



AbaCore Capital income jumps 20% to P2.4 billion

LISTED holding company AbaCore Capital Holdings, Inc. on Tuesday said its net income improved by 20% to P2.4 billion in 2023 from P2 billion in 2022, led by gains from land assets.

"The growth in income can be primarily attributed to an increase in its recorded gains of re-valuation, which grew on a year-over-year basis to P2.6 billion from P1.9 billion. This includes acquisition by the company of additional land assets at below market value," AbaCore said in an e-mailed statement.

AbaCore saw a 5.7% decline in its gross income to P459.4 million from P487.2 million in 2022, attributed to the company's shift in policy towards developing its own projects to secure a more stable source of recurring income, as opposed to its previous focus on selling investment properties.

The company's gross income comprised gains of P374.9 million from investment properties sold in Batangas and other provinces, a gain of P75.8 million from the sale of shares in Montemaria Shrine in Batangas, and dividend income of P6.3 million from subsidiaries Pacific Online Systems Corp. (LOTO) and Pride Star Development Bank.

"AbaCore's financial results for 2023 reflect the company's success in leveraging its strengths and by partnering with entities who can maximize the capabilities of our assets," AbaCore Vice-Chairman Antonio Victoriano F. Gregorio III said.

"We also expect our long-term strategic change of developing

more projects on our own to bolster our future financial results as it would allow us to be more aggressive with our expansion and growth plans," he added.

AbaCore aims to continue its planned projects, such as the development of the Montemaria Shrine as a lifestyle destination, and to sell off its investment properties to boost revenue.

The company also continues to maintain an agreement with Oriental Vision Mining Philippines Corp. to monetize its coal assets in Surigao del Sur, while LOTO has an agreement with the Philippine Charity Sweepstakes Office to develop an online lottery platform.

"Moving forward into 2024 and beyond, AbaCore will continue pursuing a long-term strategy of diversifying revenue and income sources. This includes the ongoing development of Montemaria Shrine — with the addition of facilities such as a water park, glass walkway, and a hotel — and implementing our existing business partnerships," Mr. Gregorio said.

"We will also continue making strategic investments into our property bank and working with local and foreign venture entities to maximize the financial potential of our assets," he added.

AbaCore is a holding company with interests in various sectors such as real estate, tourism, finance, and mining.

On Tuesday, AbaCore shares fell by 5.41% or six centavos to P1.05 per share. — **Revin Mikhael D. Ochave**

GMA Network's income down 42% as ad revenue decreases

GMA Network, Inc. saw a decrease in its attributable net income to P3.16 billion last year, mainly due to lower advertising revenue.

The company's net income attributable to parent fell by 42.1% to P3.16 billion last year from P5.46 billion in 2022, the company's financial statement showed.

The network's revenues stood at P18.64 billion, 13.5% lower than the P21.56 billion recorded previously.

Of its top line, the network's advertising revenue declined to P17.18 billion, marking a 15.1% decrease from the P20.23 billion in 2022; sales of services revenue went up to P1.14 billion from P992.77 million a year earlier, while sales of goods contracted by 8.6% to P311.62 million from P340.87 million.

"GMA Network and subsidiaries made a last-ditch effort to close the gap in the top line for the year 2023, with a stron-

ger performance in the second half of the year, which partly mitigated the slow start during the first semester," the company said.

"However, the absence of a little over P3-billion worth of political advocacies and advertisements made a huge dent on the company's top line," it added.

It noted that online and digital licensing managed to mitigate the lack of election-related placements. "These revenue sources

saw considerable improvements in 2023, which were crucial in addressing the challenges faced by the traditional advertising segment of the company," the company said.

The company's total expenses declined to P14.59 billion, 1.2% lower than the P14.42 billion in 2022.

At the local bourse on Tuesday, shares in the company fell by four centavos or 0.45% to end at P8.85 apiece. — **Ashley Erika O. Jose**

MPTC unit offers to buy gov't stake in CaviteX

CAVITEX Infrastructure Corp. (CIC), a unit of Metro Pacific Tollways Corp. (MPTC), aims to acquire the government's residual shares in the Manila-Cavite Expressway (CaviteX), its president said on Tuesday.

"It was a surprise to me that despite privatization, some operations and maintenance are still handled by the government," MPTC President and Chief Executive Officer Rogelio L. Singson said during a virtual briefing.

This follows a case filed by a unit of the Philippine Reclamation Authority (PRA) before the appellate court to take over toll road operations.

Under the Public Estates Authority Tollway Corp.'s (PEATC) petition dated April 8, the PRA unit is asking the Court of Appeals to operate, maintain, and collect toll fees over CaviteX. PEATC is a non-chartered government-owned and -controlled corporation (GOCC).

"We are open to full privatization by acquiring whatever residual value or estimates they have in terms of their projects. Ultimately, it reverts back to the government," Mr. Singson said, adding that the company is actively discussing the possibility of acquiring PEATC's share.

