

Philippine Stock Exchange index (PSEi)

6,741.40

▲ 54.57 PTS.

▲ 0.81%

FRIDAY, JUNE 3, 2022

BusinessWorld

PSEI MEMBER STOCKS

AC Ayala Corp. P695.00 -P5.00 -0.71%	ACEN AC Energy Corp. P7.11 +P0.11 +1.57%	AEV Aboitiz Equity Ventures, Inc. P51.20 -P1.20 -2.29%	AGI Alliance Global Group, Inc. P10.88 +P0.02 +0.18%	ALI Ayala Land, Inc. P30.00 +P0.45 +1.52%	AP Aboitiz Power Corp. P31.50 +P1.00 +3.28%	BDO BDO Unibank, Inc. P128.50 +P0.40 +0.31%	BPI Bank of the Philippine Islands P95.00 +P0.90 +0.96%	CNVRG Converge ICT Solutions, Inc. P25.20 -P0.40 -1.56%	EMP Emperador, Inc. P17.80 -P0.20 -1.11%
GLO Globe Telecom, Inc. P2,328.00 -P22.00 -0.94%	GTCAP GT Capital Holdings, Inc. P501.50 +P1.50 +0.30%	ICT International Container Terminal Services, Inc. P215.00 -P0.80 -0.37%	JFC Jollibee Foods Corp. P206.40 -P1.60 -0.77%	JGS JG Summit Holdings, Inc. P53.95 +P2.25 +4.35%	LTG LT Group, Inc. P8.42 -P0.08 -0.94%	MBT Metropolitan Bank & Trust Co. P53.00 ---	MEG Megaworld Corp. P2.77 -P0.03 -1.07%	MER Manila Electric Co. P369.00 +P7.00 +1.93%	MONDE Monde Nissin Corp. P14.50 +P0.52 +3.72%
MPI Metro Pacific Investments Corp. P3.76 ---	PGOLD Puregold Price Club, Inc. P33.60 ---	RLC Robinsons Land Corp. P19.08 -P0.40 -2.05%	SECB Security Bank Corp. P91.25 +P1.15 +1.28%	SM SM Investments Corp. P865.00 +P9.00 +1.05%	SMC San Miguel Corp. P108.50 +P0.60 +0.56%	SMPH SM Prime Holdings, Inc. P37.90 +P0.75 +2.02%	TEL PLDT, Inc. P1,937.00 +P45.00 +2.38%	URC Universal Robina Corp. P106.40 -P0.30 -0.28%	WLCON Wilcon Depot, Inc. P27.00 +P0.20 +0.75%

Megaworld hikes capital expenditure to P50B

MEGAWORLD Corp. is hiking its capital expenditure (capex) budget this year to P50 billion as it begins accelerating the development of its projects amid eased restrictions and the reopening of the economy, the property developer said during the weekend.

"We have accelerated some projects to pave the way for opportunities coming from the pandemic recovery," Megaworld Chief Strategy Officer Kevin L. Tan said in a statement.

In 2021, capital spending reached around P38 billion, almost 6% higher than its earmarked P36 billion, as the company began resuming construction activities.

Of the total budget, 75% will be spent for real estate developments, particularly on the construction of new residential properties and land development of townships. The remaining 25% will be used for investment properties and land banking.

The company said it is also launching four additional townships across Metro

Manila, Calabarzon, and Mindanao. The new townships will cover around 500 hectares of land, which will add to the company's existing land bank of around 4,500 hectares.

"This will bring the total number of Megaworld's townships to 32 this year. We look forward to further expanding our portfolio of residential, office, hotel, and mall properties in these new areas that are considered among the key growth centers in the country today," Mr. Tan said.

The group is also scheduled to launch 14 new residential and commercial lot projects with a total sales value of P30 billion.

These new projects are Maple Grove and Arden Botanical Estate in Cavite; Eastland Heights in Rizal; The Hamptons Caliraya in Laguna; The Upper East in Bacolod; Iloilo Business Park in Iloilo City; Capital Town in Pampanga; McKinley West in Taguig City; Alabang West in Las Piñas City; Arcovia City in Pasig City; Paragua Coastown in Palawan; Northwin

Global City in Bulacan; and another one in Makati City.

In May, Megaworld launched its first upscale residential village in its Maple Grove township in General Trias, Cavite.

