

# DITO secures \$3.9-B loan for network expansion

DITO CME Holdings Corp. said its subsidiary DITO Telecommunity Corp. had secured a \$3.9-billion 15-year long-term loan facility, the company said on Thursday.

Proceeds from the loan will fund the unit's network expansion and improvement of its digital services, the Dennis A. Uy-led holding firm told the stock exchange.

It said the loan facility will be one of its largest long-term debts to date, arranged and syndicated by a group of multinational banks.

"This project finance facility represents strategic trust and confidence in the vision of the Company to be a major enabler of digital services in the Philippines," Ernesto R. Alberto, DITO CME president, said.

The company added that it targets to use the loan proceeds to pay short-term bridge loan facilities amounting to \$1.3 billion, with the remaining amount allotted to contractors and the unit's network rollout.

"This will further improve the quality of access and user experience," it said, while "ac-

celerating the take up of its FWA 5G (fixed wireless access-fifth-generation) and mobile post-paid product offerings."

DITO CME is the information and communications technology holding firm of Udenna Corp., which houses Mr. Uy's other investments.

The loan comes after DITO CME disclosed in August that two unrelated third-party subscribers to its shares had cornered as much as 13.55% of the holding firm.

DITO CME said the net proceeds of the transaction are

to be fully invested in DITO Telecommunity, which is considered the third dominant telecommunications company in the Philippines.

The company finished the second quarter with an attributable net loss of P1.1 billion, shrinking from its P4.63-billion loss recorded a year ago.

In a separate disclosure on Thursday, Phoenix Petroleum Philippines, Inc., the listed oil firm under the Udenna group, said its board had approved the proposed amendment to the company's article of incorpora-

tion to include manufacturing, processing, selling, marketing and distributing coco methyl ester (CME).

CME can be converted to a diesel-like product, which in turn can be blended with petroleum diesel, allowing the utilization of cleaner alternative fuel brands.

The listed oil company also said that its board had greenlit the proposed authority for management to transfer, sell and dispose of certain corporate properties, assets and investments as part of its debt management and funding activities.

For the second quarter, Phoenix Petroleum suffered a net loss of P1.1 billion from an attributable net income of P143.48 million in the same period last year.

The company recorded a gross revenue of P14.60 billion for the April-to-June period, 63.2% lower than the P39.70 billion last year.

At the local bourse on Thursday, shares in Phoenix Petroleum closed four centavos lower or 0.71% at P5.59 each, while shares in DITO CME gained 19 centavos or 9.55% to end at P2.18 apiece. — **Ashley Erika O. Jose**

## AREIT gets SEC nod for properties in swap deal

AREIT, Inc. has secured the green light from the Securities and Exchange Commission (SEC) for the property-for-share swap with Ayala Land, Inc., Ayalaland Malls, Inc., and Northbeacon Commercial Corp.

In a regulatory filing on Thursday, AREIT said the SEC approved the move involving the subscription of the three companies to 607.56-million AREIT shares in exchange for four office buildings and two regional flagship malls.

The properties, located in Ayala Commercial Center in Makati City and Angeles City, have a total value of P22.48 billion. Some of

these are the Glorietta 1 and 2 business process outsourcing (BPO) buildings, the Glorietta 1 and 2 mall, and Marquee mall.

"The new assets are expected to contribute to earnings of the company beginning in the third quarter of 2023," AREIT said.

AREIT said that it would apply for the certificate authorizing registration with the Bureau of Internal Revenue for the new assets and the listing of the shares within the first quarter of next year.

"Upon approval, AREIT's outstanding common shares will increase to 2,368,606,573 from 1,761,047,193 wherein Ayala

Land will own approximately 66% of the total shares while adhering to the prescribed minimum public ownership requirements under Philippine laws," the company said.

Following the completion of the transaction, AREIT's gross leasable area will increase over five-fold to 863,000 square meters, or about P87 billion in assets under management in 2023.

In a separate disclosure, AREIT said the SEC also approved on Sept. 20 the increase in its authorized capital stock to P40.5 billion divided into 4.05 billion common shares with a par value of P10 per share.

Before the amendment, AREIT's authorized capital stock was P29.50 billion divided into 2.95 billion common shares at P10 apiece.

"The increase in authorized capital stock would enable AREIT to grow its assets under management through asset infusions and other allowable investments under the REIT Law," the company said.

In the first half, AREIT logged a 25.2% increase in net income to P2.04 billion from P1.63 last year due to stable operations.

On Thursday, shares of AREIT at the local bourse closed unchanged at P32.30 apiece. — **Revin Mikhael D. Ochave**

## SEC says amnesty program to help firms attract more investors

THE Securities and Exchange Commission (SEC) said its ongoing amnesty program would help corporations attract more investors as it would prove the legitimacy of their operations.

