

## Philippine Stock Exchange index (PSEi)

6,774.68

▼47.64 PTS.

▼0.69%

TUESDAY, MAY 31, 2022

BusinessWorld

## PSEi MEMBER STOCKS

<b>AC</b> Ayala Corp. P697.00 -P4.00 -0.57%	<b>ACEN</b> AC Energy Corp. P7.15 -P0.02 -0.28%	<b>AEV</b> Aboitiz Equity Ventures, Inc. P53.00 +P0.50 +0.95%	<b>AGI</b> Alliance Global Group, Inc. P10.70 -P0.20 -1.83%	<b>ALI</b> Ayala Land, Inc. P29.60 ---	<b>AP</b> Aboitiz Power Corp. P31.80 +P0.30 +0.95%	<b>BDO</b> BDO Unibank, Inc. P133.40 +P3.30 +2.54%	<b>BPI</b> Bank of the Philippine Islands P98.85 +P1.35 +1.38%	<b>CNVRG</b> Converge ICT Solutions, Inc. P26.50 +P0.45 +1.73%	<b>EMP</b> Emperador, Inc. P17.86 -P0.34 -1.87%
<b>GLO</b> Globe Telecom, Inc. P2,428.00 -P160.00 -6.18%	<b>GTCAP</b> GT Capital Holdings, Inc. P502.50 -P12.50 -2.43%	<b>ICT</b> International Container Terminal Services, Inc. P217.00 -P1.00 -0.46%	<b>JFC</b> Jollibee Foods Corp. P209.40 -P1.20 -0.57%	<b>JGS</b> JG Summit Holdings, Inc. P54.50 +P1.65 +3.12%	<b>LTG</b> LT Group, Inc. P8.21 -P0.15 -1.79%	<b>MBT</b> Metropolitan Bank & Trust Co. P55.00 -P0.10 -0.18%	<b>MEG</b> Megaworld Corp. P2.76 -P0.05 -1.78%	<b>MER</b> Manila Electric Co. P373.20 +P1.20 +0.32%	<b>MONDE</b> Monde Nissin Corp. P14.80 -P1.00 -6.33%
<b>MPI</b> Metro Pacific Investments Corp. P3.68 -P0.18 -4.66%	<b>PGOLD</b> Puregold Price Club, Inc. P33.00 -P1.75 -5.04%	<b>RLC</b> Robinsons Land Corp. P19.40 +P0.40 +2.11%	<b>SECB</b> Security Bank Corp. P92.30 -P0.25 -0.27%	<b>SM</b> SM Investments Corp. P858.00 -P4.00 -0.46%	<b>SMC</b> San Miguel Corp. P101.50 -P5.50 -5.14%	<b>SMPH</b> SM Prime Holdings, Inc. P36.90 -P1.10 -2.89%	<b>TEL</b> PLDT, Inc. P1,900.00 -P61.00 -3.11%	<b>URC</b> Universal Robina Corp. P108.00 +P0.50 +0.47%	<b>WLCON</b> Wilcon Depot, Inc. P26.50 -P0.50 -1.85%

## Meralco seeks 'sound' policies to cut power costs

MANILA Electric Co. (Meralco) has called on the incoming government leaders to lay down policies that will address the rising cost of electricity, and to diversify the country's fuel sources to ensure energy security and affordability.

"Fuel prices, as we know, mostly reflect the global oil prices as even our own Malampaya natural gas is indexed to oil," Ray C. Espinosa, Meralco president and chief executive officer, told stockholders during their annual meeting held virtually on Tuesday.

"What we need are sound government policies that can address the movement of fuel prices and forex, and an environment that encourages the development and investment of additional capacities brought about by new generating plants," he added.

His statement is in response to a question from a stockholder who asked whether it is possible

to reduce the cost of electricity during the term of the next administration.

"Reducing electricity prices is always possible but involves looking into many factors that affect the movement of electricity rates. The biggest and most volatile part of the [electricity] bill, which is the generation charge, is driven by fuel prices, forex, and demand-supply situation," he said.

Mr. Espinosa said Luzon, where the company's franchise area is based, appears "on paper" to have enough new capacity coming online in the next three years to meet increasing demand and reserve requirements.

As basis, he used data from the Department of Energy (DoE) on "committed" power plants, or those that were able to secure financing, for the years 2022 to 2026.

The DoE projects power demand in Luzon's electricity grid to

increase by about 800 megawatts (MW) per year from 2022 up to 2026 as called for under the 2020 to 2040 Philippine Energy Plan.

"To meet this, around 7,198 MW of new capacity is scheduled to come online in the Luzon grid from 2022 to 2026 based on the DoE's list of committed power plants as of Dec. 31, 2021," Mr. Espinosa said, adding that the figure includes the 1,800-MW base-load capacity that Meralco bid out to suppliers last year.

He also said Meralco is looking to secure 850 MW of renewable energy-based mid-merit supply, which he said was initially proposed to be met by a hybrid plant consisting of solar and battery energy storage.

Mid-merit power is supplied by plants to fill in the gap between power coming from peaking plants, which are switched on when demand peaks, and base-load plants, which are continuously operated.

