

Philippine Stock Exchange index (PSEi)

6,426.65

▲ 26.41 PTS.

▲ 0.41%

TUESDAY, NOVEMBER 22, 2022

BusinessWorld

PSEI MEMBER STOCKS

AC Ayala Corp. P656.00 -P14.00 -2.09%	ACEN ACEN Corp. P7.15 —	AEV Aboitiz Equity Ventures, Inc. P57.00 -P0.30 -0.52%	AGI Alliance Global Group, Inc. P9.70 +P0.19 +2.00%	ALI Ayala Land, Inc. P27.10 -P1.00 -3.56%	AP Aboitiz Power Corp. P35.45 +P1.25 +3.65%	BDO BDO Unibank, Inc. P130.00 +P1.00 +0.78%	BPI Bank of the Philippine Islands P97.80 +P0.10 +0.10%	CNVRG Converge ICT Solutions, Inc. P14.70 -P0.60 -3.92%	EMI Emperador, Inc. P20.00 -P0.10 -0.50%
GLO Globe Telecom, Inc. P2,222.00 -P2.00 -0.09%	GTCAP GT Capital Holdings, Inc. P436.00 -P2.00 -0.46%	ICT International Container Terminal Services, Inc. P186.00 -P4.00 -2.11%	JFC Jollibee Foods Corp. P256.00 +P4.00 +1.59%	JGS JG Summit Holdings, Inc. P42.25 -P1.65 -3.76%	LTG LT Group, Inc. P9.37 -P0.03 -0.32%	MBT Metropolitan Bank & Trust Co. P53.00 +P1.30 +2.51%	MEG Megaworld Corp. P2.26 +P0.04 +1.80%	MER Manila Electric Co. P290.60 -P12.40 -4.09%	MONDE Monde Nissin Corp. P12.74 -P0.06 -0.47%
MPI Metro Pacific Investments Corp. P3.58 +P0.10 +2.87%	PGOLD Puregold Price Club, Inc. P35.00 —	RLC Robinsons Land Corp. P16.58 +P0.06 +0.36%	SCC Semirara Mining and Power Corp. P31.35 -P0.65 -2.03%	SM SM Investments Corp. P869.00 +P33.00 +3.95%	SMC San Miguel Corp. P96.70 -P0.30 -0.31%	SMPH SM Prime Holdings, Inc. P35.00 +P1.20 +3.55%	TEL PLDT, Inc. P1,590.00 +P15.00 +0.95%	URC Universal Robina Corp. P128.40 -P2.10 -1.61%	WLCON Wilcon Depot, Inc. P32.00 +P0.60 +1.91%

Alternergy, Shell explore offshore wind potential

RENEWABLE energy company Alternergy Holdings Corp. partnered with Shell Overseas Investment B.V. to explore offshore wind potential in the Philippines.

In a briefing on Tuesday, Alternergy Chairman Vicente S. Perez said Alternergy and Shell will assess the feasibility of an offshore wind project in Calavite Passage for a potential capacity of 1,000 megawatts (MW) or 1 gigawatt (GW).

The partnership with Shell has secured a wind energy service contract (WESC) from the Department of Energy (DoE), he said about assessing the feasibility of an offshore wind project in the marine channel in Mindoro Occidental.

"Ours is only about 1 GW but the entire Calavite has a potential of 5 GW," Mr. Perez said.

He described the country's wind sector as promising, citing

an estimate made by the World Bank, which said the robust development of offshore wind could add 20 GW of installed capacity by 2040, accounting for 14% of the Philippines' electricity needs and some \$14 billion of value added to the economy.

Meanwhile, Mr. Perez said the partnership with Shell is covered by foreign ownership restrictions set by the implementing rules and regulations (IRR) of Republic Act

No. 9513 or the Renewable Energy Act of 2008, which limited foreigners to owning only 40% of renewable energy projects.

"This was negotiated before the amendments to the IRR, so classic 60-40 [ownership sharing]. Despite the developments DoE has done in easing the foreign ownership, we decided to keep it as is," Mr. Perez said.

Last week, the DoE opened the renewable energy (RE) sec-

tor to full foreign ownership with the issuance of a circular amending the IRR of the RE law.

In a statement on Tuesday, the DoE said that it hopes the partnership will expedite the development process of new technologies in the country.

"I thanked these local companies and their foreign partners for taking bold action in committing to deliver clean energy

to the Filipino people. Harnessing the power potential of offshore wind resources requires intensive capital cost and highly skilled manpower resource, thus partnerships are a key strategy," Energy Secretary Raphael P.M. Lotilla said.

