

SEC clears North Star IPO

THE Securities and Exchange Commission (SEC) announced that it approved the initial public offering (IPO) of North Star Meat Merchants, Inc. worth up to P4.5 billion.

In an advisory on Tuesday, the commission said it resolved to render effective the registration statement of North Star covering 1.8 billion common shares, subject to the company's compliance with certain remaining requirements.

The meat retailing company will offer to the public up to 360 million common shares priced at up to P10 per share.

The offer will also include 32 million shares to be offered by selling shareholder Golden MJTF Holdings, Inc., plus an overallotment option of 58 million common shares, also priced at up to P10 each.

"Net proceeds from the offering of the primary shares is expected to amount to about P3.462 billion, which the company will use for capital expenditures to expand its cold chain infrastructure, to increase working capital, and to expand product lines," the SEC said.

Assuming the overallotment option is fully exercised, Golden MJTF Holdings can net up to P864.45 million. North Star Meat Merchants will not receive the proceeds from the sale of the selling shareholder's shares.

The offer will run from May 30 to June 3, with listing on the PSE scheduled on June 10, according to the latest timetable submitted to the SEC.

The shares will be listed and traded on the main board of the Philippine Stock Exchange (PSE).

The company tapped BDO Capital and Investment Corp. as sole issue manager, which will be joined by China Bank Capital Corp. as joint lead underwriters and joint bookrunners. PNB Capital Investment Corp. and SB Capital Corp. will also serve as co-lead underwriters.

North Star is a meat retailer and supplier that operates 360 meat concessions nationwide, with a cold storage capacity of 8.09 million kilograms and a capacity to deliver up to 120,000 kilograms of meat daily. — **Luisa Maria Jacinta C. Jocsion**

GT Capital net income rises, surpasses pre-pandemic level

TY-LED GT Capital Holdings, Inc. reported on Tuesday a 7.1% increase in first-quarter net income for parent firm equity holders to P4.36 billion after a double-digit jump in revenues, driven by the growth of its banking and automobile units.

Core net income for the first quarter of the year was placed at P4 billion, up 18%, while after-tax profit reached P5.48 billion, or an increase of 9% year on year.

"Our financial results show the growth momentum from last year carried over into the first three months of 2022. At these levels, we have already surpassed our first quarter 2019 pre-COVID core income by 18%. This is a very encouraging indicator," GT Capital President Carmelo Maria Luza Bautista said.

"Despite the headwinds of inflation, higher interest rates, market disruptions caused by the pandemic, and the more recent geopolitical events, we are confident that our recovery momentum is sustainable," she added.

Metropolitan Bank & Trust Co.'s (Metrobank) net income in the first three months of the year hit P8 billion, or 2.7% higher year on year.

"We are encouraged by the sustained pickup in economic activities as Metrobank stands ready to support our clients in their funding plans and investment needs," said Metrobank President Fabian S. Dee.

"The strategies that we have put in place should enable the bank to achieve sustainable growth, along with the expanding domestic economy," he added.

During the quarter, gross loans rose 5% to P1.3 trillion year on year, led by a 10% expansion in corporate lending and an 8% increase in credit card receivables.

Meanwhile, Toyota Motor Philippines Corp. (TMP) recorded a 4.1% increase in net income to P2.07 billion from P1.99 billion, while its consolidated net income grew 5% to P2.1 billion.

The profit rise came after consolidated revenues increased by 24% to P42.1 billion from P33.9 billion in the previous year, as retail vehicle sales increased by 12% in the January-March period.

TMP continued to expand its model lineup in the first quarter by launching three new model

variants — the Rav4 HEV and Raize in February, and the Avanza in March.

"The first quarter of 2022 saw a sustained rise in vehicle sales for both the industry and Toyota. Without the drop in deliveries in January due to the Omicron variant surge, the recovery would have been much further along. Toyota recorded exceptional results for February and March, with sales peaking at over 15,000 units in March, the highest monthly sales since the pandemic started in 2020," TMP Chairman Vince S. Socco said.

