

Philippine Stock Exchange index (PSEi)

6,576.76

▲ 93.48 PTS.

▲ 1.44%

THURSDAY, AUGUST 3, 2023

BusinessWorld

PSEi MEMBER STOCKS

AC Ayala Corp. P620.00 +P8.50 +1.39%	ACEN ACEN Corp. P5.30 +P0.29 +5.79%	AEV Aboitiz Equity Ventures, Inc. P52.80 +P0.75 +1.44%	AGI Alliance Global Group, Inc. P12.76 +P0.26 +2.08%	ALI Ayala Land, Inc. P28.95 +P1.30 +4.7%	AP Aboitiz Power Corp. P35.60 -P0.40 -1.11%	BDO BDO Unibank, Inc. P146.60 +P2.60 +1.81%	BPI Bank of the Philippine Islands P113.50 +P1.20 +1.07%	CNVRG Converge ICT Solutions, Inc. P9.30 +P0.10 +1.09%	DMC DMCI Holdings, Inc. P9.50 ---
EMI Emperador, Inc. P21.45 +P0.05 +0.23%	GLO Globe Telecom, Inc. P1,885.00 +P15.00 +0.8%	GTCAP GT Capital Holdings, Inc. P535.50 -P4.50 -0.83%	ICT International Container Terminal Services, Inc. P208.00 +P2.00 +0.97%	JFC Jollibee Foods Corp. P259.60 +P6.00 +2.37%	JGS JG Summit Holdings, Inc. P42.50 +P0.95 +2.29%	LTG LT Group, Inc. P9.56 +P0.01 +0.1%	MBT Metropolitan Bank & Trust Co. P58.60 +P0.60 +1.03%	MER Manila Electric Co. P350.00 +P10.00 +2.94%	MONDE Monde Nissin Corp. P8.24 +P0.04 +0.49%
MPI Metro Pacific Investments Corp. P4.89 +P0.04 +0.82%	PGOLD Puregold Price Club, Inc. P28.35 +P0.50 +1.8%	SCC Semirara Mining and Power Corp. P29.65 +P0.15 +0.51%	SM SM Investments Corp. P912.00 +P75.00 +0.83%	SMC San Miguel Corp. P108.40 -P0.60 -0.55%	SMPH SM Prime Holdings, Inc. P33.05 +P0.55 +1.69%	TEL PLDT Inc. P1,310.00 +P5.00 +0.38%	UBP Union Bank of the Philippines P73.90 -P0.60 -0.81%	URC Universal Robina Corp. P125.00 +P3.00 +2.46%	WLCON Wilcon Depot, Inc. P21.50 -P0.20 -0.92%

SEC proposes revised fee plan for registrants

THE Securities and Exchange Commission (SEC) is planning on implementing a revised structure for its regulatory fees and charges for registered firms and entities.

"There is a need to restructure the SEC fees and charges at a level commensurate with the cost of regulating the corporate sector and capital market for continuous improvement of the Commission's performance, sustainability of operations," the regulator said in a draft circular.

The SEC added that the move is in line with the fulfillment of its legal mandate pursuant to the passage of the Revised Corporation Code of the Philippines (RCC). The RCC provides the authority of the regulator to collect, retain, and use fees, fines, and other charges.

It said under Section 179 of the RCC, the commission has the power and authority to formulate and enforce standards, guidelines, policies, rules, and regulations to carry out the provisions of the code.

The commission also has the authority to exercise such other "powers provided by law or those which may be necessary or incidental to carry out the powers expressly granted to it."

It added that the draft is pursuant to the guiding principles set in a joint circular by the Department of Finance, Department of Budget and Management, and National Economic and Development Authority.

"The commission, imposes fees and charges constituting delivery of services to its

stakeholders which entails costs, and equity requires that persons, natural or juridical, receiving or benefiting from rendered services share the cost of providing such services," the SEC added.

Under the proposal, registration, licensing, accreditation, and other related transactions are imposed a new schedule of fees for registered entities.

In a separate release, the SEC said that it had secured the conviction of eight officers of Phil86 Gurunanak Lending and Trading Corp. for the falsification of its registration documents.

The SEC said that the Pasay City Regional Trial Court Branch 112 fined each involved individual P10,000 for the violation of Section 12, Paragraph 3(a) of Republic Act No. 9474, or the Lending Company Regulation Act.

The regulation states that any officer, employee or agent of a lending company who knowingly and willingly makes any false or misleading statement with respect to any material fact in any application, report, or document required under the law, will be penalized.

The regulator found that Phil86 submitted a certificate of bank deposit amounting to P1 million, but upon verification, no certificate was issued.

