

PRCI directors urged to explain swap deal

Filipino minority shareholders of the Philippine Racing Club Inc. (PRCI) have called on the Malaysian group-led faction of its board of directors to explain a swap deal that would transfer ownership of the P10-billion Sta.



Dulay

Ana racetrack to a moribund P25-million firm.

Lawyer Brigido Dulay, spokesman of the Filipino minority group, urged the PRCI directors "not to resort to name-calling and ad hominem attacks and focus instead on answering the valid shareholder concerns that have been raised".

Dulay described recent efforts by the Malaysian-led group to brand him "a noisy minority" saying even small shareholders are protected under the laws and Philippine Code of Corporate Governance. He labeled the name-calling "as an apparent smoke-screen to cloud the real issues now hounding the PRCI".

Dulay and other Filipino minority shareholders have opposed the move of the group led by representatives of the Kuala Lumpur-based Magnum Investments Holding Berhad and former officers and directors of the defunct Westmont Investments Corp. (Wincorp). Dulay said the plan to transfer ownership of the 21-hectare racetrack to JTH Davies "lacked the necessary transparency even if it is clearly lopsided".

"JTH Davies had disclosed that it has no earning business

asset and does not have a single employee," Dulay said. Who will hand over a P10-billion property to a company like that, he pointed out.

Magnum is represented in the PRCI board by Datuk Surin Upat-

oon, a Chinese-Malaysian. He is joined in the PRCI board by Malaysians Lim Teong Leong, Lawrence Swee Lee Lin and Tham Ka Hon. The Filipino directors include former executive secretary Renato De Villa, real estate developer Exequiel Robles and former Wincorp personalities Santiago Cua Sr., Santiago Cua Jr. and Solomon Cua.

Santiago Cua Sr., also known as Cua Sing Huan, was also the chairman and president of ACL Development Corp.

Dulay also branded as "grossly misleading" the claim by the Malaysian-led group that the P10-billion property-for-JTH Davies shares swap deal "is designed to enhance shareholder value".

I wonder which shareholder the Malaysian-led group is talking about, but as far as we are concerned, the removal of the racetrack from the PRCI is a direct blow to the value of our shares, Dulay explained.

The claim that this is a common practice in the capital market is also downright misleading, Dulay said.

We are yet to learn of a swap where a P10-billion property was traded for shares in a moribund firm and the result is an upswing in stock prices, he

added.

Instead of attacking my person and resorting to name-calling, I urge the Magnum group and their Filipino representatives to simply fully explain the issues and deals in the most transparent manner,

Dulay said.

He also warned the Malaysian-led group to "refrain from the use of corporate bullying tactics because there are laws in this country that protect shareholder interest, be they majority or minority".