COVER SHEET

0 0 0 0 0 9 1 4 4 7

SEC Registration Number

S E M I R A R A M I N I N G A N D P O W E R
C O R P O R A T I O N

(Company's Full Name)

2 n d F l o o r D M C I P L A Z A
2 2 8 1 D O N C H I N O R O C E S A V E N U E
M A K A T I C I T Y

(Business Address: No. Street City/Town/Province)

John R. Sadullo
(Contact Person)

(632)8888-3055
(Company Telephone Number)

1 2 3 1
(Fiscal Year)

2 0 - I S
(Form Type)

Month *Day*
(Annual Meeting[1])

(Secondary License Type, If Applicable)

MSRD
Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic | Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

S T A M P S

Remarks: Please use BLACK ink for scanning purposes.

[1] First Monday of May of each year.

Republic of the Philippines}
MUNTINLUPA CITY } S.S.

CERTIFICATION

I, **JOHN R. SADULLO**, of legal age, Filipino, with office address located at 2nd Floor, DMCI Plaza, 2281 Don Chino Roces Avenue, Makati City, under oath, do hereby depose and state that:

1. I am the incumbent Corporate Secretary of **Semirara Mining and Power Corporation**, (the "Corporation"), a corporation duly organized and existing under the laws of the Republic of the Philippines, with the same office address above-mentioned;

2. As such, I am the custodian of, and have access to, the corporate minutes of meetings, books and records of the Corporation;

3. Based on available records with the Corporation none of the named directors and officers of the Corporation are working or connected with, directly or indirectly, with the Government; and

4. I am issuing this Certification to attest to the truthfulness of the information contained in the Corporation's Information Statement (SEC Form 20-IS) and in compliance with the requirement of the Securities and Exchange Commission.

MAR 18 2022

IN ATTESTATION OF THE ABOVE, I have signed this Certificate this ____ day of March 2022, at Makati City, Philippines.

JOHN R. SADULLO
Corporate Secretary

SUBSCRIBED AND SWORN, to before me, a Notary Public in and for the city named above, on this MAR 18 2022 day of March 2022, personally appeared John R. Sadullo who has satisfactory proven to me his identity through his Unified Multi-Purpose ID CRN – 0033-0401841-0, bearing his photograph and signature; and that he is the same person who personally signed before me the foregoing Secretary's Certificate and acknowledged that he executed the same.

Doc. No. 483;
Page No. 98;
Book No. XI;
Series of 2022.

MARIA JOSEFINA R. ALFONSO
NOTARY PUBLIC
ROLL NO. 65867
MUNTINLUPA CITY, PHILIPPINES

ATTY. MARIA JOSEFINA R. ALFONSO
Notary Public for Muntinlupa City
Commission No. NC-19-022
Valid until 30 June 2022 as per B.M. No. 3795
Unit 505, Richville Corporate Tower, 1107 Alabang Zapote Rd
Ayala Alabang, Muntinlupa City 1780
Roll of Attorneys No. 65867
IBP LRN No. 015215; PPLM Chapter
PTR No. A-5368757; 01/10/2022; Taguig City
MCLE Compliance No. VI-0015310; 11/10/2016

Republic of the Philippines}
MUNTINLUPA CITY } S.S.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **ROGELIO M. MURGA**, of legal age, Filipino, with address located at No. 5 Kalaw, Miranila Homes, Brgy. Pasong Tamo, Quezon City, after being duly sworn to in accordance with law do hereby declare that:

1. I am an independent director of Semirara Mining and Power Corporation (the "Corporation") and have been its independent director since November 11, 2014.

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
Private Infra Dev Corporation	Chairman and CEO	2009-Present
Meralco Industrial Engineering Services Corp.	Independent Director	2007-Present
SEM-Calaca Power Corporation	Independent Director	2015-Present
Southwest Luzon Power Generation Corporation	Independent Director	2017-Present

3. I possess all the qualifications and none of the disqualifications to serve as an independent director of the Corporation, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am not related to any of the directors/officers/substantial shareholders of the Corporation, its subsidiaries and affiliates, nor a relative in any other way than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I am not an officer or director of any government agency.

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

8. That I shall inform the Corporate Secretary of the Corporation of any changes in the above-mentioned information within five (5) days from its occurrence.

Done on this 16th day of March 2022, Makati City, Metro Manila, Philippines.

ROGELIO M. MURGA
Affiant

SUBSCRIBED AND SWORN to before me, a Notary Public in and for the city named above, on this 18th day of March 2022, affiant exhibited to me his Driver's License with No. N12-65-023274 with expiry date on August 19, 2024, bearing his photograph and signature, and that he is the same person who personally signed before me the foregoing Certification and acknowledged that he executed the same.

Doc. No. 478 ;
Page No. 97 ;
Book No. VI ;
Series of 2022.

MARIA JOSEFINA R. ALFONSO
NOTARY PUBLIC
ROLL NO. 65867
MUNTINLUPA CITY, PHILIPPINES

ATTY. MARIA JOSEFINA R. ALFONSO
Notary Public for Muntinlupa City
Commission No. NC-19-022
Valid until 30 June 2022 as per B.M. No. 3795
Unit 505, Richville Corporate Tower, 1107 Alabang Zapote Rd
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IBP LRN No. 015215; PPLM Chapter
PTR No. A-5368757; 01/10/2022; Taguig City
MCLE Compliance No. VI-0015310; 11/10/2018

Republic of the Philippines}
MUNTINLUPA CITY} S.S.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **HONORIO O. REYES-LAO**, of legal age, Filipino, with address located at No. 10 Dampol St., Damar Village, Quezon City, after being duly sworn to in accordance with law do hereby declare that:

1. I am an independent director of Semirara Mining and Power Corporation (the "Corporation") and have been its independent directors since May 2, 2017.

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
DMCI Holdings, Inc.*	Independent Director	2009-present
Philippine Business Bank*	Director	2010-present
Space2Place, Inc.	Chairman, Director	2014-present
Southwest Luzon Power Generation Corporation	Independent Director	2017-Present
SEM-Calaca Power Corporation	Independent Director	2017-Present

**listed company*

3. I possess all the qualifications and none of the disqualifications to serve as an independent director of the Corporation, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am not related to any of the directors/officers/substantial shareholders of the Corporation, its subsidiaries and affiliates, nor a relative in any other way than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I am not an officer or director of any government agency.

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

8. That I shall inform the Corporate Secretary of the Corporation of any changes in the above-mentioned information within five (5) days from its occurrence.

Done on this ____ day of MAR 1 8 2022 2022, Makati City, Metro Manila, Philippines.

HONORIO O. REYES-LAO
Affiant

SUBSCRIBED AND SWORN to before me, a Notary Public in and for the city named above, on this _____ day of MAR 1 8 2022 2022, affiant exhibited to me his Philippine Passport with No. P7056023A expiring on May 4, 2028, and issued by DFA, Manila bearing his photograph and signature, and that he is the same person who personally signed before me the foregoing Certification and acknowledged that he executed the same.

Doc. No. 481;
Page No. 97;
Book No. XI;
Series of 2022.

MARIA JOSEFINA R. ALFONSO
NOTARY PUBLIC
ROLL NO. 65867
MUNTINLUPA CITY, PHILIPPINES

ATTY. MARIA JOSEFINA R. ALFONSO
Notary Public for Muntinlupa City
Commission No. NC-19-022
Valid until 30 June 2022 as per B.M. No. 3795
Unit 505, Richville Corporate Tower, 1107 Alabang Zapote Rd
Ayala Alabang, Muntinlupa City 1780
Roll of Attorneys No. 65867
IBP LRN No. 015215; PPLM Chapter
PTR No. A-5368757; 01/10/2022; Taguig City
MCLE Compliance No. VI-0015310; 11/10/2018

Republic of the Philippines}
MUNTINLUPA CITY} S.S.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **ANTONIO JOSE U. PERIQUET, JR.**, of legal age, Filipino, with address located at No. 27 Banaba Road, Forbes Park, Makati City, after being duly sworn to in accordance with law do hereby declare that:

1. I am an Independent Director of Semirara Mining and Power Corporation (the "Corporation") since August 9, 2019.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
Listed		
Ayala Corporation	Independent Director	2010-Present
Max's Group of Companies	Independent Director	2014-Present
Philippine Seven Corporation	Independent Director	2010-Present
DMCI Holdings, Inc.	Independent Director	2010-Present
Universal Robina Corporation	Independent Director	2021-Present
Non-Listed		
AB Capital & Investment Corporation	Chairman & CEO	2021-Present
Albizia ASEAN Tenggara Fund	Independent Director	2015-Present
Campden Hill Advisors, Inc.	Chairman	2014-Present
Campden Hill Group, Inc.	Chairman	2011-Present
Lyceum of the Philippines University	Trustee	2010-Present
The Straits Wine Co. Inc.	Director	2009-Present
Sem-Calaca Power Corporation	Independent Director	2020-Present
Southwest Luzon Power Generation Corporation	Independent Director	2020-Present

3. I possess all the qualifications and none of the disqualifications to serve as an independent director of the Corporation, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any of the directors/officers/substantial shareholders of the Corporation, its subsidiaries and affiliates, nor a relative in any other way than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I am not an officer or director of any government agency.
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
8. That I shall inform the Corporate Secretary of the Corporation of any changes in the above-mentioned information within five (5) days from its occurrence.

Done on this ______ day of MAR 1 8 2022 2022, Makati City, Metro Manila, Philippines.

ANTONIO JOSE U. PERIQUET, JR.
Affiant

SUBSCRIBED AND SWORN to before me, a Notary Public for and in the city named above, on this _____ day of MAR 1 8 2022 2022, affiant exhibited to me his Philippine Passport with No. P6023226A expiring on February 12, 2028, and issued by DFA, Manila bearing his photograph and signature, and that he is the same person who personally signed before me the foregoing Certification and acknowledged that he executed the same.

Doc. No. 480;
Page No. 97;
Book No. XI;
Series of 2022.

MARIA JOSEFINA R. ALFONSO
NOTARY PUBLIC
ROLL NO. 65867
MUNTINLUPA CITY, PHILIPPINES

ATTY. MARIA JOSEFINA R. ALFONSO
Notary Public for Muntinlupa City
Commission No. NC-19-022
Valid until 30 June 2022 as per B.M. No. 3795
Unit 505, Richville Corporate Tower, 1107 Alabang Zapote Rd
Ayala Alabang, Muntinlupa City 1780
Roll of Attorneys No. 65867
IBP LRN No. 015215; PPLM Chapter
PTR No. A-5368757; 01/10/2022; Taguig City
MCLE Compliance No. VI-0015310; 11/10/2018

Republic of the Philippines}
MUNTINLUPA CITY } S.S.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **FERDINAND M. DELA CRUZ**, of legal age, Filipino, with address located at 67 A. Roxas Chua Circle, Pacific Village, Muntinlupa City, after being duly sworn to in accordance with law do hereby declare that:

1. I am an Independent Director of Semirara Mining and Power Corporation (the "Corporation") since May 3, 2021.

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
Listed		
None.	None.	None.
Non-Listed		
U.P. Engineering R&D Foundation, Inc.	Member	2020-Present
Institute of Corporate Directors	Fellow	2020-Present
Franklin Baker Company of the Philippines	President, CEO & Chief Sustainability Officer	2021-Present
Institute for Solidarity in Asia, Inc.	Board Trustee	2021-Present

3. I possess all the qualifications and none of the disqualifications to serve as an independent director of the Corporation, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am not related to any of the directors/officers/substantial shareholders of the Corporation, its subsidiaries and affiliates, nor a relative in any other way than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I am not an officer or director of any government agency.

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

8. That I shall inform the Corporate Secretary of the Corporation of any changes in the above-mentioned information within five (5) days from its occurrence.

Done on this _____ day of MAR 18 2022 2022, Makati City, Metro Manila, Philippines.

FERDINAND M. DELA CRUZ
Affiant

SUBSCRIBED AND SWORN to before me, a Notary Public in and for the city named above, on this _____ day of MAR 18 2022 2022, affiant exhibited to me his Philippine Passport with No. P0410981B and will expire on January 24, 2029 bearing his photograph and signature, and that he is the same person who personally signed before me the foregoing Certification and acknowledged that he executed the same.

Doc. No. 475;
Page No. 97;
Book No. XI;
Series of 2022.

MARIA JOSEFINA R. ALFONSO NOTARY PUBLIC ROLL NO. 65867 MUNTINLUPA CITY PHILIPPINES

ATTY. MARIA JOSEFINA R. ALFONSO
Notary Public for Muntinlupa City
Commission No. NC-19-022
Valid until 30 June 2022 as per B.M. No. 3795
Unit 505, Richville Corporate Tower, 1107 Alabang Zapote Rd
Ayala Alabang, Muntinlupa City 1780
Roll of Attorneys No. 65867
IBP LRN No. 015215; PPLM Chapter
PTR No. A-5368757; 01/10/2022; Taguig City
MCLE Compliance No. VI-0015310; 11/10/2018

SEMIRARA MINING & POWER CORPORATION

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

Dear Stockholders:

Please be notified that the Annual Meeting of Stockholders of Semirara Mining and Power Corporation (the "Corporation") will be held on May 2, 2022, Monday at 10:00 o'clock in the morning and will conducted by remote communication at https://www.semirarampc.com/asm, with the following agenda:

1) CALL TO ORDER & PROOF OF NOTICE OF MEETING
2) CERTIFICATION OF QUORUM
3) CHAIRMAN'S MESSAGE
4) APPROVAL OF MINUTES OF PREVIOUS STOCKHOLDERS' MEETING HELD ON MAY 3, 2021
5) PRESENTATION AND APPROVAL OF PRESIDENT'S REPORT
6) PRESENTATION AND APPROVAL OF THE AUDITED FINANCIAL STATEMENT FOR 2021
7) RATIFICATION OF THE ACTS OF THE BOARD OF DIRECTORS AND MANAGEMENT FROM THE DATE OF THE LAST ANNUAL STOCKHOLDER'S MEETING UP TO THE DATE OF THIS MEETING
8) ELECTION OF DIRECTORS FOR 2022-2023
9) APPROVAL OF APPOINTMENT OF INDEPENDENT EXTERNAL AUDITOR
10) OTHER MATTERS
11) ADJOURNMENT

Stockholders of record as of March 14, 2022 will be entitled to notice of, and vote at the said annual meeting or any adjournment or postponement thereof.

Stockholders may only attend the meeting by remote communication, by voting *in absentia* using the online voting portal at https://www.semirarampc.com/voting, or by appointing the Chairman of the meeting as their proxy. The requirements and procedure for electronic voting *in absentia* and participation by remote communication will be set forth in the Information Statement and published in the Company's website at www.semiraramining.com and on PSE EDGE.

Duly accomplished proxies must be submitted on or before April 22, 2022 to the Office of the Corporate Secretary at 2nd Floor DMCI Plaza, 2281 Don Chino Roces Avenue, Makati City, Philippines or by email at corporatesecretary@semirarampc.com. Validation of proxies is set on April 26, 2022 at 10:00 a.m.

Makati City, Metro Manila, February 24, 2022.

JOHN R. SADULLO
Corporate Secretary
For the Board of Directors

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*Semirara Mining and Power Corporation's Dividend Policy: Minimum of 20% of Net Profit after Taxes starting from the period ending December 31, 2005, provided however that the Board of Directors shall have the option to declare more than 20%, if there is excess cash and less than 20%, if no sufficient cash is available.

The Corporation declared regular cash dividends at P1.25/share last March 25, 2021 with Record Date, April 13 and payable last April 23, 2021. It also declared special cash dividends at P1.75/share last October 11, 2021 with Record Date, October 25 and payable last November 9, 2021.

**Should the date of annual stockholders' meeting (ASM) be declared a legal holiday, the ASM will be held on the next succeeding business day, at 10:00 a.m. pursuant to Section 1, Article I of SMPC's By-Laws, as amended.

AGENDA
DETAILS AND RATIONALE

Agenda No. 1. Call to Order and Proof of Notice of Meeting
The Chairman of the Board of Directors, Isidro A. Consunji, will call the meeting to order. The Corporate Secretary, John R. Sadullo, shall inform the stockholders that the Notice and the Definitive Information Statement have been published in the business section (both print and online) of a newspaper of general circulation for two (2) consecutive days. The same is also posted on SMPC's website, www.semiraramining.com and on PSE EDGE.

Agenda No. 2. Certification of Quorum
The Corporate Secretary, John R. Sadullo, will certify that copies of this Notice were sent to stockholders of record date, March 14, 2022 and will certify the number of attendees, whether in person or by proxy, for the purpose of determining the existence of quorum to validly transact business.

Stockholders who have successfully registered to attend and participate in the meeting may send their questions to corporatesecretary@semirarasmpc.com. Questions will be addressed after Other Matters (Agenda No. 10) while others will be replied to via email.

Agenda No. 3. Chairman's Message
The Chairman, Isidro A. Consunji will deliver his message to the stockholders.

Agenda No. 4. Approval of Minutes of Previous Stockholders' Meeting Held on May 3, 2021
Minutes of previous meeting is presented to the stockholders for their approval. Copy thereof is available on SMPC's website: **[Click Here]**.

Agenda No. 5. Presentation and Approval of President's Report
The President and Chief Operating Officer, Maria Cristina C. Gotianun will render the President's Report, and presents to the stockholders for approval the results of SMPC's operation and financial performance for the past year.

Agenda No. 6. Presentation and Approval of the Audited Financial Statements for 2021
Presented to the stockholders for approval is SMPC's Consolidated Audited Financial Statements for the period ended December 31, 2021.

Agenda No. 7. Ratification of the Acts of the Board of Directors and Management from the Date of the Last Annual Stockholders' Meeting up to the Date of this Meeting
The acts of the Board of Directors and Management were those taken since the last annual stockholders meeting until the date of this meeting. The resolutions of the Board are enumerated in ***Schedule 3*** of the Definitive Information Statement.

Agenda No. 8. Election of Directors for 2022-2023
The nominees for directors, including those independent directors, who have been endorsed by the Corporate Governance Committee, will be presented to the stockholders for election. The directors elected will hold office for one (1) year and until their successors shall have been duly elected and qualified. The profile of the nominees is found in ***Schedule 2*** of the Definitive Information Statement. The nominees to the Board are the following:

1. Isidro A. Consunji
2. Jorge A. Consunji
3. Cesar A. Buenaventura
4. Herbert M. Consunji
5. Maria Cristina C. Gotianun
6. Ma. Edwina C. Laperal
7. Josefa Consuelo C. Reyes
8. Rogelio M. Murga (Independent)
9. Honorio O. Reyes-Lao (Independent)
10. Antonio Jose U. Periquet, Jr. (Independent)
11. Ferdinand M. dela Cruz (Independent)

Agenda No. 9. Approval of Appointment of Independent External Auditor
The Audit Committee of SMPC upon evaluation of SyCip Gorres Velayo & Co.'s performance, independence, qualifications and with due regard of management feedback will endorse to the stockholders for approval of its re-appointment as SMPC's independent external auditor for the fiscal year 2022.

Agenda No. 10. Other matters
The stockholders may be requested to consider such other issues/matters as may be raised throughout the course of the meeting.

Agenda No. 11. Adjournment
After all business has been considered and resolved, the Chairman shall declare the meeting adjourned. The meeting proceedings shall be recorded in audio and video format and shall be immediately posted on SMPC's website.

PROXY FORM
SEMIRARA MINING AND POWER CORPORATION

Item 1. Identification. This proxy is being solicited by the **MANAGEMENT OF SEMIRARA MINING AND POWER CORPORATION** (the **"Corporation" or "SMPC"**). The Chairman of the Board of Directors or, in his absence, the President of SMPC will vote the proxies at the Annual Stockholders' Meeting to be held on **May 2, 2022, 10:00 a.m., to be conducted virtually at https://www.semirarampc.com/asm.**

Item 2. Instructions.

(a) The proxy must be duly accomplished by the stockholder of record as of Record Date, or his duly authorized agent. In case of a stockholder that is a corporation or a partnership, the proxy must be accomplished by the officer or agent that is duly authorized to do so by virtue of an appropriate corporate or partnership resolution.

(b) Duly accomplished proxies must be delivered to the Corporate Secretary of SMPC not later than April 22, 2022, 5:00 p.m. through email at **corporatesecretary@semirarampc.com** and hard copies at the following address: **Semirara Mining and Power Corporation, 2nd Floor DMCI Plaza, 2281 Don Chino Roces Avenue, Makati City, Philippines**.

(c) In case of a corporate stockholder, the proxy must be accompanied by a corporate secretary's certificate quoting the board resolution authorizing the relevant corporate officer to execute the proxy for the corporate stockholder.

(d) In case of shares of stock owned jointly by two or more persons, the consent of all co-owners must be necessary for the execution of the proxy. For persons owning shares in an "and/or" capacity, any one of them may execute the proxy.

(e) Validation of proxies will be conducted by the Special Committee of Inspectors designated by the Board on April 26, 2022, 10:00 a.m. at the 2nd Floor, DMCI Plaza, 2281 Don Chino Roces Avenue, Makati City, Philippines. Any dispute which may arise pertaining to the validation shall be resolved by the Securities and Exchange Commission upon formal complaint filed by the aggrieved party.

(f) Unless otherwise indicated by the stockholder, a stockholder shall be deemed to have designated the Chairman of the Board of Directors, or in his absence, the President of SMPC, as his proxy for the annual stockholders meeting on May 2, 2022.

(g) If the number of shares of stock is left in blank, the proxy shall be deemed to have been issued for all of the stockholder's shares of stock in SMPC as of Record Date.

(h) The manner in which this proxy shall be accomplished, as well as the validation hereof shall be governed by the provisions of SRC Rule 20.11.2.

(i) The stockholder executing the proxy shall indicate the manner by which he wishes the proxy to vote on the matters in (1), (2), (3), (4), (5) and (6) by checking the appropriate box. **WHERE THE BOXES (OR ANY OF THEM) ARE UNCHECKED, THE STOCKHOLDER EXECUTING THE PROXY IS DEEMED TO HAVE AUTHORIZED THE PROXY TO VOTE IN FAVOR OF THE ITEMS SPECIFIED HEREUNDER.**

The Undersigned Stockholder hereby appoints:

(a) **The Chairman of the Board of Directors of SMPC, or in his absence, the Vice-Chairman or the President, or in their absence,**

(b) ______________________________

as his/her/its Proxy to attend the stockholders' meeting of SMPC, and any adjournment or postponement thereof, and thereat to vote all shares of stock held by the undersigned as specified below and on any matter that may properly come before said meeting.

1. **Approval of minutes of previous Stockholders' meeting held on May 3, 2021**

☐ For ☐ Abstain ☐ Against

2. **Presentation and Approval of President's Report**

☐ For ☐ Abstain ☐ Against

3. **Presentation and Approval of the Audited Financial Statements for 2021**

☐ For ☐ Abstain ☐ Against

4. **Ratification of the acts of the Board of Directors and Management from the date of the last Annual Stockholders' Meeting up to the date of this Meeting**

☐ For ☐ Abstain ☐ Against

5. **Election of Directors for 2022-2023**

☐ For all the nominees below, except those whose names are stricken out.

☐ **WITHHOLD AUTHORITY TO VOTE FOR ALL NOMINEES LISTED BELOW.**

(**Instructions**: **TO STRIKE OUT A NAME OR WITHHOLD TO VOTE FOR ANY INDIVIDUAL NOMINEE, DRAW A LINE THROUGH THE NOMINEE'S NAME IN THE LIST BELOW).**

Nominees:

1. Isidro A. Consunji
2. Jorge A. Consunji
3. Cesar A. Buenaventura
4. Herbert M. Consunji
5. Maria Cristina C. Gotianun
6. Ma. Edwina C. Laperal
7. Josefa Consuelo C. Reyes
8. Rogelio M. Murga*
9. Honorio O. Reyes-Lao*
10. Antonio Jose U. Periquet, Jr.*
11. Ferdinand M. dela Cruz*

**Independent Director*

6. **Approval of appointment of Independent External Auditor**

☐ For ☐ Abstain ☐ Against

Item 3. Revocability of Proxy. – Any stockholder who executes the proxy enclosed with this statement may revoke it at any time before it is exercised. The proxy may be revoked by the stockholder executing the same at any time by submitting to the Corporate Secretary a written notice of revocation not later than the start of the meeting, or by attending the meeting in person and signifying his intention to personally vote his shares. Shares represented by an unrevoked proxy will be voted as authorized by the stockholder.

Item 4. Persons Making the Solicitation. – The solicitation is made by the Management of SMPC. No director of SMPC has informed in writing that he intends to oppose an action intended to be taken up by the Management of SMPC at the annual meeting. Solicitation of proxies shall be made through the use of mail or personal delivery. SMPC will shoulder the cost of solicitation involving reproduction and mailing of this proxy in an estimated amount of Php126,000.00, more or less.

Item 5. Interest of Certain Persons in Matters to be Acted Upon. – No director, officer, nominee for director, or associate of any of the foregoing, has any substantial interest, direct or indirect, by security holdings or otherwise, on the matter to acted upon at the annual stockholders' meeting to be held on May 2, 2022.

Number of Shares Held as of Record Date: ____________________________

____
Date of Proxy

____
(Signature above printed name, including title when signing for a corporation or partnership or as an agent, attorney or fiduciary).

SEMIRARA MINING & POWER CORPORATION

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS
INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check appropriate box

   (✓) Preliminary Information Statement
   ( ) Definitive Information Statement

2. Name of Corporation as specified in its charter: **Semirara Mining and Power Corporation**

3. Province, Country, or other jurisdiction of incorporation or organization: **Philippines**

4. SEC Identification No.: **91447**

5. BIR Tax Identification No.: **000-190-324-000**

6. Address of Principal office: **2/F DMCI Plaza, 2281 Don Chino Roces Ave., Makati City, Philippines**

7. Corporation's telephone number, including area code: **(632)8888-3000, 8816-7301 to 10**

8. Date, time and place of meeting of Security Holders: **May 2, 2022, 10:00 a.m., to be conducted virtually at https://www.semirarampc.com/asm.**

9. Approximate Date on which the Information Statement is to be sent or given to Security Holders: **April 6, 2022**

10. **In case of Proxy Solicitations:**

    Name of Person Filing the Statement/Solicitor: The Management of the Corporation

    Address and Telephone No.: **2/F DMCI Plaza**
    2281 Don Chino Roces Ave., Makati City, Philippines
    (632)8888-3000/8816-7301 to 10

11. Securities registered pursuant to Sections 8 and 12 of the Securities Regulation Code or Sections 4 and 9 of the Revised Securities Act:

Title of Each Class	Number of Shares of Stock
Common Shares	**4,250,547,620**

12. Are any or all of Corporation's securities listed with the Philippine Stock Exchange?

    Yes (✓) No ( )

    Listed at Philippine Stock Exchange: **Common Shares**

SEMIRARA MINING AND POWER CORPORATION
SEC FORM 20-IS

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PART I.

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, Time and Place of Meeting

The enclosed Information Statement will be used in connection with the annual stockholders' meeting of Semirara Mining and Power Corporation (the "Corporation" or "SMPC") to be held on **May 2, 2022, at 10:00 a.m., to be conducted virtually at https://www.semirarampc.com/asm**. Please refer to ***Schedule 4*** on the requirements and procedure for electronic voting *in absentia* and participation by remote communication.

The Definitive Information Statement will be sent to the stockholders of record as of March 14, 2022 (the "Record Date") at least fifteen (15) business days prior to May 2, 2022 or not later than April 6, 2022. The matters to be considered and acted upon at such meeting are referred to in the notice and agenda and are more fully discussed in this statement. SMPC's complete mailing address is at **2nd Floor DMCI Plaza, 2281 Don Chino Roces Avenue, Makati City, Philippines**.

Item 2. Dissenter's Right of Appraisal

Pursuant to Sec. 80, RA 11232 (Revised Corporation Code of the Philippines), any stockholder of a corporation shall have the right to dissent and demand payment of the fair value of the shares in the following instances:

(a) In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any shares of any class, or of extending or shortening the term of corporate existence.
(b) In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in this Code;
(c) In case of merger or consolidation; and
(d) In case of investment of corporate funds for any purpose other than the primary purpose of the corporation.

A stockholder must have voted against the proposed corporate action in order to avail himself of the appraisal right. The procedure for the exercise by a dissenting stockholder of his appraisal right is as follows:

(a) The dissenting stockholder shall make a written demand on the corporation within 30 days after the date on which the vote was taken for payment for the fair value of his shares. The failure of the stockholder to make the demand within 30-day period shall be deemed a waiver on his appraisal right;
(b) If the proposed corporate action is implemented or effected, the corporation shall pay to such stockholder, upon surrender of corresponding certificate(s) of stock within 10 days after demanding payment for his shares (Sec. 85, RA 11232), the fair value thereof; and
(c) Upon payment of the agreed or awarded price, the stockholder shall transfer his share to the corporation.

Appraisal right is not available for any items of the agenda to be voted upon by the stockholders.

Item 3. Interest of Certain Persons in or Opposition to Matters to be acted upon

Other than election to office, no director, officer, nominee for election as director or associate of any of the foregoing have a substantial interest, direct or otherwise, in any matter to be acted upon at the annual stockholders' meeting. No director has informed SMPC that he/she intends to oppose any action to be taken up by SMPC at the annual stockholders' meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

(a) The Board of Directors has set March 14, 2022, as the Record Date to determine the stockholders entitled to notice of and vote at the annual stockholders' meeting on May 2, 2022. SMPC's outstanding shares are all classified as common shares.

(b) Class of voting shares as of March 14, 2022:

Nationality	Classes of Voting Shares	Number of Shares	Percentage
Filipino	Common	4,038,188,378	95.00
Non-Filipino (Foreign)	Common	212,359,242	5.00
Total Number of Shares Entitled to Vote		**4,250,547,620**	**100.00**

The breakdown of shares owned by foreign stockholders:

Location of Stockholders	No. of Stockholders	Nat. %	No. of Shares	Percentage
China	8	1.08	492,730	0.01
India	1	0.13	10,520	0.00
Taiwan	1	0.13	1	0.00
United Kingdom	1	0.13	1,800	0.00
Others (PCD Nominee Corp. – Foreign)	1	0.13	211,854,191	4.98
Total	**12**	**1.62**	**212,359,242**	**5.00**

(c) At the annual stockholders' meeting to be held on May 2, 2022, the holders of common shares as of the Record Date shall be entitled to vote on the following items, each share of outstanding common stock shall be entitled to one (1) vote: (i) approval of minutes of previous stockholders' meeting held on May 3, 2021; (ii) presentation and approval of President's Report; (iii) presentation and approval of the audited financial statement for 2021; (iv) ratification of the acts of the Board of Directors and Management from the date of the last annual stockholder's meeting up to the date of this meeting; and (v) approval of appointment of independent external auditor.

In the election of directors, every stockholder entitled to vote shall have the right to vote in person or by proxy, or through remote communication or *in absentia*, the number of common shares of stock standing in his name as of Record Date. A stockholder entitled to vote may vote such number of shares for as many persons as there are directors to be elected, or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit. Provided, that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of SMPC multiplied by the whole number of directors to be elected. No discretionary authority to cumulate votes is being solicited.

Please refer to ***Schedule 4*** on the requirements and procedure for electronic voting *in absentia* and participation by remote communication.

(d) **Security Ownership of Certain Record and Beneficial Owners and Management.** - The following table sets forth as of March 14, 2022, the record or beneficial owners of more than five percent (5%) of the outstanding common shares of SMPC and the amount of such record or beneficial ownership.

Title of Class	Name, Address of record owner and relationship with Issuer	Name of Beneficial Owner of more than 5% and Relationship with Record Owner	Citizenship	Amount/ Nature of Record/ Beneficial Ownership	Percent of Class
Common	DMCI Holdings, Inc. 3/F Dacon Bldg, 2281 Don Chino Roces Ave., Makati City, stockholder of record[1]	*See* ***Schedule 1***	Filipino	2,407,770,396	56.65
Common	PCD Nominee Corp. (Filipino)*, stockholder of record	No stockholders owning 5% or more under PCD Nominee Corp. (Filipino)	Filipino	765,104,051	18.00
Common	Dacon Corporation, Dacon Bldg., 2281 Don Chino Roces Ave., Makati City, stockholder of record[2]	*See* ***Schedule 1***	Filipino	542,067,778	12.75

[1] Messrs. Isidro A. Consunji, Herbert M. Consunji, Ma. Edwina C. Laperal and Maria Cristina Gotianun shall exercise the voting rights in behalf of DMCI Holdings, Inc.

[2] Messrs. Isidro A. Consunji, Jorge A. Consunji, Maria Cristina C. Gotianun, Josefa Consuelo C. Reyes, Ma. Edwina C. Laperal, and Luz Consuelo A. Consunji shall exercise the voting rights in behalf of Dacon Corporation.

*Inclusive of 1,090,080 treasury shares

(e) **Security Ownership of Management.** - The table sets forth as of March 14, 2022 the beneficial stock ownership of each director of SMPC and all officers and directors as a group.

Title of class	Name of beneficial owner	Amount and nature of beneficial ownership			Citizenship	%
		Direct	Indirect[3]	Total		
Common	Isidro A. Consunji	24,144	24,509,770	24,533,914	Filipino	0.58
Common	Jorge A. Consunji	500,144	5,175,704	5,675,848	Filipino	0.13
Common	Herbert M. Consunji	29,920	-	29,920	Filipino	0.00
Common	Cesar A. Buenaventura	142,120	-	142,120	Filipino	0.00
Common	Maria Cristina C. Gotianun	1,428	23,137,737	23,139,165	Filipino	0.54
Common	Ma. Edwina C. Laperal	4,188	13,572,083	13,576,271	Filipino	0.32
Common	Josefa Consuelo C. Reyes	412,400	8,653,998	9,066,398	Filipino	0.21
Common	Rogelio M. Murga	40,040	-	40,040	Filipino	0.00
Common	Honorio O. Reyes-Lao	1,328,040	682,480	2,010,520	Filipino	0.05
Common	Antonio Jose U. Periquet, Jr.	-	4,333,000	4,333,000	Filipino	0.10
Common	Ferdinand M. dela Cruz	53,900	-	53,900	Filipino	0.00
Common	Junalina S. Tabor	-	-	-	Filipino	0.00
Common	John R. Sadullo	-	-	-	Filipino	0.00
Common	Jose Anthony T. Villanueva	3,000	55,560	58,560	Filipino	0.00
Common	Andreo O. Estrellado	-	-	-	Filipino	0.00
Common	Ruben P. Lozada	475,200	-	475,200	Filipino	0.00
Common	Carla Cristina T. Levina	-	-	-	Filipino	0.00
Common	Karmine Andrea S.J. Ching	120	-	120	Filipino	0.00
Aggregate Ownership of all directors and officers as a group		**3,014,644**	**80,120,332**	**83,134,976**		**1.95**

The percentages of ownership of the above officers and directors are minimal. There are no arrangements, which may result in a change in control of the registrant.

(f) **Voting trust holders of five percent (5%) or more**. - There are no voting trust agreements or any other similar agreement which may result in a change in control of SMPC of which SMPC has any knowledge.

(g) **Changes in Control.** - From May 3, 2021 to date, there has been no change in control in the Management of SMPC.

(h) **Certain Relationship and Related Transactions.** - In 2021, Related Party Transactions are ordinary and normal in the course of business and did not include financial assistance or loans to affiliates or related entities which are not wholly-owned subsidiaries. Note 17 of the attached Audited Consolidated Financial Statements for the period ended December 31, 2021 indicate significant transactions with related parties. Below are the descriptions of said transactions:

"Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence which include affiliates. Related parties may be individuals or corporate entities. Transactions entered into by the Group with affiliates are made at normal commercial prices and terms. These are settled in cash, unless otherwise specified.

The significant related party transactions entered into by the Group with its related parties and the amounts included in the accompanying consolidated financial statements with respect to these transactions follow:

[3] Shares are either held by family members sharing the same household or by a corporation of which the reporting person is a controlling shareholder.

