

# Firms reinvent to cope with Covid

BY JORDEENE B. LAGARE

ENTITIES have turned to nascent technologies to keep up with the new business landscape brought about by the coronavirus disease 2019 (Covid-19) pandemic.

"The past year tested our business systems and resources, but it also pushed the young workforce to reinvent the supply chain with nascent technologies to keep businesses running, transforming their industries for the new business landscape," said Pilipinas Shell Petroleum Corp. President and Chief Executive

Officer Cesar Romero during an online forum hosted by Pilipinas Shell's business units.

"Their experiences through Covid-19 have made them form insights and strategies to make their communities able to turn a crisis into an opportunity," he added.

Marvin Tiu Lim, Chief Growth

and Development Officer of Mega Global Corp., said that digitizing their legacy fishing and canning company prepared them for the pandemic.

They likewise invested in more machine automation in their plants, he added.

"Other than mobile payments, we should adapt artificial intelligence (AI) and chatbox, cloud computing, cyber security and blockchain technology," said Kathryn Mila, executive vice president of Multisys Technologies.

At the same time, Shell Lubricants Vice President Stephen Quila cited the need for breeding

next generation leaders as "our own paradigms about leadership, management and business are all undergoing critical shifts."

NCCC Group of Companies President Lafayette Lim said that the new normal may change customer behavior "in the years to come."

As stated by J&T Express Philippines Vice President Zoe Chi, the majority of Filipinos are purchasing their goods online while at the comfort of their homes.

Meanwhile, the forum highlighted the importance of taking care of the environment while sustaining a business.

"The transport industry has a big responsibility in sustainability," said Donna May Lina, director and executive board member of the Lina Group of Companies, adding they measure fuel consumption and vehicle efficiency to manage resources.

"Let us put our heads and hearts together to come up with solutions to be able to do what needs to be done in the next decade," said Transnational Diversified Group, Inc. Chief Sustainability Officer and Director Karla Delgado.

NEO Office PH Chief Executive Officer (CEO) Raymond Rufino noted an increasing number of

property developers are going green for the sake of sustainability. He said 40 percent of global gas emissions come from real estate.

"About 70 percent of all humans are going to live in cities," said D.M. Wenceslao and Associates, Inc. CEO Delfin Angelo Wenceslao, adding "urban trends are changing with the times, echoing the public's need for safety, wellness and relationships."

For Green Cross Marketing head Candy Co, one's willingness to innovate will predict its growth and survival. "Agility defines resilience, and internal and external flexibility."

# DAVAO INNOVATION CENTER BULLISH ON AGRIBUSINESS

THE Davao Regional Innovation Inclusive Center (RIIC) expressed optimism on its efforts towards elevating the level of competitiveness and innovation of the region's micro, small and medium enterprises (MSMEs) involved in agribusiness industry.

In a webinar series titled "Innovation Opportunities for Agribusiness Through RIIC" of the Davao City Chamber of Commerce & Industry Inc. on Wednesday, Eric Christian Estolatan of Davao RIIC highlighted how the center works with its partners with the industry, academe and the government, to provide agribusinesses in Davao access to various technical and technological assistance.

He explained that the RIIC serves as a business "thrust allowing people to come together to become more innovative and more competitive."

"The RIIC implementation is actually ongoing [and] we continue to evolve the RIIC — making it stronger, making it more responsive to your needs," he added.

Through the Davao City Chamber, the RIIC conducts Business Impact Survey for startups and agribusinesses in the region and link them to the "right" partners. The RIIC's main collaborators within the government are the Department of Trade and Industry, and Department of Science and Technology (DoST).

Some of the major programs being rolled out by the RIIC include the "Education for Business Recovery," according to Estolatan. "[This is] where basically

we break down your problem as an enterprise and then try to identify the available options for you within our collaborators in Davao RIIC."

"What we're doing here is we enlist our partners in the universities to be your experts. They listen to your problems and then they're going to walk you through the journey so that we can identify if there are available grants and programs for you or if there are other partners that can help you in your concern," he explained.

Estolatan also mentioned the market intelligence workshops series conducted by RIIC, particularly for MSMEs looking for market opportunities across the country or and the in the global scene.

