SEC News Service

SERIES OF 2014 OCTOBER 16, 2014

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A2 Thursday, October 16, 2014

Ayala Corp. adding P4B to debt-servicing funds

By VG Cabuag

AYALA Corp. dropped its plan to use the proceeds of its preferred-shares sale to augment the company's capital spending, and will channel the money instead to its debt-servicing program.

The company earlier earmarked the proceeds to fund P4 billion worth of projects under AC Infrastructure.

Ayala will be selling 30 million class B preferred shares at P500 apiece. The offer is structured as perpetual equity securities, and will be priced based on the prevailing rate of either the five-year or the seven-year secondary-market bond rate plus a premium.

The company added a P5-billion BDO Unibank Inc. loan carrying a floating rate to the list of obligations to be paid out of the share-sale proceeds, while revising the composition of the original debts to be paid.

Among the other debts that it will pay off include the P1.46-billion loan from Metropolitan Bank and Trust Co., carrying an interest rate of 6.7 percent; various corporate notes maturing with an interest rate of 6.8 percent at P1.49 billion; and another P5-billion BDO loan carrying a floating interest rate.

At an earlier filing by Ayala, it placed the varying corporate notes at P2.82 billion with the average rate at 7.45 percent.

The preferred shares will be offered at an initial tranche of 20 million and the remaining 10 million covering the oversubscription option. Each share will be cumulative and nonvoting.

The preferred shares will also have its dividend rate reset on the fifth and 10th anniversary of its issue date. The company, earlier, said it plans to spend as much as P18 billion in capital spending between this year and the next for its list of power and infrastructure projects. For the first half of the year, it reported profits of P9.8 billion from revenues of P91.16 billion, a 34-percent increase in profit over last year, while revenues were up 22.2 percent.

The company already bagged the Light Rail Transit 1 expansion contract, together with the Metro Pacific group, and was the highest complying bidder, together with the Aboitiz group, for the Cavite-Laguna Expressway project.

Phoenix Petroleum to sell ₱2-B STCPs

By Lenie Lectura

PHOENIX Petroleum has secured the green light from the Securities and Exchange Commission (SEC) for the sale and issuance of short-term commercial papers (STCPs) worth P2 billion.

"We wish to announce that the SEC has approved the registration and consequently, issued the Certificate of Permit to Offer Securities for Sale in favor of [Phoenix Petroleum] authorizing the sale and issuance of STCP of up to P2 billion in one or more tranches at an offer price of 100-percent face value," the independent oil firm said in a disclosure on Wednesday.

Phoenix Petroleum has tapped Multinational Investment Bancorporation and AB Capital Investment Corp. as joint issue managers and underwriters. The STCPs will be listed with Philippine Dealings and Exchange Corp.

Phoenix Petroleum is engaged in the business of trading refined-petroleum products and lubricants, operation of oil depots and storage facilities, shipping/logistics and allied services. At end-June this year, the oil firm reported a net income of P412 million, up 8 percent from P372 million posted in the same period a year ago.

Revenue stood at P18.5 billion at end-June this year.

The listed oil firm said the improvement in the profitability was brought about by a higher contribution of retail sales volume to overall sales volume. This was driven primarily by the expansion of its retail station network. After ending 2013 with 368 stations, the company's network reached 405 stations as of June 30. Of these stations, 220 are based in Mindanao, 55 in the Visayas and 130 in Luzon.

Sales to commercial accounts, primarily to the shipping, fishing, mining, power and transportation sectors, registered a continuous growth during the year.

Phoenix Petroleum supplies more than 50 percent of Cebu Pacific's jet-fuel requirements and handles all their logistics needs in Mindanao and part of the Visayas.

Its market share increased from 4.4 percent in 2012 to 5.9 percent in 2013.

Del Monte slashes offer price to ₱17 apiece

By VG Cabuag

CAMPOS-LED Del Monte Pacific Ltd. has slashed the price for its follow-on offering, which it will start selling Thursday, October 16, through next week.

The company said in its disclosure that its new price will be at P17 per share down from P22.84 per share.

The new price, however, is closer to its newest closing price of P17.30 per share at the Philippine Stock Exchange (PSE). Del Monte said its offer price still represents a premium of approximately 1.65 percent to the volume weighted average price for trades done on both the PSE and the Singapore Exchange Securities Trading Ltd. on October 14. At the said price, the company will only raise P93.5 million, down from the previous P125.62 million.

"The company intends to use the proceeds it receives from the offer for partial repayment of short-term existing indebtedness," the company said. Del Monte listed by way of introduction last year and according to PSE rules, it has to make a follow-on within a year after its listing.

