

Philippine Stock Exchange index (PSEi)

6,424.21

▼24.69 PTS.

▼0.38 %

WEDNESDAY, JUNE 21, 2023

BusinessWorld

PSEI MEMBER STOCKS

AC Ayala Corp. P615.00 -P5.00 -0.81%	ACEN ACEN Corp. P5.07 +P0.07 +1.4%	AEV Aboitiz Equity Ventures, Inc. P52.00 -P4.50 -7.96%	AGI Alliance Global Group, Inc. P13.50 +P0.50 +3.85%	ALI Ayala Land, Inc. P23.30 +P0.15 +0.65%	AP Aboitiz Power Corp. P36.50 -P0.50 -1.35%	BDO BDO Unibank, Inc. P141.00 +P1.50 +1.08%	BPI Bank of the Philippine Islands P107.00 +P2.00 +1.9%	CNVRG Converge ICT Solutions, Inc. P10.40 -P0.34 -3.17%	DMC DMCI Holdings, Inc. P9.20 -P0.18 -1.92%
EMI Emperador, Inc. P21.50 -P0.20 -0.92%	GLO Globe Telecom, Inc. P1,725.00 +P5.00 +0.29%	GTCAP GT Capital Holdings, Inc. P485.00 -P1.00 -0.21%	ICT International Container Terminal Services, Inc. P200.00 ---	JFC Jollibee Foods Corp. P240.00 ---	JGS JG Summit Holdings, Inc. P45.65 -P1.50 -3.18%	LTG LT Group, Inc. P9.35 -P0.10 -1.06%	MBT Metropolitan Bank & Trust Co. P53.00 -P1.30 -2.39%	MER Manila Electric Co. P328.60 -P3.40 -1.02%	MONDE Monde Nissin Corp. P7.99 -P0.31 -3.73%
MPI Metro Pacific Investments Corp. P4.46 +P0.02 +0.45%	PGOLD Puregold Price Club, Inc. P29.00 +P0.80 +2.84%	SCC Semirara Mining and Power Corp. P28.00 -P0.85 -2.95%	SM SM Investments Corp. P924.00 +P9.00 +0.98%	SMC San Miguel Corp. P107.00 ---	SMPH SM Prime Holdings, Inc. P33.50 -P0.05 -0.15%	TEL PLDT Inc. P1,330.00 -P10.00 -0.75%	UBP Union Bank of the Philippines P75.70 -P0.85 -1.11%	URC Universal Robina Corp. P136.80 -P1.80 -1.3%	WLCON Wilcon Depot, Inc. P24.70 ---

Co-led Puregold acquiring 14 DiviMart supermarkets

LISTED RETAILER Puregold Price Club, Inc. announced on Wednesday that the company's board of directors had approved its acquisition of 14 DiviMart supermarkets.

The deal with DiviMart, a supermarket chain owned by entrepreneurs Harry Uy and Vivian Ong Juanitas, includes leasehold improvements, furniture, fixtures, equipment, and merchandise inventory, Puregold said in a disclosure to the stock exchange.

"The agreement will allow Puregold access to all Divimart supermarket locations, which may instantly be converted to Puregold stores under a sublease transaction," the company noted.

The new acquisition, according to the company, is part of its strategy to expand its reach into broader markets. The company has 531 stores as of the end of March. These include 456 Puregold stores, 23 S&R Membership Shopping Warehouses, and 52 S&R New York Style quick-service restaurants.

The 14 stores are located in Angat, Bulacan; Mapulang Lupa, Pandi, Bulacan; Morong, Bataan; Cabanatuan City, Nueva Ecija; Olongapo City; San Isidro, Taytay, Rizal; San Miguel, Pasig City; Manggahan, General Trias, Cavite; Mambog, Bacoor, Cavite; Pulo, Cabuyao, Laguna; Tayuman,

Manila; Aliaga, Nueva Ecija; San Juan, Taytay, Rizal; and Pulilan, Bulacan.

"The consideration for the acquisition is below 10% of the corporation's book value," Puregold said.

Puregold and DiviMart are "still finalizing the definite consideration for the contemplated transaction because the evaluation of store locations, improvements, furniture, fixtures, equipment, and merchandise inventory is still ongoing," the company added.

DiviMart has more than 30 branches nationwide and is "known for its low prices and wide selection of goods."

It offers a variety of products, including fresh produce, meat, seafood, dairy, baked goods, frozen foods, snacks, beverages, household goods, and personal care items.

The acquisition of 14 new stores may help drive Puregold's earnings upward as it expands its market presence and gain access to new locations, according to analysts.

"Given the company's store expansion plans, this should help the company maintain its market share. The focus has been into expanding PGOLD's reach in provincial areas," said Regina Capital Development Corp. Head of Sales Luis A. Limlingan in a Viber message.

He added that the store expansions should contribute much more to growth on the latter part of the year.

