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BusinessWorld

## Philippine Stock Exchange index (PSEi)

5,934.27

▼54.32 PTS.

▼0.90%

## PSEi MEMBER STOCKS

|   |   |   |  |   |  |  |   |   |   |
|---|---|---|--|---|--|--|---|---|---|
| <b>AC</b><br>Ayala Corp.<br>P629.00<br>-P7.00 -1.10%                    | <b>ACEN</b><br>ACEN Corp.<br>P5.89<br>-P0.01 -0.17%                   | <b>AEV</b><br>Abotiz Equity Ventures, Inc.<br>P56.00<br>-P0.90 -1.58%                     | <b>AGI</b><br>Alliance Global Group, Inc.<br>P8.13<br>-P0.07 -0.85%      | <b>ALI</b><br>Ayala Land, Inc.<br>P23.80<br>---                   | <b>AP</b><br>Abotiz Power Corp.<br>P31.60<br>-P0.40 -1.25% | <b>BDO</b><br>BDO Unibank, Inc.<br>P114.40<br>-P1.50 -1.29%            | <b>BPI</b><br>Bank of the Philippine Islands<br>P91.30<br>+P0.20 +0.22% | <b>CNVRG</b><br>Converge ICT Solutions, Inc.<br>P12.40<br>+P0.40 +3.33% | <b>EMI</b><br>Emperador, Inc.<br>P19.56<br>+P0.14 +0.72%      |
| <b>GLO</b><br>Globe Telecom, Inc.<br>P2,200.00<br>-P18.00 -0.81%        | <b>GTCAP</b><br>GT Capital Holdings, Inc.<br>P413.00<br>-P2.00 -0.48% | <b>ICT</b><br>International Container Terminal Services, Inc.<br>P176.00<br>+P4.90 +2.86% | <b>JFC</b><br>Jollibee Foods Corp.<br>P234.80<br>-P3.20 -1.34%           | <b>JGS</b><br>JG Summit Holdings, Inc.<br>P43.35<br>+P0.15 +0.35% | <b>LTG</b><br>LT Group, Inc.<br>P8.25<br>-P0.25 -2.94%     | <b>MBT</b><br>Metropolitan Bank & Trust Co.<br>P51.00<br>+P0.05 +0.10% | <b>MEG</b><br>Megaworld Corp.<br>P2.06<br>---                           | <b>MER</b><br>Manila Electric Co.<br>P290.20<br>-P8.20 -2.75%           | <b>MONDE</b><br>Monde Nissin Corp.<br>P12.10<br>-P0.88 -6.78% |
| <b>MPI</b><br>Metro Pacific Investments Corp.<br>P3.54<br>+P0.09 +2.61% | <b>PGOLD</b><br>Puregold Price Club, Inc.<br>P26.70<br>-P0.90 -3.26%  | <b>RLC</b><br>Robinsons Land Corp.<br>P16.38<br>---                                       | <b>SCC</b><br>Semirara Mining and Power Corp.<br>P40.25<br>+P0.25 +0.63% | <b>SM</b><br>SM Investments Corp.<br>P760.00<br>-P25.00 -3.18%    | <b>SMC</b><br>San Miguel Corp.<br>P101.00<br>+P2.00 +2.02% | <b>SMPH</b><br>SM Prime Holdings, Inc.<br>P31.55<br>-P0.20 -0.63%      | <b>TEL</b><br>PLDT, Inc.<br>P1,530.00<br>+P15.00 +0.99%                 | <b>URC</b><br>Universal Robina Corp.<br>P110.00<br>-P2.10 -1.87%        | <b>WLCON</b><br>Wilcon Depot, Inc.<br>P27.70<br>-P0.30 -1.07% |

## Eagle Cement shares jump as SMC sets acquisition

SHARES in Eagle Cement Corp. surged nearly 4% on Thursday as its majority shareholders agreed to sell their holdings to a unit of listed conglomerate San Miguel Corp. (SMC), prompting the buyer to set a mandatory tender offer of the cement maker's shares.

