

Philippine Stock Exchange index (PSEi)

7,018.02

▲ 91.99 PTS.

▲ 1.32%

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BusinessWorld

PSEI MEMBER STOCKS

AC Ayala Corp. P778.00 +P8.00 +1.04%	ACEN AC Energy Corp. P8.54 +P0.19 +2.28%	AEO Aboitiz Equity Ventures, Inc. P56.50 —	AGI Alliance Global Group, Inc. P12.12 +P0.12 +1.00%	ALI Ayala Land, Inc. P34.95 +P0.75 +2.19%	AP Aboitiz Power Corp. P36.00 +P0.50 +1.41%	BDO BDO Unibank, Inc. P132.50 +P2.50 +1.92%	BPI Bank of the Philippine Islands P98.50 +P2.00 +2.07%	CNVRG Converge ICT Solutions, Inc. P28.65 +P0.80 +2.87%	EMP Emperador, Inc. P14.10 +P0.02 +0.14%
GLO Globe Telecom, Inc. P2,480.00 +P126.00 +5.35%	GTCAP GT Capital Holdings, Inc. P514.00 +P6.00 +1.18%	ICT International Container Terminal Services, Inc. P225.00 +P7.00 +3.21%	JFC Jollibee Foods Corp. P219.40 -P0.60 -0.27%	JGS JG Summit Holdings, Inc. P56.50 -P0.30 -0.53%	LTG LT Group, Inc. P8.94 -P0.04 -0.45%	MBT Metropolitan Bank & Trust Co. P54.50 +P0.45 +0.83%	MEG Megaworld Corp. P2.95 +P0.01 +0.34%	MER Manila Electric Co. P374.00 +P1.40 +0.38%	MONDE Monde Nissin Corp. P13.12 +P0.20 +1.55%
MPI Metro Pacific Investments Corp. P3.82 +P0.08 +2.14%	PGOLD Puregold Price Club, Inc. P37.00 -P0.05 -0.13%	RLC Robinsons Land Corp. P20.25 +P0.45 +2.27%	SECB Security Bank Corp. P106.80 +P0.30 +0.28%	SM SM Investments Corp. P865.00 -P5.00 -0.57%	SMC San Miguel Corp. P109.00 +P0.50 +0.46%	SMPH SM Prime Holdings, Inc. P37.05 +P0.75 +2.07%	TEL PLDT, Inc. P1,840.00 +P45.00 +2.51%	URC Universal Robina Corp. P120.90 +P3.90 +3.33%	WLCON Wilcon Depot, Inc. P25.15 +P0.15 +0.60%

VistaREIT plans asset infusion ahead of share offer

VISTAREIT, Inc. has linked its expansion on the Villar group's profitable assets and project pipeline, as it readies its initial public offering ahead of the country's recovery from the pandemic.

In a statement over the weekend, the real estate investment trust of Vista Land & Landscapes, Inc. said it is "anchoring its solid expansion program" on what it described as a robust, geographically diverse pipeline of profitable assets.

Vista Land, the listed holding firm of the Vista group, is a developer of residential subdivisions and builder of housing and condominium units.

VistaREIT is also eyeing the infusion into its portfolio of the Worldwide Corporate Center, the Vista group's prime office property and main office located in Mandaluyong City.

Late last month, VistaREIT filed a registration statement with the Securities and Exchange

Commission for a P9.18-billion initial public offering.

Based on its plan, it will offer up to 3.33 billion secondary common shares at a maximum offer price of P2.50 per share, with an overallotment option of up to 333.7 million secondary common shares.

According to Vista Land, VistaREIT has a "massive opportunity for growth" since its inception comes as the Philippine economy recovers from the

coronavirus disease 2019 (COVID-19) pandemic.

Vista Land's commercial assets are composed of 31 malls, seven office buildings and 69 commercial centers with a combined gross floor area (GFA) of 1.6-billion square meters (sq.m.)

It also owns about 3,000 hectares of raw land, also known now as the Vista Estates.

VistaREIT assets account for over 20% of Vista Land's total gross floor area.

Its initial portfolio is composed of 10 community malls and two office buildings registered with the Philippine Economic Zone Authority with an aggregate gross leasable area (GLA) of 256,404 sq.m.

"Under its comprehensive plan, VistaREIT will also be focusing on the competitiveness of Vista Land's properties in the market when it comes to its lease rates," Vista Land said in a statement.

"The lease rates are set to provide opportunities for growth. VistaREIT can still maintain competitive pricing based on existing market rates," it added.

Apart from current properties, VistaREIT said it also sees as a key advantage its working synergy with the Villar group's retail ecosystem, which includes the publicly listed AllHome and AllDay home improvement and supermarket chains. — **Luisa Maria Jacinta C. Joeson**

Alliance Towers to start building towers for Globe this year

COMMON tower provider Alliance Towers Corp. said it will begin erecting towers for Globe Telecom, Inc. this year, as part of its ambition to build 500 towers a year for the country's wireless telecommunications operators.