	2021				
	Reference	Amount/ Volume	Receivable (Payable)	Terms	Conditions
Trade receivables (Note 5)					
Entities under common control					
Sale of coal	(a)	₱193,838,467	₱62,074,857	Noninterest-bearing, 30 days	Unsecured, no impairment
Sale of materials, services and reimbursement of shared expenses	(b)	48,785,747	130,008,456	Noninterest-bearing, 30 days	Unsecured, no impairment
			₱192,083,313		
Trade payables (Note 13)					
Entities under common control					
Operation and maintenance fees	(c)	(₱297,000,000)	₱–	30 days, noninterest-bearing	
Coal handling services	(d)	(458,912,857)	(35,292,720)	30 days, noninterest-bearing	Unsecured
Mine exploration and hauling services	(e)	(110,976,310)	(239,006,451)	30 days, noninterest-bearing	Unsecured
Construction and other outside services	(f)	(229,825,611)	(130,764,070)	30 days for monthly billings and portion after expiration of, retention period, noninterest-bearing	Unsecured
Purchases of office supplies and refreshments	(g)	(751,564)	(2,775,691)	30 days, noninterest-bearing	Unsecured
Land and warehouse rental expenses	(h)	(517,392)	(315,466)	30 days, noninterest-bearing	Unsecured
Aviation services	(i)	(21,209,834)	(48,449,269)	30 days, noninterest-bearing	Unsecured
Others	(b)	(688,234)	(1,230,261)	30 days, noninterest-bearing	Unsecured
			(₱457,833,928)		

	2020				
	Reference	Amount/ Volume	Receivable (Payable)	Terms	Conditions
Trade receivables (Note 5)					
Entities under common control					
Sale of coal	(a)	₱8,716,440	₱38,709,058	Noninterest-bearing, due and demandable	Unsecured, no impairment
Sale of materials, services and reimbursement of shared expenses	(b)	24,278,037	268,703,762	Noninterest-bearing, due and demandable	Unsecured, no impairment
			₱307,412,820		
Trade payables (Note 13)					
Entities under common control					
Operation and maintenance fees	(c)	(₱23,055,378)	(₱3,747,060)	30 days, noninterest-bearing	
Coal handling services	(d)	(91,459,312)	(53,574,790)	30 days, noninterest-bearing	Unsecured
Mine exploration and hauling services	(e)	(128,030,141)	(128,030,141)	30 days, noninterest-bearing	Unsecured
Construction and other outside services	(f)	42,922,472	(297,028,036)	30 days for monthly billings and portion after expiration of, retention period, noninterest-bearing	Unsecured
Retention payable		(14,822,091)	(51,835)	30 days, noninterest-bearing	Unsecured
Purchases of office supplies and refreshments	(g)	(611,855)	-	30 days, noninterest-bearing	Unsecured
Land and warehouse rental expenses	(h)	(425,657)	(832,859)	30 days, noninterest-bearing	Unsecured
Aviation services	(i)	(4,794,885)	(27,239,435)	30 days, noninterest-bearing	Unsecured
Others	(b)	(356,363)	(357,863)	30 days, noninterest-bearing	Unsecured
			(₱510,862,019)		

a. The Group has coal sales to DMCI Masbate Power Corporation (DMPC), an entity under common control of DMCI-HI.

b. The Group has receivables for services rendered, deliveries of goods and reimbursement of expenses advanced by the Group to its affiliates. This includes contracted services, share in rental expenses, office materials and supplies, and maintenance and renewal expenses of information systems.

c. SCPC engaged DMCI Power Corporation (DPC) for the management, operation and maintenance of the power plant.

d. SCPC and SLPGC entered into a voyage charter agreement with DMC Construction Equipment and Resources, Inc. (DMC CERI), an affiliate. Freight cost charged by DMC CERI are included as part of the cost of coal inventory. The total inventory cost including the freight charges are recorded as expenses under ‘Cost of power sales’ depending on the level of coal consumed for the period. Outstanding payable balance as of year-end to DMC CERI are included in the ‘Accounts and other payables’ account.

e. DMC-CERI had transactions with the Parent Company for services rendered relating to the Parent Company’s coal operations. These include services for the confirmatory drilling for coal reserve and evaluation of identified potential areas, exploratory drilling of other minerals within Semirara Island, and fresh water well drilling for industrial and domestic supply under an agreement. Expenses incurred for said services are included in ‘Outside services’ under ‘Cost of sales’ in the parent company statements of comprehensive income (see Note 19).

   DMC-CERI also provides service requirements needed by the Parent Company to operate and maintain barges, vessels and tugboats for the purpose of transporting coal. This is inclusive of full and complete supervision of all employees and personnel assigned to perform such services. It also covers hauling and transportation of spare parts, materials, sand and gravel and other cargoes for its use at its coal operation. Expenses incurred for these services are included in ‘Hauling and shiploading costs’ under ‘Cost of sales’ in the parent company statements of comprehensive income (see Note 19).

   Effective 2018, the Parent Company amended its Operations and Maintenance agreement with DMC-CERI wherein, DMC-CERI will be credited for all the despatch for the early loading and unloading of coal cargos in the Semirara Port. In addition, demurrage charges shall be charged to the account of DMC-CERI or the customer on the basis of who is at fault to cause the laytime delay.

   Furthermore, DMC-CERI provides labor services relating to coal operations including those services rendered by consultants. Expenses incurred for said services are included in ‘Direct labor’ under ‘Cost of sales’ in the parent company statements of comprehensive income (see Note 19).

   Labor costs related to manpower services rendered by DMC-CERI represent salaries and wages of personnel, including consultants, incurred in rendering services to Parent Company in its coal operations. Under existing arrangements, payments of salaries and wages are given directly to personnel concerned. Expenses incurred for said services are included in ‘Direct labor’ under ‘Cost of Sales’ in the parent company statements of comprehensive income (see Note 19).

   In 2020, marine vessels were sold to DMC-CERI for P=620.58 million, of which P=13.39 million and P=84.69 remained uncollected as of December 31, 2021 and 2020, respectively. Gain recognized from this transaction amounted to P=56.30 million (see Note 8).

f. The Group contracted DMCI for the construction of its 1x 5 MW Power Plant located at Semirara Island. Other services include ongoing rehabilitation of existing power plant, and other constructions in compliance with its Corporate Social Responsibility (CSR) such as construction of covered tennis courts, track and field, perimeter fence and others.

   In addition, the Group have retention payable to DMCI which represents amounts withheld from payments to contractors as guaranty for any claims against them. These are noninterest-bearing and will be remitted to contractors at the end of the contracted work.

g. Transactions with other affiliates pertain to supply various raw materials, office supplies and refreshments.

h. DMC Urban Property Developers, Inc. (DMC-UPDI) had transactions with the Parent Company representing long-term lease on land, warehouse space and other transactions necessary for the coal operations. Rental expenses on warehouse space are included in cost of sales under ‘Outside services’, while payments related to lease of land are accounted as reduction to lease liabilities upon adoption of PFRS 16 (see Notes 9 and 19).

i. Royal Star Aviation Inc. provide maintenance services and hangarage for the Parent Company’s aircraft use to transport supplies, employees and visitors in and out the minesite. The related expenses are included in cost of sales under ‘Production overhead’ in the consolidated statement of comprehensive income (see Note 19).

All outstanding balances from affiliates are included in receivables under 'Trade receivables – related parties' and 'Trade payables - related parties' in the consolidated statements of financial position (see Notes 5 and 13).

Terms and conditions of transactions with related parties
The outstanding accounts with other related parties are settled either in cash and non cash considerations. The transactions are made at terms and prices agreed upon by the parties. The Group has approval process and established limits when entering into material related party transactions.

There have been no guarantees and collaterals provided or received for any related party receivables or payables. These accounts are noninterest-bearing and are generally unsecured. Impairment assessment is undertaken each financial year through a review of the financial position of the related party and the market in which the related party operates. As of December31, 2020 and 2019, there were no impairment losses recognized on related party balances.

Compensation of key management personnel of the Group amounted to P83.84 million, P66.96 million and P122.13 million in 2021, 2020 and 2019, respectively.

There are no other agreements between the Group and any of its directors and key officers providing for benefits upon termination of employment, except for such benefits to which they may be entitled under the Group's pension plan."

Pursuant to the SMPC's Related Party Transaction Policy, material transactions are reviewed by the Independent Directors through the Board's Audit Committee to ensure arms-length and fair terms. However, if the same is not identifiable beforehand, it must be subsequently reviewed and ratified by the Board. Director, officer or key management personnel shall promptly notify the Audit Committee or SMPC's Corporate Counsel of any interest he or his immediate family member had, has or may have in a related-party transaction. He shall disclose all material information concerning the related-party transaction.

None of SMPC's directors or key officers have entered into self-dealing and related party transactions with or involving SMPC in 2021. Actual related party transactions during the year were conducted in arms-length terms.

In addition, our Insider Trading Policy requires all Directors and Key Officers to report their trades within three (3) business days for eventual reporting to the PSE and SEC. Our disclosures include purchase of shares from market, changes in beneficial ownership of securities among others. In 2021, SCC trades by Directors are disclosed promptly.

Item 5. Directors and Executive Officers

(a) Names, ages and citizenship of all Directors, including Independent Directors and Executive Officers and all persons nominated or chosen to become such

1. **Directors.** – The following incumbent directors have been nominated to the Board of Directors for the ensuing year and have accepted their nomination:

No.	Board	Names	Citizenship	Age
1.	Chairman	Isidro A. Consunji	Filipino	73
2.	Member	Jorge A. Consunji	Filipino	70
3.	Member	Cesar A. Buenaventura	Filipino	92
4.	Member	Maria Cristina C. Gotianun	Filipino	67
5.	Member	Ma. Edwina C. Laperal	Filipino	60
6.	Member	Herbert M. Consunji	Filipino	69
7.	Member	Josefa Consuelo C. Reyes	Filipino	74
8.	Lead Independent	Rogelio M. Murga	Filipino	87
9.	Independent	Honorio O. Reyes-Lao	Filipino	77
10.	Independent	Antonio Jose U. Periquet, Jr.	Filipino	61
11.	Independent	Ferdinand M. dela Cruz	Filipino	55

Ferdinand M. dela Cruz was nominated independent director on March 1, 2022 by Romulo D. San Juan, a non-controlling stockholder of SMPC and is not related by affinity or consanguinity to Mr. dela Cruz. Rogelio M. Murga, Honorio O. Reyes-Lao, and Antonio Jose U. Periquet, Jr. were also nominated independent directors by Antonio C. Olizon on March 1, 2022. Mr. Olizon is likewise a non-controlling stockholder of SMPC and is not related by affinity or consanguinity to the nominees. All nominees for independent directors have accepted their nomination.

Isidro A. Consunji, Jorge A. Consunji, Herbert M. Consunji, and Cesar A. Buenaventura were formally nominated regular director by a shareholder of SMPC, Maria Cristina C. Gotianun on February 28, 2022. Ms. Gotianun is the sister of Isidro A. Consunji, Jorge A. Consunji, and cousin of Herbert M. Consunji. She is not related to Cesar A. Buenaventura. The nominees herein have accepted their nomination.

Moreover, Maria Cristina C. Gotianun, Josefa Consuelo C. Reyes, and Ma. Edwina C. Laperal were nominated by Jorge A. Consunji on February 28, 2022. Jorge A. Consunji is the brother of Mses. Gotianun, Reyes and Laperal. The nominees herein have likewise accepted their nomination.

The Corporate Governance Committee has set March 4, 2022 as the deadline for submission of nominees to the Board. Duly accomplished proxies must be submitted on or before April 22, 2022 and validation thereof is on April 26, 2022, 10:00 a.m. at the office of SMPC and shall be conducted by the Special Committee of Inspectors designated by the Board.

The nominees to the Board for election at the annual stockholders' meeting on May 2, 2022, have served SMPC for at least five years except for Honorio O. Reyes-Lao who was elected to the Board as independent director on May 2, 2017 while Antonio Jose U. Periquet, Jr. was appointed independent director on August 9, 2019. Finally, Ferdinand M. dela Cruz was elected Director on May 3, 2021.

The current members of the Corporate Governance Committee (with functions of Nomination and Election, and Compensation & Remuneration committees) of SMPC are Honorio O. Reyes-Lao as Chairman while Rogelio M. Murga and Ferdinand M. dela Cruz are Members.

Below is the record of attendance of Directors to board and annual stockholders' meetings for 2021:

Board	Name	Date of Election	Number of Meetings Held during the Year	Meetings Attended	% of Attendance
Chairman	Isidro A. Consunji	May 3, 2021	9	9	100
Member	Jorge A. Consunji	May 3, 2021	9	9	100
Member	Hebert M. Consunji	May 3, 2021	9	9	100
Member	Cesar A. Buenaventura	May 3, 2021	9	9	100
Member	Maria Cristina C. Gotianun	May 3, 2021	9	9	100
Member	Ma. Edwina C. Laperal	May 3, 2021	9	9	100
Member	Josefa Consuelo A. Consunji	May 3, 2021	8	9	89
Independent	Rogelio M. Murga	May 3, 2021	9	9	100
Independent	Honorio O. Reyes-Lao	May 3, 2021	9	9	100
Independent	Antonio Jose U. Periquet, Jr.	May 3, 2021	9	9	100
Independent	Ferdinand M. dela Cruz*	May 3, 2021	4	4	100

**Please note that Mr. dela Cruz was elected to the Board on May 3, 2021 and has attended all board meetings following his election.*

Below is the record of attendance of Board Committees for 2021:

Name	Audit Committee (AC)	Risk Committee (RC)	Corporate Governance Committee (CGC)	Strategy and Sustainability Committee (SSC)
Isidro A. Consunji *RC, Member; SSC, Member*	n.a.	2/2	n.a.	2/2
Maria Cristina C. Gotianun *RC, Member; CGC, Member; SSC, Member*	n.a.	2/2	2/3*	2/2
Herbert M. Consunji *AC, Member*	2/5*	n.a.	n.a.	n.a
Rogelio M. Murga	2/5*	2/2	3/3	n.a.

AC, Member; RC, Chairman; CGC, Member				
Honorio O. Reyes-Lao *AC, Member; RC, Member; CGC, Chairman; SSC, Member*	5/5	2/2	3/3	2/2
Antonio Jose U. Periquet, Jr. *AC, Chairman; SSC, Chairman*	5/5	n.a.	n.a.	2/2
Cesar A. Buenaventura *SSC, Member*	n.a.	n.a.	n.a.	2/2
Ferdinand M. dela Cruz *AC, Member; RC, Member; CGC, Member; SSC, Member*	3/5**	2/2	1/3**	2/2

**Committee member up to May 2, 2021*
***Appointed May 3, 2021*

2. **Executive Officers.** –

No.	Names	Position	Citizenship	Age
1.	Isidro A. Consunji	Chief Executive Officer	Filipino	73
2.	Maria Cristina C. Gotianun	President & Chief Operating Officer	Filipino	67
3.	Junalina S. Tabor	SVP-Chief Risk, Compliance & Performance Officer	Filipino	58
4.	John R. Sadullo	VP-Legal, Corporate Secretary & Corporate Information Officer	Filipino	51
5.	Jose Anthony T. Villanueva	VP-Marketing for Coal	Filipino	57
6.	Andreo O. Estrellado	VP-Power Market & Commercial Operations	Filipino	60
7.	Ruben P. Lozada	VP-Mining Operations & Resident Manager	Filipino	66
8.	Carla Cristina T. Levina	VP-Chief Finance Officer	Filipino	37
10.	Karmine Andrea S.J. Ching	AVP-Corporate Planning	Filipino	38

The summary of qualifications of incumbent/nominee directors for election at the annual stockholders' meeting and executive officers of SMPC is set forth in ***Schedule 2*** hereof.

The Board's annual performance evaluation process covers the full Board, Board Committee and individual director self-assessments. The full Board evaluation includes the Board and Board Committees' responsibilities, structure, meetings, processes, and management support, while individual director performance criteria take into account the leadership, interpersonal skills, strategic thinking, and participation in Board meetings and committee assignments. Assessment results are provided to the Corporate Governance Committee and reported to the Board for disposition and continual improvement of Board performance effectiveness. Feedback, if any, to enhance management support to the Board are likewise communicated to senior management for appropriate action.

In 2021, SMPC's Corporate Governance and Compliance Manager facilitated our full Board, Committee and individual director performance assessments in compliance with the SEC's Corporate Governance Guidelines for PLCs.

(b) **Term of Office.** - The term of office of the Directors and Executive Officers is one (1) year from their election as such and until their successors shall have been elected and qualified.

(c) **Independent Directors.** - SMPC's Manual on Corporate Governance submitted to SEC on May 30, 2017 requires at least two (2) independent directors. On December 8, 2008, the SEC approved the amendment to SMPC's By-Laws to include Art. III thereof on the adoption of SRC Rule 38 which requires SMPC to have at least two (2) independent directors or such number of independent directors as shall constitute at least twenty percent (20%) of the members of its Board, whichever is lesser. The four (4) nominees for independent directors were nominated and selected by the Corporate Governance Committee in accordance with the guidelines in the Code of Corporate Governance for Publicly-Listed Companies (SEC Memorandum Circular No. 19, Series of 2016) and the Guidelines on the Nomination and Election of Independent Directors (SRC Rule 38).

SMPC abides with SRC Rule 38, its By-Laws, and the relevant or subsequent circulars, memoranda or notices of SEC regarding the qualifications, nomination and election, the submission of certificate of qualification, and the required number of independent directors. DMCI Holdings, Inc. (DHI) is the majority stockholder of SMPC. Honorio O. Reyes-Lao and Antonio Jose U. Periquet, Jr., the nominated independent directors are stockholders and/or independent directors of DHI.

The independent directors herein nominated, Rogelio M. Murga, Honorio O. Reyes-Lao, Antonio Jose U. Periquet, Jr., and Ferdinand M. dela Cruz were elected to the Board on November 11, 2014, May 2, 2017, August 9, 2019, and May 3, 2021, and have served as such for at least seven (7) years, four (4) years, two (2) years, and one (1) year, more or less, on the date of the annual stockholders' meeting, respectively. The herein nominees for independent director are compliant with the term limits pursuant to SEC Memorandum Circular No. 19, Series of 2016, which requires that independent directors shall serve for a maximum cumulative term of nine (9) years. Reckoning of the cumulative nine-year term is from 2012.

(d) Other Directorship Held in Reporting Companies - Naming each Company. -

Cesar A. Buenaventura	▪ Vice Chairman, DMCI Holdings, Inc. ▪ Independent Director, PetroEnergy Resources Corporation ▪ Independent Director, iPeople, Inc. ▪ Independent Director, Concepcion Industrial Corporation ▪ Independent Director, Pilipinas Shell Petroleum Corporation ▪ Independent Director, International Container Terminal Services, Inc.
Isidro A. Consunji	▪ Chairman, President & CEO, DMCI Holdings, Inc. ▪ Director, Atlas Consolidated Mining and Development Corp.
Jorge A. Consunji	▪ Director, DMCI Holdings, Inc.
Herbert M. Consunji	▪ Director, DMCI Holdings, Inc.
Maria Cristina C. Gotianun	▪ Director, DMCI Holdings, Inc.
Ma. Edwina C. Laperal	▪ Director, DMCI Holdings, Inc.
Honorio O. Reyes-Lao	▪ Independent Director, DMCI Holdings, Inc. ▪ Director, Philippine Business Bank
Luz Consuelo A. Consunji	▪ Director, DMCI Holdings, Inc.
Antonio Jose U. Periquet, Jr.	▪ Independent Director, Ayala Corporation ▪ Independent Director, Max's Group of Companies ▪ Independent Director, Philippine Seven Corporation ▪ Independent Director, DMCI Holdings, Inc. ▪ Independent Director, Universal Robina Corporation

(e) Family Relationship. - Isidro A. Consunji, Jorge A. Consunji, Maria Cristina C. Gotianun, Josefa Consuelo C. Reyes, and Ma. Edwina C. Laperal are siblings, and Herbert M. Consunji is their cousin.

(f) Legal Proceedings. - None of the directors, executive officers, and nominee for regular or independent director was involved in the past five (5) years in any bankruptcy proceeding. Except for the criminal cases below, neither have they been convicted by final judgment in any criminal proceeding, nor been subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending, or otherwise limiting their involvement in any type of business, securities, commodities or banking activities, nor found being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation and the judgment has not been reversed, suspended, or vacated.

Below are the pending criminal cases filed against the directors of SMPC, Isidro A. Consunji, Cesar A. Buenaventura and Ma. Edwina C. Laperal:

(1) ***Pp. vs. Consunji, et. al., Criminal Case No. Q-02-114052, RTC-QC, Branch 78. -*** A complaint for violation of Article 315(2)(a) of the Revised Penal Code, as qualified by Presidential Decree No. 1689 was filed in RTC-QC Branch 78 as Criminal Case No. Q-02-114052 pursuant to a resolution of the Quezon City Prosecutor dated December 3, 2002 in I.S. No. 02-7259 finding probable cause against the directors and officers of Universal Leisure Club (ULC) and its parent company, Universal Rightfield Property Holdings, Inc., including Isidro A. Consunji as former Chairman, Cesar A. Buenaventura and Ma. Edwina C. Laperal as former directors of ULC. Complainants claim to have been induced to buy ULC shares of stock on the representation that ULC shall develop a project known as "a network of 5 world clubs."

The case was re-raffled to RTC-QC Branch 85 (the "Court"). On January 10, 2003 respondents filed their Motion for Reconsideration on the resolution dated December 3, 2002 recommending the filing of the complaint in court, which was granted on August 18, 2003. Accordingly, a Motion to Withdraw Information was filed in Court. On September 11, 2003, complainants' sought reconsideration of the resolution withdrawing the information, but was denied by the City Prosecutor. By reason of the denial, Complainants filed a Petition for Review with the Department of Justice (DOJ) on August 26, 2005.

Meanwhile, the Court granted the withdrawal of information on June 6, 2005. Complainants filed a Motion for Reconsideration and Urgent Motion for Inhibition, but were both denied by the Court in its Omnibus Order dated November 29, 2005. Thereafter, a Notice of Appeal was filed by the complainants, but was ordered stricken out from records by the Court for being unauthorized and declaring the Omnibus Order final and executory in its Order dated February 22, 2007. The Petition for Review, however, filed by the Complainants with the DOJ on August 26, 2005 is pending to date.

(2) ***Rodolfo V. Cruz, et. al. vs. Isidro A. Consunji, et. al., I.S. Nos. 03-57411-I, 03-57412-I, 03-57413-I, 03-57414-I, 03-57415-I, 03-57446-I and 03-57447-I, Department of Justice, National Prosecution Service.* -** These consolidated cases arose out of the same events in the immediately above-mentioned case likewise pending before the DOJ.

In its 1st Indorsement dated December 9, 2003, the City Prosecutor for Mandaluyong City, acting on a motion for inhibition filed by complainants recommended that further proceedings be conducted by the DOJ. In an order dated February 3, 2004, the DOJ designated State Prosecutor Geronimo Sy to conduct the preliminary investigation of this case. The last pleading filed is a notice of change of address dated June 27, 2008 filed by complainants' counsel. The case remains pending to date.

(g) Significant Employees. - Except for the above directors and officers, SMPC has no other significant employees (as the term is defined under the SRC and its implementing rules and regulations).

(h) Trainings and Continuing Education Attended by Directors and Key Officers. – SMPC recognizes the value of providing relevant trainings to its directors and key officers and has set aside an annual budget to allow them to attend continuing professional development programs, applicable courses, conferences, and seminars. The directors and key officers of SMPC joined online seminars on corporate governance for at least four (4) hours in years 2020 and 2021, as follows:

Date	Topic	Name
October 21, 2020	Pilipinas: Aspire, Rise, Sustain Series 1: The Nexus of Climate Change and Sustainable Development, conducted by Institute of Corporate Directors	Rogelio M. Murga Junalina S. Tabor Karmine Andrea S.J. Ching
October 22, 2020 October 23, 2020	Family Business Governance, conducted by Institute of Corporate Directors	Nena D. Arenas
October 29, 2020	Pilipinas: Aspire, Rise, Sustain Series 2: Integrating Climate Risks in Corporate Strategy, conducted by Institute of Corporate Directors	Rogelio M. Murga Junalina S. Tabor Karmine Andrea S.J. Ching
November 5, 2020	Pilipinas: Aspire, Rise, Sustain Series 2: Cultivating Business Impact through Sustainability Reporting, conducted by Institute of Corporate Directors	Junalina S. Tabor Karmine Andrea S.J. Ching
November 10, 2020	The Board Agenda 2020: The Business of Building Back Better, conducted by Institute of Corporate Directors	Antonio Jose U. Periquet, Jr.
July 23, 2021	ICD Masterclass Corporate Governance in a Nutshell: What Effective Boards Focus on Before Everything Else	Maria Cristina C. Gotianun Josefa Consuelo C. Reyes Rogelio M. Murga
September 28 & 30, 2021	2021 E-Sustainability Summit of Semirara Mining and Power Corporation: ESG Imperatives in the Energy Sector and	Maria Cristina C. Gotianun Hebert M. Consunji Ma. Edwina C. Laperal

	Reporting of Climate-related Financial Disclosures, conducted by the University of Asia and the Pacific	Josefa Consuelo C. Reyes Honorio O. Reyes-Lao Rogelio M. Murga Ferdinand M. dela Cruz Junalina S. Tabor Carla Cristina T. Levina John R. Sadullo Ruben P. Lozada Jose Anthony T. Villanueva Andreo O. Estrellado Jojo L. Tandoc Karmine Andrea S.J. Ching
October 21, 2021	The Board's Agenda 2021: The Pathway to Recovery Through ESG, conducted by the Institute of Corporate Directors	Antonio Jose U. Periquet, Jr.
October 29, 2021	Pilipinas: Aspire, Rise, Sustain Series Episode 1: Energy Transition Picks Up: Global Trends, National Risks and the Fiduciary Responsibilities of Corporate Directors, conducted by Institute of Corporate Directors	Rogelio M. Murga

Item 6. Compensation of Directors and Executive Officers

(a) Compensation of Directors and Executive Officers. - All executive officers of SMPC are elected or appointed by the Board of Directors and serve for one year and until their successors are duly elected and qualified. Set forth below are the names of the CEO and four (4) most highly compensated officers of SMPC:

Name and Principal Position	Years	Salary	Bonus	Other Annual Compensation
Isidro A. Consunji CEO				
Maria Cristina C. Gotianun President & COO				
Junalina S. Tabor SVP-Chief Risk, Compliance & Performance Officer				
Jose Anthony T. Villanueva VP-Marketing for Coal				
Ruben P. Lozada VP-Mining Operations & Resident Manager				
	2020	21,778,789	10,337,180	5,558,557
	2021	22,947,297	40,568,778	5,929,097
	2022*	22,947,297	40,568,778	5,929,097
	Total	**P67,673,383**	**P91,474,736**	**P17,416,751**
All other Officers as a group	2020	20,147,046	2,674,253	21,536,384
	2021	13,580,277	6,382,353	20,200,793
	2022*	13,580,277	6,382,353	20,200,793
	Total	**P47,307,600**	**P15,438,959**	**P61,937,970**

**Approximate amounts*

The amount reflected as compensation of the named executive officers represents salary approved by SMPC's Board of Directors. The amounts indicated in relation thereto are restated to conform to the new accounting standards.

Executive directors of SMPC receive an annual retainer fee of Php240,000.00 as approved in the May 2009 annual stockholders' meeting. In May 2015, the stockholders approved the increase in retainer fees of non-executive and independent directors to Php150,000.00 or Php1,800,000.00 per annum effective June 1, 2015. Fixed per diem of Php20,000.00 for every meeting held and attended by each director who serves as Chairman or a member of SMPC's Board Committees remained unchanged. Aside from executive directors with employment compensation, there are no other directors with arrangements such as consulting contracts.

In accordance with the preceding paragraph, below is the amount received by executive, non-executive and independent directors of the Board as fixed annual retainer fee and per diem remuneration for the Board and Board Committee meetings in 2020 and 2021. In 2020, executive directors received bonuses in accordance with the by-laws while no bonus was given to them in 2021:

Directors	**Total Gross Remuneration (in Php)**	
	CY 2021	CY 2020
Isidro A. Consunji *Executive Director*	280,000	3,336,923
Maria Cristina C. Gotianun *Executive Director*	300,000	3,356,923
Cesar A. Buenaventura *Non-executive Director*	1,800,000	1,800,000
Herbert M. Consunji *Non-executive Director*	1,840,000	1,900,000
Jorge A. Consunji *Non-executive Director*	1,800,000	1,800,000
Luz A. Consunji* *Non-executive Director*	600,000	1,800,000
Ma. Edwina C. Laperal *Non-executive Director*	1,800,000	1,800,000
Honorio Reyes-Lao *Independent Director*	1,980,000	1,980,000
Rogelio M. Murga *Independent Director*	1,940,000	1,980,000
Antonio Jose U. Periquet Jr. *Independent Director*	1,900,000	1,900,000
Josefa C. Reyes *Non-executive Director*	1,800,000	1,800,000
Ferdinand M. dela Cruz** *Independent Director*	1,320,000	-
Total	**P17,360,000**	**P23,453,846**

**BOD Member until May 2, 2021*
***New BOD Member effective May 3, 2021*

(b) Employment Contracts, Compensatory Plan or Arrangement. - There is no contract covering their employment with SMPC and they hold office by virtue of their election and/or appointment to office. SMPC has no agreements with its named executive officers regarding any bonus, profit sharing, except for benefits for which they may be entitled under SMPC's retirement plan. On the other hand, members of the Board of Directors may be granted bonuses in accordance with SMPC's By-laws.

(c) Stock Warrants or Options. - There are no outstanding warrants, options, or right to repurchase any securities held by the directors or executive officers of SMPC.

Item 7. Independent Public Accountant

The accounting firm of SyCip Gorres Velayo & Co. ("SGV") is currently, and for the fiscal year recently completed, SMPC's independent public accountant, Dhonabee B. Señeres has been appointed as the partner-in-charge.

Representatives of SGV are expected to be present at the stockholders' meeting. They will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

There have been no changes in or disagreement with SMPC's accountants on accounting and financial disclosures.

Pursuant to the General Requirements of SRC Rule 68, paragraph 3 (Qualifications and Reports of Independent Auditors), the Corporation has engaged the services of SGV as external auditor, and Dhonabee B. Señeres is the Partner-In-Charge for less than five years or starting 2018. There is compliance with SEC Circular No. 8 Series of 2003 and SRC Rule 68(3)(B)(ix) (Rotation of External Auditors).

On February 24, 2022, the Board of Directors upon recommendation of its Audit Committee, approved and recommended the re-appointment of SGV, subject to stockholders' approval, as SMPC's Independent External Auditor for the fiscal year 2022.

The Audit Committee is composed of Antonio Jose U. Periquet, Jr. as Chairman while Rogelio M. Murga, Honorio O. Reyes-Lao, and Ferdinand M. dela Cruz are Members.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Not applicable for annual stockholders' meeting.

D. OTHER MATTERS

Item 8. Summary of matters to be submitted for Stockholders' approval:

(a) Approval of Minutes of the Previous Stockholders' Meeting held on May 3, 2021. - Below is the summary of items and/or resolutions approved at the last Annual Stockholders' Meeting:

(1) Approval of Minutes of Previous Meeting of Stockholders held on July 3, 2020.
(2) Presentation and Approval of President's Report.
(3) Presentation and Approval of the Audited Financial Statements for 2020.
(4) Ratification of the Acts and Resolutions of the Board of Directors, Management and Board Committees.
(5) Election of Directors for 2021-2022.
(6) Approval of appointment of Independent External Auditor.

The minutes of annual stockholders' meeting may also be viewed at SMPC's website: **[Click Here]**.

(b) Presentation and Approval of President's Report. - The President's report on the results of operations and financial performance of SMPC.

(c) Presentation and Approval of the Audited Financial Statements for 2021. – Consolidated Audited Financial Statements for the period ended December 31, 2021.

(d) Ratification of the Acts of the Board of Directors and Management from the Date of the Last Annual Stockholders' Meeting Up to the Date of this Meeting. - Resolutions, contracts, policies, and acts of the board of directors, various board committees and management for ratification refer to those passed or undertaken by them, including all policies and resolutions to implement said policies during the year and for the day-to-day operations of SMPC as contained or reflected in the attached annual report and financial statements. The summary of acts and resolutions of the Board of Directors for the year 2019 is set forth in ***Schedule 3***.

(e) Election of Directors for 2022-2023. - Election of the eleven (11) directors of SMPC to serve for one (1) year and until their successors are duly elected and qualified.

(f) Approval of appointment of Independent External Auditor. – SyCip Gorres Velayo & Co. was recommended by the Board of Directors as SMPC's Independent External Auditor.

Stockholders may email questions or comments no later than April 27, 2022 at the following email address: corporatesecretary@semirarampc.com, which shall be limited to the items in the Agenda. Some questions may be addressed on the day of the meeting while others will be replied via email.

Item 9. Voting Procedures

(a) Votes Requirement of Matters Submitted to Stockholders for Approval and Election of Directors

Sec. 4, Art. I of SMPC's amended by-laws provides that at each meeting of stockholders, the presence in person or by proxy of stockholders holding of record in the aggregate a majority of the stock issued and outstanding shall constitute a quorum for the transaction of business.

Majority of such quorum shall decide on any question in the meeting, except those matters in which the Revised Corporation Code requires a greater proportion of affirmative votes.

On the election of members of the Board, nominees who receive the highest number of votes shall be declared elected, pursuant to Section 23 of the Revised Corporation Code.

For other matters submitted to the stockholders for approval, the affirmative vote of at least a majority of the issued and outstanding capital stock entitled to vote and represented at this meeting is required to approved the proposed actions. There are no proposed actions in this meeting that requires approval by a higher percentage of votes from the stockholders.

(b) Method by which Votes will be Counted

SMPC intends to conduct the annual stockholders' meeting through remote communication in accordance with the Revised Corporation Code and the applicable SEC Circulars. Stockholders who are unable to attend the meeting may execute a proxy in favor of the Chairman of the Board, or vote electronically *in absentia* using the voting platform found at https://www.semirarampc.com/voting that is made available beginning April 26, 2022 until May 2, 2022 at 12:00 noon. Stockholders voting electronically *in absentia* shall be deemed present for purposes of quorum. Please refer to ***Schedule 4*** on the requirements and procedure for electronic voting *in absentia* and participation by remote communication.

In the election of directors, the eleven nominees with the most number of votes shall be declared elected.

In the election of directors, every stockholder entitled to vote shall have the right to vote in person or by proxy, or through remote communication or *in absentia*, the number of common shares of stock standing in his name as of Record Date. A stockholder entitled to vote may vote such number of shares for as many persons as there are directors to be elected, or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit. Provided, that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of SMPC multiplied by the whole number of directors to be elected. No discretionary authority to cumulate votes is being solicited (See also Item 4(c), par. 2, above).

The method of counting of votes shall be in accordance with the general provisions of the Revised Corporation Code. The counting and validation of votes shall be supervised by a committee appointed by the Corporate Governance Committee and headed by the Corporate Secretary. SMPC appointed the independent accounting firm of SGV & Co. as independent body to count, validate and verify the votes during the annual stockholders' meeting.

Other than the nominees' for election as director, no director, executive officer, nominee or associate of the nominees has substantial interest, direct or indirect by security holding or otherwise, in any way of the matters to be taken up during the meeting. SMPC has not received any information that an officer, director, or stockholder intends to oppose any action to be taken at the annual stockholders' meeting.

SMPC's Management does not intend to bring any matter before the meeting other than those set forth in the Notice in the annual meeting of stockholders and does not know of any matters to be brought before the meeting by others.

Item 10. Disclosure Requirements Pursuant to Section 49, Revised Corporation Code

At the annual stockholders' meeting held last May 3, 2021, SMPC adopted the electronic voting *in absentia*, which allows stockholders, after successful registration, to cast their votes electronically using the voting platform. The votes were then validated by a committee appointed by the Corporate Governance Committee of SMPC, which is composed of SGV & Co. and the Corporate Secretary, as head. After the validation, SGV & Co. certified and issued the final votes cast, which results was then reported by the Corporate Secretary during the meeting and reflected in the minutes of meeting.