"I understand there are some initial discussions. We have already been open; we have included this as a topic of discussion."

Mr. Singson said that under the joint venture agreement, CIC's role is the design, financing, and construction of the Manila-



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Cavite toll expressway project covering a total of 23.8 kilometers.

The joint venture agreement spells out a revenue-sharing model of 90:10, with CIC receiving 90%, and the remainder going to PEATC.

Mr. Singson also said that the operations and maintenance model for CaviteX is different, as the government handles operations and maintenance while CIC provides the operating expenses (OPEX).

"On the NLEX (North Luzon Expressway) and other concessions, it is run by the private sector," he said.

Mr. Singson said the company is seeking a public-private partnership (PPP) model for

the project, offering P2.5 billion to take over the government's residual interest and also offering to take over toll road operations.

"That is our intention, to follow the spirit of PPP. Apparently, we have submitted over four times in the past," he said.

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. — **Ashley Erika O. Jose**

German ambassador, from SI/1

"If you look, for example, at the Procurement Law, it is one of the magical tools that the country has to be open to foreign investors ... In the end, you can get many offers if you do it well, and you can choose the best provider," Mr. Klebbs said.

"There are companies that started on the procurement contracts in the Philippines and were not in the Philippines before, and now they're very successful," he added.

He said that the procurement law should be more open and procurement procedures should be less complicated and time-consuming.

"Same as foreign ownership. It is really difficult for foreign companies to do business if they're not able to own their businesses," he said. "Also with the ownership of land. Sometimes you need land to do business. If you can't own the land, you can't do the business because it's too risky."

"But we think that it is better to allow it. But I do understand this notion that certain things should stay for the people, but it's a balanced approach," he added.

The House of Representatives has already approved Resolution of Both Houses (RBH) No. 7, which seeks to amend the restrictive economic provisions of the Constitution.

Under Article 12 of the Constitution, foreign ownership of land and businesses is only limited to 40%.

Germany was the top source of foreign-approved investments in the Philippines last year, accounting for P393.99 billion, and among the leading sources of foreign direct investments, contributing \$149.89 million.

Data from the Philippine Statistics Authority showed that total trade between the Philippines and Germany was valued at \$4.65 billion in 2023.

Yellow alerts, from SI/1

ICSC said that around 1,435 megawatts (MW) or 70% of the 2,050-MW hydroelectric capacity will be unavailable in the Luzon grid during the dry season.

Power demand typically surges during the hot summer months. Mr. Manansala said Luzon is expected to experience the tightest power supply between May 16 and May 30, adding that yellow alerts are expected from April 29 to May 26.

Peak demand is expected in May, reaching 13,917 MW in Luzon, 2,834 MW in Visayas, and 2,584 MW in Mindanao, ICSC said.

"El Niño reduces the available capacity from hydroelectric power plants. All baseload power plants need to be compliant with the grid operating and maintenance program and any unplanned outages may deplete operating reserves levels," Mr. Manansala said.

The El Niño weather phenomenon has started weakening but will still persist until May, the state weather bureau said, adding that its effects may last until August.

ICSC said there will be minimal impact on the Visayas grid as the region has limited hydroelectric capacity, while the Mindanao grid is expected to maintain normal reserves during the period.

The sufficient power reserves in Visayas and Mindanao is also due to the high-voltage direct current (HVDC) imports from Mindanao with the expanded operations of Cebu-Negros-Panay transmission and the Mindanao-Visayas Interconnection Project (MVIP). The MVIP allows Mindanao to export up to 450 MW to Visayas allowing the region to have power supply security.

The country's recurring power supply problems stem from the centralized and baseload-reliant plants, Pedro H. Maniego, Jr., senior policy advisor of ICSC, said.

Baseload power plants, like coal-fired plants, are those that can continuously generate power to meet the power demand.

Alberto R. Dalusung III, energy transition advisor at the ICSC, said the government must focus on the timely delivery of the committed power plants and the improvement of the grid to accommodate additional power capacity.

"There has to be expansion of the transmission system. So, we can definitely absorb more renewables and more [technologies] like biomass, geothermal, and this imposes less requirements on the grid," Mr. Dalusung said.

YELLOW, RED ALERTS

Meanwhile, the National Grid Corp. of the Philippines (NGCP) said that a red alert was placed over Luzon between 2-4 p.m. and 6-9 p.m. on Tuesday.

A yellow alert was placed over Luzon from 1-2 p.m.; 4-6 p.m.; and 9-11 p.m.

Yellow alerts are issued when the supply available to the grid falls below a designated safety threshold. If the supply-demand balance deteriorates further, a red alert is declared.

The NGCP said that the peak demand was at 13,024 MW, which nearly outpaced the available capacity of 13,537 MW.

FULL STORY



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