SEC News Service

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BusinessMirror B2 Wednesday, November 19, 2014

Suntrust plans to acquire property from rights offer

SUNTRUST Home Developers Inc. on Tuesday said it plans to acquire several properties to expand its operation from the proceeds of its rights offer to the existing shareholders.

Ferdinand Masi, the company's chairman and president, said Suntrust wants to eventually engage in real-estate development rather than relying mainly from the management fees that came from its investment in First Oceanic Property Management Inc.

The company is increasing its authorized-capital stock by P20 billion from the current P3 billion.

To do this, Suntrust, an affiliate of Andrew Tan's Megaworld Corp., will conduct a stock-rights offer to its existing holders of common shares. Suntrust is offering 2.5 new common shares for every existing common share.

Megaworld owns 42.48 percent of Suntrust and the rest by minority holders, including Emerging Market Assets Ltd., the Andresons Group Inc. and First Centro Inc.

Megaworld purchased Suntrust Properties Inc. from Suntrust Home. As a result, Suntrust Home ran out of significant revenue stream after the sale.

Masi, however, told shareholders the company was able to turnaround its operation after it recorded a P19.58-million profit last year.

"Our investment in First Oceanic created a new revenue stream in the form of management fees to complement existing rental income generated from investment in real estate," Masi said.

First Oceanic is engaged in property management of residential and office buildings, and private estates in Metro Manila and Cebu. It also owns Citylink Coach Services Inc., a provider of transport and shuttle rental services.

During the nine months of the year ending September, First Oceanic's revenues rose to P225.08 million from P196.84 million last year.

Masi said current revenue is already 85.82 percent of the 2013 annual revenues, excluding the sale of the shares of Suntrust Properties.

Profit for the nine-month period for the company is at P11.65 million. Masi said he is hoping to surpass the company's net income last year. *VG Cabuag*

RCBC posted ₱3.011-B net income in 9 months

RIZAL Commercial Banking Corp. (RCBC) said its net income for the first nine months of the year dropped to P3.011 billion, 36.04 percent lower than the P4.708 billion it booked in the same period last year.

The net income accounted for 19.25 percent of total operating income for the period ended September 30, 2014.

Net-interest income, representing 71.84 percent of total operating income, was higher by 17.15 percent from P9.592 billion in 2013 to this years P11.236 billion.

The interest income of P15.082 billion consisted of interest income from loans and receivables and investment securities that accounted for 75.59 percent and 19.68 percent of total-operating income, respectively.

Other interest income rose 18.22 percent, from P154 million to P182 million, mainly due to higher average volume of special deposit account for the period. Interest expenses from deposit liabilities declined by 9.11 percent or P191 million, from P2.093 billion to P1.902 billion due to lower average cost.

Trading and securities gain-net decreased by 62.29 percent or P1.793 billion, from P2.879 billion to P1.086 billion.

The consolidated total resources for the period ended September 30, 2014, reached P433.032 billion, which was P11.163 billion higher than year-end's P421.869 billion.

For the year, the bank has allocated P1.278 billion for capital expenditures.

In September the bank's board of directors selected Cathay Life Insurance Co. Ltd. as the preferred bidder for the proposed acquisition of a 20-percent share block in RCBC.

The proposed acquisition would involve Cathay subscribing to 124,340,272 primary common shares of RCBC at P64 per share to raise new Core Equity Tier-1 (CET1) capital for the bank of P7.957 billion, pursuant to a share subscription agreement.

Cathay will also be acquiring from Hexagon Investments B.V., an entity controlled by funds advised by CVC Asia Pacific Limited (CVC), 118,935,590 secondary shares also at P64 per share.

Likewise, it needs to acquire from the International Finance Corp. (IFC) the 36,724,138 secondary shares at P64 per share; and enter into a shareholders agreement with the Pan Malayan and Investment Corp and RCBC.

The transaction agreements were being negotiated and finalized. These also require approval of the transaction by the relevant Philippine regulatory authorities, Taiwanese regulatory authorities, CVC's board of directors, and IFC's board of directors.