"With the recent surges in energy prices, the diversity of fuel sources is important for both energy security and affordability," Mr. Espinosa said.

Meralco, along with its affiliates and subsidiaries under the "One Meralco" group, aspires to shift to clean energy, including abandoning the use of coal in the coming years.

Its power generation units Meralco PowerGen Corp. (MGen) and Global Business Power Corp. (GBP) plan to transition to a low-carbon future, starting with a solar powerplant in Bulacan that became operational last year at a 55-MW alternating current capacity.

"Three additional solar plants are currently under development and expected to commence commercial operations in the latter part of 2022 and up to early 2023," Mr. Espinosa said.

"The target is to build 1,500 MW of renewable energy capacity

in seven years. And MGen-GBP aims to be coal-free by 2050 as next generation clean [technologies] mature technically and economically," he added.

Meralco's power generation business ended 2021 with a capacity of 2,251 MW and contributed P1.2 billion to the company's consolidated core net income, or more than three times more than 2020's P428 million.

Last year, Meralco's core net income rose 13% to P24.6 billion, while reported net income, which factored in one-off adjustments, climbed 44% to P23.5 billion. The increase was driven by higher electricity sales volumes and by the contribution of its power generation business.

Asked by another stockholder on Meralco's stand on nuclear energy as power source, he said: "Meralco will favorably consider contracting reasonably and com-

petitively priced supply from generation companies including the BNPP (Bataan Nuclear Power Plant) if the same should become operational."

"However, Meralco may not have the internal competencies to operate and maintain the BNPP," he said, responding to a question on whether the company can take the lead.

On Tuesday, shares in the company rose 0.32% or P1.20 to close at P373.20 apiece at the stock exchange.

Meralco's controlling stakeholder, Beacon Electric Asset Holdings, Inc., is partly owned by PLDT, Inc.

Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., which has interest in *BusinessWorld* through the Philippine Star Group, which it controls. — **Victor V. Saulon**

## PSE clears P4.5-B North Star initial public offering

NORTH Star Meat Merchants, Inc. has secured approval from the stock exchange for its P4.5-billion initial public offering (IPO) of shares.

The company will offer up to 360 million primary shares and 32 million secondary shares with up to 58 million overallotment option shares. Its shares are priced at up to P10 apiece, bringing the IPO size to P4.5 billion.

The final offer price will be determined on June 8 after the completion of its book-building exercise.

"Domestic consumption is expected to remain among the drivers of the country's post-pandemic economic recovery, with the food sector among the primary industries that will benefit from a resurgence in consumer spending," Philippine Stock Exchange (PSE), Inc. President and Chief Executive Ramon S. Monzon said in a statement on Tuesday.

He said the current business environment is ideal for companies like North Star, which is looking to raise funds for its expansion.

The offer period will run from June 13 to 17, with a tentative listing date on June 24. The company will debut under the ticker symbol NSTAR.

Proceeds from the offering will be used to expand its cold chain infrastructure, improve its operating cycle efficiencies and expand its product lines and research and development work, according to the company.

The firm tapped BDO Capital and Investment Corp. as sole issue manager, and along with

China Bank Capital Corp. as joint lead underwriters and joint bookrunners.

North Star is a meat supplier and retailer that operates 360 meat concessions nationwide. It has a cold storage capacity of 8.09 million kilograms and a capacity to deliver up to 120,000 kilograms of meat daily.

In 2021, the company recorded P9.28 billion in sales, with a compound annual growth rate of 39.7% since 2019. — **Luisa Maria Jacinta C. Jocsion**

## SEC revokes registration certificate of pseudo-law enforcement firm NIPCA

THE Securities and Exchange Commission (SEC) announced that it is issuing an order of revocation against New International Police Commission Philippine Command Association, Inc. (NIPCA).

NIPCA is a nonstock corporation registered with the commission since June 2011.

According to the advisory, NIPCA's purpose is to coordinate with local law enforcement agencies in their campaign against terrorism, drug abuse prevention and control, and to help prevent and control all types of graft and corruption as well as other organized crimes.

The organization's funding came from general membership fees, donations and solicitations along with grants either local, national and international as the case co-warrants.

In November 2020, the commission received a letter from the Philippine Center on Transnational Crime (PCTC) and Interpol National Central Bureau Manila (NCB-Interpol Manila) that a group of private organizations using "Interpol" as part of their organizations or corporate names are not in any way connected with or deputized by NCB-Interpol Manila.

According to PCTC, it received information that the said groups have been recruiting members from various sectors of society, enticing them with salaries, benefits, and privileges such as the issuance of identification cards and badges, and the grant of police and military ranks upon payment of a certain amount as membership fee.

In August 2021, the commission issued an advisory against paramilitary or pseudo-law enforcement civic-oriented organizations-associations. It stated that a certificate of registration as a corporation does not grant a license or authority to conduct these paramilitary activities without approval from relevant government agencies.

"Considering that these acts and practices blatantly constitutes misrepresentation and could advance fraudulent purposes or can be rea-

sonably expected to cause significant, imminent, and irreparable danger or injury to public safety and welfare, the public is hereby warned that the commission shall not tolerate the use of the corporate vehicle in proliferating these kinds of paramilitary activities/scheme," it said.

