

Philippine Stock Exchange index (PSEi)

5,973.78

▲ 11.79 PTS.

▲ 0.19%

TUESDAY, OCTOBER 31, 2023

BusinessWorld

## PSEi MEMBER STOCKS

<b>AC</b> Ayala Corp. P605.50 +P2.50 +0.41%	<b>ACEN</b> ACEN Corp. P5.30 +P0.05 +0.95%	<b>AEV</b> Aboitiz Equity Ventures, Inc. P45.80 -P0.60 -1.29%	<b>AGI</b> Alliance Global Group, Inc. P10.60 +P0.46 +4.54%	<b>ALI</b> Ayala Land, Inc. P27.85 +P1.05 +3.92%	<b>BDO</b> BDO Unibank, Inc. P127.50 -P1.00 -0.78%	<b>BLOOM</b> Blossom Resorts Corp. P9.11 +P0.01 +0.11%	<b>BPI</b> Bank of the Philippine Islands P100.50 +P1.60 +1.62%	<b>CNPF</b> Century Pacific Food, Inc. P28.00 -P0.20 -0.71%	<b>CNVRG</b> Converge ICT Solutions, Inc. P8.37 -P0.01 -0.12%
<b>DMC</b> DMCI Holdings, Inc. P9.17 -P0.28 -2.96%	<b>EMI</b> Emperador, Inc. P20.80 ---	<b>GLO</b> Globe Telecom, Inc. P1,760.00 -P9.00 -0.51%	<b>GTCAP</b> GT Capital Holdings, Inc. P549.00 -P3.00 -0.54%	<b>ICT</b> International Container Terminal Services, Inc. P201.20 +P1.70 +0.85%	<b>JFC</b> Jollibee Foods Corp. P205.00 -P4.20 -2.01%	<b>JGS</b> JG Summit Holdings, Inc. P36.75 +P0.85 +2.37%	<b>LTG</b> LT Group, Inc. P8.85 +P0.35 +4.12%	<b>MBT</b> Metropolitan Bank & Trust Co. P52.30 +P0.30 +0.58%	<b>MER</b> Manila Electric Co. P355.00 +P2.80 +0.8%
<b>MONDE</b> Monde Nissin Corp. P8.20 -P0.31 -3.64%	<b>NIKL</b> Nickel Asia Corp. P5.45 +P0.10 +1.87%	<b>PGOLD</b> Puregold Price Club, Inc. P27.10 +P0.20 +0.74%	<b>SCC</b> Semirara Mining and Power Corp. P29.00 -P1.05 -3.49%	<b>SM</b> SM Investments Corp. P801.00 -P4.50 -0.56%	<b>SMC</b> San Miguel Corp. P105.10 +P1.70 +1.64%	<b>SMPH</b> SM Prime Holdings, Inc. P30.00 ---	<b>TEL</b> PLDT Inc. P1,210.00 -P17.00 -1.39%	<b>URC</b> Universal Robina Corp. P109.30 -P0.70 -0.64%	<b>WLCON</b> Wilcon Depot, Inc. P19.80 ---

## DoubleDragon's Hotel101 completes land acquisition for Madrid hotel

HOTEL101 GLOBAL, a subsidiary of DoubleDragon Properties Corp., has completed buying a 6,593-square meter property in Madrid, Spain, for its Hotel101-Madrid project, the Edgar J. Sia II-led listed company announced on Tuesday.

In a disclosure to the stock exchange, DoubleDragon said its Hotel101 Global has taken "full possession" of the land at Fuerzas Armadas, Valdebebas, Madrid, for the planned project.

"Hotel101 Global has received all the pertinent executed land purchase documents and has made the full complete payment for the purchase," DoubleDragon said.

The company expects to complete the construction of Hotel101-Madrid by the fourth quarter of 2025, which could generate about P8.8 billion (143.3 million euros) in condotel sales revenue.

The property acquired, positioned near significant landmarks, offers easy access to the Valdebebas Train Station, the IFEMA convention complex, the Real Madrid Sports Complex, and the new Madrid Barajas International Airport.

Hotel101-Madrid, marking DoubleDragon's first foray into Europe, will boast roughly 736 rooms and amenities such as an all-day dining

restaurant, business center, swimming pool, fitness gym, and a convenience store.

DoubleDragon expects Hotel101-Madrid to become one of the top five largest hotels in Madrid and represents the first expansion of a Filipino hotel chain into Spain.

DoubleDragon is presenting a special offer for Hotel101-Madrid: buyers of three units get a waiver on processing and advisory fees for the "golden visa," a Spain investor visa, until Dec. 31 or until all units are sold. This visa allows non-European real estate investors in Spain to gain residency.

