

Philippine Stock Exchange index (PSEi)

6,715.75

▲109.75 PTS.

▲1.66%

MONDAY, SEPTEMBER 12, 2022

BusinessWorld

PSEI MEMBER STOCKS

AC Ayala Corp. P733.00 +P16.00 +2.23%	ACEN ACEN Corp. P7.12 +P0.08 +1.14%	AEV Aboitiz Equity Ventures, Inc. P59.10 +P1.30 +2.25%	AGI Alliance Global Group, Inc. P9.95 +P0.17 +1.74%	ALI Ayala Land, Inc. P29.15 +P1.35 +4.86%	AP Aboitiz Power Corp. P32.50 +P1.00 +3.17%	BDO BDO Unibank, Inc. P128.00 +P2.00 +1.59%	BPI Bank of the Philippine Islands P98.25 +P2.15 +2.24%	CNVRG Converge ICT Solutions, Inc. P17.20 +P0.10 +0.58%	EMI Emperador, Inc. P20.20 +P0.10 +0.50%
GLO Globe Telecom, Inc. P2,130.00 +P40.00 +1.91%	GTCAP GT Capital Holdings, Inc. P509.00 +P7.00 +1.39%	ICT International Container Terminal Services, Inc. P190.00 +P5.70 +3.09%	JFC Jollibee Foods Corp. P246.40 +P0.40 +0.16%	JGS JG Summit Holdings, Inc. P51.00 +P0.90 +1.80%	LTG LT Group, Inc. P9.08 +P0.25 +2.83%	MBT Metropolitan Bank & Trust Co. P54.00 +P1.00 +1.89%	MEG Megaworld Corp. P2.46 +P0.10 +4.24%	MER Manila Electric Co. P318.00 ---	MONDE Monde Nissin Corp. P15.96 -P0.12 -0.75%
MPI Metro Pacific Investments Corp. P3.85 +P0.06 +1.58%	PGOLD Puregold Price Club, Inc. P33.80 +P0.15 +0.45%	RLC Robinsons Land Corp. P18.70 -P0.02 -0.11%	SCC Semirara Mining and Power Corp. P41.20 -P0.80 -1.90%	SM SM Investments Corp. P885.00 +P20.00 +2.31%	SMC San Miguel Corp. P98.65 +P0.15 +0.15%	SMPH SM Prime Holdings, Inc. P36.45 +P0.05 +0.14%	TEL PLDT, Inc. P1,698.00 +P44.00 +2.66%	URC Universal Robina Corp. P128.30 -P0.70 -0.54%	WLCON Wilcon Depot, Inc. P30.00 +P0.10 +0.33%

Fernando Zobel de Ayala resigns from Ayala firms

FERNANDO Zobel de Ayala has resigned as vice-chairman of the board, president and chief executive officer of Ayala Corp., effective immediately, the listed conglomerate announced on Monday.

In its regulatory filing, Ayala Corp. said that Mr. Zobel's resignation will allow him to focus more on his recovery and health.

"Please be informed that Mr. Zobel de Ayala tendered today his resignation from our Board and from the aforementioned positions effective immediately. Our Board will elect his replacement as director in due course," Ayala Corp. said.

In separate disclosures, Mr. Zobel has also stepped down as chairman of Ayala Land, Inc.;

as chairman and member of the board of ACEN Corp.; as a member and co-vice chairman of Globe Telecom, Inc., Bank of the Philippine Islands (BPI); and Integrated Micro-Electronics, Inc.

Manila Water Co. Inc. has also announced his resignation as a member of its board.

Mr. Zobel had been on a medical leave of absence since Aug. 15,

though the firm did not disclose the reason for his medical leave.

Meanwhile, Cezar P. Consing will continue to serve as Ayala Corp.'s acting president and CEO. He was selected by the company's board of directors following Mr. Zobel's leave of absence last month.

Mr. Consing is also the director of BPI, Globe, and ACEN. From

2013 to 2021, he served as a senior managing director of Ayala Corp. and president and CEO of BPI.

He also served as chairman and president of the Bankers Association of the Philippines and as president of Bancnet, Inc.

Last month, Jaime Augusto Zobel de Ayala, chairman of Ayala Corp., said in a Facebook post: "I want to assure everyone that

Fernando is in high spirits, but he has asked for some time to focus on his health and recovery."

On Monday, shares in Ayala Corp. climbed by P16 or 2.23% to close at P733 each. Shares in the other Ayala-led companies ended higher, with Ayala Land recording the biggest rate of increase at 4.86% or P1.35 to P29.15 apiece. — **Ashley Erika O. Jose**

Manila Jockey Club to lease horseracing facilities

MANILA Jockey Club, Inc. agreed in principle to lease its horseracing facilities to Hapi Jockey Club, Inc. amid the listed company's plan to cease its horseracing operations.

Hapi Jockey Club, a corporation organized by horse owners, is a grantee of a legislative franchise for horseracing and intends to conduct such in the leased facilities.