In its investigation, the SEC found that NIPCA was conducting activities such as the appropriation of military ranks to engage in activities or undertakings pertaining to the functions or mandates of the Philippine National Police, Armed Forces of the Philippines, Interpol, and the United Nations without any authority or deputation from these law enforcement agencies and international organizations.

It was also found to be using the unregistered trade name "International Police" and "Philippine Command," and used a non-existent principal address, among others violations.

"Taking into consideration the above facts and circumstances and the general denials in the answer of NIPCA, its continuous operation could advance a fraudulent purpose and can be reasonably expected to cause significant, imminent and irreparable danger or injury to the public safety and welfare and can take advantage of the credulity of the public," the SEC said.

In April this year, the commission issued a show-cause order to NIPCA. The firm answered that it "must not be revoked for the good reason that the activities of it are good for the beneficial of the general public and there is no serious offense and cogent reason for the revocation."

However, the SEC said that it considered the acts and practices of the firm "ultra vires acts and therefore constitute serious misrepresentation that could advance a fraudulent purpose or can be reasonably expected to cause significant, imminent and irreparable danger or injury to the public safety and welfare, the issuance of this order [of revocation] is warranted." — **Luisa Maria Jacinta C. Jocsion**

## Vistamalls profit up 36% to P1.25 billion

VISTAMALLS, Inc. and its subsidiaries announced a 35.7% growth in its first-quarter attributable net income to P1.25 billion from P921 million in a period free from any seasonal effect on its finances.

The profit growth comes after the listed property leasing company recorded a 30.2% increase in revenues to P2.63 billion from P2.02 billion. Operating profit reached P1.86 billion, up 37.8% from P1.35 billion.

"For the three months ended, there were no seasonal aspects that had a material effect on the financial condition or results of opera-

tions of the company. Neither were there any trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations," Vistamalls said in a disclosure on Tuesday.

"The company is not aware of events that will cause a material change in the relationship between the costs and revenues," it added.

Vistamalls is the holding company of the Villars' Vistamalls group, which is engaged in leasing retail malls and business process outsourcing commercial centers.

The group has a wholly owned subsidiary, Masterpiece Asia Properties, Inc. and a 99.85%-owned subsidiary, Manuela Corp.

It is 88.34% owned by Vista Land & Lifescapes, Inc. and the rest by the public. Vista Land is a publicly listed investment holding company, which is 65.17% owned by Fine Properties, Inc. and 34.83% owned by the public.

At the stock exchange on Tuesday, Vistamalls shares dropped by 0.29% or one centavo to close at P3.39 apiece. — **Luisa Maria Jacinta C. Jocsion**

## 8990 Holdings' net earnings jump 23% to nearly P2B

8990 Holdings, Inc. reported on Tuesday that its first-quarter un-audited net profit jumped 22.7% to P1.9 billion as lockdown restrictions eased.

The home developer posted its "high double-digit" profit growth after it saw a 16.7% rise in gross revenues to P5.22 billion, which includes gains from hotel operations and rental income.

Revenues from real estate sales climbed by 16.1% to P5.2 billion.

8990 Holdings President and Chief Executive Anthony Vincent S. Sotto attributed the firm's financial performance to the renewed confidence of Filipinos in their future revenue streams and the continued high demand for mass housing.

He added that the easing of lockdowns contributed to the

overall improvement of the business climate as coronavirus disease 2019 (COVID-19) vaccination rates go higher nationwide.

"We are hopeful that the confidence of homebuyers in our key mass housing market will grow even stronger for the rest of the year," he said.

In 2021, the company's audited net profit surged by 49.3% to P7.21 billion from P4.83 billion.

"These figures reflect the strong demand for affordable housing, optimism of our buyers in the economy and their confidence in the stability of their future revenue streams," he added.

The company also reported that it delivered 11,564 units to Filipino homebuyers last year.

Metro Manila contributed 45% of revenues, followed by the rest of Luzon with 22%, Visayas with 20% and Mindanao with 13%.

Horizontal or subdivision developments made up the bulk of revenues at 59%, with vertical or condominium developments accounting for 41%.

Mr. Sotto said that the company's target of P164 billion in potential sales over the next seven to eight years is possible through its projects in the pipeline across 729.05 hectares of land bank in key locations nationwide.

He added that the company's upcoming projects will meet the needs of its key mass housing client base.

Mr. Sotto sees 2022 to be "another full year of milestones" as the company expects to duplicate its pre-pandemic exponential growth rates "in the high double digits" amid continued and strong demand for mass housing.

The company has six wholly owned subsidiaries, namely: 8990 Housing Development Corp.; 8990 Luzon Housing Development Corp.; 8990 Mindanao Housing Development Corp.; 8990 Davao Housing Development Corp.; 8990 Leisure and Resorts Corp.; and Fog Horn, Inc.

At the stock exchange, 8990 Holdings shares climbed by 1.74% or 18 centavos to close at P10.50 apiece on Tuesday. — **Luisa Maria Jacinta C. Jocsion**