

Philippine Stock Exchange index (PSEi)

6,564.90

▲ 23.87 PTS.

▲ 0.36%

TUESDAY, DECEMBER 27, 2022

BusinessWorld

PSEi MEMBER STOCKS

AC Ayala Corp. P694.00 -P2.00 -0.29%	ACEN ACEN Corp. P7.58 +P0.02 +0.26%	AEV Aboitiz Equity Ventures, Inc. P56.20 -P0.60 -1.06%	AGI Alliance Global Group, Inc. P11.60 -P0.10 -0.85%	ALI Ayala Land, Inc. P30.00 +P0.80 +2.74%	AP Aboitiz Power Corp. P33.70 -P0.30 -0.88%	BDO BDO Unibank, Inc. P105.90 -P0.90 -0.84%	BPI Bank of the Philippine Islands P99.00 -P0.80 -0.80%	CNVRG Converge ICT Solutions, Inc. P14.70 +P0.78 +5.60%	EMI Emperador, Inc. P20.70 -P0.10 -0.48%
GLO Globe Telecom, Inc. P2,168.00 -P26.00 -1.19%	GTCAP GT Capital Holdings, Inc. P438.00 +P4.00 +0.92%	ICT International Container Terminal Services, Inc. P200.00 -P4.00 -1.96%	JFC Jollibee Foods Corp. P229.00 -P1.00 -0.43%	JGS JG Summit Holdings, Inc. P51.00 +P1.15 +2.31%	LTG LT Group, Inc. P9.10 +P0.10 +1.11%	MBT Metropolitan Bank & Trust Co. P54.60 -P0.35 -0.64%	MEG Megaworld Corp. P2.12 +P0.01 +0.47%	MER Manila Electric Co. P290.40 +P6.80 +2.40%	MONDE Monde Nissin Corp. P11.66 -P0.04 -0.34%
MPI Metro Pacific Investments Corp. P3.50 +P0.08 +2.34%	PGOLD Puregold Price Club, Inc. P33.85 -P0.05 -0.15%	RLC Robinsons Land Corp. P14.90 -P0.10 -0.67%	SCC Semirara Mining and Power Corp. P34.40 -P0.60 -1.71%	SM SM Investments Corp. P930.00 +P16.00 +1.75%	SMC San Miguel Corp. P93.85 -P0.35 -0.37%	SMPH SM Prime Holdings, Inc. P35.50 —	TEL PLDT, Inc. P1,262.00 +P32.00 +2.60%	URC Universal Robina Corp. P137.50 -P0.10 -0.07%	WLCON Wilcon Depot, Inc. P29.50 +P0.30 +1.03%

PLDT meets suppliers, moves to cut budget overrun

PLDT Inc. on Tuesday said it is in talks with suppliers for discounts and the cancellation of certain components of delayed projects to reduce its P48-billion budget overrun.

"The ongoing discussion with the principal vendors includes negotiation on discounts and cancellation of certain portions of delayed projects that have not been started or completed, which would reduce the capex (capital expenditure) overrun," the company said in a disclosure to the stock exchange.

The Pangilinan-led company added that its discussion with suppliers also includes the possible replacement of certain projects that will be canceled.

On the alleged unrecorded transactions, the company said that its recent disclosure on capex spending "did not mention any unrecorded transactions."

It clarified that the ongoing discussion with the vendors referred to in its disclosure will provide the company with "more information and basis to determine the appropriate treatment of the P48 billion on our books."

"The P48-billion expenditures are expected to be completed in 2022 to 2023 barring any delays," it said. These will then enter its financial statements as they are completed, it added.

"These are projected to be completed from 2022 to 2023 (and possibly 2024 should there be delays)," it said.

According to the company, its chairman, Manuel V. Pangilinan, received information in October 2022 on the accumulated capex spend "reflecting a total amount which is higher than the projected capex spend."

The company estimates a budget overrun of about P48 billion, which represents about 12.7% of its P379-billion capex over the past four years. It attributed the budget overspending to site rollout, transport projects, and ports rollout.

"After receipt of the information and further internal verification, the company undertook an internal forensics investigation mandated by the company's Board and Audit Committee with the assistance of an external consultant," PLDT noted.

The company also denied reports of employee suspension in connection with the budget overrun.

"The concerned officers are on leave with pay to allow the conduct of an independent investigation on the elevated capex spend, although they have made themselves available to the company to answer questions or provide clarifications as needed," PLDT said.

The company stressed that its "forensic investigation is still ongoing," adding that thus far, "no fraudulent transaction, procurement anomaly, or loss has been identified or uncovered."

It plans to borrow P35-45 billion in the next two years for "general corporate purposes including, but not limited to, payment of capex and dividends."

Meanwhile, the company disclosed in separate disclosures on Tuesday that Mr. Pangilinan bought 3,000 PLDT shares at prices ranging from P1,235 to P1,269 apiece, while PLDT President and Chief Executive Officer Alfredo S. Panlilio also bought 3,000 shares at P1,270 each.