The company recently signed an agreement with Globe, Alliance Towers President and Chief Operating Officer Alvin D. Tolentino said during a briefing on April 8.

He said Globe had "awarded sites in Visayas and Mindanao."

The company aspires to build 500 towers a year, but with the current pandemic situation, it believes it can build around 200 towers this year for DITO

Telecommunity Corp., Smart Communications, Inc., and Globe.

Alliance Towers has built more than 40 towers for DITO and Smart at the height of the pandemic, according to Sherwin G. Hing, chairman and chief executive officer of the independent tower company.

He said 80% of the company's portfolio is from Globe.

As for the capital expenditures, he said: "We are looking at P40 billion in the next 10 years, or around P4 billion a year."

Mr. Tolentino cited various factors as drivers of tower demand in the country, including increased data usage with more powerful applications and greater

smartphone penetration, rollout of fifth-generation (5G) technology, cost savings from tower sharing, and 4G expansion into areas where 3G is still the dominant technology.

He also noted that the government aims to have 50,000 new towers in the next seven to 10 years just to meet the current capacity shortfall.

"The recent pandemic has brought about the urgent need for fast and reliable internet connectivity to enable digital transformation and the adaptation of the country to new digital landscapes," Mr. Tolentino said.

"Unfortunately, there is a wide gap between the number of subscribers and the cell sites here in the Philippines to

provide the bandwidth and connectivity that the Filipinos demand."

For his part, Mr. Hing said: "We acknowledge our role in the success of the country's digital transformation and advancement. This is why we have selected a management team who has a proven track record in the tech and telecommunications industry to lead our programs and initiatives in building digital infrastructures."

"Furthermore, we also ensure that our experts are armed with the right extensive information and knowledge to develop our towers, and we have also developed standard parameters to ensure that our sites, services and operations are best-in-class," he added. — **Arjay L. Balinbin**

Tax court sides with specialty contractor in case versus BIR

THE Court of Tax Appeals (CTA) has granted the appeal of Atlas Precision Environment Corp. to revoke and cancel its alleged value-added tax (VAT) deficiency amounting to P1.8 million for the calendar year 2013.

In a decision on March 30, the court's third division ruled that the tax assessment made by the Bureau of Internal Revenue (BIR) is revoked for the year 2013.

The petitioner is a corporation engaged in the supply, installation, maintenance of computer support systems, and other controlled environment facilities.

The respondent is the BIR commissioner who has the authority to decide refunds of internal revenue taxes, fees, and other charges in relation to the country's revenue code.

"First, all VAT payments due on sales invoices issued from 1 Jan. 2013 to 30 Jan. have been actually fully paid," the court said in its ruling written by CTA Associate Justice Maria Belen M. Ringpis-Liban.

The tribunal noted that the commissioner's claim of unsupported input tax was disproven by receipts presented by the company during the audit.

The company earlier raised these pieces of evidence to the respondent against the BIR's preliminary notice of assessment but said that the revenue officers issued a final notice without acknowledging its arguments.

The respondent sent the petitioner the final assessment notice, which reiterated the same basic tax due.

"Consequently, petitioner was left unaware of how the BIR appreciated the explanations or defenses petitioner raised against the preliminary assessment notice in clear violation of its right to administrative due process, thereby rendering the subject VAT assessment void," said the tax court.

The appellate court said that under the 1987 Constitution, both parties — the taxpayer and the state — should have equal protection of the laws and due process.

"In view of the finding that the subject VAT assessment is invalid for violation of petitioner's right to due process, and thus bear no valid fruit, it becomes unnecessary to address the issue and matters raised by the parties," it said. — **John Victor D. Ordoñez**

CTA denies review of tax ruling favoring gas firm

THE Court of Tax Appeals (CTA) has denied the appeal of the Internal Revenue commissioner to review its previous decision setting aside Montalban Methane Power Corp.'s alleged tax liabilities amounting to P3.6 million for the calendar year 2009.

In a decision on March 30 but made public on April 6, the CTA en banc affirmed the first division's ruling, which said the tax assessment was void due to the lack of a letter of authority (LOA).

"The Commissioner of Internal Revenue or any person duly acting on his or her behalf is hereby enjoined from proceeding with the collection of the taxes assessed against petitioner," the court said.

The petitioner is the head of the Bureau of Internal Revenue (BIR), an agency authorized to assess and collect excess revenue tax, fees, and charges, and to enforce penalties and fines.

The respondent company is engaged in a landfill gas generation project based in Rizal province.

The BIR commissioner argued that the court made an error in ruling that the assessment was void due to the lack of an LOA and

added that it was only an administrative tool, not a statutory requirement.

The court disagreed with the argument, saying the revenue officer assigned to the case continued the audit of the company only based on a memorandum of assignment, not an LOA.

