## Philippine Stock Exchange index (PSEi) 6,980.02 ▼40.81 PTS. ▼0.58%

TUESDAY, APRIL 26, 2022
BusinessWorld

### PSEi MEMBER STOCKS

| Stock | Company | Price | Change | % Change |
|---|---|---|---|---|
| AC | Ayala Corp. | P758.00 | -P21.00 | -2.70% |
| ACEN | AC Energy Corp. | P8.25 | +P0.09 | +1.10% |
| AEV | Aboitiz Equity Ventures, Inc. | P56.10 | -P0.80 | -1.41% |
| AGI | Alliance Global Group, Inc. | P12.12 | -P0.24 | -1.94% |
| ALI | Ayala Land, Inc. | P35.20 | +P0.45 | +1.29% |
| AP | Aboitiz Power Corp. | P33.90 | +P0.50 | +1.50% |
| BDO | BDO Unibank, Inc. | P131.00 | -P2.00 | -1.50% |
| BPI | Bank of the Philippine Islands | P97.70 | -P0.50 | -0.51% |
| CNVRG | Converge ICT Solutions, Inc. | P29.40 | -P0.20 | -0.68% |
| EMP | Emperador, Inc. | P19.20 | +P0.18 | +0.95% |
| GLO | Globe Telecom, Inc. | P2,446.00 | +P8.00 | +0.33% |
| GTCAP | GT Capital Holdings, Inc. | P521.00 | +P7.00 | +1.36% |
| ICT | International Container Terminal Services, Inc. | P223.00 | -P3.20 | -1.41% |
| JFC | Jollibee Foods Corp. | P220.20 | +P2.60 | +1.19% |
| JGS | JG Summit Holdings, Inc. | P58.90 | +P0.90 | +1.55% |
| LTG | LT Group, Inc. | P8.79 | -P0.01 | -0.11% |
| MBT | Metropolitan Bank & Trust Co. | P54.10 | -P1.40 | -2.52% |
| MEG | Megaworld Corp. | P2.91 | -P0.02 | -0.68% |
| MER | Manila Electric Co. | P347.00 | +P4.60 | +1.34% |
| MONDE | Monde Nissin Corp. | P13.10 | +P0.36 | +2.83% |
| MPI | Metro Pacific Investments Corp. | P3.86 | +P0.03 | +0.78% |
| PGOLD | Puregold Price Club, Inc. | P34.85 | -P0.95 | -2.65% |
| RLC | Robinsons Land Corp. | P19.82 | -P0.08 | -0.40% |
| SECB | Security Bank Corp. | P105.60 | —— | |
| SM | SM Investments Corp. | P860.00 | -P25.00 | -2.82% |
| SMC | San Miguel Corp. | P107.40 | -P0.10 | -0.09% |
| SMPH | SM Prime Holdings, Inc. | P36.50 | +P0.35 | +0.97% |
| TEL | PLDT, Inc. | P1,914.00 | +P4.00 | +0.21% |
| URC | Universal Robina Corp. | P107.10 | -P2.70 | -2.46% |
| WLCON | Wilcon Depot, Inc. | P28.50 | -P0.45 | -1.55% |

# ACEN, new partners plan to acquire US wind farms

AC Energy Corp. (ACEN) said on Tuesday that its board had approved the Ayala-led energy platform's plan to seek opportunities in the renewable energy market of the United States.

"Our aspiration is for the US to become a priority market for ACEN outside of Philippines over time," Patrice Clausse, president and chief operating officer of ACEN's international business, said in a stock exchange disclosure.

The US entry is through a partnership with UPC Solar & Wind Investments LLC and Pivot Power Management (PPM), the Ayala group's energy arm said.

The partners intend to acquire operating wind projects in the US while exploring strategies to extend their useful life through preventive maintenance and re-powering.

"This partnership will provide an exciting entry to the fast-growing US market, and we look forward to leveraging the combined expertise of ACEN and our new partners to make this a strong growth platform in the coming years," Mr. Clausse said.

In its disclosure, the company said the transaction is subject to usual and customary conditions precedent ahead of closing.

ACEN said the partnership will target the acquisition of operating wind projects across various geographies in the US.

"It will seek to upgrade and replace key components on target projects with the goal of extending project life and optimizing power generation," it said.

It quoted PPM Chief Executive Officer Tim Rosenzweig as saying: "We are excited to work with the ACEN team toward our shared goal of accelerating the transition to renewable energy. This transaction will help us grow our development and operating platform in the US."

To date, ACEN has invested more than $200 million in what it calls "priority markets," namely: Australia, Vietnam and Indonesia. It targets to add renewable capacity in the US to its portfolio ahead of its goal of installing 5,000 megawatts (MW) of renewables capacity by 2025.

The company now has an attributable capacity of 3,800 MW in the Philippines, Vietnam, Indonesia, India, and Australia. Of this figure, renewables account for 87%, which it claims to be the highest in the region.

ACEN aims to become the largest listed renewables platform in Southeast Asia. It is also committed to achieve net-zero greenhouse gas emissions by 2050.