As part of its global expansion strategy, DoubleDragon includes Hotel101-Madrid alongside its projects in Hokkaido, Japan, and California, USA, striving to position itself as a worldwide brand.

By 2026, Hotel101 Global seeks to be present in 25 countries such as Philippines, Japan, Spain, USA, United Kingdom, UAE, India, Thailand, Malaysia, Vietnam, Indonesia, Saudi Arabia, Singapore, Cambodia, Bangladesh, Mexico, South Korea, Australia, Canada, Switzerland, Turkey, Italy, Germany, France, and China.

On Tuesday, shares of DoubleDragon closed unchanged at P6.80 each. — **Revin Mikhael Ochave**



FREPIK

## MPIC's healthcare arm acquires majority stake in Lucena hospital

METRO PACIFIC HEALTH CORP. (MPH) on Tuesday said it had acquired a 60.88% stake in Lucena United Doctors Hospital and Medical Center (LUDHMC).

In a statement, MPH, the healthcare arm of Metro Pacific Investments Corp. (MPIC), said it completed its investment in Lucena United Doctors, Inc. (LUDI), the owner and operator of LUDHMC, on Oct. 25, following a tender offer for the remaining 39.12% stake held by other shareholders.

MPH added LUDHMC as the 23rd hospital in its network and the fifth in Southern Luzon, alongside Antipolo Doctors Hospital in Rizal, Medical Center Imus in Cavite, Calamba Medical Center, and Los Baños Doctors Hospital in Laguna.

LUDHMC, a level 2 hospital with 95 beds, provides healthcare services to Lucena and neighboring towns in Quezon Province.

"We welcome MPH's investment in LUDHMC as we believe that this partnership will bolster LUDHMC further in establishing itself as the undisputed leader in private healthcare in the province," LUDHMC President Gerardo Carmelo B. Salazar said.

"We are confident that this will help perpetuate the legacies of our founders and bring LUDHMC closer to their dream of becoming a completely equipped, tertiary medical center serving the Quezon Province," he added.

The investment in LUDI has been in discussion for almost 10 years, said Jose Noel C. de la Paz, corporate development director at MPH.

"We are excited to finally complete this transaction and start working with the LUDHMC community to expand the hospital and upgrade its medical capabilities," he said.

"With this, it is our goal that residents of Quezon no longer need to go to Metro Manila for more advanced care."

Some of MPH's other hospitals include Makati Medical Center, Asian Hospital and Medical Center, Cardinal Santos Medical Center, Riverside Medical Center, and Davao Doctors Hospital.

"The integration of LUDHMC into the MPH group is a testament to our commitment to make quality healthcare more accessible and affordable for every Filipino," MPH Chief Executive Officer Harish Pillai said.

"With the size and scale of our group, we will be able to leverage on shared resources and best practices that will bring the MPH standard of care to more communities outside of greater Metro Manila," he added.

MPIC is one of three key Philippine units of First Pacific, 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. — **Revin Mikhael D. Ochave**

## CTA cancels tax deficiencies, fines for South Supermarket

THE Court of Tax Appeals (CTA) has nullified the tax deficiencies and compromise penalties totaling P264.67 million that the Commissioner of Internal Revenue (CIR) issued to Grand Union Supermarket, Inc., owner of the supermarket chain South Supermarket, for the taxable year 2010.

In a 17-page decision dated Oct. 25, the CTA Special Third Division ruled the tax assessment void because the CIR documents were undated.

The Formal Letter of Demand and Final Decision on Disputed Assessment received by the petitioner, Grand Union Supermarket, Inc., on June

15, 2015, and June 2, 2020, respectively, lacked a specific demand date for payment, the ruling said.

"For it [valid formal assessment] contains not only a computation of tax liabilities but also a demand for payment within a prescribed period, thereby signaling the time when penalties and interests begin to accrue against the taxpayer," according to the ruling penned by Associate Justice Maria Rowena Modesto-San Pedro.

The ruling also said that taxpayers must be informed in writing of the law and the facts upon which a tax assessment is based, citing Section 228 of the Tax Code.

"To proceed heedlessly with tax collection without first establishing a valid assessment is evidently violative of the cardinal principle in administrative investigations," the ruling added.

The appellate court also upheld its decision to rule on issues not raised at the administrative level after the respondent CIR argued that the petitioner could not challenge the validity of the assessment for the first time during the appeals process.

"This Court is not barred from resolving the issue on the alleged invalidity of assessment even if this was not raised by petitioner at the administrative



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level," the ruling said, citing the court's jurisprudence.

The tax deficiency assessment imposed on the petitioner comprised income tax, value-added tax, expanded withholding tax, withholding tax on compensation, improperly

accumulated earnings tax, and documentary stamp tax, along with corresponding surcharges, interest, and penalties.

