

Philippine Stock Exchange index (PSEi)

6,430.58

▼46.78 PTS.

▼0.72%

THURSDAY, JUNE 1, 2023

BusinessWorld

PSEi MEMBER STOCKS

AC Ayala Corp. P645.00 -P15.00 -2.27%	ACEN ACEN Corp. P5.98 +P0.12 +2.05%	AEV Aboitiz Equity Ventures, Inc. P52.40 -P2.10 -3.85%	AGI Alliance Global Group, Inc. P13.38 +P0.12 +0.9%	ALI Ayala Land, Inc. P25.85 -P0.45 -1.71%	AP Aboitiz Power Corp. P37.20 ---	BDO BDO Unibank, Inc. P137.00 +P1.00 +0.74%	BPI Bank of the Philippine Islands P100.00 +P0.05 +0.05%	CNVRG Converge ICT Solutions, Inc. P10.70 -P0.18 -1.65%	DMC DMCI Holdings, Inc. P9.60 +P0.14 +1.48%
EMI Emperador, Inc. P21.15 +P0.05 +0.24%	GLO Globe Telecom, Inc. P1,700.00 ---	GTCAP GT Capital Holdings, Inc. P510.00 -P6.00 -1.16%	ICT International Container Terminal Services, Inc. P201.00 +P6.00 +3.08%	JFC Jollibee Foods Corp. P230.40 -P5.20 -2.21%	JGS JG Summit Holdings, Inc. P48.00 ---	LTG LT Group, Inc. P9.41 -P0.17 -1.77%	MBT Metropolitan Bank & Trust Co. P56.50 -P1.10 -1.91%	MER Manila Electric Co. P322.60 -P4.40 -1.35%	MONDE Monde Nissin Corp. P7.98 -P0.12 -1.48%
MPI Metro Pacific Investments Corp. P4.37 +P0.02 +0.46%	PGOLD Puregold Price Club, Inc. P30.25 -P0.05 -0.17%	SCC Semirara Mining and Power Corp. P28.20 +P0.20 +0.71%	SM SM Investments Corp. P910.00 -P19.00 -2.05%	SMC San Miguel Corp. P106.70 -P0.70 -0.65%	SMPH SM Prime Holdings, Inc. P32.50 -P0.20 -0.61%	TEL PLDT Inc. P1,209.00 +P9.00 +0.75%	UBP Union Bank of the Philippines P78.80 +P0.35 +0.45%	URC Universal Robina Corp. P140.50 -P0.10 -0.07%	WLCON Wilcon Depot, Inc. P27.00 -P1.40 -4.93%

MPIC defers vote on proposed market delisting

By Adrian H. Halili
Senior Reporter

THE CONSORTIUM of companies that plan to take Metro Pacific Investments Corp. (MPIC) private has requested to defer the shareholders' vote on its delisting to a later date or after the release of a report explaining the basis of the bidders' tender offer price.

In a regulatory filing on Thursday, GT Capital Holdings, Inc. said the bidders sent a notice to MPIC to delay the voting on the proposed voluntary delisting from the main board of the Philippine Stock Exchange.

GT Capital disclosed on April 27 that its consortium with Metro Pacific Holdings, Inc., MIG Holdings Inc., and Mit-Pacific Infrastructure Holdings Corp. was planning to make a tender offer to acquire all

outstanding MPIC common shares other than those they already own.

The latest notice to MPIC said that the fairness opinion and valuation reports for the tender offer on the minority shares have not yet been completed in time for the annual stockholders' meeting on June 6 when the voting was supposed to take place.

MPIC said the consortium had requested a special stockholders' meeting, which will be held on a later but unspecified date.

"Deferring the shareholder approval will allow the report to be made available prior to the special shareholders' meeting and thus provide shareholders an opportunity to study the same and better appreciate the basis for the tender offer price and the proposed voluntary delisting," the company said.

It said that once the report has been finalized, another notice of

intent will be submitted to undertake another tender offer, which will replace the previous notice submitted by the consortium.

The consortium previously offered to acquire MPIC's common shares at P4.63 apiece, which represents a 22% premium over the company's one-year volume-weighted average price.

Under the tender offer, First Pacific, through Metro Pacific Holdings, will spend around \$90 million to increase its stake by as much as 3.8%, while GT Capital will pay \$70 million for an additional 2.9% stake. Mit-Pacific Infrastructure Holdings will buy up to 20% and MIG Holdings will acquire up to 10%.

In a separate disclosure, MPIC said that it had accepted the request to defer the vote to a later date.

"We will inform the shareholders of any material developments

on this particular agenda item as necessary," MPIC said.

The company said earlier that its shareholders are not obligated to tender their shares even if they had voted in favor of delisting. It added that the decision to proceed with the delisting is subject to achieving the 95% tender offer acceptance threshold for voluntary delisting.

ANALYSTS WEIGH IN

Regina Capital Development Corp. Head of Sales Luis A. Limlingan said MPIC might be reconsidering delisting from the stock exchange as many shareholders had opposed the low tender offer price offered by the bidders.