Megaworld has 28 integrated urban townships, integrated lifestyle communities, and lifestyle estates in around 30 cities across the country. At the stock exchange on Friday, Megaworld shares went down by 1.07% or three centavos to close at P2.77. — **Luís Maria Jacinta C. Jocsón**

JOB OPENING

EUROPEAN BILINGUAL TECHNICAL SUPPORT REPRESENTATIVES

- C1 or C2 level certification in German and/or French language
- With at least one (1) year of relevant work experience preferably gained in Customer Service or BPO industry
- A college graduate or at least finished two (2) years of college education
- Basic knowledge on Windows OS, MacOS, VPN, Android, and Linux
- Willing to work onsite/office in Ayala Avenue, Makati City
- Willing to work on different work schedules (morning, mid, and night shifts)

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JOB VACANCIES!

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QUALIFICATION:

- Must be Bachelor's/College Degree in any field
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- Must be 4 years Bachelor Degree graduate in any course
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- Willing to work in high pressure environment
- Great communications skills and must be fluent in Indonesian/Bahasa/Malaysian/Vietnamese/Thai and English language

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JOB OPENING

10 ACCOUNTS OFFICER

- Candidate must possess at least Bachelor's/College Degree
- At least 3 to 5 years Working Experience
- Provide customer support in accounting and financial services for the company and its worldwide clients
- Must be a native speaker of at least two of the ff languages (Bahasa Indonesia, Vietnamese, Malay, Mandarin, Hookien, Cantonese, Hakka, Min Nan and Thai)

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Tax court denies Nestlé Philippines' refund appeal for nearly P254 million

THE Court of Tax Appeals (CTA) has rejected Nestlé Philippines, Inc.'s appeal to refund and suspend collection of its erroneously paid sweetened beverage tax (SBT) worth P253.9 million for the period covering March 27 to April 26, 2018.

In a 26-page ruling on May 31, The CTA Third Division ruled that the company's Milo products fall under products that are subject to SBT.

"In this case, the court finds the petitioner's Milo products fall within the category of sweetened beverages such as non-alcoholic beverages that are in powdered form, which are pre-packed and sealed in accordance with the Food and Drug Administration (FDA) standards," according to a copy of the ruling written by CTA Associate Justice Erlinda P. Uy.

"Such being the case, Milo products thus fall within the taxing

provision under Section 150-B (A) (1) in relation to the National Internal Revenue Code of 1997, as amended."

Nestlé Philippines argued that its Milo powdered malt milk drink products should be exempted from the imposition of SBT mandated by law.

Under the country's revenue code, sweetened beverages are non-alcoholic beverages of any composition that are pre-packed and sealed as approved by the FDA.

The company contended that the Milo products are considered "flavored milk" that the Revised Codex Stan 192-1995 excluded from SBT.

The tribunal noted that there was no indication that the FDA had adopted this measure in the tax code since the Department of Health had issued the Codex and food category system in 2019.

The Food Category System and Descriptors of General Standard for Food Additives was adopted by the Health department to properly classify food products for authorization.

"Clearly, at the time of the transaction, no exclusion can be considered on the removal of Milo products from petitioner's plants and co-manufacturers plants," the tax court added.

The court also found that the ingredients of the Milo products include cocoa, which does not classify it as a flavored milk drink, according to the Codex Alimentarius International Food Standards adopted by the FDA.

It added that since Nestlé Philippines did not prove that the FDA had adopted the Codex that excludes flavored milk drinks, the excise tax payments were not erroneous or illegal. — **John Victor D. Ordoñez**

OUTLIER

Market bullish on BPI as borrowing costs increase

INVESTORS remain positive on Ayala-led Bank of the Philippine Islands (BPI) as it stands to benefit from rising borrowing costs.

Data from the Philippine Stock Exchange showed a total of P1.887 billion worth of 19,340 million BPI shares were traded from May 30 to June 3, making it the ninth most actively traded issue that week.

Shares in the fourth-largest universal and commercial bank in terms of total assets finished at P95.00 apiece on Friday, down 0.6% week on week from the P95.60 close on May 27. BPI has gained 4.3% since the P91.05 finish on the first trading day of the year.

Analysts said banks like BPI could see higher revenue after the Bangko Sentral ng Pilipinas (BSP) last month hiked benchmark rates for the first time since November 2018 by 25 basis points (bps).

The central bank increased borrowing costs to combat rising inflationary pressures brought by higher fuel and food costs.

In April, the consumer price index rose by 4.9% year on year, already above the central bank's 2-4% target range and the revised 4.6% forecast this year.

BSP also signaled another 25-bp hike in benchmark interest rates at its next policy review on June 23.

Currently, the overnight reverse repurchase rate is 2.25%, while overnight deposit and lending rates are 1.75% and 2.75%, respectively.

