# Napocor switches on Tawi-Tawi diesel gensets

STATE-LED National Power Corp. (Napocor) has energized modular diesel generator sets (gensets) with a combined capacity of 150 kilowatts on an island in Tawi-Tawi.

The diesel generator sets were energized on the island of Taganak, Turtle Islands, along with the switch on of a distribution line system of the Cagayan de Sulu Electric Cooperative, Inc., Napocor said in a statement on Wednesday.

The distribution line project was facilitated by the Ministry of Environment, Natural Resources and Energy - Bangsamoro Autonomous Region in Muslim Mindanao.

"This initiative is anticipated to provide service to 1,000 households, significantly enhancing the island's energy accessibility," the company said.

Napocor is mandated to provide electricity to all far-flung areas not connected to the main grid through the Small Power Utilities Group (SPUG). To date, it operates 272 SPUG power plants in 222 areas.

Napocor President Martin Y. Roxas has said that they are targeting to complete the bidding process for the Accelerated Hybridization Program (AHP) soon to allow private companies to put up renewables in off-grid areas.

The AHP is aimed at allowing the private sector to build renewable energy generation plants or facilities to supplement, augment, or replace the existing capacities in the operations of Napocor's SPUG diesel power plants.

Under the program, Napocor plans to bid out four clusters of off-grid areas, such as Tawi-Tawi, Batanes, Bicol, and El Nido in Palawan. — **Sheldeen Joy Talavera**

# Ayala Land, Inc. eyes P14-B sustainability-linked bonds

LISTED property developer Ayala Land, Inc. (ALI) said it is eyeing a P14-billion sustainability-linked bond issuance with the International Finance Corp. (IFC) to fund its mall renovation efforts.

ALI's Chief Finance Officer Augusto D. Bengzon said on the sidelines of a listing ceremony in Makati City on Thursday that plans for an additional P14 billion in funding are underway.

ALI listed its P6 billion ASEAN sustainability bonds at the Philippine Dealing & Exchange Corp. on Thursday, which will bring the company's total funds raised from sustainability-linked securities to P20 billion once finalized.

"It is the first time that we are doing a deal with the IFC. We've been engaging with them every year. This is the first time that we came to terms," Mr. Bengzon said.

"They're quite optimistic about the prospects of the Philippines. Secondly, they're willing to extend financing to us in local currency. In the past, they wanted to extend in dollars, which we had no need for because we wanted to keep our balance sheet hedged naturally," he added.

The bonds will have a tenor of eight years and will be used for the renovation of ALI-owned malls.

"The IFC (loan) is to help fund our reinvention. We've started the reinvention of our flagship walls. "The bulk of the proceeds of the IFC loan that we're looking to close soon are going to be for our malls," ALI Vice-President and Treasurer Jose Eduardo A. Quimpo II told reporters.

"What we're doing is looking at dual markets. The first is this capital market side, and on the other, we're looking to do it on a private loan market side. We're hoping to close another first for ALI within the next 24-48 hours to make this really comprehensive first-time sustainability-linked offer," he added.

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Mr. Quimpo said the bonds will have to meet certain sustainability requirements, such as a 42% reduction in ALI's office and hotel emissions by 2030 and to secure EDGE Zero Carbon certification for 1.5 million square meters of office space by 2025.

"That's part of the commitment of ALI. We're able to harness tighter pricing because we are committing to investors that we're going to meet these targets," he said.

"If we don't meet those targets, the rates will step up. Each requirement is valued at five basis points (bps). The rates will step up by five bps on an annual basis," he added.

Meanwhile, Mr. Bengzon said that ALI will continue to bank on the premium segment to drive the company's growth.

"For this year up to next year, we will lean on the premium segment, which has proven to be extremely resilient," he said.

On Thursday, ALI shares fell by 2.21%, or 70 centavos, closing at P30.95 per share. — **Revin Mikhael D. Ochave**

# Alliance Global Group banking on tourism and leisure sector for growth

ALLIANCE Global Group, Inc. (AGI) said it is leveraging its tourism and leisure segment to drive growth in the medium to long term, supported by its highest capital expenditure (capex) budget since 2016.