"It seems that the company is reconsidering the tender offer and delisting as many minority shareholders have recently been voicing their opinion regarding the price," Mr. Limlingan said in a Viber message.

China Bank Capital Corp. Managing Director Juan Paolo E. Colet said the delisting vote's deferral was the right move to give minority shareholders time to review the fairness opinion and valuation report of the bidders.

"It is also an opportunity for the bidders to reconsider their tender offer price," he added.

However, Mr. Colet said the minority shareholders are not likely to change their minds unless the tender offer price is improved.

"Many shareholders have already formed a strong view as to what they think MPI is worth," he said, referring to MPIC's ticker symbol. "They have done their analysis based on publicly available information and brokerage research reports, and the emerging consensus is that the offer of P4.63 per share does not reflect a fair tender offer price."

Globalinks Securities and Stocks, Inc. Head of Sales Trading Toby Allan C. Arce said shareholders may still vote in favor of the delisting even after seeing the reports.

"Some shareholders may believe that the benefits of delisting, such as increased flexibility and reduced regulatory oversight, outweigh the costs," he said in a Viber message.

Mr. Arce noted that other shareholders might be "unwilling to take the risk of staying listed, given the current volatility of the stock market."

Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., has a majority stake in *BusinessWorld* through the Philippine Star Group, which it controls.

On Thursday, shares in MPIC rose by 0.46% or two centavos to P4.37 apiece.

First Pacific: New advisor prompts deferred MPIC vote

FIRST Pacific Co. Ltd. said the consortium that seeks to acquire Metro Pacific Investments Corp. (MPIC) has tapped another independent financial advisor (IFA) for the valuation report.

"There have been some developments in terms of the IFA and the finalization of the report," said Stanley H. Yang, head of corporate development at First Pacific, in a briefing on Thursday.

In April, a consortium backed by First Pacific, GT Capital Holdings, Inc. and Japan's Mitsui & Co. Ltd. announced a tender offer to buy minority shareholdings in the infrastructure conglomerate.

As part of the Securities Regulation Code of the Securities and Exchange Commission (SEC) and the voluntary delisting rules of the Philippine Stock Exchange (PSE), the consortium has to undertake an evaluation of MPIC and issue a fairness opinion.

Mr. Yang said the previous firm tasked to deliver the reports was selected from PSE-accredited firms and evaluated by the consortium.

"After the evaluation, this firm that was selected was engaged by the consortium to act as IFA," he said. "I am not at liberty to disclose the name because of the confidentiality of this process."

The day after the consortium announced its offer, the PSE's nod was sought to clear the process, which Mr. Yang said typically takes two to three weeks. Unfortunately, the IFA's confirmation process was delayed, he added.

"Rather than taking two weeks, it took longer and there was a decision made earlier this week, on Tuesday, where we as a consortium along with the valuation provider, were informed that the independence of the provider

was not accepted by the PSE after a consultation with SEC," he said.

"Because the requirement is to have an accredited valuation report fairness opinion provider, then the consortium has to appoint another provider to do the work and this will take longer to complete the process," he added.

Mr. Yang said immediately after the receipt of the PSE notice, an evaluation was started on the 12 accredited firms, which include auditing and accounting firms, and investment banks.

"In light of the nature and size of the transaction and also considering that MPIC has foreign shareholders and its investor base and substantial public float, the consortium limited its selection to the accredited IFAs that are affiliated with an international firm," he said.

With the new IFA on board, the consortium will continue to work towards finalizing and

issuing the third-party independent valuation report.

"I think it's important for the market to understand that the delay is really stemming from the time to have all of the necessary steps ready," Mr. Yang said.

"Because the new firm, the valuation provider, is just starting, they will have to do the work in terms of the valuation and the analysis of MPIC. We would want them to finish it completely as quickly as possible, but I think the guidance would be within a month," he said.

The new advisor will have to complete its report first before it will be applied for PSE clearance.

Mr. Yang said the selected firm has no previous or existing business relationships with MPIC or any of the consortium members. — **Justine Irish D. Tabile**

SMPC set to ship second trial coal exports to Japan

SEMI-RARA Mining and Power Corp. (SMPC) is poised to make its second trial shipment of coal to Japan this month, as part of its goal to expand its market while also reducing its dependency on China.

"China is still our main foreign buyer, but with their industrial output growing slower than expected, we want to develop other Asian markets like Japan," SMPC President and Chief Operating Officer Maria Cristina C. Gotianun told the stock exchange on Thursday.

SMPC said it is set to export about 50,000 metric tons (MT) of coal to Japan for Shikoku Electric Power Corp.'s 700-megawatt (MW) coal-fired ultra-supercritical power station.

Its first trial shipment to Japan was made in January when it sold 78,410 MT of mid-grade coal to J-Power, a utility company that is also an operator of coal, hydroelectric, wind, and geothermal power stations.

Ms. Gotianun said the integrated energy company is targeting to export around 30% of its full-year sales target of between 15 million MT and 16 million MT.

For the January-to-March period, SMPC said its coal shipments to China decreased to 1.1 million MT from 2.2 million MT, though it still accounted for 72% of its exports.