Mr. Socco added that TMP was able to further stimulate demand through sustained new model offerings in the mass market segments, which contributed to a spike in market interest.

"As well, the industry is feeling the return of corporate demand on the heels of the resumption in business activity. Renewal of company fleets is reflected in the rise of planned capital expenditures. With the peaceful conclusion of the elections, the continued reopening of the economy

and the expected continuation of government infrastructure programs, 2022 is expected to return to pre-COVID sales levels," he added.

GT Capital's property subsidiary Federal Land, Inc. reported that net income attributable to equity holders of the parent dropped by 4.9% to P311.2 million from P327.3 million.

Total revenues increased by 14% to P2.8 billion, with real estate sales amounting to P1.8 billion, up 10%.

Federal Land forged a partnership with Japanese real estate developer Nomura Real Estate Development Co., Ltd. to form a new company, Federal Land NRE Global, Inc.

Nomura will be investing \$324 million, representing 34% of the total capital investment of FNG at P48 billion. — **Luisa Maria Jacinta C. Jocsion**

FULL STORY

Read the full story by scanning the QR code with your smartphone or by typing the link <<https://bit.ly/3to714N>>

ABS -CBN trims losses after shutting down some businesses, content production

ABS-CBN Corp. announced on Tuesday that it cut its net loss for 2021 to P5.67 billion from a loss of P13.53 billion previously, mainly due to lower expenses resulting from the cessation of some of its businesses and content production.

The media company saw its total revenues decline 16.8% in 2021 to P17.8 billion from P21.42 billion in the previous year, its full-year financial report showed.

Broken down, its advertising revenues fell by 25% to P5.29 billion in 2021 from P7.06 billion in 2020, while consumer sales

went down 12.7% to P12.53 billion from P14.36 billion in the previous year.

The decline in advertising revenues is "attributable to the absence of the company in the free-to-air advertising space following the cease-and-desist order issued by the National Telecommunications Commission (NTC) on the company's broadcast operations on May 5, 2020 and the eventual adoption of a resolution denying the franchise application of the company by the House Committee on Legislative Franchises on July 10, 2020," ABS-CBN said.

"The cease-and-desist order similarly affected consumer sales as this prohibited the company from engaging in Sky Cable's DTH (direct-to-home) services and distribution of TV Plus Boxes," it added.

At the same time, the company said that the impact of the coronavirus pandemic resulted in the company "being unable to generate revenues from concerts and events as well as box office receipts."

The health crisis also resulted in the "cessation of various ancillary operations such as Heroes Burger, Kidzania Manila, and Studio XP."

ABS-CBN's costs and expenses decreased 32.8% to P23.26 billion in 2021 from P33.55 billion previously.

Broken down, production costs fell by 30.6% to P7.15 billion from P10.31 billion in 2020, while the cost of sales and services fell 15.8% to P7.93 billion from P9.42 billion in the previous year.

The company's general and administrative expenses dropped 46.1% to P8.17 billion from P13.82 billion in 2020.

"In compliance with the directive by the Office of the President of the Philippines imposing strin-

gent social distancing measures on March 15, 2020, the company ceased production of content the same day. This production stoppage was further extended after the cease-and-desist order was issued by the NTC to the company," ABS-CBN said.

"Instead, the company decided to align the number of programs based on partnerships closed by the company with various free-to-air operators. This alignment resulted in a reduction of production costs... Due to the cumulative impact of the COVID-19 (coronavirus disease 2019) outbreak and

the cease-desist order issued by the NTC, the company was forced to cease its food & beverage, live experiences, TV plus and DTH business operations," it added.

"This, in turn, resulted in a reduction in the cost of sales and services... Following the events of the franchise denial and the impact of COVID-19, the Company enforced stringent cost cutting measures to further manage the company's financial performance."

ABS-CBN shares closed 3.30% lower at P9.76 apiece on Tuesday. — **Arjay L. Balinbin**

Economy, from S1/1

The economists said they now expect the BSP to raise interest rates by 150 basis points (bps) this year, starting with the May 19 meeting.