"It's a small deal given Puregold's massive size, but a good move nonetheless as this will further expand the company's geographic footprint and extend its market reach," China Bank Capital Corp. Managing Director Juan Paolo E. Colet said in a Viber message.

With the acquisition, the company may improve sales and efficiencies in the new stores, which should "translate to better earnings moving forward," he added.

"While the acquisition provides growth opportunities, the

actual impact on Puregold's earnings will depend on how well the company manages and integrates these new assets into its existing operations," Globalinks Securities and Stocks, Inc. Head of Sales Trading Toby Allan C. Arce said in a Viber message.

For the first quarter, Puregold recorded an attributable net income of P2.41 billion, up 12.1% from P2.15 billion in the same period last year.

Its top line in the three-month period rose by 15.1% to P45.11 billion from P39.21 billion the previous year.

Puregold shares closed 2.84% higher at P29 apiece on Wednesday. — **Adrian H. Halili**

MPTC's 3rd Candaba viaduct seen operational by Nov. 2024

NLEX Corp., a unit of Metro Pacific Tollways Corp. (MPTC), said on Wednesday that its P7.89-billion Candaba Third Viaduct project in Pampanga is expected to be operational by November next year.

"Today together with our reliable contractor, Leighton, along with expert project consultants we aim to give our motorists immediate relief at the soonest possible time," said NLEX Corp. President and General Manager Jose Luigi L. Bautista at the project's groundbreaking ceremony on Wednesday.

"We have reduced the completion period from the original 24 months to 22 months or even 21 months, so by November next year, that is when we envision this road to be operational," he added.

The project is being implemented by NLEX Corp. and Hong Kong-based Leighton Asia and is covered by the NLEX concession deal.

The new road will be constructed between the two existing viaducts, thereby increasing the capacity of the Candaba viaduct to three lanes with inner and outer shoulders in each direction.

"This project will not only increase the capacity of the 5-km Candaba Viaduct but will ultimately improve safety and convenience of the motorists, as well as aid in the acceleration and growth of trade and commerce in Central Luzon," said MPTC Presi-

dent and Chief Executive Rogelio L. Singson.

The Candaba Third Viaduct will have piers at every 20 meters, supported by two columns and two bored piles. This design is said to strengthen the structure, considering the swampy condition of the ground beneath the viaduct.

"This new mobility project will offer easy journeys and make travel safer for the public traveling between Metro Manila and Central and North Luzon as there will be a new structure to augment the existing ones and will safely allow the speed limit to increase to 60 to 80 kilometers per hour (km/h) from the current 40 to 60 km/h," said Mr. Bautista.

Upon completion, class 3 vehicles or large trucks will be directed to the new viaduct to relieve the outer lanes of heavy loads.

The total project cost of P7.89 billion includes the construction cost, estimated between P6.1 billion to P6.2 billion, as well as the overhead and financing costs, according to Mr. Bautista.

On June 10, the Toll Regulatory Board approved the addition of P7 to the rate for the open system and 36 centavos per kilometer for the closed system, starting June 15.

Under the new toll fee matrix, motorists traveling within the open system will pay an additional P7 for class 1 ve-

hicles (regular cars and SUVs), P17 for class 2 (buses and small trucks), and P19 for class 3 (large trucks).

Meanwhile, travelers along NLEX within the closed system, covering Marilao to Mabalacat City, Pampanga, will pay an additional P26 for class 1 vehicles, P65 for class 2, and P77 for class 3.

However, Mr. Singson clarified that the additional toll fees will not be used and are not related to the third viaduct project.

"We cannot advance the cost. We cannot go to the regulator and say 'This is the project we will do.' The increase that we were after, which is 11%, is composed of a peso that came from 2012 adjustment and the six pesos that came from 2018 and 2020 application," he said in Filipino.

"So, this does not involve the new project. When we finish the project, then that will be the time that we will apply for it," he added.

The new rates are part of the authorized periodic adjustments for NLEX, which were due in 2012, 2014, 2018, and 2020. These rates cover the last tranche of the 2012 and 2014 adjustments, as well as half of the 2018 and 2020 adjustments.

REHABILITATION

Mr. Bautista said that the construction of the third viaduct is necessary to assist

the current aging structures, which have been operating at a reduced capacity.

"These bridges have been serving the motoring public who travel between Metro Manila and the provinces in Central and North Luzon for over 50 years," he said. "We are also eyeing, in the future, to replace the north and the south structures," he added.

Full-load trucks have been traversing the existing structures which are already operating more than its useful life, said Mr. Singson.

"What is going to happen is we need to put an additional viaduct in between. So, easily an additional 30%, if not 50%, capacity because we can now put up additional zipper lanes," he said.

"What is important is for us to be able to complete the third viaduct in between so that we can fix the [existing viaducts]," he added.

