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Insight

PHC writes off P600M 'toxic,' missing assets

BY ALBERT CASTRO

THE new management of Philcomsat Holdings Corp. (PHC) has written down P600 million in toxic and missing assets after ousting the old board of directors installed by Malacanang.

With a clear balance sheet, the company posted P5.7 million in profit in 2009 on revenues coming from money market placements and the renting out of its units at the Pacific Star building in Makati.

The new management, however, said it is not letting the old board off the hook for dissipating company assets.

PHC Philcomsat president RJ Jacinto said writing off the toxic assets would allow the company to move forward.

PHC is 18 percent owned by the government and a subsidiary of Philippine Satellite Communications, the operating arm of Philippine Overseas Telecommunications Corp.

Although not sequestered, PHC had been run by nominees of Malacanang since 1986. In 2009 a new board was installed after a Makati court invalidated the proxies held by the so-called Locsin-Araneta group.

The new management said the company will focus on developing its land assets. The company will be increasing its capitaliza-



Photo shows Bildner, Jacinto and Ponce-Enrile at the press conference on Philcomsat's financial condition. (Photo by Philip Duquitan)

tion from P1 billion to P3 billion, at 3 billion shares with P1 par value, to accommodate incoming investors.

Philcomsat chairman Katrina Ponce Enrile said among the land assets is the 300-hectare Montemar beach property in Bataan, a large portion of which remains undeveloped.

The company is also looking for partners for a 2.5 hectare

PHC

property in the Ayala Alabang business center and a 2.9 hectare property in Pasig.

Philcomsat chief finance officer Lin Bildner said cases against former directors over "missing" money will be pursued.

Last week, Philcomsat filed a suit against former director Benito Araneta for the recovery of P35 million that was lost when Araneta defaulted on a loan from Bankwise.

"Money laundering cases were also filed against the previous board," said Bildner.

Jacinto said they also want Bank of the Philippine Islands to return the money that it allowed the old board to withdraw despite bank officials' knowledge that the Makati court had ousted the old set of directors.

"There is no question that BPI recognizes that the money is ours. Now, what we are trying to do is make BPI responsible for the dissipated money because they became careless when they kept releasing it even after they were warned," he said.

"They are not going to go scot-free," he said.