On Monday, ACEN Chairman Fernando Zobel de Ayala told stockholders during their annual meeting that the company had increased its project pipeline to 18,000 MW in an aggressive expansion in renewables investment.

"We have earmarked P55 billion for our renewable energy expansion," he said.

During the same meeting, ACEN President and Chief Executive Officer Eric T. Francia said the company had raised "significant capital" of about P48 billion last year "to help enable and convert" a pipeline of renewable energy developments into operating projects.

"Given our strong growth momentum, the company is beginning to look ahead to 2030, and we will soon firm up our 2030 vision and strategy," he said, noting that the company's 2030 vision will be unveiled later in the year.

On Tuesday, ACEN shares at the stock exchange moved up by P0.09 or 1.1% to close at P8.25 apiece. — **VVS**

# Airbus Helicopters PHL seeks to expand market share

AIRBUS Helicopters Philippines, Inc. is aiming to capture more than 30% of the country's helicopter market, as it takes steps to meet growing demand from military and parapublic sectors.

Airbus, which currently holds 30% of the Philippines' helicopter market, is targeting to expand its market share, Airbus Helicopters Philippines Managing Director Charlie Simpson said during a briefing on Tuesday.

"We intend to grow our market share in the Philippines by demonstrating that we have the right products to meet their needs," he noted.

"Airbus has been serving operators in the Philippines for over 40 years. Today, there are close to 90 Airbus helicopters flying in the country for a variety of civil, parapublic and military missions."

Airbus Helicopters Philippines is a joint venture between Airbus Helicopters and Philippine Aerospace Development Corp. (PADC), which is under the Department of National Defense. PADC is the Philippine government's arm for the development of the aviation industry.

According to Mr. Simpson, Airbus had fulfilled 60% of helicopter orders over the last five years.

"Included in the helicopters are two H145 serving the needs of the Philippine Coast Guard for search and rescue, and maritime safety, while a fleet of H125 has been supporting the Philippine National Police in aerial law enforcement since 2019," the company said.

Aside from providing helicopters, the company also offers support and services.

Asked if Airbus is considering localized manufacturing of aircraft for the Philippine military, Mr. Simpson said: "We are open to all ideas and discussions... We will investigate to see if it makes sense for us... But today, we are focused on support and services."

"Moving forward, we see the Philippines' military and parapublic market stepping up over the next five to 10 years, where future demand will be driven by fleet modernization, renewals, military training, search and rescue, HEMS (helicopter emergency medical service), internal security, and maritime security," he also said.

At the same time, the company anticipates increased demand in the private and business aviation segments. — **Arjay L. Balinbin**

## AYC Finance makes tender offer

AYALA Corp. said its subsidiary AYC Finance Ltd. had made a tender offer to purchase for cash its outstanding notes worth $300 million to manage its liabilities.

Debt issuer AYC Finance's undated notes with a rate of 5.125% is guaranteed by Ayala Corp. up to a tender cap of $100 million subject to its discretion.

The tender offer is part of its "active liability management program," the listed conglomerate said in a disclosure. It will have a tender price of $1,002.50 per $1,000 principal amount of notes. The offer will expire on May 5 at 4 p.m., London time.

In 2021, AYC Finance announced the tender offer of its $400-million, 5.125% senior fixed-for-life notes and $400-million, 4.85% senior fixed-for-life notes.

"In addition to the tender price, the issuer will also pay holders of the notes on the settlement date an accrued interest payment," the company said.

"Any notes validly tendered and purchased by the issuer pursuant to the tender offer will be canceled and will not be reissued or resold," it added.

AYC Finance operates as a special purpose entity and was formed for the purpose of issuing debt securities to repay existing credit facilities, refinance indebtedness, and for acquisition purposes.

Ayala Corp. shares fell by P21.00 or 2.7% to close at P758 apiece on Tuesday. — **Luisa Maria Jacinta C. Jocson**

# NOW Telecom hopes to benefit from law allowing full foreign ownership

TELECOMMUNICATIONS company NOW Telecom Co., Inc. is hoping to benefit from the amended Public Service Act (PSA), which allows up to 100% foreign ownership in public services, its top official said.

Listed firm NOW Corp. said its affiliate, NOW Telecom, recently secured the approval of the Securities and Exchange Commission (SEC) for an increase in authorized capital stock and the quasi-reorganization of its equity.

In a disclosure to the stock exchange, it said NOW Telecom "increased its authorized capital stock, increased the number of its authorized common shares from 14.59 million common shares to 952.09 million common shares, and lowered its par value from P100 per share to P1 per share."

NOW Corp.'s direct equity ownership in NOW Telecom increased to 24.23% from 19%.

At the same time, the regulator certified the approval of the equity restructuring "to fully wipe out" NOW Telecom's deficit as of Dec. 31, 2020.

NOW Corp. noted that the move "better positions" NOW Telecom to take on domestic and foreign equity investors in order to raise capital in support of its growth plans."