Genivi Factao

BusinessMirror Wednesday, November 19, 2014 B2-1

Interest rates on reissued 5-year T-bonds plunge to 3.267%

By David Cagahastian

THE interest rates on reissued five-year Treasury bonds (T-bonds) went down by 25.3 basis points to settle at 3.267 percent per annum with a coupon rate of 3.875 percent, it was learned on Tuesday.

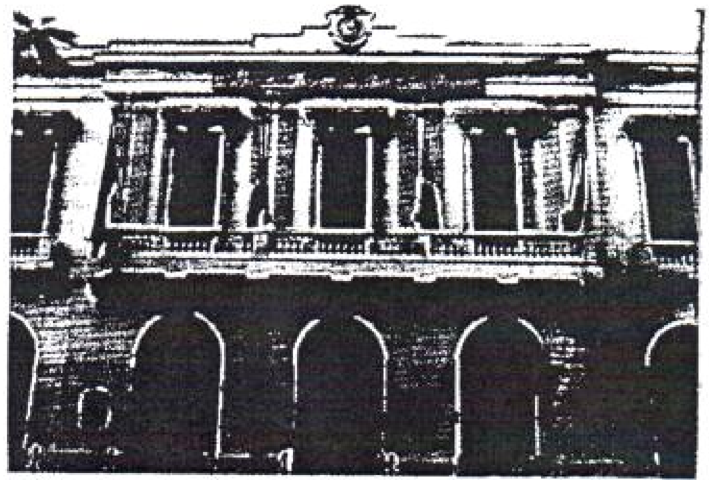
When the Bureau of the Treasury (BTr) auctioned off such T-bonds in February, the average interest rates demanded by investors settled at 3.52 percent, with a coupon rate of 2.125 percent.

The BTr made a full award of P25 billion worth of T-bonds offered in Tuesday's auction.

According to National Treasurer and auction-committee Chairman Rosalia de Leon, the lower interest rates on the reissued T-bonds are in line with the secondary market, and are caused by expectations of lower inflation rates.

Overall inflation rates in October eased to 4.3 percent, down by 0.1 percent from the inflation figures registered in September.

"The rates have really been coming down given the inflation expectations. Even in the secondary market, you have seen the rates at 3.3 percent on Monday, and something [about] 3.2 percent on Tuesday," de Leon said. The auction was oversubscribed, with total bids amounting to P66.46 billion, as against the P25-billion offering for the five-year T-bonds.



THIS May 2014 photo shows the façade of the Bureau of the Treasury building in Intramuros, Manila. ALVIN I. DACANAY

BusinessWorld
Wednesday, November 19, 2014 S2/3

Gov't awards P25B worth of Treasury bonds as rates fall

THE GOVERNMENT yesterday made a full award of its offer of reissued seven-year Treasury bonds as the debt paper fetched lower yields on the market's expectation of continued easing in inflation.

The Bureau of the Treasury awarded as planned P25 billion worth of the seven-year debt papers in an auction yesterday — the second to the last for this year.

The reissued T-bonds fetched an average rate of 3.267%, 24.4 basis points lower than the 3.511% quoted for the papers during a June 19 auction when debts were last reissued.

The latest yield is likewise lower than the 3.982% the papers fetched when they were first issued on November 2012.

The bonds have a coupon rate of 3.875%, and have a remaining life of five years.

Yields for the seven-year papers at the secondary market before noon yesterday — or before the auction at 1 p.m. — were at 3.7%, 43.4 basis points lower than the average rate they fetched at the tender.

The rate on the debt papers remained steady as of yesterday afternoon, according to data from the Philippine Dealing and Exchange Corp.

The Treasury's offer was more than twice oversubscribed, with total tenders reaching P66.461 billion.

"The lower rates are aligned with inflation expectations," National Treasurer Rosalia V. de Leon told reporters after yesterday's auction.

Headline inflation for the month of October was at 4.3%, down from the 4.4% in September, according to data from the Philippine Statistics Authority. Inflation picked up to near three-year highs in July and August at 4.9% before easing in September.

The October inflation print brought the year-to-date average to 4.3%.

The Bangko Sentral ng Pilipinas (BSP) sees inflation averaging at 4.4% this year.

It also aims to keep the annual rise in prices of widely used goods within 3-5% in 2014.

