Philippine Stock Exchange index (PSEi) 6,650.44 ▲37.08 PTS. ▲0.56%

TUESDAY, AUGUST 13, 2024
BusinessWorld

PSEi MEMBER STOCKS

AC	Ayala Corp.	P601.00	——	
ACEN	ACEN Corp.	P5.50	+P0.10	+1.85%
AEV	Aboitiz Equity Ventures, Inc.	P32.65	——	
AGI	Alliance Global Group, Inc.	P8.82	-P0.03	-0.34%
ALI	Ayala Land, Inc.	P30.80	+P0.70	+2.33%
BDO	BDO Unibank, Inc.	P139.00	-P0.60	-0.43%
BLOOM	Bloomberry Resorts Corp.	P7.70	-P0.28	-3.51%
BPI	Bank of the Philippine Islands	P119.20	+P0.50	+0.42%
CNPF	Century Pacific Food, Inc.	P35.60	+P0.65	+1.86%
CNVRG	Converge ICT Solutions, Inc.	P12.10	+P0.34	+2.89%
DMC	DMCI Holdings, Inc.	P10.96	-P0.04	-0.36%
EMI	Emperador, Inc.	P18.72	+P0.02	+0.11%
GLO	Globe Telecom, Inc.	P2,318.00	+P6.00	+0.26%
GTCAP	GT Capital Holdings, Inc.	P620.00	+P28.00	+4.73%
ICT	International Container Terminal Services, Inc.	P367.00	+P2.00	+0.55%
JFC	Jollibee Foods Corp.	P234.60	+P3.60	+1.56%
JGS	JG Summit Holdings, Inc.	P24.15	-P1.05	-4.17%
LTG	LT Group, Inc.	P9.90	-P0.02	-0.2%
MBT	Metropolitan Bank & Trust Co.	P68.50	-P0.50	-0.72%
MER	Manila Electric Co.	P399.60	+P9.60	+2.46%
MONDE	Monde Nissin Corp.	P9.34	——	
NIKL	Nickel Asia Corp.	P3.09	-P0.09	-2.83%
PGOLD	Puregold Price Club, Inc.	P26.00	-P0.80	-2.99%
SCC	Semirara Mining and Power Corp.	P31.90	+P0.15	+0.47%
SM	SM Investments Corp.	P920.00	+P10.00	+1.1%
SMC	San Miguel Corp.	P97.95	-P0.55	-0.56%
SMPH	SM Prime Holdings, Inc.	P29.70	+P0.70	+2.41%
TEL	PLDT Inc.	P1,600.00	+P6.00	+0.38%
URC	Universal Robina Corp.	P96.00	-P3.80	-3.81%
WLCON	Wilcon Depot, Inc.	P17.80	——	

Expansion clause removed from Meralco franchise renewal bid

By Kenneth Christiane L. Basilio *Reporter*

THE HOUSE COMMITTEE on Legislative Franchises has approved a substitute bill renewing Manila Electric Co.'s (Meralco) franchise for another 25 years but removed the provision for expanding its service area.

"[The initial bill] contained a provision allowing [Meralco] to serve in adjacent regions, which was removed yesterday," Party-List Rep. Sergio C. Dagooc, a committee member, told BusinessWorld on Tuesday. A copy of the unnumbered substitute bill was not immediately made available.

House Bill No. 9793, authored by Albay Rep. Jose Maria Clemente S. Salceda, states that "The grantee shall also be authorized to extend service to any adjacent or nearby city, municipality, barangay, or province, whenever such service is requested by its residents or inhabitants, through their Local Government Units."

Meralco is the main power distributor for Metro Manila and nearby areas, covering 39 cities and 72 municipalities, delivering electricity to at least 7.75 million Filipinos.

The proposed measure extending Meralco's franchise is expected to breeze through the House as it has complied with electric regulatory policies, according to Mr. Salceda.

"The role of the franchise review process in Congress is to see whether a grantee has complied with its mandates," he told *BusinessWorld* in a Viber message. "In this regard, there can be little question. Meralco has fulfilled its end of the current franchise law."

"The franchise is possibly the single most important private bill for industrial policy in this country," he added, noting Meralco's role in supporting Philippine economic growth by providing power to businesses in Metro Manila.

The electric distribution company provides power to a region responsible for half of the country's gross domestic product, Mr. Salceda noted.

Party-List Rep. Arlene D. Brosas said she will question the proposal in plenary. "You cannot give [Meralco a franchise] without it being clear to us how they will make electricity cheaper," she said in an interview in Filipino.

