

Philippine Stock Exchange index (PSEi)

6,521.64

▲ 9.63 PTS.

▲ 0.14%

MONDAY, JUNE 5, 2023

BusinessWorld

PSEi MEMBER STOCKS

AC Ayala Corp. P670.00 +P12.00 +1.82%	ACEN ACEN Corp. P6.03 +P0.04 +0.67%	AEV Aboitiz Equity Ventures, Inc. P54.15 -P0.80 -1.46%	AGI Alliance Global Group, Inc. P14.00 +P0.30 +2.19%	ALI Ayala Land, Inc. P25.90 -P0.05 -0.19%	AP Aboitiz Power Corp. P37.00 -P0.35 -0.94%	BDO BDO Unibank, Inc. P138.10 -P1.30 -0.93%	BPI Bank of the Philippine Islands P100.70 +P0.70 +0.7%	CNVRG Converge ICT Solutions, Inc. P10.72 +P0.02 +0.19%	DMC DMCI Holdings, Inc. P9.75 +P0.10 +1.04%
EMI Emperador, Inc. P21.10 +P0.10 +0.48%	GLO Globe Telecom, Inc. P1,724.00 +P14.00 +0.82%	GTCAP GT Capital Holdings, Inc. P507.00 -P3.00 -0.59%	ICT International Container Terminal Services, Inc. P199.00 -P3.80 -1.87%	JFC Jollibee Foods Corp. P232.00 -P3.00 -1.28%	JGS JG Summit Holdings, Inc. P48.00 -P0.70 -1.44%	LTG LT Group, Inc. P9.57 +P0.07 +0.74%	MBT Metropolitan Bank & Trust Co. P57.50 -P1.25 -2.13%	MER Manila Electric Co. P331.00 +P3.00 +0.91%	MONDE Monde Nissin Corp. P8.20 +P0.35 +4.46%
MPI Metro Pacific Investments Corp. P4.44 +P0.09 +2.07%	PGOLD Puregold Price Club, Inc. P30.75 +P0.10 +0.33%	SCC Semirara Mining and Power Corp. P28.20 +P0.10 +0.36%	SM SM Investments Corp. P928.00 +P8.00 +0.87%	SMC San Miguel Corp. P106.40 -P0.50 -0.47%	SMPH SM Prime Holdings, Inc. P32.90 +P0.05 +0.15%	TEL PLDT Inc. P1,238.00 -P17.00 -1.35%	UBP Union Bank of the Philippines P79.30 +P1.10 +1.41%	URC Universal Robina Corp. P148.00 +P6.00 +4.23%	WLCON Wilcon Depot, Inc. P26.60 -P0.40 -1.48%

AREIT to acquire five properties in swap deal

AYALA-LED real estate investment trust company AREIT, Inc. has signed the deed of exchange for a P22.48-billion property-for-share swap with Ayala Land, Inc., Ayalaland Malls, Inc., and Northbeacon Commercial Corp.

In a regulatory filing on Monday, AREIT said 607.56-million primary common shares will be issued to the companies at P37 apiece in exchange for flagship offices and malls.

It said the price per share represents a 3% premium over the 30-day volume-weighted average price of AREIT. The shares will be issued out of the increase in its authorized capital stock, which will amount to P40.5 billion.

"Ayala Land, Ayalaland Malls, and Northbeacon will transfer, cede, and assign the properties to AREIT, while the latter grants the corresponding shares to the parties upon the [Securities and Exchange Commission's] approval

of the property-for-share swap," the company said.

It added that AREIT had submitted an application to the commission for the increase in its authorized capital stock, a request for confirmation of exemption from the registration of securities, and the confirmation of valuation of the involved properties.

"Once approved, the parties shall apply for the certificate authorizing registration with the Bureau of Internal Revenue

and the listing of the additional shares with the Philippine Stock Exchange within the first quarter of 2024," it added.

Three office buildings will be added to AREIT's portfolio, which are Glorietta 1 and 2 business process outsourcing (BPO) buildings, which have a gross leasable area (GLA) of 60,632.84 square meters (sq.m.). One Ayala West and East Tower, which has a GLA of 117,365.2 sq.m.

Additionally, two regional

malls will be infused, which are Glorietta 1 and 2 Mall at Ayala Center, Makati City with a GLA of 68,763.84 sq.m., and Marquee Mall in Pampanga with a GLA of 66,041.04 sq.m.

AREIT said that since its initial public offering, it has exceeded its growth plans, resulting in a 52% total shareholder return based on the closing price of P35.85 on March 6, 2023. It started with assets under management (AUM) of 153,000 sq.m. equivalent to P30 billion.

To date, AREIT has recorded 673,000 sq.m. equivalent to P64 billion in AUM.

The new infusion of properties will nearly triple its AUM to P87 billion and boost its GLA more than five times to 863,000 sq.m., "making AREIT one of the largest and the most diversified commercial REIT in the Philippines."