"There must be a grant of authority, in the form of an LOA, before any revenue officer can conduct an examination or assessment," the CTA en banc said, citing previous jurisprudence. "The memorandum of assignment, referral memorandum, or any equivalent document is not proof of the existence of authority of the substitute or replacement revenue officer."

In a separate concurring opinion, CTA Associate Justice Maria Belen M. Ringpis-Liban said that an LOA is not needed in a case of re-assignment of revenue officers as long as a document of authority is signed by the BIR commissioner or a duly authorized representative.

The associate justice noted that the assessment was still void because the memorandum of assignment was not issued by a duly authorized representative of the petitioner. — **John Victor D. Ordoñez**

Shakey's sees 2023 net profit to surpass pre-pandemic level

SHAKEY'S Pizza Asia Ventures, Inc. expects its net income in 2023 to exceed the pre-pandemic level as it describes this year as a "reopening play" after its return to profitability in 2021.

"With investments and acquisitions made even in the midst of the pandemic, barring any major disruptions, we see our 2023 bottom line exceeding pre-pandemic level," said Shakey's Chief Financial Officer Manuel T. Del Barrio in a statement.

The acquisitions include Potato Corner, which the restaurant operator recently disclosed. Along with its subsidiary Wow Brand Holdings, Inc. it acquired the assets and intellectual

property of Potato Corner, including shares in an entity in Singapore.

"We are excited with what Potato Corner can bring to the Company, especially as the brand celebrates its 30th anniversary this year. Potato Corner fits perfectly with our vision to build and scale a portfolio of industry-leading WOW brands with strong brand equity and industry-leading margins," said Mr. Del Barrio.

Shakey's is allocating more than P650 million as its capital expenditure budget this year, which it plans to use mostly to accelerate its store network expansion. It is targeting to open at least 192 stores for the group, including

42 new stores for existing brands and 150 outlets for Potato Corner.

"Despite the crisis in 2020, we maintained our long-term view on sustainable growth. We made a bold decision to re-ignite our expansion plan, purposefully investing in our brands and our stores. We believe that these continuous investments amidst the pandemic will fuel our 2021 growth momentum toward a stronger 2022 reopening play," said Vicente L. Gregorio, president and chief executive officer of Shakey's.

In 2021, Shakey's recorded a net profit of P121 million, reversing the net loss of P254 million the year before, on higher system-wide sales.

"The fourth quarter was quite significant for us. Quarantine restrictions were easing. The season was festive, and more guests were choosing to eat out with their families and friends to enjoy the complete dine-in experience. We took advantage of that to create momentum and were rewarded with a strong performance, a testament to the continued loyalty of our guests in our brands," Mr. Gregorio said. — **L.M.J.C. Joeson**

OUTLIER

Investors cash in Globe shares as Russia-Ukraine war continues

By **Bernadette Therese M. Gadon** *Researcher*

INVESTORS chose to take profit on Globe Telecom, Inc. last week as the market's overall negative sentiment amid Russia's invasion of Ukraine dampened the telco's data center joint venture and digital entertainment foray.

A total of 313,295 Globe shares worth P767.28 million were traded from April 4 to 8, data from the Philippine Stock Exchange showed.

Shares went down by 1.6% week on week, finishing at P2,480 apiece on Friday from its P2,520 closing on April 1. For the year, the stock fell by 24.3%.

"The news of Globe Telecom's joint venture with ST Telemedia and its parent company Ayala Corp. as well as the launching of KROMA Entertainment seems to have been taken well by market players over the week," Globalinks Securities and Stocks, Inc. Head of Sales Trading Toby Allan C. Arce said in an e-mail interview on Friday.

"Unfortunately, the positive developments were overshadowed

by negative sentiments abroad causing investors to adopt to a 'sell on news' mentality and cash in on any gains made," Mr. Arce said.

He added that investors went back on the telecommunication stock "taking advantage of the dip" by Friday, however,

it still underperformed compared with April 1's closing.

Last Monday, Globe unveiled its joint venture with the Singapore-headquartered ST Telemedia Global Data Centres and Globe's parent company Ayala Corp. to develop and build data centers in the Philippines, with a post-money valuation of around \$350 million.

Globe aims to address the "significant and growing demand for data center services in the country."

The Ayala-led telco remains to be the major shareholder in the venture with 50% ownership, followed by ST Telemedia (40%), and Ayala Corp. (10%).

It will also recognize a P10.5-billion pre-tax gain from partial monetization of its current data business center unit together with the revaluation of carrying value of Globe's retained interest.

Separately, Globe officially launched on Wednesday its digital entertainment arm, KROMA Entertainment. Formerly Sphere Entertainment, Globe's media and entertainment leg first launched back in 2016 with film and TV production, and live concert/event management. KROMA added other projects such as digital magazine, artist and talent agency, and production house.

KROMA Entertainment Chief Executive Officer Ian Monsod said in a briefing that the entertainment company's goal is to be the "leading digital entertainment player" in the country.

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