"We now expect monetary policy normalization by BSP to begin earlier and move at a faster pace. We now project six consecutive policy rate hikes of 25 bps each, starting in May and ending in December, to bring the policy rate to 3.5% by end-2022."

They said hikes worth 50 bps in the next meetings might also be possible if inflation reaches the 6% level.

"However, our base case assumes that BSP will opt for a measured and gradual pace of

rate hikes to support a sustainable economic growth recovery amid still elevated uncertainty," they said.

BSP Governor Benjamin E. Diokno earlier said they might consider a rate hike in June. He has also said they are ready to respond preemptively if inflation risks become more prevalent.

Eight of 17 analysts in a *BusinessWorld* poll expect the central bank to start increasing interest rates at its Thursday meeting given stronger growth in the first quarter. They said this is enough reason for the BSP to start focusing its response on surging inflation. — **Luz Wendy T. Noble**

Clean energy, from S1/1

President Rodrigo R. Duterte has issued Executive Order No. 170, directing all government agencies to use digital methods for releasing and accepting payments, which would make formal financial services more accessible to more Filipinos.

The ASEAN+3 Finance Cooperation is composed of ASEAN members Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam; and their partners Japan, Korea, and China. — **Tobias Jared Tomas**

Financial consumers, from S1/1

They can also fine and suspend companies that violate the law.

Regulators can also issue cease-and-desist orders against financial service providers that commit fraud, violate the law or "cause grave or irreparable injury or prejudice to financial consumers."

Financial regulators are now given adjudicatory powers to order the reimbursement of lost funds not exceeding P10 million, allowing regulators to "resolve the challenges faced by financial consumers in a timely manner."

They are tasked to determine the reasonableness of interest charges or fees that a financial service provider may demand, collect, or receive for a service.

Regulators must also provide efficient and effective mechanisms to address and handle complaints, requests and inquiries from financial consumers.

"The law arms regulators with sufficient authority in effectively preventing fraud and addressing consumer issues, especially as more turn to digital services," Senator Mary Grace Natividad S. Poe-Llamanzares, who chairs the Senate Committee on Banks and

one of the measure's proponents, said in a statement.

She said the law allows regulators to suspend the operations of erring financial service providers and require reimbursement of lost money.

"We authored this measure and saw its passage through as its sponsor to ensure a heightened level of protection for all consumers," she said. "Transactions, big or small, deserve quality and prompt attention."

A copy of the law was published a day after Mr. Duterte's office released an executive order mandating all government agencies to use digital methods in disbursing and collecting payments.

In 2020 and 2021, the Bangko Sentral ng Pilipinas (BSP) received more than 42,000 complaints through its Consumer Assistance Mechanism. The total amount involved in the 2021 complaints amounted to P540 million, bringing total from 2019 to P2 billion.

The BSP cited identity theft, phishing and social engineering schemes including card-not-present fraud as the top three cybercrimes in 2020. — **Kyle Aristophere T. Atienza**

CEBULANDMASTERS
We Build with You in Mind

ANNUAL STOCKHOLDERS MEETING 2022

NOTICE OF MEETING

Dear CLI Stockholders,

You are hereby notified that CEBU LANDMASTERS, INC. ("CLI") will hold its annual stockholders' meeting on 07 June 2022 (Tuesday) starting at 9:00 in the morning. In keeping with prevailing health protocols discouraging mass gatherings, the meeting will be held through a hybrid of in-person and tele- and video-conference.

If you intend to join, please ensure you remain a CLI stockholder as of 01 May 2022, the record date for the meeting. Also, on this day, you may start sending your proxy forms and ballots to the Secretariat, which will continue to receive them until 31 May 2022, the deadline for their validation.

You may download the Definitive Information Statement, agenda, proxy forms, ballots, and other related materials for the meeting from the company website at <https://www.cebulandmasters.com/stockholders-meeting/>

We will endeavor to send you the Zoom login details and dial-in numbers for this meeting within a few days after validating your proxy forms and ballots sent either to corporate.secretary@cebulandmasters.com or my office address below.

Sincerely,

Atty. Alan C. Fontanosa (signed)
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