On Monday, its shares rose by 1.64% or P0.55 to P34.05 apiece. — **Adrian H. Halili**

ACEN secures regulatory nod to acquire Texas wind assets

AYALE-LED ACEN Corp. said that the acquisition by its joint-venture company UPC Power Solutions LLC of eight operating wind projects in Texas is nearing completion after it secured regulatory approval for the purchase of the assets.

In a stock exchange disclosure on Monday, ACEN said the US Federal Energy Regulatory Commission (FERC) had given its go signal for the planned acquisition.

In March, ACEN said UPC Power had signed a purchase and sale agreement with US-based GlidePath Power Solutions LLC for the acquisition of 136 megawatts (MW) of wind assets.

With the recent development, ACEN said UPC Power and GlidePath could now complete the acquisition under their agreement.

The FERC serves as an independent agency and regulator of interstate transmission of electricity, natural gas, and oil.

ACEN said the wind operating assets could generate about 360 gigawatt-hours (GWh) of wind energy per year, which can power around 24,000 households.

In 2022, ACEN, through its subsidiary ACEN USA LLC, partnered with Pivot Power Management, or Pivot-

Gen, and UPC Solar & Wind Investments LLC to explore opportunities to acquire operating wind projects in the US.

The energy company of the Ayala group has committed to shifting its power generation portfolio to fully renewable energy by 2025, while also aiming to reduce its greenhouse gas emissions to as close as zero by 2050.

ACEN has around 4,200 MW of attributable capacity spread across the Philippines, Vietnam, Indonesia, India, and Australia. The energy company is targeting to expand its renew-

able energy portfolio to 20 gigawatts by 2030.

The update in the US comes after ACEN said that it had secured approval from the government of New South Wales to increase the capacity of its battery energy storage system in Australia.

It said the facility's capacity will be increased to 2,800 MW or 1,400 MW per two hours from the initial 200 MW per two hours.

At the local bourse on Monday, shares in the company gained four centavos or 0.67% to end at P6.03 apiece. — **Ashley Erika O. Jose**

DMCI Power plans to build wind farm on Semirara Island

DMCI Power Corp. is planning to build a wind power plant on Semirara Island, its listed parent firm DMCI Holdings, Inc. told the stock exchange on Monday.

"We are also looking at solar energy to augment the supply in the island, but we are prioritizing wind resource development because it has shown the most promise," DMCI Power President Antonino E. Gatlula, Jr. said in a media release.

The power generation company said it has yet to finalize its intended capacity for the wind power project but is looking at between 8 megawatts (MW) and 12 MW.

The project will be funded and undertaken independently by DMCI Power, which expects it to be operational within a year to 15 months.

"Current studies suggest that wind power could potentially deliver a 33% plant utilization rate, compared to just 17% for solar. Capital expenditure per megawatt for both wind and solar projects are also roughly the same," Mr. Gatlula said.

DMCI Power is validating wind resource estimates for Semirara Island to determine the final location and capacity of its wind power project.

It said the wind corridors between Luzon and Panay, which include the Semirara and Cuyo islands, were found to have abundant wind power density and speed for a utility-scale wind project.

In 2022, DMCI Power said it was targeting to include solar energy in its energy mix this year, with at least a 4-MW solar plant set to operate in Masbate by the fourth quarter of 2023.

Established in 2006, the company is primarily engaged in energizing off-grid small and remote islands. Its portfolio includes diesel, bunker, and thermal energy plant. — **Ashley Erika O. Jose**

AirAsia awaits delivery of A321, A330 aircraft

LOW-COST carrier AirAsia Philippines expects the delivery next year of five A321s and five A330s Airbus aircraft apart from 20 leased planes to support its growth projection.

"We are lucky that we have an order book of over 400 planes. The order book starts next year with the delivery of five A321s," said Anthony Francis Fernandes, chief executive officer of Capital A Berhad, the holding firm for the travel and lifestyle group.

"In between, we are taking from the leasing market both new planes and old planes. We just signed about 20 more aircraft. It'll be a mixture of taking what are the available Airbus," he said.

AirAsia Communications and Public Affairs Country Head Steve F. Dailisan said the airline is also looking at the delivery next year of bigger planes, which will be five A330s.

In February, the airline announced its commitment to bring its fleet back to the pre-pandemic level, which is 24 aircraft. It is currently operating 18 aircraft, just four away from this year's target, Mr. Dailisan said.

"I'm invigorated and energized to put in more investment in the Philippines, not just in the airline but now we have our Superapp and aircraft service business. We are very committed to the Philippines," Mr. Fernandes said.

"It is our smallest market but I think it really should be one of our biggest markets as it sits on the doorsteps of North Asia," he added.

Aside from fleet expansion, Mr. Fernandes is focusing on process-

ing the airline's refund to customers. "We are hoping to sort that out by October or November," he said.