PHILIPPINE STAR/MICHAEL VARCAS

Meralco acknowledged a Viber message seeking comment but did not provide a response to Ms. Brosas' claim.

Issues raised against Meralco have been threshed out in the committee, Cagayan de Oro Rep. Rufus B. Rodriguez said in a statement.

"Practically everything has been discussed... ventilated... and answered," he said.

The House acted on Meralco's extension four years before its franchise expiry.

"As far as I know on [franchise renewal] rules, any entity with a franchise set to expire within five years can file for extension," Mr. Dagooc said.

Measures seeking to extend a company's franchise to operate first originate at the House, undergoing the same legislative process as regular bills, according to the Energy department.

Meralco's majority owner, 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.

Residential sales lift FLI's profit to P1.54B

GOTIANUN-LED Filinvest Land, Inc. (FLI) saw an 11% increase in its attributable net income for the first half to P1.54 billion from P1.39 billion a year ago, led by its residential projects.

Consolidated revenue for the January-to-June period jumped by 15.8% to P11.49 billion from P9.92 billion a year ago due to the growth of the residential and co-living segments, FLI said in a regulatory filing on Tuesday.

Residential real estate sales grew by 21.8% to P7.38 billion from P6.06 billion a year ago, driven by the construction percentage of completion achieved during the period and accelerated collection.

Reservation sales rose by 16% to P12.84 billion, with FLI's medium-rise condominiums and economic house-and-lot villages being the top contributors, propelled by a ramp-up in launches, as well as new demand from a higher ceiling on the value-added tax-free segment.

In the first half, FLI launched 10 new projects worth P14.7 billion, nearing its target of having P25 billion in launches this year.

Retail leasing revenues increased by 9% to P1.19 billion, while office leasing revenue fell by less than 1% to P2.29 billion.

FLI's co-living business, The Crib Clark at Filinvest Mimosa+ Leisure City, generated P116 million in revenue as it continued to fully lease out its 3,312 beds in the first half.

The industrial parks business also continued to deliver rental revenue, with three ready-built factories at the Filinvest Innovation Park in New Clark City expected to be finished by yearend.

"Our robust first-half results show that FLI's residential business continues to thrive. FLI delivered strong growth amidst the current interest rate environment. We achieved this through the continued strength of our brand, known for value-for-money homes in well-rounded communities across the Philippines," FLI President and Chief Executive Officer Tristaneil D. Las Marias said.

"We are confident in achieving our targets for the rest of the year and ultimately delivering for all our stakeholders," he added.

Meanwhile, FLI's Filinvest Malls Dumaguete is set to open at the 1.9-hectare Marina Town integrated township with a mall, offices, and three medium-rise condominiums.

The company is also eyeing a new mall within the Filinvest Mimosa+ Leisure City by 2025.

On Tuesday, FLI shares were unchanged at 66 centavos per share. — **Revin Mikhael D. Ochave**

OceanaGold Philippines eyes output at lower range

OCEANAGOLD Philippines, Inc. (OGPI) expects its gold and copper ore production for the year to be at the lower end of its annual guidance, an official from its parent company OceanaGold Corp. (OGC) said.

"We are now advising the market that we will be at the lower end of our guidance," OGC Chief Operating Officer for Asia-Pacific Peter Sharpe said during a briefing on Tuesday.

Earlier, OGPI said that it is expecting to produce 120,000 to 135,000 ounces of gold and 12,000 to 14,000 tons of copper for 2024.

"We also had a change of plan with our underground mine sequencing based on a geotechnical review that we had undertaken," Mr. Sharpe added.

He said that the review identified safer ways to extract ore from the underground area of the Didipio gold and copper mine.

"What that will mean is slightly less grade going forward over the next couple of years. But the years beyond that will see a higher grade," he added.

He said that the new mining plan had impacted the company's production during the second quarter. It is also expected to slightly impact production for the third and fourth quarters.

"Our firm belief is that this is actually a better decision for Didipio in the long run. It will ensure that we are safer underground while also being able to recover more ore from underground," Mr. Sharpe added.

OceanaGold Philippines saw its net income decline by 30.7% year on year to $14.2 million for the second quarter from $20.5 million due to lower ore production.

Revenues for the three-month period fell by 22.1% to $68.8 million from $88.3 million in the same period last year.

"Our second-quarter results were probably one of the weakest quarters we've had in the last couple of years. It was always planned to be slightly weaker than other quarters," Mr. Sharpe said.

The company had reported two fatalities at the mine site, causing production delays. One worker had fallen at Didipio's paste processing plant in June, while a contractor died after sustaining head injuries in July.