The stockholders were given the opportunity to ask questions or clarifications by sending the same through email at corporatesecretary@semirarampc.com. The instruction was incorporated in ***Schedule 4*** of last year's definitive information statement, and on the notice to stockholders published in the newspaper of general circulation, in print on online, for two consecutive days. The record of such questions and answers were reflected in the minutes of meeting which is available at SMPC's website: **[Click Here]**, and which is reproduced below:

Thereafter, the Chairman asked the stockholders if they have any questions or clarifications. Thereafter, the following questions were then asked by the stockholders and answered by the Chairman, as follows:

Question	Answer
Question No. 1 from Mr. Gabby Tan: *On EO 130[4] (lifting of EO 79[5]). How would this benefit Semirara group?*	*Ms. Maria Cristina C. Gotianun answered as follows: The lifting of the MPSA moratorium is a welcome development. In the meantime, we will revisit the feasibility study of the cement project given the pandemic, current market conditions and tightening credit standards. After all, it is the financial viability and other economic considerations which will dictate the progress of this project.*
Question No. 2 from Ms. Jesylyne Go: *On your cement project - will this push through with the lifting of EO 79?*	*Ms. Maria Cristina C. Gotianun answered as follows: The opportunity to venture into cement project was contemplated in the past. Today, the economics of the project has changed and we cannot tell until this Covid-19 pandemic will be over. We will revisit when economic recovery from this pandemic will be certain. There are still a lot of economic uncertainties right now. On a positive note, there is no more regulatory hurdle with the lifting of EO 79.*

Stockholders representing 3,218,249,976 or 75.71% of SMPC's issued and outstanding capital stock have registered and participated remotely or by proxies, as follows:

	Stockholder	Shares Held
1.	Jose Antonio U. Periquet, Jr.	100
2.	Cesar A. Buenaventura	120
3.	Cesar Antonio C. Cuaresma	5,000
4.	Herbert M. Consunji	120
5.	Honorio O. Reyes-Lao	4,000
6.	Isidro A. Consunji (for himself and 21 proxies)	3,215,627,248
7.	Jaime B. Garcia	2,429,268
8.	Jorge A. Consunji	120
9.	Josefa Consuelo C. Reyes	120,000
10.	Kim Jefferson S. Loverio	52,480
11.	Luz Consuelo A. Consunji	40
12.	Ma. Edwina C. Laperal	1,212
13.	Maria Cristina C. Gotianun	1,428
14.	Nestor M. Lim	1,000
15.	Rogelio M. Murga	40
16.	Victor Luis P. Cusi III	7,800
	Total	**3,218,249,976**

The Agenda items discussed and approved during the last annual stockholders' meeting are stated below (also mentioned in Item 8(a) above), including the voting results, as follows:

Agenda	For		Abstain		Against	
Agenda 3 – Approval of Minutes of Previous Stockholders' Meeting Held on July 3, 2020	3,215,641,169	99.92%	0	0.00%	0	0.00%

[4] Executive Order No. 130, s. 2021, Amending Section 4 of Executive Order No. 79, S. 2012, Institutionalizing and Implementing Reforms in the Philippine Mining Sector, Providing Policies and Guidelines to Ensure Environmental Protection and Responsible Mining in the Utilization of Mineral Resources.

[5] Executive Order No. 79, s. 2012, Institutionalizing and Implementing Reforms in the Philippine Mining Sector Providing Policies and Guidelines to Ensure Environmental Protection and Responsible Mining in the Utilization of Mineral Resources.

Agenda 4 – Presentation and Approval of President's Report	3,215,589,469	99.92%	51,700	0.00%	0	0.00%
Agenda 5 – Presentation and Approval of the Audited Financial Statements for 2020	3,215,589,469	99.92%	51,700	0.00%	0	0.00%
Agenda 6 – Ratification of the Acts of the Board of Directors and Management from the Date of the Last Annual Stockholders' Meeting up to the Date of this Meeting	3,215,202,869	99.91%	438,300	0.01%	0	0.00%
Agenda 7 – Election of Directors for 2021-2022:						
Isidro A. Consunji	3,189,563,264	99.11%	22,866,045	0.71%	3,207,990	0.10%
Jorge A. Consunji	3,212,597,309	99.82%	453,000	0.01%	2,586,990	0.08%
Cesar A. Buenaventura	3,162,136,200	98.26%	48,276,692	1.50%	5,223,157	0.16%
Herbert M. Consunji	3,207,910,755	99.68%	2,503,387	0.08%	5,223,157	0.16%
Maria Cristina C. Gotianun	3,186,063,775	99.00%	24,350,367	0.76%	5,223,157	0.16%
Ma. Edwina C. Laperal	3,212,596,059	99.82%	453,000	0.01%	2,586,990	0.08%
Josefa Consuelo C. Reyes	3,212,596,059	99.82%	453,000	0.01%	2,586,990	0.08%
Rogelio M. Murga (Independent)	3,215,636,049	99.92%	0	0.00%	0	0.00%
Honorio O. Reyes-Lao (Independent)	3,215,634,682	99.92%	1,367	0.00%	0	0.00%
Antonio Jose U. Periquet, Jr. (Independent)	3,162,259,700	98.26%	48,153,192	1.50%	5,223,157	0.16%
Ferdinand M. dela Cruz (Independent)	3,215,635,049	99.92%	0	0.00%	1,000	0.00%
Agenda 8 – Approval of Appointment of Independent External Auditor	3,215,641,169	99.92%	0	0.00%	0	0.00%

The following directors, officers and stockholders of SMPC attended the annual stockholders' meeting in 2021:

Directors:
1. Isidro A. Consunji, Chairman & CEO
2. Rogelio M. Murga, Lead Independent
3. Honorio O. Reyes-Lao, Independent
4. Antonio Jose U. Periquet, Jr., Independent
5. Jorge A. Consunji
6. Hebert M. Consunji
7. Cesar A. Buenaventura
8. Maria Cristina C. Gotianun, President & COO
9. Ma. Edwina C. Laperal
10. Josefa Consuelo C. Reyes
11. Luz Consuelo A. Consunji

Key Officers:
1. John R. Sadullo, VP-Legal & Corporate Secretary
2. Junalina S. Tabor, SVP-Chief Risk, Compliance & Performance Officer
3. Carla Cristina T. Levina, VP-CFO
4. Jojo L. Tandoc, VP-Human Resources & Organizational Development

Others:
1. Dhonabee B. Seneres, Assurance Partner, SGV & Co.

Item 11. Market for Registrant's Common Equity and Related Stockholder Matters

Please refer to Part II, pages 12-15 of the Management Report attached to this Information Statement.

PART II
PROXY FORM
SEMIRARA MINING AND POWER CORPORATION

Item 1. Identification. This proxy is being solicited by the **MANAGEMENT OF SEMIRARA MINING AND POWER CORPORATION** (the **"Corporation" or "SMPC"**). The Chairman of the Board of Directors or, in his absence, the President of SMPC will vote the proxies at the Annual Stockholders' Meeting to be held on **May 2, 2022, 10:00 a.m., to be conducted virtually at https://www.semirarampc.com/asm.**

Item 2. Instructions.

(a) The proxy must be duly accomplished by the stockholder of record as of Record Date, or his duly authorized agent. In case of a stockholder that is a corporation or a partnership, the proxy must be accomplished by the officer or agent that is duly authorized to do so by virtue of an appropriate corporate or partnership resolution.

(b) Duly accomplished proxies must be delivered to the Corporate Secretary of SMPC not later than April 22, 2022, 5:00 p.m. through email at **corporatesecretary@semirarampc.com** and hard copies at the following address: **Semirara Mining and Power Corporation, 2nd Floor DMCI Plaza, 2281 Don Chino Roces Avenue, Makati City, Philippines**.

(c) In case of a corporate stockholder, the proxy must be accompanied by a corporate secretary's certificate quoting the board resolution authorizing the relevant corporate officer to execute the proxy for the corporate stockholder.

(d) In case of shares of stock owned jointly by two or more persons, the consent of all co-owners must be necessary for the execution of the proxy. For persons owning shares in an "and/or" capacity, any one of them may execute the proxy.

(e) Validation of proxies will be conducted by the Special Committee of Inspectors designated by the Board on April 26, 2022, 10:00 a.m. at the 2nd Floor, DMCI Plaza, 2281 Don Chino Roces Avenue, Makati City, Philippines. Any dispute which may arise pertaining to the validation shall be resolved by the Securities and Exchange Commission upon formal complaint filed by the aggrieved party.

(f) Unless otherwise indicated by the stockholder, a stockholder shall be deemed to have designated the Chairman of the Board of Directors, or in his absence, the President of SMPC, as his proxy for the annual stockholders meeting on May 2, 2022.

(g) If the number of shares of stock is left in blank, the proxy shall be deemed to have been issued for all of the stockholder's shares of stock in SMPC as of Record Date.

(h) The manner in which this proxy shall be accomplished, as well as the validation hereof shall be governed by the provisions of SRC Rule 20.11.2.

(i) The stockholder executing the proxy shall indicate the manner by which he wishes the proxy to vote on the matters in (1), (2), (3), (4), (5) and (6) by checking the appropriate box. **WHERE THE BOXES (OR ANY OF THEM) ARE UNCHECKED, THE STOCKHOLDER EXECUTING THE PROXY IS DEEMED TO HAVE AUTHORIZED THE PROXY TO VOTE IN FAVOR OF THE ITEMS SPECIFIED HEREUNDER.**

The Undersigned Stockholder hereby appoints:

(a) **The Chairman of the Board of Directors of SMPC, or in his absence, the Vice-Chairman or the President, or in their absence,**

(b) ______________________________

as his/her/its Proxy to attend the stockholders' meeting of SMPC, and any adjournment or postponement thereof, and thereat to vote all shares of stock held by the undersigned as specified below and on any matter that may properly come before said meeting.

1. **Approval of minutes of previous Stockholders' meeting held on May 3, 2021**

☐ For ☐ Abstain ☐ Against

2. **Presentation and Approval of President's Report**

☐ For ☐ Abstain ☐ Against

3. **Presentation and Approval of the Audited Financial Statements for 2021**

☐ For ☐ Abstain ☐ Against

4. **Ratification of the acts of the Board of Directors and Management from the date of the last Annual Stockholders' Meeting up to the date of this Meeting**

☐ For ☐ Abstain ☐ Against

5. **Election of Directors for 2022-2023**

☐ For all the nominees below, except those whose names are stricken out.

☐ **WITHHOLD AUTHORITY TO VOTE FOR ALL NOMINEES LISTED BELOW.**

(**Instructions**: **TO STRIKE OUT A NAME OR WITHHOLD TO VOTE FOR ANY INDIVIDUAL NOMINEE, DRAW A LINE THROUGH THE NOMINEE'S NAME IN THE LIST BELOW).**

Nominees:

1. Isidro A. Consunji
2. Jorge A. Consunji
3. Cesar A. Buenaventura
4. Herbert M. Consunji
5. Maria Cristina C. Gotianun
6. Ma. Edwina C. Laperal
7. Josefa Consuelo C. Reyes
8. Rogelio M. Murga*
9. Honorio O. Reyes-Lao*
10. Antonio Jose U. Periquet, Jr.*
11. Ferdinand M. dela Cruz*

**Independent Director*

6. **Approval of appointment of Independent External Auditor**

☐ For ☐ Abstain ☐ Against

Item 3. Revocability of Proxy. – Any stockholder who executes the proxy enclosed with this statement may revoke it at any time before it is exercised. The proxy may be revoked by the stockholder executing the same at any time by submitting to the Corporate Secretary a written notice of revocation not later than the start of the meeting, or by attending the meeting in person and signifying his intention to personally vote his shares. Shares represented by an unrevoked proxy will be voted as authorized by the stockholder.

Item 4. Persons Making the Solicitation. – The solicitation is made by the Management of SMPC. No director of SMPC has informed in writing that he intends to oppose an action intended to be taken up by the Management of SMPC at the annual meeting. Solicitation of proxies shall be made through the use of mail or personal delivery. SMPC will shoulder the cost of solicitation involving reproduction and mailing of this proxy in an estimated amount of Php126,000.00, more or less.

Item 5. Interest of Certain Persons in Matters to be Acted Upon. – No director, officer, nominee for director, or associate of any of the foregoing, has any substantial interest, direct or indirect, by security holdings or otherwise, on the matter to acted upon at the annual stockholders' meeting to be held on May 2, 2022.

ACCOMPANYING THIS INFORMATION STATEMENT ARE COPIES OF THE FOLLOWING:

1. **NOTICE OF THE ANNUAL STOCKHOLDERS' MEETING CONTAINING THE AGENDA THEREOF.**

2. **MANAGEMENT REPORT PURSUANT TO SRC RULE 20(4) INCLUDING MANAGEMENT DISCUSSION AND ANALYSIS AND INFORMATION ON INDEPENDENT ACCOUNTANT AND OTHER RELATED MATTERS.**

3. **CONSOLIDATED AUDITED FINANCIAL STATEMENTS ENDING DECEMBER 31, 2021 AND 2020 INCLUDING THE STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS.**

4. **PROXY INSTRUMENT.**

PART III
SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the Issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized. After reasonable inquiry and to the best of my knowledge and belief, I certify that the information in this report is true, complete and correct.

SEMIRARA MINING AND POWER CORPORATION
ISSUER

By:

JOHN R. SADULLO
Corporate Secretary

Makati City, Philippines March 24, 2022.

SEMIRARA MINING & POWER CORPORATION

SCHEDULE 1

BENEFICIAL OWNERSHIP OF PRINCIPAL STOCKHOLDER

The following is a disclosure of the beneficial owners of the shares held by DMCI Holdings, Inc. in SMPC as of March 14, 2022:

1.	Dacon Corporation	6,621,561,069	Common	49.87%
2.	PCD Nominee Corporation (Filipino)[6]	2,937,178,356	Common	22.12%
3.	DFC Holdings, Inc.	2,379,799,910	Common	17.92%
4.	PCD Nominee Corporation (Foreign)	875,428,569	Common	06.59%

The following are the largest beneficial owners of the shares of Dacon Corporation:

1.	Inglebrook Holdings, Inc.	4,088,195	Common	12.46%
2.	Eastheights Holdings, Inc.	4,090,695	Common	12.46%
3.	Gulfshore Inc.	4,090,695	Common	12.46%
4.	Valemount Corporation	4,090,693	Common	12.46%
5.	Chrismon Investment Inc.	4,090,695	Common	12.46%
6.	Jagjit Holdings, Inc.	4,090,695	Common	12.46%
7.	La Lumiere Holdings, Inc.	4,090,695	Common	12.46%
8.	Rice Creek Holdings, Inc.	4,090,696	Common	12.46%
9.	Double Spring Investments Corporation	114,429	Common	00.32%

[6] PCD Nominee Corporation, a wholly-owned subsidiary of Philippine Depository and Trust Corporation (“PDTC”), is the registered owner of the shares in the books of the corporation’s transfer agent in the Philippines. The beneficial owners of such shares are PDTC participants, who hold the shares on their behalf or on behalf of their clients. PDTC is a private company organized by major institutions actively participating in the Philippine capital markets to implement an automated book-entry system of handling securities transactions in the Philippines.

SCHEDULE 2

FINAL LIST OF CANDIDATES

In accordance with the Guidelines for Nomination of Directors, Manual on Corporate Governance, and SRC Rule 38, the Corporate Governance Committee has selected the following upon nomination to the Board of Directors at the Annual Stockholders' Meeting:

<u>Directors</u>

1. **ISIDRO A. CONSUNJI, 73**
Filipino, Director since May 2001 and Chairman of the Board since November 2014
Chief Executive Officer
Risk Committee, Member
Strategy and Sustainability Committee, Member

Education:
B.S. Civil Engineering, University of the Philippines
Master in Business Economics, Center for Research & Communication
Master in Business Management, Asian Institute of Management
Advanced Management, IESE School in Barcelona, Spain
License Civil Engineer

Directorship in Listed Companies:
DMCI Holdings, Inc., *Director & President*
Atlas Consolidated Mining and Development Corporation, *Director*

Other Directorships/Positions:
SEM-Calaca Power Corporation, *Chairman & CEO*
Southwest Luzon Power Generation Corporation, *Chairman & CEO*
Semirara Claystone Inc., *Chairman & CEO*
Semirara Energy Utilities Inc., *Chairman & CEO*
Southeast Luzon Power Generation Corporation, *Chairman & CEO*
SEM-Cal Industrial Park Developers Inc., *Chairman & CEO*
St. Raphael Power Generation Corporation, *Chairman & CEO*
DMCI Mining Corporation, *Chairman & CEO*
ENK Plc (U.K.), *Chairman*
DMCI Masbate Power Corporation, *Vice-Chairman*
Dacon Corporation, *Director*
M&S Company Inc., *Director*
DMCI Projects Developers, Inc., *Director*
Toledo Mining Corporation Plc (U.K.), *Director*
Semirara Cement Corporation, *Director & President*
Maynilad Water Services, *Director*
Private Infra Dev Corp., *Director*
Asian Institute of Management, *Trustee*

Former Affiliations:
Philippine Constructors Association, *President*
Philippine Chamber of Coal Mines, Inc., *President*

2. **JORGE A. CONSUNJI, 70**
Filipino, Director since May 2001

Education:
B.S. Industrial Management Engineering, De La Salle University
Advanced Management Program Seminar, University of Asia and the Pacific
Top Management Program, Asian Institute of Management

Directorship in Listed Companies:
DMCI Holdings, Inc., *Director*

Other Directorships/Positions:
DMCI Masbate Power Corporation, *Chairman*
Dacon Corporation, *Director*
DMCI Project Developers, Inc., *Director*
SEM-Calaca Power Corporation, *Director*
Southwest Luzon Power Generation Corporation, *Director*
Semirara Claystone Inc., *Director*
Semirara Energy Utilities Inc., *Director*
Southeast Luzon Power Generation Corporation, *Director*
SEM-Cal Industrial Park Developers Inc., *Director*
St. Raphael Power Generation Corporation, *Director*
Cotabato Timberland Co., Inc., *Director*
M&S Company, Inc., *Director*
Sodaco Agricultural Corporation, *Director*
DMCI Mining Corporation, *Director*
DMCI Power Corporation, *Director*
Eco-Process & Equipment Phils. Inc., *Director*
Maynilad Water Services, Inc., *Director*
D.M. Consunji, Inc., *President & COO*
Royal Star Aviation, Inc., *President & COO*

Former Affiliations:
Contech Panel Mfg., Inc., *Chairman*
Wire Rope Corp. of the Philippines, *Chairman*
ACEL, *President*
Phil. Constructors Association, *Vice-President*

3. **CESAR A. BUENAVENTURA, 92**
Filipino, Director since May 2001
Strategy and Sustainability Committee, Member

Education:
Bachelor of Science in Civil Engineering, University of the Philippines
Master in Civil Engineering Major in Structures, Lehigh University, Bethlehem, Pennsylvania (Fulbright Scholar)

Directorship in Listed Companies:
DMCI Holdings, Inc., *Director*
iPeople, Inc., *Independent Director*
PetroEnergy Resources Corp., *Independent Director*
Concepcion Industrial Corporation, *Independent Director*
Pilipinas Shell Petroleum Corporation, *Independent Director*
International Container Terminal Services, Inc., *Independent Director*

Other Directorships/Positions:
D.M. Consunji, Inc., *Director*
The Country Club, *Director*
Mitsubishi Hitachi Power Systems Phils Inc., *Chairman*
Cavitex Holdings, Inc., *Director*
Via Technik Inc., *Director*
Pilipinas Shell Foundation, Inc., *Chairman*
Bloomberry Cultural Foundation, *Trustee*
ICTSI Foundation, *Trustee*

Award/Recognition:
Honorary Officer, Order of the British Empire by Her Majesty Queen Elizabeth II

Former Affiliations:
Philippine American Life Insurance Company, *Director*
Atlantic Gulf & Pacific Company of Manila (AG&P), *Vice-Chairman*
Ayala Corporation, *Director*

First Philippine Holdings Corporation, *Director*
Philippine Airlines, *Director*
Philippine National Bank, *Director*
Benguet Corporation, *Director*
Asian Bank, *Director*
Ma. Cristina Chemical Industries, *Director*
Paysetter International Inc., *Director*
Maibarara Geothermal, Inc., *Chairman*
Manila International Airport Authority, *Director*
Shell Group of Companies, *Chairman & CEO*
Semirara Cement Corporation, *Vice-Chairman*
Central Bank of the Philippines, Member of the Monetary Board
Pilipinas Shell Foundation, Inc., *Founding Chairman*
University of the Philippines, *Member of the Board of Regents*
Asian Institute of Management, *Member of the Board of Trustees*
President of the Benigno S. Aquino Foundation, *President*

4. **HERBERT M. CONSUNJI, 69**
Filipino, Director since May 2001

Education:
Bachelor of Science in Commerce Major in Accounting, De La Salle University
Top Management Program, Asian Institute of Management
He is a Certified Public Accountant.

Directorship in Listed Companies:
DMCI Holdings, Inc., *Executive Vice-President, CFO, Chief Compliance Officer & Chief Risk Officer*

Other Directorships/Positions:
DM Consunji, Inc., *Director*
DMCI Project Developers, Inc., *Director*
DMCI Power Corporation, *Director*
DMCI Mining Corporation, *Director*
DMCI-MPIC Water Company Inc., *Director*
SEM-Calaca Power Corporation, *Director*
Semirara Claystone Inc., *Director*
Southwest Luzon Power Generation Corporation, *Director*
Subic Water & Sewerage Corp., *Director*
SEM-Cal Industrial Park Developers Inc., *Director*

Other Affiliations:
Philippine Institute of Certified Public Accountants, *Member*
Financial Executives Institute of the Philippines, *Member*
Shareholder's Association of the Philippines, *Member*
Management Association of the Philippines, *Member*

5. **MARIA CRISTINA C. GOTIANUN, 67**
Filipino, Director since May 2006
President & Chief Operating Officer
Risk Committee, Member
Strategy and Sustainability Committee, Member

Education:
Bachelor of Science in Business Economics, University of the Philippines

Directorship in Listed Companies:
DMCI Holdings, Inc., *Director & Asst. Treasurer*

Other Directorships/Positions:
Dacon Corporation, *Corporate Secretary*
SEM-Calaca Power Corporation, *Director & President*

Southwest Luzon Power Generation Corporation, *Director & President*
Semirara Claystone Inc., *Director & President*
Semirara Energy Utilities Inc., *Director & President*
Southeast Luzon Power Generation Corporation, *Director & President*
St. Raphael Power Generation Corporation, *Director & President*
DMCI Power Corporation, *Director & Treasurer*
DMCI Masbate Power Corporation, *Director & Treasurer*
SEM-Cal Industrial Park Developers Inc., *Director & President*
Divine Word School of Semirara Island, Inc., *Trustee & President*
Semirara Training Center, Inc., *Trustee & President*

Former Affiliations:
Semirara Mining and Power Corporation, *Executive Vice-President*
D.M. Consunji, Inc., *Vice-President for Finance & Administration & CFO*
DMC-Project Developers, Inc., *Finance Director*
DM Consunji, Inc., *Asst. Treasurer*
Divine Word School of Semirara Island, Inc., *Corporate Secretary*

6. **MA. EDWINA C. LAPERAL, 60**
Filipino, Director since May 2007

Education:
B.S. Architecture, University of the Philippines
Master in Business Administration, University of the Philippines
Executive Certificate for Strategic Business Economics Program, University of Asia & The Pacific
License Architect

Directorship in Listed Companies:
DMCI Holdings, Inc., *Director & Treasurer*

Other Directorships/Positions:
Dacon Corporation, *Director & Treasurer*
D.M. Consunji, Inc., *Director & Treasurer*
DFC Holdings, Inc., *Director & Treasurer*
DMCI Project Developers, Inc., *Director & SVP-Treasurer*
Artregard Holdings, Inc., *Director & Vice-President*
SEM-Calaca Power Corporation, *Director*
DMC Urban Property Developers, Inc., *Director & President*
Southwest Luzon Power Generation Corporation, *Director*

Former Affiliations:
Institute of Corporate Directors, *Fellow*
United Architects of the Philippines, Makati Chapter
Guild of Real Estate Entrepreneurs and Professionals
UP College of Architecture Alumni Foundation Inc.

7. **JOSEFA CONSUELO C. REYES, 74**
Filipino, Director since March 2015

Education:
AB Economics, University of British Columbia, Vancouver, Canada
Strategic Business Economics Program, University of Asia and the Pacific (2007)

Directorship in Listed Companies:
None.

Other Directorships/Positions:
SEM-Calaca Power Corporation, *Director*
Southwest Luzon Power Generation Corporation, *Director*
Manila Herbal & Essential Oils Co., Inc., *General Manager*
Philippine Coffee Board, *Corporate Secretary*

Ecology Village Association, *Director and Chairperson*

Former Affiliations:
Ecology Village Association, *Director & Vice-President*

8. **ROGELIO M. MURGA, 87**
Filipino, Lead Independent Director since November 2014
Risk Committee, Chairman
Corporate Governance Committee, Member

Education:
Bachelor of Science degree in Mechanical Engineering, University of the Philippines (1958)
Senior Management Program, Harvard Business School in Vevey, Switzerland (1980)
Honorary Degree of Doctor of Science – *Honoris Causa,* Feati University (2004).

Directorship in Listed Companies:
None.

Other Directorships/Positions:
Private Infra Dev Corp., Currently, *Chairman & CEO*
SEM-Calaca Power Corporation, *Independent Director*
Meralco Industrial Engineering Services Corp., *Independent Director*
Southwest Luzon Power Generation Corporation, *Independent Director*

Former Affiliations:
National Power Corporation, *President & CEO*
EEI Corporation, *Vice-Chairman, Director, President & COO*
Philippine Constructors Association, *President*
International Federation of Asian and Western Pacific Contractors Association, *President*
Management Association of the Philippines, *Member*
Philippine Chamber of Commerce and Industry, *Chairman of the Committee on Engineering and Construction*
DCCD Engineering Corporation, *Consultant*
National University, *Engineering Professor*

9. **HONORIO O. REYES-LAO, 77**
Filipino, Independent Director since May 2017
Corporate Governance Committee, Chairman
Audit Committee, Member
Risk Committee, Member

Education:
Bachelor of Arts Major in Economics, De La Salle University
Bachelor of Science in Commerce, Major in Accounting, De La Salle University
Master in Business Management, Asian Institute of Management
Banking Operation, Philippine Banking Institute

Directorship in Listed Companies:
DMCI Holdings, Inc., *Independent Director*
Philippine Business Bank, *Independent Director*

Other Directorships/Positions:
SEM-Calaca Power Corporation, *Independent Director*
Southwest Luzon Power Generation Corporation, *Independent Director*
Space2place, Inc., *Independent Director*
DMCI-Property Developers, Inc., *Independent Director*

Former Affiliations:
Gold Venture Lease and Management Services Inc.
First Sovereign Asset Management Corporation
CBC Forex Corporation

CBC Insurance Brokers, Inc.
CBC Properties and Computers Center, Inc.
Institute of Corporate Directors, *Fellow*
Rotary Club of Makati West, *Member/Treasurer*
Makati Chamber of Commerce and Industries, *President*

10. **ANTONIO JOSE U. PERIQUET, JR., 61**
Filipino, Independent Director since August 2019
Audit Committee, Chairman
Strategy and Sustainability Committee, Chairman

Education:
Master in Business Administration, Darden Graduate School of Business Administration, University of Virginia, USA
Master of Science Economics, Oxford University, UK
AB Economics, Ateneo de Manila University

Directorship in Listed Companies:
Ayala Corporation, *Independent Director*
Max's Group of Companies, *Independent Director*
Philippine Seven Corporation, *Independent Director*
DMCI Holdings, Inc., *Independent Director*
Universal Robina Corporation, *Independent Director*

Other Directorships/Positions:
AB Capital & Investment Corporation, *Chairman & CEO*
Albizia ASEAN Tenggara Fund, *Independent Director*
Campden Hill Advisors, Inc., *Chairman*
Campden Hill Group, Inc., *Chairman*
Lyceum of the Philippines University, *Trustee*
The Straits Wine Co. Inc., *Director*
Sem-Calaca Power Corporation, *Independent Director*
Southwest Luzon Power Generation Corporation, *Independent Director*

Former Affiliations:
Bank of the Philippine Islands, *Independent Director*
BPI Asset Management and Trust Corporation, *Chairman*
BPI Capital Corp., *Independent Director*
BPI Family Savings Bank, Inc., *Independent Director*
Pacific Main Properties and Holdings, *Chairman*
ABS-CBN Corporation, *Independent Director*
ABS-CBN Holdings Corporation, *Independent Director*
Development Bank of the Philippines, *Director*
DBP Leasing Corporation, *Director*
DBP Insurance Brokerage, Inc., *Director*
MRT Corporation, *Director*
ABS-CBN Corporation, *Member, Board of Advisers*
Deutsche Regis Partners Inc., *Chairman*
Deutsche Morgan Grenfell Inc., *Managing Director*
Morgan Grenfell Securities (UK) Ltd., *Director*
Deutsche Morgan Grenfell Securities (HK), *Director*
Morgan Grenfell Securities Philippines, *Director*
Asia Equity (UK) Limited, *Director*
Peregrine Securities (UK & Hong Kong), *Investment Adviser*
San Miguel Corporation, *Economist*
Center for Research & Communication, *Economist*
Faculty of Economics, Assumption College, *Member*

11. **FERDINAND M. DELA CRUZ, 55**
Filipino, Independent Director since May 2021
Audit Committee, Member

Corporate Governance Committee, Member
Risk Committee, Member
Strategy and Sustainability Committee, Member

Education
Advanced Management Program (AMP), Harvard Business School (2015)
B.S. Mechanical Engineering *(Cum Laude)*, University of the Philippines (1987)
10th Placer at the 1987 Mechanical Engineering Exams

Directorship in Listed Companies:
None.

Other Directorships/Positions:
Franklin Baker Company of the Philippines, *President, CEO & Chief Sustainability Officer*
U.P. Engineering R&D Foundation, Inc., *Member*
Institute of Corporate Directors, *Fellow*
Institute for Solidarity in Asia, Inc., *Board Trustee*

Former Affiliations:
U.P. Engineering R&D Foundation, Inc., *President & Trustee*
Manila Water Company, Inc., *President, Chief Executive Officer and Chief Sustainability Officer*
Manila Water Operations, *COO*
Manila Total Solutions, Inc., *President & CEO*
Manila Water Foundation, *President*
Manila Water Company, *Group Director, East Zone Business Operations*
Globe Telecom, *Head-Consumer Sales and After Sales Group*
Globe Telecom, *Head-Consumer Wireless Busines Group*
Kraft Food (Philippines) Inc., *President & General Manager*
Kraft Food (Philippines) Inc., *Country General Manager*
Kraft Foods International Services Inc. – Indonesian Representative Office, *Chief Representative*
PT Kraft Ultrajaya Indonesia, *President & Director*
Ayala land Inc./Laguna Properties Holdings Inc., *SVP-Marketing & Sales Division*
San Miguel Brewing Philippines, *VP-National Sales*
San Miguel Brewing Philippines, *Executive Asst. to EVP for Philippine Operations*
Inbisco Philippines Inc. (Kopiko), *Country Manager*
Unilever Philippines, *Marketing/Sales Operations Manager*
Unilever Philippines, *National Distribution Manager*
Unilever Philippines, *Brand Manager, Asst. Brand Manager, Management Trainee*
DCCD Engineering Corporation, *Junior Engineer*

Executive Officers

1. **ISIDRO A. CONSUNJI**, Chief Executive Officer*
2. **MARIA CRISTINA C. GOTIANUN**, President & COO*
   **Member of the Board (please see above)*

3. **JUNALINA S. TABOR, 58**
   Filipino, SVP-Chief Risk, Compliance & Performance Officer since March 2021

Education
Bachelor of Science in Commerce, Major in Accounting *(Magna Cum Laude)*, Saint Joseph College
Master in Public Administration, University of the Philippines
Certificate in Business Economics, University of Asia and the Pacific
Certificate in Leading People and Teams Specialization, University of Michigan thru Coursera Online
Modular Course in Computer Literacy Program, Systems Technology Institute
She is a Certified Public Accountant

Directorship in Listed Companies:
None.

Other Directorships/Positions:
Sem-Calca Power Corporation, *Chief Risk, Compliance & Performance Officer*

Southwest Luzon Power Generation Corporation, *Chief Risk, Compliance & Performance Officer*

Former Affiliations:
Semirara Mining and Power Corporation, *VP & CFO (11 years)*
Sem-Calaca Power Corporation, *CFO*
Southwest Luzon Power Generation Corporation, *CFO*
Commission on Audit, *State Auditor 1989-1997*
Commission on Audit, *State Examiner 1984-1988*
Commission on Audit, *Team Leader in Special Audit Engagements in certain GOCCs 1995-1997*

4. **JOHN R. SADULLO, 51**
Filipino, VP-Legal since November 2013
Corporate Secretary & Corporate Information Officer since May 2005

Education
A.B. Major in Political Science, University of Santo Tomas
Bachelor of Laws, San Beda College of Law (1996)
He was admitted to the BAR in 1997

Directorship in Listed Companies:
None.

Other Directorships/Positions:
Sem-Calca Power Corporation, *VP-Legal & Corporate Secretary*
Southwest Luzon Power Generation Corporation, *VP-Legal & Corporate Secretary*
Semirara Energy Utilities Inc., *Corporate Secretary*
Southeast Luzon Power Generation Corporation, *Corporate Secretary*
Semirara Energy Utilities Inc., *Corporate Secretary*
Semirara Claystone Inc, *Corporate Secretary*
Sem-cal Industrial Park Developers Inc., *Corporate Secretary*
St. Raphael Power Generation Corporation, *Corporate Secretary*
Divine Word School of Semirara Island, Inc., *Corporate Secretary*
Semirara Training Center, Inc., *Corporate Secretary*
Semirara Cement Corporation, *Corporate Secretary*

Former Affiliations:
DMCI Mining Corporation, *Corporate Secretary*
DMCI Masbate Power Corporation, *Corporate Secretary*
St. Raphael Power Generation Corporation, *Asst. Corporate Secretary*
Semirara Training Center, Inc., *Asst. Corporate Secretary*

5. **JOSE ANTHONY T. VILLANUEVA, 57**
Filipino, VP-Marketing for Coal since November 2013

For more than 20 years he has been the forefront of the energy industry and held various positions as Department Manager for Finance and Planning, Business Development and Information Technology, Corporate Planning and as General Manager for Coal Division of state-owned company engaged in the exploration, development and production of geothermal, oil and gas and coal in the Philippines.

Education
Bachelor of Science in Mechanical Engineering, De La Salle University
Master in Business Administration, De La Salle University
Master in Public Management, University of the Philippines
Undergone intensive training in financial modeling in Singapore
Completed the Petroleum Energy Policy and Management Program in Norway as full scholar of the Norwegian Petroleum Directorate

Directorship in Listed Companies:
None.

Other Directorships/Positions:
None.

Former Affiliations:
Semirara Mining and Power Corporation, *Marketing Manager*

6. **ANDREO O. ESTRELLADO, 60**
Filipino, VP-Power Market & Commercial Operations since May 2017

He has been in the electric power industry business for more than 30 years performing different functions in the fields of marketing, business and project development, risk management, environmental impact assessment and nuclear physics for various government and private electric power companies. He was once affiliated with the National Power Corporation, National Transmission Corp, Manila Oslo Renewable Enterprises/SN Aboitiz Power, East Asia Power Corporation, Resource Management International (Navigant Consulting), and Magellan Utilities Development Corp. He also served as consultant of International Resources Group, Philippines; and Alternative Energy Development, Philippines for some of their World Bank and UNDP funded projects.

Education
Bachelor of Science in Chemical Engineering, Mapua Institute of Technology
Master in Business Administration, Ateneo de Manila University

Directorship in Listed Companies:
None.

