

Villars' Premiere REIT files P3.2-billion IPO

VILLAR-led Premiere Island Power REIT Corp. filed the registration statement of its P3.2-billion initial public offering (IPO) with the Securities and Exchange Commission.

Led by Manuel Paolo A. Villar, the company also known as PremiereREIT is a power and infrastructure real estate investment trust sponsored by Prime Asset Venture, Inc. (PAVI) subsidiaries.

It plans to offer up to 1.4 billion secondary common shares at a maximum offer price of P2.00 per share, with an over-allotment option of up to 210 million secondary common shares.

The offer shares will be sold by PAVI subsidiaries such as S.I. Power Corp. and Camotes Island Power Generation Corp.

"The company is looking to list in November 2022," the company said in a press release on Friday.

To date, the portfolio of PremiereREIT includes land, land rights, key power plant assets, and other ancillary infrastructure that are leased to and utilized by its sponsors for power generation operations.

Its weighted average lease expiry is 9.24 years while its total generating capacity is at 21.27 megawatts.

"PremiereREIT aims to be among the leading diversified power and infrastructure REITs in the Philippines in terms of portfolio, profitability, growth, sustainability and dividend yield," the company said.

It is also planning to venture into renewable energy.

"PremiereREIT plans to engage in greener, renewable and sustainable energy as part of ensuring different asset classes with continued capital appreciation and social accountability," it said.

PremiereREIT has tapped China Bank Capital Corp., as the listing's sole issue manager and underwriter.

Mr. Villar is the eldest son of business tycoon Manuel "Manny" B. Villar, Jr., and is also the president and chief executive officer of Vista Land & Lifescapes, Inc.

On Friday, shares in Vista Land lost 10 centavos or 5.08% to finish at P1.87 apiece. — **Justine Irish D. Tabile**

ERC to NGCP: Explain failure to comply with reserve power rules

THE ENERGY Regulatory Commission (ERC) has directed the National Grid Corp. of the Philippines (NGCP) to explain its failure to procure sufficient ancillary services or reserve power to ensure grid security and stability.

In a media release over the weekend, the energy regulatory body said that it issued a show-cause order on Sept. 16 to NGCP due to the power transmission firm's failure to comply with the Department of Energy's (DoE) circular issued in October 2021.

The ERC cited three sections of the DoE's department circular which it said NGCP failed to comply.

Section 4.2 requires NGCP to seek approval from the DoE on its ancillary service agreement procurement plan; Sections 7.4 and 7.5 mandate NGCP to seek the approval of the DoE on the terms of reference of the ancillary service



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competitive selection process (AS CSP); and Sections 7.1 and 7.11 require NGCP to complete the AS CSP within six months from the effectivity of the circular, the ERC said in the release.

NGCP was given 15 days upon the receipt of the show-cause order to give its explanation,

electronically, while it was given another five days to send its explanation through personal service as to why no administrative penalty should be imposed on the cited violations.

"The submission shall also include necessary proof that will support all the allegations in its

verified explanation," the regulator said.

Privately owned NGCP has yet to respond to *BusinessWorld's* request for comments.

The DoE issued the department circular last year after power reserves became deficient, resulting in outages.

The ERC said ancillary services "are necessary to support the transmission of capacity and energy from resources to loads, while maintaining reliable operation of the grid in accordance with good utility practice and existing rules."

The competitive selection of ancillary services providers is required before the awarding of contracts.

The ERC said that while NGCP issued a schedule and terms of reference for the conduct of the AS CSP, it has yet to comply with the existing policies set by the DoE. — **Ashley Erika O. Jose**

SM Store expects fashion apparel to lead its second-semester revenues

SM INVESTMENTS Corp. expects SM Store's revenue growth in the second half to be led by its fashion apparel matched with strong consumer sentiment, a company official said.

"[First half] revenue growth was driven by strong consumer sentiment across all categories, in particular in fashion, shoes and apparel as consumers returned to mall-going and shopping again," SM Investments Consultant for Investor Relations and Sustain-

ability Timothy M. Daniels said in a Viber message.

"In [the second half], we see the same trends continuing with strong consumer sentiment and our outlook remains optimistic," Mr. Daniels added.

In a press release, SM Store reported that it saw a resurgence in its fashion department as eased mobility restrictions drew more crowds in stores and malls.

It added that demand was spurred by the resumption of

schools' face-to-face classes and the return to onsite office set-up, which boosted the company's sales back to 96% of pre-pandemic levels.

Mr. Daniels said 96% of pre-pandemic revenues refer to the performance of the overall SM retail business, which includes department stores, retail affiliates, and food retailing.

Meanwhile, SM Store said that style trends shifted to comfortable lounge garments during the pandemic.

The company introduced "Ath-leisure," which reflects the more active lifestyle of its customers.

SM Store said that as people emerged from previous lockdowns, customers needed wardrobe upgrades as face-to-face classes and return to office set-up commenced.

"As school reopened, there was also a pick-up in demand for school essentials — from shirts, uniforms, socks, shoes to bags and stationery supplies," SM Store said.

The company also developed a "Tee bar," which showcased T-shirts with "young and whimsical designs."

It also introduced more gadget categories from earphones to gaming keyboards which aim to cater to the new gaming and tech-savvy generation.

Mr. Daniels said that SM Store's revenues and net income were up by 56% and 240%, respectively, in the first half.

SM Retail reported an 18% increase in its revenues in the first

half to P163.7 billion and a 91% jump in its net income to P7 billion, which the company attributed to the trends and resurgence of shopping.

Meanwhile, SM Investments' attributable net income climbed by 27% to P25.51 billion in the first semester, while its topline grew by 23.3% to P238.48 billion.

On the stock market on Friday, shares in SM Investments went up by P21 or 2.47% to P871 apiece. — **Justine Irish D. Tabile**

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