

# MPIC bidders up offer price to P5.20 per share

By Adrian H. Halili

THE CONSORTIUM of companies that intend to acquire greater control over Metro Pacific Investments Corp. (MPIC) and take it private has sent a higher tender offer price of P5.20 per share.

In a regulatory filing on Tuesday, MPIC said the new offer went up by 12.3% from the P4.63 per share initially offered by the consortium, which is backed by First Pacific Co. Ltd., GT Capital Holdings, Inc., and Mitsui & Co. Ltd.

The consortium consisting of Metro Pacific Holdings, Inc., GT Capital, Mit-Pacific Infrastructure Holdings, Inc., and MIG Holdings, Inc. tapped Unicapital, Inc. as the new independent financial advisor (IFA). It produced a valuation range of P3.37 to P5.10 per share.

The new offer price represents a 37% premium over the one-year volume-weighted average price of MPIC common shares and is at a premium of 10 centavos over the highest end of the range provided by the independent advisor.

"The updated notice states that it supersedes the initial tender offer notice that MPIC received from the bidders on April 26, 2023," the listed conglomerate said.

In a separate disclosure, GT Capital said that under the tender offer, the bidders would spend up to about P54.8 billion or \$986 million for the remaining shares held by minority shareholders.

The tender offer values MPIC at P149.2 billion or \$2.7 billion in equity value, it added.

The bidders said the raised tender offer price "provides an improved path to minority shareholders to exit their posi-

tions at a sizeable premium to market price."

Shareholders of MPIC will vote on its delisting application during the company's special stockholders' meeting on Aug. 8.

"Considering the bidders' intention to delist MPIC from the PSE (Philippine Stock Exchange), they will not accept any tendered shares unless the threshold for a voluntary delisting is achieved," the bidders said.

The group would need a 95% tender offer acceptance from minority shareholders for the voluntary delisting.

The company earlier deferred its voting during its annual stockholders' meeting, which was initially set on June 6.

MPIC President and Chief Executive Officer Manuel V. Pangilinan said earlier that the bidders were "back to square one" as their

selected independent financial advisor was rejected by the PSE. The rejection resulted in a restart of the delisting process when the new advisor has determined the tender offer price.

## A FAIR PRICE

First Pacific Executive Director Christopher H. Young said in a statement that the new offer is the best and final price the bidders can deliver to MPIC's minority shareholders.

"Due to the transaction timetable, approvals, and regulatory requirements of the entire process across multiple jurisdictions, there will be no further opportunity to adjust the price," Mr. Young added.

The new tender offer price is a welcome improvement, said China Bank Capital Corp. Managing Director Juan Paolo E. Colet in a Viber message.

"It signals an earnest desire by the offerors to listen to the market's clamor for a fair price," he said.

"Faced with a choice of taking an offer that seems unlikely to be improved further and the prospect of holding a perennially undervalued stock, many minority shareholders will seriously consider tendering their shares," Mr. Colet added.

Globalinks Securities and Stocks, Inc. Head of Sales Trading Toby Allan C. Arce said the new offer price is already a premium over MPIC's current market pricing.

Mr. Arce said shareholders might have difficulty selling MPIC shares should it decide to delist.

"Given the relatively favorable news, P5.20 may be attainable once MPIC trading resumes. If market price goes over the P5.20 tender offer price, then [investors]

would sell there. If not, [they would] take the tender offer," Mr. Arce said.

At the local bourse on Tuesday, MPIC requested a voluntary trading suspension, which is to be lifted on July 5. It said the suspension would allow the disclosure to be disseminated to investors and give them and trading participants time to study the recent disclosures before transacting the company's common shares.

MPIC is one of the three key Philippine units of Hong Kong-based First Pacific, the others being Philex Mining Corp. and PLDT Inc.

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

## ICTSI unit links to China, Vietnam

INTERNATIONAL Container Terminal Services, Inc.'s (ICTSI) unit in Zambales has opened a new service that will expand its connectivity to South China and Vietnam.

"The service offers a good opportunity to Northern and Central Luzon traders, who can leverage the increased connectivity to markets in Vietnam and China," said Henry Dungca, terminal manager at Subic Bay International Terminals (SBITC), in a statement.

Last month, SBITC welcomed the first service made by South China Vietnam Philippines (SVP), which was operated by Emirates Shipping Line (ESL) — one of the operators of SVP together with

ASEAN Seal Line and Pacific International Line.

The feeder service makes weekly calls to Subic and is expected to cater to the growing requirements of South China and Vietnam.