The company earlier said it will raise more funds by selling more preferred shares and rights offer, proceeds of which will be used to pay for its purchase of US-based Del Monte Foods Inc., a much bigger company that it acquired earlier this year. The preferred share sale will amount to $350 million while the rights offer at $180 million. Proceeds of the share and rights sale will be used to service the $630- million bridge financing that the company tapped to pay for the US firm Del Monte Foods, which is much larger than Del Monte Pacific. The company is confident of the prospects of its Del Monte Foods acquisition, worth $1.68 billion, as it will give the Campos-led firm a foothold into the vast US and South American market.

MGHI to enter ₱15-M investment pact, acquires Cebu-based canning firm

By Roderick L. Abad

MILLENNIUM Global Holdings Inc. (MGHI) is entering into an investment deal convertible into equity, and is acquiring a seafood company.

The listed firm disclosed on Wednesday with the Philippine Stock Exchange that its board of directors approved its initiative to forge an agreement with Chinese businessman Chen Chih-Hsing, who will infuse into it P15 million, payable in three years.

As an investor, Chih-Hsing, the president of seafood importation and processing company U Hung Trading Co. Ltd., may opt to convert such amount of fresh capital into stakes in MGHI.

In another development, MGHI is acquiring primary and secondary shares in Cebu Canning Corp. (C3), thus, making it a wholly owned subsidiary. This transaction involves the purchase of 13,000 shares or 100 percent of total outstanding shares of the canning firm.

The board has authorized the chairman/president and CEO, Yang Chi Jen, to negotiate, and finalize the terms and conditions of both the acquisition and investment deals on behalf of MGHI.

Formerly IPVG Corp., MGHI was incorporated and registered with the Philippine Securities and Exchange Commission on May 19, 1964. It was listed in the PSE and focused on growth areas, such as information technology and telecommunications, online computer games and business-process outsourcing.

While it has held numerous businesses under its name, one of its more recognized units is Millennium Ocean Star Corp. (MOSC) that serves as an operating company, exporting most known seafood and aquaculture products from the Philippines to different areas in Asia, Europe, the US, South America and Canada: as well as importing seafood products from clients globally for local distribution.

As of the June 30, 2014, MGHI reported its revenues reached P778.4 million attributable to MOSC's import/export and processing of marine goods and other related products. C3 is a family-owned and -operated seafood trading entity mainly involved in the business of processing pasteurized canned crabmeat commonly known as blue swimming crab.

Headquartered at Tresco Compound, Casuntingan, Mandaue, Cebu City, it exports high quality canned seafood to clients in the US, including Sigma Internationa Inc., Bonamar Corp., Blue Star, Handy International and Harbor Seafood.

BusinessWorld
Thursday, October 16, 2014
2/S1 Corporate News

Phoenix Petroleum wins SEC approval to raise up to P2B

PHOENIX Petroleum Philippines, Inc. is poised to raise up to P2 billion via short-term debt for use as working capital.

The listed fuel retailer said in a disclosure on Wednesday that the "Securities and Exchange Commission (SEC) has approved the registration and, consequently, issued the Certificate of Permit to Offer Securities for Sale..."

The fund-raising activity, according to Phoenix Petroleum, will involve the sale and issuance of short-term commercial paper (STCP) of up to P2 billion in one or more tranches at an offer price of 100% face value.

"The STCPs shall be offered and sold to the public through Multinational Investment Bancorporation and AB Capital & Investment Corp. as joint issue managers," the company said.

It added that the securities will be listed with the Philippine Dealing & Exchange Corp.

In a filing with the SEC, Phoenix Petroleum said it intends to use the net proceeds of the debt for working capital.

"Proceeds will be used to finance regular importation of fuels and lubricants by Phoenix," the document read.

"The company will use the net proceeds from the offer within the fiscal year 2014," it added.

Philippine Rating Services Corp. (PhilRatings) assigned a PRS 2 (minus) credit rating to the planned STCP issuance.

"Obligations rated PRS 2 exhibit above average (strong) capability for payment of both interest and principal," the debt watcher had said last May.

"This is normally evidenced by many characteristics of a PRS 1 (the top grade for short-term issuances) rating but to a lesser degree," it added.

Considerations for the rating include company's "consistently improving revenue base and adequate liquidity and financial flexibility" as well as its aggressive retail network expansion.

PhilRatings said it will continue to monitor developments relating to Phoenix Petroleum.

This credit rating is the second that the oil retailer has obtained from PhilRatings.

The company issued P2.5 billion in corporate notes in 2012, which received a PRS Aa minus rating.

Phoenix Petroleum trades refined petroleum products and lubricants, operates oil depots and storage facilities, and offers shipping, logistics and allied services, according to the same statement.

As of end-June, the Davao-based company had 405 retail stations from 343 a year earlier.