MPTC is the tollways unit of Metro Pacific Investments Corp., one of three key 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 a majority stake in *BusinessWorld* through the Philippine Star Group, which it controls. — **Justine Irish D. Tabile**

PXP Energy expects to drill oil well in Palawan by first quarter of 2024

PANGILINAN-LED PXP Energy Corp. said on Wednesday that it is preparing to drill an oil well in Palawan by the first quarter of 2024.

The company had initially planned to start drilling this year. "However, due to the current tight rig market, we anticipate drilling to start within the first quarter of 2024," Daniel Stephen P. Carlos, president of PXP Energy, said during the company's virtual annual stockholders' meeting.

At the same time, the company said that it is awaiting the approval of the Department of Energy (DoE) for three service contracts (SC) for oil and petroleum resources.

"[W]e eagerly await the approval of three service contracts in the northwest Palawan, Sulu Sea, and Recto Bank areas," Mr. Carlos said.

"These service contracts will play an important role in revitalizing our operations and diversifying our asset portfolio," he added.

In March 2021, SC 6A, which covers an area of about 1,080 square kilometers and contains the Octon field, was surrendered to the DoE as its term contract is set to expire in February of next year.

"This has created a limited window of opportunity for us to drill an exploratory well and develop a field if a discovery is made," Mr. Carlos said.

He said that both PXP Energy and its subsidiary, Forum (GSEC 101) Ltd., are now participating in a new SC application that will cover the former SC 6-A.

The oil and gas company said it is also seeking an additional area to the east, which was surrendered by the SC 74 consortium last year.

"We currently have two other service contract applications pending with the DoE. The first block is a nominated area adjacent to SC 72, once awarded our plan is to acquire new 2D seismic data," Mr. Carlos said.

The SC 72 covers the Recto Bank, within its block is the Sampaguita gas discovery, which is estimated to contain about 2.6 trillion cubic feet of contingent gas resources.

The other block that PXP Energy plans to acquire is in area in Sulu sea, which Mr. Carlos said was offered by the DoE through a bidding in 2019.

At the local bourse on Wednesday, shares in the company gained 10 centavos or 0.21% to end at P4.77 apiece. — **Ashley Erika O. Jose**

SEC revokes vehicle trading company's registration for unauthorized financing

THE Securities and Exchange Commission (SEC) has issued a cease-and-desist order against a motor vehicle company for conducting unauthorized financing activities.

In the issuance, the commission said that it has revoked the certificate of incorporation of The Ark Vehicle Trading & General Merchandise, Inc. due to serious misrepresentation regarding the corporation's capabilities.

The regulator said that the company's financing schemes involved clients paying the monthly amortization and down payment directly to Ark Vehicle instead of the bank or in-house financing.

"By disbursing and paying on behalf of the client, Ark Vehicle mainly engaged in the primary purpose of a financing company, which is extending credit facilities to consumers" the commission said.

It added that the company's credit terms included a contract for the sale of property or services, either for present or future delivery, in which part of all or the price is payable after the sale or contract is made.

The SEC said that the entity is conducting unauthorized financial activities that are not part of its certificate of incorporation.

Ark Vehicle stated in its incorporation papers that it shall "conduct and carry on the business of buying, selling, trading, distributing, marketing at wholesale and retail all kinds of cars, car accessories, upholstery, car alarm, and other related products."

In 2020, the commission's Enforcement and Investor Protection Department received complaints, reports, and inquiries alleging that the entity was engaged in financing activities that require prior authority. — **Adrian H. Halili**

Smart, Dark League Studios team up to boost PHL esports

MOBILE NETWORK operator Smart Communications, Inc. has partnered with gaming organizer Dark League Studios to accelerate the growth of esports in the Philippines.

"We are changing the game for esports. As I have said, our aspiration is to bring this to the next level, maybe competition abroad," Alfredo S. Panlilio, president and chief executive officer of Smart, said in a media briefing on Wednesday.

"This is very significant for Smart. I think it is important for us to partner with Dark League," he added.

This partnership will allow the growth of Smart's online arcade and esports tournament platform — Smart GIGA Arena, said Melvin C. Nubla, first vice-president and head of Smart Go-to-Market and Subscriber Management.

"With the help of Dark League Studios, we will also be able to talk to several gaming developers who would want to be part of Smart GIGA Arena, because this is a single platform already," he added.

Mr. Nubla also expects this partnership to boost Smart GIGA Arena's users to 10 million in 2024, from only over two million users since the platform's launch in 2022.

"Our partnership with Dark League Studio is in line with our commitment to provide the best gaming experience to Filipinos. We at Smart have always believed in the ability of Filipinos to dominate sports of all kinds — including Esports through our collaboration with Dark League Studio. We hope to empower more aspiring Esports athletes to level up their gameplay and compete in a much bigger arena," Mr. Panlilio said. — **Ashley Erika O. Jose**