Moreover, Estolatan stressed on the significant role of the RIIC website, which provides consolidation of all the available innovation facilities, food innovation centers, and technologies in the Davao region. "If you access the website and identify the faculty that's right for you, the Davao RIIC can help arrange your access and visits for those facilities."

He clarified, however, that RIIC does not have grant-giving ability. Rather, grants come from its collaborators such as the DoST, which, for instance, offers product development fund for agribusiness.

"But even though the RIIC is not a grant body, we do have our matrix and that matrix revolves around partnerships that were able to generate for MSMEs. And all the matrix that we have revolve around on making our MSMEs more competitive and more innovative," he added.

EIREENE JAIREE GOMEZ

# The price of sin



DELOITTE ON THE DOT

FELIMYN NORREN TORRES

2021. Meanwhile, vapor products were to be taxed from P10 to P50 depending on the quantity in 2020, with the tax to also be increased by 5 percent per year starting in 2021.

However, even before the implementation of RA 11346, the signing into law of RA 11467 in January 22, 2020 modified the above tax rates. Hence, heated tobacco products were instead taxed at P25 per pack in 2020, with a tax increase of P2.50 each year from 2021 to 2023, thereafter further increased by 5 percent each year beginning 2024. Under RA 11467, vapor products were taxed depending on whether these are categorized as nicotine salt/salt nicotine or conventional freebase or classical nicotine at the rates of P37 and P45, respectively, beginning January 1, 2020. Thereafter, the tax rates on both categories increase by P5 each year until 2023, and thereafter by 5 percent every year beginning 2024.

Aside from the modification of the tax rates of heated tobacco and vapor products, RA 11467 provided for the increase of excise taxes imposed on alcohol products

effective January 1, 2020. For distilled spirits such as brandy, gin, rum, tequila, vodka, and whiskey, the ad valorem tax increased from 20 to 22 percent of the net retail price while the specific tax was increased to P42 per proof liter in 2020 and will increase to P47 per proof liter in 2021, P52 in 2022, P59 in 2023, and P66 in 2024, thereafter raised by 6 percent every year effective January 1, 2025.

The excise tax on all types of wine was at P50 in 2020, to be increased by 6 percent every year effective January 1, 2021. Fortified wine containing more than 25 percent alcohol volume will be taxed as distilled spirits.

For fermented liquors such as beer, the specific tax rate was increased to P35 in 2020 and increased by P2 each year until 2024. Thereafter, a 6-percent increase in the tax rate every year shall apply.

Following previous enacted tax reforms such as the Sin Tax Reform Act of 2012, RAs 11346 and 11467, as implemented by RR 7-2021, are likewise used as a health and governance measure. The hope is that they will effectively address public health issues — an increase in excise taxes on tobacco and alcohol products will result in a corresponding increase in prices, which will hopefully reduce demand for and consumption of such products. Notably, the best-selling brand of cigarettes in the country is now priced at P115 per pack.

Even with the reduced demand for these "sin" products, the government will still earn additional revenue from the excise taxes. In 2020, the excise tax collection from tobacco and alcohol products amounted to P148 billion and P76 billion, respectively. The BIR aims to further increase its revenues from excise taxes by 13 percent, setting an excise tax collection target of P332 billion for 2021 — public funds that we badly need as we work to recover from the pandemic.

The author is an assistant manager with the Tax and Corporate Services Division of Navarro Amper and Co., a member of the Deloitte Asia Pacific Network. For comments or questions, email [fnorres@deloitte.com](mailto:fnorres@deloitte.com). Deloitte Asia Pacific Ltd. is a company limited by guarantee and a member firm of Deloitte Touche Tohmatsu Ltd. Members of Deloitte Asia Pacific Ltd. and their related entities, each of which are separate and independent legal entities, provide services from more than 100 cities across the region, including Auckland, Bangkok, Beijing, Hanoi, Ho Chi Minh City, Hong Kong, Jakarta, Kuala Lumpur, Manila, Melbourne, Osaka, Seoul, Shanghai, Singapore, Sydney, Taipei, Tokyo, and Yagong.

MORE than a year after the promulgation of Republic Acts (RAs) 11346 and 11467, the Bureau of Internal Revenue (BIR) issued Revenue Regulations (RR) 7-2021 last May 18, providing the rules and regulations to implement provisions of said RAs relative to the excise tax on alcohol products, tobacco products, heated tobacco products, and vapor products.