BSP Governor Amando M. Tetangco, Jr. said the October inflation data, as well as easing broad money growth, meant that the central bank's 3-5% inflation

Treasury, S2/3

Treasury,
S2/1

target range for the year was now "safe."

High liquidity growth, aside from supply concerns, had fanned inflation in earlier months, prompting the BSP to make adjustments to its policy settings — including raising its key interest rates — to head off potential second round effects.

Ms. de Leon added that the Treasury chose to make a full award of its offer of seven-year papers to take advantage of the opportunity to borrow money for domestic funding requirements at a lower cost.

"As Treasury, we'll always be ready to fund the requirements of the government," said Ms. de Leon.

"We have enough resources to meet the demand, whatever the demand is," she added.

Malaya
Business Insight Wednesday, November 19, 2014 A2

Full award on 5-yr bonds

THE national government made a full-award on the five-year bonds auctioned yesterday as the yield declined amid inflation expectations.

The Bureau of the Treasury sold P25 billion worth of government securities as programmed.

The rate of the auctioned debt paper was 3.267 percent, 25.3 basis points lower than the previous average of 3.52 percent.

Bids for the five-year IOUs ranged from 3.195 percent to 3.3 percent.

Tenders were more than twice oversubscribed at P66.461 billion.

"The rates have really been coming down given the inflation expectations, and it is aligned with the secondary market rates," National Treasurer Rosalia de Leon said.

De Leon said that the Bureau of the Treasury will always be ready to fund the requirements of the national government.

The national government revised its borrowing mix for 2014, raising the share of external financing, due to the higher availment of loans for the rehabilitation and reconstruction in disaster-hit areas.

The Department of Budget and Management's 2014 Mid-Year Report shows that the outlook for 2014 reflects a borrowing mix of 83 percent domestic and 17 percent external financing.

This is still broadly in line with the initial forecast of 87 percent - 13 percent mix, also in favor of local borrowings.

"Adjustments can be ascribed to the higher availment of emergency concessional loans for reconstruction and rehabilitation related programs in areas hit by natural disasters in 2013," the DBM said.

The revised full-year gross borrowing program is P750.51 billion, higher than the P715.04 billion under the original outlook.

Globe Telecom declares P18.75 cash dividend

GLOBE Telecom's board of directors recently approved the issuance of a P18.75 cash dividend for shareholders.

The payment date has been set for December 11, payable to shareholders on record as of November 25.

"The company's yield of 4.4 percent continues to be competitive as the average dividend yield of firms included in the Philippine Stock Exchange index is only about 2 percent," said Albert de Larrazal, Globe chief finance officer.

Year-to-date share price appreciation was at 2.7 percent as of Oct. 31, 2014 with a share price of P1,685. Total shareholder return is at 7.1 percent.

Globe posted revenues of P72.7 billion in the first nine months of the year, an 8 percent increase from the same period last year.

Revenues were "driven by robust expansion of both mobile and broadband customer bases, the strong demand for data connectivity, and the successful execution of various innovative and relevant promotions during the period," Globe said.

Net profit surged by 198 percent to P11.7 billion driven by improvement in EBITDA (earnings before interest, tax, depreciation and amortization), coupled with lower depreciation expenses and non-operating charges.

The company received citation for its strong dividend policy from Finance Asia, a leading financial publication in the region.

Optimism boosts PH, other major Asia marts

BANGKOK - Major Southeast Asian stock markets rose on Tuesday, with the key Indonesian index touching a more than two-week high as the central bank held a meeting a day after a fuel price hike, while construction shares led a market rebound in Thailand.

Philippine share prices ended up Tuesday as investors took advantage of confidence by foreign investors in the local market. The main index gained 45.49 points to close at 7,275.66.

Loseres edged gainers 88 to 78 with 53 stocks unchanged. Trading turnover reached P8 billion.

Online brokerage firm 2tradeasia.com said "part of the momentum was due to liberalized bank ownership, plus nascent push to reform the mining sector's tax scheme."

Jun Calaycay, Accord Capital Equities Corp. trader, added the market joined "a general rise of optimism across the region as investors anticipated Japan to implement stimulus actions."