The energy company said it considered South Korea as a steady market at 300,000 MT accounting for about one-fifth of its export sales. The rest of its exports are for Japan at 5% and Brunei at 3%. — **Ashley Erika O. Jose**

Repower Energy, Austrian firm Gugler forge deal for seawater pumped storage

REPOWER Energy Development Corp. has signed an agreement with Austria-based Gugler Water Turbines GMBH to develop seawater pumped storage projects in the Philippines.

"We are pleased to enter into a partnership with Gugler — a leading provider of state-of-the-art turbine technology," Eric Peter Y. Roxas, president and chief executive officer of Repower Energy, said in a media release on Thursday.

Repower Energy, a subsidiary of Pure Energy Holdings Corp., said the memorandum of agreement with Gugler aims to bring seawater pumped storage technology into the country.

"We are looking to replicate Gugler's success in a similar venture it has in South Korea, to further our ultimate goal of uplifting living standards to communities by providing clean energy," Mr. Roxas said.

He said the agreement will allow the company to diversify its "capabilities as an emerging player in the hydropower space."

The energy company said its first project will be a 320-megawatt (MW) seawater pumped storage facility in Luzon.

It added that the elevation of the project will be around 300 meters above sea level, utilizing a lower reservoir for unlimited seawater intake.

Repower Energy said it is now working on securing the necessary endorsement to push through with the project with an initial development of a 50-MW facility.

"The year 2023 promises to be full of potential for [Repower Energy], given our ongoing construction of various run-of-the-river hydropower projects in provinces such as Bukidnon and Quezon," Mr. Roxas said.

Repower Energy is planning to expand its installed energy capacity by 1 gigawatt in the next five years, with its portfolio mainly focusing on hydropower projects.

The energy company is looking to raise about P1.5 billion through an initial public offering (IPO). It secured clearance from the Philippine Stock Exchange on May 15 for its IPO plan.

Repower Energy is set to offer 200 million primary common shares at a maximum offer price of P5 apiece, with an over-allotment option of up to 30 million shares. — **Ashley Erika O. Jose**

First Gen, Prime Infra team up on LNG plans

FIRST Gen Corp.'s unit has signed a memorandum of understanding with Prime Infrastructure Capital, Inc. (Prime Infra) for the proposed lease and operation of its liquefied natural gas (LNG) storage and regasification terminal.

In a stock exchange disclosure on Thursday, Lopez-led First Gen said its subsidiary FGEN LNG Corp. formed the "alliance on lease" with Prime Infra.

"No definitive agreements have been signed by the parties," it added.

FGEN LNG is currently developing an LNG and re-

gasification terminal within the First Gen clean energy complex in Batangas City.

First Gen said the lease of the LNG terminal is part of Prime Infra's proposed gas aggregation strategy, which it said will leverage the latter's "existing Malampaya project facilities, and its expertise in the natural gas market, to ensure a reliable and lowest cost supply of clean gas at stable fuel costs to the country's natural gas power plants."

"The agreement embodies a mutual recognition by both FGEN LNG and Prime Infra of the need to ensure a steady

and secure source of natural gas providing low-cost and sustainable baseload power through gas aggregation," First Gen said.

Prime Infra, through its subsidiary Prime Energy Resources Development B.V., is a member of the Malampaya consortium. It holds a 45% operating stake in the Malampaya gas-to-power project.

To date, the Malampaya gas field is fully contracted to First Gen where it supplies four power plants with a combined capacity of 2,011 megawatts. — **Ashley Erika O. Jose**

Fruitas Holdings to acquire cloud kitchen company Fly Kitchen

FRUITAS Holdings, Inc. has acquired full ownership of cloud kitchen business Fly Kitchen Inc. in its efforts to increase market share, the company said on Thursday.

"The purchase of Fly Kitchen fits our strategic objective to remain competitive in the digital arena. The startup complements our present activities and will enable us to accelerate the growth of this new source of revenue and profit," said Fruitas President and Chief Executive Officer Lester C. Yu in a statement.

In a separate disclosure, the company said that under the agreement, it will acquire all

2,000 outstanding shares of Fly Kitchen, which will become one of its subsidiaries.

The transaction was closed on June 1 and comes after Fruitas launched its cloud-based kitchen business Nube Kuxina in the third quarter of 2022.

"Among Fly Kitchen's key assets are the leasehold interests in its four kitchens, all of its inventory and equipment, recipes, and other technical know-how," the company said.

It added that the payment would be below 10% of the total assets and book value of Fruitas as of March 31, 2023. It has yet to disclose the price per share of the acquisition.

The company said the acquisition will enable it to significantly expand its cloud kitchen business and "efficiently serve its customers," as it aims to introduce its food and beverage products such as Fruitas fresh juices, Ling Nam, Soy & Bean, and Sabroso Lechon.

Founded in 2020, Fly Kitchen, was able to expand into four strategic kitchen locations: Makati City, Pasig City, Mandaluyong City, and Quezon City. It has a combined cooking area of 200 square meters and caters to more than 10 brands. It has also developed strong connections with third-party food aggregators like Foodpanda and Grabfood. — **Adrian H. Halili**