

Philippine Stock Exchange index (PSEi)

7,261.54 ▼ 82.42 PTS. ▼ 1.12%

WEDNESDAY, JANUARY 19, 2022  
BusinessWorld

PSEi MEMBER STOCKS

<b>AC</b> Ayala Corp. P850.00 -P16.00 -1.85%	<b>ACEN</b> AC Energy Corp. P09.50 -P0.06 -0.63%	<b>AEV</b> Aboitiz Equity Ventures, Inc. P62.30 +P1.45 +2.38%	<b>AGI</b> Alliance Global Group, Inc. P12.80 +P0.24 +1.91%	<b>ALI</b> Ayala Land, Inc. P35.00 -P0.95 -2.64%	<b>AP</b> Aboitiz Power Corp. P33.55 +P1.75 +5.50%	<b>BDO</b> BDO Unibank, Inc. P127.90 -P2.10 -1.62%	<b>BLOOM</b> Blossom Resorts Corp. P06.45 -P0.02 -0.31%	<b>BPI</b> Bank of the Philippine Islands P94.30 -P0.70 -0.74%	<b>CNVRG</b> Converge ICT Solutions, Inc. P31.75 +P0.45 +1.44%
<b>GLO</b> Globe Telecom, Inc. P3,360.00 +P6.00 +0.18%	<b>GTCAP</b> GT Capital Holdings, Inc. P552.00 -P15.00 -2.65%	<b>ICT</b> International Container Terminal Services, Inc. P204.40 -P7.00 -3.31%	<b>JFC</b> Jollibee Foods Corp. P230.40 +P0.40 +0.17%	<b>JGS</b> JG Summit Holdings, Inc. P58.00 -P2.50 -4.13%	<b>LTG</b> LT Group, Inc. P10.06 ---	<b>MBT</b> Metropolitan Bank & Trust Co. P58.00 -P0.90 -1.53%	<b>MEG</b> Megaworld Corp. P03.18 -P0.01 -0.31%	<b>MER</b> Manila Electric Co. P309.00 -P4.60 -1.47%	<b>MPI</b> Metro Pacific Investments Corp. P03.88 -P0.03 -0.77%
<b>PGOLD</b> Puregold Price Club, Inc. P36.75 -P0.75 -2.00%	<b>RLC</b> Robinsons Land Corp. P19.28 ---	<b>RRHI</b> Robinsons Retail Holdings, Inc. P57.00 -P1.00 -1.72%	<b>SECB</b> Security Bank Corp. P107.00 -P5.00 -4.46%	<b>SM</b> SM Investments Corp. P959.00 -P9.00 -0.93%	<b>SMC</b> San Miguel Corp. P112.00 -P0.30 -0.27%	<b>SMPH</b> SM Prime Holdings, Inc. P34.35 -P0.50 -1.43%	<b>TEL</b> PLDT, Inc. P1,888.00 +P7.00 +0.37%	<b>URC</b> Universal Robina Corp. P127.00 +P1.00 +0.79%	<b>WLCON</b> Wilcon Depot, Inc. P27.90 -P0.25 -0.89%

# Megaworld to buy prime Manila property for P1.89B

MEGAWORLD Corp. announced on Wednesday that it had forged a memorandum of agreement with Manila Jockey Club, Inc. to buy a 2.2-hectare property in Sta. Cruz, Manila.

In a disclosure filed with the stock exchange, the listed township developer described the property as "part of the historic 16-hectare San Lazaro Tourism and Business Park in the northern part of Manila." It also said that the "prime" real estate would

boost the company's presence in the city.

In a separate disclosure, Manila Jockey Club told the exchange of the same agreement and disclosed the purchase price at P1,887,733,375.

The listed racetrack operator said it had agreed to sell, transfer and convey all of its rights, title and interest in "certain parcels of land," which it placed at 22,143.50 square meters, to Megaworld.

