

Philippine Stock Exchange index (PSEi)

6,530.51

▲ 20.19 PTS.

▲ 0.31%

THURSDAY, NOVEMBER 24, 2022

BusinessWorld

PSEI MEMBER STOCKS

AC Ayala Corp. P695.00 +P20.00 +2.96%	ACEN ACEN Corp. P7.11 -P0.07 -0.97%	AEV Aboitiz Equity Ventures, Inc. P55.90 +P0.35 +0.63%	AGI Alliance Global Group, Inc. P9.60 -P0.10 -1.03%	ALI Ayala Land, Inc. P29.30 +P0.85 +2.99%	AP Aboitiz Power Corp. P34.50 -P1.10 -3.09%	BDO BDO Unibank, Inc. P132.80 +P3.30 +2.55%	BPI Bank of the Philippine Islands P99.00 +P1.00 +1.02%	CNVRG Converge ICT Solutions, Inc. P16.00 +P1.00 +6.67%	EMI Emperador, Inc. P19.76 -P0.14 -0.70%
GLO Globe Telecom, Inc. P2,210.00 ---	GTCAP GT Capital Holdings, Inc. P430.40 -P3.40 -0.78%	ICT International Container Terminal Services, Inc. P184.50 -P1.50 -0.81%	JFC Jollibee Foods Corp. P254.00 -P2.00 -0.78%	JGS JG Summit Holdings, Inc. P43.50 +P0.45 +1.05%	LTG LT Group, Inc. P9.16 -P0.14 -1.51%	MBT Metropolitan Bank & Trust Co. P54.20 +P0.45 +0.84%	MEG Megaworld Corp. P2.27 -P0.02 -0.87%	MER Manila Electric Co. P289.80 -P2.20 -0.75%	MONDE Monde Nissin Corp. P12.60 -P0.20 -1.56%
MPI Metro Pacific Investments Corp. P3.53 -P0.05 -1.40%	PGOLD Puregold Price Club, Inc. P34.85 -P0.10 -0.29%	RLC Robinsons Land Corp. P16.48 -P0.28 -1.67%	SCC Semirara Mining and Power Corp. P31.35 +P0.25 +0.80%	SM SM Investments Corp. P894.00 -P1.00 -0.11%	SMC San Miguel Corp. P96.80 -P0.20 -0.21%	SMPH SM Prime Holdings, Inc. P35.00 -P0.60 -1.69%	TEL PLDT, Inc. P1,599.00 ---	URC Universal Robina Corp. P132.80 +P0.30 +0.23%	WLCON Wilcon Depot, Inc. P31.95 -P0.05 -0.16%

SMC Global Power appeals rate hike denial — ERC

SMC GLOBAL Power Holdings Corp. is appealing the decision of the Energy Regulatory Commission (ERC) denying its petition for temporary relief to partially recover losses.

"We have just received it on Monday. They filed a petition for certiorari to the Court of Appeals (CA), meaning they are appealing that it is not within our jurisdiction," ERC Chairperson and Chief Executive Officer Monalisa C. Dimalanta told reporters on Thursday on the sidelines of an energy conference.

She said the company "is saying that the order promulgated by the ERC is in excess of our jurisdiction."

Ms. Dimalanta said that SMC Global Power, the energy arm of listed conglomerate San Miguel Corp. (SMC), is seeking the issuance of a temporary restraining order (TRO).

"San Miguel is seeking a TRO, so our order will not be implemented and they are asking the CA to reverse our decision," she said.

She added that the ERC has already escalated the issue to the Office of the Solicitor General (OSG), which serves as the statutory counsel of the energy regulator.

In August, SMC Global Power announced that it sought temporary relief from the ERC to recover part of P15 billion in losses suffered by its units South Premiere Power Corp. (SPPC) and San Miguel Energy Corp. (SMEC), the administrators of the natural gas-fired power plant

in Ilijan, Batangas, and the coal power plant in Sual, Pangasinan, respectively.

For partial loss recovery, the units jointly filed along with the buyer and distributor of its electricity, Manila Electric Co. (Meralco), a temporary rate increase from the ERC.

They cited a "change in circumstance" when surging fuel costs breached the price range contemplated during the execution of the power supply agreements with Meralco.

The San Miguel group previously said that it would absorb P10 billion of the losses while seeking a rate hike to recover P5 million.

However, in its order dated Sept. 29, the ERC rejected the relief sought, saying there was no basis for it under the power supply deal. The regulator said that the agreement is a fixed-rate contract, thus SPPC and SMEC as suppliers assumed all risks relative to market conditions and economic realities.

SMC Global Power then said it would exhaust all legal remedies

but vowed that it would continue supplying power to Meralco.

