scotland will vote to

leave the United Kingdom.

Tokyo ended 0.25 percent higher, adding 39.63 points to 15,788.78 and reversing morning losses, thanks to the yen weakness.

However, Sydney lost 0.60 percent, or 33.6 points, to end at 5,574.3, while Shanghai shed 0.35 percent, or 8.22 points, to 2,318.31. Hong Kong was down 1.82 percent in late trade owing to concerns about China's economy.

Seoul was closed for a public holiday.

With few regional catalysts, investors took their lead from Wall Street, where an initial rally following Apple's launch petered out after the Federal Reserve signalled stricter capital requirements for banks.

A top official at the central bank said the largest lenders with high dependence on short-term funding would face tougher rules to ensure they do not put the financial system at risk.

The Dow gave up 0.57 percent and the S&P 500 dropped 0.65 percent Tuesday, while the Nasdaq fell 0.87 percent.

With Bloomberg, AFP

Foreign investments hit \$3.6b

By Julito G. Rada

FOREIGN direct investments posted a net inflow for the sixth straight month this year, bringing the total to a record \$3.6 billion in the first half, the Bangko Sentral said Wednesday.

Data showed net inflows of the job-generating FDIs amounted to \$588 million in June, a reversal of the \$26-million net outflow posted a year ago. A net inflow

means foreign investors retained their capital in the country.

“On a cumulative basis, net inflows surged by 76.9 percent to \$3.6 billion for the first six months

of the year from \$2 billion in the previous year, which continued to reflect strong investor confidence in the country’s solid macroeconomic fundamentals,” the Bangko Sentral said.

The June figure was also higher than the \$463-million net inflow in May this year. Increases were registered across major FDI components.

“In particular, investments in debt instruments rose by more than fourfold to \$459 million from \$108 million in the same

period last year,” the Bangko Sentral said.

Investments rose on higher lending of parent companies abroad to their local affiliates to fund existing operations and business expansion plans in the country.

Equity capital transactions, which reversed to a net inflow of \$54 million in June from a net outflow of \$192 million a year ago, also helped boost the FDI level during the month.

The bulk of these equity capital investments came from the

United States, Singapore, Japan, Hong Kong and Germany. These investments went to real estate, manufacturing, transportation and storage, mining and quarrying, and administrative and support service activities.

Reinvestment of earnings also increased from \$59 million to \$75 million in June.

Meanwhile, the increase in FDI in the first half was brought about by the large increments in all major components. Investments of parent companies abroad

in debt instruments issued by local affiliates, or intercompany borrowings, reached \$2.4 billion, up from \$1.2 billion a year ago.

Equity capital also posted a net inflow of \$762 million, or 30.7 percent higher than the year-ago level of \$583 million, as placements of \$1.1 billion more than compensated for the \$356-million withdrawals.

Net inflows of FDI increased 20 percent to a record \$3.86 billion in 2013, from \$3.215 billion a year ago.

Stocks dip again on profit-taking

INVESTORS opted for profit-taking for a second straight day on Wednesday, taking positions ahead of the Bangko Sentral ng Pilipinas (BSP) Monetary Board policy meeting today.

The Philippine Stock Exchange index (PSEi) lost 40.89 points or 0.56 percent to close at 7,212.78, while the All Shares index was down 25.66 points or 0.60 percent at 4,255.15.

► Stocks B5

STOCKS FROM B1

Stocks dip

AB Capital Securities Inc. Equity Analyst Joyce Anne Ramos said investors decided to cash in on gains for a second day following the market's recent passing of the 7,300 level.

"This is just an extension from yesterday's pull back. Investors waited for the market to hit the 7,300 resistance levels. When it hit 7,300, the market pulled back to 7,200 from investors' profit taking," Ramos said.

Besides profit taking, Ramos said US markets' decline also factored in the lower PSEi close on Wednesday.

"The market also copied US markets, which were down as well. The market decline is more

expected because of the bullish streak of the market up to 7,300 on Monday," she said.

Overnight, US markets were in the red: the Dow Jones was down 97.55 points, the S&P 500 lost 13.10 points, and the Nasdaq deducted 40 points.

Ramos said today's Monetary Board meeting will largely affect the buyers' view of the market, and will influence whether or not to buy further to raise the market towards 7,400.

"Mostly, investors are taking positions to be safe. Usually, the consensus is there will be a rate hike. But it depends. Some investors have already done their profit taking, some are just on the sidelines," Ramos said.

