

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. Date of Report (Date of earliest event reported)

Apr 20, 2015

2. SEC Identification Number

11790

3. BIR Tax Identification No.

003-946-426

4. Exact name of issuer as specified in its charter

WELLEX INDUSTRIES, INC.

5. Province, country or other jurisdiction of incorporation

METRO MANILA, PHILIPPINES

6. Industry Classification Code (SEC Use Only)

7. Address of principal office

35th Floor, One Corporate Center, J. Vargas Ave. cor. Meralco Ave., Ortigas Center, Pasig City Postal Code 1600

8. Issuer's telephone number, including area code

(0632)848-08-48

9. Former name or former address, if changed since last report

Not Applicable

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
Common Shares- P1.00 par value	3,271,937,380

11. Indicate the item numbers reported herein

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Wellex Industries, Incorporated

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PSE Disclosure Form 4-13 - Clarification of News Reports
References:
SRC Rule 17 (SEC Form 17-C) and
Section 4.4 of the Revised Disclosure Rules

Subject of the Disclosure	
Clarification of News Reports	
Source	Manila Standard Today.com
Subject of News Report	LWUA, Gatchalians rapped
Date of Publication	Apr 18, 2015
Clarification of News Report	
Please see attached document for the clarification.	
Other Relevant Information	
-	
Filed on behalf by:	
Name	Mariel Francisco
Designation	Corporate Secretary

Clarification of News Report:

This refers to the news article today entitled "LWUA, Gatchalians rapped" posted in Manila Standard Today.com on April 18, 2015. The article reported in part that:

"THE Ombudsman on Friday indicted ex-officials of the Local Water Utilities Administration and family members of "plastics king" William Gatchalian, including Valenzuela City Rep. Sherwin Gatchalian, for an allegedly questionable takeover of a bank in 2009.

Ombudsman Conchita Carpio Morales found probable cause to charge former LWUA chief Prospero Pichay Jr., and other agency officials – Eduardo Bangayan, Aurelio Puentevella, Enrique Senen Montilla III, Wilfredo Feleo, Daniel Landingin and Arnaldo Espinas, and William Gatchalian of Wellex Group Inc. (WGI) with three counts of corruption, three counts of malversation and violation of the General Banking Law of 2000 before the Sandiganbayan.

Also sued were WGI executives Dee Hua Gatchalian, Elvira Ting, Representative Gatchalian, Kenneth Gatchalian and Yolanda de la Cruz; Forum Pacific Inc. (FPI) executives Peter Salud, Geronimo Velasco Jr., Weslie Gatchalian, Rogelio Garcia, Lamberto Mercado Jr., Evelyn dela Rosa, Arthur Ponsaran and Joaquin Obieta, and Express Savings Bank Inc. (ESBI) executives George Chua, Gregorio Ipong, Generoso Tulagan, Wilfred Billena and Edita Bueno.

Assistant Ombudsman Aryman Rafanan said the charges stemmed from the acquisition of ESBI, a local thrift bank in Laguna owned by the Gatchalians, FPI and WGI.

On March 24, 2009, the LWUA board composed of Pichay, Bangayan, Montilla, Puentevella and Landingin passed Resolution No. 56 of 2009 to pave the way for the acquisition of ESBI without the requisite regulatory approval from Bangko Sentral ng Pilipinas' Monetary Board, Department of Finance and Office of the President, he said.

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We wish to clarify the report so that the public may know the facts on the sale of Express Savings Bank, Inc. (the Bank) to the Local Water Utilities Administration (LWUA) and to correct and clarify the news report that came out in Manila Standard Today.com on April 18, 2015 pertaining to the sale of the Bank to LWUA, the following facts are stated to set the records straight:

What is the sale all about?

- The sale pertains to the sale of 445,377 shares of the Bank to LWUA. The 445,377 shares, which represent 60%, more or less, of the Bank's total shares at that time, are broken down as follows: 127,415 shares from Forum Pacific, Inc. (Forum Pacific); 310,036 shares from Wellex Group, Inc. (Wellex Group); and 7,876 shares from individual stockholders, a mere 14 shares of which belonged to and were sold by Congressman Sherwin Gatchalian.

How much is the purchase price?

- The purchase price for the 445,377 shares is just P80M, more or less (at P179.63 per share), and NOT P880M. The Wellex Group even lost P200M compared to the acquisition price it paid for the Bank when it was acquired from the family of Former Finance Secretary Lito Camacho in March 1996. At present, the amount of P80M is not even enough to acquire a high end condominium unit.

Did the Gatchalians, Wellex Group and its related subsidiaries sell a bankrupt bank?

- No. At the time of the sale, the Bank was operating with professional management team and not bankrupt, it had a banking license worth around P50M with a head office and three (3) branches valued at P65M, more or less. It was sold when there was a moratorium by the Bangko Sentral ng Pilipinas (BSP) on the issuance of new license. It had a substantial amount of foreclosed properties and loan receivables estimated at more than P100M, and would even command a higher price if it is sold today.

Did LWUA conduct due diligence to know the value of the Bank?

- Yes. LWUA made their own due diligence and they themselves established that the value of the Bank was worth at least P80M.

Who has the obligation to secure authorization from the Monetary Board (MB) and the BSP in order that the Bank can be transferred or sold?

- Under the Deed of Sale, it was LWUA, and NOT the Sellers, who had the obligation to get the necessary government authorization from the MB and the BSP. The Sellers cannot be faulted if these authorizations were not secured after all.

Are the Gatchalians, Wellex Group and related companies Sellers in good faith?

- Yes. The Gatchalians, Wellex Group and the related companies are Sellers in good faith. It was a straightforward above board sale of a business interest. The Bank was sold purely as part of investment, which is a legitimate business transaction. It would be foolish for them to allow, risk and personally involve their family members in any unlawful or illegal transaction.

Why is Congressman Sherwin Gatchalian impleaded in this case?

- Congressman Sherwin Gatchalian is charged for selling his fourteen (14) shares in the Bank to LWUA for P179.63 per share, or in the total amount of only P2,514.82. These 14 shares, which is equivalent to 0.00001886042% of the total shareholdings sold, are mere qualifying shares in the Bank. He is therefore charged with receiving an "unwarranted benefit" of only P2,514.82 from the sale, despite the fact that he had no hand or participation in the management and the day to day operations of the Bank, and the negotiations for its sale.

Why is Congressman Weslie Gatchalian also impleaded in this case?

- Congressman Weslie Gatchalian is charged in this case for being a member of the Board of Directors of Forum Pacific, a stockholder of the Bank, that approved the sale of 127,415 shares in the Bank. Congressman Weslie Gatchalian holds 100 qualifying shares in Forum Pacific, and therefore does not actually own them. Forum Pacific's act of selling its shares is just part of investing, where it acquires and sells interests in business. Congressman Weslie Gatchalian had no participation in the management, daily operations of the Bank as well as the negotiations for its sale. Yet, he is charged with receiving "unwarranted benefits."

What is the track-record of the Gatchalians in public service?

The Gatchalians are in public service in Valenzuela City for more than fifteen (15) years, and their names and reputations have not been tarnished by any acts of graft and corruption. Valenzuela City has been transformed to a modern city under their leadership.

What is the track-record of the Gatchalians in business?

- The Gatchalians are in business for more than fifty (50) years, in hotels, property development, mining, plastics and petrochemical etc., giving employment to thousands of people and they have conducted their business strictly following laws, rules and regulations.