Philippine Stock Exchange index (PSEi) 6,379.72 ▲ 0.69 PT. ▲0.01%

MONDAY, JULY 10, 2023 BusinessWorld

PSEi MEMBER STOCKS

AC	Ayala Corp.	P602.00	-P3.00	-0.5%
ACEN	ACEN Corp.	P5.17	-P0.03	-0.58%
AEV	Aboitiz Equity Ventures, Inc.	P54.75	+P0.75	+1.39%
AGI	Alliance Global Group, Inc.	P13.22	-P0.04	-0.3%
ALI	Ayala Land, Inc.	P24.25	+P0.25	+1.04%
AP	Aboitiz Power Corp.	P35.75	+P0.15	+0.42%
BDO	BDO Unibank, Inc.	P135.60	-P0.30	-0.22%
BPI	Bank of the Philippine Islands	P108.60	+P2.70	+2.55%
CNVRG	Converge ICT Solutions, Inc.	P10.64	-P0.04	-0.37%
DMC	DMCI Holdings, Inc.	P9.15	-P0.05	-0.54%
EMI	Emperador, Inc.	P21.00	+P0.05	+0.24%
GLO	Globe Telecom, Inc.	P1,842.00	+P32.00	+1.77%
GTCAP	GT Capital Holdings, Inc.	P495.00	-P5.00	-1%
ICT	International Container Terminal Services, Inc.	P200.40	+P2.00	+1.01%
JFC	Jollibee Foods Corp.	P236.00	-P4.20	-1.75%
JGS	JG Summit Holdings, Inc.	P43.65	-P1.30	-2.89%
LTG	LT Group, Inc.	P9.50	-P0.12	-1.25%
MBT	Metropolitan Bank & Trust Co.	P54.00	-P0.70	-1.28%
MER	Manila Electric Co.	P329.00	+P1.00	+0.3%
MONDE	Monde Nissin Corp.	P8.18	-P0.02	-0.24%
MPI	Metro Pacific Investments Corp.	P4.92	-P0.04	-0.81%
PGOLD	Puregold Price Club, Inc.	P28.50	-P0.70	-2.4%
SCC	Semirara Mining and Power Corp.	P27.80	-P0.10	-0.36%
SM	SM Investments Corp.	P908.00	-P2.50	-0.27%
SMC	San Miguel Corp.	P106.90	+P0.40	+0.38%
SMPH	SM Prime Holdings, Inc.	P31.90	——	
TEL	PLDT Inc.	P1,300.00	——	
UBP	Union Bank of the Philippines	P74.40	-P0.30	-0.4%
URC	Universal Robina Corp.	P137.30	-P0.20	-0.15%
WLCON	Wilcon Depot, Inc.	P24.85	-P0.05	-0.2%

First Gen secures LNG cargo from Shell Eastern

FIRST GEN Corp. has secured a cargo of liquefied natural gas (LNG) from Shell Eastern Trading Pte. Ltd., marking a significant development in its interim offshore terminal project.

In a stock exchange disclosure on Monday, Lopez-led First Gen said the supplier, which trades as Shell Eastern LNG, is set to deliver about 154,500 cubic meters of LNG cargo between August and September to its subsidiary First Gen Singapore Pte. Ltd.

The listed energy company said it had conducted a successful international tender offer on July 7, awarding its first LNG cargo contract to Shell Eastern LNG.

The cargo will be transported by an LNG carrier, which will then handle the gassing-up and cooling-down of the BW Batangas FSRU or floating storage regasification unit at Subic Bay, before transferring the cargo into storage tanks on board.

The BW Batangas is the FSRU of First Gen subsidiary FGEN LNG Corp. and BW LNG. It will provide LNG storage and regasification services to First Gen's existing and planned gas-fired power plants and third-party terminal users.

After the LNG transfer into the storage tanks, the BW Batangas will then return to FGEN LNG's terminal in Batangas to complete commissioning activities.

"The LNG to be purchased by FGEN will subsequently be utilized by FGEN's existing gas-fired power plants in the First Gen Clean Energy Complex in Batangas City," First Gen said.

First Gen's four natural gas-fired power plants with a combined capacity of 2,017 megawatts are currently being supplied by the Malampaya gas field.

Meanwhile, FGEN LNG has achieved the mooring and securing of the BW Batangas FSRU at the import terminal in Batangas. The vessel will remain there until it is set to collect the first LNG cargo that will be delivered by Shell Eastern LNG.

"The FGEN LNG Terminal will accelerate the ability to introduce LNG to the Philippines, to serve the natural gas requirements of existing and future gas-fired power plants of third parties and FGEN's affiliates. FGEN believes the FGEN LNG Terminal will play a critical role in ensuring the energy security of the Luzon grid and the Philippines," First Gen said.

LNG is being put forward as a solution to the country's power needs amid a looming power crisis due to the expected depletion of the Malampaya gas field, the country's only indigenous supply of natural gas.