"As of now, it's hard to tell [how the market will move in the next

few days]. I guess we will have to wait for the BSP decision. We'll be on the wait-and-see as it will be a big factor in trading decisions of investors," she added.

The sectoral indices all ended in the red on Wednesday, with financials dipping 0.17 percent or 2.87 points to 1,676.41; industrials down 0.49 percent or 54.50 points at 11,087.42; holding firms slipped 0.45 percent or 28.73 points to 6,353.54; services were off 0.54 percent or 12.19 points at 2,232.67; mining and oil plummeted 1.56 percent or 281.79 points to 17,724.84; and property skid 0.69 percent or 19.05 points to 2,727.65.

Eight of the top 10 active companies lost while only two firms gained. Advancers were Robinsons

Retail Holdings Inc., which increased 1.49 percent or P1 to close at P68 per share, and ALI which improved 0.30 percent or P0.10 to P33.55 apiece.

Among the decliners were PLDT, Nickel Asia Corp., Puregold Price Club Inc., Alliance Global Group Inc., SM Prime, BDO Unibank Inc., Ayala Corp., and SM Investments Corp.

Losers outnumbered gainers, 105 to 71, while 43 shares were unchanged. 1.52 billion shares valued at P8.951 billion changed hands during the session.

On Tuesday, the PSEi deducted 61.27 points or 0.84 percent to close at 7,253.67, while the All Shares declined 38.05 points or 0.88 percent to 4,280.81.

KRISTYN NIKA M. LAZO

B4

THURSDAY, SEPTEMBER 11, 2014

BUSINESS

Ongpin firm to appeal bourse delisting order

'Alphaland status quo remains amid legal challenge'

By Doris C. Dumlao

BUSINESSMAN Roberto V. Ongpin has vowed to challenge an order issued by the Philippine Stock Exchange to delist Alphaland Corp., while assuring stakeholders that it would be business as usual in all of the property developer's projects such as upscale membership clubs in Makati and Balesin Island.

In a statement issued on Wednesday, Ongpin—who is in Europe as of press time—said that notwithstanding the PSE decision to delist Alphaland, a compromise agreement with estranged partner Ashmore group would proceed.

Ongpin and Ashmore agreed to settle their dispute last June. In exchange for certain assets of Alphaland, Ashmore will exit the company and pay the sum of P2.5 billion in cash.

On Monday, the PSE issued an order to delist Alphaland and issued a ban on three of its top executives, including Ongpin who is company chair, from

sitting on the boardroom of any company applying for a stock debut. The PSE also required Alphaland to make a tender offer to minority shareholders within 60 days from receipt of the delisting order.

This involuntary delisting will take effect on the trading day immediately after this 60-day window, whether or not the tender offer had been completed, the order said.

Since the disqualification of Alphaland's officers was clearly prospective in application, none of the existing listed companies in which Ongpin was an officer or director—such as Philweb Corp. and Atok-Big Wedge Co. Inc., where he is both chair and CEO—was seen to be affected.

"The prohibition only prevents the disqualified officer from being a director or officer of a company applying for listing," Ongpin said, adding: "It must be emphasized that the PSE decision is not final and executory and is subject to the appeal process described above."

Ongpin said Alphaland would move for reconsideration of the PSE decision. If the PSE would not reconsider, Alphaland intends to appeal to the Securities and Exchange Commission. Beyond the SEC, Alphaland has vowed to further elevate it to the courts, first by appealing to the Court of Appeals and then, if necessary, to the Supreme Court.

"Needless to state, until the mentioned appeal process is exhausted, the PSE decision does not become final and executory. In the meantime, during the appeal process, the status quo remains," Ongpin said.

While Alphaland is undergoing the appeal process, Ongpin said the PSE decision would have no impact on its operations.

Trading on Alphaland shares had already been suspended by the PSE since January 20 this year, during which he noted that the company "proceeded with its business and has completed, and is in the process of completing, its various projects."

Nasdaq system to boost PSE operations

A VISITING top executive from New York-based Nasdaq OMX Group sees its proprietary trading technology putting the Philippine Stock Exchange—which will adopt this new platform by mid-2015—in a good position to widen its offering of asset classes in the future.

Adena Friedman, president of Nasdaq OMX's global corporate, information and technology solutions, also said in an interview with Inquirer during her visit to the PSE on Monday, that this platform had routing and network capability to support seamless cross-border trading of securities if and when PSE joins the Southeast Asian trading linkage.

Nasdaq OMX's X-Stream trading technology, which used by other 30 clients around the world, is an end-to-end system that handles market transactions from pre-trade to post-trade and has capability to offer multiple asset classes.

