

Philippine Stock Exchange index (PSEi)

6,361.82

▲ 9.50 PTS.

▲ 0.15%

FRIDAY, JULY 8, 2022

BusinessWorld

PSEI MEMBER STOCKS

AC Ayala Corp. P643.00 -P11.00 -1.68%	ACEN AC Energy Corp. P8.18 +P0.02 +0.25%	AEV Aboitiz Equity Ventures, Inc. P51.20 +P1.05 +2.09%	AGI Alliance Global Group, Inc. P9.61 +P0.01 +0.10%	ALI Ayala Land, Inc. P25.90 -P0.25 -0.96%	AP Aboitiz Power Corp. P30.15 +P0.20 +0.67%	BDO BDO Unibank, Inc. P118.80 +P2.50 +2.15%	BPI Bank of the Philippine Islands P87.00 -P0.30 -0.34%	CNVRG Converge ICT Solutions, Inc. P21.80 +P0.60 +2.83%	EMP Emperador, Inc. P17.28 -P0.42 -2.37%
GLO Globe Telecom, Inc. P2,294.00 +P54.00 +2.41%	GTCAP GT Capital Holdings, Inc. P492.80 +P4.80 +0.98%	ICT International Container Terminal Services, Inc. P185.00 -P1.20 -0.64%	JFC Jollibee Foods Corp. P217.00 +P12.00 +5.85%	JGS JG Summit Holdings, Inc. P49.30 -P0.70 -1.40%	LTG LT Group, Inc. P8.36 +P0.16 +1.95%	MBT Metropolitan Bank & Trust Co. P49.70 +P0.95 +1.95%	MEG Megaworld Corp. P2.31 +P0.03 +1.32%	MER Manila Electric Co. P350.00 ---	MONDE Monde Nissin Corp. P13.04 -P0.32 -2.40%
MPI Metro Pacific Investments Corp. P3.70 +P0.07 +1.93%	PGOLD Puregold Price Club, Inc. P32.45 +P0.80 +2.53%	RLC Robinsons Land Corp. P17.80 -P0.48 -2.63%	SECB Security Bank Corp. P89.90 +P0.15 +0.17%	SM SM Investments Corp. P839.00 -P5.00 -0.59%	SMC San Miguel Corp. P105.00 ---	SMPH SM Prime Holdings, Inc. P36.90 -P0.35 -0.94%	TEL PLDT, Inc. P1,690.00 -P3.00 -0.18%	URC Universal Robina Corp. P119.50 +P3.70 +3.20%	WLCON Wilcon Depot, Inc. P23.55 ---

Top Frontier maps expansion, plans expressways

TOP FRONTIER Investment Holdings, Inc., the largest shareholder of listed conglomerate San Miguel Corp. (SMC), has outlined the group's plans for the coming years, including the expansion of its expressway projects.

"Our company's strategic thrust is to continue the expansion of the existing businesses such as food and beverages," said Top Frontier President and Chief Executive Ramon S. Ang during the company's virtual annual stockholders meeting held on Friday.

"I think I may take the whole afternoon explaining about the expansion," he added.

Mr. Ang said the construction of expressways and skyways would give greater access to New Manila International Airport, an ongoing project in Bulacan, Bulacan.

The company plans to expand Metro Manila Skyway Stage 3 (MMSS-3) to go

through Sgt. Rivera in Quezon City to Road 10 (R-10) and Bulacan airport. It aims to shorten the travel time from Manila Hotel to the Bulacan airport to 15 minutes by car.

In addition to the expansion in MMSS-3 — an elevated expressway from Buendia, Makati City to the North Luzon Expressway in Balintawak, Quezon City — the company also plans to construct airport access through Tullahan.

Top Frontier plans to have at least eight new access to the Bulacan airport through the construction of more airport access in expressways: North Luzon Expressway (NLEX) through Mabalacat, Pampanga; NLEX through Tabang, Bulacan; and NLEX through Marilao, Bulacan.