"They were one-off events, and they've effectively been addressed. So we are seeing the capacity and throughput being re-established. We certainly expect the third quarter and then the fourth quarter to be stronger than the second quarter," he added.

OGPI shares fell by 0.59% or eight centavos to close at P13.48 apiece on Tuesday. — **Adrian H. Halili**

SPNEC seeks DoE nod to cancel 280-MW project

PANGILINAN-LED SP New Energy Corp. (SPNEC) said it has decided to withdraw from its 280-megawatt (MW) solar power project in Santa Rosa, Nueva Ecija.

The company has formally asked the Department of Energy (DoE) to cancel the award it received for this project from the first round of Green Energy Auction (GEA), the company told the local bourse on Tuesday.

SPNEC President and Chief Executive Officer Emmanuel V. Rubio said that the company's request to terminate the award mainly stemmed from transmission constraints, "which (are) beyond our control."

"Our request remains subject, of course, to DoE approval and is well within the parameters established in GEA-1 guidelines," he said in a Viber message.

"Having said that, SPNEC remains a committed partner of the government's thrust to increase the share of RE (renewable energy) in the overall energy mix of the country, as we continue to assess and develop opportunities while we progress with the execution of our existing projects," he added.

Energy Assistant Secretary Mylene C. Capongcol said that the department and the Green Energy Auction Committee are still evaluating the request of SPNEC.

Formerly Solar Philippines Nueva Ecija Corp., SPNEC's primary purpose is to construct, operate, and maintain power-generating plants and related facilities for renewable energy.

SPNEC, along with its affiliates under its parent company Solar Philippines Power Project Holdings, Inc., won during GEA-1 in 2022, bagging most of the renewable energy capacities.

Other projects include the 200-MW Concepcion Tarlac 2 Solar Power Project and 450-MW Tayabas Solar Power Project of Solar Philippines Commercial Rooftop Projects, Inc., the 30-MW Calatagan Wind Power Project of Solar Philippines Calatagan Corp., and the 300-MW Kananga-Ormoc Solar Power Project of Solar Philippines Visayas Corp.

SPNEC is currently developing a P200-billion Terra Solar project, which is said to be the world's largest solar power project.

The solar power project in Nueva Ecija and Bulacan consists of a 3,500-megawatt solar power plant and a 4,000-megawatt-hour energy storage system. It is expected to generate more than five billion kilowatt-hours of electricity yearly.

The first phase of the project is scheduled to be delivered by 2026, while Phase 2 is targeted for 2027.

SPNEC is controlled by the Pangilinan group through MGen Renewable Energy, Inc.

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**

Cebu Landmasters' income hits P1.7B on hotel and leasing gains

LISTED property developer Cebu Landmasters, Inc. (CLI) saw a 24% increase in its first-half attributable net income to P1.7 billion from P1.37 billion last year, following developments across the company's business segments.

First-half revenue increased by 24% to P11.31 billion from P9.15 billion a year ago, led by "progress across all segments," CLI said in a stock exchange disclosure on Tuesday.

"This is driven by ongoing construction progress, a substantial rise in hotel and leasing revenues, an increase in new units qualifying for revenue recognition, and a one-off lot sale," CLI said.

CLI said its hotel revenue received a boost from the opening of lyf Cebu City, which has 159 rooms, and The Pad Co-Living, which has 156 rooms. The company expects additional revenue with the opening of the 200-room Citadines Bacolod City.

The company's leasing business grew by 42%, led by a higher gross leasable area, now at 40,575 square meters. The growth followed the turnover of new retail areas such as the new wing of Base Line Center, 38 Park Avenue Retail, and Banilad High Street.

CLI launched four new residential projects worth P8.3 billion, consisting of Tower 6 of The East Village in Davao, Tower 5 of Casa Mira Towers Palawan, Casa Mira Homes Butuan, and Velmiro Heights Davao.

Reservation sales rose by 10% to P11.6 billion, with 48% coming from Davao projects.

"There has been steady demand for our residential projects, as shown by the fast market absorption of our newly launched developments," CLI Chairman and Chief Executive Officer Jose R. Soberano III said.

"Demand continues to outweigh supply in the Visayas and Mindanao regions, with our projects selling out within days after market introduction, such as Velmiro Heights Davao, which fully sold out in practically less than two days after market introduction. This is a clear indicator that we are offering a compelling product priced competitively for the right market," he added.

To date, CLI has invested P6.76 billion in capital expenditures, with 67% allocated to project development and 19% to land acquisition. The company is currently finalizing negotiations for land acquisitions to support its strategic expansions into established and new markets.

CLI shares were unchanged at P2.60 apiece on Tuesday. — **Revin Mikhael D. Ochave**