"We believe that each of our segments has its own long-term growth story. But we are most excited about the growth opportunities presented by our tourism and leisure segment," AGI President and Chief Executive Officer Kevin Andrew L. Tan said during the AGI virtual annual stockholders' meeting on Thursday.

"This is because we still see enormous potential in the country's hospitality sector, which is recovering from its pre-pandemic performance. The sector is currently recovering, and we see a lot of potential to reach or even surpass pre-pandemic levels," he added.

AGI has a presence in the tourism and leisure business through its units, Megaworld Corp. and Travellers International Hotel Group, Inc.

The holding company earmarked P75 billion as its capex budget this year, up by 19% from the P63 billion capex spending last year and an eight-year high since the P77 billion worth of capital investments in 2016.

About P55 billion of the capex will be allocated to Megaworld, which plans to expand its real estate portfolio to 35 townships this year with the launch of new developments, mostly outside Metro Manila. It will also develop hotel projects in Iloilo and Boracay.

Some P10 billion will be used by Travellers International to fund ongoing expansion projects within its Newport World Resorts complex in Pasay City. The company is refurbishing the Newport Mansion, which will feature all-suite rooms, garden villas, and bay suites.

"The AGI Group continues to expand its operations in the hospitality sector with a plan to bring its total hotel room keys to around 12,000 in the next few years, up from its 2023 capacity of around 7,500 keys," Mr. Tan said.

The company will also allocate part of its capital for the development of the commercial area at Westside City in Parañaque City, including the construction of the Grand Opera House, theaters, and cinemas.

Liquor company Emperador, Inc. will get a P6.5-billion capex budget to support expansion plans for whisky operations under Whyte & Mackay, while Golden Arches Development Corp. will receive P4 billion in capex to fund the continued growth of McDonald's Philippines' store network.

"AGI remains steadfast and dedicated to driving growth across all its business segments, mindful of its goal to elevate global consumer preferences through aspirational product offerings," Mr. Tan said.

For the first quarter, AGI saw a 10% drop in its attributable net income to P4.2 billion due to higher input costs, marketing expenses, interest charges, and unrealized foreign exchange losses. First quarter revenue rose by 1% to P50.6 billion.

AGI shares rose by 0.11%, or one centavo, finishing at P8.97 per share on Thursday. — **Revin Mikhael D. Ochave**



# Pushing the boundaries towards sustainable housing

Since its inception in 1983, CitiHomes Builder and Development, Inc. (CBDI) has been providing affordable housing solutions on the outskirts of Metro Manila. Over the years, the company has grown and evolved, re-establishing itself as a full-fledged real estate developer in 2006.

Now, 18 years since, CBDI is looking to test its limits once more, pushing the boundaries of traditional housing development to embrace sustainability and innovation.

The turning point was the COVID-19 pandemic. As the world grappled with lockdowns, CBDI Executive Vice-President John Philip Wang and their officers contemplated the next chapter of the company's journey.

He recalls in an interview, "What kind of a world will our next generation grow up in? How can we try to undo the damage that mankind has done because of such rapid and mass scale urbanization, while still answering the government's call to reduce our country's housing backlog?"

Their studies gave birth to Liora Homes Naic, CBDI's first sustainability-focused project. It also served another purpose; more than just a response to environmental concerns, it was a way for the company to differentiate itself from its peers and keep its mission exciting and challenging.

"It is a way to push the envelope, to keep ourselves thinking actively as an economic low-cost developer." Mr. Wang mused.

*Executive Vice-President John Philip Wang is the driving force behind CBDI's visionary 'Beyond Housing' initiative.*

*Liora Homes Naic by CBDI is the first residential community awarded with 3-Star rating by the prestigious BERDE Districts of the Philippine Green Building Council, and its Amora townhouse model an equally significant EDGE Certification by the International Finance Corp.*

*Since 2006, President Rosie Tsai has driven the company's growth, fostering a corporate culture of excellence and attentively addressing the needs of homebuyers.*

**ELEMENTS OF SUSTAINABILITY**

CBDI's drive for and interpretation of Sustainability is evolving further, inspired by the core elements of the world: Fire, Water, Wood, Earth. Each element represents a facet of their sustainability initiatives.