"The definitive sale agreements shall be executed upon the submission of closing documents to the satisfaction of buyer," it said.

Megaworld said it currently owns nearly 5,000 hectares of land across the country, with around 300 hectares located in Metro Manila, covering nine urban townships and lifestyle estates.

"Currently, our big projects in the City of Manila are concentrated in the Binondo district,

particularly within our Lucky Chinatown project where we have a lifestyle mall, condominium towers, a cultural museum, and a hotel," Megaworld Chief Strategy Officer Kevin L. Tan said in the disclosure.

"When we finalize the purchase of this land in San Lazaro, this will surely be part of our township portfolio expansion in Metro Manila," he added.

The agreement comes after the board of Megaworld approved

in December the sale of four prime buildings located in economic zones to MREIT, Inc. The purchase price of P9.116 billion will be paid by MREIT upon the execution of a deed of absolute sale on or before Dec. 29, 2021.

MREIT is a company designated by Megaworld to operate as a real estate investment trust (REIT). Megaworld is the listing sponsor and 62% owner of MREIT.

As of the third quarter of 2021, Megaworld posted an attribut-

able income of P8.16 billion, up nearly 10% from P7.42 billion in the same period in 2020.

In contrast, Manila Jockey Club's attributable net loss widened during the January-September period to P143.12 million from P128.33 million previously.

At the local bourse on Wednesday, Megaworld lost one centavo or 0.31% to close at P3.18 apiece. Shares in Manila Jockey Club fell by eight centavos or 3.36% to finish at P2.30. — **M.C. Lucenio**

## PSE clears initial public offering of Citicore's REIT

CITICORE Energy REIT Corp. (CREIT) has secured approval from the Philippine Stock Exchange (PSE) for its initial public offering (IPO) of shares worth about P10.1 billion for up to P3.15 apiece.

In a PSE notice posted on Wednesday, the exchange said it had given the green light to the initial listing of CREIT's 6,545,454,004 common shares with a par value at P0.25 each.

Of these, 1,047,272,000 shares will be issued to the public under a primary offering, while 1,741,660,000 shares are allotted for a secondary offering, plus an overallotment option of up to 418,339,000 common shares.

The shares are priced for as much as P3.15 apiece. The final offer price will be determined based on a book-building process. The offer period will begin at 9 a.m. on Feb. 2, and end at 12 noon on Feb. 8, 2022. The target listing date is on Feb. 17.

CREIT's IPO is said to be the country's first energy-focused real estate investment trust (REIT). All of the offered shares will be listed on the main board of the stock exchange under the ticker symbol CREIT.

The proceeds from the primary offering will be used to buy properties in Bulacan and South Cotabato, while those from the secondary offering will be used by Citicore Renewable Energy Corp. and Citicore Solar Tarlac 1, Inc. for their future projects.

Citicore Renewable, a subsidiary of Citicore Power, Inc., is one of the company's sponsors and is a part of the Citicore group of companies. It is said to be a pioneer of agro-solar social concept.

In a media release on Wednesday, CREIT President and Chief Executive Oliver Y. Tan said the business model "is cycle-resistant as solar power generation is an essential industry, further supported by government programs, and has a clear plan for long-term growth."

"With the search for attractive returns, alongside a strong and effective environment, society, and governance (ESG) advocacy as criteria for a sound market investment, CREIT comes in as a practical alternative," he added.

Sought for comment, analysts said the IPO might stimulate investor ap-

petite, but whether the business model can be a template for future energy REITs remains to be seen.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said renewable energy-related businesses would continue to benefit from ESG-related investment themes.

"Since this kind of REIT is relatively new, investors would look at future cash flows and overall valuations," he told *BusinessWorld* in a Viber message.

Diversified Securities, Inc. Equity Trader Aniceto K. Pangan said in a text message: "Their focus on renewable energy is a good direction as it is where the demand is in the future."