"BPI stands to gain as interest income is the main growth driver after first-quarter earnings was released last month," Diversified Securities, Inc. Equity Trader Aniceto K. Pangan said in a mobile phone message on Friday.

Mercantile Securities Corp. Analyst Jeff Radley C. See said in a Viber message that although the sentiment of the market is not that good, "movements in the financial sector especially on the top 3 banks looks bullish due to the increase in rates by the BSP."

"Investors are still in a wait-and-see scenario as they await for the new [Philippine] president at the end of June," he added.

In the first quarter, BPI's attributable net income rose by 59.6% year on year to P7.984 billion.

Its net interest income went up 12.7% annually to P18.99 billion in the January-March period. Impairment losses also thinned by 30.6% to P2.5 billion from P3.6 billion a year ago.

"We expect BPI to go on sideways after moving up this week with a near-term support of P92.00 per share and a resistance at P98.80 per share with general market outlook remains at negative," Mr. Pangan said.

Mr. See placed BPI's support levels this week at P93.00 and P89.00, while resistance levels at P99.70 and P104.00. — **L.O. Pilar**

ABS-CBN, TV5 in 'evolving' talks — Pangilinan

THE PHILIPPINES' free-to-air television network TV5 and ABS-CBN Corp. are in an "evolving and dynamic" discussion over a partnership, tycoon Manuel V. Pangilinan said on Saturday.

"Nothing definitive or final has been reached at this time," Mr. Pangilinan, chairman of TV5 Network, Inc., said in a mobile-phone text message, in response to a Media Newser Philippines report which said the two media compa-

nies are in advanced talks for a 50-50 venture.

ABS-CBN has been airing some of its productions on TV5 after Philippine lawmakers in 2020 rejected a bid by ABS-CBN to secure a new 25-year franchise, leading to losses. A company owned by billionaire Manuel B. Villar, Jr. in January won two channels previously assigned to ABS-CBN.

Mr. Pangilinan said TV5 has been in various discussions with ABS-

CBN, which have led to partnership programs, co-production and talent sharing, adding these were "mutually productive."

Representatives of ABS-CBN didn't immediately respond to questions seeking comment.

Last year, ABS-CBN Chief Executive Officer Carlo L. Katigbak said the company had no plans to turn content collaboration with TV5 into a merger or acquisition. — **Bloomberg**

UnionBank pioneers issuance of digital peso bonds in the Philippines

Union Bank of the Philippines (UnionBank) successfully issued the country's first-ever offering of digital peso bonds, raising PHP 11 billion worth of 1.5-year fixed rate bonds. The digital bonds were issued as a Proof-of-Concept (POC) through the digital registry and digital depository, a new blockchain-powered infrastructure by the Phil. Depository & Trust Corp. (PDT) and Phil. Dealing & Exchange Corp. (PDEX) in partnership with the Singapore based FinTech company #STACS.

Despite the volatile rate environment, the digital bond offering garnered robust participation from retail and institutional investors resulting to an 11x oversubscription rate from the initial offer size of PHP 1 billion. Standard Chartered Bank (SCB) supported this groundbreaking initiative as one of the Joint Lead Arrangers, Bookrunners and Selling Agents for the offering.

The achievement of this POC issuance paves the way for the potential widespread adaptation of distributed ledger technology (DLT) in the local capital markets. "A first in the Philippines, this issuance further unlocks the potential of blockchain technology to be a gamechanger and great disruptor in finance," said Jose Emmanuel Hilado, UnionBank Treasurer and Head of Global Markets.

In 2020, UnionBank also partnered with Standard Chartered in the successful completion of a POC

for the issuance of a retail bond on a digital platform leveraging blockchain technology for bond tokenization. Orders received were tokenized, and to stay within existing retail bond guidelines, tokens issued mirrored the traditional transaction but were not allocated directly to investors. SC Ventures, SCB's innovation and ventures arm, built and co-created the bond tokenisation platform with UnionBank.

The success of these POCs demonstrate how the power of blockchain technology is shaping the future of capital markets. Aaron Gwak, SCB Managing Director and Head of Capital Markets, ASEAN said, "We have seen the dynamic development of digital bonds in the ASEAN region with UnionBank's maiden offering of digital bonds in the Philippines being the latest addition. While this issuance utilizes DLT for the backend infrastructure for the registry and depository operations, this serves as a stepping stone to further enhance infrastructure for investor experience towards full democratization of bonds."

Lynette V. Ortiz, SCB Chief Executive Officer said, "Access to capital markets is an important enabler of progress and economic growth. This successful issuance opens a host of possibilities in the digital bond space, and another step towards financial inclusion. We are honoured to be part of another trailblazing initiative by UnionBank."