"Corporations in good standing have the potential to attract more investors, as they will be able to prove their legitimacy to the investing public," the SEC said in a statement on Thursday.

"The badge of legitimacy offered by the SEC will assure potential investors that their hard-earned money is in good hands, while also helping them manage their risk better," the regulator added.

The SEC's amnesty program, launched in March and set to end on Sept. 30, allows a reprieve for companies from the fines and penalties imposed on the late or non-filing of their general information sheet, annual financial statement, and non-compliance

with Memorandum Circular No. 28, Series of 2020.

However, the SEC warned that investors should take "extra precautions" to verify that the entity being dealt with has all the required permits and licenses to perform investment-taking activities.

"Note that a corporation may only solicit investments from the public after it has secured from the SEC a certificate of permit to sell securities, and an order of registration for the investment contract. The agents of the corporation must also be registered and licensed by the SEC," it added.

The SEC said there are also benefits to being a registered corporation, such as having a separate juridical personality from its stockholders that allow the entity to enter into contracts and transactions, akin to a real person. — **Revin Mikhael D. Ochave**

### FULL STORY



Read the full story by scanning the QR code or by typing the link <tinyurl.com/4fhnz77h>

## Realty firm gets P3.8-billion loan for condo project

LISTED property developer Philippine Realty and Holdings Corp. secured a bank's approval on Thursday for its P3.8-billion loan to partially fund the construction of one of its projects.

In a stock exchange disclosure, the company said it received a letter of advice from the Philippine

Bank of Communications that approved the company's application for a five-year term loan.

According to the company, the loan will be used to partially finance the construction of its Casa Unico project

"Casa Unico is a 40-storey upscale residential condominium proj-

ect of the company to be located in the Bonifacio South District, Bonifacio Global City, Taguig City," it said.

The property firm said the bank also approved the renewal of the company's loan lines totaling P610 million for working capital requirements and for general corporate purposes subject to the lender's

single borrower's limit. The lines will expire on Dec. 31 next year.

Based on its website, company is a listed property development and holdings company. It is engaged in the acquisition, development, sale, and lease of all kinds of real estate and personal properties. — **Revin Mikhael D. Ochave**

### BSP, from S1/1

Despite the higher forecasts, Mr. Remolona said inflation is still projected to return to the 2-4% target by November in the absence of further supply-side shocks.

"While food and transport prices continue to drive headline inflation, core inflation has moderated further, implying an easing in underlying pressures. In addition, inflation expectations remain anchored to the target range over the policy horizon," he said.

Food inflation accelerated to 8.2% in August from 6.3% in July, while transport inflation rose to 0.2% in August from -4.7% in the previous month.

On the other hand, core inflation, which excludes volatile prices of food and fuel, further eased to 6.1% year on year in August.

"The balance of risks to the inflation outlook remains skewed toward the upside. The major upside risks to the inflation outlook are the potential impact of further adjustments in transport fares and electricity rates," Mr. Remolona said.

Transport groups have filed petitions for a fare increase amid the continued increase in pump prices since mid-July.

Meanwhile, the decision of the US Federal Reserve will have a minimal impact on the Philippines, the BSP chief said.

The US Federal Reserve signaled it would keep rates higher for longer, even as it opted to keep the target Fed fund rate unchanged at 5.25-5.5% at its meeting on Thursday.

"Next year, instead of a total 100-bp (basis point) reduction, it looks like only a 50-bp reduction in the Fed fund target. So that means next year, maybe [there will be] a stronger dollar because it's a more hawkish stance next year," Mr. Remolona said.

The local currency closed at P56.855 a dollar on Thursday, depreciating by 4.50 centavos from Wednesday's P56.81 finish. Year to date, the peso has depreciated by 1.9% or P1.1 from the P55.755 close on Dec. 29, 2022.

### HIGHER FOR LONGER?

Meanwhile, Mr. Remolona said he does not see any policy easing this year and in the first six months of 2024.

"Rate cuts this year, [and in] 2023, are off the table. But rate hikes are not off the table," he said.

"For now, we see a kind of balance between demand and supply. We're close to the right level for interest rates. Whether there will be a cut next year will depend on bad news when it comes to output," he added.

Makoto Tsuchiya, assistant economist at Oxford Economics, said the BSP might stay on hold at the remaining meetings this year, before it starts policy easing in the first quarter of 2024.

"Despite the pickup in August inflation, we still expect headline inflation to settle within BSP's 2-4% target by the end of the year, which should ready the ground for the first cut early next year," he said.

Mr. Tsuchiya said that while the peso could further weaken later this year, it would "unlikely to materially affect monetary policy operations."

ING Bank N.V. Manila Senior Economist Nicholas Antonio T. Mapa said the BSP would continue to balance the growth momentum and inflation.

"The only exception to this scenario would be a rate hike by the Federal Reserve, which could prod the BSP to follow with a rate hike to maintain the modest 75-bps interest rate differential with the Fed," he said.