The company reported profit growth of nearly 8% to P401.83 million in the first half. Its shares slipped one centavo or 0.22% to P4.58 on Wednesday. — **Claire-Ann Marie C. Feliciano**

AN SSI GROUP-MANAGED Banana Republic outlet in Bonifacio Global City

SSI sets indicative range for IPO shares at P7.00-P7.50

SPECIALTY RETAILER SSI Group, Inc. set the indicative range for its initial public offering (IPO) at between P7 and P7.50, company officials said on Wednesday night, suggesting a float that could raise as much as P7.45 billion if overallotment options are exercised.

The offer period will run from Oct. 27 to 31, after a road show in Singapore, Hong Kong and London starting Wednesday and running until Oct. 22.

The target listing date is Nov. 7.

"Following consultations with our underwriters and discussions with large institutional investors, we believe (the offer price) is reasonable and in line with valuations for comparable companies," SSI Group Vice-President for Investor Relations Marti A. Atienza told reporters in a briefing at The Peninsula Manila.

The company will also launch its e-commerce platform next month, according to SSI Group President Anthony T. Huang.

"I feel e-commerce will be part of the retail landscape in the long term and we want to be part of the first to market," Mr. Huang said during the briefing, adding that the target market will be "purely domestic."

The e-commerce operation will start with 20 brands, which will eventually expand and be offered via mobile applications.

On Monday, SSI Group said in a statement that it secured cornerstone commitments from institutional investors, who plan to take up 34% of the offer.

The investors include Bank of the Philippine Islands Asset Management and Trust Group, Government Service Insurance System, Havenport Asset Management Pte. Ltd., Macquarie Asia New Stars Fund, MLIS-York Asian Event-Driven Ucits Fund, and York Asian Opportunities Investment Master Fund.

SSI Group plans to offer 864.2 million shares, with around 80% consisting of primary shares to be issued by the company and 20% secondary shares from existing shareholders.

The overallotment option allows for 129.6 million additional shares, making for a maximum issue of 993.9 million shares.

SSI, a unit of the Rustan's Group of Companies, plans to open 188 outlets this year and is on track to open 115 more by 2015.

The group, which includes Store Specialists, Inc., retails 103 international brands through 655 stores. The brands include Hermès, Prada, Gucci, Burberry, Ferragamo, Lacoste, Michael Kors, Kate Spade, Gap, Old Navy, Zara, Stradivarius, Bershka, Aeropostale, Samsonite, Nine West, Payless Shoe, Beauty Bar, Marks and Spencer, Pottery Barn and TWG.

The group also operates the FamilyMart convenience store chain through a joint venture with Ayala Land, Inc., along with Japan's FamilyMart Co. Ltd. and Itochu Corp. It also recently opened Wellworth Department Store, also under a joint venture with Ayala Land.

SSI saw a 65% increase in first-half net profit to P486 million, as sales rose 14% to P6.67 billion. — **Daphne J. Magturo**

Del Monte Pacific prices Philippine share offer at P17

DEL MONTE Pacific Ltd. said its Philippine public offering of 5.5 million shares has been priced at P17.00, a premium of 1.65% to the volume weighted average Oct. 14 price of its shares currently trading in Singapore and the Philippines.

Relative to the existing Philippine shares now trading, the offer shares are priced at a discount of about 1.85% to the closing price on the Philippine Stock Exchange (PSE) of P17.32 on Oct. 14.

The company said the offer will raise P93.5 million, with the proceeds going towards paying down short-term debt.

The underwriter is BPI Capital Corp. and the share allocations will be 20% to PSE trading participants and 10% to local small investors, with an option to add another 5% to the latter tranche. The remainder will be taken up by the general public and the underwriter.

The company gave no date for the launch of the offer.

Millennium Global buys Cebu crabmeat processor

LISTED food exporter Millennium Global Holdings, Inc. said it is moving to acquire a Cebu-based seafood canner, with the final terms still subject to negotiation.

In a disclosure to the exchange, Millennium Global said its Board of Directors on Oct. 14 approved the acquisition, which will be effected through the issue of primary shares and the purchase of secondary shares.

Cebu Canning Corp. was described as "a family-owned and operated seafood company" located in Casuntingan, Mandaue, Cebu. The company produces pasteurized canned crabmeat from a variety called the blue swimmer crab (*Portunus pelagicus*).

Cebu Canning exports its product to the United States, and its client list includes Sigma International, Inc., Bonamar Corp., Blue Star, Handy International and Harbor Seafood.

In the same disclosure, Millennium Global also entered into an investment agreement with a Chinese national. Seafood importer Chen Chih-Hsing is to pay P15 million into the company over three years, with his capital injection convertible into equity at Mr. Chen's option.