Separately, Prime Infrastructure Holdings, Inc. and First Gen are jointly working to develop a gas aggregator framework that is expected to streamline the distribution of natural gas from the Malampaya field and imported LNG.

To recall, Prime Infra and First Gen have signed a memorandum of understanding for the proposed lease and operation of the latter's LNG storage and regasification terminal.

The framework aims to blend Malampaya indigenous gas with imported LNG, which they call a "least-cost solution" to ensure energy security while also providing a competitive power generation market. — **Ashley Erika O. Jose**

FILRT targets 12,400-square-meter portfolio expansion

FILINVEST REIT Corp. (FILRT) is planning to add a total of 12,400 square meters (sq.m.) to its portfolio as it seeks new revenue sources, the company said on Monday.

In a regulatory filing, the real estate investment trust backed by listed property developer Filinvest Land, Inc., said its portfolio expansion includes new leases and coworking spaces.

FILRT said the addition covers up to 7,000 sq.m. in new leases from coworking facility operators and new business process outsourcing (BPO) tenants. It is also in talks with two major BPO firms that are looking to expand its current leases, it added.

As of the end of the first quarter, It placed its weighted average lease expiry at 7.1 years, which is expected to increase as new leases and renewals for the year begin.

The company said that a New York-based firm is planning to add two floors in one of its 16 buildings in Northgate Cyberzone in Alabang, while another BPO firm based in Europe is expected to add 2,300 sq.m. of office space. FILRT did not give out other details.

"We are glad to announce our fresh wins, as we strive to meet the renewed demand for high-quality office spaces from both new and existing tenants who recognize the value of our sustainability thrust," FILRT President and Chief Executive Officer Maricel Brion-Lirio said.

"This will allow us to grow and diversify our portfolio of sustainable commercial properties that elevate the lives and well-being of our community," Ms. Brion-Lirio added.

The company is accelerating it coworking or flexible office space solutions in partnership with "the largest provider in the Philippines to ably respond to the shifting customer demand brought about by hybrid work setups."

Its parent firm, Filinvest Land, earlier announced a joint venture agreement with flexible office provider KMC to develop, manage, operate, and maintain flexible workplaces.

"This will not only provide an additional source of revenues but it also balances the office leasing portfolio," the company said.

FILRT also aims to diversify its office portfolio by reducing the concentration on large BPO names and increasing the share of coworking and traditional tenants in the mix.

It said the company's strategy is to expand in key central business districts in Metro Manila and toward major regional hubs in the Philippines with high and stable occupancy and deliver added value by driving more efficient and sustainable operations costs.

The company is also planning on expanding its portfolio to other asset classes such as retail, leisure, residential, and industrial properties.

FILRT gained 6.79% or 22 centavos to close at P3.46 per share on Monday. — **Adrian H. Halili**

CPG fully redeems preferred shares worth P3 billion

CENTURY Properties Group, Inc. (CPG) said on Monday that it had fully redeemed its preferred shares at P100 per share for a total of P3 billion.

In a media release, the company said its board of directors had approved the optional redemption of its cumulative, nonvoting, nonconvertible, nonparticipating, redeemable peso-denominated preferred shares.

"The full redemption of the preferred shares is part of our strategic program that is anchored on prudent financial management and debt reduction with the goal of strengthening our balance sheet to support our growth expansion," said CPG Chief Financial Officer Ponciano S. Carreon said.

"We continue to see an active and liquid domestic capital markets and we intend to tap the same if needed for our capital funding purposes," Mr. Carreon added.

The preferred shares were originally listed on the Philippine Stock Exchange on Jan. 10, 2020.

The company earlier said in its prospectus that it would offer about 20 million preferred shares with an oversubscription option of 10 million preferred shares par valued at P0.53 per share.

The shares were offered at P100 apiece with a dividend rate of 6.7177% per annum with a tenor of 3.5 years.

The company said that it might redeem the preferred shares on the sixth month of the third anniversary of the listing date or on any dividend payment date in whole at a redemption price equal to its original offer price.

It said that net proceeds from the offering would be infused as equity or on loan to the company's operating subsidiaries.

The subsidiaries would disburse the net proceeds as capital expenditures of Century City Development Corp.'s office development in Century City, which has a lot area of 2,000 square meters (sq.m.) and gross floor area of 40,000 sq.m.

Net proceeds would also be disbursed as working capital requirements for Century Limitless Corp.'s leasing project in Katipunan, Quezon City and in Mandaluyong City. — **Adrian H. Halili**

D&L starts commercial run of Batangas plant

D&L INDUSTRIES, Inc. has started commercially operating its manufacturing plant in Tanauan, Batangas as it issued its first invoice on July 10, the listed firm told the stock exchange on Monday.

"After facing several challenges in the form of a pandemic... our next generation facility in Batangas has finally started commercial operations," D&L President and Chief Executive Officer Alvin D. Lao said in a statement.

