

Philippine Stock Exchange index (PSEi)

6,503.54

▼7.33 PTS.

▼0.11%

FRIDAY, JANUARY 19, 2024

BusinessWorld

PSEI MEMBER STOCKS

AC Ayala Corp. P675.00 -P1.00 -0.15%	ACEN ACEN Corp. P4.14 +P0.06 +1.47%	AEV Aboitiz Equity Ventures, Inc. P48.80 ---	AGI Alliance Global Group, Inc. P11.66 +P0.06 +0.52%	ALI Ayala Land, Inc. P32.35 +P0.80 +2.54%	BDO BDO Unibank, Inc. P136.80 +P1.00 +0.74%	BLOOM Bloomerry Resorts Corp. P10.10 +P0.15 +1.51%	BPI Bank of the Philippine Islands P106.20 -P3.60 -3.28%	CNPF Century Pacific Food, Inc. P34.00 ---	CNVRG Converge ICT Solutions, Inc. P8.79 +P0.19 +2.21%
DMC DMCI Holdings, Inc. P10.20 +P0.02 +0.2%	EMI Emperador, Inc. P20.95 -P0.15 -0.71%	GLO Globe Telecom, Inc. P1,731.00 +P4.00 +0.23%	GTCAP GT Capital Holdings, Inc. P612.00 -P6.50 -1.05%	ICT International Container Terminal Services, Inc. P239.20 -P8.60 -3.47%	JFC Jollibee Foods Corp. P267.00 +P6.00 +2.3%	JGS JG Summit Holdings, Inc. P38.00 -P0.75 -1.94%	LTG LT Group, Inc. P9.17 +P0.07 +0.77%	MBT Metropolitan Bank & Trust Co. P56.30 +P1.05 +1.9%	MER Manila Electric Co. P377.00 +P3.00 +0.8%
MONDE Monde Nissin Corp. P8.15 +P0.05 +0.62%	NIKL Nickel Asia Corp. P4.70 +P0.01 +0.21%	PGOLD Puregold Price Club, Inc. P28.30 +P0.10 +0.35%	SCC Semirara Mining and Power Corp. P31.25 ---	SM SM Investments Corp. P870.00 -P3.00 -0.34%	SMC San Miguel Corp. P120.60 -P1.30 -1.07%	SMPH SM Prime Holdings, Inc. P32.75 +P0.10 +0.31%	TEL PLDT Inc. P1,270.00 +P10.00 +0.79%	URC Universal Robina Corp. P114.90 +P1.40 +1.23%	WLCON Wilcon Depot, Inc. P21.95 +P0.35 +1.62%

Meralco sees 4.5% growth in sales volume this year

MANILA Electric Co. (Meralco) is expecting a 4.5% increase in energy sales volume for 2024, a company official said.

"[For 2024], we are projecting about the same, about 4.5%," Meralco First Vice-President and Chief Commercial Officer Ferdinand O. Geluz told reporters last month.

On the business segments, Mr. Geluz expects that the energy sales from the indus-

trial sector will rebound after a 1% decrease in the first nine months of 2023.

According to the company, the industrial segment suffered a decline "despite gradual recovery from global demand shortage and supply constraints."

"We don't expect another double digit for commercial for [2024], but we're expecting around maybe 5 to 6% [increase]," Mr. Geluz said.

Meanwhile, the residential segment is projected to see a "spike" due to El Niño.

For the January-to-September period, Meralco recorded an energy sales volume of 38,164 gigawatt-hours, up by 4% from the 36,553 in 2022.

The power distributor registered a nine-month attributable net income of P28.4 billion, up 43.7% from P19.76 billion in the previous year.

Gross revenues grew by 6.5% to P335.2 billion from P314.9 billion driven by higher pass-through charges and increase in distribution sales volume.

Meralco has started bid-tings to secure its energy requirements.

With the submission of lowest offers, GNPowerr Dinginin Ltd. Co., Mariveles Power Generation Corp., and Excellent Energy Resources, Inc., are set

to supply the 1,800-megawatt (MW) capacity requirement of the company.

The deadline to submit bids for the 1,200-MW energy supply is Jan. 23.

The company has also launched the bidding for interim power supply agreements covering 260-MW peaking requirement and 400-MW base-load requirements in preparation for the expected

increase in demand during the dry months.

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. — **Sheldeen Joy Talavera**

SEC to require disclosure of cornerstone investors in IPOs

THE SECURITIES and Exchange Commission (SEC) is proposing a new policy requiring the identification of cornerstone investors in the final prospectus of initial public offerings (IPOs).

In a draft memorandum circular (MC) released for public comment on Jan. 19, the SEC calls for the identification of cornerstone investors in IPOs, defined as those committing to subscribe to a company's shares before the public listing.

Other proposed requirements include that a cornerstone investor's placement must be at IPO price; the IPO shares placed are subject to a lock-up for a 30-day period starting from the listing date; and each cornerstone investor may have representation on the board of the registered issuer, provided it owns the minimum required shares for election.

"In line with the commission's function to formulate policies and recommendations on issues concerning the securities market, it is hereby imperative for issuers in an IPO and intending cornerstone investors to observe these guidelines during an IPO," the draft MC said.

The SEC's proposal further suggests that cornerstone investment agreements, guaranteeing share allocation, should be included in the material contracts of the issuer's registration statement sent to the commission.

The issuer should also ensure that cornerstone investors are not provided with any material information beyond what is in the final prospectus.

The SEC added that the cornerstone agreement should be signed prior to the submission of the issuer's preliminary prospectus to the commission, while the cornerstone investor should commit to purchase the shares as long as the final offer price is within the agreed preferred range.