Solar energy production, as energy or equivalently, fire, is a key part of Liora Homes Naic and shall continue to be a central component of CBDI's projects moving forward. Solar panel systems, mounted on the rooftops of all of Liora's townhouses, reduce reliance on non-renewable energy sources by 30% or more.

Rainwater harvest tanks, also provided in all of Liora's houses, conserve precious groundwater and help with flood mitigation.

For the element of wood, the Company has significantly reduced its use of lumber both in their housing products and in the construction processes. While for earth, CBDI is studying household-level composting and is expanding its network of recycling partners to manage waste more effectively.

"We aim to keep getting better, to improve on our tradecraft, over our current and upcoming projects," Mr. Wang added.

All these initiatives are tracked by the company's Go Green meter, which shows five metrics: total solar energy production capacity installed, total rainwater harvesting capacity, carbon dioxide emissions reduced annually, coal prevented from burning annually, and the number of trees saved.

CBDI keeps a close eye on these metrics with every housing unit built and development started, to ensure that they have a numerical representation of the impact of their initiatives. It is their belief that as a developer of low-cost housing, they need every edge possible to win over stakeholders.

"The economic low-cost mass housing development business, is a numbers game. We need to get various stakeholders to believe in our case," Mr. Wang said, adding that they had to use every metric and merit to convince both government and private entities to continue supporting CBDI as it incorporated these new measures into their projects.

Such are the challenges that CBDI has to face with each project. "There are price ceilings. You add these costs, but you cannot exceed the price ceiling. So, a very big challenge was also how to put in all these features and still keep it within a reasonable level of affordability," he said.

So, how do they do it? Partly through economies of scale, but definitely with teamwork.

"The engagement with our industrial partners was borne from commitment-begets-commitment. We committed to them the whole project, and they committed their workable prices in return," Mr. Wang explained.

And, despite admitting not being the cheapest choice in their segment, CBDI justifies its pricing with the long-term value of built-in sustainability. "You buy property for years and decades. Invest in your home because it's where your children will grow up in, and where you might likely spend your golden years."

CBDI looks forward to more challenges and innovations in the near future with their next and biggest development, Paseo de Lipa.

**BUILDING FROM THE HEART**

Ultimately, CBDI's mission is rooted in stewardship.

"We believe we are but stewards of God's resources. In CBDI, we acknowledge that we are doing God's business, so there's no other way to do it except God's way, according to His Word," CBDI President and CEO Rosie Tsai said in an interview.

She recalled that the company is now a far cry from what it was when they evolved into mass housing development 18 years ago.

"The first few years were turbulent as we struggled to survive with only two small joint venture projects and with mostly new employees," Ms. Tsai shared. "At that time, we didn't have any land banking and very limited cash."

"Because of those difficult years, and with all we have learned through the trials and from each other, I am most proud of our CitiHomes organization, led by the core group of leaders, who, throughout the years, remain committed to uphold our core values of God-centeredness, Integrity, Passion for Excellence, Profitability, Teamwork, Innovation and Loyalty in strengthening our Company's mission and vision."

This philosophy translates into their approach to business as it pushes forward into developing more sustainable homes that are affordable and accessible for the Filipino people.

"We focus on inculcating a daily habit of working from a heart that cares, a heart that is fair and honest, and a heart willing to serve. That is the CBDI way of 'Building from the heart.'"

CBDI has a 40-year track record in the home construction industry, but its reputation is built on 18 years of developing residential communities that enhance the quality of life for ordinary Filipino homeowners. As it continues to expand its portfolio, CBDI stands out as one of the pioneering companies delivering green and sustainable residential communities.

Learn more about the advantages of green and sustainable homes at *www.cbdi.com.ph/communities/liora-homes-naic/*