In a disclosure, Eagle Cement said it was advised by its majority shareholders about the signing of a share purchase agreement on Oct. 5 for the sale of around 4.425 billion shares to San Miguel Equity Investments, Inc. for P22.02 apiece or a total of about P97.44 billion.

Separately, SMC told the stock exchange that as a result of the planned acquisition of 85.5% of Eagle Cement, the buyer is required to conduct a tender offer of the 11.5% shares held by

the target company's minority shareholders.

"The acquisition of [Eagle Cement] offers a complementary approach to the current investment strategy of SMC in the cement industry, will increase its foothold in the cement business and provide the opportunity to implement its plan to expand its cement business," SMC said.

The selling shareholders are Far East Holdings, Inc., SMC Vice-Chairman and Eagle Cement Chairman Ramon S. Ang, John Paul L. Ang, and Monica L. Ang.

SMC said the acquisition of the Eagle Cement shares will be paid in cash. It added that the "basis for the negotiation and determination of the sale price was the valuation undertaken by an inde-

pendent firm using global valuation standards."

SMC said the closing of the transaction is subject to approval by the Philippine Competition Commission (PCC). It intends to file a request for exemption with the Securities and Exchange Commission to allow the tender offer to start after the PCC approval.

On Tuesday, SMC said that a special board meeting on Oct. 4 authorized the acquisition of the controlling stake in Eagle Cement, which manufactures and distributes cement.

On the stock market on Thursday, SMC shares jumped by P2 or 2.02% to P101 apiece, while Eagle Cement shares climbed by 74 centavos or 3.99% to P19.30 each. — **Justine Irish D. Tabile**

## SMC plans to sell power to WESM after rate-hike denial

SAN MIGUEL CORP. (SMC) said on Thursday that it will sell its power plants' output to the wholesale electricity spot market (WESM) and will enter into bilateral contracts with off-takers after it failed to secure the energy regulator's nod on its rate hike petition.

In a stock market disclosure, SMC assured that it will continue supplying power to Manila Electric Co. (Meralco) within the 60-day period after the receipt of the Energy Regulatory Commission (ERC) decision.

According to ERC, SMC is legally bound to continue supplying power to Meralco as stated in their power supply agreements (PSAs), which set 60 days before it can terminate the supply deal.

However, SMC said that once the termination of the PSAs takes effect, its units South Premiere Power Corp. and San Miguel Energy Corp. — the administrators of the Ilijan and Sual power plants — will have to sell their generated power to WESM "and enter into bilateral contracts with other off-takers."

On Wednesday, SMC said it would explore all legal remedies following the decision of the ERC.

On Monday, the ERC released its order denying a joint petition from Meralco and SMC's units, saying the rate increase sought by them was based on a valid "change in circumstance."

SMC previously said it had incurred losses of about P15 billion, prompting the petition for the power rate increase as surging fuel costs breached the price range contemplated during the execution of the PSAs with Meralco.

The ERC denied the petition, saying both SMC and Meralco had not exhausted available options before filing the petition.

"[SMC Global Power Corp.] and its subsidiaries will remain compliant with its financial covenants under all existing loan agreements and other debt instruments," SMC said, referring to its power arm. — **Ashley Erika O. Jose**

## ABS -CBN, Warner Bros. ink deal on airing of its shows across Asia

ABS-CBN Corp. has partnered with Warner Bros. Discovery, an American multinational mass media and entertainment conglomerate, for the airing of its shows across Asia.

"In a new content deal with Warner Bros. Discovery, ABS-CBN is bringing some of its lifestyle content to more audiences in Central and Southeast Asia," the Philippine media company said in an e-mailed statement on Thursday.

"The programs are originally produced by Metro Channel, the cable TV counterpart of its premium lifestyle brand Metro, under ABS-CBN's content subsidiary Creative Programs, Inc.," ABS-CBN added.