Mr. Chen is president of U Hung Trading Co. Ltd.

Millennium Global exports seafood and aquaculture products from the Philippines to the rest of Asia, Europe, the United States, and South America. — **Eric B. Dorente**

BusinessWorld
Thursday, October 16, 2014

DoubleDragon to return to capital markets

HALF A YEAR after its P1.12-billion initial public offering (IPO), DoubleDragon Properties Corp. is now readying for its next fund-raising activity after spending a total of P900 million for land acquisition and for the rollout of its first five community malls.

"As previously disclosed, the Company is looking at tapping the capital markets again after its IPO to fund its expansion in the near term. The Company will disclose once the details are finalized," DoubleDragon Investor Relations Head and Assistant Chief Financial Officer Jose Desales said in an e-mail interview on Wednesday.

He noted that the company is on track to complete a total of 25 CityMalls by next year in line with its goal to reach one million square meters of total leasable space by 2020.

"The Company continues to believe that having a strong recurring rental income will put the Company in a strong position in the long term," Mr. Desales said.

In a disbursement report filed with the stock exchange on Wednesday, DoubleDragon said a total of P200 million from its net proceeds was spent on the rollout and development of the first five community malls under subsidiary CityMall Commercial Centers, Inc. (CMCCI).

CMCCI is 66% owned by DoubleDragon and 34% owned by SM Investments Corp.

Another P708.76 million went to land acquisition and pre-development.

The company spent P303.96 million to acquire the building of Dragon8 shopping center in the Divisoria district of Manila; P272.7 million for the lot on which Dragon8 stands; P97.1 million for a capital injection into Zion Land Development Philippines, Inc.; and P35 million as downpayment for the Skysuites Tower in Quezon City.

Another P62.17 million was used for general corporate purposes.

The property joint venture, whose main partners founded the Jollibee and Mang Inasal restaurant chains, plans to open 100 community malls by 2020, with five to be finished within the year.

The company also plans to open 20 community malls by next year, 25 by 2016, 20 by 2017, 15 by 2018, 10 by 2019 and five by 2020.

Projected capital expenditure is P23.75 billion.

The company, which has a P525-million net profit target for the year, saw its second-quarter net profit rise sharply to P63.1 million from P3.7 million a year earlier.

DoubleDragon shares gained seven centavos or 0.92% to P7.71 on Wednesday. — **Daphne J. Magturo**

BusinessWorld
Thursday, October 16, 2014

Local shares take a breather from selling

By Daphne J. Magturo Reporter

LOCAL SHARES took a breather from three consecutive sessions of losses as external concerns eased and investors hunted for bargains, analysts said.

The benchmark Philippine Stock Exchange index recovered by 45.13 points or 0.65% to close at 6,991.19.

The broader all-shares index similarly climbed 22.31 points or 0.54% to settle at 4,158.29.

"The market eventually bounced after touching the 6,900 level because investors already got tempted with some bargain prices," Astro C. del Castillo, managing director at First Grade Finance, Inc., said in a phone interview.

"There's not much corporate news but the fears outside the market are already dissipating, pushing local investors to take a second look at the market," he added.

Justino B. Calaycay, Jr., analyst at Accord Capital Equities Corp., said in a note to clients: "Today's move validates our view that the main drag on local share prices and investor confidence are, for the most part, events that are happening or not happening abroad."

"As the external negative news cycle took a relative breather, locals refocused their cross hairs on the domestic field and found little reason to be concerned — particularly as the 3Q (third-quarter) earnings season comes around the corner," he added.

All subindices returned to positive territory, led by mining and oil, which soared 225.63 points or 1.41% to 16,202.34.

"Nickel Asia [Corp.] led the mining and oil sector given the prices and potential earnings it announced in the past two days," Mr. del Castillo noted.

Nickel Asia, whose shares advanced P2.35 or 5.88% to P42.35 apiece, said in a statement that it obtained a sharply higher average selling price of $46.72 per wet metric ton (WMT) for its output in the first nine months, as prices remained strong on a year on year basis in the wake of the ore export ban by leading producer Indonesia in January. The nine-month average price is up 122% from the year-ago average.

The property counter also lifted the main index, after gaining 30.96 points or 1.15% to 2,717.96.

After 10 straight sessions of net outflow, net foreign buying was finally recorded on Wednesday at P211.36 million.

Value turnover reached P12.52 billion, a tad higher than Tuesday's P12.01 billion.

Gainers' overwhelmed losers, 102-63, while 47 issues were unchanged.

"If we start looking at external hints, the tendency is to sell the market and hold cash. Yet, as attention shifts to domestic economy and individual corporate, optimism resurfaces," Mr. Calaycay said.