The company also plans to build EDSA Buendia exit through MMSS-3 north and south-bound, which it will further on

extend to Macapagal Ave., to NAlA Expressway (NAlAx) and to Manila-Cavite Toll Expressway (CAVITEx) plaza. It also disclosed a plan to build EDSA-TramonaNAlAx, which will eventually be connected to the R-10 link.

In tollways, the company plans to build a 64-kilometer (km) Toll Road 4, which will be from Santo Tomas, Batangas to Lucena, Quezon, a 417-km Toll Road 5, which will be from Lucena, Quezon to Matnog, Sorsogon, and an expansion of Tarlac-Pangasinan-La Union Expressway (TPLEX) from Rosario, La Union first phase to San Juan, La Union and eventually to Laog, Ilocos Norte.

Aside from expressway expansions, Mr. Ang also outlined expansions in its food and beverages business. The company is building six new breweries of two million hectoliters and is expanding its integrated

poultry business of 960 million birds per year capacity to be ready-to-eat. A hectoliter is equivalent to 100 liters.

The company also has plans to expand power generation through the expansion of its clean energy and battery storage facilities, which is aimed at addressing a shortage in the current base load.

"Our company is in full blast — all its existing businesses and much, much more. We are also expanding into our cement manufacturing, we are expanding our bank — our Bank of Commerce is now a universal bank, and so much more," Mr. Ang said.

"All businesses delivered strong results in the first quarter of 2022. Varying any surge in COVID cases we are confident that all our businesses will benefit from the opening of more sectors of the economy and be able to sustain [the com-

pany's] growth in the full year 2022," Top Frontier Director Aurora T. Calderon said during the same meeting.

In the first quarter, Top Frontier reported a decrease in attributable net income by 45.01% to P1.99 billion from the P3.62 billion recorded in the same period last year.

Meanwhile, it recorded an increase in revenues to P316.76 billion from the P201.16 billion recorded in the January-March period last year.

Listed holding firm Top Frontier holds a 65.99% stake in SMC. Other than its ownership in SMC and Clariden Holdings, Inc., the company has no other operations as of Dec. 31, 2021.

In the stock market on Friday, shares of Top Frontier remained unchanged at P117.00 apiece. — **Justine Irish DP. Tabile**

MPTC yet to feel impact of high fuel prices on vehicle volume

TOLL road developer and operator Metro Pacific Tollways Corp. (MPTC) has yet to feel the impact of rising fuel prices on the vehicle traffic volume on its road network in the country, its chief financial officer said.

"We haven't felt the impact of the fuel price increases. For the first half, we have already exceeded the 2019 traffic volumes, so pre-pandemic," MPTC Chief Finance Officer Christopher Daniel C. Lizo told reporters during a gathering in Cavite last week.

"In total, across the network, I think we are maybe 5-6% above the 2019 traffic volumes," he said, referring to the

traffic volume seen in June. "That's excluding the new roads that opened."

On its website, MPTC said it handles 700,000 vehicles per day on average during the pandemic and close to a million vehicles per day pre-pandemic.

The company's toll roads include North Luzon Expressway, Subic-Clark-Tarlac Expressway, Manila-Cavite Expressway, Cavite-Laguna Expressway, and Cebu-Cordova Link Expressway.

The company saw a slowdown in traffic in the first five days of July, Mr. Lizo said.

"Maybe by 6% compared to June. It's also a function of seasonality. Traffic

peaks in the second quarter, summer. *Kapag tag-ulan na, bumababa talagayan.* (In the rainy season, traffic falls.)"

MPCALA Holdings, Inc., a subsidiary of MPTC, is eyeing the operationalization of its upcoming interchange, the Silang (Aguinaldo) Interchange, in the latter part of the year.

"This will extend CALAX's operational sections from Mamplasan, Laguna, to Aguinaldo Highway in Silang, Cavite," the company said in an e-mailed statement.

"As of today, the 3.9-kilometer 2x2 lane CALAX subsection reaches 56% of completion. Part of the ongoing works includes drainage and bridge constructions, excavation and roadway earthworks, and installation of fence and coco net," it added.

