



**SECURITIES AND EXCHANGE COMMISSION**

**SEC FORM 17-C**

**CURRENT REPORT UNDER SECTION 17  
OF THE SECURITIES REGULATION CODE  
AND SRC RULE 17.2(c) THEREUNDER**

1. September 7, 2018.....  
Date of Report (Date of earliest event reported)
2. SEC Identification Number 11341..... 3. BIR Tax Identification No. 000-051-037.....
4. BENGUET CORPORATION.....  
Exact name of issuer as specified in its charter
5. Metro Manila, Philippines..... 6.  (SEC Use Only)  
Province, country or other jurisdiction of incorporation Industry Classification Code:
7. 7th Floor, Universal Re-Building, 106 Paseo de Roxas, Makati City..... 1226.....  
Address of principal office Postal Code
8. 812-1380 / 751-9137.....  
Issuer's telephone number, including area code
9. N/A.....  
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Convertible Preferred Class A	217,061
Common Class A	370,739,961*
Common Class B	245,031,222*

(\*) – Net of Treasury Shares

Total consolidated outstanding principal debt as of June 30, 2018 – P382.58 Million

11. Indicate the item numbers reported herein: .....Item 9.....

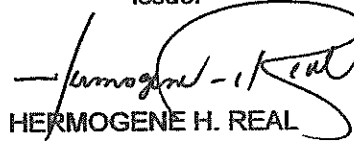
We furnish the Securities and Exchange Commission (SEC), the attached reply of the Company regarding PSE's request for clarification of the article in the Merry-Go-Round column of Mr. Victor Agustin entitled "Romualdez sets asset sales, Benguet Corp. delisting amid DU30 restriction" published in September 7, 2018 issue of The Philippine Star.

**SIGNATURES**

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**BENGUET CORPORATION**

Issuer



HERMOGENE H. REAL

Corporate Secretary  
Signature and Title\*

Date: September 7, 2018

\* Print name and title of the signing officer under the signature.



September 7, 2018

**PHILIPPINE STOCK EXCHANGE**  
3<sup>rd</sup> Floor, Philippine Stock Exchange Plaza  
Ayala Triangle, Ayala Avenue  
Makati City

Attention: **Mr. JOSE VALERIANO B. ZUÑO III**  
Head-Officer-In-Charge, Disclosure Department

Gentlemen:

We write in response to your request for clarification of the article in the Merry-Go-Round column of Mr. Victor Agustin entitled "Romualdez sets asset sales, Benguet Corp. delisting amid DU30 restriction" published in the September 7, 2018 issue of The Philippine Star. The article read in part as follows:

"The Romualdez family is stripping and selling assets of Benguet Corp. preparatory to a possible delisting of what once was the country's largest mining conglomerate.

According to the grapevine, Benguet chairman Daniel Andrew Romualdez has approved a management plan to hire legal and financial consultants to initiate preparations for what the management internally refers to as 'strategic privatization plan.'

Romualdez

The privatization plan, essentially a delisting from the Philippine Stock Exchange, comes amid the finding by Benguet Corp. external auditor SGV that the continued suspension by the Duterte administration of Benguet's nickel mining operations in Zambales 'gives rise to an uncertainty on the (Benguet) Group's ability to continue as a going concern due to its begative impact on the group's operation cash flows.'

Romualdez, a celebrated New York architect, also authorized the audit committee, chaired by economist Bernardo Villegas, to engage a special auditor amid allegations of certain irregularities 'against certain directors and officers.'

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'The company foresees cash flow or liquidity problems over the next 12 months due to continuing regulatory issues affecting (its) nickel mining operations,' SGV said, referring to the February 2017 suspension of its Zambales operations by the Department of Environment and Natural Resources.

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According to the grapevine, the Benguet board has also approved the sale of its Acupan gold and Sta. Cruz nickel projects, appointing former executive directors and retired banker Isidro Alcantara Jr. to negotiate with potential investors.

Alcantara had also earlier obtained board approval to sell Benguet's water rights over Laboy River in Itogon, Benguet to the Ayala-controlled Manila Water Philippine Ventures.

The Benguet board has likewise approved the disposal of its money-making medical subsidiary, BenguetCorp Laboratories, which operates four mall-based clinics in SM malls in Baguio, San Fernando (Pampanga) and Taytay, Rizal.

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To help reduce operating expenses, Benguet Corp. sold its Eurocopter EC130 B4 helicopter to BDO Leasing and disposed of its corporate shares in Baguio Country Club, Club Filipino, and Sherwood Hills Gold and Country Club, along with shutting down its Vancouver, Canada office.

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And despite having already fored out over P22 million in advances, Benguet also stopped a planned diversification into the perilous news business, with its 'Media Management Corp.' still being carried in its books as a 'non-operating' subsidiary.

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We comment as follows:

The article is malicious in so far as it insinuates that the management of Benguet Corporation is acting for the interest of any group, whether stockholders or not, in taking irresponsible corporate actions. We are not aware of the basis of Mr. Agustin's article nor his sources, but we can categorically state that management has no plans of seeking the delisting of the Company. Such move would significantly impact the share value of its stakeholders.

The sale of assets is made in the normal course of its business. Various business remedies and options are being considered by management to address corporate issues. It is seeking, and is open to offers of, strategic partners or investors to assist in the development and/or operation of its existing projects which include its Gold and Nickel projects, and other assets of the company, through joint venture, investment, royalty / operatorship or other kinds of commercial arrangement beneficial to the company, but not

excluding and not limited to potential sale or other forms of disposition under acceptable terms and conditions. Such business moves are prudent given that the mining industry is at present faced with so many challenges – regulatory issues, market condition and financial constraints. Sale or disposal of non-essential assets (such as the helicopter) is in accord with the program of management to reduce operating cost in its mines to make its business more competitive considering prevailing marginal metal prices. Other disposition in the past is for possible business opportunities that the company foresee (sale of water rights). Nor is there anything wrong with the plan of management to engage consultants on legal and financial matters to study various business options to provide it with the necessary inputs in its strategic planning in the future.

Finally, while it is true that the suspension / cancellation orders arbitrarily issued by the former DENR Secretary Gina Lopez to mining companies have adversely affected its Nickel project, the legality of which order are currently the subject of appeal to the Office of the President, the external auditor, SGV, has issued a clean opinion in the company's 2017 Financial Report contrary to Mr. Agustin's assertions. It is to be expected that per auditing standards, SGV raised the issue as a key audit matter in its discussion in the Financial Report, but the same did not affect its final opinion of the financial position of the company. Benguet Corporation remains in a healthy financial condition with audited total assets of over Php6.5Billion and audited net assets of over Php3.7Billion as of December 31, 2017.

We hope that we have clarified the above matter to your satisfaction.

Very truly yours,

**BENGUET CORPORATION**

By:



**REYNALDO P. MENDOZA**  
SVP-Public Affairs, Legal and  
Assistant Corporate Secretary