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Philcomsat branches out into property dev't

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After registering a modest profit after 10 years of consecutive losses, publicly listed Philcomsat Holdings Corp. (PHC) announced over the weekend that it intends to invest in new businesses to further enhance its bottomline.

PHC chairman Katrina Ponce Enrile disclosed that aside from its core business of telecommunications, the company will focus on property development and eco-tourism development.

She said the company is now exploring possibilities for a 300-hectare undeveloped lot located just beside Montemar Beach Resort, which PHC owns.

Aside from this, PHC will gain an interest in Philcomsat which has telecommunications facilities in Pinugay, Rizal and satellite uplinking equipment sitting on 700 hectares of real estate. It will gain an interest in 2.5 hectares of land in the Ayala Alabang business center. This is in addition to what PHC now owns, that is a 2.9-hectare Pasig property and a large unit at the Pacific Star Building in Makati City.

PHC's new businesses will be supported by additional funds which it expects from increasing its authorized capital stock from one billion to million to 3 billion common shares with a par value of P1 per share.

Earlier, the company announced that the company is in the black with a P5.7 million profit in 2009, a year after its current and unified board of directors recovered most of PHC's assets and streamlined its operations.

PHC chief financial officer Lin Bildner said 2009 was the first year of profits following four years of heavy losses under the company's former board.

She disclosed that PHC bit the bullet and wrote off a P600 million in toxic assets and losses incurred from 2004 to 2007 due to alleged massive plunder of its funds by a previous and illegitimate board of directors led by nominees of the Presidential Commission on Good Government (PCGG).

The massive losses are due to anomalous expenses, investments and advances to failed ventures, excessive compensation packages for PCGG and its nominees, deposits to suspicious bank accounts and dubious accounting practices of PHC's former directors.