President Rodrigo Duterte signed into law RA 11346, also known as the Tobacco Tax Law, last July 25, 2019, increasing excise taxes on cigars and cigarettes as well as imposing taxes on heated tobacco and vapor products.

For cigars, the specific tax rate will be increased from 4 percent to 5 percent effective January 1, 2024 while the ad valorem tax rate remains at 20 percent. RA 11346 imposed a 29-percent increase in the excise tax of cigarettes packed by hand and by machine in 2020 — from P35 to P45 — which will then be increased by P5 each year from 2021 to 2023. Thereafter, beginning January 1, 2024, the excise tax rate of cigarettes will be increased by 5 percent every year.

RA 11346 also introduced the imposition of excise taxes on heated tobacco and vapor products. Effective January 1, 2020, heated tobacco products were to be taxed at P10 per pack of 20 units or packaging combinations of not more than 20 units, with the tax to be increased by 5 percent every year starting January 1,



## NOTICE OF ANNUAL STOCKHOLDERS' MEETING OF THE PHILODRILL CORPORATION

TO ALL STOCKHOLDERS:

Notice is hereby given that the Annual Stockholders' Meeting ("Meeting" or "ASM") of The Philodrill Corporation (the "Company") will be held on **June 16, 2021 (Wednesday) at 2:30 pm**. The Meeting will be conducted virtually and attendance at the meeting will be via remote communication only.

The Agenda for the Meeting shall be as follows:

1. Call to Order and Proof of Notice of the Meeting.
2. Certification of Quorum.
3. Approval of the Minutes of the August 13, 2020 Annual Stockholders' Meeting.
4. Report of Management on the Company's Exploration and Production activities for the year ended December 31, 2020.
5. Presentation of Annual Report and Audited Financial Statements for the year ended December 31, 2020 and action thereon;
6. Ratification and Approval of all previous acts and resolutions of the Board of Directors, Management and all Committees.
7. Appointment of Independent Auditor
8. Election of Directors
9. Other Matters
10. Adjournment

Only stockholders of record at the close of business hours on **March 17, 2021** are entitled to notice of, and to vote at this meeting.

In light of the current conditions and in support of the measures to prevent the spread of COVID-19, there will be no physical meeting. Stockholders may only attend and participate in the meeting by remote communication. Stockholders who intend to attend by remote communication are required to accomplish the Registration Form and submit it together with the required documents to [2021asm@philodrill.com](mailto:2021asm@philodrill.com) on or before June 9, 2021. The link through which the Meeting may be accessed shall be sent to the email address of registered stockholder. Stockholders may vote electronically in absentia, subject to validation procedures. The procedures for participating in the meeting through remote communication and for casting of votes in absentia are set forth in the *Guidelines on Participation by Remote Communication* and discussed in the Information Statement (SEC Form 20-IS).

If you are unable to join the virtual meeting but wish to vote on items in the agenda, you may appoint the Chairman as your proxy with specific voting instructions which will be duly counted. Duly accomplished Proxies shall be submitted by email to the Office of the Corporate Secretary at [2021asm@philodrill.com](mailto:2021asm@philodrill.com) for inspection, validation, and recording at least seven (7) days before the opening of the Annual Stockholders' Meeting, or on/or before **June 9, 2021**. The Proxy Validation Committee will inspect, examine, and validate the sufficiency of the proxy forms received. We enclose a sample Registration/Proxy form for your convenience.

By registering to participate in the virtual meeting a stockholder or a proxy or representative of the stockholder agrees for the Company and its service providers to process their sensitive personal information necessary to verify their identity and authority. A stockholder who fails to comply with the registration requirement will not be able to participate in the virtual stockholders meeting.

Stockholders (or their proxies) whose registration are validated can: (a) view the webcast of the meeting, (b) vote on the agenda items using the online ballot that will be sent to them; and (c) send their questions, comments or motions on the agenda items during the Meeting by email to [2021asm@philodrill.com](mailto:2021asm@philodrill.com) with subject "ASM Question/Comment". Stockholders who will participate in the Meeting are encouraged to send their questions, comments and motions before the meeting. Relevant questions on the agenda items will be read by the Moderator and will be answered by concerned officers during the meeting.