Among the shows to be aired is "Beached," which features beaches and island resorts in the Philippines and abroad. Its first season will be shown on Discovery Asia starting Oct. 27.

Lifestyle shows "The Crawl" and "Foodprints" will be aired starting Nov. 9 and Dec. 14, respectively.

According to the media company, its audiences in the Philippines may also watch such shows on the streaming platform discovery+, which is available on iOS and Android devices.

At the same time, ABS-CBN noted that it is selling over 50,000 hours of content in more than 50 international markets.

The company significantly reduced its attributable net loss for the second quarter to P39.11 million from P1.42 billion previously.

Total revenues for the quarter reached P4.83 billion, up 13.9% from P4.24 billion in the same period a year ago.

For the first six months, ABS-CBN saw its attributable net loss narrow to P1.42 billion from P3.37 billion.

The company generated revenues of P9.48 billion for the first half, up 16.2% from P8.16 billion previously. — **Arjay L. Balinbin**

## CTA affirms Macquarie's reduced P50.5-M value-added tax refund

THE Court of Tax Appeals (CTA) has upheld its decision to grant Macquarie Offshore Services Pty., Ltd. a P50.5-million refund representing its excess input value-added tax (VAT) traced to zero-rated sales of its P82.97 million original claim.

In a 13-page decision dated Oct. 3 and made public on Oct. 5, the CTA full court said it found no clear reason to reverse its ruling on the firm's claim.

"Based on the foregoing, the court finds no compelling reason to modify or reverse the findings of the CTA Third Division," according to the ruling penned by Associate Justice Catherine T. Manahan.

Under the National Internal Revenue Code of 1997, zero-rated sales are transactions made by VAT-registered taxpayers that do not translate to any output tax.

The petitioner is the Philippine branch of an Australia-based multinational company engaged in international

trade with affiliates, subsidiaries, or branch offices in the Asia-Pacific region.

The commissioner of internal revenue (CIR) argued that the trading firm's claim should have been denied since it failed to present its authority to print (ATP) official invoices and receipts to prove its excess VAT.

The Bureau of Internal Revenue requires businesses to present ATPs before they can print official receipts or sales.

The tax court disagreed, saying Macquarie secured and obtained an ATP before printing its official receipts and service invoices. It added that the CIR failed to point out any specific error in the tribunal's findings.

"Findings of the face by the CTA in Division are not to be disturbed without any showing of grave abuse of discretion considering that the members of the division are in the best position to analyze the documents presented by the parties." — **John Victor D. Ordoñez**

## MPT Mobility's O&amp;M firm adds new services

MPT Mobility, the innovations arm of Metro Pacific Tollways Corp. (MPTC), announced on Thursday that its subsidiary Southbend Express Services, Inc. is rebranding as SAVVICE Corp. as it adds new services.

Southbend Express Services provides full-on operation and maintenance (O&M) service.

"Since its acquisition in 2019 by MPTC, SAVVICE Corp. has been providing outsourced O&M services mostly to the MVP Group of Companies," MPT Mobility said in a statement.

"From there, it expanded its expertise into facilities maintenance, transportation driving services, anti-overloading vehicle program, incident response, technical and skilled man-

power deployment, roadway systems products and services, traffic and auxiliary works on road network operations, and vehicle towing services," it added.

SAVVICE President and General Manager Arnold S. Villados said top-tier companies are now looking for O&M services that meet their own standards.

MPTC Mobility announced recently that Southbend Express Services, Inc. would transition from an outsource manpower solution to a full-service solutions provider.

"SAVVICE is also gearing up for future partnerships and exclusive distributorships for a wide variety of products and services," the company said in an e-mailed statement.

## Premiere Horizon receives attachment notice on shares

PREMIERE Horizon Alliance Corp. (PHA) has received a notice from Nuovo Gran CT, Inc. that the latter's writ of preliminary attachment against the properties of Squidpay Technology, Inc. and Marvin C. Dela Cruz has been granted.