The prospectus, the commission also said, should contain information such as the number of participating cornerstone investors and their respective profile descriptions; number and type of securities proposed to be issued or offered to cornerstone investors; and nature of sales or subscriptions.

At the same time, the prospectus should include the number and characteristics of securities that are sold privately to cornerstone investors, along with the prices and other pertinent information related to the cornerstone investment.

According to the SEC, cornerstone investors have been shown to "stimulate investor demand in an IPO" and lend credibility to the company that is planning to have a public listing.

"In the same light, having cornerstone investors in an IPO is seen to boost confidence and deliver a positive signal to the market. Their participation not only promotes the success of the IPO but also upholds a degree of confidence in the stability of the company's share price thereafter," the draft MC said.

China Bank Capital Corp. Managing Director Juan Paolo E. Colet said in a Viber message that the policy would help create "a more conducive IPO market."

He said that cornerstone investors play a role in signaling the credibility of the issuer and de-risking the IPO process.

"The lack of clear rules on cornerstone investors has been a perennial concern in the local equity capital markets," Mr. Colet said.

"The SEC's proposed guidelines will finally provide the needed regulatory clarity to facilitate cornerstone investments in IPOs. This is an important step in creating a more conducive IPO market. If we can attract high-quality cornerstone investors, then that would indicate greater confidence in our market," he added.

Meanwhile, Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said that the proposed policy would help develop and attract more local and international investors.

"This promotes greater transparency, level playing field, and accountability when it comes to better managing cornerstone investments, especially in further protecting the interest of the investing public, especially retail investors," he said.

"This also provides greater protection to the general investing public when it comes to equal access to information. There would be no undue advantage by a select group of investors to the detriment of retail investors," he added.

Public comments on the SEC's draft MC will be accepted until Feb. 1. — **Revin Mikhael D. Ochave**

Megawide's PH1 breaks ground for 330-unit housing project in Cavite

MEGAWIDE Construction Corp.'s real estate subsidiary, PH1 World Developers, broke ground for a new housing project in Cavite on Saturday, signaling an expansion in its real estate ventures.

The Trece Martires project, covering a five-hectare area, aims to offer about 330 units valued at P1.8 billion, with potential plans for expansion to 30 hectares, according to PH1's Landscapes General Manager Eric Gregor G. Tan.

Following the launch of the Northscapes project in San Jose Del Monte, Bulacan, where nearly 80% of units sold in 2023, PH1 continues to focus on horizontal developments, targeting young professionals and families, he also said.

"We aim to set the bar high in terms of innovation in horizontal developments."

Prices for units in the Trece Martires development range from P3 million to P8 million, Mr. Tan added.

The project incorporates sustainability features such as solar panels, tinted windows, and insulated walls, along with amenities like a clubhouse, solar-powered streetlights, e-shuttle services, and underground utilities.

PH1 President Gigi G. Alcantara said that Megawide will be undertaking the design and construction for the Trece Martires project.

"Through our parent company's innovative technologies, we herald developments that provide a wide range of extras: extra space, extra convenience, and extra value," Ms. Alcantara said.

Looking forward, Ms. Alcantara shared plans for expansion in Visayas, specifically in Cebu and Iloilo, and emphasized Luzon expansion in Bulacan, Cavite, and potentially Batangas. — **Revin Mikhael D. Ochave**

PNOC eyes JV for small-scale LNG terminal in Bataan

STATE-RUN Philippine National Oil Corp. (PNOC) is exploring a potential partnership with Samat LNG Corp. to construct a small-scale liquefied natural gas (LNG) receiving terminal in Bataan province, expected to be finished within the next two years.

"We have a potential joint venture (JV) with an investor for a small-scale receiving terminal for LNG," PNOC President Oliver B. Butalid said in an interview last week.

"We're on the stage where we will invest, very minority shareholder or not — that will come about in the next two months. Whether we'd come in as a shareholder or not, the project is pushing through already," he also said.

In September last year, PNOC and Samat LNG, which develops LNG import terminals, inked a long-term lease agreement for a 4.5-hectare area within the PNOC Industrial Park in Limay, Bataan.

The Department of Energy (DoE) has said that the LNG terminal will have the capacity to import 200,000 to 400,000 tons of LNG annually, catering to small-scale independent power producers, manufacturing firms, and transport fleets.

The facility plans to transport 20,000-cubic meter tankers that can be stored and transported to industrial facilities in Luzon, according to Mr. Butalid.

The DoE issued a notice to proceed (NTP) in January last year, requiring Samat LNG to obtain necessary permits from government agencies and secure financial closing for the facility's construction. — **Sheldeen Joy Talavera**

FULL STORY



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CTA upholds ruling granting Petron's P55.7-M refund

THE Court of Tax Appeals (CTA) has affirmed its ruling allowing Petron Corp. to claim a refund of P55.7 million in excise tax wrongly paid for alkylate imports in 2012.

In an 18-page decision dated Jan. 12, the CTA full court said that Petron's alkylate imports are not subject to excise tax, citing the Tax Code and recent Supreme Court jurisprudence.

Under the law, excise tax applies to naphtha gas, regular gasoline, and similar distillation products, exempting raw materials and ingredients composing these gases from taxes.

The commissioner of internal revenue argued that alkylate, being a product of distillation similar to naphtha, is subject to excise tax.

"It is clear that alkylate is not similar to naphtha or regular gasoline nor is it a product of distillation; thus, it is not subject to excise tax," CTA Associate Justice Corazon G. Ferrer-Flores said in the ruling. — **John Victor D. Ordoñez**

FULL STORY

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