Other Directorships/Positions:
None.

Former Affiliations:
Sem-Calaca Power Corporation, Asst. Vice-President for Market & Commercial Operations

7. **RUBEN P. LOZADA, 66**
Filipino, VP-Mining Operations & Resident Manager since August 2016

Education
Bachelor of Science in Civil Engineering, Mindanao State University (1978)
He is a License Civil Engineer

Directorship in Listed Companies:
None.

Other Directorships/Positions:
None.

Former Affiliations:
Semirara Mining and Power Corporation, *Resident Manager (14 years)*

8. **CARLA CRISTINA T. LEVINA, 37**
Filipino, VP-Chief Finance Officer since March 2021

She has more than 15 years of experience specializing in the risk-based audit of business and financial processes, evaluation of risks and internal controls, and in performing independent assessments and third-party reporting audit engagements.

Education
Bachelor of Science in Accountancy *(Cum Laude)*, University of Santo Tomas
Certified Public Accountant *(17th Placer)*
Certified Internal Auditor
Certified Information Systems Auditor

Directorship in Listed Companies
None.

Other Directorships/Positions
SEM-Calaca Power Corporation, *CFO*
Southwest Luzon Power Generation Corporation, *CFO*
St. Raphael Power Generation Corporation, *CFO*

Former Affiliations
Semirara Mining and Power Corporation, *VP-Chief Audit Executive*
Semirara Mining and Power Corporation, *Internal Audit Manager*
Sycip Gorres Velayo & Co., *Director (under IT Risk and Assurance Services)*

9. **KARMINE ANDREA S.J. CHING, 38**
Filipino, AVP-Corporate Planning since August 2017

Education
Bachelor of Science in Business Administration and Accountancy, University of the Philippines
Certified Public Accountant
Certified Internal Auditor
Certified Information Systems Auditor
Certified in Risk and Information Systems Control

Directorship in Listed Companies:
None.

Other Directorships/Positions:
None.

Former Affiliations:
Semirara Mining and Power Corporation, *Internal Audit Manager*
SM Investments Corporation, *IT Audit Manager*
Sycip Gorres Velayo & Co., *Senior Associate under IT Risk and Assurance*

SCHEDULE 3

2021 SUMMARY OF BOARD ACTS AND RESOLUTIONS

1. Special Meeting on February 19, 2021 on the approval of the following:
    a. Minutes of meeting held on October 27, 2020.
    b. Participation in the competitive selection process for power supply of SMPC through its subsidiary, St. Raphael Power Generation Corporation.
    c. Establishment of environmental funds for Himalian Limestone Project (1.7MMTPY Cement Plant and Quarry Project).
    d. Availment of business online banking with BDO Unibank, Inc.
    e. Sale of motor vehicle with Plate No. PIY 686.
    f. Sale of motor vehicle with Plate No. NBY 9221.
    g. Execution of surety bond with the Bureau of Customs.

2. Regular Meeting on March 3, 2021 on the approval of the following:
    a. Minutes of meeting held on February 19, 2021.
    b. Audited Consolidated Financial Statements for the period ended December 31, 2020; execution of Statement of Management's Responsibility for Consolidated Financial Statements for the period ended December 31, 2020; and designation of SMPC's representative to execute the representation letter relative to the audits of the consolidated financial statements of the SMPC and subsidiaries as of December 31, 2020.
    c. Re-appointment of SGV & Co. as independent external auditor of SMPC for year 2021.
    d. Appointment of Junalina S. Tabor as SVP and Chief Risk, Compliance & Performance Officer; Carla Cristina T. Levina as VP & Chief Finance Officer. The position of Maria Cristina C. Gotianun as Chief Risk Officer was automatically relinquished in favor of Ms. Tabor.
    e. Setting the virtual Annual Stockholders' Meeting on May 3, 2021 at 10:00 a.m. with record date on March 18, 2021; approval of agenda; appointment of Special Committee of Inspector on Proxy Validation; and appointment of SGV & Co. as Board of Canvassers.
    f. Amendment to SMPC's Manual on Corporate Governance to include provision on measurable standards to align the performance-based remuneration of executive directors with long-term interests of the company; and a provision that in case of mergers, acquisition and/or takeovers during the year, the company may wish to appoint an independent party to evaluate the fairness of the transaction price.
    g. Amendment to the Procedure for Participation and Voting in Board Meetings Through Remote Communication by deleting the first paragraph relating to Covid-19 while other provisions remained the same.
    h. Write-Off of junked/scrapped assets or machineries in the total amount of Php1,914.42 billion.
    i. Designation of Maria Cristina C. Gotianun as proxy for the annual/special stockholders' meeting for year 2021 of SMPC subsidiaries.
    j. Php2 million as additional compensation of executive directors to be incorporated in their monthly retainers.
    k. Designation of representatives to enroll in SEC Online Submission Tool.
    l. Designation of representatives to facilitate the cash conversion of tax credit certificate in the amount of Php15.3 million VAT refund with BIR.
    m. Opening of account and availment of bank products and services with Bank of the Philippine Islands.

3. Special Meeting on March 25, 2021 on the approval of the following:
    a. Minutes of board meeting held on March 3, 2021;
    b. Declaration of cash dividends at Php1.25/share with record date on April 13, 2021 and payment date on April 23, 2021.
    c. Application for online payment of Philhealth contributions with several banking institutions.
    d. Authority of Semirara Training Center, Inc. to use a piece of land, structures, buildings and premises of SMPC for its benefits and purpose necessary for educational and training facilities.
    e. Application for income tax holiday as an expanding domestic coal producer on a non-pioneer status with the Board of Investments of year 2020.
    f. Availment of facilities on standard settlement with BDO Unibank, Inc.

4. Organizational Meeting on May 3, 2021 on the approval of the following:
    a. Minutes of board meeting held on March 25, 2021; and
    b. Election Officers and Composition of Board Committees as follows:

A. Principal Officer:

1. Isidro A. Consunji - *Chairman & Chief Executive Officer*
2. Maria Cristina C. Gotianun – *President & Chief Operating Officer*
3. Junalina S. Tabor – *SVP & Chief Risk, Compliance & Performance Officer*
4. John R. Sadullo - *VP-Legal, Corporate Secretary, & Corporate Information Officer*
5. Jose Anthony T. Villanueva - *VP-Marketing for Coal*
6. Andreo O. Estrellado – *VP-Power Market & Commercial Operations*
7. Ruben P. Lozada – *VP-Mining Operations & Resident Manager*
8. Carla Cristina T. Levina – *VP & Chief Finance Officer*
9. Jojo L. Tandoc – *VP-Human Resources & Organizational Development*
10. Karmine Andrea B. San Juan – *AVP-Corporate Planning*

B. Corporate Governance Committees:

1. Audit Committee:
   a. Antonio Jose U. Periquet, Jr., Chairman
   b. Honorio O. Reyes-Lao, Member
   c. Ferdinand M. dela Cruz, Member

2. Corporate Governance Committee:
   a. Honorio O. Reyes-Lao, Chairman
   b. Rogelio M. Murga, Member
   c. Ferdinand M. dela Cruz, Member

3. Risk Committee:
   a. Rogelio M. Murga, Chairman
   b. Honorio O. Reyes-Lao, Member
   c. Ferdinand M. dela Cruz, Member
   d. Isidro A. Consunji, Member
   e. Maria Cristina C. Gotianun, Member

4. Strategy and Sustainability Committee:
   a. Antonio Jose U. Periquet, Jr., Chairman
   b. Honorio O. Reyes-Lao, Member
   c. Ferdinand M. dela Cruz, Member
   d. Cesar A. Buenaventura, Member
   e. Isidro A. Consunji, Member
   f. Maria Cristina C. Gotianun, Member
   g. Christopher Thomas C. Gotianun, Secretariat

Mr. Rogelio M. Murga was likewise appointed by the Board as Lead Director in compliance with the Code of Corporate Governance for Public Listed Companies (SEC Memorandum Circular No. 19, Series of 2016).

5. Regular Meeting on May 4, 2021 on the approval of the following:
   a. Minutes of board meeting held on May 3, 2021.
   b. Unaudited consolidated financial statements for the period ended March 31, 2020 of SMPC and Subsidiaries.
   c. Opening of Account and availment of bank products and services with the Philippine National Bank.
   d. Opening of Account and availment of bank products and services with Eastwest Bank.
   e. Opening of Account and availment of bank products and services with BDO Unibank, Inc.
   f. Designation of BDO Unibank, Inc. as trustee to the retirement plan of SMPC.
   g. Integrated Annual Corporate Governance Report for year 2020.
   h. Designation of authorized filer for SEC Online Submission Tool.
   i. Execution of technical and financial proposal for amendment of Semirara Coal Mine Expansion Project with Buildsworth Corporation.
   j. Execution of memorandum of agreement with UP Los Banos Foundation, Inc. to provide technical assistance to SMPC in pursuing the restoration and carbon sequestration programs.
   k. Sale of motor vehicle with Plate No. NDV 9075.
   l. Sale of motor vehicle with Plate No. NDB 3650.
   m. Execution of Deed of Assignment between SMPC and Semirara Claystone Inc. on the assignment of SMPC's rights, duties, liabilities, and obligations arising from its application for mineral

production sharing agreement covering an area of 3,807.0571 hectares located in Semirara Island, Caluya, Antique.

n. Application with DENR for foreshore/miscellaneous lease covering an area of 30.5445 hectares located in Semirara Island, Caluya, Antique.
o. Purchase of cement and other construction related products from Solid Cement Corporation.
p. Application for importer accreditation with Land Transportation Office for importation of motor vehicles and/or their components.
q. Designation of representative to execute affidavit of loss with authority to receive OR/CR for motor vehicle with Plate No. NDV 9075.
r. Execution of contract for security services with Davao Comrades Security Agency for SMPC's mining operation in Antique.
s. Sale of motor vehicle with Plate No. ZBL 200.

6. Regular Meeting on August 2, 2021 on the approval of the following:
    a. Minutes of board meeting held on May 4, 2021.
    b. Unaudited consolidated financial statements for the period ended June 30, 2021 of SMPC and Subsidiaries.
    c. Results of Audit Committee Self-Assessment for year 2021.
    d. Amendment to Inward Manifest with the Bureau of Customs covering the Bill of Lading No. 20210217.
    e. Sale of motor vehicle with Plate No. NAI 5487.
    f. Application for Import Commodity Clearance with the Bureau of Product Standards.
    g. Application for Forbes Park Association sticker for SMPC service vehicles.
    h. Execution of Deed of Assignment between SMPC and Semirara Claystone Inc. on the assignment of SMPC's rights, duties, liabilities, and obligations arising from its application for mineral production sharing agreement covering an area of 3,807.0571 hectares located in Semirara Island, Caluya, Antique.
    i. Application for a license with Optical Media Board for the importation of Storage Data Card.
    j. Sale of motor vehicle with Plate No. NOA 960.
    k. Reactivation of dormant account for Semirara Mining Corporation Hospital with BDO Network Bank.
    l. Designation of representative to secure duplicate copy of lost certificate of registration for motor vehicle with Plate No. NOA 960.

7. Special Meeting on October 11, 2021 on the approval of the following:
    a. Minutes of meeting held on August 2, 2021.
    b. Declaration of special cash dividends at Php1.75/share with record date on October 25, 2021 and payment date on November 9, 2021.
    c. Designation of representative to execute an affidavit of undertaking in compliance with the requirements under RA 9514 (Fire Code of the Philippines) and to submit the same to the Bureau of Fire Protection in Antique.

8. Regular Meeting on October 28, 2021 on the approval of the following:
    a. Minutes of meeting held on October 11, 2021.
    b. Unaudited consolidated financial statements for the period ended September 30, 2021 of SMPC and Subsidiaries.
    c. Opening of account and availment of bank products and services with BDO Network Bank.
    d. Opening of account and availment of bank products and services with Metropolitan Bank & Trust Company.
    e. Opening of account and availment of bank products and services with Bank of China (Hongkong) Limited, Manila Branch.
    f. Opening of account and availment of bank products and services with Mizuho Bank Ltd. – Manila Branch.
    g. Opening of account and availment of bank products and services with BDO Unibank, Inc.
    h. Opening of account and availment of bank products and services with China Banking Corporation.
    i. Opening of account and availment of bank products and services with EastWest Bank.
    j. Opening of account and availment of bank products and services with Philippine National Bank.
    k. Opening of account and availment of bank products and services with Bank of the Philippine Islands.
    l. Authority of Andreo O. Estrellado to represent SMPC in all transactions with power to sign and deliver documents.

m. Designation of representative to sign and execute necessary documents to accept the accountabilities relative to the services offered by PLDT for its subsidiaries, SCPC and SLPGC.
n. Sale of motor vehicle with Plate No. NDW 8716.
o. Sale of motor vehicle with Plate No. ZBL 200.
p. Availment of credit line/facilities with Toyota Batangas City, Inc.
q. Availment of credit line/facilities with Honda Cars Greenhills.
r. Designation of representative to execute an affidavit of loss and to secure a duplicate copy of Certificate of Registration for motor vehicle with Plate No. XSS 409 with LTO.
s. Application for registration of Optical Media Business and application for import permit with the Optical media Board.
t. Application for service upgrade and installations of internet and IPVPN links with PLDT.
u. Authority to claim/pick-up motor vehicle license plates from LTO.
v. Sale of motor vehicle with Plate No. NDY 6121.
w. Sale of motor vehicle with Plate No. NDW 2160.
x. Sale of motor vehicle with Plate No. NCE 2978.
y. Designation of representatives to transact and coordinate with Eastwest Bank regarding the Corporation's peso and dollar accounts.

---------- nothing follows ----------

SCHEDULE 4

REQUIREMENTS AND PROCEDURE FOR ELECTRONIC VOTING *IN ABSENTIA* AND PARTICIPATION BY REMOTE COMMUNICATION

This procedure is adopted pursuant to SEC Memorandum Circular No. 6, Series of 2020 or the "Guidelines on the Attendance and Participation of Directors, Trustees, Stockholders, Members, and Other Persons of Corporations in Regular and Special Meetings through Teleconferencing, Videoconferencing and Other Remote or Electronic Means of Communications."

The Board of Directors of **Semirara Mining and Power Corporation** (the "Company") at its meeting held last February 24, 2022 approved to conduct the Annual Stockholders' Meeting (ASM) on May 2, 2022 at 10:00 a.m. by remote communication. Stockholders of record as of March 14, 2022 may only attend and participate in the meeting by remote communication, by voting *in absentia*, or by appointing the Chairman of the Board as their proxy.

The livestream link on the Company's website is https://www.semirarampc.com/asm.

The following procedures shall be observed in the conduct of the ASM:

1. REGISRATION AND PARTICIPATION

Stockholders who intend to attend and participate in the meeting remotely must register at https://www.semirarampc.com/asm beginning April 18 to 25, 2022 and provide the following as proof of his identity and right to vote in the ASM:

1.1.1. Name
1.1.2. Complete address
1.1.3. Email address
1.1.4. Contact number
1.1.5. Number of shares held

1.2. The following documents are required in the registration to be transmitted by email to corporatesecretary@semirarampc.com on the day of your registration:

CERTIFICATED SHARES:

a. Individual Stockholder
   i. Valid Government-Issued ID
b. Corporate Stockholder
   i. Secretary's Certificate designating its attorney-in-fact and proxy
   ii. Valid Government-Issued ID of the representative

UNCERTIFICATED OR SCRIPLESS SHARES:

a. Individual Stockholder
   i. Broker's Certification stating the stockholder's name and the number of shares held
   ii. Valid Government-Issued ID
b. Corporate Stockholder
   i. Broker's Certification stating the stockholder's name and the number of shares held
   ii. Secretary's Certificate designating its attorney-in-fact and proxy
   iii. Valid Government-Issued ID of the representative

The Company reserves the right to require additional personal data or documents to ensure the identity and right to vote of the Stockholder. At all times, the right of the Stockholder to the privacy of his personal data as provided in the Data Privacy Act shall be ensured.

1.3. Validation of the above-mentioned information shall be made within one (1) working day from receipt of the Stockholder's registration and supporting documents. Failure to submit the said documents may result in the disapproval or rejection of your registration.

1.4. Upon successful registration, the stockholder will receive an email confirmation and an invitation to participate in the ASM livestream by simply clicking the green button "Join event".

1.5. Only Stockholders who have successfully registered in the Company's Portal shall be included in the determination of quorum together with the stockholders attended by proxy.

1.6. The Company will publish in advance at its website at www.semiraramining.com electronic copy of the following: Information Statement, Management Report, Agenda and Rationale to the Agenda, Proxy Form, Audited Consolidated Financial Statements for the period ended December 31, 2021, and other pertinent materials. The materials herein are likewise accessible through PSE EDGE.

1.7. Questions and/or comments may be sent no later than April 27, 2022 to corporatesecretary@semirarampc.com, which shall be limited to the items in the Agenda. Some questions may be addressed while others will be replied to via email.

1.8. Each of the proposed resolutions will be shown during livestreaming.

1.9. Voting shall only be allowed for Stockholders registered in the voting *in absentia* and through the Chairman of the Board as proxy.

1.10. Except in the election of Directors, all other items in the Agenda for approval of the stockholders will need an affirmative vote of stockholders representing at least majority of the outstanding voting stock present at the meeting. A two-thirds (2/3) votes of the outstanding voting stock present shall likewise be needed when so required under the By-Laws or the Revised Corporation Code of the Philippines.

1.11. Cumulative voting is allowed in the election of directors. You may refer to item 3.2.2 below on how to cumulate your votes.

1.12. Sycip Gorres Velayo & Co. (SGV) and the Office of the Corporate Secretary are designated as the Board of Canvassers to tabulate and validate the votes received, which results shall be reported by the Corporate Secretary during the meeting.

1.13. The meeting proceedings shall be recorded in audio and video format.

2. VOTING BY PROXY

2.1. Stockholders may download the Proxy Form at www.semiraramining.com.

2.2. Individual stockholders with scripless shares must submit the Proxy Form accompanied by:

a. Broker's Certification certifying that the holder thereof is a *bona fide* stockholder of the Company and indicating the number of shares held under his name; and
b. Copy of any of his government-issued IDs.

2.3. Corporate Stockholder must submit the Proxy Form accompanied by:
a. Secretary's Certificate showing the authority; and
b. Copy of any government-issued IDs of the authorized representative.

2.4. Scanned copy of the duly accomplished proxies and its supporting documents must be received by the Corporate Secretary through email at corporatesecretary@semirarampc.com on or before 5:00 p.m. on April 22, 2022, and hard copies thereof sent at 2nd Floor DMCI Plaza, 2281 Don Chino Roces Avenue, Makati City. Proxy validation is set on April 26, 2022, 10:00 a.m. at the office of Company.

3. ELECTRONIC VOTING OR VOTING *IN ABSENTIA*

3.1. Upon successful registration as specified in Item 1 above, the Stockholder will be given access to the portal at https://www.semirarampc.com/voting where he/she may cast his/her votes beginning April 26, 2022 until the day of the ASM virtual meeting on May 2, 2022at 12:00 noon.

3.2. All items in the Agenda shall be voted by the Stockholder or his proxy as follows:

3.2.1. For items except the election of Directors, registered Stockholder or his/her proxy will have the option to vote "For," "Abstain," or "Against." The vote is considered cast for all the registered Stockholder's shares.

3.2.2. For the election of Directors, the registered Stockholder or his/her proxy may vote for all the nominees or cumulate his/her vote for one or some of the nominees provided that the total number of allowable votes will not exceed the number of shares multiplied by the number of Board seats (Number of shares x 11 Directors = Number of Voting Shares).

3.3. Once the registered Stockholder or his/her proxy has voted, he can proceed to submit his electronic ballot by clicking the 'Submit' button. No changes can be made after the electronic ballot has been submitted. The Stockholder or his/her proxy will then be redirected to an online webpage containing a summary of the votes cast.

3.4. The integrity and secrecy of votes shall be protected. As such, all votes received will be tabulated and validated by the Board of Canvassers appointed by the Board. The Corporate Secretary shall report the results of voting during the livestreaming.

MANAGEMENT REPORT

Pursuant to SRC Rule 20(4)

SEMIRARA MINING AND POWER CORPORATION
MANAGEMENT REPORT

TABLE OF CONTENTS

ATTACHMENT:

1. TOP 100 STOCKHOLDERS AND LIST OF BENEFICIAL OWNERSHIP OF SECURITIES AS OF MARCH 14, 2022.

2. STATEMENT OF MANAGEMENT’S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS.

3. 2021 & 2020 ANNUAL AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND ITS SUPPLEMENTARY SCHEDULES.

PART I- BUSINESS AND GENERAL INFORMATION

Semirara Mining and Power Corporation (the "Company" or "SMPC") was incorporated on February 26, 1980 to explore, develop, and mine the coal resources in Semirara Island. On August 18, 2014, the Securities and Exchange Commission approved the change in SCC's corporate name to include the word "power" in line with the forward integration of the Company's business as a coal supplier or producer to power generation through its wholly-owned subsidiaries.

SMPC is a leading vertically integrated power generation company in the Philippines. To date, we are still the only power producer in the country that owns and mines our own fuel source. SMPC is also the largest coal producer, accounting for 99% of the country's coal production.

The Company has eight (8) wholly-owned (100%) subsidiaries (direct and indirect):

1. SEM-Calaca Power Corporation (SCPC) was incorporated on November 19, 2009 to engage in the business of power generation;
2. Southwest Luzon Power Generation Corporation (SLPGC) was incorporated on August 31, 2011 to engage in the business of power generation;
3. SEM-Calaca RES Corporation (SCRC), a wholly-owned subsidiary of SCPC, was incorporated on September 14, 2009 to engage in the business of selling electricity primarily to contestable market;
4. SEM-Cal Industrial Park Developers Inc.[1] (SIPDI) was incorporated on April 27, 2011 to engage the development of economic zone in accordance with Republic Act No. 7916, as amended, otherwise known as the Special Economic Zone Act of 1995;
5. Semirara Claystone Inc.[1] (SCI) was incorporated on November 29, 2012 to engage in the business of manufacturing of cement, cement products, and pottery, among others;
6. Semirara Energy Utilities Inc.[1] (SEUI) was incorporated on February 18, 2013 to perform qualified third-party functions as an alternative electric service provider authorized to serve remote and unviable areas;
7. Southeast Luzon Power Generation Corporation[1] (SELPGC) was incorporated on September 9, 2013 to engage in the business of power generation; and
8. St. Raphael Power Generation Corporation[1] (SRPGC) was incorporated on September 10, 2013 to engage in the business of power generation.

[1] *non-operating entities as of December 31, 2021*

The Company generates its revenues through the production and sale of sub-bituminous coal. In 2021, total volume sold reached 15.2 million metric tons (MMT), 16% improvement from last year. Sales volume mainly driven by export sales, accounting for 62% of the shipments. The 38% supplied to the domestic market consists of sales to power plants including sales to power subsidiaries (71%) and to industrial and cement plants (29%). Year on year, market share varies depending on the demand from each of the major market sector.

As part of its vertical integration, the Company also provides baseload power to the Luzon and Visayas grids through its two wholly owned operating subsidiaries – SCPC and SLPGC.

Coal-fired thermal power plants of SCPC (2x300 MW) and SLPGC (2x150 MW) are both located in Brgy. San Rafael, Calaca, Batangas. Total dependable capacity as of December 31, 2021 stood at 840 MW with SCPC at 540 MW and SLPGC at 300 MW. The two companies provide baseload power through bilateral contracts with private distribution utilities, retail electricity supplier (RES), electric cooperatives and other large end-users. Excess capacity is sold to the Wholesale Electricity Spot Market (WESM) or spot market. Total contracted energy is at 194.35 MW as of end of 2021, of which 20.45 MW is for SCPC and 173.9 MW is for SLPGC.

On September 14, 2009, the Company established its own RES through the establishment of SEM-Calaca RES Corporation (SCRC). SCRC is a wholly owned subsidiary of SCPC and is licensed under the Energy Regulatory Commission (ERC) to supply electricity to end users in contestable market.

The Company also established other subsidiaries to engage in power generation and other businesses aligned with the Company's business model and structure. These subsidiaries are still under pre-operating stages as of December 31, 2021.

For years 2021, 2020 and 2019, foreign sales accounted for 69%, 70% and 76% of consolidated coal revenues, respectively. Meanwhile, the contribution of foreign sales to net income are 22%, 32% and 45% in 2021, 2020 and 2019, respectively. These foreign sales pertain to export sales of the coal segment. There are no foreign sales component in the power segment.

For the coal segment, local sales are mostly composed of ultimate consumers such as power plants, industrial and cement plants, on FOB basis. Export sales are distributed through coal traders, also on FOB basis. Meanwhile, the power segment generates its revenue from sales to private distribution utilities, RES, electric cooperatives and other large end-users through bilateral contracts and sale of excess or uncontracted capacity to the spot market or WESM.

Competition is insignificant in so far as domestic coal mine is concerned. SMPC's coal production registered an 8% growth from 13.2 MMT in 2020 to 14.3 MMT in 2021. The Company remains to be the dominant player or biggest coal mining company in the Philippines. In terms of coal production, SMPC produced 99.5% of the local coal production based on latest data from Department of Energy. The nominal balance is shared by small-scale mines in Cebu, Batan Island, Albay, Surigao, Zamboanga and other areas. Nonetheless, domestic coal demand is still anchored heavily on imported coal. The competitiveness of domestic coal producers is challenged by the more superior quality of imported coal as well as the government's policy on liberalization. This is however compensated by the Department of Energy's policy to promote indigenous energy resources and lower freight costs of local coal vis-à-vis imports. The Company remains to be competitive while it continues to exert efforts to improve the quality of its coal and keep production costs low. Common Effective Preferential Tariff rates (CEPT) on coal among ASEAN member nations is 0%, outside ASEAN, the tariff rate is at 5%.

In 2021, local coal industry was priced competitively against imported coal. SMPC's pricing for domestic coal is based on three-month average monthly New Castle Index benchmark and foreign exchange rate. In the last quarter of 2021, when domestic contracts exhausted the agreed volume, it used export parity for spot shipments. With the global coal supply disruptions in 2021 that caused the surge in coal prices, even the low-grade coal of the Company were bought by China.

The Electric Power Industry Reform Act (EPIRA) of 2001 or RA 9136 provided the mandate and the framework to introduce competition in the electricity market. The EPIRA has promoted a level playing field in the competitive retail electricity market. The privatization of NPC assets and NPC-IPP contracts in Luzon and Visayas, the creation of WESM for energy trading and the integration of the Luzon and Visayas grid therein as well as the initial commercial operations of the Retail Competition and Open Access (RCOA) are some of the major developments in the Philippine electricity market following the passage of the EPIRA.

The Philippine economic recovery in 2021 resulted to improved electricity demand following the easing of quarantine restrictions in the country. Full economic reopening and election activities will significantly drive power consumption in 2022. Also, the country's energy requirement is expected to continuously grow given the long-term economic growth trajectory of the Philippines.

The developments brought by the EPIRA and the long-term electricity requirement of the country has attracted many competitors in the power industry. Likewise, the dispatch and sale of electricity depends on the ability to offer a competitive price to the market. Moreover, the demand for the use of renewable energy sources has introduced new challenges in the power industry.

SMPC believes that due to its vertical integration, its power segment remains to be cost competitive compared to other generation companies in the industry. SMPC is continuously exploring other energy sources as part of its sustainability goals.

The Company has a Coal Operating Contract (COC) with Department of Energy (DOE) in 1977 (amended 1981) for the exploration, development, mining and utilization of coal over Semirara Island, Antique pursuant to Presidential Decree No. 972. On May 13, 2008, the DOE approved the term extension of the Company's COC from July 13, 2012 to July 14, 2027. Semirara Island has an estimated coal reserve of around 170 million MTs. On November 12, 2009, DOE and the Company amended the Coal Operating Contract. Said amendment changed the coordinates of the contract area to include an area of 3,000 and 4,200 hectares, more or less situated in Caluya Island and Sibay Island, Antique. On August 3, 2018, DOE and the Company executed the 2018 Amendment to COC No. 5 amending the coal contract area in order to optimize the development and production of coal resources in Semirara Island. Under said amendment, the Company relinquished coal blocks 294, 375, 377 and 16, and replaced with coal blocks 214, 215, 254 and 257 all located in Semirara Island. It also relinquished the areas in Caluya and Sibay, Antique.

In 2013, two new concessions were awarded to the Company located in Bulalacao, Oriental Mindoro and in Maitum and Kaimba, Province of Sarangani. However, in 2019 the Company voluntarily relinquished its rights over the concession in Maitum and Kaimba, Sarangani.

The two operating power generation companies, SCPC and SLPGC, both operates coal-fired thermal power plants. To ensure security of supply and cost effectiveness, SCPC and SLPGC exclusively sources its annual coal requirement from its Parent Company (SMPC) through long-term coal supply contracts.

The Company is not dependent upon a single customer as it successfully diversified its market base. In 2021, export and local sales registered at 60% and 40%, in terms of value and 62% and 38% in terms of volume, respectively. While in 2020, export and local sales registered at 56% and 44%, in terms of value and 58% and 42% in terms of volume, respectively. The domestic sales were sold to power plants, cement plants, other industries.

Approximately 75% of the total electricity sold by the power segment (SCPC and SLPGC) are under bilateral contracts for the year ended December 31, 2021. The remaining 25% was sold through WESM or spot market.

On December 2, 2009, SEM-Calaca Power Corporation (SCPC), a wholly-owned subsidiary of SMPC took over the operation of the National Power Corporation's (NPC) power plants in Calaca, and in May 4, 2010 completed its acquisition of said power plants. SMPC continues to supply coal to the Calaca plants at approximately 900,000 MTs in 2010. The Calaca plants have a potential requirement of approximately 1.5 to 2.0 million MTs.

On August 31, 2011, Southwest Luzon Power Generation Corporation (SLPGC), a wholly-owned subsidiary of SMPC was incorporated with an authorized capital stock of Php10 Billion and paid-up capital of Php3 Billion. SLPGC was constituted as the project company that will own and operate the 2x150 MW Coal Fired Thermal Power Plant. The project cost of the said power plant is estimated to be approximately Php19.8 Billion and will be constructed adjacent to the SCPC Power Plant in Calaca, Batangas. On February 1, 2012, the Department of Environment and Natural Resources (DENR) issued to SLPGC its Environmental Compliance Certificate (ECC).

SMPC's other non-operating wholly-owned subsidiaries are SEM-Cal Industrial Park Developers, Inc. (SIPDI), Semirara Claystone Inc. (SCI), Semirara Energy Utilities Inc. (SEUI), Southeast Luzon Power Generation Corporation (SELPGC),[1] and St. Raphael Power Generation Corporation (SRPGC).

SMPC has secured permits and licenses from the government as follows: (a) Extension of Coal Operating Contract with the DOE from 2012 to 2027; (b) DENR Environmental Compliance Certificate No. 9805-009-302; (c) DENR Environmental Compliance Certificate ECC-CO-1601-005 issued by the DENR for its Molave Coal Project; (d) Business Permits issued by Caluya, Antique and Makati City; (e) Aerodrome Registration Certificate No. AGA-R-009-2018A issued by CAAP-yearly renewable; (f) Certificate of Registration of Port Facilities No. 149 until December 31, 2024; and (g) DENR Special Land Use Permit No. 6-1-SLUP-OLP002-03152017 until March 15, 2017.[2] DENR-approved Mineral Production Sharing Agreement (MPSA) No. 352-2022-VI dated March 10, 2022 for its Himalian Limestone Project covering 3,807.0571 hectares in Semirara Island, Caluya, Antique. The said MPSA has a contract period of 25 years, renewable for like period.

Under the Coal Operating Contract, SMPC is obligated to pay royalties to the Department of Energy (DOE) – at the minimum of 3% based on FOB sales or at 30% of net proceeds (gross revenue less all expenses, excluding royalty and corporate tax) and compensation for entry and use of private lands under the provisions of PD 972, as amended by PD 1174, to land owners – Php0.50/MT for untitled land and Php1.00/MT for titled land. On November 12, 2009, DOE and SMPC executed the Second Amendment to Coal Operating Contract No. 5. This amends the coordinates of the contract area to include a land area of 3,000 and 4,200 hectares, more or less, located in Caluya Island and Sibay Island, Antique.

On September 10, 2012 the Technical Report on Bobog Coal Deposit was released, which showed a resource estimate of 27.5 million MTs of measured and 9 million MTs of indicated in situ coal in Bobog mine. The coal resource is contained in 26 seams but only 19 were considered in the estimate as mineable due to thickness, quality and consistency factors. Of the 19 seams, 12 attained thickness greater than 3 meters and occasionally up to 20 meters. The coal resource has a heating value ranging from 6,930 to 10,149 BTU/lb, with a mass-weighted average of 9,500 BTU/lb. Under the ASTM classification of coal by rank, the seams in Bobog range from Sub-bituminous B to Sub-bituminous A. Eleven (11) major and thirty-seven (37) minor coal seams have been

[1] Formerly SEM-Balayan Power Generation Corporation.

[2] Renewal of permit is still pending with DENR.

interpreted and correlated from the Bobog drillholes. The major coal seams are seams 10, 22, 23, 31, 32, 33, 41, 42, 43, 44, and 45. A coal seam is categorized as major seam if it contains at least one million metric tons of coal resources. Intersected thickness of major seams ranged up to 25 meters. The Bobog database for most of the major seams is highly robust, especially in portions where resource is large. A total of 2,834 rows of data from the Bobog drillholes were reviewed. The major seams have significant data coverage. For minor seams, the database is not as robust because only few drillholes intersected them, and for this reason in-fill drilling is recommended.

The number of SMPC's workforce is 4,736 and 4,198 for the years 2021 and 2020, respectively, inclusive of employees based at its head office in Manila. Of the 4,736 workforce in 2021, 3,412 are employed by SMPC while the rest are employed by contractors, one of which is DMC Construction Equipment Resources, Inc., an affiliate of Dacon Corporation. SMPC does not anticipate hiring additional employees for the ensuring year except when due to contingencies resulting in employee separation, resignation or termination of services. The breakdown of SMPC's employees according to type, are as follows:

Executive	8
Managers	34
Supervisors	174
Rank and File	3,196
Total	**3,412**

On the other hand, in 2021 the total number of SCPC workforce is 343, of which 180 is indirectly employed inclusive of the O&M contractor employees at the Calaca Power Plant while SLPGC has a workforce of 356, of which 265 are employees. SMPC's other subsidiaries, namely: SIPDI, SCI, SEUI, SELPGC, and SRPGC are non-operational, hence, no employees were hired.

On December 14, 2006, the CBA between SMPC and Semirara Mining Corporation Labor Union (SMCLU) was signed effective for another five (5) years. There was a notice of strike which, however, did not materialize due to settlement resulting to the signing of the new CBA. After the expiration of the CBA on August 31, 2011, no new CBA was executed by SMCLU and SMPC. Meanwhile, the terms of the CBA remained to be implemented. There are no existing labor unions in SMPC's subsidiaries.

SMPC has obtained all necessary government permits for its operations. SMPC has been implementing the necessary programs to comply with all regulatory requirements, particularly its ECC, which includes the Regular Monitoring by the Multi-Partite Monitoring Team (MMT), Marine Assessment Studies/Surveys, and Social Development Programs such as expanded mangrove areas, initiated and supported livelihood projects, implemented reforestation programs on the island and cultivated marine sanctuary, i.e., giant clams and abalones. SMPC has spent Php1.22 billion for these activities from 1999-2017.

SMPC is legally required to fulfill certain obligations as required under its ECC issued by DENR when it abandons depleted mine pits. SMPC recognizes this liability and set up an "Asset Retirement Obligation" account in its Balance Sheet.

SMPC's has established an Environmental Monitoring Fund for MMT, which has an initial amount of Php600,000 determined by the work and financial plan of the Monitoring Team. Also, an Environmental Guarantee Fund was established with a cash component of Php1.5 Million. This enables the continued mining operations of SMPC.