The Definitive Information Statement ("IS"), Management Report, Audited Financial Statements, Quarterly Report as of March 31, 2021 and other documents related to the ASM, including the **Guidelines on Participation by Remote Communication** may be accessed through any of the following operations:

1. Go to the Philodrill Corporation website via this link: <https://philodrill.com/>
2. Go to the PSE EDGE portal via <https://edge.pse.com.ph/> or;
3. Request for a copy by sending an email to [stocks@philodrill.com](mailto:stocks@philodrill.com)

For ASM-related queries, you may send an email to [stocks@philodrill.com](mailto:stocks@philodrill.com); [info@philodrill.com](mailto:info@philodrill.com) or contact the Office of the Corporate Secretary at +632 8631-8151. For account updating or concerns regarding your shareholdings, please contact our Transfer Agent, **Stock Transfer Service, Inc. (STSI)**, at telephone no. +632 8403-2410 or via email directly to Mr. Richard Regala at [rdregala@stocktransfer.com.ph](mailto:rdregala@stocktransfer.com.ph)

Very truly yours,

(SGD.) ADRIAN S. ARIAS  
Corporate Secretary

**ATLAS Mining**

**NOTICE OF THE 2021 ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Atlas Consolidated Mining and Development Corporation (AT or the Corporation) will conduct its Annual General Meeting of Shareholders for 2021 ("AGM" or the "Meeting") virtually on 14 June 2021 at 10:00 a.m., with the proceedings livestreamed and voting conducted in absentia through the Corporation's secure online voting facility, for the purpose of considering and acting on the following matters on the Agenda:

**AGENDA**

1. Call to Order
2. Certification of Service of Notice of Meeting & Quorum
3. Approval of Minutes of the Annual General Meeting of Shareholders (AGM) held on 24 August 2020
4. Approval of the Annual Report and Audited Financial Statements for 2020
5. Amendment to AT's By-Laws: Articles I, II, III, V, VI & XV
6. Election of Directors (including Independent Directors) for 2021-2022
7. Ratification of acts and proceedings of the Board of Directors, Board Committees and Management
8. Appointment of External Auditor
9. Other Matters
10. Open Forum
11. Adjournment

Enclosed is a copy of the Rationale/Explanation for the above Agenda items for reference.

Only Shareholders of record as of 20 April 2021 are entitled to receive notice of, participate and to vote at the Meeting or any adjournment thereof. The Shareholders' list will be available for inspection at the Corporation's principal office located at 5F Five-E.com Center, Palm Coast Avenue corner Pacific Drive, Mall of Asia Complex, Pasay City 1300 (the "Office"). The Stock and Transfer Book of the Corporation will be closed on 20 April 2021.

Shareholders intending to participate in the Meeting via remote communication and to exercise their vote in absentia shall register through the Company's online registration system at [asmregister.atlasmining.com.ph](http://asmregister.atlasmining.com.ph) until 4 June 2021.

Successfully registered Shareholders may cast their votes in absentia through the Company's secure online voting facility, [asmregister.atlasmining.com.ph](http://asmregister.atlasmining.com.ph), and shall be provided access to the live streaming of the Meeting. The *Guidelines for Participating via Remote Communication and Voting in Absentia* is enclosed to the Information Statement (IS) and posted on the PSE EDGE and the Company's website, <https://www.atlasmining.com.ph/investor-relations/annual-stock-holders-meeting>.

Any Shareholder who wish to appoint a proxy may accomplish the proxy form (which need not be notarized) and submit the same at the Office not later than 4 June 2021. Validation of proxies and ballots is set on 5 June 2021. We are not soliciting your proxy.

Shareholders are encouraged to submit relevant comments and questions on the Agenda items by email bearing the subject "AGM 2021 Open Forum" to [Agm@atlasmining.com.ph](mailto:Agm@atlasmining.com.ph) on or before 12 June 2021 to be considered during the open forum.

The Information Statement in SEC Form 20-IS, Proxy Form, Annual Report for fiscal year 2020 in SEC Form 17-A and the Quarterly Report for the first quarter of 2021 in SEC Form 17-Q are posted on the PSE EDGE and on the Company's website at <https://www.atlasmining.com.ph/investor-relations/annual-stock-holders-meeting> where you may also find the complete information on the AGM.

Pasay City, Metro Manila, 10 May 2021.