Malaya
Business Insight Thursday, October 16, 2014 A2

Specialty retailer indicates listing price

SPECIALTY retailer SSI Group Inc has set an indicative listing price of P7 to P7.50 per share, IFR reported, as it looks to raise as much as $166 million in the country's third and biggest initial public offering this year.

SSI cut the maximum price from the previously announced P12.50 per share.

Fresh capital would support the company's expansion plans to exploit rising consumer spending in the fast-growing Philippine economy, despite anxieties over a global economic slowdown.

The Philippine retailer of upscale brands such as Hermès, Prada and Gucci will sell up to 993.8 million shares, including the over-allotment option of 129.6 million shares, worth P7.45 billion at the maximum indicative price.

Six cornerstone investors will be buying 335.6 million shares, or 38.8 percent of the base size, said IFR, a Thomson Reuters publication. They are Capital Research, Macquarie Funds, BPI Asset Management, Government Service Insurance System, Havenport Asset Management and York Capital.

Books will close on Oct. 22 and listing on the Philippine Stock Exchange is set for Nov. 7.

SSI Group, which retails 103 international brands in the Philippines and operates convenience stores through the FamilyMart chain, tapped HSBC, Credit Suisse (Singapore) Ltd, and BPI Capital Corp to manage the IPO.

Del Monte expects P93M in share sale

DEL Monte Pacific Ltd. (DMPL) has officially pegged its share sale at P17 apiece, which will generate an estimated P93.5 million from the 5.5 million common shares it has offered for sale.

The initial maximum price was pegged at P22.84 per share.

The share sale will run between October 16 to 20 and the listing is set by October 30. The proceeds of the offer will be used to refinance a 1.5 percent-interest-bearing $15.6 million bridge loan from Metropolitan Bank and Trust Co. that DMPL tapped to finance its acquisition of Delaware-based cousin Del Monte Foods Inc. (DMFI) for $1.68 billion early this year.

The US acquisition was financed by a $970 million debt and $705 million equity, of which DMPL pooled by borrowing $630 million to augment $75 million of its own money.

The recently approved share sale is a prelude to a $360 million preferred shares sale and a $180 million rights offering the company is eyeing. The fund raising activity is expected to reduce DMPL's debt by $520 million.

Company officials are looking at December for the preferred share sale.

DMPL posted a $21.9 million loss for the readjusted fiscal year due to acquisition-related expenses. Sales reached $445.6 million, which included DMFI's sales of $339.5 million.

Malaya
Business Insight
Thursday, October 16, 2014

Ayala shifts capex to full debt service

AYALA Corp. is reallocating the proceeds of its preferred share sale to full debt servicing, dropping initial plans to channel it to capital spending.

The company said instead of using the proceeds to fund P4 billion worth of projects under AC Infrastructure Holdings Corp., it would use the entire proceeds to settle debts.

Ayala said it will be selling 30 million class B preferred shares at P500 apiece, structured as perpetual equity securities, and will be priced based on the prevailing market rate of either the five-year or the seven-year Philippine Dealing System Treasury rate plus a premium.

The company added a P5 billion BDO Unibank, Inc. loan carrying a floating rate to the list of obligations to be paid out of the proceeds from the share sale, while revising the composition of the original debt that are to be paid.

See AYALA ➤ Page A4

AYALA

Ayala said it intends to pay a P1.46 billion Metropolitan Bank and Trust Co. loan carrying an interest rate of 6.7 percent, P1.49 billion various corporate notes maturing with an interest rate of 6.8 percent, and P5 billion BDO loan carrying a floating interest rate, on top of the additional P5 billion bond BDO loan cited above.

The earlier filing by Ayala, however, placed the varying corporate notes at P2.82 billion with the average rate at 7.45 percent. The original BDO loan was reported to carry an interest rate of 2.5 percent.

Ayala said the preferred shares will be offered at an initial tranche of 20 million and the remaining 10 million covering the oversubscription option. Each share will be cumulative and non-voting.

The preferred shares will also have the dividend rate reset on the fifth and 10th anniversary of the issue date.

Ayala earlier said it plans to spend as much as P18 billion in capital spending between this year and the next for its list of power and infrastructure projects.

The company closed the first half of the year with profits of P9.8 billion over revenues of P91.16 billion, a 34 percent increase in profit over last year while revenues were up 22.2 percent.

It is in the midst of diversifying its business to the power and infrastructure sector, allocating P24 billion as capital expenditures.

It was recently awarded the Light Rail Transit line 1 project, together with the Metro Pacific group, and was the highest complying bidder, together with the Aboitiz group, for the Cavite-Laguna expressway project.

Since 2012, the company has been eyeing to invest as much as $1 billion in energy and infrastructure projects through 2016. It has so far committed equity of close to $500 million in various power and transport infrastructure projects.