This year, the airline aims to refund the remaining 21% or P9.07 million of its refunds. Data from AirAsia show that it has completed 79% or P34.76 million of its total P43.83 million refunds.

The airline is also looking at improving its products and adding more destinations.

"We want to bring in Face ID here, we're gonna have WiFi on the plane and we will add new destinations on top of what we are doing with our Superapp," Mr. Fernandes said.

Through Superapp, AirAsia customers can fly via other airlines, avail of ride-hailing services, and book travel packages.

Meanwhile, Mr. Fernandes said a quicker way to decongest the Ninoy Aquino International Airport (NAIA) is to build better road infrastructure for other airports.

"I call the government to look at building a train and better bus services to Clark [International Airport]," he said.

He also said airport operations and management should be under a mix of government and private entities.

On Friday, the Department of Transportation and the Manila International Airport Authority submitted a joint proposal to upgrade NAIA under a solicited public-private partnership. Under the proposal, the private concessionaire will have 15 years to operate the airport and recover its investment. — **Justine Irish D. Tabile**

F&S sells stake in AirAsia PHL

ROMERO-LED F&S Holdings, Inc. has sold its shares in AirAsia Philippines as it concentrates on its power and ports businesses, the company said on Monday.

In a press release, it said shares in the budget carrier owned by lawmaker Michael Odylon L. Romero and his wife Sheila B. Romero are to be bought by AA Com Travel Philippines, Inc.

"The sale makes it the sole local owner and majority shareholder of the country's third-largest airline," it said.

The remaining 40% is owned by Capital A Berhad founders Anthony Francis Fernandes and Datuk Karmarudin Menarum.

"We are excited at the opportunity to consolidate our business enterprises and realign them to focus more on our core businesses in power and ports," said Ms. Romero, chairman of F&S Holdings.

"Needless to say, we did not want to undertake this while the pandemic was ongoing, and nearly every business — particularly air travel — was severely hampered. That would not embody the kind of relationship we had with our partners," she added.

Meanwhile, CapitalOne Energy Corp. is set to be integrated into the Romero group's

power generation companies, which include investments in the renewable energy sector, which include Fort Pilar Energy, Inc. and Belgrove Power Corp.

CapitalOne is currently expanding its solar power portfolio with the development of new sites in Cagayan, Nueva Ecija, Batangas, Marinduque and Palawan, which will have a combined capacity of 180-megawatt-peak.

"We wish nothing but the best to our former partner in AirAsia Philippines, as well as to AA Com. May they continue to fly high and reach new heights," said Ms. Romero.

She said the Romero group would continue to "invest aggressively" in the family's core businesses in Globalport 900, Inc. terminals, which she said now operates 10 local ports.

When Mr. Fernandes was asked in a media roundtable on Monday regarding the ownership of the airline, he said: "Come back to me in one-and-a-half month. Ownership will be solved. It is important for the airline but we'll make the proper announcement at the proper time." — **Justine Irish D. Tabile**

CTA denies OceanaGold's refund claim

THE Court of Tax Appeals (CTA) has denied the refund claim of OceanaGold Philippines, Inc. worth P142.24 million allegedly representing its wrongfully collected excise taxes from July to December 2017.

In a 31-page ruling dated June 1 and made public on June 2, the CTA Special First Division said the firm failed to prove its entitlement to a refund of the subject excise taxes.

"Petitioner (OceanaGold), however, failed to prove that the payments of the subject excise taxes, during the five-year period were detrimental to its recovery of the said pre-operating and property expenses," Associate Justice Catherine T. Manahan said in the ruling.

Citing the 1994 Financial or Technical Assistance Agreement between the government and Arimco Mining Corp. to which the OceanaGold is a contractor, the court said the firm failed to prove the taxes resulted in a loss in its operating expenses.

OceanaGold, a multinational gold producer, argued that it complied with Tax Code requirements and that it is exempt from excise tax until the end of the recovery period under the Philippine Mining Act and a circular of the Department of Environment and Natural Resources.

The tribunal acknowledged the entitlement to tax incentives under the law, but it said the law mandates a contractor to prove that the taxes were detrimental to its operating expenses during the subject period.

"Petitioner must show that the collection of excise tax during the recovery period resulted in loss or harm in its person or property," it said.

"There is no specific evidence which shows such fact, and in sum, we see no valid ground to grant the present claim for refund." — **John Victor D. Ordoñez**

Aboitiz firm gets 69% of STEAG State Power

ABOITIZ Power Corp. has completed its acquisition of more shares in STEAG State Power Inc., giving it a controlling stake in the power plant operator.

In a stock exchange disclosure, AboitizPower said it had acquired 167.65 million shares of STEAG State Power for about \$36.08 million under a share purchase agreement signed in September last year.

"As of June 2, 2023, AboitizPower holds a 69.4% effective equity interest in [STEAG State Power]," AboitizPower told the stock exchange. — **Ashley Erika O. Jose**

FULL STORY



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