

Philippine Stock Exchange index (PSEi)

7,424.52

▼ 112.73 PTS.

▼ 1.49%

WEDNESDAY, OCTOBER 9, 2024

BusinessWorld

PSEi MEMBER STOCKS

AC

Ayala Corp.

P731.50

-P5.50 -0.75%

ACEN

ACEN Corp.

P5.20

-P0.09 -1.7%

AEV

Aboitiz EquityVentures, Inc.

P37.20

-P0.45 -1.2%

AGI

Alliance GlobalGroup, Inc.

P9.48

-P0.18 -1.86%

ALI

Ayala Land, Inc.

P36.40

BDO

BDO Unibank, Inc.

P157.80

-P3.80 -2.35%

BLOOM

Bloomerry Resorts Corp.

P8.09

-P0.16 -1.94%

BPI

Bank of the Philippine Islands

P140.00

-P3.00 -2.1%

CNPF

Century Pacific Food, Inc.

P38.50

-P0.50 -1.28%

CNVRG

Converge ICT Solutions, Inc.

P16.58

-P0.14 -0.84%

DMC

DMCI Holdings, Inc.

P11.84

-P0.06 -0.5%

EMI

Emperador, Inc.

P18.76

+P0.02 +0.11%

GLO

Globe Telecom, Inc.

P2,420.00

-P40.00 -1.63%

GTCAP

GT Capital Holdings, Inc.

P708.00

-P15.00 -2.07%

ICT

International ContainerTerminal Services, Inc.

P429.80

-P8.20 -1.87%

JFC

Jollibee Foods Corp.

P274.80

+P1.80 +0.66%

JGS

JG Summit Holdings, Inc.

P26.40

-P0.75 -2.76%

LTG

LT Group, Inc.

P9.95

-P0.13 -1.29%

MBT

Metropolitan Bank& Trust Co.

P79.90

-P0.10 -0.12%

MER

Manila Electric Co.

P481.00

-P8.00 -1.64%

MONDE

Monde Nissin Corp.

P10.36

-P0.24 -2.26%

NIKL

Nickel Asia Corp.

P3.81

-P0.12 -3.05%

PGOLD

Puregold Price Club, Inc.

P32.80

-P0.60 -1.8%

SCC

Semirara Mining and Power Corp.

P34.05

-P0.30 -0.87%

SM

SM Investments Corp.

P975.00

-P23.00 -2.3%

SMC

San Miguel Corp.

P88.95

-P0.55 -0.61%

SMPH

SM Prime Holdings, Inc.

P31.90

-P0.50 -1.54%

TEL

PLDT Inc.

P1,511.00

-P19.00 -1.24%

URC

Universal Robina Corp.

P103.00

WLCON

Wilcon Depot, Inc.

P16.42

-P0.50 -2.96%

MPTC-SMC tollways merger seen to finalize this month

By Ashley Erika O. Jose
Reporter

THE MERGER between Metro Pacific Tollways Corp. (MPTC) and San Miguel Corp. (SMC) is expected to be finalized this month, according to MPTC President Rogelio L. Singson.

“The merger is actually going to happen sooner rather than later... Expect some announcement soon, within October,” Mr. Singson told reporters on the sidelines of the Management Association of the Philippines general membership meeting on Wednesday.

MPTC initially expected to finalize the planned merger by the first quarter of 2025. However, after the tollways arm of the Pangilinan group finalized its investment deal to acquire a 35% stake in the Trans-Java toll road network in Indonesia, the merger is now likely to happen sooner than expected, Mr. Singson noted.

Earlier this month, MPTC’s subsidiaries and Singapore’s GIC Pte. Ltd. finalized their investment cooperation to acquire a 35% stake in PT Jasamarga Trans-Jawa Tol (JTT), a major toll road operator in Indonesia.

“Indonesia [assets] have to be part of it, and now that the transaction has been completed, the [size] of the merger would be 50:50,” Mr. Singson said.