MANILA BULLETIN
THE PHILIPPINES' LEADING NATIONAL NEWSPAPER
Thursday, October 16, 2014 B-5

Millennium Global buying crab cannery in Cebu

By JAMES A. LOYOLA

Listed Millennium Global Holdings Inc. is planning to acquired Cebu Canning Corporation (C3) which can and exports crab meat to the United States.

In a disclosure to the Philippine Stock Exchange, Millennium said it will purchase primary and secondary shares of C3 and make it a wholly-owned subsidiary. The amount of consideration is under negotiation.

Millennium chairman and CEO Yang Chi Jen was authorized by the firm's board to negotiate, finalize the terms and conditions of the acquisition and sign on behalf of the Company.

C3, a domestic corporation incorporated in 2008, is a family-owned and operated seafood company in Mandaue, Cebu City. It is primarily engaged in the business of processing pasteurized canned crabmeat commonly known as blue swimming crab.

It exports high quality canned seafood particularly to the U.S.A. Its clientele include Sigma International, Inc., Bonamar Corporation, Blue Star, Handy International and Harbor Seafood, a US based company operating since 1975.

Meanwhile, Millennium will also enter into an investment agreement with Chen Chih-Hsing for the infusion of ₱15 million into the company. The amount shall be payable in 3 years, convertible into equity at the option of the investor.

Chen Chih-Hsing, a Chinese national, is the president of U Hung Trading Co. Ltd. since 1997 and has been engaged in seafood importation and processing.

In January, Millennium acquired a 51 percent stake in the seafood exports business of Yangby subscribing to new common shares worth ₱137.91 million in Millennium Ocean Star Corporation at the par value of ₱1 per share.

Phoenix Petroleum to expand in Luz-Vis

By MADELAINE B. MIRAFLOR

With a ₱2-billion fund-raising in place, independent oil player Phoenix Petroleum Philippines Inc. is planning to make an immediate expansion within the Luzon and Visayas region after cementing its presence in Mindanao.

Based on its filing with the Securities and Exchange Commission (SEC), the company said it will expand in other areas of the Philippines apart from its stronghold in Mindanao.

"We intend to really expand more in Visayas and Luzon as we have smaller number of stations in these regions compared to Mindanao," Phoenix Petroleum vice president for external affairs Raymond Zorilla said in a text message.

As of the first half of this year, the company has 405 retail service stations throughout the country.

To be able to expand, the company said it will build on its existing business model and further align its frontline revenue units with its logistics and other support areas.

Among other efforts, the company also said it "shall focus on brand strengthening".

"In an industry that has been dominated by strong multinational brands for decades, the company is focusing on broadening its brand recognition among consumers and to make its Phoenix products the brand of choice of motorist and commercial users," Phoenix Petroleum cited in a prospectus.

"The company's expenditures for brand equity compliment its investments in retail and logistics infrastructure," it added.

A few weeks ago, the SEC has allowed the company to sell and issue short-term commercial paper (STCP) of up to ₱2 billion in one or more tranches at an offer price of 100 percent face value.

STCPs are unsecured debt instrument issued by a company to finance its receivables, inventories, and short-term liabilities.

Manila Standard TODAY
THURSDAY OCTOBER 16, 2014 B 1

Del Monte prices offering

FRUIT grower and canner Del Monte Pacific Ltd. set the final offer price of the planned follow-on offering at P17 per share, lower by 25.5 percent than the initial maximum offer price of P22.84.

Del Monte will raise as much as P93.5 million from the sale of 5.5 million common shares, based on the new price of P17 per share.

The final offer price represents a 1.85-percent discount to the stock's closing price of P17.32 on Tuesday at the Philippine Stock Exchange. Offer period will be from Oct. 16 to 20 while listing will be on Oct. 30.

Proceeds from the fund-raising activity will be used for the partial repayment of short-term existing debt related to acquisition of Del Monte Foods Inc. BPI Capital Corp. is the sole underwriter for the offering.

DMFI owns the Del Monte brand rights in the United States and South America. It also owns the Del Monte brand for processed products in the Philippines. Subsidiary Del Monte Philippines owns a 23,000-hectare pineapple plantation in Mindanao, the world's largest fully integrated pineapple operation, and a 700,000-ton capacity processing facility.

Jenniffer B. Austria

Phoenix to raise P2b

THE Securities and Exchange Commission has approved the application of Phoenix Petroleum Philippines Inc. to offer P2 billion worth of short-term commercial papers.

Phoenix Petroleum said in a disclosure to the stock exchange the sale of the short-term commercial papers would be in one or more tranches at an offer price of up to 100 percent face value.