Most actively traded Philippine Long Distance Telephone Co., was up P2 to P2,994. Southeast Asia Cement Holdings, Inc., was up P0.29 to P2.50.

Jakarta's composite index was up 0.4 percent at 5,074.24. It earlier hit 5,090.54, the highest since Nov. 3.

Bank Indonesia convened an extraordinary meeting on Tuesday, fuelling speculation it will raise interest rates to deal with a potential rise in inflation after the government hiked subsidized fuel prices by more than 30 percent late on Monday.

"We think there may be just enough reasons for the Bank Indonesia policy rate to stay put. Certainly, there are some risks for a 25 basis points rate hike as a response to the fuel price hike," DBS Group Research said in a report.

Interest rate sensitive stocks traded mixed, with Bank Negara Indonesia down 1.3 percent while Bank Rakyat Indonesia and Bank Mandiri were unchanged, after erasing early gains.

In Bangkok, shares of Italian Thai Development, advanced 6.3 percent and Ch Karnchang Pcl jumped almost 3 percent, taking the benchmark SET index 0.6 percent higher after two days of falls.

"Today, the cabinet should consider MOUs for the dual-track railways, worth 400 billion baht, which are expected to be signed later this year. Ch Karnchang is one of the most outstanding performing contractors," Maybank Kim Eng said in a report.

Singapore eked out small gains in a range-bound session, Malaysia recovered from five straight sessions of losses, and Vietnam was nearly flat.

MSCI's broadest index of Asia-Pacific shares outside Japan was down 0.3 percent.

Japanese shares led a tentative recovery in Asian markets, drawing some support from two US blockbuster acquisitions and anticipation of more European monetary stimulus.

A day after shock data showing Japan slipping into recession had rattled financial markets, Japan's Nikkei rose 1.7 percent, erasing about a half of Monday's 3.0 percent fall.

Prime Minister Shinzo Abe is expected to announce later in the day that he is calling a snap election, banking on the ruling Liberal Democrat Party (LDP) trouncing a weak opposition to reaffirm the mandate to pursue his reflationary economic policies despite the slumping performance.

"While there has been some decline in the support rate for Abe's cabinet there has been no accompanying rise in the support for the opposition from the depressed level. We would therefore expect the main ruling LDP to maintain its majority and for Abenomics to continue," said Miyuki Kashima, managing director at BNY Mellon Asset Management. "As a result, our positive view on the (Japan) market remains unchanged."

On Wall Street, the S&P 500 rose slightly to a record closing high on Monday, helped by deal activity worth $100 billion and hopes of more European stimulus.

On Monday, oil field service company Halliburton Co said it will buy Baker Hughes Inc for about $35 billion, while Botox maker Allergan Inc was seen nearing a buyout deal worth up to $65.5 billion by Actavis Plc. - *Reuters*

Manila Standard TODAY

Govt raises ₱25b from bond sale

By Jennifer G. Ambanta

THE Bureau of the Treasury on Tuesday raised P25 billion from the sale of five-year government bonds amid strong demand among investors.

Treasurer Rosalia de Leon said interest rates were going down, as investors expected inflation to ease further in the coming months.

"The rates have really been coming down, given the inflation expectation and it was aligned with the secondary market rates," she said.

Rates for the five-year-old government debt averaged 3.267 percent during Tuesday's auction, or 25 basis points lower than the 3.52 percent price the bonds of the same tenor fetch on Feb. 18 this year.

Tenders for the five-year debt instruments hit P66.461 billion, or almost three times the original offer of P25 billion.

De Leon said interest rates were aligned with the P1-billion deal in the secondary market, which traded at around 3.2 percent.

Meanwhile, the Treasury said it would pursue the implementation of the unified debt markets on Nov. 24, 2014. "We are ready to go. We are going live this 24th," she said.

De Leon said the agency was able to put the facilities in place and settle issues with the tax trucking. "Everything was in place," De Leon said.

Meanwhile, she said the government would not need to raise additional funds to pre-fund its expenditure requirements.

"The Treasury will be able to provide the liquidity that the government needs for its programs," she said.

The Treasury will keep its borrowing program and proceed with the scheduled auction until December, she said.