SMPC continue to operate and has not been suspended and neither has it been issued any suspension order nor is there any ongoing mining audit or re-audit, as based on the DENR Environmental Audit on August 25, 2016, SMPC was cleared and compliant with its Environmental Compliance Certificate (ECC). SMPC's operation is under the jurisdiction of the DOE and the latter has issued in August 26, 2016 the results of its own technical audit confirming SMPC's operations does not discharge toxic materials to the mangroves, sulfur content of coal is below 1%, no seaweed farm affected and dumping of overburden materials do not affect nearby communities.

The DENR order on the closure of several mines has no adverse effect whatsoever on the Corporation's business operations and financial condition. In February 2017, the DENR-EMB Region VI issued a special order on the creation of composite team to conduct monitoring, inspection and investigation on SMPC's compliance to its ECC, ambient air and water monitoring of Semirara Island, investigation of alleged reclamation of SMPC and livelihood and community status in the island. It was, however, clarified that the inspection is not an audit but only information gathering and validation of its audit results in 2016.

Based on the results of its data gathering activity in Semirara Island, DENR-EMB Region VI declared SMPC to be very much compliant with the ECC conditionalities as shown by the mining audit conducted in 2016 by the Multi-Partite Monitoring Report. The DENR-EMB noted that:

1. SMPC substantially provided basic services and livelihood assistance to local communities. Reforestation and rehabilitation program are on the top priority of SMPC.
2. Sixty percent (60%) is vegetated or covered with naturally growing and planted trees.
3. On the alleged reclamation, the results showed that there is a considerable increase of land area on the northern tip of the island and extending seaward from the mining pits of Unong, Panian, Molave and Narra, as a result of backfilling and within the coal operating area of SMPC.
4. SMPC has established a Research Center for giant clams and abalone near the Semirara Marine Sanctuary to support the water quality monitoring. Giant clams that thrive in the area is an indicator of good water quality.

In 2008, SMPC obtained ISO certification on Integrated Management System covering three (3) standards as follows: Quality Management System (ISO 9001:2008), Environmental Management System (ISO 14001:2004), and Occupational Health and Safety Management System (OSHAS 18001:2007). In 2018, SMPC has successfully transitioned and passed conformance to the 2015 versions of ISO 9001 and ISO 14001 on quality and environmental management systems, respectively. The 2015 versions require an embedded risk-based approach and take into account the engagement of various key stakeholders. SMPC remained to be certified to these ISO and OHSAS standards on 2019 surveillance audit results.

SMPC's power subsidiary mitigates its business risks by employing equipment redundancy to manage the risk of prolonged unplanned shutdowns and by securing business interruption insurance for its power plants.

Meanwhile, SMPC's existing legal cases, are as follows:

1. **The HGL Case**. Sometime in January 2004, the Corporation received a complaint filed by HGL Development Corporation ("HGL"). The facts are as follows:

   On August 28, 1984, HGL entered into a Forest Land Grazing Lease Agreement (FLGLA No. 184) with the DENR covering a 367-hectare land located at the Barrios of Bobog and Pontod, Semirara, Antique. In its Order dated December 6, 2000, DENR cancelled FLGLA No. 184 explaining that the subject area is within the coverage of Proclamation No. 649, which set apart the island of Semirara in the Province of Antique as coal mining reservations.

   HGL filed a letter requesting a reconsideration of the Order but the request was denied in the DENR's letter-Order dated December 9, 2002.

   The Caloocan Case
   On November 17, 2003, HGL filed a complaint (Civil Case No. C-20675) against the DENR for specific performance and damages in Branch 121, Regional Trial Court of Caloocan City (RTC-Caloocan). HGL prayed that DENR should perform its obligations under FLGLA No. 184 and pay HGL for moral and exemplary damages and attorneys' fees.

   On March 2, 2004, SMPC filed a Motion for Intervention because the Order canceling FLGLA No. 184 sought to be reconsidered by HGL covers property located in the island of Semirara, Antique, which motion was granted by RTC-Caloocan. Subsequently, SMPC filed a Motion to Dismiss for lack of cause of action/jurisdiction and forum shopping. SMPC's prayer for dismissal and its subsequent Motion for Reconsideration having been both denied, SMPC filed its Petition for Review (G.R. No. 92238) with the Court of Appeals (CA) on November 28, 2005 on the premise that RTC-Caloocan has no jurisdiction over the case.

   On January 16, 2007, the CA reversed RTC–Caloocan's decision and finding grave abuse of discretion on the part of the presiding judge for failing to dismiss the case for lack of jurisdiction. The CA ruled that the DENR Order canceling HGL's FLGLA No. 184 had long been final and executory on account of its failure to appeal said Order to the Office of the President. Eventually, HGL's Motion for Reconsideration was denied and the CA accordingly dismissed the case.

   Due to CA's denial of HGL's Motion for Reconsideration, a Petition for Certiorari (SC G.R. No. 177844, 2nd Division) was filed by HGL before the Supreme Court (SC) on November 14, 2007, which was denied for

HGL's failure to sufficiently show any reversible error on the assailed CA decision and further denies HGL's motion for leave and first and second motions of time to file a reply to SMPC's comments on the petition. HGL's Motion for Reconsideration was denied with finality on July 2, 2008.

Meanwhile, in a case docketed as SC G.R. No. 180401, 1st Division (*DENR vs. HGL*), DENR's Petition for Certiorari was denied by the SC on February 4, 2008. DENR then filed a Motion for Reconsideration on March 25, 2009, but again denied by the SC with finality.

Citing as basis the dismissal of the Culasi Case (SMPC vs. HGL) on the ground of forum shopping, SMPC filed a Motion to Dismiss with RTC-Caloocan (Civil Case No. C-20675). However, RTC-Caloocan denied the motion on December 24, 2008 and cited SC decision on G.R. No. 180401 (DENR vs. HGL) to sustain its decision to retain jurisdiction over the case. With the denial of its Motion for Reconsideration on June 24, 2009, the SMPC filed a Petition for Certiorari with the CA on September 14, 2009 (CA-G.R. SP No. 110460). On October 31, 2013 the CA dismissed SMPC's petition to which a Motion for Reconsideration was filed on November 22, 2013, which was likewise denied by the CA.

On May 29, 2014, SMPC filed its Petition for Review on Certiorari under Rule 45 with the Supreme Court (SC G.R. No. 212018). After directives given by the SC in June 2017, SMPC filed its Reply to HGL's Comment to the Petition. The case remains pending to date.

<u>The Culasi Case</u>

HGL also filed a separate case (Civil Case No. C-146) against SMPC on November 17, 2003 in Branch 13 of the Regional Trial Court of Culasi, Antique (RTC-Culasi) for the recovery of their alleged possession of a 367-hectare land located at the Barrios of Bobog and Pontod, Semirara, Antique. HGL prayed for (i) the issuance of a preliminary mandatory injunction in order to secure immediate possession of the property pending litigation, and (ii) actual, moral and exemplary damages and attorney's fees in the total amount of P10 million. SMPC received the summons on January 15, 2004.

On February 6, 2004, SMPC filed its Answer and prayed for the outright dismissal of the case for being baseless and unfounded as the Order canceling FLGLA No. 184 had long been final and executory and can no longer be disturbed. SMPC claims exemplary and moral damages and attorneys' fees.

On September 16, 2004, the RTC-Culasi granted HGL's prayer for preliminary mandatory injunction, which order was affirmed by the CA-Cebu (CA-G.R. CEB-SP No. 00035). SMPC elevated the case to the SC (SC G.R. No. 166854) by way of Certiorari with prayer for Temporary Restraining Order (TRO) and/or Injunction to be issued against HGL, the CA-Cebu and RTC-Culasi. The SC initially granted the TRO on March 2, 2005, but on December 06, 2006, the SC promulgated its decision, which denied SMPC's Petition for Certiorari and lifted the TRO. On January 18, 2007, SMPC filed its Motion for Reconsideration and later on January 25, 2007 due to the ruling by the CA in the Caloocan case filed a Supplemental Motion for Reconsideration. On February 14, 2007, the SC denied with finality SMPC's Motion for Reconsideration and its supplement to the aforesaid motion for lack of merit.

Meanwhile, on July 16, 2007, the RTC-Culasi dismissed the main case, as the two (2) cases filed by HGL was a deliberate violation of the rule on forum shopping. RTC-Culasi further stated in its decision that in both cases, HGL's cause of action rests on the validity of its FLGLA No. 184. HGL filed a Motion for Reconsideration, but on November 20, 2007, RTC-Culasi ruled against HGL. No appeal was taken by HGL.

Thereafter, on February 6, 2008, HGL filed before the SC a Petition for Indirect Contempt (SC G.R. No. 181353). HGL alleged, among others, that the dismissal of the Culasi case constitutes indirect contempt as HGL was not able to implement the SC's decision dated December 6, 2006 (affirming the earlier order of RTC-Culasi granting HGL's prayer for preliminary mandatory injunction) and resolution dated February 14, 2007, as RTC-Culasi dismissed the main case or the Culasi case on the ground of forum shopping. SMPC filed its Comments/Opposition to the Petition. Subsequently, the SC required the parties to submit their respective Memoranda.

In its Decision dated June 6, 2016, the SC stated that "[t]he Petition for Indirect Contempt is completely baseless" since SMPC was repetitively raising the issue of forum shopping through various motions and petitions and at different stages of Civil Case No. C-146, was tenacious, at worst, but not contumacious (pg.29), as Judge Penuela merely made an error of judgment when he dismissed the case based on forum shopping. Further, HGL further breached the principle of judicial hierarchy in directly filing its Petition for Certiorari before the SC (pg.31).

The Decision of RTC-Culasi in dismissing the case (Civil Case No. C-146) on the ground of forum shopping was a valid decision albeit erroneous. HGL instead of filing an appeal under Rule 41 to the Court of Appeals sought the remedy of a Petition for Indirect Contempt and in the alternative Certiorari under Rule 65. HGL likewise filed the petition two days beyond the allowed reglementary period under the Rules of Court.

Despite the defects of the Petition filed by HGL, the Court partly grants the same in the interest of substantive justice and equity. Thus, in consideration of the extraordinary circumstances and the interest of substantive justice and equity, the SC partially grants the Petition, which reinstates the case (Civil Case No. C-146) and remands it to RTC-Antique for the specific purpose of hearing and determining the damages to be awarded to HGL for the non-enforcement of the Writ of Preliminary Mandatory Injunction dated October 6, 2004. The hearing for the specific purpose of determining the damages to be awarded was set on May 21, 2018 and it is still on going. The case remains pending to date.

2. **Tax Refund/Credit Case**. SMPC filed several cases against the Commissioner of Internal Revenue before the Court of Tax Appeals (CTA) for tax credit/refund due to erroneously withheld and remitted VAT on coal sales by National Power Corporation (NPC) in the total amount of Php190,500,981.32. To date, the BIR have refunded the total amount of Php175,208,926.65 and what remains is the amount of Php15,292,054.91 which as of March 15, 2022 is pending application for cash conversion with the BIR.

3. **Forcible Entry Case.** – The complaint docketed as *Gabinete, et. al. vs. SMPC, et. al., Civil Case No. 210-C, MCTC-Pandan, Antique* hinges from the alleged entry of SMPC to a portion of Gabinete's properties located in Barangay Alegria, Caluya, Antique. The occupation of SMPC was based on the authority of the new owner of the property. Gabinete prayed that the Court order SMPC to vacate the properties and pay damages and attorney fees. On March 11, 2014 SMPC submitted its affidavits and position paper as required by the Court. The case is submitted for resolution/decision of the Court.

4. **Annulment of Deeds of Sale Case. –** The complaint docketed as *Gabinete, et. al., vs. SMPC, et. al., Civil Case No. C-260, RTC-Culasi, Antique, Branch 13* seeks the annulment of the deeds of sale which Gabinete executed with the defendant, George G. San Pedro covering parcels of land located in Brgy. Alegria, Caluya, Antique due to alleged unsound mind of the plaintiff at the time of execution. Gabinete filed an amended complaint, which was admitted by RTC on April 27, 2015. On account of the inclusion of Manual Gabinete, Vincent Gabinete and the Municipal Assessor of Caluya as additional defendants, and the filing of Answer by Vicente Gabinete, the RTC in a Constancia dated August 15, 2018 reset the Preliminary Conference on September 2, 2018. A motion to drop SMPC as defendant to the case was granted by RTC per its Order dated December 12, 2019. With the denial of Gabinete's motion for reconsideration, a petition for certiorari under Rule 65 dated November 9, 2020 was filed.

5. **Declaratory Relief with Injunction Case. –** This is a case filed by SMPC against the *BIR, Bureau of Customs & Department of Finance under Civil Case No. 13-1171, RTC Makati Br. 146*. On May 21, 2013 SMPC was granted a Certificate of Qualification for Tax Exemption under PD972 by the DOE for its 36,000,000 liters of diesoline. SMPC made 1st partial shipment of 6,16,367 liters. BIR assessed VAT and excise tax on said shipment in the amount of Php27 million which was paid under protest. As a result, SMPC filed a petition for Declaratory Relief with the RTC on October 3, 2013 seeking to enjoin BIR, BOC from implementing BIR RR No. 2-2012 by imposing advance payment of VAT on SMPC importation of diesel fuel for its own use and consumption. BIR rationalizes its issuance of RR No. 2-2012 for the purpose of curtailing smuggling. While under said regulations payment of VAT is subject to right of refund by SMPC (effectively 0% rated) being exempted from VAT under its COC and PD 972, SMPC contested the application of said regulation as it effectively diminishes its exemption granted by law and impairs the rights under its COC pursuant to the non-impairment clause of the Constitution.

   On October 30, 2013, SMPC secured a 20-day TRO and on November 21, 2013 the RTC issued a preliminary injunction against the BIR, BOC and DOF in so far as the implementation of said regulation specifically against SMPC. Defendants moved for reconsideration but were denied by the RTC on February 4, 2014. On February 10, 2014, the RTC resolved to grant the SMPC's petition for declaratory relief and declared that in view of the tax exemption provided under PD 972 and the COC, Revenue Regulation No. 2-2012 issued by the respondents was held inapplicable to the SMPC's direct importation of petroleum products.

   The DOF and BOC filed a petition for review on certiorari under Rule 45 of the Rules of Court (ROC) with the SC (G.R. No. 211188) on April 8, 2014 while the BIR on May 13, 2014 filed with the CA (CA-G.R. No. 135364) a petition for review under Rule 65 of ROC with prayer for TRO and/or writ of preliminary injunction. Meanwhile, SMPC filed a petition on September 2, 2015 with the CTA (CTA Case No. 9133) in view of the denial by the BIR of its claim for tax refund in the amount of PhP27,341,714.00 as VAT paid under protest.

SC G.R. No. 211188
This case is an offshoot of the RTC-Makati City (Br. 146) Order dated February 4, 2014 and its Resolution dated February 13, 2014, which granted SMPC's petition for declaratory relief. Thus, the DOF and BOC filed a Petition for Review on Certiorari under Rule 45 of the Rules of Court with the Supreme Court on April 08, 2014 assailing the RTC's Resolution dated February 13, 2014. In a Resolution dated September 19, 2021, the Supreme Court dismissed the petition filed by Petitioners Secretary of Finance, et. al. on the ground of mootness as BIR's RR No. 2-2012 was declared null and void by the Supreme Court in the case of Purisima vs. Lazatin, G.R. No. 210588, November 29, 2016.

CA G.R. SP No. 135364
This case is likewise an offshoot of the RTC-Makati City (Br. 146) Order dated February 4, 2014 and its Resolution dated February 13, 2014, which granted SMPC's petition for declaratory relief. Thus, the BIR filed a Petition for Certiorari under Rule 65 with prayer for TRO and/or Writ of Preliminary Injunction with the Court of Appeals on May 13, 2014. In a Resolution dated July 23, 2014, the CA ruled that the petition as "deemed abandoned" for having been filed out of time. The BIR filed an MR, which was denied in a Resolution dated January 26, 2015. The BIR filed a petition for review under Rule 45 with the SC *(SC-G.R. No. 217712)*. SMPC has submitted its comment to the petition.

CTA Case No. 9133
This is case is a petition for review filed on September 2, 2015 by SMPC on the denial of its claim by the BIR for tax refund involving the amount of Php27,341,714.00 as VAT paid under protest for the first shipment of its diesoline importation. With the filing of BIR's comments on October 19, 2016 to SMPC's formal offer of evidence filed on October 11, 2016. On July 27, 2018, the CTA promulgated its decision granting SMPC's petition and ordering the CIR to refund the amount of Php27,341,714.00. On August 17, 2018, the CIR moved for reconsideration on the July 27, 2018 decision, which the CTA denied in its Resolution dated January 15, 2019 for lack of merit. The CIR filed a petition for review with the CTA *En Banc* [CTA EB No. 2005] on February 15, 2019. on June 30, 2020, the CTA *En Banc* promulgated its Decision denying for lack of merit the CIR's petition and affirmed the CTA's Decision dated July 27, 2018 and its Resolution dated January 15, 2019. Its motion for reconsideration was likewise denied on March 2, 2021. On April 9, 2021, the CIR filed a Petition for Review on Certiorari with the Supreme Court (G.R. No. 255900) praying for the reversal of the June 30, 2020 Decision and March 2, 2021 Resolution of CTA *En Banc*.

6. **Cease and Desist Order dated June 4, 2019 issued by DOE.** – The Department of Energy (DOE) issued a Cease and Desist Order (CDO) dated June 4, 2019 its **subsequent letter dated July 4, 2019 docketed as** *"In Re: Violation of Department Circular No. DC2012-05-0006 or Guidelines on the Accreditation of Coal Traders and Registration of Coal End-Users, Semirara Mining and Power Corporation (SMPC), Respondent, DOE-ERDB Case No. 2019-06-0010."*

On May 23, 2019 SMPC supplied 4,768.73 metric tons (MT) of Semirara coal to a buyer (Gold Anchorage), as trial shipment. The buyer issued assurances to SMPC that it has accordingly submitted and applied for a Coal Accreditation Certificate with the DOE on April 5, 2019.

Under Section 6.1.b of the aforementioned guidelines, DOE will issue the Certificate of Accreditation and/or Registration or reject the application within fifteen (15) working days from receipt thereof. Unfortunately, on shipment date, the buyer was unable to submit the said accreditation as it was still pending with the DOE. Thereafter, SMPC discontinued its supply and any trading with the said buyer.

On July 5, 2019, SMPC submitted its verified answer to the DOE with a prayer for the immediate lifting of the CDO/suspension and for the non-imposition of any administrative fine.

On July 12, 2019, the DOE granted SMPC's request to hold in abeyance the implementation of its June 4, 2019 CDO and suspension of Coal Trader Accreditation No. CT-208-12-0351(R), subject to certain conditions.

On July 16, 2019, SMPC further submitted a rejoinder to the DOE with a prayer to amend the conditions, which limit SMPC's compliance to the Work Program approved by DOE.

On August 5, 2019, DOE granted SMPC's request and reconsidered the conditions earlier imposed in its July 12, 2019 letter. The DOE stated that after it had reviewed and evaluated SMPC's request, the conditions in its July 12, 2019 letter are modified, as follows: (a) The CDO dated June 4, 2019 is held in abeyance pending final resolution of DOE-ERDB CASE NO. 2019-06-0010; and (b) SMPC shall faithfully comply with all its commitments and obligations under Coal Trader Accreditation No. CT-208-12-0351(R).

In a Resolution dated October 15, 2019 DOE found SMPC in violation of the afore-stated Circular and imposing penalties as follows: (a) Suspension for a period of one (1) month for violating Section 7.2 of the Circular due to coal trading or transaction with Gold Anchorage, the latter being an unaccredited coal trader, except deliveries of SMPC-owned power plants and other local power plants with existing coal supply agreements; and (b) A fine of Php1,735,000.00 for violating Section 3 of the Circular due to unabated and continuous coal trading despite suspension of its accreditation.

SMPC filed a motion for reconsideration on November 20, 2019. On March 16, 2021 the DOE issued a Resolution which modified its October 15, 2019 Resolution, to wit: (a) Affirming SMPC's liability for violation of Section 3 of Department Circular No. (DC) 2012-05-0006 and ordering it to pay the corresponding fine therefore in the amount of Php610,000.00; and (b) Removing the penalty of one-month suspension of SMPC's coal trader accreditation, with a warning that, henceforth, it should exercise more prudence and care in conducting its coal trading related transactions in order to avoid similar issues and cases in the future. SMPC paid the fine on March 31, 2021.

7. **In Re: Violation of Article V of ERC Resolution No. 10, Series of 2020, Sem-Calaca Power Corporation, Respondent, ERC Case Nos. 2021-063 SC & 2021-064 SC**. – Sem-Calaca Power Corporation (SCPC), a subsidiary of SMPC received on February 8, 2022 the ERC Decision imposing a penalty of Php337,200.00 for allegedly exceeding the number of allowed unplanned outages by 5.24 days for Unit 1; and Php3,975,600.00 for allegedly exceeding the number of allowed unplanned outages by 96.2 days for Unit 2. Both are in excess of the maximum allowable unplanned outage of 16.8 days pursuant to Article V of ERC Resolution No. 10, Series of 2020. On February 15, 2022, SCPC filed a Motion for Reconsideration, which remains pending to date.

8. **In Re: Violation of Article V of ERC Resolution No. 10, Series of 2020, Southwest Luzon Power Generation Corporation, Respondent, ERC Case No. 2021-079 SC**. – Southwest Luzon Power Generation Corporation (SLPGC), a subsidiary of SMPC received on October 28, 2021 the ERC Decision imposing a penalty of Php135,400.00 for allegedly exceeding the number of allowed unplanned outages by 0.54 days for Unit 2 in excess of the maximum allowed unplanned outage of 16.9 days pursuant to Article V of ERC Resolution No. 10, Series of 2020. On November 4, 2021, SLPGC filed a Motion for Reconsideration, which remains pending to date.

Except for the foregoing cases, SMPC or its subsidiaries is not a party to any pending material legal proceedings. It is not involved in any pending legal proceedings with respect to any of its properties. Apart from the foregoing, therefore, it is not involved in any claims or lawsuits involving damages, which may materially affect it or its subsidiaries.

PART II – SECURITIES OF THE REGISTRANT

A. MARKET PRICE OF AND DIVIDENDS ON REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

(1) **Market Information. -**

(a) Principal market where the registrant's common equity is traded. SMPC is listed in the Philippine Stock Exchange (PSE). There has been no substantial trading since 1983 or 17 years. DMCI Holdings, Inc. (DHI) however in 2004 increased its shareholdings from 74.36% to 94.51%. The National Development Company (NDC) shares were decreased from 21.27% to 4.55% shares and the others from 4.3% to 0.94% shares. None of them sold their shares hence, no substantial trading occurred. These changes in the percentage of holdings resulted from the Equity Restructuring of SMPC's authorized capital stock and the subscription of DHI to 19,120,581 additional shares in 2004.

In February 2005, new additional shares of 46,875,000 were sold to the public by SMPC in its international offering. Also, in the same public offering, DHI as selling shareholder sold 58,171,000 shares thereby reducing its shareholdings from 94.51% to 60%.

On April 8, 2010 SMPC sold through PSE its treasury shares equivalent to 19,302,200 at Php67.00 per share. In June 2010, by way of Stock Rights Offering, SMPC offered for subscription 59,375,000 common shares to eligible existing stockholders at the ratio of 1:5 shares as of record date, July 1, 2010.

SMPC embarked on buying back its shares approved by the Board on August 15, 2016. The buy-back program was undertaken to enhance shareholder's value and to provide stockholders an opportunity to liquidate their investments. On December 7, 2017, the Board further approved the buy-back program of its shares worth Php2 billion based on trading price at the open market through the trading facilities of the PSE beginning December 8, 2017. To date, its treasury shares is at 14,061,670.

(b) SMPC's security was traded at PSE at a price of Php0.40/share on December 23, 2002. There was no trading of SMPC's securities in 2003 and 2004. The highs and lows (in Pesos) of trading during the past three (3) years are as follows:

	High	Low	Close
2019			
Jan-Mar	25.30	19.80	21.95
Apr-Jun	24.50	21.30	23.15
July-Sep	24.80	21.55	22.80
Oct-Dec	23.90	19.00	22.00
2020			
Jan-Mar	22.50	8.30	11.00
Apr-Jun	14.70	10.90	12.68
July-Sep	12.78	8.62	9.98
Oct-Dec	15.30	9.61	13.78
2021			
Jan-Mar	14.22	11.40	13.58
Apr-Jun	14.92	11.76	14.74
July-Sep	21.40	14.78	21.00
Oct-Dec	30.80	20.60	21.35
2022			
Jan-Mar[3]	35.00	22.10	28.90

(2) **Holders. –** The number of shareholders of record as of March 14, 2022 is 741. Its outstanding shares have been reduced to 4,250,547,620 common shares, as a result of the buy-back program approved by the Board in 2016 and 2017, respectively. To date, the Corporation's treasury shares is at 14,061,670.

Title of Class	Name	Number of Shares Held	% of Total
Common	DMCI Holdings, Inc.	2,407,770,396	56.65%
Common	PCD Nominee Corp. (Filipino)*	765,104,051	18.00%
Common	Dacon Corporation	542,067,778	12.75%
Common	PCD Nominee Corp. (Foreign)	211,854,191	4.98%
Common	Others	324,841,284	7.64%

**inclusive of 1,090,080 treasury shares*

Names of Top Twenty (20) Stockholders as of March 14, 2022 (Common Stockholders):

No.	Name of Stockholders	No. of Shares	Percentage[4]
1.	DMCI Holdings, Inc.	2,407,770,396	56.65%
2.	PCD Nominee Corp. (Filipino)*	765,104,051	18.00%

[3] As of March 14, 2022.
[4] Based on SMPC's issued and outstanding shares recorded with its Stock and Transfer Agent.

3.	Dacon Corporation	542,067,778	12.75%
4.	PCD Nominee Corp. (Foreign)	211,854,191	4.98%
5.	Privatization Management Office	145,609,296	3.43%
6.	DFC Holdings, Inc.	82,364,916	1.94%
7.	Freda Holdings, Inc.	18,574,952	0.44%
8.	Augusta Holdings, Inc.	15,995,600	0.38%
9.	Regina Capital Development Corp.	10,300,000	0.24%
10.	Berit Holdings Corporation	9,707,980	0.23%
11.	Augusta Holdings, Inc.	6,802,698	0.16%
12.	Meru Holdings Inc.	5,348,198	0.13%
13.	Daveprime Holdings Inc.	3,445,389	0.08%
14.	Artregard Holdings Inc.	3,390,390	0.08%
15.	Great Times Holdings Corp.	2,881,148	0.07%
16.	F. Yap Securities Inc.	2,760,000	0.06%
17.	Garcia Jaime B.	2,177,400	0.05%
18.	Daveprime Holdings Inc.	2,177,400	0.05%
19.	Vita Travel Services Corporation	2,000,000	0.05%
20.	Great Times Holdings Corp.	1,400,036	0.03%

**inclusive of 1,090,080 treasury shares*

A list of SMPC's top 100 stockholders and PCD's list of beneficial ownership of securities as of March 14, 2022 is hereto integrally attached.

(i) The table sets forth the record or beneficial owners of more than 5% of the outstanding Common Shares of SMPC, which are entitled to vote and the amount of such record or beneficial ownership as of March 14, 2022:

Title of Class	Name	Number of Shares Held	% of Total
Common	DMCI Holdings, Inc.	2,407,770,396	56.65%
Common	PCD Nominee Corp. (Filipino)*	765,104,051	18.00%
Common	Dacon Corporation	542,067,778	12.75%

**inclusive of 1,090,080 treasury shares*

(ii) each director and nominee

Office	Names
Director, Chairman & CEO	Isidro A. Consunji
Lead Independent Director	Rogelio M. Murga
Independent Director	Honorio O. Reyes-Lao
Independent Director	Antonio Jose U. Periquet, Jr.
Independent Director	Ferdinand M. dela Cruz
Director	Jorge A. Consunji
Director	Cesar A. Buenaventura
Director	Herbert M. Consunji
Director, President & COO	Maria Cristina C. Gotianun
Director	Ma. Edwina C. Laperal
Director	Josefa Consuelo C. Reyes

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(iii) all directors and officers as a group, and the registrant's present commitments to such persons with respect to the issuance of any class of its common equity.

Title of class	Name of beneficial owner	Amount and nature of beneficial ownership			Citizenship	%
		Direct	Indirect[5]	Total		
Common	Isidro A. Consunji	24,144	24,509,770	24,533,914	Filipino	0.58
Common	Jorge A. Consunji	500,144	5,175,704	5,675,848	Filipino	0.13
Common	Herbert M. Consunji	29,920	-	29,920	Filipino	0.00

[5] Shares are either held by family members sharing the same household or by a corporation of which the reporting person is a controlling shareholder.

Common	Cesar A. Buenaventura	142,120	-	142,120	Filipino	0.00
Common	Maria Cristina C. Gotianun	1,428	23,137,737	23,139,165	Filipino	0.54
Common	Ma. Edwina C. Laperal	4,188	13,572,083	13,576,271	Filipino	0.32
Common	Josefa Consuelo C. Reyes	412,400	8,653,998	9,066,398	Filipino	0.21
Common	Rogelio M. Murga	40,040	-	40,040	Filipino	0.00
Common	Honorio O. Reyes-Lao	1,328,040	682,480	2,010,520	Filipino	0.05
Common	Antonio Jose U. Periquet, Jr.	-	4,333,000	4,333,000	Filipino	0.10
Common	Ferdinand M. dela Cruz	53,900	-	53,900	Filipino	0.00
Common	Junalina S. Tabor	-	-	-	Filipino	0.00
Common	John R. Sadullo	-	-	-	Filipino	0.00
Common	Jose Anthony T. Villanueva	3,000	55,560	58,560	Filipino	0.00
Common	Andreo O. Estrellado	-	-	-	Filipino	0.00
Common	Ruben P. Lozada	475,200	-	475,200	Filipino	0.00
Common	Carla Cristina T. Levina	-	-	-	Filipino	0.00
Common	Karmine Andrea S.J. Ching	120	-	120	Filipino	0.00
Aggregate Ownership of all directors and officers as a group		**3,014,644**	**80,120,332**	**83,134,976**		**1.95**

(3) **Dividends**. – On April 4, 2005 the Board approved SMPC's Dividend Policy, which adopted a minimum of 20% of Net Profit After Tax starting from the period ending December 31, 2005; provided, however, that the Board of Directors shall have the option to declare more than 20% if there is excess cash and less than 20% if no sufficient cash is available. Below are dividends declared for the past three (3) years:

Year	Board Approval	Nature	Dividend/ Share (Php)	Total Amount of Dividend (Php)	Record Date	Payment Date
2019	3-18-2019	Cash	1.25	5,313,184,525.00	4-2-2019	4-26-2019
2020	2-28-2020	Cash	1.25	5,313,184,525.00	3-13-2020	3-27-2020
2021	3-25-2021	Cash	1.25	5,313,184,525.00	4-13-2021	4-23-2021
2021	10-11-2021	Cash	1.75	7,438,458,335.00	10-25-2021	11-9-2021

(4) **Recent Sales of Unregistered or Exempt Securities**. - No unregistered or exempt securities were sold in 2021, 2020 and 2019.

PART III – FINANCIAL INFORMATION

A. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS *(YEARS 2018-2021)*

Full Years 2020-2021

December 31, 2021 (Audited) vs December 31, 2020 (Audited)

I. RESULTS OF OPERATIONS

The table below summarizes the performance of Semirara Mining and Power Corporation (SMPC) and its subsidiaries, SEM-Calaca Power Corporation (SCPC) and Southwest Luzon Power Generation Corporation (SLPGC), collectively referred to as "the Group" for the period ended December 31, 2021 and 2020.

In Php Millions except EPS	January to December (FY)		
	2021	2020	Change
SMPC	11,448	1,797	537%
SCPC	3,433	1,412	143%
SLPGC	1,446	183	690%
Others	6	91	-93%

Core Net Income	**16,333**	**3,483**	**369%**
Nonrecurring Items	(133)	(197)	-32%
Reported Net Income	**16,200**	**3,286**	**393%**
EPS (reported)	**3.81**	**0.77**	**393%**

FY 2021 vs FY 2020 Consolidated Highlights

- Consolidated net income went up nearly five times (393%) from P3.29 billion to P16.20 billion, setting a new earnings record for the company. This led to a 393-percent rise in earnings per share to P3.81 and further translated to a return on equity of 36%.

  The stellar outcome was largely attributable to stronger-than-expected coal demand, which pushed index prices to record-highs before settling at elevated levels because of the China price cap during the latter part of the year.

  High beginning coal inventory (2.0 MMT), improved coal production (8%) and around 50% of uncontracted capacity allowed the Group to take advantage of the improved market conditions. However, the prolonged forced shutdown of SCPC Unit 2 and higher replacement power purchases of SLPGC provided some drag.

- Excluding a non-recurring loss of P133 million this year mainly from the deferred tax remeasurement due to the effectivity of the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act, and 2020 one-offs from impairment losses from the gas turbines (P157 million), accelerated depreciation of SCPC Units 1 and 2 in relation to its Life Extension Program or LEP (P101 million) and gain from a financial contract (P61 million), consolidated core net income surged by 369% from P3.48 billion to P16.33 billion.

- The coal segment (70%) remained the main core net income contributor while SCPC and SLPGC contributed 21% and 9%, respectively.

- The Company reached its highest dividend payout in 41 years at P12.7 billion, after declaring a regular cash dividend of P1.25/share in March and a special cash dividend of P1.75/share in October. At current year net income, the total amount translated to a payout ratio of 78%.

FY 2021 vs FY 2020 Segment Performance

Coal

The coal segment recorded its best-ever top and bottom line results as standalone coal revenues surged by 98% from P20.63 billion to P40.86 billion while net income soared by 346% from P3.24 billion to P14.44 billion.

Net of intercompany eliminations, the segment staged a solid 535-percent rebound from a ten-year low of P1.80 billion to P11.42 billion due to the following:

- **Improved production.** Aggregate (actual) strip ratio declined from 13.9 to 11.0 as both the weather and water seepage conditions significantly improved. Consequently, total production grew by 8% from 13.2 million metric tons (MMT) to 14.3 MMT.
- **High beginning inventory.** At the end of 2020, coal stockpile stood at 2.0 MMT, around 45% of which was high grade (820,000 MT).
- **Double-digit sales volume growth.** Higher production and inventory levels allowed the company to ramp-up shipments during the year. Total shipments expanded by 16% from 13.1 MMT to 15.2 MMT, mainly driven by external sales. Export sales grew by 24% from 7.6 MMT to 9.4 MMT, and accounted for 62% of total shipments. Bulk of the exports went to China (95%), followed by South Korea (3%), India (1%) and Cambodia (1%). Excluding sale to own plants, domestic sales grew faster (35%) than exports from 2.6 MMT to 3.5 MMT. Sale to own plants declined by 21% from 2.9 MMT to 2.3 MMT because of the prolonged outage of SCPC Unit 2.
- **Record-high prices.** Semirara coal average selling prices (ASP) soared by 71% from P1,577 to P2,695, tempered by contracts from December 2020 that were delivered in Q1 and domestic ceiling prices (9M). Faster-than-expected economic recovery and supply disruptions led to a global energy crunch, which pushed index prices to more than double. Average Newcastle coal prices (NEWC) swelled by 127% from $60.45 to $127.28 while Average Indonesian Coal Index 4 (ICI4) picked up by 122% from $29.40 to $65.30.

- **Wider profit margins.** Standalone net profit margin grew from 15.7% to 35.3% as revenues nearly doubled (98%) from P20.63 billion to P40.86 billion, while COS grew by roughly 33% from P11.76 billion to P15.67 billion.

Power

The power segment recorded a striking turnaround amid lower plant output owing to improved market conditions and higher spot market exposure.

Overall gross generation dropped by 15% from 4,677 GWh to 3,959 GWh largely due to the forced, planned and prolonged plant outages of SCPC. Consequently, total power sales slipped by 4% from 4,218 GWh to 4,032 GWh and total replacement power purchases expanded by 139% from 162 GWh to 387 GWh.