"The STCPs shall be offered and sold to the public through Multinational Investment Bancorporation and AB Capital Investment Corp. as joint issue managers and underwriters. It shall be likewise be listed with Philippine Dealings and Exchange Corp.," it said.

Phoenix Petroleum's board earlier approved and authorized the issuance of the short-term commercial papers.

Phoenix assistant vice president Raymond Zorilla said proceeds would be used for "additional working capital for expansion."

The company reported a consolidated net income of P412 million in the first half, up 8 percent from P372 million for the same period last year.

Alena Mae S. Flores

SSI maiden offering draws 2 more cornerstone investors

By Jenniffer B. Austria

SSI Group Inc. of the Tantoco family has attracted two more cornerstone investors for the planned P7.45-billion initial public offering.

SSI Group, a leading specialty retailer in the Philippines, said HSBC-FS B for Macquarie Asia New Stars Fund and RBC Investor Services Bank S.A. a/c Macquarie Asia New Stars Fund (Macquarie FD S) would buy shares ahead of the offer period.

The two investors joined six others that expressed intent to buy shares of SSI, which plans to offer up to 30 percent of its total shares to the public.

The first six groups are Bank of the Philippine Islands Asset Management and Trust Group, Government Service Insurance System, Havenport Asset Management Pte Ltd., Macquarie Asia New Stars Fund, MLIS-York Asian Event-Driven Ucits Fund and York Asian Opportunities Investment Master Fund.

SSI Group said the cornerstone investors would purchase 335.616 million offer shares from the company and the selling shareholders at a price of up to P7.50 apiece. This represents about 38 percent of the total offer shares.

SSI Group will offer 993.9 million shares, of which 864.225 million are offer shares while 129.633 million are optional shares to cover oversubscription. About 70 percent of the offer shares, or 604.957 million shares, will be sold to overseas investors while 30 percent, amounting to 259.267 million shares, will be sold to domestic investors.

The company said after the IPO, it would have a public float of 30 percent while the shareholdings of Tantoco family in SSI Group will drop to 70 percent.

Proceeds from the IPO will be used to fund expansion of specialty retailing business, convenience stores and department stores as well as for debt repayment.

The Manila Times
Business
THURSDAY
October 16, 2014
B3

Phoenix Petroleum to issue P2-B notes

PHOENIX Petroleum Philippines Inc. has secured approval from the Securities and Exchange Commission (SEC) for the issuance of P2 billion worth of short-term commercial papers (STCP) to raise capital for its expansion projects.

In a disclosure to the Philippine Stock Exchange (PSE), Phoenix Petroleum said that it will offer the STCPs "in one or more tranches at an offer price of 100 percent face value."

The P2 billion notes will also be listed in the Philippine Dealing and Exchange Corp.

The company has appointed the Multinational Investment Bancorporation and AB Capital Investment Corp. as joint issue managers and underwriters for the P2 billion STCPs.

Phoenix Petroleum plans to open 500 new service outlets in the next five years. As of end-December last year, the company has opened 68 stations. Currently, it has a total of 368 operating service stations including 112 stations in Luzon, 47 in Visayas, and 209 in Mindanao.

The company said 70 service stations are under construction.

KRISTYN NIKA M. LAZO

Del Monte prices share offer at P17

AS part of its fund-raising activities, Del Monte Pacific Ltd. (DMPL) has priced a follow-on offering of 5.5 million common shares at P17 per share.

In a disclosure to the Philippine Stock Exchange (PSE), DMPL said its board of directors approved the follow on price at P17 per share, which will raise P93.5 million in fresh funds through the sale of 5.5 million primary shares.

"The offer price represents a premium of approximately 1.65 percent to the volume weighted average price for trades done on both the PSE and the Singapore Exchange Securities Trading Limited on October 14, being the full market day on which the underwriting agreement was signed," the company said.

"It represents a discount of approximately 1.85 percent to the PSE closing price of P17.32 on October 14," it added.

Earlier, the DMPL listed on the local bourse by way of introduction, a method requiring companies to conduct a follow on offering within 12 months of listing. The company listed on the PSE on June 10 last year, while being listed at the Singapore Exchange Securities Trading Limited.

The P79.9-million net proceeds after listing deductions and taxes will be partially used for repayment of debts from the acquisition of its US-based company Del Monte Foods Inc. (DMFI). The DMFI acquisition was done in February to expand its presence in the US and South American market, costing DMPL $1.68 billion for the takeover.

BPI Capital Corp. was the chosen underwriter for the shares sale. The 5.5 million shares will be distributed to the investing public of the PSE (1.1 million shares), to local small investors (LSI) (550,000 shares), and the rest for the general public.

"Shares not taken up by the PSE trading participants, the LSIs and the general public, which is approximately 70 percent of the shares, shall be purchased by BPI Capital," the company said.

