

Philippine Stock Exchange index (PSEi)

6,309.99 ▲ 126.37 PTS. ▲ 2.04%

TUESDAY, JULY 5, 2022

BusinessWorld

PSEI MEMBER STOCKS

AC Ayala Corp. P620.00 +P10.00 +1.64%	ACEN AC Energy Corp. P8.40 +P0.33 +4.09%	AEV Aboitiz Equity Ventures, Inc. P49.00 +P1.75 +3.70%	AGI Alliance Global Group, Inc. P9.65 +P0.45 +4.89%	ALI Ayala Land, Inc. P26.40 +P0.70 +2.72%	AP Aboitiz Power Corp. P29.45 ---	BDO BDO Unibank, Inc. P118.70 +P3.20 +2.77%	BPI Bank of the Philippine Islands P89.00 +P3.00 +3.49%	CNVRG Converge ICT Solutions, Inc. P20.90 -P1.10 -5.00%	EMP Emperador, Inc. P18.10 -P0.42 -2.27%
GLO Globe Telecom, Inc. P2,226.00 +P26.00 +1.18%	GTCAP GT Capital Holdings, Inc. P478.00 +P0.60 +0.13%	ICT International Container Terminal Services, Inc. P186.00 +P2.20 +1.20%	JFC Jollibee Foods Corp. P200.80 -P2.40 -1.18%	JGS JG Summit Holdings, Inc. P51.25 +P3.25 +6.77%	LTG LT Group, Inc. P8.48 +P0.17 +2.05%	MBT Metropolitan Bank & Trust Co. P49.10 +P1.10 +2.29%	MEG Megaworld Corp. P2.14 +P0.10 +4.90%	MER Manila Electric Co. P359.00 +P8.00 +2.28%	MONDE Monde Nissin Corp. P13.90 +P0.70 +5.30%
MPI Metro Pacific Investments Corp. P3.57 +P0.13 +3.78%	PGOLD Puregold Price Club, Inc. P30.30 -P0.65 -2.10%	RLC Robinsons Land Corp. P17.28 +P0.44 +2.61%	SECB Security Bank Corp. P88.00 +P0.40 +0.46%	SM SM Investments Corp. P792.00 -P8.00 -1.00%	SMC San Miguel Corp. P106.00 -P1.00 -0.93%	SMPH SM Prime Holdings, Inc. P37.50 +P1.45 +4.02%	TEL PLDT, Inc. P1,775.00 +P46.00 +2.66%	URC Universal Robina Corp. P114.00 +P3.50 +3.17%	WLCON Wilcon Depot, Inc. P22.55 -P0.45 -1.96%

PetroEnergy unit's solar farms get DoE, DENR nod

A UNIT of Yuchengco-led PetroEnergy Resources Corp. has secured the approval of the Energy and Environment departments for two utility-scale solar farms with a combined capacity of 52 megawatts of direct current (MWdc).

In a disclosure to the stock exchange on Tuesday, the listed company said its subsidiary PetroGreen Energy Corp. has reached "key milestones" for its utility-scale solar power projects, namely: the 25-MWdc Bugallon project in Pangasinan and the 27-MWdc Dagohoy project in Bohol.

"We have secured the solar energy operating contracts from the Department of Energy (DoE) and

the corresponding environmental compliance certificate (ECCs) from the Department of Environment and Natural Resources (DENR) for these two new ventures," PetroEnergy Associate Vice-President for Operations Maria Victoria M. Olivar said.

She added that resolutions of support for the projects had been granted by the local governments of provinces.

"Our final investment decision now awaits the closing of ongoing discussions with selected contractors and project lender," Ms. Olivar said.

The company said the two new projects follow through

with its calibrated expansion of renewable energy (RE) assets in its transition from petroleum to completely RE operations.

"These new projects not only contribute to the government's goal of increasing RE's share in our generation mix but will also provide fresh investments and critical power supply in two high-growth areas of the country — Bohol and Pangasinan," said PetroEnergy President Milagros V. Reyes said.

PetroGreen has 65% stake Maibarara Geothermal, Inc., which operates the 32-MW Maibarara geothermal facility in Batangas; the 36-MW Nabas1 wind power project in Aklan

under 40%-owned PetroWind Energy Inc.; and the 70-MWdc Tarlac solar power facility under 56%-owned PetroSolar Corp.

It recently acquired three new offshore wind blocks from the Energy department covering areas off the coast of northern Luzon, northern Mindoro, and eastern Panay.

PetroEnergy previously said that it was planning to develop the three offshore wind power projects in its pipeline with a foreign partner. It did not disclose the identity of the foreign partner nor the status of its partnership, but it said one of the proposed projects had secured the endorse-

ment of the DoE on securing government permits.

The company is developing the projects through its unit PetroGreen, which in 2021 secured three wind energy service contracts from the DoE covering the three wind blocks.