However, narrower demand-supply margin more than doubled (113%) average spot prices from P2.27 /KWh to P4.83/KWh, which translated to a 49-percent recovery in overall ASP from P2.76 /KWh to P4.11/KWh. Magnifying the impact of the price movement is the 1,028 GWh of electricity sales to spot market.

SCPC standalone revenues grew by 28% from P7.26 billion to P9.27 billion, resulting in a dramatic net income recovery of 1,381% from P32 million to P474 million. Its performance was due to the combined effect of the following:

- **Lower plant availability.** Overall plant availability declined by 31% from 74% to 51% mainly due to the extended plant outage of Unit 2. Total outage days grew by 87% from 191 to 358 days.
- **Decreased output.** Lower plant availability translated to a 34-percent decline in gross generation from 3,123 GWh to 2,067 GWh.
- **Reduced sales volume.** Electricity sales fell by 25% from 2,692 GWh to 2,023 GWh on lower gross generation. Most of the volume (64%) was sold via bilateral contract quantity (BCQ) contracts. While BCQ sales grew by 15% from 1,127 GWh to 1,296 GWh, spot sales sustained a sharp drop (54%) from 1,565 GWh to 727 GWh.
- **Soaring sales price.** Overall ASP surged by 70% from P2.70/KWh to P4.58 /KWh on higher spot market prices and the effect of a fuel cost pass-through provision in a bilateral contract. Spot prices rose by 134% from P2.31 /KWh to P5.41 /KWh while BCQ prices increased by 28% from P3.23/KWh to P4.12/KWh. The rise in BCQ prices is largely due to a 170MW-supply contract that ran for the most part of the year (until October 25).
- **Higher replacement power purchases.** Lower plant availability and higher contracted capacity led to a 1053-percent upturn in replacement power purchases from P34 million to P392 million.

Excluding nonrecurring losses from the remeasurement of deferred tax asset under CREATE Act in 2021 (P104 million) and accelerated depreciation of Units 1 and 2 prior to its LEP replaced parts in 2020 (P101 million), SCPC core earnings expanded by 335% from P133 million to P578 million.

Net of intercompany eliminations, net income contribution from SCPC grew by 154% from P1.31 billion to P3.33 billion, largely due to its coal purchase from SMPC at soaring market prices.

SLPGC standalone revenues grew by 67% from P4.39 billion to P7.32 billion while its bottom line swung back to positive territory from P123 million net loss to P1.31 billion in net income. Its performance was largely the result of the following:

- **Improved plant availability.** Overall plant availability grew by 23% from 62% to 76% following a 37percent drop in total outage days from 280 to 177 days.
- **Higher output.** Gross generation expanded by 22% from 1,554 GWh to 1,892 GWh on improved plant availability.
- **Tempered sales price.** ASP increased by 26% from P2.88/KWh to P3.64/KWh, primarily driven by a 147-percent hike in spot prices from P2.32/KWh to P5.74/KWh. This was tempered by a 9-percent contraction in BCQ sale prices from P3.60/KWh to P3.27/KWh, as 85% of the electricity sales were via bilateral contracts with fixed prices.
- **Higher sales volume.** Electricity sales grew by 32% from 1,526 GWh to 2,009 GWh on higher plant output, boosted by sales from its 2x25MW gas turbines (24.4 GWh). Bulk of the sales went to BCQs due to its high contracted capacity (223.9MW out of 300MW dependable capacity until December 25).

- **Significant replacement power purchases.** Unplanned outages, higher contracted capacity and elevated spot market prices triggered a 336-percent jump in replacement power purchases, which amounted to P1.64 billion versus P377 million last year.

Excluding a nonrecurring net loss of P96 million last year due to the gas turbines' impairment loss (P157 million) and gain from a financial contract (P61 million), core bottom line improved by 4,941% from P27 million (net loss) to P1.31 billion (net income).

Net of intercompany eliminations, SLPGC net income grew by 1,563% from P87 million to P1.45 billion.

CAPEX

Group capex declined by 22% from P5.0 billion to P3.9 billion in 2021 owing to the absence of LEP-related expenditures for SCPC Unit 2.

The bulk of the spending (64%) went to the re-fleeting and continuing water seepage management programs of the coal segment. The rest was spent on power plant maintenance. See table below for detailed breakdown.

In Php billions	2021	2020	Change
Coal	2.5	1.5	67%
SCPC	0.8	3.0	-73%
SLPGC	0.6	0.4	50%
Total	3.9	5.0	-22

Market Review and Outlook

<u>Coal</u>

The unanticipated rapid bounce-back of China and other economies from the COVID-19 lockdowns, coupled with lower generation capacity from renewable power plants and planned closures of nuclear reactors in Europe, led to a global supply crunch that fueled coal prices in 2021.

On October 5, the Newcastle coal index peaked at USD 269.50 owing to strong demand from Chinese and European power plants that were raising stockpiles in time for the winter season.

To rein in prices, the Chinese government imposed on the same month a 440-yuan (USD 69) price cap on 5,500-NAR grade coal. Policy interventions continued in December with Chinese miners mandated to increase production in line with their energy security plan.

2021 average prices surged to and sustained elevated levels. Full year average NEWC climbed by 127% from USD60.45 to USD137.28 while ICI4 posted 122% hike from USD29.37 to USD65.27. NEWC and ICI4 indices closed the year at USD 165.86 and USD 60.60, respectively.

The soaring coal prices were more prominent in Q4. Q4's three-month average NEWC jumped by 173% from USD67.35 to USD183.92 while ICI4 posted an even steeper hike (187%) from USD32.29 to USD92.67.

SMPC anticipates coal prices to remain elevated in 2022 owing to continued demand recovery from the pandemic and geopolitical tensions between Russia and Western countries because of Ukraine. However, the company also sees some price volatility with China and Indonesia possibly issuing policy interventions to secure their fuel supply.

<u>Power</u>

Average spot prices more than doubled from P2.27/KWh in 2020 to P4.83/KWh in 2021 as the country imposed less stringent COVID-19 quarantine measures, allowing more businesses to operate for longer hours and at increased capacities.

The narrowing demand-supply gap further intensified in Q4, wherein average electricity spot prices nearly tripled year-on-year from P1.96/KWh to P5.79/KWh despite the addition of supply from the commissioning of a major coal plant.

The reduction in supply is primarily due to the Malampaya gas field preventive maintenance shutdown last October 2021, affecting several natural gas power plants.

High prices were experienced in December due to the outages of many baseload power plants and was exacerbated towards the end of the month by the outage of the Luzon-Visayas high-voltage direct current (HVDC) submarine cable caused by Typhoon Odette, cutting off the supply of imported power from Visayas.

SMPC expects elevated spot prices to persist in 2022 on the back of higher demand with limited additional baseload capacity entering the market.

II. Explanation on movements of accounts

A. Consolidated Statement of Income

Revenue
Increase in sales volume and prices of the coal segment and improved electricity prices pushed up consolidated revenue for year 2021 by 86% from P28.3 billion to P52.4 billion.

Cost of Sales
Cost of sales in 2021 rose by 33% owing to 16% jump in coal sales output coupled with higher replacement power following plant outages during the year.

Operating Expenses
Operating expenses jumped 103% to P9.3 billion. This includes government royalties amounting to P6.4 billion, more than three-times of last year's P1.8 billion due to higher profitability of the coal business. Excluding government royalties, operating expenses incurred for 2021 increased by 6% to P2.9 billion due to higher taxes, maintenance and various Information, Communication and Technology (ICT) related expenses.

Finance Cost
Consolidated finance costs fell by 11% to P976 million following the repayment of bank loans.

Finance Income
Consolidated finance income slipped by 51% due to lower interest income from placements.

Forex Gain
Forex gains expanded 120% due to dollar appreciation and forex gain realized from export sales collections, dollar-denominated placements and settlement of dollar denominated loans.

Other Income
Other income contracted by 24% due to the absence of the one-time gain from financial contract of SLPGC and lower fly ash sales.

Provision for Income Tax
Income tax provision for 2021 stood at P345 million which includes P133 million nonrecurring adjustment of 2020 income tax and remeasurement loss of deferred tax asset upon effectivity of CREATE bill. Excluding this nonrecurring adjustment, income tax rose by 60% due to higher taxable income during the year.

B. Consolidated Statement of Financial Position

The Company's financial condition for the period improved as consolidated total assets and total equity amounted to P71.6 billion and P45.6 billion, respectively as of December 31, 2021. This is an improvement of 1% and 8%, respectively.

Consolidated cash rose by 2% from P8.1 billion in December 31, 2020 to P8.2 billion in December 31, 2021 as higher cash generated from operations were used to pay for capital expenditure, loan amortizations and cash dividends during the year.

Receivables surge by 89% from P3.7 billion to P6.9 billion in 2021 due to higher revenue and timing of collection during the period.

Consolidated inventories slipped by 2% to P10.6 billion due to lower coal inventory and spare parts used for plant outages.

Other current assets jumped by 52% to P1.2 billion due mainly to advances to suppliers and tax credits which can be offset against income tax due in the subsequent periods.

Property, plant and equipment stood at P43.1 billion, 6% down from P45.8 billion last year as depreciation and amortization more than offset capital expenditures added for 2021.

Right-of-use assets declined by 13% due to amortization recognized for 2021.

Deferred tax assets dropped by 35% mainly due to remeasurement following the passage of CREATE law.

Other noncurrent assets decreased by 13% due mainly to realization of deferred input VAT and recoupment of advances to suppliers and contractors.

Accounts and other payables grew by 25% mainly due to higher government share payable to DOE and higher accrual for materials and spare parts.

Total debt (under short-term and long-term debt) contracted by 24% from P19.9 billion to P15.1 billion following payment of bank loans.

Lease liabilities (current and noncurrent) dropped by 14% due to payments made in 2021.

Provision for decommissioning and site rehabilitation pertains to accrual for estimated cost of rehabilitation activities for the mine site and dismantling and restoration activities on its powerplant site.

Pension liabilities declined by 69% following retirement contributions made during the year.

Other noncurrent liabilities pertains to deferred rent income of SLPGC.

Consolidated retained earnings stood at P35.6 billion at year-end, 11% up from P32.1 billion at the close of 2020 after generation of P16.2 billion net income and declaration of P12.7 billion SMPC Parent cash dividends. The amount also includes appropriated retained earnings of P6.3 billion as of end of December 31, 2021 which is a 28% increase in P5.3 billion as of December 31, 2020 due to appropriation made for renewal energy investment.

III. Performance Indicators

1. Net income after tax – record-high performance of the coal segment and the rise in electricity prices pushed up consolidated net income after tax by 393%

2. Dividend payout – record-high profitability and remarkable liquidity enables the company to declare P1.75 per share special cash dividend on October 12, 2021, on top of the P1.25 per share regular cash dividend declared last March 25, 2021. Total dividend payout to shareholders for 2021 reached an all-time high of P12.7 billion.

3. Debt to equity ratio (interest bearing loans) - DE ratio down to 0.33 at the end of 2021 from 0.47 last year due to payment of bank loans.

4. Core EBITDA margin – from 38% in 2020 to 44% in 2021 due mainly to improved coal operations and favorable market conditions for both coal and power segment.

5. Current ratio – cash position remains healthy even after paying off P21.4 billion in loans, capex, all-time high dividends. As of December 31, 2021, current ratio improved to 1.85:1 compared to 1.41:1 as of December 31, 2020.

Full Years 2019-2020

PRODUCTION – COMPARATIVE REPORT FOR THE YEAR ENDING DECEMBER 2020 AND 2019

COAL

As the mining operation expanded its capacity, overburden stripping increased by % to 182.2 from 185.5 million bank cubic meters (BCM) against same period last year amidst the COVID19 pandemic. However, with a higher strip ratio of 13.9:1 (1 BCM overburden: 1 metric ton coal (MT), coal production decreased by 13% to 13.2 million MT from 15.2 million MT year-on-year. Quarter-on-Quarter, overburden stripping decreased by 3% to 39.1 million BCM from 40.3, coal production dropped by 29% to 2.3 from 3.2 million due to higher strip ratio of 16.6:1.

The table below shows the coal segment's comparative production data for year ending December 2020 and 2019

	Q1	Q2	Q3	Q4	2020	Q1	Q2	Q3	Q4	2019	VARIANCE
Materials Moved	60.0	48.6	44.4	39.1	192.2	53.7	53.3	38.2	40.3	185.5	4%
Deferred stripping	19.1	(8.7)		11.5	21.9	2.6				2.6	
Production Stripping	40.9	57.3	44.4	27.6	170.3	51.1	53.3	38.2	40.3	182.9	-7%
Coal Production	3.2	4.4	3.3	2.3	13.2	4.1	4.4	3.5	3.2	15.2	-13%
Strip Ratio (Aggregate)*	18.2	10.2	12.7	16.6	13.9	12.5	11.3	10.2	11.9	11.5	-20%
Strip Ratio (Effective)	12.2	12.2	12.7	11.5	12.2	11.9	11.3	10.2	11.9	11.3	-8%

POWER

SEM-CALACA POWER GENERATION CORPORATION (SCPC)

The graph below illustrates SCPC's comparative performance data for the year ending December 2020 and 2019

	Q1	Q2	Q3	Q4	2020	Q1	Q2	Q3	Q4	2019	% Inc (Dec)
Gross Generation, Gwh											
Unit 1	491	463	489	331	1,774	22	-	45	390	456	*289%*
Unit 2	-	392	644	312	1,349	181	393	383	106	1,062	*27%*
Total Plant	**492**	**855**	**1,133**	**644**	**3,123**	**203**	**393**	**428**	**495**	**1,519**	***106%***
% Availability											
Unit 1	99%	100%	96%	67%	91%	5%	0%	12%	77%	24%	*283%*
Unit 2	0%	75%	100%	53%	57%	35%	89%	87%	24%	59%	*-4%*
Total Plant	**50%**	**87%**	**98%**	**60%**	**74%**	**20%**	**45%**	**50%**	**51%**	**41%**	***78%***
Capacity Factor											
Unit 1	75%	70%	74%	51%	67%	3%	0%	7%	59%	17%	*288%*
Unit 2	0%	59%	97%	48%	51%	28%	59%	58%	16%	40%	*27%*
Total Plant	**38%**	**65%**	**86%**	**49%**	**59%**	**16%**	**30%**	**32%**	**38%**	**29%**	***105%***

Unit 1

Gross Generation	
Q4 2020 vs Q4 2019	The unit run 67% for the 4th quarter of 2020 due to a planned outage. It ran at an average load of 226MW during the quarter due to improvement of the unit after Life Extension Program (LEP).
FY 2020 vs FY 2019	Higher capacity factor this year of 67% versus 17% last year. In 2019, the unit was under its LEP and started commissioning during the later part of the 3rd quarter.
Availability	

Q4 2020 vs Q4 2019	The unit ran at 67% during the quarter. Last year, unit was on a shutdown for the LEP and started commissioning during the later part of the quarter.
FY 2020 vs FY 2019	The unit ran 91% in 2020. The unit has better availability due to improvement after the LEP. Last year, unit is on a shutdown for LEP starting December 30, 2018 and started commissioning during the later part of the 3rd quarter

Unit 2

Gross Generation	
Q4 2020 vs Q4 2019	The unit run 67% during Q4 2020 at 269MW. This is due to improvement after LEP and its commercial operation on May 2, 2020. Last year, capacity factor is at 16% with a derated capacity at 200MW with 69 days of outages during the quarter.
FY 2020 vs FY 2019	The unit was on its LEP which started Oct. 17, 2019. Started commissioning and achieved synchronization on March 25, 2020. Started commercial operation date on May 2, 2020. Last year, the unit had incidents of tube leaks and had been running consistently on half condenser with a derated load of 200MW.
Availability	
Q4 2020 vs Q4 2019	The unit ran 53% during Q4 2020. The unit run 1,163 hours during the quarter versus 528 hours last year.
FY 2020 vs FY 2019	The unit was on its LEP activities since Oct. 2019 until first quarter of 2020 and commercial operation on May 2, 2020. Last year, the unit had incidents emergency outages due to tube leaks.

Significant event(s):

Units 1 performed very well during the year with 91% availability. Unit 1 ran at 223MW average load. Unit 2 first synchronization achieved on March 25, 2020 and commercial operation was declared on May 2, 2020. Unit 2 availability improved with 100% availability during the 3rd quarter of the 2020. The unit run 300MW in full month of September 2020. It was during the 4th quarter when the unit encountered boiler tube leaks and generator breakdown in December 2020.

<u>SOUTHWEST LUZON POWER GENERATION CORPORATION (SLPGC)</u>

The graph below illustrates SLPGC's comparative performance data for the year ending December 2020 and 2019.

	Q1	Q2	Q3	Q4	2020	Q1	Q2	Q3	Q4	2019	% Inc (Dec)
Gross Generation, GWh											
Unit 3	139	198	204	254	795	203	329	326	268	1,126	-29%
Unit 4	162	45	230	322	759	100	261	294	288	944	-20%
Total Plant	**301**	**243**	**434**	**576**	**1,554**	**304**	**589**	**621**	**557**	**2,070**	**-25%**
% Availability											
Unit 3	44%	61%	64%	82%	63%	68%	100%	100%	86%	88%	-29%
Unit 4	57%	15%	70%	100%	61%	41%	84%	91%	89%	77%	-21%
Total Plant	**51%**	**38%**	**67%**	**91%**	**62%**	**55%**	**92%**	**95%**	**87%**	**83%**	**-25%**
Capacity Factor											
Unit 3	42%	60%	61%	78%	60%	63%	99%	99%	82%	86%	-30%
Unit 4	50%	14%	69%	98%	58%	31%	79%	89%	88%	72%	-20%
Total Plant	**46%**	**37%**	**65%**	**88%**	**59%**	**47%**	**89%**	**94%**	**85%**	**79%**	**-25%**

Unit 1

Gross Generation

Q4 2020 vs Q4 2019	Slightly lower generation vs Q4 LY due to more outage for Q4 (16 vs 13 days)
FY 2020 vs FY 2019	Lower total year because of: extended shutdown brought about by the eruption of Mt Taal, repair of boiler tube leak was also delayed due to imposition of ECQ due to Covid-19 in Q2 and tube leak in Q3
Availability	
Q4 2020 vs Q4 2019	Slightly lower generation vs Q4 LY due to more outage for Q4 (16 vs 13 days)
FY 2020 vs FY 2019	Lower total year because of: extended shutdown brought about by the eruption of Mt Taal, repair of boiler tube leak was also delayed due to imposition of ECQ due to Covid-19 in Q2 and another tube leak in Q3
Unit 2 Gross Generation	
Q42020 vs Q4 2019	Higher generation is due to no outage for the quarter vs LY
FY 2020 vs FY 2019	Scheduled lockdown lasted from Feb 19 to Jun 11, greatly affected by the ECQ lockdown. Manpower was scarce as workers are unable to go to Calaca plant. Boiler tube leak increased the unplanned outage to total 94 days
Availability	
Q4 2020 vs Q4 2019	Higher availability for the quarter due to no outage vs LY
FY 2020 vs FY 2019	The prolonged planned shutdown is due to the imposition of ECQ lockdown because of Covid-19 and another case of boiler tube leak in Q3.

MARKETING – COMPARATIVE REPORT FOR THE YEAR ENDING DECEMBER 2020 AND 2019

COAL

The table below shows the coal comparative sales volume data for the year ending December 2020 and 2019.

Customer	Q1	Q2	Q3	Q4	2020	%	Q1	Q2	Q3	Q4	2019	%	Diff	%Inc/ (Dec)
Power Plants	1,344	1,190	1,079	975	4,587	35%	1,123	946	691	1,056	3,816	24%	771	20%
Cement	116	31	149	146	441	3%	253	203	178	218	852	5%	(410)	-48%
Others Plants	141	74	144	127	487	4%	142	175	133	114	564	4%	(78)	-14%
Local	1,602	1,294	1,372	1,248	5,515		1,518	1,324	1,002	1,387	5,232		283	5%
Export	1,615	1,238	1,317	3,388	7,558	58%	2,034	2,982	3,209	2,154	10,379	66%	(2,821)	-27%
TOTAL (M MT)	3,216	2,532	2,689	4,636	13,073	100%	3,552	4,306	4,211	3,541	15,611	100%	(2,538)	-16%

Power Plants	
Q4 2020 vs Q4 2019	Lower offtake power plant customer including our power generation units
FY 2020 vs FY 2019	Higher offtake power plant customer including our power generation units
Cement Plants	
Q4 2020 vs Q4 2019	Slowdown of cement plants customers because of the economic impact of Covid 19 pandemic
FY 2020 vs FY 2019	Slowdown of cement plants customers because of the economic impact of Covid 19 pandemic
Other Industrial Plants	
Q4 2020 vs Q4 2019	Higher offtake because of new customers
FY 2020 vs FY 2019	Lower offtake because of the economic impact of Covid 19
Export	
Q4 2020 vs Q4 2019	Higher due to the lifting of export restrictions

FY 2020 vs FY 2019	Lower volume due to export restrictions and limitations
Average Selling Price (ASP)	
Q4 2020 vs Q4 2019	Lower NewCastle Index and spot prices
FY 2020 vs FY 2019	Lower NewCastle Index and spot prices

POWER

SCPC

The table below shows the comparative marketing data of SCPC for the nine-month period ending December 2020 and 2019 (In GWh, except ASP).

CUSTOMER	Q1	Q2	Q3	Q4	2020	Q1	Q2	Q3	Q4	2019	% Inc (Dec)
GWh											
Bilateral Contracts	337	247	317	226	1,127	346	532	428	318	1,624	-31%
Spot Sales	108	403	735	319	1,565	16	4	53	150	224	600%
GRAND TOTAL	**446**	**649**	**1,052**	**545**	**2,692**	**362**	**536**	**481**	**468**	**1,848**	**46%**
Average ASP	**3.36**	**2.78**	**2.51**	**2.41**	**2.70**	**4.46**	**3.79**	**3.26**	**3.78**	**3.78**	**-29%**

Bilateral Contracts	
Q4 2020 vs Q4 2019	Bilateral contract capacity at 170MW in Q4 2020 with no generation in December for 2 units. Last year's BCQ delivered averages to 200MW.
FY 2020 vs FY 2019	Decrease is due to lower Bilateral contract capacity at 170MW while last year BCQ delivered averages to 200MW. Last year, the company availed outage allowance and procure energy from the market when the unit incurred forced outages during said period.
Spot Sales	
Q4 2020 vs Q4 2019	Higher spot sales in Q4 2020 due to higher availability and average capacity and lower contracted capacity versus Q4 2019.
FY 2020 vs FY 2019	Higher spot sales in 2020 due to higher availability and average capacity and lower contracted capacity versus 2019.

Other Information:

- Of the total energy sold, 99.5% was sourced from own generation

SLPGC

The table below shows the comparative marketing data of SLPGC for the year ending December 2020 and 2019 (In GWh, except ASP).

	Q1	Q2	Q3	Q4	2020	Q1	Q2	Q3	Q4	2019	% Inc (Dec)
GWh											
Bilateral Contracts	8	88	304	259	660	90	252	89	9	439	50%
Spot Sales	238	154	208	265	866	187	327	412	488	1,415	-39%
GRAND TOTAL	**246**	**243**	**512**	**525**	**1,526**	**277**	**579**	**501**	**497**	**1,854**	**-18%**
Average ASP	**2.74**	**3.11**	**2.89**	**2.82**	**2.88**	**4.10**	**5.03**	**3.17**	**4.89**	**4.35**	**-34%**

Sales Volume

Bilateral Contracts	
Q4 2020 vs Q4 2019	Higher BCQ due to an additional 150MW starting August 24, 2020
FY 2020 vs FY 2019	BCQ YTD is higher vs LY due to addition of 50MW starting March 26, 2020 and 150MW starting August 24, 2020
Spot sales	

Q4 2020 vs Q4 2019	Lower spot sales due to higher contracted energy and lower wesm prices vs 2019 due to Covid-19 pandemic
FY 2020 vs FY 2019	The trend of lower spot prices continued in Q4 vs last year

- Of the total energy sold, 90.64% was sourced from own generation, while 9.36% was purchased from the spot market. SLPGC procured power from the spot market during hour intervals where power units were down, or when the plants were running at a de-rated capacity, in order to be able to supply committed capacity to some of its customers.

III. FINANCE

A. Sales and Profitability

Revenues *(In million PhP)*

Before Eliminations

	Q4 2020	Q4 2019	Variance	Remarks	FY 2020	FY 2019	Variance	Remarks
Coal	6,213	6,537	-5%	Lower ASP by 27% respectively offset by 31% increase in sales volume	20,631	32,282	-36%	Lower sales volume by 16%; lower ASP by 23% respectively
SCPC	1,312	2,443	-46%	36% decrease in ASP due to lower NewCastle price index and lower WESM prices partially offset by 16% increase in sales volume	7,259	6,985	4%	29% decrease in ASP due to lower NewCastle price index and lower WESM prices partially offset by 46% increase in sales volume
SLPGC	1,478	2,443	-40%	Lowe ASP by 42% offset by slight 6% increase in sales volume	4,389	8,081	-46%	Lower ASP 34% and volume 18%
Others	186	101	100%	SC Res revenue from electricity trading	215	101	100%	SC Res revenue from electricity trading

After Eliminations

	Q4 2020	Q4 2019	Variance	Remarks	FY 2020	FY 2019	Variance	Remarks
Coal	5,500	5,806	-5%	Lower ASP by 33% respectively offset by 42% increase in sales volume atributable to exposrt shipment	16,489	29,085	-43%	Lower sales volume by 23% due to 27% decline in export shipment; ASP decreased by 25% driven by the 28% decline in export prices as the global coal prices drops
SCPC	1,312	1,767	-26%	36% decrease in ASP due to lower NewCastle price index and lower WESM prices partially offset by 16% increase in sales volume	7,259	6,985	4%	29% decrease in ASP due to lower NewCastle price index and lower WESM prices partially offset by 46% increase in sales volume
SLPGC	1,377	2,443	-44%	Lowe ASP by 42% offset by slight 6% increase in sales volume	4,288	8,081	-47%	Lower ASP 34% and volume 18%
Others	186	100	100%		215	100	100%	
Total	8,375	10,116	-17%		28,250	44,250	-36%	

Cost of Sales *(In million PhP)*

Before Eliminations

	Q4 2020	Q4 2019	Variance	Remarks	FY 2020	FY 2019	Variance	Remarks
Coal	5,472	4,736	16%	Higher volume sold by 31% offset by lower fuel cost on production	14,996	19,761	-24%	Lower sales volume by 16% and lower fuel costs on production
SCPC	907	1,015	-11%	Decrease due to volume of generation and lower fuel prices and minimal replacement power purchases	5,552	6,129	-9%	Lower fuel prices and minimal replacement power purchases
SLPGC	946	1,047	-10%	Higher cost due to replacement power cost and higher depreciation of utility assets	3,336	4,015	-17%	Lower volume sold by 18% and lower Coal cost per MT
Others	166	100	100%		192	100	100%	
Total	7,325	6,798	8%		23,884	29,904	-20%	

After Eliminations

	Q4 2020	Q4 2019	Variance	Remarks	FY 2020	FY 2019	Variance	Remarks
Coal	4,946	4,159	19%	Higher volume sold by 42% offset by lower fuel cost on production	12,280	17,784	-31%	Lower volume sold by 23% and lower fuel cost on production
SCPC	764	955	-20%	Decrease due to volume of generation and lower fuel prices and minimal replacement power purchases	4,273	5,429	-21%	Lower fuel prices and minimal replacement power purchases
SLPGC	752	794	-5%	Higher cost due to replacement power cost and higher depreciation of utility assets	3,026	3,335	-9%	Lower volume sold by 18% and lower Coal cost per MT
Others	94	100	100%		120	100	100%	Costs of electricity traded
Total	6,556	6,007	9%		19,699	26,647	-26%	

Consolidated Gross Profit *(In million PhP)*

	Q4 2020	Q4 2019	Variance	Remarks	FY 2020	FY 2019	Variance	Remarks
Coal	554	1,647	-66%	Lower ASP by 33% offset by higher volume sold	4,208	11,302	-63%	Lower sales volume and ASP by 23% and 25% respectively
SCPC	548	812	-33%	Due to lower ASP by 36% despite higher sales volume	2,986	1,555	92%	Despite lower ASP, profitability driven by higher sales volume and minimal replacement power purchases
SLPGC	625	1,650	-62%	Lower profitability attributed to purchase of replacement power for the quarter, lower ASP by 42% and higher depreciation	1,262	4,746	-73%	Lower profitability attributed to decline in sales volume and WESM prices and the purchase of replacement power
Others	92	-	100%		95	2	100%	GP on electricity trading operations
Total	1,727	4,109	-58%		8,456	17,603	-52%	
GP %	21%	41%	-49%		30%	40%	-25%	

SEMIRARA MINING & POWER CORPORATION

Consolidated OPEX *(In million PhP)*

	Q4 2020	Q4 2019	Variance	Remarks	FY 2020	FY 2019	Variance	Remarks
Coal	554	1,229	-55%	Lower government royalty due to decline in profitability	2,243	4,623	-51%	Lower government royalty due to decline in profitability
SCPC	451	416	9%	Opex normalized, last year includes accelerated depreciation for unit 2 amounting to PhP55 million.	1,237	1,780	-31%	Opex normalized, last year includes accelerated depreciation for unit 2 amounting to PhP550 million.
SLPGC	388	307	27%	Lower Ins/Taxes, and lower other cash opex	1,081	947	14%	Due to the recognzed impairment of the gas turbine generator
Others	1	6	100%	Pre-operating expenses of subsidiaries	8	16	100%	Pre-operating expenses of subsidiaries
Total	1,394	1,957	-29%		4,569	7,366	-38%	

Consolidated Finance Income *(In million PhP)*

	Q4 2020	Q4 2019	Variance	Remarks	FY 2020	FY 2019	Variance	Remarks
Coal	3	10	-66%	Lower temporary cash placements as a result of lower revenue	21	24	-12%	Lower temporary cash placements as a result of lower revenue
SCPC	1	21	-97%	Lower temporary cash placements as a result of lower revenue	2	203	-99%	Lower temporary cash placements this year. One-time Interest income on receivable from PSALM last year
SLPGC	1	21	-96%	Lower temporary cash placements as a result of lower revenue	22	55	-61%	Lower temporary cash placements as a result of lower revenue
Total	6	52	-89%		46	282	-84%	

Consolidated Finance Charges *(In million PhP)*

	Q4 2020	Q4 2019	Variance	Remarks	FY 2020	FY 2019	Variance	Remarks
Coal	74	96	-23%	Lower debt level; lower borrowing rates	358	535	-33%	Lower debt level; lower borrowing rates
SCPC	142	122	16%	Higher debt level;no significant increase in borrowing rates.	539	393	37%	Higher debt level;no significant increase in borrowing rates.
SLPGC	55	84	-35%	Lower interest rates and declining balance	198	389	-49%	Decrease in interest rates and lower principal due to declining balance
Total	270	303	-11%		1,095	1,317	-17%	

Consolidated Foreign Exchange Gain / (Loss) *(In million PhP)*

	Q4 2020	Q4 2019	Variance	Remarks	FY 2020	FY 2019	Variance	Remarks
Coal	52	(59)	-189%	Unrealized and realized Fx gain due to PhP depreciation; year-end 2019 FX- PhP50.64:USD1, 2020 end FX- PhP48.02: USD1	158	(7)	-2382%	Unrealized and realized Fx gain due to PhP depreciation; year-end 2019 FX- PhP50.64:USD1, 2020 end FX- PhP48.02: USD1
SCPC	(0)	1	-125%	Realized loss on its foreign currency denominated transactions	1	(1)	-166%	Realized gain on its foreign currency denominated transactions
SLPGC	3	(2)	-232%	Realized loss on its foreign currency denominated transactions	(4)	(0)	1506%	Realized loss on its foreign currency denominated transactions
Total	55	(59)	-192%		155	(9)	-1883%	

Consolidated Other Income *(In million PhP)*

	Q4 2020	Q4 2019	Variance	Remarks	FY 2020	FY 2019	Variance	Remarks
Coal	72	(119)	-160%	Gain on sale/disposal of support equipment	72	(8)	-997%	Gain on sale/disposal of support equipment
SCPC	36	(9)	-520%	Higher fly ash sold during the quarter	136	82	64%	Higher fly ash sold during the year
SLPGC	19	(296)	-107%	Other income incidendtal to financial contract (CFD)	116	109	7%	Other income incidendtal to financial contract (CFD)
Others	8	(3)	100%	Incidental income by pre-operating subsidiaries	8	(3)	100%	Incidental income by pre-operating subsidiaries
Total	135	(423)	-132%		331	183	81%	

Consolidated NIBT *(In million PhP)*

	Q4 2020	Q4 2019	Variance	Remarks	FY 2020	FY 2019	Variance	Remarks
Coal	54	155	-65%	Weaker performance and lower ASP due to declining Global coal prices	1,858	6,154	-70%	Weaker performance and lower ASP due to declining Global coal prices
SCPC	(8)	288	-103%	Lower plant availability	1,349	(333)	-504%	Higher plant availability after commercial operation (post LEP)
SLPGC	205	982	-79%	Due to lower ASP	117	3,573	-97%	Lower energy generation and ASP
Others	100	0	58030%	Pre-operating expenses of Southeast Luzon and Claystone Inc	95	(10)	-1048%	Mainly on SC Res earnings on trade of electricity
Total	351	1,425	-75%		3,419	9,384	-64%	

Consolidated Income Tax Provision *(In million PhP)*

	Q4 2020	Q4 2019	Variance	Remarks	FY 2020	FY 2019	Variance	Remarks
Coal	57	(62)	-192%	Deferred taxes and final tax on interest income from placements; With Income Tax Holiday on BOI-registered activity	60	(59)	-202%	Deferred taxes and final tax on interest income from placements; With Income Tax Holiday on BOI-registered activity
SCPC	(10)	100	-110%	Due to lower profitability	37	(278)	-113%	Due to lower profitability
SLPGC	2	(45)	-105%	Due to lower profitability	30	41	-26%	Due to lower profitability
Others	5	1	421%	Tax on incidental income of pre-operating subsidiaries	5	1	423%	Final Tax and tax on incidental income of pre-operating subsidiaries
Total	49	(7)	-807%		128	(296)	-143%	

NIAT (In million PhP)

Before Eliminations (Core Income)

	Q4 2020	Q4 2019	Variance	Remarks	FY 2020	FY 2019	Variance	Remarks
Coal	199	369	-46%	Higher sales volume	3,239	7,432	-56%	Lower sales volume and ASP
SCPC	(142)	129	-210%	Negative profitability due to plant outages	32	(754)	-104%	Improved plant performance.
SLPGC	109	773	-86%	Higher income because of better plant performance for the quarter	(123)	2,851	-104%	Net loss results due to lower revenue brought about by lower generation plus lower ASP for WESM and replacement power
Others	23	(1)	-100%	Pre-operating expenses of Semirara Claystone Inc partially offet by minimal income on Sem-Calaca Res electricity trading	18	(11)	-100%	Pre-operating expenses of Semirara Claystone Inc partially offet by minimal income on Sem-Calaca Res electricity trading

After Eliminations (Consolidated)

	Q4 2020	Q4 2019	Variance	Remarks	FY 2020	FY 2019	Variance	Remarks
Coal	(3)	216	-101%	Higher sales volume	1,798	6,213	-71%	Lower sales volume and ASP
SCPC	2	189	-99%	Stronger plants' performance, lower replacement power this quarter.	1,311	(55)	-2478%	Higher total plant generation. There were lower replacement power this year.
SLPGC	202	1,027	-80%	Lowe income because of lower margin due to replacement power cost	87	3,532	-98%	Net loss results due to lower revenue brought about by lower generation plus lower ASP for WESM and replacement power
Others	95	(1)	-100%	Pre-operating expenses of Semirara Claystone Inc partially offet by minimal income on Sem-Calaca Res electricity trading	91	(11)	-100%	Pre-operating expenses of Semirara Claystone Inc partially offet by minimal income on Sem-Calaca Res electricity trading
Total	**297**	**1,431**	**-79%**		**3,287**	**9,679**	**-66%**	

B. Solvency and Liquidity

The company's earnings before interest, taxes depreciation and amortization (EBITDA) reached Ph10.50 billion 39% lower than last year. After changes in working capital, cash provided by operation netted to PhP9.69 billion. With the consolidated loan availments amounted of PHP4.98 billion, representing Coal and SCPC bridge financing for working capital requirement. The company also realized PhP546.59 on sale of support equipment. Combined with beginning Cash of PHP6.46 billion, total consolidated Cash available during the period stood at PHP21.68 billion.