"The market is very liquid, so we would like to take advantage of it," De Leon said.

The government said it would keep the borrowing program bias for the domestic market to take advantage of the low interest rates. The government adjusted its 2014 borrowing program from the original amount of P274.110 billion to P283.970 billion this year.

The revised outlook for 2014 reflects a borrowing mix of 83 percent, domestic debt and 17 percent external financing, which was broadly in line with the initial 87 percent to 13 percent program.

Suntrust approves ₱20-b hike in capital

By Jenniffer B. Austria

SUNTRUST Home Developers Inc., a listed property management company, said Tuesday its shareholders approved a P20-billion increase in authorized capital stock to P23 billion from P3 billion, as the company ventures into real estate development.

Suntrust said it would hike the capital to P23 billion, divided into 23 billion common shares with a par value of P1 apiece, from current P3 billion, divided into 3 billion common shares with a par value of P1 apiece.

The capital hike will be funded by the rights offering where existing shareholders would be entitled to subscribe to 2.5-offer shares, for every one share owned.

Suntrust president Ferdinand Masi said during the annual stockholders' meeting the company planned to use the proceeds from the planned stock rights offering to finance acquisition of properties.

"The company intends to engage in real estate development and is currently considering properties for acquisitions," Masi said.

Suntrust was originally incorporated on Jan. 18, 1956 under the name Ramie Textiles Inc. and was originally authorized to engage in the manufacturing and sale of all types of ramie products. It changed its name from Fairmont Holdings to the present name in 2002.

The company currently does not have any business operations, but its subsidiary First Oceanic Property Management Inc. is involved in property management of residential and office buildings and private estates.

FOPMI also owns a 100-percent stake in CityLink Coach Services Inc., which provides transport and shuttle rental services in Metro Manila and nearby provinces.

Stocks advance; GT, Semirara rise

STOCKS climbed for the third day to hit a two-week high, on positive third-quarter earnings of several major companies and as investors await the move by Japan Prime Minister Shinzo Abe to boost the world's third largest economy.

The Philippine Stock Exchange index, the 30-company benchmark, gained 45 points, or 0.6 percent, to close at 7,275.66 Tuesday, the highest since Nov. 3, when it settled at more than 7,300. The index is up 23.5 percent since the start of the year.

The heavier index, representing all shares, advanced 21 points, or 0.5 percent, to finish at 4,276.05 on a value turnover of P8 billion. Gainers outnumbered losers, 88 to 78, while 53 issues closed unchanged.

Southeast Asia Cement Holdings Inc. surged 13.1 percent to P2.50 to become the biggest gainer among the 20 most active stocks. GT Capital Holdings Inc., the investment company of tycoon George Ty, climbed 3.9 percent to P1,135, while Semirara Mining and Power Corp. advanced 3.1 percent to P127.80.

Property developer Megaworld Corp. gained 2.7 percent to P4.97. Retailer Puregold Price Club Inc. rose 2.5 percent to P36.80, while newly listed SSI Group Inc. added 2.4 percent to close at P8.71.

Meanwhile, Asian markets were mixed Tuesday, with Tokyo leading gainers on bargain buying after the previous day's sell-off, while Wall Street provided some support with another record close.

Hong Kong and Shanghai extended their previous day's losses, despite a new trading linkup between the two exchanges.

Tokyo, which lost almost 3 percent Monday on news Japan's economy was in recession, jumped 2.18 percent, or 370.26 points, to 17,344.06.

Seoul added 1.20 percent, or 23.38 points, to 1,967.01 and Sydney fell 0.24 percent, or 12.8 points, to close at 5,399.7.

In the afternoon, Hong Kong, slipped 0.90 percent and Shanghai was 0.82 percent lower.

Focus is on the next move by Japan Prime Minister Shinzo Abe after data Monday showed the economy was in recession, hammered by a sales tax hike in April.

Analysts now expect him to delay another sales tax rise due in October and call a snap election as he tries to bolster support within his own party ahead of a planned leadership poll next year. **With AFP**

B2 WEDNESDAY November 19, 2014
The Manila Times
Business

PSEi extends gains for 3rd day on bargain-hunting

THE bellwether stock index continued its winning streak for a third day, posting modest gains on the back of bargain-hunting interest and with Wall Street's record close overnight providing further support.