"It also highlights the free trade agreement between the Philippines and other Regional Comprehensive Economic Partnership members including Vietnam, which faces a growing demand for its agriculture and manufacturing exports," ICTSI said.

SVP's service rotation passes through Shekou, Nansha, Xiamen, north Manila, Subic, Xiamen, Shekou, Nansha, Ho Chi Minh, and back to Shekou.

"With the addition of the SVP service and ESL, SBITC now caters to more than a dozen weekly services and major shipping lines," ICTSI said.

In the first quarter, ICTSI posted \$154.61-million attributable net income, an 8.7% increase from the \$142.28 million in the same period last year.

Volume from its Asia operations went up by 21.6% to 1.62 million twenty-foot equivalent units in the first three months of the year from 1.33 million units last year.

According to its quarterly report, the increase in volume was partly due to the improvement in trade activities at its terminals, including the one in Subic. — **Justine Irish D. Tabile**

## Converge targets to launch free Wi-Fi in NAIA terminals, provincial airports

CONVERGE ICT Solutions, Inc. is targeting to roll out free public Wi-Fi in nine airports after launching fiber connectivity at Terminal 4 of the Ninoy Aquino International Airport (NAIA) on Tuesday.

Converge Chief Operations Officer Jesus C. Romero identified four investment areas for offering internet services at the terminal, namely: internet connectivity, cabling, sixth-generation wireless network or Wi-Fi 6 cabling ports, and backend operations.

According to Mr. Romero, the company will also be rolling out public Wi-Fi in Francisco Bangoy International Airport, Mactan-Cebu International Airport, the remaining terminals of NAIA, Bacolod-Silay Airport, Iloilo International Airport, Laoag International Airport, Pagadian Airport, Tacloban Airport, and Zamboanga International Airport.

Bryan Andersen Y. Co, officer-in-charge of the Manila International Airport Authority (MIAA), said the rollout aligns with the agency's vision of a modern airport system.

"Their (Converge's) next rollout will be in Terminals 1 and 2, and then Terminal 3, and all of them will be rolled out within the year," he said.

He added that internet connectivity is seen to "significantly" improve customer experience, "if they can provide two hours of free and fast internet, that is very convenient for passengers using NAIA." — **Justine Irish D. Tabile**

### FULL STORY



Read the full story by scanning the QR code or by typing the link  
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El Niño,  
from SI/1

"This is yet another reason why we believe the first quarter was the peak for the year and the likelihood that we'll be seeing an acceleration in growth is much lower," Mr. Mapa said in a Viber message.

In the first quarter, the Philippine economy grew by 6.4%, slower than 8% a year ago. Agricultural production expanded by 2.1% in the first three months, a reversal from the 0.3% decline in the first quarter last year.

The government is targeting 6-7% growth this year.

Raul Q. Montemayor, national manager of the Federation of Free Farmers, said the impact of El Niño in the agriculture sector will depend on its length and severity.

Mr. Montemayor considers the October-to-November period as a good time for harvest of unmilled rice, but expects "limited replenishment of dams", which could result in a decline in production.

"Good for palay harvest season but could result in limited replenishment of dams; possibility of slight decline in production and lower imports (due to rising international prices); in general, supply will be stable, but end-year stocks may be lower," he said.

Samahang Industriya ng Agrikultura Executive Director Jayson H. Cainglet, urged the government to provide subsidies and compensation for farmers who will be affected by El Niño.

"In the era of extreme weather situations and changing weather patterns, it is most crucial that local producers are assured of public funds for indemnity (for both livestock and crops) and full insurance coverage that will compensate them for their losses and put them back on their feet to again produce the country's food needs," Mr. Cainglet said.

### ANGAT WATER LEVEL

Meanwhile, the Metropolitan Waterworks and Sewerage System (MWSS) expects the water level in Angat Dam to fall below the minimum operating level in the coming days if there is no rain.

As of 6 a.m. on Tuesday, the Angat Dam declined to 181.57 meters from its previous level of 181.93 meters, and just slightly higher than its 180-meter minimum operating level.

"Possible (to reach below 180 level) if there is no rain in the watershed. We are still at the operational level. When elevation reaches 180,

priority is domestic supply," Leonor C. Cleofas, administrator of MWSS, said in a Viber message to *BusinessWorld*.

Patrick James B. Dizon, head of the MWSS Angat/Ipo operations management division, said that the MWSS has already instructed its concessionaires to fast-track its water augmentation measures.

"Based on the Angat Dam Operation Protocol, if the reservoir elevation reaches 180 meters, the priority will be the domestic supply for Metro Manila. Since we are also preparing for the El Niño, we also need to manage the existing water that we have in the reservoir so that we could minimize the impact during the onset of El Niño," Mr. Dizon said in a Viber message.