NOW Telecom President and Chief Operating Officer Rene L. Rosales said that with the amended PSA and the recent approval from the SEC, the company "can now proceed with its growth plans, starting with its fund-raising efforts, including but not limited to tapping either the debt market or equity market, or both."

Republic Act (RA) No. 11659, which President Rodrigo R. Duterte signed in March, amends the 85-year-old Commonwealth Act No. 146, or the PSA Act, easing restrictions on full foreign ownership of businesses in key sectors such as telecommunications, shipping, airlines, railways, and subways.

NOW Corp. shares closed 22.56% higher at P1.63 apiece on Tuesday. — **Arjay L. Balinbin**

# Tax court grants holding firm's appeal to cancel liabilities

THE Court of Tax Appeals (CTA) has granted the appeal of Sofgen Holdings Ltd. to set aside its P19.6-million value-added tax (VAT) liability for the taxable year 2015.

In a decision on April 21 and made public on April 25, the CTA first division ruled that the assessment and the letter of authority issued by the Bureau of Internal Revenue (BIR) exceeded the one-year period provided by the tax code.

The tax court ordered the commissioner of internal revenue (CIR) to refund the amount in favor of the company and to cancel the closure order earlier issued.

"If the audit of a taxpayer shall include more than one taxable period, the other periods or years shall be specifically indicated in the letter of authority," according to the decision written by CTA Associate Justice Catherine T. Manahan.

"On this point alone, the deficiency VAT assessment should have been disallowed," the ruling said, citing previous jurisprudence.

The petitioner is a domestic branch of a foreign firm primarily engaged in the management of companies and enterprises based in the Republic of Cyprus.

CIR, the respondent, has duties to comprehend the assessment and enforcement of the collection of taxes and the penalties provided by the revenue code.

The company argued that the revenue officers who carried out the VAT assessment went beyond the authority given to them and that the BIR did not issue the required final notices.

CIR said that the issued letter of authority duly authorized the officers in charge of the investigation of the company's books of account and accounting records.

The head of the internal revenue bureau earlier issued a closure order dated Aug. 30, 2017 to the company following the tax assessment.

"Respondent CIR improperly exercised his power under Section 115 of the National Internal Revenue Code (NIRC) of 1997," the court said. "Thus, there was a violation of the petitioner's right to due process pertaining to the issuance of the subject VAT assessment, rendering the same void."

Section 115 of the NIRC provides that the CIR may suspend the business operations of a taxpayer for a violation made by a VAT-registered person; failure to issue receipts or invoices; failure to file a VAT return; and understatement of taxable sales or receipts by 30% or more of his correct taxable sales for the taxable quarter.

The tribunal pointed out that the CIR improperly used its authority in issuing the closure order as the petitioner submitted valid official receipts even before the said order.

"While the government has an interest in the swift collection of taxes, the BIR, and its officers and agents cannot be overreaching in their efforts, but must perform their duties in accordance with the law, with their own rules of procedure, and always with regard to the basic tenets of due process," it said. — **John Victor D. Ordoñez**

## Max's Group opens Yellow Cab Pizza in Texas

MAX's Group, Inc. announced on Tuesday that it opened a Yellow Cab Pizza Co. branch in Houston, Texas as part of its ongoing international expansion.

"Max's Group is proud to be a global exporter of beloved Filipino brands, giving our homegrown products an international stage to showcase the local food scene and bring it closer to diners all over the world," Max's Group International Chief Operating Officer Kay Lee said in a statement.

The Houston branch marks the 19th Yellow Cab Pizza store globally.

To date, Max's Group's store network spans over 14 countries, with 600 in the Philippines and 62 international sites situated across various locations in North America, the Middle East, and Asia.

"While we are in the same vicinity as other known local brands, early figures have already shown a positive response from the Houston community. We've been able to grab the attention of the vibrant and young Filipino population in the area who know the Yellow Cab brand very well. It's also been wonderful to see non-Filipino customers embrace the brand so positively as they discover our fresh, innovative take on New York-style pizzas," Ms. Lee said.

Max's Group President Ariel P. Fermin said that while the pandemic may have left an "indelible mark," it has not stopped the group from become a true "house of brands" that if frequented by Filipinos and other nationalities.

"We have always been proud of the portfolio of well-loved brands we operate both in the Philippines and internationally," he said.

Max's Group is principally engaged in developing, acquiring, managing and franchising restaurants and food brands.

The company's portfolio consists of homegrown and international brands, including Max's Restaurant, Pancake House, Yellow Cab Pizza, Krispy Kreme, Teriyaki Boy, Jamba Juice, Dencio's, Sizzlin' Steak, and Maple.

In the third quarter of 2021, Max's Group trimmed its attributable net loss to P157.3 million from its loss of P377.5 million the year before.

From January to September, the company's attributable net income was at P233.5 million, turning around from a net loss of P977.2 million in 2020.

At the stock exchange on Tuesday, Max's Group shares went down by 1.59% or 10 centavos to close at P6.20. — **Luisa Maria Jacinta C. Jocson**