On Dec. 28, 2021, the Energy department issued to PetroGreen the agency's formal endorsement for the National Grid Corp. of the Philippines to conduct system impact studies for the three blocks.

PetroEnergy also said that PetroGreen secured the DoE's endorsement to local government units and national government

agencies for the northern Luzon project in January 2022.

PetroEnergy started with the primary purpose of oil exploration and development and mining activities. In 1999, it assumed Petrofields Corp.'s oil exploration contracts in the Philippines and the production sharing contract covering the Etame discovery block in Gabon, West Africa.

The company incorporated its now 90%-owned subsidiary, PetroGreen, to act as its renewable energy arm and holding company.

On Tuesday, PetroEnergy shares ended lower by P0.17 or 3.51% to P4.68 apiece. — **Justine Irish DP. Tabile**

Medilines says P2-billion sales target for 2022 on track

MEDILINES Distributors, Inc. expects to exceed last year's sales, saying it is on track to hit P2 billion in its 20th year in business.

In a press release on Tuesday, the medical equipment provider said its forecast of surpassing its "record financial performance" last year was based on the continued expansion of its consumables business.

It also cited the completion of public and private healthcare facilities ahead of its founding anniversary.

"Our goal is to push sales to P2 billion this year," said Medilines Chairman Virgilio Villar.

In 2021, the company recorded gross revenues of P1.59 billion, up 8.2% from P1.47 billion previously.

Medilines reported a 65% year-on-year growth in net profit to a record P169.63 million last year.

Mr. Villar said that due to quarantine restrictions, some projects were suspended and the company's operations were affected, slowing down its ability to collect from customers.

"We expect sales to improve this year in the wake of increased vaccinations and more relaxed mobility restrictions," he said.

In the first quarter, Medilines recorded a net profit of P28.47 million, more than three times higher than the P8.14 million posted a year ago.

Medilines President and Chief Executive Officer Maria Patricia Dolor V. Yambing said that at the end of the first quarter,

the company was already working on P1-billion worth of purchase orders.

"We are confident that sales will continue to increase post-pandemic. The health crisis caused by COVID-19 (coronavirus disease 2019) highlighted the need for the government, the private sector, and individuals to put a premium on healthcare," Ms. Yambing said.

The company also said that it is further expanding its consumables product segment with the completion of its 1,282-square meter warehouse which will be used to store consumables and medical machines.

Medilines' primary purpose is to establish, conduct and maintain the business of trading and distribution of medical devices.

It sources and maintains a portfolio of critical medical equipment from multinational medical device companies that cater to the specialized care segments.

Its customers are primarily the Philippine government through the Department of Health and local government units, and private healthcare facilities such as hospitals, clinics and diagnostic centers.

Mr. Villar is optimistic that Medilines' improving financial performance will eventually be reflected in the market value of its stock, which has fallen below its initial public offering price.

In the stock market on Tuesday, Medilines shares closed unchanged at P0.58 apiece. — **Justine Irish DP. Tabile**

DoE fines First Gen unit EDC

LISTED energy firm First Gen Corp. said on Tuesday that its subsidiary Energy Development Corp. (EDC) had been fined by the Energy department.

First Gen disclosed that its unit was fined P100,000 for late application of the safety officer's permit for its Mainit-Sadanga Geothermal Power Project.

The late application is a violation of Department Circular No. 2012-11-0009 also known as Renewable Energy Safety, Health and Environment Rules and Regulations.

In the document, it is said that an annual renewal of permit should be made within one month prior to the date of expiration of the previously issued permit.

EDC is the world's largest vertically-integrated geothermal company that is engaged in the exploration, development, operation, and optimization of geothermal steam fields, and in power generation.

It owns and operates 12 integrated geothermal power stations in Leyte, Bicol, Southern Negros, and North Cotabato, with an installed capacity of 1,179 megawatts (MW).

First Gen and its subsidiaries are involved in the power generation business. It is the largest clean and renewable independent power producer in the Philippines, with a total installed capacity of 3,492 MW as of Dec. 31, 2020.

The company owns power plants that utilize natural gas, geothermal, wind, hydro, and solar power which are operational and majority-owned and controlled by First Gen through its subsidiaries.

At the stock market on Tuesday, shares in First ended higher by 0.94% or P0.16 to close at P17.20 apiece. — **Justine Irish DP. Tabile**

Germany's AEB forms local unit

LOGISTICS software company AEB has announced its expansion in the Philippines as it formed a team to handle local operations and introduced new features to its cold chain warehouse management system (WMS).

The Germany-based firm said that its Philippine team, announced on June 24, is overseeing and managing its project management and sales in the country. The team, led by AEB Asia Pacific General Manager Frans Kok, is comprised of project managers, solution consultants, business development managers, and pre-sales consultants.