### CLIMATE CHANGE

The world's hottest year on record, 2016, coincided with a strong El Niño — though experts say climate change has fueled extreme temperatures even in years without the phenomenon.

But that record could soon be broken, according to WMO.

The organization said in May that there was a strong likelihood that at least one of the next five years, and the five-year period as a whole, would be the warmest on record due to El Niño and anthropogenic global warming.

"To tell you whether it be this year or next year is difficult," Wilfran Moufouma Okia, head of Regional Climate Prediction Service at WMO, told reporters in Geneva on Tuesday.

"What we know is that throughout the next five years, we are likely to have one of the warmest years on record."

During El Niño, winds blowing west along the equator slow down, and warm water is pushed east, creating warmer surface ocean temperatures.

The phenomenon occurs on average every two to seven years, and can last nine to 12 months, according to the WMO.

It is typically associated with increased rainfall in parts of southern South America, the southern United States, the Horn of Africa and Central Asia.

In the past, it has caused severe droughts in Australia, Indonesia, parts of southern Asia, Central America and northern South America. — **with Reuters**

### BUSINESSWORLD B-SIDE

## Shoppertainment: The rise of livestreaming commerce

SHOPPERTAINMENT is seen as a more authentic form of advertising, as it provides a personal touch and allows businesses to interact with consumers in real time, according to an expert.

In this B-Side episode, Pierre Faucher, country manager of Intrepid Philippines, talks to reporter Patricia Mirasol about the opportunities in shoppertainment.

This trend originated with a change in consumer behavior, Mr. Faucher said. "The consumers are fed up with TV (television) commercials; they prefer storytelling."

Shoppertainment is a convergence of content and commerce that offers a \$1-trillion opportunity in the Asia-Pacific by 2025, according to the Boston Consulting Group.

"It is (content that) provides entertainment...," Mr. Faucher noted. "What counts is that the shopper feels entertained." >>> <https://spoti.fi/3rdth6Z>



Debt,  
from SI/1

Broken down, foreign debt consisted of P2.47 trillion in global bonds and P2.04 trillion in loans.

As of end-May, the NG's overall guaranteed obligations fell 0.3% to P379.71 billion from P380.69 billion as of end-April.

Year on year, guaranteed debt declined by 5% from P399.716 billion.

"The decline in guaranteed debt was attributed to the net repayment of external guarantees amounting to P6.70 billion and third-currency adjustments amounting to P0.91 billion. These were mostly offset by the net issuance of domestic guarantees amounting to P4.16 and the impact of local currency depreciation relative to the US dollar amounting to P2.47 billion," the BTr said.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said the increase in NG debt was likely due to the weaker peso against the US dollar.

According to the Treasury, the peso depreciated by 1.3% against the greenback to P56.241 as of end-May from P55.497 as of end-April.

This increased the peso equivalent of dollar or foreign currency-denominated borrowings, Mr. Ricafort said.

"The latest net borrowings of the National Government may reflect the need to finance the continued budget deficits in recent months," he added.

As of end-May, the budget deficit narrowed by 28.86% to P326.3 billion from P458.7 billion in the same period a year ago.

This year, the government set its deficit ceiling at P1.499 trillion, equivalent to 6.1% of gross domestic product.

Mr. Ricafort said elevated inflation led to the increase in government expenditures, while high interest rates added to the government's debt servicing costs.

For the coming months, Mr. Ricafort said outstanding debt may continue to hit record highs as the government plans more bond offerings.

National Treasurer Rosalia V. de Leon earlier said that the government is planning to launch a retail dollar bond offering in the third quarter, with an offer size of around \$2 billion.

The Philippines' last retail dollar bond sale was in 2021, when it raised almost \$1.6 billion.

"This is on top of the scheduled issuances of peso-denominated government securities, all of which will help finance the country's budget deficit for the coming months, though offset by some maturing government securities especially from March-April 2023," Mr. Ricafort added.

As of end-December, the country's debt-to-gross domestic product (GDP) ratio stood at 60.9%, improving from the 63.7% ratio as of end-September.

This is lower than the 61.8% target under the medium-term fiscal framework, but still above the 60% threshold considered manageable by multilateral lenders for developing economies.

The government aims to cut the debt-to-GDP ratio to less than 60% by 2025, and further to 51.5% by 2028.

This year, the government's borrowing plan is set at P2.207 trillion. — **Luisa Maria Jacinta C. Jocson**

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