Meanwhile, Ms. Dimalanta said that to date, SMC Global Power's supply agreements with Meralco still stand, as the electricity distributor has not advised the regulator on whether the power supplier ended their deal.

"As far as we know, I don't think there's any notice. But we are not certain if they have received any. Meralco will be the one to inform us," Ms. Dimalanta said. — **Ashley Erika O. Jose**

San Miguel secures SEC permit to sell P60-billion bonds

SAN MIGUEL Corp. has received the permit to sell P60 billion worth of fixed-rate retail bonds from the Securities and Exchange Commission, the listed firm said on Thursday.

In a disclosure to the Philippine Stock Exchange, San Miguel said it received the permit dated Nov. 22. The bonds will have a base offer of P40 billion and an oversubscription option of up to P20 billion to be issued at 100% of face value.

In its final prospectus, San Miguel estimated the net proceeds from the offering to reach around P59.33 billion assuming the full exercise of the oversubscription option.

According to the prospectus, up to P12.3 billion of the net proceeds from the offering will be used to redeem 164 million of San Miguel's series 2H shares priced at P75 apiece. It will also finance the final redemption and payment of its series E bonds with a total outstanding amount of P13.14 billion.

Part of the proceeds will be used to repay the company's \$300-million facility agreement with MUFG Bank, Ltd., which was incurred on June 26, 2018. A portion will also be used to repay short-term loan facilities that were used in the redemption of its series A and D bonds.

The offer bonds will be issued on Dec. 14 with 5.25-year, seven-year and 10-year maturities and will be listed on the Philippine Dealing & Exchange Corp.

The 5.25-year series L bonds will have a fixed initial interest rate of 7.45% per annum; the 7-year series M bonds will have a 7.85% interest per annum; and the 10-year series N bonds will have an 8.49% interest per annum.

The offer period will start on Nov. 25 and will end on Dec. 6, or on such other dates agreed upon by the company and joint issue managers, lead underwriters and bookrunners.

San Miguel tapped BDO Capital & Investment Corp., China Bank Capital Corp., and PNB Capital and Investment Corp. as joint issue managers, lead underwriters and bookrunners.

Meanwhile, Asia United Bank Corp., Bank of Commerce, BPI Capital Corp., Philippine Commercial Capital, Inc., RCBC Capital Corp., and SB Capital Investment Corp. were assigned as joint lead underwriters and bookrunners.

On the stock market on Thursday, shares in San Miguel declined by 20 centavos or 0.21% to P96.80 apiece. — **Justine Irish D. Tabile**

STI narrows loss to P42.37 million on higher enrollments

STI EDUCATION Systems Holdings, Inc. managed to shrink its attributable net loss in the past quarter to P42.37 million from the P114.23 million loss incurred last year after recording higher revenues.

In a press release on Thursday, the listed company said that in the three months ending September, its revenues reached P500.35 million, up by 34.2% from P372.8 million a year ago.

STI Holdings' fiscal year, which follows its school year, starts on July 1 of every year and ends on June 30 of the succeeding year.

"The increase in revenues was mostly brought about by the increase in enrollment as well as improvement in the enrollment," the company said.

For the school year 2021-2022, STI Holdings recorded 94,312 enrollments, which is higher by 14.1% than the 82,629 enrollments registered last year.

"New students contributed significantly to the increase, as they reached a total of 41,565 compared to the number of new students in the previous school year of 35,566, presenting a 17% increase," STI Holdings said.

During the period, revenues from tuition and other school fees amounted to P370.4 million, 21.9% higher than the P303.79 million in 2021. Sales from education materials and supplies surged by more than five times to P68.28 million from P12 million a year ago.

STI Holdings incurred P540.66 million in total costs in the quarter, up by 14.4% from P472.77 million last year.

STI Holdings has three subsidiaries, namely: STI Education Services Group, STI West Negros University, and iAcademy.

On the stock market on Thursday, shares in STI Holdings added 1.56% to P0.325 apiece. — **Justine Irish D. Tabile**

Millennials, zoomers seen to lead property sales in 3 years

CAROUSELL Philippines expects millennials and those belonging to the "Generation Z" demographic to lead property sales on its online platform in the next three years.

"In the next three years, we are foreseeing them to become aggressive when it comes to property selling. It's also related to the stages of their lives and the current purchasing power that they have," Carousell Philippines General Manager Djon T. Nacario told *BusinessWorld* in a recent interview.

Carousell, an online classified market space, forecasts that in the next three years, 47% of property buyers will be millennials, often described as those born between the early 1980s and the late 1990s.

Zoomers, or those from the so-called Generation Z that succeed millennials, are expected to account for 40% of buyers in the same span of years.