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MPTC has said that while SMC’s toll road assets are larger, MPTC’s Indonesian assets will balance the difference.

The merged company is still being planned to be listed on the Philippine Stock Exchange, Mr. Singson said, adding that MPTC’s initial public offering (IPO) plans would still have to wait.

Mr. Singson said that the merged entity will be listed on the Philippine Stock Exchange, and MPTC’s IPO plans will still have to wait.

“Well, that will have to wait whether we will list separately, or we will wait for a merger and be listed together,” he said.

For Chinabank Capital Corp. Managing Director Juan Paolo E. Colet, market participants are expected to “welcome”

the merger as it could translate to significant operational efficiencies and improved financial performance for both entities.

“The scale and dominant position of the unified tollways company would make its IPO attractive to foreign and domestic investors,” Mr. Colet said in a Viber message.

Mr. Colet noted that despite the expected announcement this month, regulatory approvals may cause delays.

“There’s been some uncertainty as to the exact timing of the merger. Even if they announce a deal this year, it will have to go through regulatory approvals, so completing the transaction might take more time, perhaps until early next year,” he said.

Mr. Singson, who will be stepping down as president and CEO of MPTC this month, said the merger will need approval from the Philippine Competition Commission (PCC).

Mr. Singson will be succeeded by Arrey A. Perez, who recently resigned as president of Clark International Airport Corp.

MPTC is the tollway arm of Metro Pacific Investments Corp., which is 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.

DoubleDragon Corp. prepares P30-billion bond issuance

LISTED property developer DoubleDragon Corp. (DD) will establish a P30-billion multi-year shelf registration for retail bond issuance to boost its financial position.

DD’s board approved the offer on Oct. 8, intending to issue it in three or more tranches in 2024, 2025, and 2026 with a tenor of five to seven years, the company told the stock exchange on Wednesday.

“The pipeline capital-raising issuances at this stage of DD’s growth are intended to further boost its financial position by increasing its cash position,” the property developer said.

DD will offer an initial P5-billion retail bond issuance in the fourth quarter at a price of 8% per annum (p.a.).

The planned bond issuances for 2025 and 2026 will be priced at around 7% p.a. and 6% p.a., respectively.

DD said the initial P5-billion retail bond offering for the fourth quarter “could become one of the last, if not the last and only, long-term retail bond offerings available in the Philippines for this year at an expected attractive rate of 8% p.a.”

“For the past ten years since DD listed on the Philippine Stock Exchange in April 2014, the majority of the series of

capital-raising issuances were deployed in building up its hard asset recurring revenue portfolio from zero to now 1.3 million square meters of completed gross floor area,” DD said.

“From 2025 onwards, these portfolios built in the past ten years will already be fully completed and built up and are expected to start generating optimal revenues year on year, while requirements for further substantial capital expenditure will no longer be needed in the near term – all in line with DD’s goal to become a Tier-1 mature company by next year,” it added.

In July, DD concluded a P10-billion retail bond offering that achieved full subscription five days ahead of schedule. It was the initial segment of DD’s shelf-registered debt securities program.

For the first half, DD grew its attributable net income by 24% to P1 billion from P805.52 million in 2023.

Revenues also rose by 11.7% to P4.4 billion as rental revenue increased by 1% to P1.97 billion due to a combination of rental escalation and new tenants.

On Wednesday, DD shares dropped 3.07% or 32 centavos to PHP 10.12 per share. — **Revin Mikhael Ochave**

SEC clears P2.87-B Topline IPO; Nov. 22 listing eyed

THE SECURITIES and Exchange Commission (SEC) has approved the planned P2.87-billion initial public offering (IPO) of Cebu-based fuel retailer Top Line Business Development Corp. (Topline).

The IPO will consist of up to 3.68 billion primary common shares at a maximum price of 78 centavos per share, and an overallotment option of 368.31 million secondary common shares, the corporate regulator said in an e-mailed statement on Wednesday.