Of the available cash, PHP5.44 billion was used to fund major CAPEX and stripping and mine development. The Company paid cash dividend and serviced debts amounting to PhP5.31 billion and PHP3.66 billion respectively. Ending cash closed at PHP4.48 billion, a 25% increase from the beginning cash.

Coal, SCPC, and SLPGC recorded ending cash of PHP5.67 billion, PHP951.59 million, and PHP1.12 billion, respectively. Other pre-operating business closed with a total cash balance of PHP257.13 million.

Consolidated Current ratio slightly decline to 1.41 from 1.54x at the start of the year.

C. Financial Condition

ASSETS

Cash

	12/31/2020	12/31/2019	Variance	Remarks
Coal	5,663	3,244	75%	Timing of cash proceeds from short term borrowings for operations and, payments to suppliers and collections from receivables.
SCPC	952	269	253%	Timing of cash proceeds from short term borrowings for operations and, payments to suppliers and collections from receivables.
SLPGC	1,213	2,855	-58%	Lower cash due to payment of Trade Payables and 2 Billion cash dividend to Parent
Others	257	89	190%	Cash generation from electricity trading operations
Total	**8,085**	**6,457**	**25%**	

Consolidated Receivables

	12/31/2020	12/31/2019	Variance	Remarks
Coal	1,610	945	70%	Mainly due to the timing of collection of receivables
SCPC	960	1,365	-30%	Generation is lower towards end of year resulting to lower receivables.
SLPGC	1,052	1,309	-20%	Lower revenue in Dec 2020 vs Dec LY
Others	47	22	112%	SCRes receivable on electricity sold
Total	**3,669**	**3,642**	**1%**	

Consolidated Inventories

	12/31/2020	12/31/2019	Variance	Remarks
Coal	6,856	6,385	7%	Increase mainly due to higher cost of materials, spare parts, major equipment components, fuel and lubricants of PhP5.29 billion and 1.7M MT coal valued at 1.56 billion
SCPC	2,444	2,322	5%	Mainly increase in spares parts inventory for preventive and predictive maintenance program amounting to PhP2.27 billion. Coal Inventory costs PhP173.59 million.
SLPGC	1,440	1,513	-5%	Decrease mainly due Coal at PhP 375 million and insurance spares; comprised of spare parts inventory for corrective, preventive and predictive maintenance program and other supplies amounting to PhP 949 million; Diesel and Lubes at PhP17 million, Chemicals and Others at PhP144 milllion
Total	**10,740**	**10,220**	**5%**	

Consolidated Other Current Assets

	12/31/2020	12/31/2019	Variance	Remarks
Coal	407	863	-53%	Mainly comprised of prepaid income taxes and advances to contractors and suppliers of spare parts and equipment amounting to Php338 million and Php68.85 million, respectively
SCPC	340	172	97%	Mainly comprised of advances to suppliers, prepaid tax & input vat and other prepaid expenses PhP1.96, PhP324.25 million and PhP13.79 million, respectively.
SLPGC	13	246	-95%	Mainly due to decrease in advances & prepayment to suppliers of PhP 120.37 million and prepaid taxes of PhP24.00million
Total	**805**	**1,285**	**-37%**	

Consolidated Total Current Assets

	12/31/2020	12/31/2019	Variance	Remarks
Coal	14,536	11,436	17%	
SCPC	5,374	4,129	-17%	
SLPGC	3,719	5,923	-31%	Please refer to above explanation
Others	349	115	496%	
Total	**23,978**	**21,603**	**-1%**	

Consolidated PPE

	12/31/2020	12/31/2019	Variance	Remarks
Coal	9,238	10,725	-14%	PhP1.5 billion mining equipment and deferred stripping asset of PhP1.3 billion offset by the depreciation of PhP3.27 billion
SCPC	21,604	21,060	3%	Capex of PhP1.94 billion, offset by depreciation of PhP1.51 billion
SLPGC	14,700	15,828	-7%	Capex of PhP539 million, offset by depreciation of PhP1.50 billion and impairment of GT 0.2B
Others	251	17	1357%	Miscellaneous asset of pre-operating subsidiaries
Total	**45,793**	**47,631**	**-4%**	

Investment in JV

	12/31/2020	12/31/2019	Variance	Remarks
Coal		45	-100%	Acquired 100% control on the JV (SRPGC)
Total	**-**	**45**	**-100%**	

Consolidated Other Non-Current Assets

	12/31/2020	12/31/2019	Variance	Remarks
Coal	139	321	-57%	Comprised of VAT receivable from BIR, Software cost and right of use assets; The decrease pertain to the applied advance payment made to equipment orders
SCPC	914	1,461	-37%	Mainly consists of right of use assets, advance payment for equipment acquisition and input vat amounting to PhP91.76 million, PhP144 million and 678.24 million respectively ; The input tax was applied/offset against output tax.
SLPGC	118	254	-54%	Mainly consists of the unrealized input VAT. Advances to suppliers was already liquidated upon delivery and completion of services
Others	28	5	439%	Deposit for distribution wheeling service
Total	**1,199**	**2,042**	**-41%**	

Consolidated Deferred Tax Assets

	12/31/2020	12/31/2019	Variance	Remarks
Coal	151	197	-23%	Mainly related to remeasurement losses on Pension Plan
SCPC	679	679	0%	Mainly related to provision for doubtful account and NOLCO.
SLPGC	22	13	76%	Mainly related to pension plan
Others	2	0	1724%	Nolco on pre-operating subsidiaries
Total	**855**	**888**	**-4%**	

Consolidated Total Assets

	12/31/2020	12/31/2019	Variance	Remarks
Coal	24,067	22,725	6%	
SCPC	27,892	27,329	2%	
SLPGC	18,559	22,006	-16%	Please refer to above explanation
Others	628	137	358%	
Total	**71,146**	**72,197**	**-1%**	

LIABILITIES

SEMIRARA MINING & POWER CORPORATION

Accounts and Other Payables

	12/31/2020	12/31/2019	Variance	Remarks
Coal	6,224	5,073	23%	Merely in the timing of payment of payables
SCPC	1,366	2,358	-42%	Decrease due to payment trade suppliers
SLPGC	476	1,012	-53%	Decrease due to the timing of payment of payables
Others	243	8	2914%	Pertain to SRPG Payable and SCRES electricity customer deposit
Total	**8,308**	**8,451**	**-2%**	

Short-term Loans

	12/31/2020	12/31/2019	Variance	Remarks
Coal	2,000	-	100%	Temporary short-term financing for working capital
SCPC	3,425	2,070	65%	Availment of bridge financing for LEP and other operational needs.
Total	**5,425**	**2,070**	**100%**	

Current Portion of Long-term Debt

	12/31/2020	12/31/2019	Variance	Remarks
Coal	660	2,425	-73%	Payment of maturing LTD during the year but refinance with another long term loan (refer to non-current loans)
SCPC	1,448	385	276%	Comprised of maturing LTD within a year
SLPGC	667	649	3%	Comprised of maturing LTD within a year
Total	**2,775**	**3,459**	**-20%**	

Current Portion of Lease Liability

	12/31/2020	12/31/2019	Variance	Remarks
Coal	12	11	12%	Lease liabilty due within a year
SCPC	2	4	-54%	Lease liabilty due within a year
Total	**13**	**14**	**-5%**	

Total Current Liabilities

	12/31/2020	12/31/2019	Variance	Remarks
Coal	8,896	7,509	18%	
SCPC	6,240	4,817	30%	
SLPGC	1,143	1,661	-31%	Please refer to above explanation
Others	243	8	2914%	
Total	**16,522**	**13,995**	**18%**	

Long-Term Debt - Net of Current Portion

	12/31/2020	12/31/2019	Variance	Remarks
Coal	3,193	2,475	29%	Loans maturing this period were refinance with a long term loan
SCPC	5,826	7,271	-20%	Payment of quarterly amortization
SLPGC	2,655	3,322	-20%	Payment of quarterly amortization
Total	**11,674**	**13,068**	**-11%**	Decrease due to debt repayments

Pension Liability

	12/31/2020	12/31/2019	Variance	Remarks
Coal	329	272	21%	Accrual of pension obligation
SCPC	18	9	103%	Accrual of pension obligation
SLPGC	51	14	262%	Accrual of pension obligation
Total	**398**	**295**	**35%**	

Provision for Site Rehabilitation

	12/31/2020	12/31/2019	Variance	Remarks
Coal	255	500	-49%	Provision for mine rehabilitation and plant decommissioning
SCPC	19	18	9%	Provision for plant decommissioning
SLPGC	5	5	8%	Provision for plant decommissioning
Total	**279**	**523**	**-47%**	

Other *Long-Term Liabilities*

	12/31/2020	12/31/2019	Variance	Remarks
Coal	51	62	-49%	Lease liabilities non-current portion
SCPC	31	31	9%	Lease liabilities non-current portion
SLPGC	7	-	8%	Retention payable for 2x25 MW gas turbines
Total	**89**	**93**	**-47%**	

Total Non-Current Liabilities

	12/31/2020	12/31/2019	Variance	Remarks
Coal	3,827	3,309	16%	Please refer to above explanation
SCPC	69	58	19%	
SLPGC	5,889	7,290	-19%	
Others	2,655	3,322	-20%	
Total	**12,440**	**13,979**	**-11%**	

Total Liabilities

	12/31/2020	12/31/2019	Variance	Remarks
Coal	12,723	10,818	18%	Please refer to above explanation
SCPC	6,309	4,875	29%	
SLPGC	7,031	8,951	-21%	
Others	2,898	3,330	-13%	
Total	**28,961**	**27,973**	**4%**	

EQUITY

Capital Stock

	12/31/2020	12/31/2019	Variance	Remarks
Coal (Parent)	4,265	4,265	0%	No movement

Additional Paid-in Capital

	12/31/2020	12/31/2019	Variance	Remarks
Coal (Parent)	6,676	6,676	0%	No movement

Treasury Shares

	12/31/2020	12/31/2019	Variance	Remarks
Coal (Parent)	740	740	0%	Purchase of 3.46 million SCC shares in 2016, 2.7 million shares in 2017 and 7.8 million shares in 2018

Remeasurement Gain / (Losses) on Pension Plan

	12/31/2020	12/31/2019	Variance	Remarks
Coal	(95)	(96)	-1%	Actuarial valuation adjustment on pension plan
SCPC	(1)	4	-124%	Actuarial valuation adjustment on pension plan
SLPGC	(27)	(6)	312%	Actuarial valuation adjustment on pension plan
Total	**(123)**	**(98)**	**25%**	

Retained Earnings / (Losses)

	12/31/2020	12/31/2019	Variance	Remarks
Coal	16,616	18,749	-11%	Cash dividend payment offset by net income earned during the period
SCPC	7,375	6,765	9%	Loss incurred during the period
SLPGC	8,233	8,827	-7%	Loss incurred during the period and payment of cash dividend
Others	(118)	(208)	-43%	Expenses of pre-operating subsidiaries
Total	**32,107**	**34,134**	**-6%**	

IV. PERFORMANCE INDICATORS:

1. **Current Ratio** – Cash position remains healthy despite cash dividend payment. The Company's internal current ratio threshold is at least 1.00, end-of-the-period current ratio is 1.41:1.
2. **Dividend Payout** – Increase in unrestricted retained earnings and high liquidity. The Company declared regular cash dividend of PhP1.25 per share on 28 February 2020 paid on 27 March 2020.
3. **Debt-to-Equity Ratio** –DE is at 0.69x at the end of the year after cash dividend payment.
4. **EBITDA Margin** – Maintained remained robust despite the significant decline in coal and power prices.
5. **Net Income After Tax –** Strong operating performance cushioned the decline in consolidated net income by 66% as coal and power ASP went down by 23% and 30% respectively.

PART II OTHER INFORMATION

Other disclosures:

a. The Group's operation is not cyclical in nature or seasonal. Mining activities is continuous throughout the year;
b. There were no issuances, repurchases, and repayments of debt in equity securities which transpired during the quarter;
c. There are no subsequent events, that came to our knowledge, which are material enough to warrant an adjustment in the consolidated financial statements;
d. The Group has no contingent assets nor liabilities known as of financial position date. The case on the wholesale electricity supply market (WESM) prices for November and December 2013 is still pending before the Supreme Court (SC) and the Energy Regulatory Commission (ERC).

Full Years 2018-2019

I. PRODUCTION – COMPARATIVE REPORT FOR 2019 AND 2018

COAL

Mining operations took advantage of the increased capacity and favorable weather condition. As a result, materials moved increased by 13% year-on-year to 185.5 million bank cubic meter (BCM) from 164.3 million BCM against last year. Quarter-on-quarter, materials moved decreased by 15% to 40.3 from 47.4 million BCM because of the suspension of mining operations which lasted for almost a month in Q42019.

With the ratio of 11.9 in the 4th quarter coal production significantly decreased by 22% to 3.2 million tons from 4.1 million tons quarter on quarter. Year-on-year, coal production increased by 17% with an aggregate strip ratio of 11.5

The table below shows the coal segment's comparative production data for 2019 and 2018.

	Q1	Q2	Q3	Q4	2019	Q1	Q2	Q3	Q4	2018	VARIANCE
Materials Moved	53.7	53.3	38.2	40.3	185.5	40.5	41.9	34.6	47.4	164.3	13%
Coal Production	4.1	4.4	3.5	3.2	15.2	4.1	3.1	1.7	4.1	12.9	17%
Strip Ratio	12.5	11.3	10.2	11.9	11.5	9.1	12.8	20.0	11.0	12.0	-4%

POWER

SEM-CALACA POWER GENERATION CORPORATION (SCPC)

The graph below illustrates SCPC's comparative performance data for 2019 and 2018.

COMPARATIVE PLANT PERFORMANCE DATA *AO '19 VS AO '18*											
	Q1 '19	Q2 '19	Q3 '19	Q4 '19	2019	Q1 '18	Q2 '18	Q3 '18	Q4 '18	2018	% Inc (Dec)
Gross Generation, Gwh											
Unit 1	22	-	45	390	456	447	481	452	432	1,813	*-75%*
Unit 2	181	393	383	106	1,062	-	383	524	562	1,469	*-28%*
Total Plant	**203**	**393**	**428**	**495**	**1,519**	**447**	**864**	**976**	**995**	**3,281**	***-54%***
% Availability											
Unit 1	5%	0%	12%	77%	24%	83%	96%	100%	100%	95%	*-75%*
Unit 2	35%	89%	87%	24%	59%	0%	66%	86%	90%	61%	*-2%*
Total Plant	**20%**	**45%**	**50%**	**51%**	**41%**	**41%**	**81%**	**93%**	**95%**	**78%**	***-47%***
Capacity Factor											
Unit 1	3%	0%	7%	59%	17%	69%	73%	68%	66%	69%	*-75%*
Unit 2	28%	59%	58%	16%	40%	0%	58%	79%	86%	56%	*-28%*
Total Plant	**16%**	**30%**	**32%**	**38%**	**29%**	**34%**	**65%**	**74%**	**76%**	**62%**	***-54%***

Unit 1

Gross Generation	
Q4 2019 vs Q4 2018	The unit has begun its operation at the start of Q4 2019. It ran at an average load of 230MW during the quarter compared to 198MW in the same period last year win which the unit ran at 100% during the quarter.
FY 2019 vs FY 2018	The unit is down the whole of H1 2019 and began its commissioning in the later part of Q3 2019. The Unit started shutdown on December 30, 2018. The shutdown is in relation to the Life Extension Project (LEP) of SCPC. Last year, the Unit ran at an average capacity of 219MW while start for last quarter of 2019 the average capacity is 230MW
Availability	
Q4 2019 vs Q4 2018	The unit has begun its operation at the start of Q4 2019. The same period last year, the unit ran at 100% during the last quarter.
FY 2019 vs FY 2018	The unit is down the whole of H1 2019 and was extended up to end of Q3. The Life Extension Project was originally scheduled for a 6 months maintenance shutdown which started December 30, 2018 but was extended to alllow additional maintenance works to ensure power unit availability. Last year, the unit ran continuously from start of the year, except for a 15-day outage in March due to boiler slagging and a 4-day outage in June due to repair of boiler tube leaks.

Unit 2

Gross Generation	
Q4 2019 vs Q4 2018	The unit has begun its Life Extension Project (LEP) activities in Oct. 2019. It ran at an average load of 200MW due to condenser issues before it was shutdown for LEP. Last year, the unit ran at an average load of 288MW during the quarter.
FY 2019 vs FY 2018	The Unit was down for a total of 79 days during the three quarters of 2019 due to repair of tube leaks and other maintenance activities. It is in Q4 when it started its Life Extension Project activities. Last year, the Unit was down the whole of Q1 2018 for scheduled maintenance and came back in operation only in the second week of April last year. Average load for 2019 and 2018 is 204MW and 276MW, respectively.
Availability	
Q4 2019 vs Q4 2018	The unit operated at a total of 527 hours this Q4 versus 1,955 hours Q4 last year.
FY 2019 vs FY 2018	The unit operated at a total of 5,197 hours this year versus 5,314 hours last year. Last year, the unit underwent an extended shutdown for scheduled maintenance which lasted until the first week of April 2018.

SOUTHWEST LUZON POWER GENERATION CORPORATION (SLPGC)

The graph below illustrates SLPGC's comparative production data for 2019 and 2018.

COMPARATIVE PLANT PERFORMANCE DATA *AO '19 VS AO '18*											
	2019					2018					Variance
	Q1	Q2	Q3	Q4	2019	Q1	Q2	Q3	Q4	2018	% Inc (Dec)
Gross Generation, Gwh											
Unit 1	203	329	326	268	1,126	121	-	12	274	406	*177%*
Unit 2	100	261	294	288	944	74	247	319	321	962	*-2%*
Total Plant	**303**	**590**	**621**	**557**	**2,070**	**195**	**247**	**331**	**595**	**1,368**	***51%***
% Availability											
Unit 1	68%	100%	100%	86%	88%	51%	0%	6%	92%	37%	*139%*
Unit 2	41%	84%	91%	89%	77%	45%	79%	99%	100%	81%	*-5%*
Total Plant	**55%**	**92%**	**95%**	**87%**	**83%**	**48%**	**40%**	**53%**	**96%**	**59%**	***40%***
Capacity Factor											
Unit 1	63%	99%	99%	82%	86%	37%	0%	4%	84%	31%	*177%*
Unit 2	31%	79%	89%	88%	72%	23%	75%	96%	98%	73%	*-2%*
Total Plant	**47%**	**89%**	**94%**	**85%**	**79%**	**30%**	**37%**	**50%**	**91%**	**52%**	***51%***

Unit 1

Gross Generation	
Q4 2019 vs Q4 2018	Slightly lower vs Q4'18 due to the return to production of U1's repaired rotor in 2018
FY 2019 vs FY 2018	Higher vs LY - higher availability and capacity
Availability	
Q4 2019 vs Q4 2018	Slightly lower availability vs Q4 '18 due to more outage for Unit 1
FY 2019 YTD vs FY 2018	Higher availability vs LT due to lower forced outage

Unit 2

Gross Generation	
Q4 2019 vs Q4 2018	Slightly lower vs Q4 '18 due to lower availability
FY 2019 vs FY 2018	Slightly lower vs Q4 '18 due to lower availability
Availability	
Q4 2019 vs Q4 2018	Slightly lower availability vs LY due to more outages
FY 2019 vs FY 2018	Slightly lower availability vs LY due to more outages

II. MARKETING – COMPARATIVE REPORT FOR THE NINE MONTHS OF 2019 AND 2018

COAL

The table below shows the coal comparative sales volume data for 2019 and 2018.

VOLUME (In 000 MT)														
Customer	Q1	Q2	Q3	Q4	2019	%	Q1	Q2	Q3	Q4	2018	%	Diff	%Inc/ (Dec)
Power Plants	1,124	946	691	1,056	3,816	24%	1,348	1,404	1,026	1,276	5,053	44%	(1,237)	-24%
Cement	253	203	178	218	852	5%	258	236	230	191	915	8%	(63)	-7%
Others Plants	142	175	133	114	565	4%	178	210	127	120	635	5%	(70)	-11%
Local	1,520	1,324	1,002	1,387	5,232		1,783	1,849	1,383	1,587	6,603		(1,371)	-21%
Export	2,034	2,982	3,209	2,154	10,379	66%	1,634	1,608	48	1,669	4,960	43%	5,419	109%
TOTAL (M MT)	3,554	4,306	4,211	3,541	15,611	100%	3,418	3,458	1,432	3,256	11,563	100%	4,049	35%

Power Plants	
Q4 2019 vs Q4 2018	Power plant customers including owned plants are undergoing maintenance repairs during the current quarter
FY 2019 vs FY 2018	Power plant customers including owned plants are undergoing maintenance repairs during the current quarter
Cement Plants	
Q4 2019 vs Q4 2018	Higher offtake of existing cement customers
FY 2019 vs FY2018	Lower offtake of existing cement customers
Other Industrial Plants	
Q4 2019 vs Q4 2018	Lower offtake of industrial plants
FY 2019 vs FY 2018	Lower offtake of industrial plants

Export	
Q4 2019 vs Q4 2018	Higher volume produced for export grade coal
FY 2019 vs FY 2018	Higher volume produced for export grade coal

Average Selling Price (ASP)	
Q4 2019 vs Q4 2018	Lower NewCastle Index
FY 2019 vs FY 2018	Lower NewCastle Index

POWER

SCPC

The table below shows the comparative marketing data of SCPC for 2019 and 2018 (In GWh, except ASP).

COMPARATIVE SALES VOLUME DATA
(in GWh)

CUSTOMER	Q1 '19	Q2 '19	Q3 '19	Q4 '19	2019	Q1 '18	Q2 '18	Q3 '18	Q4 '18	2018	% Inc (Dec)
GWh											
Bilateral Contracts	346	532	428	318	1,624	408	865	909	874	3,056	-47%
Spot Sales	16	4	53	150	224	3	79	95	109	286	-22%
GRAND TOTAL	**362**	**536**	**481**	**468**	**1,848**	**410**	**945**	**1,005**	**983**	**3,342**	**-45%**
ASP in Php											
Bilateral Contracts	4.33	3.76	3.43	3.32	3.71	5.08	3.79	4.15	4.19	4.18	-11%
Spot Sales	7.18	7.39	1.86	4.74	4.29	12.24	3.89	3.17	2.97	3.37	27%
Average ASP	**4.46**	**3.79**	**3.26**	**3.78**	**3.78**	**5.13**	**3.80**	**4.05**	**4.05**	**4.11**	**-8%**

Bilateral Contracts	
Q4 2019 vs Q4 2018	Bilateral contract capacity in Q4 2019 is 170MW while 420MW in Q4 2018.
FY 2019 vs FY 2018	Decrease due to lower contracted capacity (from 440.45MW in 2018 to 250.45MW in H1 2019 and 170.45MW in H2 2019). ASP decreased due to decreasing New Castle Index.
Spot Sales	
Q4 2019 vs Q4 2018	Higher spot sales in Q4 2019 due to lower BCQ requirements during Q4.
FY 2019 vs FY 2018	Lower spot sales in 2019 due to one unit running at a derated capacity of 200MW

Other Information:

- Of the total energy sold, 75.37% was sourced from own generation, while 24.63% was purchased from the spot market. SCPC procured power from the spot market during hour intervals where power units were down, or when the plants were running at a de-rated capacity, in order to be able to supply committed capacity to some of its customers.

SLPGC

The table below shows the comparative marketing data of SLPGC for 2019 and 2018 (In GWh, except ASP).

COMPARATIVE SALES VOLUME DATA
(in GWh)

CUSTOMER	2019					2018					Variance
	Q1	Q2	Q3	Q4	2019	Q1	Q2	Q3	Q4	2018	% Inc (Dec)
GWh											
Bilateral Contracts	90	252	88	9	439	125	231	74	131	561	-22%
Spot Sales	187	327	412	489	1,415	40	56	223	399	718	97%
GRAND TOTAL	**277**	**579**	**500**	**498**	**1,854**	**165**	**287**	**297**	**530**	**1,279**	**45%**
ASP in Php											
Bilateral Contracts	3.54	3.58	3.65	4.47	3.60	6.87	5.42	3.83	3.50	5.09	-29%
Spot Sales	4.38	6.15	3.06	4.92	4.59	2.88	3.61	3.21	2.88	3.04	51%
Average ASP	**4.10**	**5.03**	**3.17**	**4.91**	**4.36**	**5.90**	**5.07**	**3.36**	**3.03**	**3.94**	**11%**

Sales Volume

Bilateral Contracts

Q4 2019 vs Q4 2018	Lower BCQ for Q4 due to no new BCQ contract for SLPGC
FY 2019 vs FY 2018	Lower vs LY due to the expiration of Mpower and VECO contracts
Spot sales	
Q4 2019 vs Q4 2018	Higher spot sales due to higher excess energy sold to WESM brought about by expired BCQ
FY 2019 vs FY 2018	Higher spot sales due to higher excess energy sold to WESM brought about by expired BCQ

- Of the total energy sold, 98.23% was sourced from own generation, while 1.77% was purchased from the spot market. SLPGC procured power from the spot market during hour intervals where power units were down, or when the plants were running at a de-rated capacity, in order to be able to supply committed capacity to some of its customers.

III. FINANCE

A. Sales and Profitability

Revenues *(In million PhP)*

Before Eliminations

	Q4 2019	Q4 2018	Variance	Remarks	FY 2019	FY 2018	Variance	Remarks
Coal	6,536	7,944	-18%	Increase in sales volume by 194% partially offset by 32% decrease in ASP	32,282	30,696	5%	45% increase in volume sold slightly offset 22% decrease in ASP
SCPC	1,768	3,981	-56%	Decrease in sales volume 52% and 20% decrease in ASP due to lower NewCastle price index	6,985	13,744	-49%	Decrease in sales volume 42% and by 9% decrease in ASP due to lower NewCastle price index
SLPGC	2,444	1,603	52%	Increase in sales volume by 20% attributed to both plants running at near optimum capacity slightly offset by 6% decrease in ASP. Most of the revenue came from Spot	8,081	5,034	61%	Increase in sales volume 81% offset by 9% decrease in ASP due to expiration of contracts with higher prices.
Others	101	-	100%	Revenue from electricity trading	101		100%	Revenue from electricity trading
Total	10,748	13,528	-21%		47,348	49,474	-4%	

After Eliminations

	Q4 2019	Q4 2018	Variance	Remarks	FY 2019	FY 2018	Variance	Remarks
Coal	5,806	5,512	5%	Increase in sales volume by 194% partially offset by 32% decrease in ASP	29,085	23,186	25%	45% increase in volume sold slightly offset 22% decrease in ASP
SCPC	1,768	3,981	-56%	Decrease in sales volume 52% and 20% decrease in ASP due to lower NewCastle price index	6,985	13,744	-49%	Decrease in sales volume 42% and by 9% decrease in ASP due to lower NewCastle price index
SLPGC	2,444	1,603	52%	Increase in sales volume by 20% attributed to both plants running at near optimum capacity slightly offset by 6% decrease in ASP. Most of the revenue came from Spot	8,081	5,034	61%	Increase in sales volume 81% offset by 9% decrease in ASP due to expiration of contracts with higher prices.
Others	101	-	100%	Revenue from electricity trading	101		100%	Revenue from electricity trading
Total	10,119	11,096	-9%		44,252	41,964	5%	

Cost of Sales *(In million PhP)*

Before Eliminations

	Q4 2019	Q4 2018	Variance	Remarks	FY 2019	FY 2018	Variance	Remarks
Coal	4,737	4,541	4%	Increased due to higher volume sold by 194%, higher parts and fuel costs offset by better strip ratio	19,761	15,756	25%	Increased due to higher volume sold by 45%, higher costs of production offset by better strip ratio
SCPC	1,016	2,716	-63%	Higher replacement power costs offset by lower fuel prices. Moreover lesser volume sold.	6,129	9,307	-34%	Higher replacement power costs offset by lower fuel prices. Moreover lesser volume sold.
SLPGC	1,047	1,038	1%	Higher volume sold	4,015	3,160	27%	Higher volume sold
Others	100	-	100%	Costs of electricity traded	100		100%	Costs of electricity traded
Total	6,799	8,295	-18%		29,904	28,223	6%	

After Eliminations

	Q4 2019	Q4 2018	Variance	Remarks	FY 2019	FY 2018	Variance	Remarks
Coal	4,160	3,399	22%	Increased due to higher volume sold by 194%, higher costs of production offset by better strip ratio	17,784	12,262	45%	Increased due to higher volume sold by 45%, higher costs of production offset by better strip ratio
SCPC	955	1,710	-44%	Higher replacement power costs offset by lower fuel prices. Moreover lesser volume sold.	5,429	6,035	-10%	Higher replacement power costs offset by lower fuel prices. Moreover lesser volume sold.
SLPGC	794	995	-20%	Higher volume sold	3,335	2,543	31%	Higher volume sold
Others	100	-	100%	Costs of electricity traded	100		100%	Costs of electricity traded
Total	6,008	6,104	-2%		26,647	20,840	28%	

Consolidated Gross Profit *(In million PhP)*

	Q4 2019	Q4 2018	Variance	Remarks	FY 2019	FY 2018	Variance	Remarks
Coal	1,647	2,113	-22%	Higher sales volume by 194% offset by the 32% lower ASP; Lower cost due to better strip ratio offset by higher spare parts and fuel costs	11,302	10,924	3%	Higher sales volume by 45% offset by the 22% lower ASP; Higher spare parts and fuel costs offset by better strip ratio
SCPC	812	2,270	-64%	Considerable decline in sales volume and the increase in replacement power and lower ASP. Replacement power cost is higher than selling price.	1,555	7,709	-80%	Considerable decline in sales volume and the increase in replacement power and lower ASP. Replacement power cost is higher than selling price.
SLPGC	1,650	608	171%	Increase (20%) in sales volume due to higher generation slightly offset by increase in fuel cost	4,746	2,491	90%	Considerable increase (81%) in sales volume due to higher generation slightly offset by increase in fuel cost
Others	2	-	100%	GP on electricity trading operations	2	-	100%	GP on electricity trading operations
Total	4,109	4,991	-18%		17,603	21,124	-17%	
GP %	41%	45%	-10%		40%	50%	-21%	

Consolidated OPEX *(In million PhP)*

	Q4 2019	Q4 2018	Variance	Remarks	FY 2019	FY 2018	Variance	Remarks
Coal	1,229	666	85%	Higher government royalty due to better profitability	4,622	4,328	7%	Lower government royalty due to decline in profitability
SCPC	416	732	-43%	Accelerated depreciation is only for unit 2 amounting to PhP165 million while prior year accelerated depreciation covers unit 1 and 2 amounting to 315 million.	1,780	2,659	-33%	Accelerated depreciation is only for unit 2 amounting to PhP495 million while prior year accelerated depreciation covers unit 1 and 2 amounting to 945 million.
SLPGC	307	261	18%	Increase mainly due to increased insurance premium for the plant and depreciation	947	767	23%	Increase mainly due to increased insurance premium for the plant and depreciation
Others	6	(6)	100%	Pre-operating expenses of subsidiaries	16	20	100%	Pre-operating expenses of subsidiaries
Total	1,958	1,653	18%		7,365	7,774	-5%	

Consolidated Finance Income *(In million PhP)*

	Q4 2019	Q4 2018	Variance	Remarks	FY 2019	FY 2018	Variance	Remarks
Coal	10	3	191%	Lower temporary cash placements	24	63	-62%	Lower temporary cash placements
SCPC	21	9	142%	higher cash placements	203	23	794%	Mainly pertains to the interest income on receivable from PSALM
SLPGC	21	13	57%	Minimal temporary cash placements	55	42	30%	Minimal temporary cash placements
Others	1	-	100%	Interest income on cash placements	1	-	100%	Interest income on cash placements
Total	53	25	110%		283	128	121%	

Consolidated Finance Charges *(In million PhP)*

	Q4 2019	Q4 2018	Variance	Remarks	FY 2019	FY 2018	Variance	Remarks
Coal	96	178	-46%	Higher debt level; higher borrowing rates	535	425	26%	Higher debt level; higher borrowing rates
SCPC	122	69	77%	Higher debt level; higher borrowing rates	393	189	108%	Higher debt level; higher borrowing rates
SLPGC	84	85	-1%	Increase in interest rates on LTD and additional short term borrowing	389	329	18%	Increase in interest rates on LTD and additional short term borrowing
Others	0	-	100%	Minimal bank charges	0	-	100%	Minimal bank charges
Total	302	332	-9%		1,317	943	40%	

Consolidated Foreign Exchange Gain / (Loss) *(In million PhP)*

	Q4 2019	Q4 2018	Variance	Remarks	FY 2019	FY 2018	Variance	Remarks
Coal	(59)	129	-146%	Unrealized and realized Fx gain due to PhP depreciation; end of the quarter FX-PhP51.83:USD1, quarter-end 2018 FX-PhP54.02:USD1	(7)	(366)	-98%	Unrealized and realized Fx gain due to PhP depreciation; year-end 2018 FX-PhP52.58:USD1, Q3 2019 end FX-PhP51.83:USD1
SCPC	2	59	-97%	Realized loss on its foreign currency denominated transactions	(1)	(18)	-92%	Realized loss on its foreign currency denominated transactions
SLPGC	(2)	(4)	-100%	Realized loss on its foreign currency denominated transactions	(0)	(5)	-100%	Realized loss on its foreign currency denominated transactions
Total	(60)	185	-132%		(9)	(388)	-98%	

Consolidated Other Income *(In million PhP)*

	Q4 2019	Q4 2018	Variance	Remarks	FY 2019	FY 2018	Variance	Remarks
Coal	(119)	28	-526%	Loss on disposal of unserviceable assets	(8)	37	-122%	Loss on disposal of unservieable asset offset by recoveries of insurance claims
SCPC	(9)	112	-108%	Lower fly ash sold during the quarter	82	203	-59%	Lower fly ash sold plus insurance proceeds during the year
SLPGC	(296)	332	-189%	Actual insurance recoveries of PhP 632M	109	368	-70%	Actual insurance payment o PhP 632M offset by realized loss on financial contract PhP286
Others	3	-	100%	Miscellaneous income from non-operating subsidiaries	3	-	100%	SCRes electricity spot sales
Total	(421)	472	-189%		186	608	-69%	

Consolidated NIBT *(In million PhP)*

	Q4 2019	Q4 2018	Variance	Remarks	FY 2019	FY 2018	Variance	Remarks
Coal	155	1,430	-89%	Stronger performance offset by lower ASP due to declining Global prices	6,154	5,905	4%	Stronger performance offset by lower ASP due to declining Global prices
SCPC	289	1,649	-83%	Weaker plant performance due to Unit 1 shutdown for the LEP, commissioning started in the later part of Q3. Unit 2 unplanned shutdown due to tubeleaks. Replacement power has higher cost than selling price.	(333)	5,069	-107%	Weaker plant performance due to Unit 1 shutdown for the LEP, commissioning started in the later part of Q3. Unit 2 unplanned shutdown due to tubeleaks. Replacement power has higher cost than selling price.
SLPGC	982	604	63%	Much improved performance of both plants for the quarter pushed the profitability increased by collection of insurance payment for U3	3,573	1,801	98%	Much improved performance of both plants for the year pushed the profitability increased by collection of insurance payment for U3
Others	(0)	5	100%	Pre-operating expenses of Southeast Luzon and Claystone Inc	(10)	(21)	100%	Pre-operating expenses of Southeast Luzon and Claystone Inc
Total	1,426	3,689	-61%		9,384	12,755	-26%	

Consolidated Income Tax Provision *(In million PhP)*

	Q4 2019	Q4 2018	Variance	Remarks	FY 2019	FY 2018	Variance	Remarks
Coal	(62)	9	-797%	Final tax on interest income from placements; With Income Tax Holiday on BOI-registered activity	(59)	20	-397%	Lower final tax on interest income from placements; With Income Tax Holiday on BOI-registered activity
SCPC	100	213	-53%	Lower profitability resulted to lower income taxes	(278)	562	-150%	Lower profitability resulted to lower income taxes
SLPGC	(45)	106	-142%	Higher final tax on flyash sales; SLPGC has Income Tax Holiday as a BOI-registered	41	148	-72%	Final tax on interest income from placements and flyash sales; SLPGC has Income Tax Holiday
Others	1	-	100%	Minimal income tax on pre-operating income	1	-	100%	Minimal income tax on pre-operating income
Total	(7)	327	-102%		(296)	729	-141%	

NIAT (In million PhP)

Before Eliminations (Core Income)

	Q4 2019	Q4 2018	Variance	Remarks	FY 2019	FY 2018	Variance	Remarks
Coal	369	2,761	-87%	Higher production and volume sold but significantly lower ASP; higher costs of sales due to higher volume sold; higher cost of fuel and spares offset by better strip ratio	7,432	9,951	-25%	Higher production and volume sold but significantly lower ASP; higher costs of sales due to higher volume sold; higher cost of fuel and spares offset by better strip ratio
SCPC	129	432	-70%	Negative profitability resulted to negative income taxes	(754)	1,236	-161%	Negative profitability resulted to negative income taxes
SLPGC	773	454	70%	Much improved performance of both plants for the quarter pushed the profitability buoyed by recognition of income from insurance collection	2,851	1,036	175%	Much improved performance of both plants for the year pushed the profitability buoyed by recognition of income from insurance collection
Others	(1)	(174)	-100%	Pre-operating expenses of Semirara Claystone Inc partially offet by minimal income on Scres electricity trading	(11)	(200)	-100%	Pre-operating expenses of Semirara Claystone Inc partially offet by minimal income on Scres electricity trading

After Eliminations (Consolidated)

	Q4 2019	Q4 2018	Variance	Remarks	FY 2019	FY 2018	Variance	Remarks
Coal	216	1,421	-85%	Higher production and volume sold but significantly lower ASP; higher costs of sales due to higher volume sold; higher cost of fuel and spares offset by better strip ratio	6,213	5,885	6%	Higher production and volume sold but significantly lower ASP; higher costs of sales due to higher volume sold; higher cost of fuel and spares offset by better strip ratio
SCPC	189	1,437	-87%	Weaker plants' performance, higher replacement power and recognition of accelerated depreciation in 2019	(55)	4,508	-101%	Weaker plants' performance, higher replacement power and recognition of accelerated depreciation in 2019
SLPGC	1,027	498	106%	Much improved performance of both plants for the quarter pushed the profitability	3,532	1,653	114%	Much improved performance of both plants for the quarter pushed the profitability
Others	(1)	5	-100%	Pre-operating expenses of Southeast Luzon and Claystone Inc	(11)	(21)	-100%	Pre-operating expenses of Semirara Claystone Inc
Total	**1,431**	**3,361**	**-57%**		**9,679**	**12,025**	**-20%**	

B. Solvency and Liquidity

The company's earnings before interest, taxes depreciation and amortization (EBITDA) reached PhP17.34 billion 14% lower than last year. After changes in working capital, cash provided by operation netted to PhP24.14 billion. With the consolidated loan availments amounted of PHP47.49 billion, representing Coal and SLPGC bridge financing and SCPC's loan to fund CAPEX for the Life Extension Program. Combined with beginning Cash of PHP1.90 billion, total consolidated Cash available during the period stood at PHP73.43 billion.