He added that demand would still depend on how stable the company's income is, as it shares its profits through dividends, as well as its growth plans.

Meanwhile, COL Financial Group, Inc. First Vice-President April L. Tan said that with the favorable outlook on the power industry and the company's structure, CREIT is a good REIT that could give stable cash dividends to shareholders.

However, Ms. Tan said the attractiveness of the offer would still depend heavily on its yield.

"At P3.15 per share, potential yield is at 5.66%. This might not be compelling enough since other REITs debuted with similar yields, but with more attractive near-term growth prospects," she said.

Ms. Tan also noted that the potential for growth through acquisition in the near term is limited because the parent firm still has to build more plants that the company can acquire in the future.

"The fund manager's role is to look for assets that fit the REIT company's investment criteria and the easiest way to grow a REIT's portfolio is by buying the assets of its REIT sponsor. However, if the sponsor doesn't have assets that meet the REIT company's investment criteria, then it might be difficult for the REIT to grow through acquisition," she explained.

In its press statement, CREIT said the Citicore group has a pipeline of 1,500 megawatts of direct current (MWdc) solar plant capacity in the next five years with 120.5 MWdc underway. — **Marielle C. Lucenio**

## Cebu Pacific says passenger insurance more comprehensive

BUDGET carrier Cebu Pacific (CEB) announced on Wednesday that its insurance product now covers coronavirus-related hospitalization and treatments "to inspire travel confidence" amid the global health crisis.

"Starting Jan. 13, 2022, CEB Travelers 'Basic Protect' becomes even more comprehensive as it now covers COVID-related hospitalization and treatments, on top of up to P2,500,000 medical expenses benefit, in case of an injury or other illnesses, and up to P2,500,000 personal accident coverage during the trip," the airline said in an e-mailed statement.

It said domestic or international passengers may avail themselves of the insurance product if their trip starts in the Philippines "for as low as P492 round-trip." The airline's insurance product is underwritten by Insurance Company of North America.

Candice A. Iyog, Cebu Pacific vice-president for marketing and customer service, said: "As we continue to weather this pandemic, we see to it that (everyone's) health and safety are prioritized above all else."

"We know peace of mind is needed now more than ever and we want to provide this to our passengers so they can always fly safe and easy with us," she added.

Cebu Pacific passengers can purchase the travel insurance when booking flights on the airline's official website or select as an add-on up to two hours prior to their flight via the "Manage Booking" portal on the website.

"Insured passengers will receive their group policy Confirmation of Cover with the details of the travel insurance benefits via e-mail," the airline said. — **Arjay L. Balinbin**

## Ookla: Smart internet speed score highest in Q4 2021

SMART Communications, Inc., the wireless arm of PLDT, Inc., achieved the highest mobile internet speed score among major providers in the Philippines in the last quarter of 2021, Ookla's Q4 (fourth quarter) Internet Performance Report showed.

Smart's speed score for the fourth quarter rose to 68.78 from 59.71 in the third quarter, while Globe Telecom, Inc.'s speed score increased to 32.67 from 28.38 previously.

Meanwhile, new telco player DITO Telecommunity Corp. saw its speed score for the fourth quarter fall to 24.47 from 25.34 in the previous quarter.

Experts have cited slow and unreliable internet connections in the Philippines, whose people are said to be one of the most active social media users in the world.

Philippine mobile internet speeds further improved in December, with its global ranking climbing one place to 89<sup>th</sup> out of 138 countries.

Median download speed for mobile internet rose to 19.20 megabits per second (Mbps) in December from 18.68 Mbps in November. Mobile upload speed decreased slightly to 5.60 Mbps from 5.64 Mbps previously.

Mobile internet latency, which measures how quickly a device gets a response after its user sends out a request, remained at 24 milliseconds.