Under Republic Act No. 11649, Hapi Jockey Club was granted a 25-year franchise to construct, operate and maintain racetracks for horse racing

in the provinces of Batangas, Laguna, and Cavite.

Its franchise was formally approved and signed into law by then President Rodrigo R. Duterte on March 8, 2022 and officially took effect on March 29.

Meanwhile, the specific terms and conditions of the lease are still to be determined and subject to the approval of the board of directors of each company and relevant government regulators, the company said.

"The company shall disclose the specific terms and conditions of the lease as

soon as the definitive agreements have been executed by the parties."

On Aug. 24, Manila Jockey Club disclosed that its board of directors approved the decision not to pursue an application to extend or renew its legislative franchise that will expire on Oct. 23.

The company stated its plan of ceasing its horseracing operations and pivoting to "more stable revenue streams."

Manila Jockey Club said that it would focus on rental income, interest income, and the sale or lease of existing horseracing facilities and equipment.

In the second quarter, the company earned P1.47 billion from property sales which helped it swing back to profitability.

Manila Jockey Club operates a racetrack located in Cavite and engages in holding horse races there with bettings both directly or indirectly by means of mechanical, electric, and computerized totalizator.

On the stock exchange on Monday, Manila Jockey Club shares closed unchanged at P1.40 apiece. — **Justine Irish D. Tabile**

Lepanto slashes SRO price

LEPANTO Consolidated Mining Co. has cut the share price of its planned stock rights offering (SRO) to P0.12 from P0.14 apiece.

In a disclosure on Monday, the firm said it will offer 16.8 billion shares instead of its original proposal of 14.43 billion shares. The move brings down the SRO size to P2.016 billion from P2.02 billion.

"The offer shares will come from and support the increase in the company's authorized capital stock to P9 billion from P6.64 billion. Given the SRO, there will be necessary adjustments to the company's share price and outstanding shares that would take place on ex-date," Lepanto added.

It also noted that the change was made "in consideration of present market conditions."

Proceeds from the offer will be used to fund the company's exploration, drilling, and other capital expenditures; settlement of debts; and retirement and other employee benefits.

The firm also said that the SRO has not yet been filed with the Philippine Stock Exchange and is still subject to regulatory approvals.

Lepanto currently operates the Victoria project from which it produces gold doré. In 2017, it commenced commercial operations of its copper-gold project.

Its subsidiaries include Shipside, Inc.; Diamond Drilling Corp. of the Philippines; Lepanto Investment and Development Corp. (LIDC); and Far Southeast Gold Resources, Inc.

Through LIDC, the company owns 25% of Diamant Manufacturing and Trading Corp., a manufacturer of industrial diamond tools for mining exploration, marble cutting, and the construction industry.

In the second quarter, the firm's net loss grew to P152.87 million from P100.12 million the year before.

At the stock exchange on Monday, Lepanto shares declined by 5.30% or P0.007 to close at P0.125. — **Luisa Maria Jacinta C. Jocsos**

Del Monte unit tries more sales channels in the US

A UNIT of Del Monte Pacific Ltd. (DMPL) will venture into other sales channels as it recognized strong growth in the said areas coupled with e-commerce, the Singapore- and Philippine-listed firm said.

"DMFI (Del Monte Foods, Inc.) is now penetrating into other sales channels in the US where it had not sold to, such as club stores, dollar and value stores, convenience stores, drug stores and foodservice establishments," DMFI Chief Executive Officer Gregory N. Longstreet said in a statement.

"Management is bullish about future growth through these channels and platforms," Mr. Longstreet added.

The company official said that he expects to grow the business over the next five years by executing similar strategies.

These strategies include rejuvenating the brand, investing more in marketing, innovation, renovation, and customization of its branded portfolio.

Mr. Longstreet said: "DMFI is having a great success executing its playbook around product leadership, branded growth and innovation and much more to come."

Meanwhile, he reported that the company's stock and broth segment is profitable and is one of its strongest margin businesses.

As part of the company's brand expansion, it recently acquired the intellectual property of the Kitchen Basics brand.

"Kitchen Basics is a national brand which could allow DMFI to unlock 75% of the US market," Mr. Longstreet said.

In the first quarter, DMFI registered \$302.4 million in net sales, a 1.5% increase from last year, driven by retail branded sales of canned vegetable, tomato, broth and Joyba bubble tea.

"The newly launched Joyba Bubble Tea line of products would soon reach \$60 million in new sales," Mr. Longstreet said.

However, the company registered a net loss of \$45.1 million in the first quarter after its one-off redemption cost of \$50 million.

DMFI redeemed its 11.875% senior secured notes to secure a much lower interest rate, before this, DMFI's net profit rose by 67% to \$8 million.

The company's fiscal year starts in the month of May. — **Justine Irish D. Tabile**



TRAVEL.ZGO.COM.PH

2GO launches cross-dock facility

2GO Group, Inc. has launched its largest cross-dock facility in Parañaque, the listed shipping and logistics provider announced on Monday.