AEB added that its new team in the Philippines has international and local experts to better serve the local cold chain community and boost its local presence.

"Recognizing the importance of investing in employees in countries where it operates, AEB is steadfast to grow its Philippine team not only to foster diversity in the company culture, but also to better serve its customers, potential or existing," AEB said in a statement.

"The company's project management and sales teams are committed to supporting the growing cold chain sector by providing industry-leading solutions and strong support models for project success," it added.

According to AEB, Brandon Boen is the lead project manager for all of the company's WMS project implementations in the Philippines, while Jennifer Laddaran is the local unit's business development manager tasked with supervising commercial operations and business development for the local market.

Further, the company said it also included value-added services for its Philippine operations such as an interactive and secure support portal, local support, standard support, hypercare and extended support for infrastructure, and technical consultation.

Meanwhile, AEB also unveiled new upgrades to its cold chain WMS as part of

efforts to ensure safe, seamless, and cost-efficient operations.

The company said the latest features of its cold chain warehouse management include blast freezer or bundle receiving, returnable packaging management, and product recall functionality management.

"The blast freezer or bundle receiving feature helps users automatically bundle frozen goods while the returnable packaging management allows businesses to monitor their customers' packaging materials and provide an updated inventory of materials received and dispatched by the warehouse," AEB said.

"Product recall functionality management enables high-degree product tractability during an internal product recall within the warehouse or an external product recall from a customer," it added.

Aside from the new features, AEB said it has also developed new picking strategies for better management of frozen product storage, delivery, and expiration date.

The company also added a ready-to-integrate business intelligence tool that can be deployed in a short amount of time and can be used with cold chain warehouse management.

"This business intelligence tool can enhance the standard package with more content and data sources and can be easily adapted for customers' context without the need for additional standard implementation developments. Users can also easily create and design their own reports and dashboards using standard visualizations," AEB said.

AEB entered the Philippines in 2016 as part of its expansion efforts. The company's head office and on-site data centers are located in Germany. It has international offices in the United Kingdom, Singapore, Switzerland, Sweden, the Netherlands, the Czech Republic and the United States. — **Revin Mikhael D. Ochave**

Tax court denies logistics firm's P120.9-million refund claim

THE Court of Tax Appeals (CTA) has affirmed its division ruling denying Nippon Express Philippines Corp.'s (NEPC) refund claim worth P120.9 million representing its excess input value-added tax traced to zero-rated sales for the four quarters of 2016.

In a 10-page ruling dated June 23 and made public on June 29, the CTA full court said the company had failed to prove that its foreign clients were doing business outside of the Philippines and that it had engaged in zero-rated sales for the period previously mentioned.

"Petitioner (NEPC) should be reminded that these are all factual findings of the court in division and in the absence of any evidence of grave abuse of discretion, this court shall not disturb the findings," according to the ruling penned by CTA Associate Justice Catherine T. Manahan.

"In the instant petition, petitioner failed to cite and

adduce any evidence that the court in division committed any grave abuse of discretion in the assailed decision and resolution."

NEPC argued that the CTA had committed a reversible error by denying its claim for a refund since the company had presented the necessary documents to prove its entitlement.

The petitioner is the Philippine office of a Japanese logistics company that provides services such as truck transportation, truck freight forwarding, and coastal shipping.

The logistics firm added that the CTA Second Division made an error in disregarding the findings of the independent certified public accountant (ICPA).

On the other hand, the commissioner of internal revenue (CIR) reiterated that the company had failed to prove that it had engaged in zero-rated sales during the four quarters of 2016.

— **John Victor D. Ordoñez**

FULL STORY



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Converge: Investors demand climate-related information

LISTED fiber internet service provider Converge ICT Solutions, Inc. said it is working to increase transparency in sustainability reporting, as more investors seek climate-related information.

"Increasingly, investors are demanding climate-related information to enable them to make informed decisions," Converge Chief Strategy Officer Benjamin B. Azada said in an e-mailed statement on Monday.

The company said it supports the international Financial Stability Board's Task Force on Climate-Related Financial Disclosures (TCFD) "to prepare for climate-related risks and, on a larger

scale, mitigate its impact on the environment." The TCFD provides climate-related financial disclosure recommendations.

"By progressively adopting TCFD's recommendations over time, we will get better at disclosing the specific climate-related risks and opportunities facing Converge," Mr. Azada said.

More than 3,000 companies globally support disclosing climate-related risks and opportunities, according to the company.

The objective is to strengthen the stability of the financial system.

"Better climate-related disclosures will lead to better information that will allow companies to incorporate climate-related risks and opportunities into their risk management, strategic planning and decision making processes," Converge said, citing the TCFD.

"Investors, insurance underwriters and lenders will make sounder financial decisions as well." — **Arjay L. Balinbin**

FULL STORY



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