FULL STORY



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Raul L. Ignacio, MPCALA Holdings president and general manager, said the Silang (Aguinaldo) Interchange is expected to help decongest the busiest highway in Cavite, the 41-kilometer Emilio Aguinaldo Highway. — **Arjay L. Balinbin**

Concepcion-led consultative group eye use of "Traffic Light Approach" in alert level systems

Use the "traffic light approach" for alert level systems, which should now be determined at the LGU level. These are some of the suggestions presented as private sector representatives and a group of medical, data and economic experts convened by Go Negosyo founder Joey Concepcion came together in the first of several consultations for the country's next steps in the pandemic.

"The task of this process is to lay down the parameters of a transition strategy for a better normal, one that encourages economic activity and does not risk the public's health," Concepcion said. "The most important thing for our business leaders right now is to not lock down," he said. "We cannot lock down anymore as rising prices are a big issue for all manufacturers. We don't want consumers to slow down their spending. This is not good for the economy."

Business leaders present during the initial meeting were George Barcelon, Michael Tan, Felix Ang and Cecilio Pedro, while members of the newly formed Advisory Council of Experts (ACE) provided the technical and medical expert advice. Among the groups included in the consultation process are the Philippine Chamber of Commerce and Industry, Phil. Franchise Association, Phil. Retailers Association, Federation of Indian Chambers of Commerce, Resto.PH, Federation of Filipino Chinese Chambers of Commerce and Industry, People Management Association of the Phils., and the Association of Filipino Franchisers.

Concepcion said that the details of the recommendations, once the consultations with the different industry chambers and the private sector are completed, will be shared with President Ferdinand Marcos Jr.

Foremost among the suggestions at the initial meeting is simplifying the alert level systems by adopting a color-coded, traffic light approach, or a red-yellow-green to mean high-medium-low alert levels. "This

system is already familiar to the public," said Concepcion, adding that the system is used in disaster risk management.

As for the parameters used for the alert level system, the group recommended the use of two metrics: healthcare utilization rates (HCUR), or the number of cases hospitalized due to Covid, and ADAR (average daily attack rate), or the number of infections per thousand people. Moreover, the red-yellow-green alert levels will be determined per region, and will trigger specific restrictions for activity, including the wearing of face masks, but also on the regional level.

"We don't want to penalize the LGUs that have been doing a good job at vaccinating their population," said Concepcion. "We believe that the LGU should play a bigger role in pandemic management moving forward," he said. "The state of public health emergency expires in September. Whether this will be extended or modified or suspended will determine our course of action. We need to plan now," he said.

Medical experts from ACE have earlier warned that waning immunity and low booster rates still pose a threat of illness among the vulnerable population. It was earlier reported that immunity from Covid wanes faster than other viruses or microbial agents, and booster vaccinations are necessary, especially for those who are vulnerable and those with comorbidities.

ACE comprises National Task Force Against Covid-19 Special Adviser Dr. Teddy Herbosa, Covid-19 Technical Working Group Chairperson Dr. Nina Gloriani, Vaccine Expert Panel member Dr. Rontgene Solante, Philippine College of Physicians President Dr. Maricar Limpin, health reform advocate Dr. Tony Leachon, infectious diseases expert Dr. Benjamin Co, OCTA Research fellows Prof. Ranjit Rye, Dr. Guido David and Fr. Nic Austriaco, economist Romy Bernardo, and Go Negosyo Senior Adviser Josephine Romero.

CTA affirms partial refund for Deutsche Knowledge

THE Court of Tax Appeals (CTA) affirmed its division ruling partially granting Deutsche Knowledge Services Pte. Ltd.'s (DKSPL) claim for a refund worth P990,730.56 representing its excess input value-added tax (VAT) traced to zero-rated sales for the first quarter of 2007.

In a 23-page decision on July 1 and made public on July 6, The CTA full court said DKSPL was able to sufficiently prove that its clients were foreign corporations not engaged in trade or business in the Philippines.

