

Citicore Energy REIT income climbs to P1.4B

By **Sheldeen Joy Talavera**
Reporter

CITICORE Energy REIT Corp. (CREIT) announced on Tuesday that it recorded an attributable net income of P1.4 billion in 2023, marking a 12% increase from the previous year's P1.25 billion.

The company's gross revenues grew by 31% to P1.8 billion, driven by the expansion of its green asset portfolio, which had increased 4.3 times since its initial public offering (IPO) in 2022, CREIT said in a regulatory filing.

Broken down, the top line consists of lease revenue from its

freehold properties amounting to P792.2 million, leasehold properties amounting to P722.4 million, and solar plant at P283.5 million.

In 2023, CREIT added seven parcels of land to its landholdings, totaling 5.12 million square meters of value-accretive assets.

"The higher income we generated as a renewable energy REIT allows us to continuously increase value to our shareholders by declaring dividends beyond the mandated 90% of distributable income," CREIT President and Chief Executive Officer Oliver Tan said in a statement.

During the period, the company's gross expenses rose by 12.9%

to P103.05 million from P91.27 million previously.

Gross profit soared by 32% to P1.7 billion, translating to a gross profit margin of 94%, up 1% driven by the expansion of leasing activities.

CREIT is the Philippines' first real estate investment trust (REIT) listing with a focus on renewable energy. It specializes in owning sustainable infrastructure projects, including income-generating renewable energy properties across the Philippines.

"For the second straight year, CREIT paid out 106% of the company's distributable income, derived from the guaranteed and variable leases, well-above the re-

quired 90% as stated in the REIT Law," CREIT said.

Analysts expect the company to maintain its momentum through the first quarter of 2024, which will also depend on the development of its parent company, Citicore Renewable Energy Corp. (CREC).

"We expect first quarter results to sustain improvements in profitability. Future growth will depend largely on asset acquisitions, which in turn will depend primarily on the availability of suitable projects from its parent, CREC," China Bank Capital Corp. Managing Director Juan Paolo E. Colet said in a Viber message.

Mr. Colet also said that the strong performance of CREIT in

2023 has placed it among "the very few REITs currently trading above their IPO price."

Last week, CREC announced that it had raised P5 billion after selling its shares in CREIT to conglomerate SM Investments Corp. (SMIC).

The company and its subsidiary Citicore Solar Tarlac 1, Inc. sold a total of 1.88 billion common shares, equivalent to 28.79% in CREIT at P2.6534 per share.

The parent company said it will continue to be "the single largest stakeholder" in CREIT with a 32.88% effective ownership post-transaction.

CREC is targeting to conduct its IPO by the second quar-

ter, aiming to raise as much as P12.9 billion.

Regina Capital Development Corp. Head of Sales Luis A. Limlingan said that SMIC's investment in CREIT "signals confidence in its growth trajectory."

"Collaborating with CREC for further development synergizes with its RE (renewable energy) focus, offering long-term sustainability and growth prospects," Mr. Limlingan said.

"Considering these factors, CREIT's likely going to be able to enjoy the momentum from 4Q23 to 1Q24, underpinned by its solid fundamentals and strategic initiatives," he added.

Regulator warns against investing in SparkFX Bitcore and Prime Asset

THE Securities and Exchange Commission (SEC) has warned the public against investing in SparkFX Bitcore and Prime Asset.

In two separate advisories on its website, the corporate regulator said that SparkFX Bitcore and Prime Asset are not registered as corporation nor partnership.

The SEC said that SparkFX Bitcore is allegedly engaged in trading, investing, and mining of cryptocurrency.

The entity offers three types of trading plans consisting of a commercial plan where a person can invest a minimum of \$200 and earn \$2,000 during a six-hour plan duration; premium plan with a minimum of \$1,000 investment and earn \$10,000

during a 12-hour plan duration; and gold plan with a minimum of one bitcoin investment and earn 10 bitcoins during a seven-day plan duration.

"In view thereof, the public is hereby advised not to invest or to stop investing in the investment scheme being offered by SparkFX Bitcore, and its representatives," the SEC said.

The SEC also said that Prime Asset reportedly offers two package plans: emerald plan and sapphire plan.

The emerald plan has a minimum investment amount of P500 up to P50,000, while the sapphire plan has a minimum investment amount of P1,000 up to P100,000.

Investors could earn 50% after nine days under the emerald plan and 120% after 20 days with the sapphire plan.

"An investor can also earn 10% direct referral bonus, 3% indirect referral bonus for first level and 2% indirect referral bonus for 2nd level. If the investor is a team leader they may also get 5% monthly sales commission," the SEC said.

"The public is being made aware that an investment contract exists when there is an investment or placement of money in a common enterprise with a reasonable expectation of profits to be derived from the efforts of others which is prominent in the scheme of Prime Asset," it added. — **Revin Mikhael D. Ochave**

First Gen seeks contract for wind projects near Nueva Ecija facilities

LOPEZ-LED First Gen Corp. has filed applications with the Department of Energy for service contracts to develop wind projects around its hydroelectric power plants in Nueva Ecija.

"Sites under consideration in Pantabangan for wind projects satisfy several criteria, like acceptable wind speeds and proximity to transmission line substations," First Gen Vice-President Ramon A. Carandang said in a statement on Tuesday.

"While locations under construction for solar farms meet their own peculiar criteria like high irradiance and a flat terrain, aside from proximity to transmission line substation," he added.

Studies are ongoing to confirm the viability of both ground-mounted and floating solar in the locations, as well as battery energy storage systems, First Gen said.

The company is considering to put up such technologies near its existing 132-megawatt (MW) Pantabangan-Masiway hydroelectric

power plant and its newly acquired 165-MW Casencan hydroelectric power plant.

"The projects also will have no adverse impact on the environment but will instead complement the operations of First Gen's hydro plants in the area," Mr. Carandang said.

"In the case of floating solar, they can even help preserve the water resource in the dam by slowing down the process of evaporation."

First Gen Senior Vice-President Dennis P. Gonzales has said that the company is expecting about 400 MW of renewable energy capacity from its hydropower facilities by 2028 as it plans to construct 100-120-MW Aya pumped-storage hydropower project.

The project has an estimated cost of P6 billion and a construction timeline of 36 months.

To date, First Gen has a total renewable energy capacity of 1.5 gigawatts (GW) and is seeking to grow its portfolio capacity to nine GW by 2030 with the development of new projects. — **Sheldeen Joy Talavera**

NGCP FACTS



ELECTRICITY CHARGES*

NGCP charges only **3.39%**
of your electricity bill compared to
Generation 53.17%
Distribution 21.81%



NGCP charges only **₱0.55/kWh****
VS
₱0.74/kWh under TransCo

* Percentage share of Electricity Charges for October 2023
** 2023 Average Transmission Rate as of September

EFFICIENCY

Outages went down by **82%**
since NGCP took over in 2009

ACCOMPLISHMENTS



Substation Capacity
Pre-privatization under TransCo
2,285MVA

Transmission Facilities Constructed
/Installed by NGCP (2009-2022)

31,190MVA*



Transmission Line Length
Pre-privatization under TransCo

1,357 ckm

Transmission Facilities Constructed
/Installed by NGCP (2009-2022)

3,729 ckm*



Accommodated Generation Capacity
Pre-privatization under TransCo

13,325 MW

NGCP (2009-2022)

23,598 MW

* Does not consider those that were divested, replaced, retired, and modified.