Asked about which new asset classes she sees flourishing in this part of the world, Friedman said: "ETFs (exchange traded funds) and futures tend to be an area of great focus across the region in terms of providing additional asset classes and building the infrastructure to support greater derivatives trading and clearing. That certainly is a common theme that we've discussed across the region and

it's an area of natural evolution for the exchanges to broaden out and provide futures and options on underlying equities as well on fixed income and commodities."

In the Philippines, the first ETF—First Metro Philippine Exchange Traded Fund Inc.—debuted last year. The PSE has also been preparing for the launch of a futures product with local equities as underlying instruments.

"So over time as PSE looks at expanding either beyond equities or continue to advance clearing and settlement capabilities, we have the technology that has the foundation to allow them to expand," Friedman said.

A futures contract refers to an

agreement to buy or sell a certain product based on a standardized contract for settlement in the future, hence the name. This product matches the need of hedgers with investors taking speculative positions.

Like mutual funds, ETFs pool funds by selling shares to the investing public. But unlike mutual funds, their prices are quoted real time so investors immediately know how much they are buying or selling their ETF shares for. ETF investors may buy or sell shares through trading participants.

In Southeast Asia alone, Nasdaq OMX also works as a technology provider to the Indonesian and Malaysian stock exchanges, the securities regulators of Malaysia and Singapore, as well as the Philippine Dealing & Exchange Corp. (PDEX), Friedman said. *Doris C. Dum-lao*

Index down anew on profit taking

Share prices were down anew yesterday due to profit taking, analysts said.

The PSEi retreated 0.56 percent or 40.89 points to 7,212.78, while the broader all shares index dropped 0.60 percent or 25.66 points to 4,255.15.

"Generally, the decline was brought about by an extended profit taking because the market gained so much last Sept. 8," said Joyce Ramos, AB Capital Securities Inc. analyst.

Ramos said the market is finally pulling

By **RICHMOND S. MERCURIO**

back at this point, something which she said analysts have been anticipating for quite a few weeks now.

"Also a factor of the decline is the foreign markets. We followed their leads," Ramos said.

The three main indexes on Wall Street ended at a loss, with the Dow slipping 0.57 percent, the S&P 500 sliding 0.65 percent and the Nasdaq declining 0.87 percent.

All subindices were in the red for the second consecutive day. The losers were led by mining and oil firms that lost 1.56 percent or 281.79 points to 17,724.84.

The value of shares traded improved slightly to P8.95 billion from P8.63 billion on Tuesday. Decliners once again trounced advancers, 105 to 71, while 43 stocks did not change.

Among the 30 blue chip companies, Ramos said only four were gainers while the rest were either losers or did not change.

Alphaland to appeal PSE delisting

Upscale property developer Alphaland Corp. is not going to give up its listed status in the local bourse the easy way.

In a statement, Alphaland chief executive officer Roberto V. Ongpin said the property firm would be willing to fight the Philippine Stock Exchange's delisting order up to the Supreme Court, if needed.

"Alphaland intends to move for reconsideration of the PSE decision. If the PSE does not reconsider, Alphaland will appeal to the Securities and Exchange Commission. Beyond the SEC, Alphaland will further elevate it to the courts (first by appealing to the Court of Appeals and then, if necessary, to the Supreme Court)," Ongpin said.

Ongpin stressed that the PSE decision is not final and executory and is still subject to the appeal process.

On Monday, the PSE came out with a decision to kick out Alphaland from its roster of listed companies to serve as penalty for violating disclosure requirements.

On top of the delisting punishment, Alphaland has also been banned to apply for relisting within five years after its delisting date.

Its officials such as Ongpin, company president Mario Oreta and corporate secretary Rodolfo Ma. Ponferrada have also been disqualified "from becoming directors and executive officers in any company applying for listing with the PSE."

Ongpin said PSE's decision has had no impact of any kind on Alphaland's operations, and will continue to do so while the company is undergoing the appeal process.

"In fact, trading in Alphaland shares has been suspended by the PSE since Jan. 20, 2014 and for the eight months that the company has been in this situation, it has just proceeded with its business and has completed, and is in the process of completing, its various projects," Ongpin said.

Among such projects which operations will continue to run "as usual" include Alphaland's membership clubs, such as The City Club at Alphaland Makati Place and Alphaland Balesin Island Club.

Ongpin said the agreement signed on June 5 between the Aland Singapore Group and the RVO Group will likewise proceed.

- Richmond Mercurio