The court noted the company presented certificates of non-registration from the Securities and Exchange Commission (SEC), which the court deemed competent evidence to prove its clients were foreign entities.

"This court finds no compelling reason to reverse or modify the findings of the court a quo in the assailed decision and resolution," according to the ruling written by CTA Associate Justice Erlinda P. Uy.

The CTA Second Division earlier ruled DKSPL successfully substantiated P990,730.56 out of the original P12,549,446.30 claim.

"The commissioner of internal revenue (CIR) did not indicate any reversible error made by the Court in Division in its

appreciation of the subject Certificates, nor did he disprove DKSPL's justifications for the said disparities," said the tribunal.

The CIR, the petitioner, argued that the CTA Second Division made an error in giving weight to the SEC certifications of non-registration.

The CTA full court also rejected DKSPL's appeal to refund its original claim of P12,549,446, as the court upheld its division ruling.

DKSPL provides its clients with corporate finance advisory services, research and development services, and logistics services among others. The company is also a subsidiary of Deutsche Bank Group in Singapore.

The CIR has the authority to act upon and approve claims for refund or tax credit in accordance with the country's tax code.

Under the country's tax code, a transaction should be treated as zero-rated VAT if the following conditions are met: services must be performed outside the Philippines, the recipient of services is doing business outside the country, service offered must be other than processing, manufacturing or repacking of goods and paid in acceptable foreign currency accounted for in the laws of the local bank. — **John Victor D. Ordoñez**

Freshworks targets PHL market in regional expansion

SOFTWARE firm Freshworks is targeting to expand in the Philippines as part of widening its customer base in Southeast Asia.

Simon Ma, Freshworks managing director and regional manager of sales for ASEAN, said that the company has "aggressive expansion plans" aimed at the Philippines and across Southeast Asia.

"You'll probably hear from us in the next six months or one year, we have aggressive expansion plans in Southeast Asia, (and) in the

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Philippines itself," Mr. Ma said on the sidelines of the recent Freshworks' Global Jam event in Pasay City last week.

"The Philippines is one of the key markets. Freshworks' Southeast Asia headquarters is in Singapore. We realize (that) with the pandemic and the difference in culture and disparity in the way business operates across different countries, it is very crucial for us to have people in the country and feet on the ground," he added. — **Revin Mikhael D. Ochave**

OUTLIER

Monde Nissin ends flat after Lucky Me! noodle brand recall

INVESTORS sold off Monde Nissin Corp. shares last week following the recall of some of its instant noodle product lines in some countries due to traces of antimicrobial pesticide ethylene oxide.

Data from the Philippine Stock Exchange (PSE) showed a total of 59.06 million Monde Nissin shares worth P794.20 million were traded from July 4 to 8, making the stock 11th most actively traded in the local bourse last week.

Shares in the food manufacturer finished at P13.04 apiece on Friday, unchanged from their July 1 close. Monde Nissin has lost 16.9% since the P15.70 finish on the first trading day of the year.

Analysts pointed out that the ban of Lucky Me! products in some countries dragged the share price of Monde Nissin and could affect its financial performance.

"We expect that this news will negatively affect investors' sentiment toward the stock. First, the revenues from the countries imposing a ban will decline especially if they will not lift it soon. Second, since consumers were already aware of the situation, the demand for Lucky Me! noodles may drop as long as the ban remains," Philstocks Financial Research Associate Claire T. Alviar said in an e-mail.

"On the upside, the negative sentiment may somehow be tempered once the Philippine food regulators assured the public that it is still safe to consume the said products," she added.

"We think that this incident may cause anxiety among investors regarding the impact of this incident to the company's sales and brand reputation. Hence, the sell-off we have seen in the past couple of days," Philippine National Bank (PNB) Senior Equity Research Analyst Jonathan J. Latuja said in an e-mail.

The company made a statement after the Food Safety Authority of Ireland released last week a food alert regarding the recall of Lucky Me! Instant Pancit Canton Noodles Original Flavor with a best-before date of July 20 showing "unauthorized pesticide" ethylene oxide. — **L.O. Pilar**

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