In a disclosure on Thursday, PHA said that the Regional Trial Court, Manila, Branch 45 allegedly granted Nuovo Gran's application for the court order.

"This order has no impact on the operations and financial condition of PHA as it is merely implementing a court order on the freezing of PHA shares held under Mr. Dela Cruz," the firm said.

PHA said that according to the order, Nuovo Gran forged a convertible loan agreement on Dec. 14, 2020 with Mr. Dela Cruz for P100 million with a maturity date of June 14, 2022.

The loan may be paid through PHA shares should Nuovo Gran exercise its conversion right, which the latter served through a conversion notice.

"These were not heeded, and [Squidpay Technology] failed to pay the loan on its maturity date," the firm said, quoting the notice it received.

PHA said that the letter from Nuovo Gran's counsel, Divina Law Office, identifies PHA as a defendant in the case. However,

the company clarified that it has not received any summons regarding the case.

On Oct. 29, 2020, PHA entered into a memorandum agreement (MoA) with Mr. Dela Cruz for the equity infusion of up to 55% or 2.80 billion shares in PHA.

The subscription was priced at P0.33 per share with a total consideration of P925 million: P325 million in cash and P600 million via a combination of cash and infusion of Squidpay Technology shares in two years.

In November last year, the board of directors of PHA approved the acquisition of 33% shares in Squidpay Technology for P561 million, which translates

to 264 million existing and outstanding shares owned by the group of Mr. Dela Cruz.

PHA said the funding will come from the P625-million subscription payable by the group in accordance with the MoA, with the deadline of Oct. 29, 2022 for the subscription.

PHA engages in business activities relating to entertainment, gaming, hotel and leisure. According to its public ownership report posted in July, Mr. Dela Cruz owns 1.39 billion direct shares or 24.35% outstanding shares in PHA.

On Thursday, shares of PHA closed unchanged at P0.315 apiece. — **Justine Irish D. Tabile**

## Alternergy says required rise in RE use to bring 2.65 million MWh of capacity

ALTERNERGY Holdings Corp. expects the mandated increase in power suppliers' distribution of renewable energy (RE) would translate into 2.65 million megawatt-hours (MWh) of renewables capacity annually.

Vicente S. Pérez, Jr., chairman of the power company, said in a press release that the increase in renewables usage "will usher in new investments as this ensures a guaranteed market for the RE developers."

Last week, the Department of Energy (DoE) announced that on-grid power suppliers must expand the share of RE in their output to 2.52% from 1%, as part of the requirements under the government's renewable portfolio standards (RPS) program.

The increase in the annual percentage increment for all RPS participants will take effect in 2023.

RPS, a policy mechanism under Republic Act No. 9513 or the Renewable Energy Act of 2008, requires electricity distribution utilities to source or produce a specified fraction of their power supply from eligible renewable energy resources.

Mr. Perez said that the higher RPS annual increment will result in a massive demand for RE capacity.

Alternergy estimates the mandated increase may result in an added 1,500 megawatts (MW) of solar capacity, 1,000 MW of wind capacity, or 600 MW of run-of-river hydro capacity.

"The Philippines cannot continue being hostage to any jump in the world oil and coal prices," Mr. Perez said, adding that the policy directions being set by the DoE and the new administration "to meet the country's elec-

tricity requirements with more and cleaner energy solutions mitigate these risks at the same time ensure a sustainable energy supply for the country."

Mr. Perez said that the country should push for more RE investment, as the power sector is heavily dependent on imported fuel.

"With our portfolio of renewable energy projects using wind, solar and run-of-river resources, we believe we are in a unique position to take advantage of the growth of the RE sector in the next five years," he added.

According to DoE, it has issued a total of 998 renewable energy contracts with a combined installed capacity of 5,460.59 MW. It said these contracts will generate a total of P270.78 billion worth of investment for awarded and prospective deals. — **Ashley Erika O. Jose**