To date, the DoE has awarded a total of 42 offshore wind service contracts with an indicated 31.5 GW of installed capacity. — **Ashley Erika O. Jose**

Villars' Premiere REIT secures PSE nod on market debut

THE Philippine Stock Exchange, Inc. (PSE) has approved the initial public offering (IPO) application of Premiere Island Power REIT Corp. or Premiere REIT.

In a press release on Tuesday, the PSE said that it cleared the IPO of the power and infrastructure real estate investment trust (REIT) platform of Villar-led Prime Asset Ventures, Inc. According to the preliminary offer dated Nov. 21, the selling shareholders expect to raise around P3.22 billion.

Premiere REIT will offer up to 1.4 billion shares with up to 210 million as an overallotment option. Each share is priced at P2 apiece, with the final offer price to be determined on Wednesday after the company concludes its book building.

The IPO will be sold by the company's sponsors — S.I. Power Corp. and Camotes Island Power Generation Corp. REITs are established to own income-generating real estate assets.

In the preliminary offer, the SEC is said to issue an order of effectivity and

permit to sell on or about Nov. 25. The offer period is expected to run from Nov. 28 to Dec. 5, while the tentative listing date is set on Dec. 15.

All of the offer shares are expected to be listed on the main board of the PSE under the ticker symbol: PREIT.

China Bank Capital Corp. will be the sole issue manager, underwriter, and bookrunner of the IPO, while RCBC Capital Corp. will serve as a participating underwriter. Premiere REIT tapped VFund Management, Inc. as fund manager and VProperty

Management, Inc. as its property manager.

"REITs have become a popular asset class among investors in the last two and a half years," PSE President and Chief Executive Officer Ramon S. Monzon said.

"We welcome more listings in this space to expand the REIT options available to investors," he added.

According to the press release, local small investors may subscribe to the IPO through the PSE's EASY website or mobile application. — **Justine Irish D. Tabile**

CTA rejects manning firm's P13-M refund claim

THE Court of Tax Appeals has denied Pacific Ocean Manning, Inc.'s appeal to review and set aside its tax liabilities worth P13.04 million allegedly representing its unused input taxes traced to zero-rated sales in 2016.

In a decision dated Nov. 10 and made public on Nov. 17, the CTA Special Third Division ruled that the firm failed to prove it engaged in zero-rated sales in 2016.

"A perusal of the records shows that Pacific Ocean Manning failed to submit in evidence any proof that its foreign clients are not doing business in the Philippines," Associate Justice Maria Rowena Modesto-San Pedro said in the ruling, citing the country's revenue code.

It noted that a taxpayer has the burden of proof to show that it complied with mandated conditions for a tax refund.

Under the law, taxpayers that engage with foreign corporations outside the Philippines are entitled to zero-rated sales that do not translate to output tax.

The term "zero-rated sale" must be written on the company's official invoices.

Sales that qualify for 0% value-added tax (VAT) include services other than processing, manufacturing, or repacking of goods; services performed in the Philippines by VAT-registered persons and sales paid in acceptable foreign currency in line with the central bank's rules.

The firm provides its clients, usually seafarers, with services that include arranging the procedural requirements when they apply for a job in shipping companies.

The court said the petitioner did not provide evidence to substantiate its services to its client V. Ships UK, Ltd., which the firm said resulted in zero-rated sales.

The manning agency agreement between Pacific Ocean Manning and its client only took effect on July 1, 2016, despite its refund claim covering four quarters of that year.

"There is no way to establish the type and nature of services actually rendered by petitioner to V. Ships UK, Ltd. prior to said effectivity date," said the tribunal.

"It is thus unnecessary for this court to look into petitioner's compliance with the other remaining requirements for the claim for unutilized input VAT refund to prosper," it added. — **John Victor D. Ordoñez**

SEC revokes Elite Alliance's company registration

THE Securities and Exchange Commission (SEC) has revoked the incorporation certificate of Elite Alliance Vera Trade System OPC (EAV) due to misrepresentation and for unlicensed selling of securities.

In an issuance, the SEC said EAV had been enticing the public to invest in the company through the entity's trade system. As reported to the regulator, EAV offered packages for as low as P500 with a promised income of P500 every 15 days for three months.

The packages go as high as P500,000, which promised a passive income of P3 million. Investors were also told that they can earn a 50% direct referral bonus and a 1% bonus from the investors' referrals from the second level up to the 10th level.