Meanwhile, Pantheon Macroeconomics Chief Emerging Asia Economist Miguel Chanco said the BSP might cut policy rates by 25 bps in November.

"Admittedly, the risks to this call are skewed to the upside, given the rebuilding of noncore price pressures at the margin. Nevertheless, our forecast is predicated on the likely more urgent need to take pressure off the economy, which we think is in the middle of a shallow technical recession," he said.

### MUP, from S1/1

Ateneo de Manila economics professor Leonardo A. Lanzona said the amendments introduced in the House bill are "not reforms at all."

"Allowing the existing MUP to keep their pensions and with full indexation still constitute a significant drain in the country's finances, possibly leading us to a financial collapse," he said in an e-mail.

Mr. Lanzona said this policy shows the bias of the government towards the military.

"If we can pay for the pensions of MUP, why don't we offer the same for other marginalized and disadvantaged persons?" he asked.

Bienvenido S. Oplas, Jr., president of a research consultancy, said the MUP pension system is "very unfair to taxpayers."

### Talent, from S1/1

It also ranked 57<sup>th</sup> in terms of educational assessment with an average score of 350 in the Programme for International Student Assessment (PISA), a worldwide survey that measures 15-year-old students' scholastic performance on mathematics, science and reading. To compare, China's average PISA score is 579, while Singapore's is 556.

However, the Philippines' strengths were in labor force growth (ninth) and skilled labor (third).

The country also fell to 55<sup>th</sup> place in terms of appeal from 44<sup>th</sup> spot last year due to low scores in quality of life and brain drain.

"In terms of appeal, the country experienced a drop in the prioritization that the private sectors give to attracting and retaining talent which may have negatively affected the impact of brain drain on the competitiveness of the country," Mr. Caballero said.

He also noted that executives' perception about the quality of life in the Philippines declined, as pollution levels increased.

The WTR report also showed the Philippines remained at near bottom at 62<sup>nd</sup> place in terms of "investment and development."

The Philippines ranked 63<sup>rd</sup> in terms of total public expenditure on education per student at \$367. It was also one of the laggards in terms of pupil-teacher ratios for both primary (25.19) and secondary education (24.64), ranking 59<sup>th</sup> and 60<sup>th</sup>, respectively.

The country's public expenditure on education stood at 3.1% of GDP (58<sup>th</sup>).

ING Bank N.V. Manila Senior Economist Nicholas Antonio T. Mapa said in a Viber message that he was disappointed that the country's talent competitiveness ranking declined by six spots.

"One aspect that weighed on our ranking was investment and development with our sub-ranking the second lowest in Asia-Pacific," he said.

IMD said in a statement that the results reflect the effect of the coronavirus pandemic on talent competitiveness worldwide.

"Most of the regions have not been able to return to the pre-pandemic levels of talent competitiveness," it said.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said the Philippines' lower ranking could be attributed to the lost productivity, which was an effect of the prolonged lockdowns.

"Nearly 2.5 years of restrictions and some form of remote learning have adversely affected the poor most especially those that do not have access to internet, computers, and other gadgets used in remote learning," he said in a Viber message.

"This caused some productivity losses and delays in the completion of schooling and delays in joining the workforce, thereby resulting in some foregoing income," he said.

With the reopening of the economy, Mr. Ricafort said the country could still improve its competitiveness in terms of education and other productivity metrics.

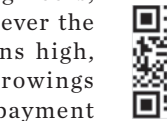
"Increased government spending on infrastructure would also help boost competitiveness and productivity especially in addressing congestion and mobility issues in the economy," he said.

IMD's Mr. Caballero said the Philippines needs to boost the effectiveness of its education system if it wants to improve talent competitiveness.

"The aim should be the alignment between the demands for talent and its supply. For such an alignment, it is crucial that the public and private sectors closely cooperate in identifying the talent needs of the economy," he said.

Mr. Caballero said companies should prioritize how to motivate their labor force by offering opportunities for upskilling and improving work-life balance.

### FULL STORY



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**NOTICE OF ANNUAL GENERAL ASSEMBLY 2023**  
UST AMV ACCOUNTANCY ALUMNI ASSOCIATION, INC.

October 21, 2023 (Saturday) - 10:00AM - 12:00NN  
3rd flr., BGGPO Bldg. (Thomasian Alumni Center),  
University of Santo Tomas, España, Sampaloc, Manila

**AGENDA:**

- ✓ Proof of Service of Notice of the Meeting
- ✓ Proof of Presence of Quorum
- ✓ Election of the Trustees for ensuing year - 2024
- ✓ Ratification of the Acts and Actions of the Board of Trustees
- ✓ President's Report
- ✓ Treasurer's Report
- ✓ Other Matters

For inquiries, please contact:  
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