The offer period will be from Nov. 6 to 12, with listing on the main board of the Philippine Stock Exchange by Nov. 22, according to the company’s latest timeline sent to the SEC.

The commission en banc approved Topline’s registration statement during a meeting on Oct. 8.

Topline aims to generate up to P2.75 billion in net proceeds from the sale of primary offer shares, which will fund the construction of fuel depots and service stations, acquisition of fuel tankers and tank trucks, working capital, as well as for general corporate purposes.

The company will not receive proceeds from the exercise of the overallotment option.



LIGHT FUELS service station located at A.C. Cortes Avenue, Mandaue City, Cebu

Investment & Capital Corp. of the Philippines and PNB Capital and Investment Corp. were appointed as the joint lead underwriters and joint bookrunners for the offer.

Topline started commercial fuel trading operations in 2017, mainly in Central Visayas. The company operates a retail distribution network via fuel station chain Light Fuels.

The company aims to have ten operating service stations this year. Its commercial fuel trading operations cater to customers with requirements of at least 4,000 liters per order in transportation, construction, shipping, and mining, among others.

For the first half, the fuel retailer’s net income jumped to P60.6 million from P20.8 million a year ago. Gross revenues increased 15% to P1.56 billion. — **Revin Mikhael D. Ochave**

PAL to recover P6.89M in excise taxes, CTA rules

THE COURT of Tax Appeals (CTA) has partially granted Philippine Airlines, Inc.’s (PAL) petition for a tax refund, ruling that the airline is entitled to recover P6.89 million in excise taxes erroneously paid on the importation of liquors and wines intended for international flight consumption.

The tax court’s second division affirmed the airline’s exemption for most of the imported liquors and wines. Still, the court noted that it failed to prove that certain cigarette imports and some alcoholic products were not locally available at a reasonable price.

As a result, over P859,000 in excise tax refunds were disallowed, leaving the airline entitled to a refund of P6.89 million, Associate Justice Maria Rowena Modesto-San Pedro wrote in a 15-page ruling promulgated last Oct. 3.

The flag-carrier airline initially sought a refund of P7.76 million in excise taxes it paid under protest in December 2008, asserting its exemption under Presidential Decree No. 1590.

The decree gives PAL tax exemptions on specific imports for its international flights.

“As to the imported liquors, the Court En Banc explicitly stated that the evidence presented by [the] petitioner is sufficient to evaluate that the costs of importing liquors are lower than purchasing them locally,” it said, ordering the Bureau of Internal Revenue (BIR) and Bureau of Customs (BoC) to refund the amount.



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The tribunal also confirmed that, based on evidence presented by PAL, the importation costs of the liquor and wine products were lower than the prices for equivalent products available in the local market.

The recent ruling stemmed from a CTA division decision on June 2, 2015, which denied PAL’s petition.

PAL assailed the 2015 decision by filing a petition for review before the CTA En Banc but also lost on April 5, 2017.

The airline company appealed before the tax court En Banc again by filing a motion for reconsideration on May 11, 2017. Its petition was eventually partially granted, remanding the case to the tax court’s division.

The respondents, BIR and BoC, appealed the decision before the Supreme Court through a petition for review on certiorari.

On March 27, 2019, the top court rendered a resolution, junking the petition the respondents filed “for failure of the [BIR and BoC] to sufficiently show that the CTA En Banc committed any reversible error in the assailed decision and resolution as to warrant the exercise of this court’s discretionary appellate jurisdiction.”

The top court’s second division issued the entry of judgment certifying the case had become final and executory on June 3, 2019, and had been recorded in the Book of Entries of Judgment.

In response, PAL filed a motion for execution of judgment on June 6, 2023, praying for the CTA to implement and execute the CTA en banc decision and to provide computation for the partial granting of PAL’s claim for a refund. — **Chloe Mari A. Hufana**