Thank you.

**Maria Eleonor A. Santiago**  
Assistant Corporate Secretary

**RATIONALE/EXPLANATION OF AGENDA ITEMS**

*Certification of Service of Notice & Agenda of Meeting and Quorum*

The Notice and Agenda of the AGM and the Information Statement (IS) are posted on the PSE EDGE and on the Corporation's website, <https://www.atlasmining.com.ph/investor-relations/annual-stock-holders-meeting>. The Notice, Agenda & Rationale shall be published in two (2) newspapers of general circulation in both print and online formats. The Corporate Secretary shall certify that due notice of the AGM was made and the existence of a quorum. Shareholders present and/or who voted by proxy or in absentia, representing a majority of the outstanding capital stock shall constitute a quorum for the transaction of business.

*Approval of the Minutes of the AGM on 24 August 2020*

The Minutes of the AGM held on 24 August 2020 are appended to the IS and are posted on the Corporation's website, <https://www.atlasmining.com.ph/investor-relations/annual-stock-holders-meeting>. A resolution approving the minutes will be presented to the Shareholders for approval which shall constitute approval of the accuracy & faithfulness of the minutes to what transpired during the said meeting.

*Approval of the 2020 Annual Report and Audited Financial Statements*

The Corporation's financial and operating results for the year 2020 and the Audited Financial Statements (AFS) as of 31 December 2020 are provided in the Annual Report. The AFS audited by *Sycip Gorres Velayo & Company (SGV)* have been reviewed and approved by the Audit Committee (AuditCom) and the Board of Directors (BOD). The Management's Report and AFS for 2020 are also contained in the IS available on the Corporation's website, <https://www.atlasmining.com.ph/investor-relations/annual-stock-holders-meeting>. After the presentation of the Annual Report, a resolution noting and approving the Annual Report and AFS will be presented to the Shareholders for approval which shall constitute a ratification of the Company's performance in 2020.

*Approval of the Amendment to AT's By-Laws:*

To conform the By-Laws of AT to the Revised Corporation Code of the Philippines (RCCP), various SEC memos, Code of Corporate Governance (CCG) and AT's current operations and structure as well as to authorize certain standards, procedures and rules the Corporation shall follow for efficient operation, the resolution amending Articles I, II, III, V, VI, and XV of AT's By-Laws will be presented to the Shareholders for their approval. Details of the amendments are provided in the IS.

*Election of Directors (including Independent Directors):*

The nominated directors were determined to be qualified and competent for election as directors for 2021-2022 by the Corporation's Governance Committee (CGC) after their qualifications were duly reviewed. The list of nominees and their profiles are provided in the IS and posted in the Corporation website, <https://www.atlasmining.com.ph/investor-relations/annual-stock-holders-meeting>. Their proven competencies, expertise and qualifications based on current standards, will be invaluable for the Company's performance. The CGC recommends their election.

*Ratification of acts and proceedings of the Board of Directors (BOD) and Management for 2020*

All acts, resolutions and proceedings of the BOD, the BOD Committees and the Management of AT for the date of the last AGM to the date of this Meeting, including all significant related party transactions if any, will be presented to the Shareholders for ratification. A resolution noting, approving and ratifying all acts, resolutions and proceedings of Management, BOD Committees and the BOD will be presented to the Shareholders for approval.

*Appointment of SGV as External Auditor*

The BOD, upon recommendation of the Audit Committee (AuditCom), endorses the appointment of SGV as the Corporation's external auditor for 2021. The profile of the external auditor is provided in the IS. The Shareholders are also requested to delegate to the BOD the authority to approve the appropriate audit fee for 2021. A resolution for the appointment of external auditor will be presented to the Shareholders for adoption.

*Other Matters*

Other business as may properly come before the meeting may be raised. The Chairman will decide whether such business may be properly taken up in the meeting or in another Shareholders' meeting or other proper forum.

*Open Forum*

Only relevant comments and questions on the Agenda items which are submitted by email to [Agm@atlasmining.com.ph](mailto:Agm@atlasmining.com.ph) with subject "AGM 2021 Open Forum" on or before 10 June 2021 will be considered during the open forum as time will allow. Questions and comments received but not read during the Open Forum due to time constraints will be addressed separately.

MT - May 23 & 24, 2021