Both executives made the transaction on Dec. 19.

PLDT Vice-President Luis Gregorio D. Casas also acquired 170 PLDT shares on Dec. 19, while PLDT Vice-President Radames Vittorio B. Zalameda disposed of 120 shares on Dec. 9, bringing his total disposed PLDT shares to 550.

PLDT shares closed 2.6% higher at P1,262 apiece on Tuesday.

Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., has a majority stake in *BusinessWorld* through the Philippine Star Group, which it controls. — **Arjay L. Balinbin with input from Justine Irish D. Tabile**

ICTSI unit agrees to acquire Marubeni's stake in Bauan port

LISTED port operator International Container Terminal Services, Inc. (ICTSI) on Tuesday said its subsidiary signed an agreement to buy the ownership interest and subscription rights of Japan-based Marubeni Corp. in Bauan International Port, Inc.

In a disclosure to the stock exchange, ICTSI said its unit IWI Container Terminal Holdings, Inc. (IWICHTH) signed the share purchase agreement for Marubeni's 20% stake in the Bauan port on Dec. 23. IWICHTH is buying the 2.05 million shares for around P507.41 million.

Bauan International Port is the operator of the Bauan terminal, which supports cargo movements in and out of the Calabarzon (Cavite, Laguna, Batangas, Rizal, and Quezon) region.

ICTSI is involved in 34 terminal concessions and port develop-

ment projects in 20 countries. In the Philippines, it operates nine terminals, which include an inland container terminal, a barge terminal, and combined terminal operations in Subic.

Established in 1987, ICTSI operates, manages and develops

the Manila International Container Terminal, which handles international container cargo at the Manila port.

At the local bourse on Tuesday, shares in ICTSI declined by P4 or 1.96% to close at P200 each. — **Ashley Erika O. Jose**



Potato Corner further expands with stores in London and Dubai

FLAVORED fries brand Potato Corner opened stores in London, Dubai and its 1,400th store, further expanding its global presence to five continents.

"We're very pleased with the growth momentum of Potato Corner, and we look forward to further increasing its footprint," Shakey's Pizza Asia Ventures, Inc. President and Chief Executive Officer Vicente L. Gregorio said in a press release on Tuesday.

The expansion of the brand means more franchisees benefiting from the business and more job opportunities in the communities where it operates, he added.

With its opening in the United Kingdom (UK), Potato Corner is now present across Asia, North America, South America, Australia, and Europe.

"The brand and its line of products have a global appeal. It can cater to UK locals who love potatoes, and what better way to enjoy potatoes than adding a variety of flavors. Our goal is to go global with our Potato Corner business," said Wilfredo Ventura, the franchisee of the Potato Corner store in London.

The new store located at the Medz Corner Food Court in London follows the recent opening

of a store in Dubai, United Arab Emirates (UAE).

"I explored how we can bring the Philippines' most popular brand here in the UAE. Moreover, as a Filipino businessman overseas, the best reward is to hire 'kababayans' (compatriots), creating more jobs for them so that they can support their families," said Rolly Brucalles, franchisee of Potato Corner in Dubai.

Potato Corner also opened its 1,400th store, which is in Zarraga, Iloilo, and is the third kiosk of franchisee Jess Garcia.

"I resonate with Potato Corner's vision of having a Potato Corner in every corner. That's exactly what I intend to do. More stores to come," Mr. Garcia said.

To date, Potato Corner has a portfolio of 1,400 stores — 1,195 in the Philippines and 205 internationally.

The brand was acquired this year by Shakey's, one of the leading casual dining restaurant chains and food service groups in the Philippines.

Shakey's other brands are Peri-Peri Charcoal Chicken and Sauce Bar, R&B Milk Tea (as its master franchise in the Philippines) and Project Pie. — **Justine Irish D. Tabile**

GCash, Chubb launch shopping insurance for online transactions

GCASH and insurance firm Chubb have partnered to offer protection coverage for the online transactions of the e-wallet provider's clients via "Online Shopping Protect."

In a press release on Tuesday, GCash said it combats online fraud "by seamlessly incorporating protection coverage into online transactions done through e-commerce platforms such as Shopee, Zalora, and Tiktok."

Shipping fraud was identified as one of the most significant threats globally, growing by 780.5% in 2021 from 2020, it said, citing a study by TransUnion, a global information and insights company.

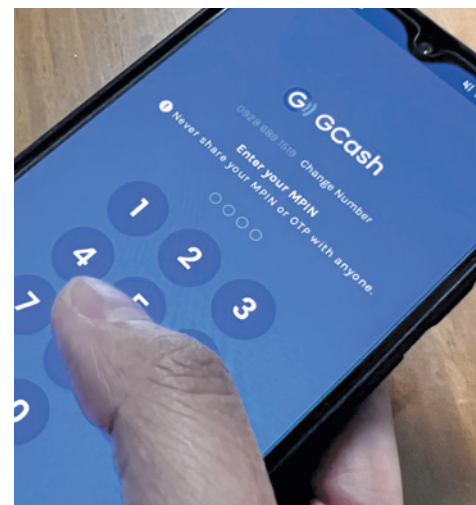
Scammers take advantage of the internet's anonymity and commit fraud by posting fake items on a legitimate retailer's website to pose as trusted online sellers.