In terms of the fifth-generation (5G) connection, Ookla, the network testing company behind Speedtest, said: "Looking only at tests taken on a 5G connection, Smart had the fastest median download (speed) in the Philippines during Q4 2021 at 220.89 Mbps." Globe came in second at 117.93 Mbps.

Speedtest data also showed that Caloocan City had the fastest median mobile download speed among the country's most populous cities at 25.24 Mbps, followed by Manila (24.34 Mbps), Quezon City (23.21 Mbps), Davao City (16.01 Mbps), and Cebu City (15.07 Mbps).

The Philippine mobile service market is expected to increase at a compound annual growth rate of 5.6% to \$5.4 billion by 2026, according to United Kingdom-based data analytics and consulting firm GlobalData.

Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., has a majority stake in *BusinessWorld* through the Philippine Star Group, which it controls. — **Arjay L. Balinbin**

## EasyCall acquires 100% of IT firm Transnational E-Business Solutions

LISTED EasyCall Communications Philippines, Inc. (ECP) announced on Wednesday that it had completed the requirements for the acquisition of information technology (IT) company Transnational E-Business Solutions, Inc. (TESI).

"ECP acquired 100% of TESI through the purchase of 1,000,000 common shares based on the book value of TESI as of 2021 June 30 interim audited financial statement in the amount of P162,925,694.00 or P162.925694 per share," the listed company said in a disclosure to the stock exchange.

"The sale concluded in January 2022, upon signing of the transaction documents on 2022 Jan. 1 and full payment of the purchase price last 2022 Jan. 14," it added.

The acquisition is seen to enhance ECP's "thrust as a technology company as it complements ECP's current services on connectivity, data and technology services," the listed company noted.

It expects the acquisition to add to the overall business scale and capabilities of ECP group.

According to ECP, TESI was registered with the Philippine Securities and Exchange Commission in March 1997 primarily to engage in the business of IT services, including software development, internet and e-commerce services, back-office processing and system integration.

TESI initially served internal clients but has since expanded to external clients in various industries, it noted.

The IT company was also registered with the Philippine Economic Zone Authority as an ecozone IT enterprise in June 2008.

It "services foreign clients and PEZA entities especially for its software development and information technology outsourcing lines of business," ECP said.

"TESI has three major lines of businesses under software development using low-code applications to fast-track the digital adoption of companies, software as a service and information technology outsourcing." — **Arjay L. Balinbin**

## PAL: US flights to proceed, 5G concerns 'resolved'

FLAG carrier Philippine Airlines, Inc. (PAL) on Wednesday said that it expects its flights to the United States to proceed as scheduled now that US authorities have "resolved" concerns about the impact of the fifth-generation (5G) service rollout on flight safety.

The airline said it was ready to cancel some flights to the US if there were still concerns about the effects of 5G on flight safety.

"The US Department of Transportation has assured the aviation

community that aircraft landing in US airports will not encounter interference from 5G radio waves, now that telecommunications companies have agreed with the Biden Administration to revise the deployment of the upgraded technology around key airports throughout the US," the flag carrier said in an e-mailed statement.

Major airlines in the US warned on Monday that a "catastrophic" aviation crisis could happen in less than 36 hours, when AT&T and Verizon were set to roll out new 5G service, Reuters reported.

PAL said that it would continue to monitor developments and make necessary adjustments "should there be changes that pose any impact on safety."

"The safety of our passengers and crew is always our top priority," said PAL Senior Vice-President for Operations Captain Stanley K. Ng.

"We welcome the intervention of the US Government and will continue to engage closely with the authorities, airports, aircraft makers and aviation safety professionals to

ensure that every PAL flight is operated according to the highest safety standards," he added.

PAL flies to Los Angeles, San Francisco, and New York on a regular basis.

"PAL flights to Honolulu and Guam, as well as routes to other overseas destinations in Asia, North America, Australia and the Middle East, are not affected by the 5G concerns that involved only specific airports in the US mainland," the airline noted. — **Arjay L. Balinbin**