The Philippine Stock Exchange index (PSEi) gained 45.94 points or 0.64 percent to 7,275.66, while the wider All Shares index added 21.11 points or 0.50 percent to 4,276.05.

Optimism ahead of the third quarter GDP release on November 27 and expectations for a market uptrend toward the yearend also buoyed sentiment.

Joseph Roxas, Eagle Equities Inc. president, said in a phone interview that the market was "mostly sideways" while investors were "paying more attention on second liners" such as Southeast Asia Cement Holdings Inc. (Seacem) and newly listed luxury retailer SSI Group Inc.

Seacem was actively traded during Tuesday's session with a 13-percent advance, gaining 29 centavos to P2.50

➤Stocks B2

■ **STOCKS** FROM B1

PSEi extends gains

apiece, while SSI Group was also actively supported, gaining 2.35 percent or 20 centavos to P8.71 per share.

Roxas said that more investors were interested in Seacem as it nears its backdoor listing, allowing nickel ore exploration firm Platinum Group Metals Corp. (PGMC) to enter the company.

"It's a backdoor listing. Recently there has been a lot of volume in Seacem. People are speculating when that would materialize. They are excited about the developments," Roxas said.

After the backdoor listing, Seacem-PGMC will change its corporate name to Global Ferronickel Holdings Inc. The company plans to conduct a P10 billion follow-on offering in April next year to fund expansion plans.

Earlier, Seacem chairman Raul M. Ang said that while PGMC is the second largest nickel ore producer in terms of volume next to Nickel Asia Corp., it "aims to be number one in the next few years."

Roxas said investors were upbeat on SSI Group because they see the company eventually going head to head or catching up with Robinsons Retail Holdings Inc. in terms of volume.

"SSI Group is a consumer play. Before, it was compared with Robinsons Retail. And now, with the bright prospects for the company, investors are speculating that SSI Group will catch up with Robinsons Retail," he said.

Roxas said there was nothing specific driving the benchmark index on Tuesday. "No new catalysts, only bargain hunting," he added.

Jason Escartin, investment analyst at F. Yap Securities Inc., said "sustained foreign buying buoyed sentiment despite the regional pullback owing to Japan's third quarter GDP."

"Part of the momentum might ride on liberalized bank ownership, plus a nascent push to reform the mining sector's tax scheme," Escartin said.

Only industrials ended in the red among the sectors, down 5.80 points or 0.05 percent at 11,700.36.

The rest were advancers led by holding firms, up 65 points or 1.04 percent at 6,339.66, while financials were up 7.61 points or 0.45 percent at 1,716.31.

Services improved 6.15 points or 0.29 percent to 2,140.69, mining and oil climbed 85.96 points or 0.56 percent to 15,490.52, and property rose 19.35 points or 0.67 percent to 2,893.01.

Besides Seacem and SSI Group stocks, active gainers also included PLDT, up 0.07 percent or P2 at P2,994 apiece; BDO Unibank Inc., up 1.13 percent or P1.20 at P107.20; and Megaworld Corp., up 2.69 percent or 13 centavos at P4.97 each.

Among the actively traded issues, Energy Development Corp. ended flat while the rest were losers, including Alliance Global Group Inc (-2.69 percent or 65 cents at P23.55), First Gen Corp. (-2.05 percent or 5 cents at P26.25), Jollibee Foods Corp. (-0.36 percent or 70 cents at P196.30), and Bloomberry Resorts Corp. (0.29 percent or 4 cents at P13.54).

Shares traded totaled 2.26 billion valued at P8 billion. Decliners outnumbered advancers 88 to 78, while 53 shares were unchanged.

On Monday, the benchmark stock index was up12.38 points or 0.17 percent at 7,229.72, while the All Shares index added 8.98 points or 0.21 percent to 4,254.94.

KRISTYN NIKA M. LAZO

Zobels sharing family company with Cebuanos

BY EMETERIO Sd. PEREZ COLUMNIST

THE Cebu units of the Ayala group are undergoing major executive changes. The Zobels, who own these subsidiaries through Ayala Land Inc. (ALI), are promoting Aniceto Bisnay Jr. from vice president to president of Cebu Holdings Inc. (CHI) and of Cebu Property Ventures and Development Corp. (CPVDC).