DMPL has incurred a $21.9 million net loss in May to July this year due to the acquisition-related expenses of DMFI.

KRISTYN NIKA M. LAZO

MG buys Cebu seafood firm

By Doris C. Dumlao

HOLDING firm Millennium Global Holdings Inc. (MG)—formerly information technology firm IPVG Corp.—is taking in a new investor and acquiring a Cebu-based seafood exporter.

In a disclosure to the Philippine Stock Exchange, MG said it had obtained board approval to enter into an investment agreement with Chen Chih-Hsing, a Chinese national who is the president of U Hung Trading Co. Ltd which is, in turn, engaged in seafood importation and processing.

This new investor will infuse P15 million into the company payable in three years and convertible into equity at the option of the investor.

The board of MG also approved the acquisition of Cebu Canning Corp. (C3) through a combined acquisition of primary and secondary shares, making it a wholly owned subsidiary.

C3, a domestic corporation incorporated in 2008, is a family-owned and operated seafood company located at Tresco Compound, Casuntingan, Mandaue City, Cebu. It is primarily engaged in the business of processing pasteurized canned crabmeat commonly known as blue swimming crab. It exports high-quality canned seafood particularly to the US.

Its clients include Sigma International Inc., Bonamar Corp., Blue Star, Handy International and Harbor Seafood, a US-based company operating since 1975.

MG, incorporated in 1964, was previously involved in IT and business process outsourcing initiatives. Its former subsidiaries included IT firm IP Converge Data Center Inc. and IP E-Game Ventures Inc., which are into online computer games business and payment solutions.

In 2011, shareholders of MG approved a new corporate restructuring plan and sold all assets and liabilities to a new private company, IP Ventures Inc. (IPVI), thus spinning off the IT businesses to a privately held company with the same shareholders.

At the end of 2013, the company's stockholders approved the acquisition of various businesses and operating companies, including a 51-percent controlling interest in Millennium Ocean Star Corp., which is majority-owned by the company's chair and president Yang Chi Jen.

SEC OKs Phoenix Petroleum's P2 B STCP

By IRIS C. GONZALES

Phoenix Petroleum Philippines has received the green light from the Securities and Exchange Commission (SEC) for the sale of P2 billion worth short-term commercial paper (STCP) to be issued on Oct. 24.

Phoenix tapped Multinational Investment Bancorporation and AB Capital Investment Corp. as joint issue managers and underwriters.

The papers will be listed with Philippine Dealing & Exchange Corp. (PDEx), the company also said.

Proceeds of the STCP issuance will be used for working capital to fund future expansion, said Phoenix Petroleum vice president for external affairs Raymond Zorrilla.

Philippine Rating Services Corp. (PhilRatings), a local debt watcher, has assigned an issue credit rating of PRS 2 (minus) to the proposed STCP.

According to PhilRatings, obligations rated PRS 2 exhibit above average or strong capability for payment of both interest and principal.

"This is normally evidenced by many characteristics of a PRS 1 rating but to a lesser degree. Earning trends and coverage ratios, while sound, will be more subject to variations. Capitalization characteristics, while still appropriate, may be more affected by external conditions. Ample alternate liquidity is also maintained by the company. A plus or a minus sign can be added to further qualify an assigned rating," PhilRatings said.

In assigning the rating the credit rating agency said it takes into consideration Phoenix Petroleum's consistently improving revenue base and adequate liquidity and financial flexibility, its aggressive network expansion resulting in market leadership in the independent players sector, and its competent and experienced management team.

Phoenix now has 358 retail stations since it opened its first outlet in 2005.

The Philippine STAR [redacted]

Phl stocks end 3-day losing streak

By RICHMOND S. MERCURIO

Philippine stocks rebounded on a technical rally yesterday, putting a stop to a three-day losing streak.

The PSEi climbed 0.65 percent or 45.13 points to 6,991.19, retreating from the intraday high of 7,025.82. The broader all shares index likewise added 0.54 percent or 22.31 points to finish at 4,158.29.

"The local stock market followed the rebound in other stock markets, especially in the United States and Asia," said Luis Limlingan, analyst at Regina Capital Development Corp.

Asian stocks were mostly on a positive mood on Wednesday while US stocks recovered from steep declines it suffered in the previous trading days.

Locally, all counters finished in the green, led by the mining and oil and property counters which climbed 1.41 percent and 1.15 percent, respectively.

Turnover value went up to P12.52 billion from P12.01 billion on Tuesday. Advancers dominated decliners, 102 to 63, while 47 stocks did not change.

Limlingan, however, said Wednesday's comeback may only be a temporary relief in the market following what seems to be a weakening global growth.

"The slowdown is still lingering so a bearish outlook will likely continue," he said.