"Based on property trends and the trend of the market, we are seeing the millennials are actually the ones who are becoming more affluent, of course, as they progress with their careers. That's why they are becoming more bullish when it comes to property investments," Mr. Nacario said.

He added that Generation Z users follow closely behind as they are now entering the workforce.

"So, very naturally they will start looking for properties for rent, even small studios and as they progress with their careers and become more affluent then, that's the time," he added.

In the past three years, Carousell saw that 65% of property buyers

are millennials, while zoomers account for 20%.

According to Mr. Nacario, Carousell's property segment is one of its top categories, recording a 42% increase in house and lot searches and a 24% increase in apartment searches from last year.

"In terms of our overall priorities, property is always and has always been there since the last few years and that's also the reason why we're doing the property expo, the biggest hybrid property event in the Philippines," Mr. Nacario said.

"Property is a very strong category and we intend to continue investing in it," he added.

Carousell reported an average of 3 million monthly property listing views and more than 120,000 active property listings on its platform. It invested in product initiatives that aim to make the property-buying experience better for its users.

These initiatives include a partnership with property website Property24, which widened property listings and introduced a new property development page and video listings.

"We know that there are some users that are time-starved that they don't have the time to go to the property in actual or physical form, so we give them that option to view the property virtually using the video," Mr. Nacario said.

Carousell is one of the leading online classified market spaces in Southeast Asia. The online platform is present in many markets, particularly in the region with 10 brands under it. — **Justine Irish D. Tabile**

SEC warns public against Frutas Comida Zamboanga

THE Securities and Exchange Commission (SEC) advised the public not to invest in Frutas Comida Zamboanga as it has not secured the permit to sell securities.

In a press release on Tuesday, the SEC said that Frutas Comida has been offering investment packages with a guaranteed 20% passive income.

On its Facebook page, Frutas Comida encourages investors to put money in the company for as low as P5,000 and as high as P50,000 with a promise of getting back P6,000 and P60,000, respectively.

"Profits distributed to member-investors supposedly come from the sale of fruits and food tray packages," the commission said.

According to the SEC, the scheme involves the sale and offer of securities to the public through investment contracts that require securing a license from the commission.

In its initial verification, the regulator found that Frutas Comida is not

registered with the commission and has not secured the license to sell securities as prescribed under Section 8 of the Securities Regulation Code (SRC).

"In view thereof, the public is hereby advised to exercise caution in dealing with any individual or group of persons soliciting investments for and on behalf allegedly of Frutas Comida Zamboanga," the regulator said.

It further advised the public to stop investing in the scheme being offered by individuals claiming to represent the said entity.

The commission also warned individuals who will claim to act as agents of Frutas Comida and convince people to invest in the scheme that they may be held criminally liable under Section 28 of the SRC.

According to the SEC, offenders can be penalized with a maximum fine of P5 million or 21 years of imprisonment, or both. — **Justine Irish D. Tabile**

AbaCore unit, partner plan four-star hotel in Batangas

ABACORE Capital Holdings, Inc. on Thursday said its subsidiary executed a memorandum of agreement with a partner to develop a four-star hotel with an amusement park in Batangas.

In a disclosure to the stock exchange, the listed holding firm said the deal was forged on Nov. 23 between its unit Philippine Regional Investment Development Corp. (PRIDE) and Highsource Prime Building, Inc.

"The agreement provides that the two parties will organize a joint venture corporation that will develop a four-star hotel, a land and water amusement park with supporting facilities, 3D Glass Paradise, [and] a residential community and commercial establishments," AbaCore said.

It said Highsource would invest up to \$400 million in the development, which

will have two phases. The project will be located in the Pagkilatan, Batangas tourism site.

Under the project's first phase, PRIDE will contribute to the joint venture the mountaintop land of its subsidiaries overlooking Batangas bay and the Verde island passage. The land spans 17 hectares valued at P9,000 per square meter for a total value of P1.6 billion for at least a 40% share in the joint venture, the company said.

In turn, Highsource will invest up to P2.6 billion in cash and development for the first phase, with an "increasing share in the joint venture as it reaches certain milestones," it added.

AbaCore said the second phase of the project calls for PRIDE to contribute another 20 hectares of the mountain-

top land of its subsidiaries at a reappraised value.

The contribution will translate to a minimum of another 40% share, while Highsource "will contribute the proportionate amount in cash or development," it said.

"Considering the quick appreciation of property values in Batangas, especially for tourism-oriented land near the beach front or along the shore, both parties have agreed that any delay in development will allow PRIDE to have its land reappraised to updated market values and adjust higher the actual value of its land contribution to the joint venture which could increase its share in the joint venture," AbaCore said.

On Thursday, shares in AbaCore surged 6.81% or P0.13 to finish at P2.04 apiece.