"This marks the 10th conviction scored by the SEC for violation of the LCRA, with a total of 86 individuals already convicted," the commission said. — **Adrian H. Halili**

Now Corp., Cagayan Economic Zone Authority enter into telco partnership

LISTED COMPANY Now Corp. has signed a memorandum of understanding with Cagayan Economic Zone Authority (CEZA) to boost the telecommunications infrastructure in the province.

In a regulatory filing on Thursday, the company said the tie-up "aims to advance the Philippines' telecommunications and digital world-class communications critical infrastructure which includes the provisioning of unified connectivity, software systems and services that would operate in the province of Cagayan."

The partnership involves the deployment of fixed wired, fixed wireless, terrestrial, satellite, and other delivery systems to CEZA.

Now said the tie-up would help in ensuring reliable and

quality broadband and other information and communications technology services to CEZA locators.

It said CEZA's "strategic positioning and critical infrastructure underscore its profound significance."

"CEZA's vicinity to two Philippine-American military bases, integral to the Enhanced Defense Cooperation Agreement (EDCA) between the United States and the Philippines, amplifies its global security influence," Now said.

"Furthermore, its proximity to Taiwan, positions [it] as a potential extension for Taiwan's industrial zones, underscoring its commercial and strategic reach," it added.

On Thursday, shares in Now climbed three centavos or 2.46% to P1.25 apiece. — **Justine Irish D. Tabile**

PLDT income jumps 22% to P9B

PLDT Inc. saw a 22.4% increase in its attributable net income to P944 billion in the second quarter from P771 billion in the same period last year after booking higher revenues and lower operational expenses.

"Despite all the adversities that we have faced in the past, as any business does, I think we are showing a very solid first-half [results]," said Alfredo S. Panlilio, president and chief executive officer of PLDT, at the company's quarterly briefing on Thursday.

From April to June, the company recorded P51.68 billion in revenues, a 1.4% increase from P50.96 billion in the same period last year.

The company's total expenses for the second quarter reached P38.64 billion, 30.3% lower than the P55.4 billion incurred in 2022.

"The higher income was basically because of the P900 million rise in revenues combined with the P800 million reduction in operational expenses," said Danny Y. Yu, senior vice-president and group controller of PLDT, referring to the company's first-half showing.

In the first half, the company booked P18.45 billion in attributable net income, a 9.9% jump

from P16.79 billion in the same period last year.

Its top line rose to P104.04 billion in the first semester, a 3.2% increase from P100.79 billion in 2022.

In its financial highlights, the company said that its service revenues net of interconnection costs was P94.5 billion, 0.9% higher than the P93.7 billion recorded in the first half of last year.

Cash operational expenses, subsidies, and provisions were P42.4 billion in the first six months, a 1.9% decline from P43.2 billion in 2022.

BUSINESS SEGMENTS

In the first half, the individual segment of PLDT registered P40.2 billion in revenues, a 0.2% decline from P40.3 billion last year.

Home segment had the largest revenue growth at 3.1% to P30.1 billion in the first six months from P29.2 billion in the same period in 2022.

Revenues from enterprise business were P23.2 billion from January to June, a 2.7% increase from P22.6 billion last year.

For this year, the company previously gave a service revenue growth guidance of "mid-single

digit growth," however, it was revised to "low-single digit growth" on Thursday.

"We've seen some softness in the first semester due to the effects of inflation especially in wireless but I think we are seeing some progress if you look at our quarterly mobile growth from first to the second quarter," Mr. Panlilio said.

"We're hoping that the second half will be much stronger than the first half. We're just being conservative on our projection, but obviously, we're still aiming for the mid," he added.

WIRELESS UNIT

After leading the subscriber identity module (SIM) registration based on the percentage of registered SIMs to its subscribers, PLDT wireless unit Smart Communications, Inc. is "aspiring" to regain leadership in the mobile market, after losing its dominant position in 2016, Mr. Panlilio said. "That's always been the plan — to regain leadership. It's very hard to do that because we have very strong competition too," he said.

As of July 30, or the last day of the grace period allotted for SIM reactivation, the National Telecommunications Commission recorded

a total of 113.97 million registrants, which represents 67.83% of the 168.02 million total subscribers.

Out of the total registrants, Smart registered 52.5 million subscribers representing 79.18% of its 66.3 million total subscribers, Globe Telecom, Inc. recorded 53.73 million registrants or 61.94% of its 86.75 million subscribers, and DITO Telecommunity Corp. booked 7.74 million registered SIMs or 51.72% of its total 14.96 million subscriber's base.

"That's a 1.2 million difference from the previous 20 million," Mr. Panlilio said, referring to the market share difference after the SIM card registration run.