Online Shopping Protect aims to lessen fraud incidences such as delivery scams for items that are paid with GCash.

The protection coverage will cost P34 a month, which will cover eligible purchases protected from shipping errors up to 60 days upon receipt of purchase.

Items paid with GCash and covered by the shopping insurance will also be protected from other online shopping mishaps including wrong items, defective items, undelivered, and accidentally damaged or stolen items.

Although the insurance will cover most of the users' purchases, it excludes items worth below P250; electronic items valued more than P10,000; jewelry costing P5,000; fake



goods; concert tickets; paid subscriptions; perishable products; animals and plants.

It will not cover assets such as cash, cheques, real estate, stocks, bonds, currencies or digital assets. Also, vehicle purchases and their parts will not be covered.

Firearms, art, antiques and other collectible items will also not be covered as well as items declared illegal by any public body.

GCash, a wholly owned subsidiary of Mynt (Globe Fintech Innovations, Inc.), has 71 million registered users, more than 1,600 partner billers nationwide, and over 5.2 million partner merchants and social sellers.

Through its application, users may access savings, credit, loans, insurance, and invest money. — **Justine Irish D. Tabile**

Ayala and subsidiaries receive high ratings from CDP

AYALA CORP. received the highest rating from the United Kingdom-based Carbon Disclosure Project (CDP), which measures a company's disclosure and environmental performance.

"We're very happy with the scores Ayala and its business units received from the CDP. These scores play an important role in keeping our companies on track when it comes to climate action," Ayala Chief Financial, Sustainability, and Risk Management Officer Alberto M. de Larrazabal said in a media release on Tuesday.

Ayala received a "B" score, which indicates that it has addressed the environmental impact of its business and that it has ensured good environmental manage-

ment. Its rating is higher than the regional average rating of "C" in Asia, the company said.

"These not only prove our strong commitment to protecting the environment but also our strong adherence to the highest standards of disclosure," Mr. De Larrazabal said.

Ayala subsidiaries also got high ratings from CDP, with Ayala Land, Inc. maintaining its "A-" rating, which is said to be the highest among real estate companies in the Philippines, and Globe Telecom, Inc. keeping its "B" rating.

An "A" score means that the organization showed environmental leadership, disclosing action on climate

change, deforestation or water security, and demonstrated best practices in strategy and action as recognized by sustainability frameworks.

Bank of the Philippine Islands and ACEN Corp. also received scores at par with the regional average, with the banking unit said to be topping other Philippine banks.

Ayala committed to a net zero target by 2050 as it aligns its business strategy with the Paris Agreement's goal of limiting global warming to pre-industrial levels.

CDP reached a record-breaking number of respondents in 2022 with over 18,700 companies participating, said Ayala. — **Justine Irish D. Tabile**

CTA affirms denial of infrastructure consulting firm's tax refund claim

THE Court of Tax Appeals (CTA) affirmed its ruling rejecting AECOM Philippines, Inc.'s claim for a refund worth P13.98 million allegedly representing excess credit-withholding tax (CWT) for 2013.

In a 12-page decision dated Dec. 9 and made public on Dec. 19, the CTA full court said the firm failed to prove that its excess CWT was reflected in its 2013 income tax return.

"It bears stressing that a claimant for tax refund has the burden of proof to establish the factual basis of his or her claim for tax credit or refund," Associate Justice Roman G. Del Rosario said in the ruling.

Under the law, a firm's official receipts must show that the income on which the withholding tax was made was declared as part of the gross income.

AECOM is a domestic corporation that provides engineering consultancy for infrastructure projects. Its main office is in Taguig City.

In 2016, the firm applied for a tax refund with Revenue District No. 44 in Taguig and appealed the decision to the CTA shortly after.

AECOM argued that its excess CWT was presented in its progress service reports for the fiscal years 2013 and 2012, which the court disagreed with.

"Upon re-evaluation of the progress service reports, the court en banc finds that petitioner failed to prove that the revenues declared per annual income tax return tally with the revenue declared," the tax tribunal said.

The CTA said the firm failed to match the revenues presented in its progress service report for 2013 and the revenues declared in its annual income tax return and audited financial statements for that year.

It noted a discrepancy between the total amount of P326,368,368.31 reported in the firm's year-to-date gross revenue found in the progress service report and the P324,574,237 presented in its 2013 financial statements and annual income tax return.

The tribunal said the discrepancy cast doubt on the credibility of the amounts reported in the progress service reports. — **John Victor D. Ordoñez**