➤PerezB1

Zobels sharing family company with Cebuanos

DUE DILIGENCER

EMETERIO Sd. PEREZ

As a vice president at Ayala Land, Bisnay, who was 49 years old as mentioned in a filing early this year, oversees the operations of the ALI units in the Visayas and Mindanao regions. He will replace outgoing President Francis Monera, who is retiring effective December 31, 2014.

Monera, who was 59 years old as of December 31, 2013, has been a director of both Cebu Holdings and Cebu Property Ventures since 2006. He became CHI president on January 1, 2007.

Bisnay will also take the place of Emilio Lolito Tumbocon, a senior vice president at Ayala Land, on the respective boards of Cebu Holdings and Cebu Property Ventures effective January 1, 2015.

Challenge to Bisnar

Nothing is said in any of ALI's disclosures posted on the website of the Philippine Stock Exchange about whether Bisnar's promotion

➤Perez.B4

■ **PEREZ** FROM B1

Zobels sharing family company with Cebuanos

is only a prelude to any major overhaul of the Ayala property group. At 49 going 50, Bisnar is taking over the responsibility of expanding the conglomerate's operations in Visayas and Mindanao, and at the same time, maintaining the profitability of the two companies.

For the first three quarters of 2014, CHI reported a 6.548 percent drop in net income to P374.475 million from P400.713 million in the same period in 2013. As of September 30, 2014, it had retained earnings of P1.513 billion.

CPV, on the other hand, had retained earnings of P455.091 million as of September 30, 2014 including a net profit of P125.292 million for the nine-month period. That net profit reflects a 10.252 percent rise from P113.641 million in 2013.

Ownership profile

Whatever the investment thrust of the Ayala group in the Visayas and Mindanao will remain a subject of market speculation, even though CHI and CPVDC may be listed but not necessarily public.

Cebu Holdings is only an associate of Ayala Land because of its outstanding shares, ALI owns only 956.242 million shares, or 49.80 percent of the firm's equity. But it is a subsidiary or a member of the Ayala group or of the Zobel conglomerate thru ALI, BPI Capital Corp. and Laguna Properties Holdings Inc. The CHI shares owned by these companies as corporate stockholders raise Ayala's indirect holdings in this unit to more than 51 percent.

This ownership profile should make CHI an indirect unit of the Ayala group, which is listed as Ayala Corp. (AC), which, in turn, is a 51 percent subsidiary of the unlisted Zobel-owned Mermac Inc.

The public has yet to know if the Zobels own more than what were disclosed in PSE postings because of the undisclosed beneficial owners of CHI shares held by the PCD Nominee Corp.

More foreigners than Filipinos

If the public investors who trade CHI shares were to closely scrutinize the company's report on its top 100 stockholders, they would find foreigners owning a bigger stake than what Filipinos hold.

As of September 30, 2014, PCD Nominee held 469.229 million shares, or 24.44 percent, for foreigners. Meanwhile, 242.795 million shares, or 12.65 percent, were owned by Filipinos.

If the public investors would want to learn more about Cebu Holdings' ownership profile, they need to be more resourceful. As of January 31, 2014, Aberdeen Asset Management Asia Ltd. of Singapore and Aberdeen International Fund Managers Ltd. of Hong Kong were listed as owners of 310.402 million CHI shares, or 16.1662 percent, and 197.895 million CHI shares, or 10.3066 percent, respectively.

As credited to the PCD Nominee, Filipinos, on the other hand, owned 113.73 million CHI shares, or 5.9232 percent while the Government Service Insurance System held 97.279 million CHI shares, or 5.066 percent.

But Cebu Holdings has one significant but loyal stockholder in First Metro Investment Corp., owning 186.695 million CHI shares, or 9.72 percent.

Cebu Property for Cebuanos

Cebu Holdings is majority stockholder of Cebu Property Ventures and Development Corp. It owns 717.064 million CPVDC shares, or 76.26 percent, divided into 439.388 million Class A shares and 277.676 million Class B shares.