In July last year, the SEC issued an advisory that warned the public against EAV. But even after the advisory, EAV was found convincing its members and investors that it will be granted a secondary license.

In September 2021, the SEC issued an advisory against the fake secondary license that the president of EAV has been posting online.

The regulator added that any one-person corporation or OPC cannot be allowed to solicit investments from the public.

In November 2021, it issued a show-cause order against EAV and tried to serve the order personally, leading to the discovery that the residences indicated in the entity's articles of incorporation are fake.

"A false address reflected in the Articles of Incorporation is a ground for revocation of corporate registration for fraud in the procurement of registration under PD (Presidential Decree) 902-A," the regulator said.

According to the SEC, the investment scheme EAV presented as well as the fake secondary license permit it posted online amounts to serious misrepresentation.

EAV is not authorized to engage in the selling of securities to the public as stated in its primary purpose and the SEC considered this as an ultra vires act or one that requires legal authority.

For its violation of Section 44 of the Revised Corporation Code of the Philippines, EAV's registration as a corporation was revoked, as ordered by the SEC on Monday. — **Justine Irish D. Tabile**



Maynilad allots P22B for water treatment plants' construction

MAYNILAD Water Services, Inc. is targeting to spend P22 billion in the next five years for the development of seven new water treatment plants.

In a statement on Tuesday, Maynilad said that this planned development will bring an additional 545 million liters per day (MLD) of water supply.

"By increasing our water production, we can better close the gap between available supply and the growing demand," Maynilad Chief Operating Officer Randolph T. Estrellado said in a media release.

He said that the move will also reduce service disruptions as it will allow the company to increase pressure in the pipe network.

"This, along with sustained upgrades of our water infrastructure, will allow us to increase pressure in the pipe network and ultimately reduce service disruptions," Mr. Estrellado said.

Maynilad is targeting to spend P219.8 billion from 2023 to 2027 for its service

enhancement program, which includes the laying of new pipelines, construction of additional pumping stations and reservoirs, and replacement and repair of old pipes. It also covers the construction of new sewerage treatment plants and the rehabilitation of existing water and wastewater facilities.

To date, Maynilad operates two new water treatment plants in the La Mesa compound, Quezon City, and two in Putatan, Muntinlupa. These four new water treatment plants produced a combined 2,700 MLD of potable water supply.

Metro Pacific Investments Corp., which has a majority stake in Maynilad, is one of three Philippine units of Hong Kong-based First Pacific Co. Ltd., the others being Philex Mining Corp. and PLDT, Inc.

Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., has an interest in *BusinessWorld* through the Philippine Star Group, which it controls. — **Ashley Erika O. Jose**

Alibaba Cloud says first Manila data center now serves over 200 companies

ALIBABA Cloud on Tuesday said its first data center in the Philippines now services more than 200 local and international companies.

The company, which serves as the digital technology and intelligence backbone of Alibaba Group, also plans to invest more in local infrastructure as demand grows, said Allen Guo, Alibaba Cloud Intelligence country manager for the Philippines.

"For the Philippines — including local small and medium enterprises, conglomerates, and international companies — for now, there are more than 200," Mr. Guo said during a briefing in Makati City.

"We can see in the Philippines that cloud adoption continues to grow and that there is still a big potential demand from Filipino enterprises. In order to support the Philippines, Alibaba Cloud is definitely committed to continuing to invest in infrastructure, services, and talent in the country," he added.

The company has said that it intends to support 50,000 local information technology professionals and help 5,000 Philippine businesses in their digital transformation journey by 2023.

The company's data center in Manila brings its total availability zones to 76 spread across 25 regions globally.

In June last year, the company announced that it would invest \$1 billion in Asia-Pacific over the next three years. It targets to support one million digital talents, 100,000 developers, and 100,000 technology startups in the region.

Mr. Guo said the company's data center in the Philippines underscores its commitment to equipping Philippine customers with "secure, reliable and scalable cloud solutions."

This year's 11.11 Global Shopping Festival was powered by Alibaba Cloud's infrastructure system. It "significantly improved efficiency of computing, storage, and network in data centers sup-

porting the event, while also reducing network latency," it said in a statement.

According to the company, it saw an 8% year-on-year decrease in computing costs per resource unit from April 1 to Nov. 11.

Alibaba Cloud is therefore looking to introduce more technologies that have successfully supported this year's 11.11 to Philippine enterprises, according to Mr. Guo.

"Alibaba Cloud's native-cloud database products ... significantly expanded the capacity of consumers' shopping carts by more than double, from 120 items to 300," the company said. — **Arjay L. Balinbin**