"We're trying to increase average revenue per user and bring value-adding offers making sure we are able to address their requirements. Our job is how we can grab market share eventually from them," he said.

At the stock market on Thursday, PLDT rose 0.38% or P5 to P1,310 per share.

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**

Meralco calls on 'lifeline' consumers to register

MANILA ELECTRIC Co. (Meralco) urged qualified consumers to register under the lifeline rate program, warning that discounts will not be provided to unregistered beneficiaries starting next month.

"Starting September 2023, only customers with approved applications will continue to enjoy the discount in accordance with the implementing rules and regulations of Republic Act No. 11552 or the law extending and enhancing the implementation of the lifeline rate," Meralco said in a statement on Thursday.

Joe R. Zalardriaga, Meralco vice-president and head of corporate communications, said the company continues to seek ways to encourage more customers to apply for the lifeline rate program.

"While we have already engaged all local social welfare development offices or SWDOs in our franchise area, we will continue to reach out to more customers and we hope that the on-site applications will lead to the increase in the number of pro-

gram beneficiaries," Mr. Zalardriaga said.

Meralco has set on-site applications and caravans in several areas like Caloocan, Las Piñas, Manila, Parañaque, Quezon City, and Valenzuela to help consumers enroll in the program.

It said qualified customers can also apply through the Meralco Business Center by bringing a completed application form, their latest electricity bill, and Pantawid Pamilyang Pilipino Program (4Ps) identification.

For non-4Ps beneficiaries, a local SWDO certification and government ID will be required, Meralco said.

In an earlier release, the Department of Energy (DoE) said only consumers who registered will continue to enjoy a reduction in their electricity bills starting this month.

Luningning G. Baltazar, director of the Electric Power Industry Management Bureau, said that based on revised guidelines, only those under the poverty threshold will be given subsidies in the lifeline rate program.

"Lifeline rate is not new, based on our historical data almost 6 million avail life rate, which includes 4Ps and those that are not marginalized that are able to pay," Ms. Baltazar said in a Laging Handa briefing.

She added that based on the revised guidelines, targeted beneficiaries are also those in the poverty threshold, which is estimated at 4.2 million consumers.

"Estimated beneficiaries based on the 4Ps are about 4.2 million. As of July 31 registration data only 12,900 registered nationwide," Ms. Baltazar said.

The lifeline rate is a subsidy provided to customers with a monthly power consumption of 100 kilowatt-hours or less.

In June, the Energy Regulatory Commission (ERC) together with the DoE and the Department of Social Welfare and Development issued an advisory mandating all distribution utilities to implement the revised rules on the lifeline rate.

According to the revised rules, customers living in condominiums, subdivisions, and those with net-

metering services are no longer qualified for the lifeline rate despite having lower consumption.

Customers who are considered qualified to avail the lifeline rate will be provided a percentage discount ranging from 20% to 100%, depending on their power consumption.

Further, Ms. Baltazar said the DoE will not set a deadline for registration but advised that only those who avail will be entitled to a discount, which will reflect in their September electricity bills.

"The availment is subject to registration. If still by August qualified consumers failed to register, their September or October bills will not reflect the discount. But since the program is until 2051, registration is ongoing," Ms. Baltazar said.

Meralco's controlling stakeholder, Beacon Electric Asset Holdings, Inc., is partly owned by 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**

LFM Properties posts nearly P7 million in second-quarter net loss

LISTED firm LFM Properties Corp. on Thursday reported a net loss of P6.94 million in the second quarter, reversing its P4.66-million gains in the same period last year.

In its financial statement, the company registered a top line of P45.98 million, down 19.9% from the P57.41 million reported the previous year.

During the three-month period, the company recorded a 13.1% increase in operating expenses to P6.37 million from P5.63 million the prior year.

The company's direct cost also rose by 16.7% to P22.07 million from P18.91 million in the same period last year.

In the first semester, the company reported a wider net loss of P24.05 million from the P14.48 million reported the prior year.

Its top line during the first semester fell by 22.7% to P87.48 million from P113.15 million the previous year due to the pre-termination of the rental lease contract of one of the major tenants of the company.

The company's cost of rental services went up by 12.6% to P42.79 million from the P38 million the prior year driven by the increase in electricity charges and outside services.

Operating expenses, likewise, increased to P11.93 million, up 9% from P10.95 million, due to the professional fee for the fairness opinion issued for the acquisition of Liberty Building.

Its parent company Liberty Flour Mills, Inc. announced earlier that it had sold the eight-story

building to its property subsidiary for 27% of the asset value of Liberty Flour Mills.

The company said it expects to spend about P200 million in the next six months for land and building as an investment property.

"There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations," the company said. — **Adrian H. Halili**