"Location is key to achieving supply chain efficiency, and Asinan provides us with the site's proximity to the Skyway, SLEX, and Cavite. Given this, we thought it best to integrate our operations for Mega Manila and South Luzon all in one place," said Anna Estela G. Vicencio, 2GO logistics and distribution business unit head.

2GO said its Asinan cross-dock facility has a total area of 11,000 square meters and can accommodate the shipment of fast-moving consumer goods to different parts of Luzon.

Ms. Vicencio said that the company's new facility will help 2GO to move shipments of both food and non-food faster.

2GO, a subsidiary of SM Investments Corp., offers multimodal transportation, warehousing and inventory management, distribution, special containers, and project logistics. It also provides e-commerce logistics, including last-mile deliveries, and express courier deliveries.

Frederic C. DyBuncio, chairman, president and chief executive officer of 2GO, said in a press release that the location of the facility "shows the synergy and the support that the SM group is giving to 2GO."

"The group really believes that logistics is a very, very important sector in the growth of the Philippine economy. And that's why we decided to invest even more in the logistics space," he added.

On Monday, shares in the company closed 0.28% or two centavos higher to close at P7.05 apiece. — **Ashley Erika O. Jose**

Phinma locks in gains via sale of treasury shares

LISTED holding firm Phinma Corp. announced that it sold 13.6 million of its treasury shares through the Philippine Stock Exchange at P19.50 apiece.

"The proceeds from the sale will be used for investments and for general corporate purposes," the company said in a disclosure on Monday.

The company started selling its treasury shares back on July 19 after its executive committee approved the issuance on May 31.

Phinma was authorized to sell 14.45 million treasury shares with the shareholders approving a one-time denial of preemptive rights.

Unicapital Securities, Inc. Equity Research Analyst Ralph Jonathan B. Fausto said in a Viber message that the sale of treasury shares "is viewed to be the realization of its previous share buyback program."

"They locked in their gains after the stock price appreciated and reached a price

that the company thinks is the fair value of their stock," Mr. Fausto added.

Michael L. Ricafort, chief economist of Rizal Commercial Banking Corp., said that "the sale of treasury shares would allow greater ownership of shares by the investing public, while allowing the increase of the listed firm's capital."

"When the shareholders decide to deny their preemptive rights, it means that the existing shareholders are not given the right of first refusal or their right to exercise the option to have priority to subscribe to the shares, avoiding dilution of their current stake in the company," Mr. Fausto said.

He added that in the case of Phinma, shareholders will still have the opportunity to acquire treasury shares in the open market to retain their current ownership in the company.

The treasury shares represent 5% shareholding interests and after the transaction,

treasury shares of the company are now at 751,279.

Its outstanding shares are now at 285.59 million from 271.99 million before the transaction.

Mr. Fausto said that companies usually buy back their shares and put them in their treasury when their price falls below their expectations.

"Once the share price appreciates and reaches the fair value they consider the stock is worth, this is usually the time when we see companies sell their previously purchased own shares through their buyback programs," he added.

Meanwhile, Mr. Ricafort said that "companies sell their treasury sales as a way to raise new funding [though] the dilution of existing shareholders may not be that much, as a result."

On the stock market on Monday, Phinma shares climbed by four centavos or 0.20% to P19.94 apiece. — **Justine Irish D. Tabile**

Chemical Industries seeks review of tax case

CHEMICAL Industries of the Philippines, Inc. (CIP) reported on Monday that it filed a petition for review with the Court of Tax Appeals against the commissioner of internal revenue.

The petition is pursuant to Rule 8, Section 3(a) and in relation to Rule 4, Section 3(a)(1) of the Revised Rules of the Court of Tax Appeals.

Rule 4, Section 3(a)(1) says that the appellate court in division is to exercise jurisdiction to review by appeal the decisions of the commissioner in cases involving disputed assessments, refunds of internal revenue taxes, fees or other charges, and penalties, among others.

Meanwhile, Rule 8, Section 3(a) says that a party adversely affected by a decision of the commissioner may file a petition for review within 30 days after the receipt of the decision.

The said party may also file a petition for review within the two-year period prescribed by law from payment or collection of the taxes in case of the commissioner's inaction on the claims.

"The petition seeks to cancel, annul, reverse and set aside the Commissioner of Internal Revenue's final decision on disputed assessment which denied the corporation's protest dated January 27, 2017," the company said in a disclosure to the stock exchange.

The said decision assessed the company for deficiency income tax and value-added tax covering the taxable year 2013 for a total P25.35 million.

The company is the parent to CAWC, Inc., Chemphil Manufacturing Corp., and Kemwater Phil. Corp.

The group is primarily engaged in the manufacture, sale, and distribution of industrial chemicals and leasing of office space to related and outside parties.

On the stock market on Monday, CIP shares closed unchanged at P125.00 apiece. — **Justine Irish D. Tabile**