The petitioner owns and operates the supermarket chain South Supermarket. — **Jomel R. Paguian**

## Aboitiz group's income down 21% to P7.6 billion

ABOITIZ Equity Ventures, Inc. (AEV) saw a 21% decrease in its net income for the third quarter, primarily due to reduced nonrecurring gains, the listed conglomerate announced on Tuesday.

In a stock exchange disclosure, AEV said that its net income for the third quarter dropped to P7.6 billion from the previous year's P9.6 billion.

"The company recognized nonrecurring gains of P1.4 billion during the period, primarily due to foreign exchange gains arising from the revaluation of US dollar cash and liquid financial instruments, compared to the P2.6 billion in nonrecurring gains for the corresponding period in 2022," AEV said.

In the first nine months, AEV said its net income dropped 16% to P18 billion from P21.4 billion net income a year ago.

"The company recognized nonrecurring gains of P738 million, which was lower than the P5.3 billion in nonrecurring gains recorded during the same period in 2022," AEV said.

Meanwhile, Aboitiz Power Corp. (AboitizPower), AEV's power segment, reported a

consolidated net income of P8.9 billion for the third quarter, marking a 7% decrease from the P9.6 billion net income achieved in the same period last year.

Its nonrecurring gains were lower at P134 million for the July-to-September period compared to the P325 million last year.

"Without these one-off gains, core net income for the third quarter of 2023, was P8.8 billion, 5% lower year on year," AboitizPower said in a separate disclosure.

The company attributed the decrease in core net income to its distribution group's "timing of refunds" following rate adjustments mandated by the Energy Regulatory Commission (ERC) in a resolution issued last year.

The ERC issued Resolution No. 14, Series of 2022, revising the rules for automatic cost adjustments and true-up mechanisms for distribution utilities, aiming to "promote transparency in the detailed calculation of different components of the power bill." — **Revin Mikhael D. Ochave and Sheldeen Joy Talavera**

## Semirara Mining and Power's net income falls 66% to P3.4 billion in third quarter

SEMIARRA MINING and Power Corp. (SMPC) on Tuesday reported a 66% plunge in attributable net income to P3.4 billion for the third quarter, dragged down by weak coal selling prices, fewer shipments, and lower foreign exchange gains.

"The third quarter is always a slow period for us in terms of production and demand because of the rainy season," Maria Cristina C. Gotianun, president and chief operating officer of SMPC, said in a media release. "Last year was an outlier because of high index prices," she added.

"Our power business really stepped up this year. Their all-time high results offset the sharp earnings drop in our coal business," she also said.

The Consuji-led company reported that higher power sales, financial income, and lower royalty expenses and income taxes partly offset the decline in net income.

In the July-to-September period, the company saw a 45% revenue decrease, falling to P11.63 billion from P21.16 billion the previous year, due to slower coal sales and weaker selling prices in both coal and power segments.

Coal revenues dropped by 58% to P6.27 billion from the previous P15.04 billion, while the cost of sales decreased by 12% to P4.17 billion.

The average selling price of Semirara coal went down by 36% to P3,315 per metric ton (MT) due to "stabilizing market indices and lower shipments of commercial grade coal."

Total shipments in the third quarter decreased by 22% to 2.5 million MT amid sluggish exports and limited beginning commercial grade inventory of 1.6 million MT.

Net foreign exchange gain for the third quarter fell by 68% to P246 million on lower export sales and less favorable foreign exchange rates.

Power revenues, on the other hand, sank by 12% to P5.36 billion from P6.12 billion posted in the third quarter of 2022 due to lower spot prices. Overall average selling price went down by 23% to P4.81 per kilowatt hour.

The company's gross power generation went up by 15% to 1,167 gigawatt hours (GWh) as higher output in its SEM-Calaca Power Corp. offset the weaker performance of Southwest Luzon Power Generation Corp.

Power sales grew by 13% to 1,099 GWh from 970 GWh, the majority of which, or about 68%, was sold to the spot market.

Finance income increased fourfold to P245 million on higher base and prudent treasury management, the company said.

Meanwhile, the company's operating expenses dropped to P1.78 billion during the period from P4.40 billion previously.

For the first nine months, SMPC recorded an attributable net income of P22.62 billion, down by 37% from P35.95 billion previously, mainly due to "high base effect and stabilizing global coal market."

Revenues for the January-to-September period fell by 23% to P56.20 billion from P73.17 billion in the same period last year.

Year-to-date operating expenses decreased to P10.34 billion from P16.08 billion a year ago.

At the stock exchange on Wednesday, shares in the company closed 3.49% lower at P29 apiece. — **Sheldeen Joy Talavera**