"The plant has successfully moved into a soft-opening status with several production lines already up and running," Mr. Lao added.

He said the company expects to fully operate the new facility in the coming months as it completes remaining fine-tuning works.

"This marks the beginning of an exciting journey as we venture into new global markets and manufacture higher value-added products. Our Batangas plant puts us in a good position as global demand returns," he added.

The company said earlier that it was planning to start production by mid-2023 at the new manufacturing facility, for which it spent about P10.5 billion.

The Batangas plant, which is located on a 26-hectare property in First Industrial Township - Special Economic Zone, will enable the company to provide customized solutions and simplify its supply chain.

D&L said it is preparing to launch a full range of shelf-ready products for its export customers such as products made from coconut oil, for personal and baby care, cosmetics and beauty care, household cleaning, health and nutrition, and food and vegetable oils categories that are sustainable, natural, and organic.

"This initiative offers a plug-and-play solution for global brand owners who are looking to beef up their sustainable product offerings," the company said.

During the first quarter, the company reported a 24% decline in net income to P594 million from P780 million the prior year when its customers beefed up inventories amid supply chain issues.

D&L is engaged in product customization and specialization for industries such as food, chemicals, plastics, and consumer product original design manufacturing.

The company's principal business activities include manufacturing of customized food ingredients, specialty raw materials for plastics, and oleochemicals for personal and home care use.

At the stock exchange, D&L rose seven centavos or 0.99% to finish at P7.13 a share on Monday. — **Adrian H. Halili**

CTA grants San Miguel Brewery's refund claim worth nearly P147M

THE COURT of Tax Appeals (CTA) has granted San Miguel Brewery, Inc.'s refund worth P146.87 million representing an overpayment of excise taxes on its beer products for the taxable year 2018.

In a 30-page decision dated July 5, the CTA Special Second Division said the commissioner of internal revenue imposed an excise tax 4% higher than what was required under the National Internal Revenue Code of 1997.

The tribunal said San Miguel Brewery was able to back its claim through its excise tax returns and bank confirmation slips.

The firm also proved that it had removed some of its beer products from six brewery plants in Polo, Valenzuela; San Fernando, Pampanga; Sta. Rosa, Laguna; Bacolod City, Negros Occidental; Mandaue City, Cebu; and Davao City.

The subject beer products were included in San Miguel Brewery's excise tax payments for 2018, which contributed to the overpayment.

The Tax Code as amended by the law on excise tax on alcohol and tobacco, excise tax rates on liquor must be P1 per liter in case the net retail price per liter of the product is P50.60 or less, and P20 if it is higher than P50.60.

Under a 2012 Bureau of Internal Revenue (BIR) memorandum, the tax agency imposed excise tax rates per liter of fermented liquors of P15.49 or P20.57 regardless of whether the net retail price per liter of the volume of the liquor product is below or more than P50.60.

The Supreme Court considers revenue memorandum circulars issued by the BIR as "general interpretations of tax laws" that could be scrutinized by a court of law.

"Granted, the interpretation [of tax laws] placed upon a statute by executive officers, whose duty to enforce it, is entitled to great respect by the courts, such interpretation is not conclusive and will be ignored if judicially found to be erroneous," CTA Associate Justice Lanee S. Cui-David said in the ruling. — **John Victor D. Ordoñez**

Globe deploys 5G network slicing to meet data needs

GLOBE TELECOM, INC. has deployed an end-to-end network slicing function of fifth-generation (5G) standalone which is expected to personalize the network experience of its customers.

"Network Slicing stands out in delivering a tailored service experience for our customers based on the applications in use within the network," said Gerhard Tan, director and head of technology strategy and innovations at Globe, in a press release.

The new technology will allow the operator to adjust resources such as bandwidth, processing power, and network functions.

"It can be used for a wide range of applications, from connecting Internet of Things (IoT) devices to supporting high-bandwidth activities such as streaming videos and virtual reality," the company said.

"With this advancement, Globe is equipped to offer customers a personalized, high-quality, secure, and adaptable network experience. The technology not only allows for the development and delivery of unique services and innovative applications but also accommodates customers' growing data needs and ensures low-latency services," it added.

The end-to-end technology will be able to divide a single network into parts designed specifically for different types of applications or users, wherein each has its own resources that guarantee performance even when they all use the same physical infrastructure.

To support this, Globe upgraded its network to carry out network slicing across all its domains and configured four dedicated end-to-end slices.

"All slices were meticulously tested and validated, successfully achieving aggregated speed results of 800 megabytes per second (Mbps) with varying slice speed of up to 200 Mbps depending on the bandwidth requirement of each slice type," it said.

The company also said that network slicing was tested for cloud gaming, virtual reality laboratory, video surveillance analytics, augmented reality remote assistance, video streaming, and robots. — **Justine Irish D. Tabile**