In addition, the Zobels also own through Ayala Land, 77.865 million CPVDC shares, or 8.28 percent. Through the holdings of the two corporate stockholders, the family controls 84.06 percent of the Cebu-based Ayala unit.

PCD Nominee holds only 40.388 million CPVDC shares, or 4.29 percent.

Yet, there is one stockholder worth-noting here and which should make Cebu Property Ventures truly public: the province of Cebu, according to a company filing, owns 77.865 million CPVDC shares, or 8.25 percent.

With the provincial government-held CPVDC shares, the Cebuanos should have a say in how the Zobels undertake their property development projects in the province without hurting the environment.

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Globe Telecom declares ₱18.75/share cash payout

By EMMIE V. ABADILLA

In line with its commitment to deliver value to shareholders, the Globe Telecom board last week (November 11, 2014) approved a cash dividend of ₱18.75 per share for holders of its common shares.

The dividend is payable to shareholders on record as of November 25, while payment date has been set on December 11. The cash dividend represents an annualized dividend yield of approximately 4.4% based on the company's closing share price of ₱1,685 as of October 31, 2014.

According to Globe Chief Finance Officer Albert de Larrazabal, the company's yield of 4.4% continues to be competitive as the average dividend yield of firms included in the PSE index is only about 2%.

On the other hand, government five and seven-year benchmark rates are both approximately at 4%, respectively. Based on a Globe share price of ₱1,685 as of October 31, 2014, year-to-date share price appreciation is about 2.7%. Coupled with the 4.4% dividend yield, the total shareholder return is 7.1%.

Globe led industry growth in the first nine months of the year, posting revenues of ₱72.7 billion, 8% higher than the ₱67.3 billion reported in the same period last year, due to robust expansion of both mobile and broadband customer bases, the strong demand for data connectivity, and the successful execution of various innovative and relevant promotions during the period.

Core net income jumped 22% in the January to September period to ₱11.6 billion while net profit surged 198% to ₱10.5 billion as a result of improvement in EBITDA, coupled with lower depreciation expenses and non-operating charges.

Early this year, Globe received a citation from Finance Asia, a leading financial publication in the region, for its commitment to a strong dividend policy. The citation was based on a poll conducted to determine Asia's top companies.

The survey involved votes from investors and analysts across the region. Globe was also cited as one of the top companies in Asia by institutional investment publication Alpha Southeast Asia for having the most consistent dividend policy.

MANILA BULLETIN
THE PHILIPPINES' LEADING NATIONAL NEWSPAPER
Wednesday, November 19, 2014 B-5

Chemical company plans ₱200-M IPO

By MADELAINE B. MIRAFLOR

Local chemical manufacturer Crown Asia Chemicals Corp. is now seeking regulatory approvals to be able to conduct an initial public offering (IPO) at the Philippine Stock Exchange (PSE) where it intends to raise more than ₱200 million to be able to pay its debt, among other purposes.

Based in Guiguinto, Bulacan, Crown Asia is engaged in the production of plastic compounds, pipes, and related products for direct and indirect use in the construction and telecommunication industries.

A filing with the Securities and Exchange Commission (SEC) showed that the company intends to sell 158 million primary common shares to the public at ₱1.41 per piece to be able to raise proceeds of ₱222.78 million.

The net proceeds from the offer will be used by the company for the full payment of a Bulacan property it recently acquired where it will establish some of its facilities, construction of a manufacturing plant and a warehouse, debt retirement, and purchase of land for future expansion.

Although it didn't specify the timetable for its planned IPO, the company indicated that it wouldn't need the amount to be raised from the offer within the year.

According to its prospectus, the budget allocated for the aforementioned purposes will all be disbursed in the first quarter of 2015.

The transaction is being arranged by Abacus Capital and Investment Corp., which serves as both the issue manager and underwriter for the offer.

During the first six months of the year, the company generated revenues of ₱395.62 million and net income of ₱17.04 million. Its total assets, by that time, also stood at ₱683.67 million with total shareholders' equity of ₱515.49 million.

The company is owned by the Villanueva and Perez families that will collectively own 74.95 percent of the company after the offering.