Of the available cash, PHP12.38 billion was used to fund major CAPEX, mine development and other investments. The Company also paid cash dividend and serviced debts amounting to PhP5.30 billion and PHP49.42 billion respectively. Ending cash closed at PHP6.47 billion, a 238% increase from the beginning cash.

Coal, SCPC, and SLPGC recorded ending cash of PHP3.24 billion, PHP269.48 million, and PHP2.86 billion, respectively. Other pre-operating business closed with a total cash balance of PHP88.57 million.

Consolidated Current ratio slightly improved to 1.54x from 1.26x at the start of the year.

C. Financial Condition

ASSETS

Cash

	12/31/2019	12/31/2018	Variance	Remarks
Coal	3,244	864	276%	Higher cash generated from operations
SCPC	269	304	-11%	Timing of cash proceeds from short term borrowings for operations
SLPGC	2,855	674	324%	Higher cash generated from operations due to better plant performance
Others	89	61	45%	Cash generation from electricity trading operations
Total	**6,457**	**1,903**	**239%**	

SEMIRARA MINING & POWER CORPORATION

Consolidated Receivables

	12/31/2019	12/31/2018	Variance	Remarks
Coal	945	2,445	-61%	Mainly due to the timing of collection of receivables vis-à-vis increase in cash
SCPC	1,365	3,913	-65%	Due to collection at the end of month. Bilateral contract and generation are also lower resulting to lower receivables.
SLPGC	1,309	940	39%	Lower sales in September 2019 by 46%
Others	22	3	641%	SCRes receivable on electricity sold
Total	**3,642**	**7,301**	**-50%**	

Consolidated Inventories

	12/31/2019	12/31/2018	Variance	Remarks
Coal	6,385	7,799	-18%	Increase mainly due to lower cost of coal inventory of 2.7 million tons valued at PhP2.10 billion; higher cost of materials, spare parts, major equipment components of PhP 4.20 billion and fuel and lubricants of PhP1.20 billion
SCPC	2,322	3,349	-31%	Mainly comprised of spare parts inventory for corrective, preventive and predictive maintenance program and for on going Life extension project (LEP) amounting to PhP3.9 billion; coal inventory costs PhP298.7 million.
SLPGC	1,513	1,215	24%	Increase mainly due Coal at PhP 676.9 million and insurance spares; comprised of spare parts inventory for corrective, preventive and predictive maintenance program amounting to PhP407.8 million; Diesel at PhP99.3 million, other supplies at PhP506.2 million, Limestone at PhP99.0
Total	**10,220**	**12,363**	**-17%**	

Consolidated Other Current Assets

	12/31/2019	12/31/2018	Variance	Remarks
Coal	863	1,443	-40%	Mainly comprised of prepaid income taxes and advances to contractors and suppliers of spare parts and equipment amounting to Php449.50 million and Php413.50 million, respectively
SCPC	172	1,405	-88%	Mainly comprised of prepaid, rentals, insurance and other expense
SLPGC	246	1,272	-81%	Mainly comprised of input tax and prepaid rent and insurance
Total	**1,285**	**4,121**	**-69%**	

Consolidated Total Current Assets

	12/31/2019	12/31/2018	Variance	Remarks
Coal	11,436	12,551	-8%	Please refer to above explanation
SCPC	4,129	8,972	-36%	
SLPGC	5,923	4,101	11%	
Others	115	64	96%	
Total	**21,603**	**25,688**	**-11%**	

Consolidated PPE

	12/31/2019	12/31/2018	Variance	Remarks
Coal	10,725	11,898	-10%	PhP2.0 billion capex offset by the depreciation of PhP3.20 billion
SCPC	21,060	14,908	41%	Capex of PhP4.5 billion for the LEP, offset by depreciation of PhP1.4 billion
SLPGC	15,828	16,699	-5%	Additional Capex of PhP400 million, offset by depreciation of PhP994 million
Others	17	14	19%	Miscellaneous asset of pre-operating subsidiaries
Total	**47,631**	**43,520**	**9%**	

SEMIRARA MINING & POWER CORPORATION

Investment in JV

	12/31/2019	12/31/2018	Variance	Remarks
Coal	45	51	-12%	Additional contribution to the Joint Venture
Total	**45**	**51**	**-12%**	

Consolidated Other Non-Current Assets

	12/31/2019	12/31/2018	Variance	Remarks
Coal	321	602	-47%	Comprised of VAT receivable from BIR, Software cost and right of use assets; The decrease pertain to the applied advance payment made to equipment orders
SCPC	1,461	568	157%	Mainly consists of prepaid leases, right of use assets; The input tax was applied/offset against output tax.
SLPGC	254	184	38%	Unrealized input VAT PhP 58 million and FV of Financial asset PhP 241 million
Others	5	-	100%	Deposit for distribution wheeling service
Total	**2,042**	**1,355**	**51%**	

Consolidated Deferred Tax Assets

	12/31/2019	12/31/2018	Variance	Remarks
Coal	197	67	195%	Mainly related to remeasurement losses on Pension Plan
SCPC	679	368	84%	Mainly related to provision for doubtful account and deferred revenue
SLPGC	13	(0)	100%	Mainly related to provision for doubtful account
Total	**888**	**435**	**104%**	

Consolidated Total Assets

	12/31/2019	12/31/2018	Variance	Remarks
Coal	22,725	25,169	-10%	Please refer to above explanation
SCPC	27,329	24,816	10%	
SLPGC	22,018	20,985	5%	
Others	137	79	74%	
Total	**72,209**	**71,049**	**2%**	

LIABILITIES

Accounts and Other Payables

	12/31/2019	12/31/2018	Variance	Remarks
Coal	5,073	7,130	-29%	Slight increase merely in the timing of payment of payables
SCPC	2,358	2,066	14%	Slight decrease merely in the timing of payment of payables
SLPGC	1,012	745	36%	Slight increase merely in the timing of payment of payables
Others	8	5	55%	Pertain to SCRES electricity customer deposit
Total	**8,452**	**9,946**	**-15%**	

Short-term Loans

	12/31/2019	12/31/2018	Variance	Remarks
Coal	-	2,250	-100%	Availment of bridge financing
SCPC	2,070	3,622	-43%	Availment of bridge financing for LEP and other operational needs.
Total	**2,070**	**5,872**	**100%**	

Current Portion of Long-term Debt

	12/31/2019	12/31/2018	Variance	Remarks
Coal	2,425	2,850	-15%	Payment of maturing LTD during the year
SCPC	385	-	0%	Comprised of maturing LTD within a year
SLPGC	649	1,704	-62%	Comprised of maturing LTD within a year
Total	**3,459**	**4,554**	**-24%**	

Current Portion of Lease Liability

	12/31/2019	12/31/2018	Variance	Remarks
Coal	11	-	100%	Lease liabilty due within a year
SCPC	4	-	100%	Lease liabilty due within a year
Total	**14**	**-**	**100%**	

Total Current Liabilities

	12/31/2019	12/31/2018	Variance	Remarks
Coal	7,509	12,230	-39%	
SCPC	4,817	5,688	-15%	
SLPGC	1,661	2,449	-32%	Please refer to above explanation
Others	8	5	55%	
Total	**13,995**	**20,372**	**-31%**	

Long-Term Debt - Net of Current Portion

	12/31/2019	12/31/2018	Variance	Remarks
Coal	2,475	2,806	-12%	Loans maturing within a year reclassified to current portion
SCPC	7,271	2,988	143%	Loan availment for the Life Extension Project
SLPGC	3,322	4,249	-22%	Payment of quarterly amortization
Total	**13,068**	**10,043**	**30%**	Decrease due to debt repayments

Pension Liability

	12/31/2019	12/31/2018	Variance	Remarks
Coal	272	156	75%	Accrual of pension obligation
SCPC	9	22	-58%	Accrual of pension obligation
SLPGC	14	39	-64%	Accrual of pension obligation
Total	**295**	**216**	**36%**	

Provision for Site Rehabilitation

	12/31/2019	12/31/2018	Variance	Remarks
Coal	500	402	24%	Additional provision for plant decommissioning
SCPC	18	16	9%	Additional provision for plant decommissioning
SLPGC	5	5	8%	Minimal additional provision for plant decommissioning
Total	**523**	**423**	**23%**	

Deferred Tax Liabilities

	12/31/2019	12/31/2018	Variance	Remarks
SLPGC	-	62	-100%	Deferred Tax Liabilities arising from unrealized income from financial contract
Total	**-**	**62**	**-100%**	

Other Long-Term Liabilities

	12/31/2019	12/31/2018	Variance	Remarks
Coal	62		100%	Lease liabilities non-current portion
SCPC	31		100%	Lease liabilities non-current portion
Total	**93**	**-**	**100%**	

Total Non-Current Liabilities

	12/31/2019	12/31/2018	Variance	Remarks
Coal	3,309	3,364	-2%	Please refer to above explanation
SCPC	58	38	53%	
SLPGC	7,290	3,093	136%	
Others	3,322	4,249	-22%	
Total	**13,979**	**10,744**	**30%**	

Total Liabilities

	12/31/2019	12/31/2018	Variance	Remarks
Coal	10,818	15,595	-31%	Please refer to above explanation
SCPC	4,875	5,726	-15%	
SLPGC	8,951	5,542	62%	
Others	3,330	4,254	-22%	
Total	**27,974**	**31,116**	**-10%**	

EQUITY

Capital Stock

	12/31/2019	12/31/2018	Variance	Remarks
Coal (Parent)	4,265	4,265	0%	No movement

Additional Paid-in Capital

	12/31/2019	12/31/2018	Variance	Remarks
Coal (Parent)	6,676	6,676	0%	No movement

Treasury Shares

	12/31/2019	12/31/2018	Variance	Remarks
Coal (Parent)	740	740	0%	Purchase of 3.46 million SCC shares in 2016, 2.7 million shares in 2017 and 7.8 million shares in H1 2018

Remeasurement Gain / (Losses) on Pension Plan

	12/31/2019	12/31/2018	Variance	Remarks
Coal	(96)	(38)	152%	Actuarial valuation adjustment on pension plan
SCPC	4	4	16%	No Movement
SLPGC	(6)	(2)	314%	Actuarial valuation adjustment on pension plan
Total	**(98)**	**(36)**	**173%**	

Retained Earnings / (Losses)

	12/31/2019	12/31/2018	Variance	Remarks
Coal	18,749	13,936	35%	Better profitability partially offset by the cash dividend paid
SCPC	6,765	10,091	-33%	Income for the period offset by payment of cash dividend
SLPGC	8,827	5,938	49%	Income for the period offset by payment of cash dividend
Others	(208)	(197)	6%	Expenses of pre-operating subsidiaries
Total	**34,133**	**29,768**	**15%**	

V. PERFORMANCE INDICATORS:

6. **Net Income After Tax** – Consolidated net income after tax down by 20% as coal ASP went down by 22% and power generation down dropped by 22% YOY.
7. **Dividend Payout** – Strong profitability and high liquidity the Company declared regular cash dividend of PhP1.25 per share on 18 March 2019 paid on 26 April 2019.
8. **Debt-to-Equity Ratio** –DE slightly improved to 0.63x from 0.78x at the start of the year despite cash dividend declaration.
9. **Net Profit Margin** – Net profit margin dropped to 22% due to weakening coal prices.
10. **Current Ratio** – Cash position remains healthy despite cash dividend payment on April 26, 2019. The Company's internal current ratio threshold is at least 1.00, end-of-the-period current ratio is 1.54:1.

B. INFORMATION ON INDEPENDENT ACCOUNTANT AND OTHER RELATED MATTERS

The principal accountants and external auditors of SMPC and its Subsidiaries[6] is the accounting firm SyCip Gorres Velayo & Co. (SGV). Pursuant to the General Requirements of SRC Rule 68, paragraph 3 (Qualifications and Reports of Independent Auditors), SMPC and its Subsidiaries have engaged the services of SGV as external auditor, and Dhonabee B. Señeres is the Partner-In-Charge starting 2018 or less than five years following the regulatory policy of audit partner rotation every five years.

1. **External Audit Fees and Services**
   a. Audit & Audit Related Fees- SMPC and its Subsidiaries paid its external auditors the following fees in the past two (2) years:

In Million Pesos with VAT	
2020	7.07[7]
2021	7.47[8]
Total	14.54[9]

   b. Tax Fees - There are no fees billed in each of the last fiscal years for professional services rendered by the SGV for tax accounting, compliance, advice, planning and any other form of tax services.
   c. All Other Fees – In 2021, non-audit fees paid to SGV amounted to Php168,000.00 for assurance engagement as an independent party to count and/or validate the votes by poll cast at the Annual Stockholders' Meeting. There are no significant fees paid in 2021 for products and services provided by SGV other than services reported under item a. above.

2. There have been no changes in or disagreement with SMPC and its Subsidiaries' accountant on accounting and financial disclosures.

3. SMPC's Audit Committee oversees the external audit function on behalf of the Board of Directors (Board). It recommends the appointment, reappointment or replacement of external auditor to the Board. It is charged with the evaluation of the audit work engagements, its scope, fees and terms for approval of the Board. The Audit Committee also reviews non-audit services and taxation advice, if any, by the external auditor. At the conclusion of the annual audit, it discusses with Management and the external

[6] Sem-Calaca Power Corp., Southwest Luzon Power Generation Corp., St. Raphael Power Generation Corp., Semirara Claystone Inc., Sem-Cal Industrial Park Developers, Inc., Sem-Calaca RES Corp., Semirara Energy Utilities, Inc., and Southeast Luzon Power Generation Corp.
[7] Includes Subsidiaries audit fees of Php4.2 million.
[8] Includes Subsidiaries audit fees of Php4.2 million.
[9] Audit and non-audit-related fees; no fees for other assurance and related services were paid.

auditor significant reporting issues. Lastly, the Audit Committee reviews external audit findings in respect of any significant deficiencies or weaknesses in controls and ensures that Management responds appropriately with timely corrective actions, including audit adjusting entries noted or proposed but passed as immaterial or otherwise. The current members of the Audit Committee of the Corporation are Jose Antonio U. Periquet, Jr. as Chairman while Honorio O. Reyes-Lao, Rogelio M. Murga, and Ferdinand M. dela Cruz are Members.

PAR IV – DISCUSSION ON COMPLIANCE WITH LEADING PRACTICE ON CORPORATE GOVERNANCE

SMPC's corporate governance framework aims to provide a culture of ethical conduct, higher standards of performance, transparency and accountability throughout the organization. It discloses its overall compliance and level of adoption of leading practices as provided in the SEC's Code of Corporate Governance for Publicly-Listed Companies (PLCs). SMPC seeks to continually improve its compliance with SEC's recommended provisions.

Directors, Officers and employees are advised of their respective duties and internal mechanisms are in place to support the governance framework. It fully complies with the disclosure and reportorial requirements of the SEC and PSE, such as certifications on compliances on Board performance, structured reports, as well as timely disclosures of significant and material information, events or developments and reporting of transactions involving trading of the Company's shares by Directors and Key Officers. The Company's governance structure, policies and systems are further described in the relevant governance section of its Integrated Annual and Sustainability Report.

SUSTAINABLE GOVERNANCE

SMPC scored 107.15 points in the 2021 ASEAN Corporate Governance Scorecard (ACGS) assessment run. The Company was also honored with the ASEAN Asset Class award as among the top-scoring PLCs in the ASEAN region based on the 2020 ACGS assessment.

SMPC's Manual on Corporate Governance expresses clearly the roles and responsibilities of the Board and Management to the stockholders and other stakeholders which include customers, employees, suppliers, business partners, government and community in which it operates.

In 2021, the Company fully complied with the provisions of its Manual on Corporate Governance.

RIGHTS OF SHAREHOLDERS

SMPC protects and facilitates the exercise of basic shareholder rights. It maintains a share structure that gives all shares equal voting rights. It allows all shareholders the right to nominate candidates for board of directors. It is committed to providing reasonable economic returns to the investors through the right to participate in its profits. It respects the right of a shareholder to participate, be informed and vote in key decisions regarding fundamental corporate changes in its Annual Shareholders' Meeting (ASM). Shareholders are furnished with sufficient and timely information concerning the ASM date, location, agenda including the rules and voting procedures that govern such meetings in the Notice of ASM and accompanying SEC Form 20-IS Information Statement. It respects other shareholder rights, specifically, to inspect corporate books and records, to information, to dividends and appraisal right.

EQUITABLE TREATMENT OF SHAREHOLDERS

It ensures equitable treatment of all shareholders and provides them the opportunity to obtain redress for violation of their rights. It has a share structure of one class of common shares with one vote for each share. It aims to protect non-controlling shareholders from inequitable conduct and abusive self-dealing of its Directors, Officers and employees. Related good governance policies include:

- Insider Trading Policy - explicitly prohibits insider trading to prevent conflict of interest and benefiting from insider information or knowledge not available to the general public. It prescribes trading block off periods and requires Directors and officers to inform or report to SMPC their trading transactions of SMPC shares within three (3) business days. In 2021, there was no insider trading violation case reported.
- Related Party Transaction (RPT) Policy – provides that RPTs be arms-length and at terms available to an unaffiliated third party under the same or similar business circumstances. It also sets threshold levels requiring approval of the Board or shareholders, and that RPTs be arms-length and at terms generally available to an unaffiliated third party under the same or similar circumstances, among others. All Independent Directors through SMPC's Audit Committee regularly review material significant RPTs that meet the threshold levels stipulated by regulatory rules and requirements on RPTs and materiality guidelines per RPT Policy. In 2021,

all actual RTPs were conducted in arms-length terms.

- Material Related Party Transaction (RPT) Policy - requires at least two-thirds (2/3) approval vote of the Board of Directors, with at least a majority of the Independent Directors, of all transactions of SMPC and subsidiaries meeting the materiality threshold of RPTs amounting to ten percent (10%) or higher of SMPC's Total Consolidated Assets based on its latest audited consolidated financial statements. The policy provisions are compliant with SEC's Rules on Material RPTs for PLCs. These include guidelines in ensuring arm's length terms, maintaining a Related Party Registry and audit, risk and compliance system, among others. In 2021, there was no material RPT that breached the prescribed SEC materiality threshold.

  The principal risks to minority shareholders associated with the identity of our company's controlling shareholders include transactions with and/or dependence on related parties, are mitigated by a corporate governance framework that protects and ensures the rights and equitable treatment of all shareholders, including minority and foreign shareholders. Basic shareholder rights, such as the right to information and shareholder participation in key company decisions and fundamental issues, disclosures of control structures and voting rights and threshold approvals of related party transactions, among others are upheld by our governance policies.

In 2021, the Company continues to be an institutional member of the Shareholders' Association of the Philippines Inc. (SharePHIL), which promotes investor education and shareholder activism, and advocates the protection of shareholders' rights.

ROLE OF STAKEHOLDERS
It protects the rights and interests of its employees, customers, suppliers, business partners, creditors, government, environment, communities and other stakeholders as established by law or through mutual agreements. Its active engagement and partnership with key stakeholders encourage open communication and early resolution of issues or concerns, if any, during quarterly monitoring meetings with the Multi-Monitoring Team wherein various sectoral stakeholder groups are represented and heard. Related policies include:

- Alternative Dispute Resolution Policy - promotes the use of alternative dispute resolution (ADR) options and processes in the settlement of corporate governance related disputes or differences with shareholders and key stakeholders.
- Anti-corruption and Ethics Program - consists of ethics-related policies, soft controls and audit procedures aimed to promote the highest standards of openness, probity and accountability throughout the organization.
- Whistleblowing/Hotline reporting mechanism - provides a secure reporting venue for employees, customers, suppliers and other stakeholders to raise and communicate in good faith valid complaints and confidential concerns on fraud, questionable and unethical transactions.

DISCLOSURE AND TRANSPARENCY
It commits to a regime of open disclosure and transparency of material information and events regarding its financial performance, ownership and business updates. Its Information Policy ensures information is communicated to shareholders and key stakeholders by timely and adequate disclosures through announcements, quarterly or annual reporting, SMPC website and investor relations activities such as analyst briefings and media/press engagement.

We engage with institutional and prospective investors, investment analysts, fund managers and the financial community through various platforms, such as analyst-media briefings, local investor conference, person-to-person meetings, and conference calls, among others.

Our Investor Relations (IR) unit was centralized under our Parent, DMCI Holdings, Inc.'s (DMCI) group-wide IR function to enhance alignment of the group's investor relations strategy and engagement. Our IR team attended the Annual Shareholders' Meeting on May 3, 2021 to address possible shareholder queries.

Our IR Contact Information:
E-mail: Investor_Relations@semirarampc.com
Telephone: +638888-3000

RESPONSIBILITIES OF THE BOARD
SMPC's Good Governance Guidelines for Board Directors serve as the Board's charter with policies regarding directorship tenure, service in other company boards, conflict of interest, among others. It aims to protect non-controlling shareholders from inequitable conduct of its Directors, officers and employees. Its Code of Conduct and Business Ethics (Code) embodies the Board's commitment to conduct business with the highest ethical

standards and in accordance with applicable laws, rules and regulations. The Code, which is aligned with SMPC's Manual on Corporate Governance, includes provisions on conflict of interest, gifts, corporate giving, insider trading, corporate opportunities, accounting and financial reporting, influencing external auditor, political activities, fair dealings, confidentiality, protection and proper use of company assets, among others. Annually, SMPC requires all Directors and Officers to certify their compliance with the Code.

ENTERPRISE RISK MANAGEMENT
Our ERM framework is based on the leading frameworks of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and ISO 31000: 2009, integrating a system that all business risks are identified, measured and managed effectively and continuously within a structured and proactive framework. It supports a systematic and disciplined approach to provide clear responsibility and accountability structures of risk management.

Risk Governance
Our Senior Vice-President – Chief Risk, Compliance and Performance Officer (CRCPO) leads the overall implementation and enhancement of our ERM framework and practices. Our Risk Advisory (RA) Department provides full support to the CRCPO and Risk Committee in ensuring effective and integrated risk management system in place.

Our Risk Appetite
Our Board sets the tone and establishes the risk appetite level for our ERM. Risks are identified, assessed, managed, monitored and communicated per the Company's strategic and business objectives and then subsequently applied across the organization.
Our Risk Committee assists the Board to ensure that an adequate and effective risk management system is in place. Risk management of significant risks, including emerging risks are regularly reported to the Board.

Business Continuity Management
Our Business Continuity Management efforts are designed to ensure that critical business processes are restored to minimize business disruption without compromising safety and health in the event of a major internal or external incident.

Risks
We implement a proactive hazard identification, risk mitigation, monitoring and risk reporting of our business and associated risks. These are occupational safety & health, compliance & reputation, people & talent, power regulations, asset performance & production efficiency, supply chain, and climate-related risks.

UPON THE WRITTEN REQUEST OF ANY STOCKHOLDER, SMPC WILL PROVIDE, WITHOUT CHARGE, A HARD COPY OF ITS DEFINITIVE INFORMATION STATEMENT, ANNUAL REPORT IN SEC FORM 17-A AND THE CORPORATION'S LATEST QUARTERLY REPORT IN SEC FORM 17-Q DULY FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THE STOCKHOLDER MAY BE CHARGED A REASONABLE COST FOR PHOTOCOPYING THE EXHIBITS.

ALL REQUESTS MAY BE SENT TO THE FOLLOWING:

SEMIRARA MINING AND POWER CORPORATION
2nd Floor DMCI Plaza, 2281 Don Chino Roces Avenue
Makati City, Metro Manila, Philippines

ATTENTION: **JOHN R. SADULLO**
VP Legal & Corporate Secretary

Stock Transfer Service Inc.
SEMIRARA MINING AND POWER CORPORATION
List of Top 100 Stockholders
As of 03/14/2022

Rank	Name	Holdings	Rank
1	DMCI HOLDINGS, INC.	2,407,770,396	56.46%
2	PCD NOMINEE CORPORATION (FILIPINO)	765,104,051	17.94%
3	DACON CORPORATION	542,067,778	12.71%
4	PCD NOMINEE CORPORATION (FOREIGN)	211,854,191	04.97%
5	PRIVATIZATION AND MANAGEMENT OFFICE	145,609,296	03.41%
6	DFC HOLDINGS, INC.	82,364,916	01.93%
7	FREDA HOLDINGS, INC.	18,616,092	00.44%
8	AUGUSTA HOLDINGS, INC.	15,995,600	00.38%
9	SEMIRARA MINING AND POWER CORPORATION	12,971,590	00.30%
10	REGINA CAPITAL DEVELOPMENT CORP.	10,300,000	00.24%
11	BERIT HOLDINGS CORPORATION	10,239,980	00.24%
12	AUGUSTA HOLDINGS, INC.	7,241,098	00.17%
13	MERU HOLDINGS, INC	5,348,198	00.13%
14	DAVEPRIME HOLDINGS, INC.	3,445,389	00.08%
15	ARTREGARD HOLDINGS, INC.	3,390,390	00.08%
16	GREAT TIMES HOLDINGS, CORP.	2,881,148	00.07%
17	F. YAP SECURITIES INC.	2,760,000	00.06%
18	JAIME B. GARCIA	2,193,768	00.05%
19	DAVEPRIME HOLDINGS, INC.	2,177,400	00.05%
20	VITA TRAVEL SERVICES CORPORATION VITA TRAVEL SERVICES CORPORATION	2,000,000	00.05%
21	GREAT TIMES HOLDINGS CORPORATION	1,754,556	00.04%
22	WINDERMERE HOLDINGS INC.	1,162,168	00.03%
23	VENDIVEL, OLGA P.	960,000	00.02%
24	REGINA CAPITAL DEVELOPMENT CORPORATION	900,000	00.02%
25	SAN JUAN, ROMULO D.	580,000	00.01%
26	TASHIDING HOLDINGS, INC.	326,400	00.01%

Rank	Name	Holdings	Rank
27	CHRISZEN HOLDINGS, INC.	302,792	00.01%
28	BERIT HOLDINGS CORPORATION	257,700	00.01%
29	DIRECTPOINT HOLDINGS INC	223,944	00.01%
30	ROMULO D. SAN JUAN	220,000	00.01%
31	TEAM GLADIOLA, INC.	183,135	00.00%
32	FLASHPRIME HOLDINGS INC.	180,364	00.00%
33	AMATONG, ISAGANI S.	166,800	00.00%
34	TENG, CHING BUN	135,000	00.00%
35	MARIA VANESSA ROSE L. TANCO	135,000	00.00%
36	XINIMA ZHA	128,000	00.00%
37	REYES, JOSEFA C.	120,000	00.00%
38	AGILEWINGS HOLDINGS, INC.	110,000	00.00%
39	ASTERION HOLDINGS, INC.	110,000	00.00%
40	LIGHTSTAR INFINITE HOLDINGS, INC.	110,000	00.00%
41	LUMIDERM HOLDINGS, INC.	110,000	00.00%
42	JABBERWOCK HOLDINGS, INC.	96,000	00.00%
43	JABBERWOCK HOLDINGS INC.	95,828	00.00%
44	FLASHPRIME HOLDINGS, INC.	90,000	00.00%
45	XIE BIHUI	82,500	00.00%
46	YAN, LUCIO W. YAN &/OR CLARA Y.	80,000	00.00%
47	CHEN, XIAOER	72,000	00.00%
48	ROSARIO, VICTOR J. DEL ROSARIO OR MA. RITA S. DEL	72,000	00.00%
49	YEBES, ROLANDO E.	60,000	00.00%
50	CHEN SHU ZHU	58,630	00.00%
51	NARANJO, LORNA J.	57,500	00.00%
52	ZHUANG, YUANPENG	56,000	00.00%

Rank	Name	Holdings	Rank
53	ANGELICA S.J. IBANEZ	55,000	00.00%
54	HO, DORIS TERESA M.	46,080	00.00%
55	ANGELICA SJ. IBANEZ	45,000	00.00%
56	INTERNATIONAL SYNTHETIC INDUSTRIES INC.	45,000	00.00%
57	MARANA, MIGUEL DE CASTRO OR BITUIN DE CASTRO MARANA	41,160	00.00%
58	RUFINO, JOSEFINA P.	40,880	00.00%
59	GAHUMAN, KRIZZA RICA O.	40,000	00.00%
60	ZHUANG, YUANHAN	39,200	00.00%
61	CID, JOHANNA THERESA A.	35,100	00.00%
62	AMATONG, ADRIAN MICHAEL A.	32,400	00.00%
63	AMATONG, ANTOINETTE MARIE	32,400	00.00%
64	RANILLO, ANNA MICHELLE A.	32,400	00.00%
65	MARANA JR., CENON BIENVENIDO	32,400	00.00%
66	XIE, XINGXIA	32,400	00.00%
67	AKIDAGAIN HOLDINGS INC.	30,516	00.00%
68	WINDERMERE HOLDINGS, INC.	30,480	00.00%
69	AKIDAGAIN HOLDINGS, INC.,	30,000	00.00%
70	ERNESTO A. FRANCISCO	30,000	00.00%
71	BAUTISTA, JOHN A.	27,600	00.00%
72	FREDA HOLDINGS INC.	24,000	00.00%
73	KE, CONGMING	24,000	00.00%
74	YEBES, ROLANDO ENRIQUEZ	20,520	00.00%
75	JOSE, SEMENARIO E. JOSE OR MARIA LUNINGNING A.	20,000	00.00%
76	JOSEFINA P. RUFINO	20,000	00.00%
77	SEMENARIO E. JOSE OR MARIA LUNINGNING A. JOSE	20,000	00.00%
78	DIAZ, FERDINAND T.	15,000	00.00%

Rank	Name	Holdings	Rank
79	MARANA, MIGUEL DC	14,400	00.00%
80	GARCIA, EXEQUIEL	12,240	00.00%
81	LAPERAL, MA. EDWINA C. ITF MIGUEL DAVID C. LAPERAL	12,000	00.00%
82	MADERA, GREGORIO	12,000	00.00%
83	GURPREET SINGH GREWAL	10,520	00.00%
84	OLIZON, ANTONIO C.	9,360	00.00%
85	PATTUGALAN, ROLANDO I.	9,120	00.00%
86	CATHAY ASIA SEC., INC.	9,120	00.00%
87	MYRA P. VILLANUEVA	8,000	00.00%
88	TANCO, GERALDINE K.	7,425	00.00%
89	TANCO, MARTIN K.	7,425	00.00%
90	TANCO, PATRICK K.	7,425	00.00%
91	TANCO, RONALD K.	7,425	00.00%
92	LELEN A VALDERRAMA ITF GERENT ARN VALDERRAMA	7,000	00.00%
93	LELEN A VALDERRAMA ITF YASMIN AYN VALDERRAMA	7,000	00.00%
94	LELEN A. VALDERRAMA	7,000	00.00%
95	LELEN A. VALDERRAMA ITF YADIN AYN VALDERRAMA	7,000	00.00%
96	IRIS VERONICA G. LIM	7,000	00.00%
97	NARANJO, ROMEO VINCY J.	6,960	00.00%
98	AUGUSTA HOLDINGS INC.	6,924	00.00%
99	LAYA, JAIME C. &/OR ALICIA S. LAYA	5,520	00.00%
100	REYES-LAO, HONORIO O.	4,000	00.00%

Rank	Name	Holdings	Rank
	Total Top 100 Shareholders :	4,264,353,998	99.99%
	Total Issued Shares	4,264,609,290	

Philippine Depository & Trust Corp.		
OUTSTANDING BALANCES FOR A SPECIFIC COMPANY - ADHOC		
Company Code - SCC000000000 & Company Name - SEMIRARA MINING AND POWER CORPORATION		
Selection Criteria :		
Security ID From : SCC00000000000 To : SCC000000000 Input Date : 03/11/2022		
BPNAME	**STREETADDRESS**	**HOLDINGS**
UPCC SECURITIES CORP.	UNIT 1202 TOWER ONE AND EXCHANGE PLAZA AYALA AVENUE, MAKATI CITY	229,640.00
A & A SECURITIES, INC.	Rm. 1906 Ayala Ave. Condominium 6776 Ayala Ave., Makati City	1,101,100.00
A & A SECURITIES, INC.	Rm. 1906 Ayala Ave. Condominium 6776 Ayala Ave., Makati City	754,000.00
A & A SECURITIES, INC.	Rm. 1906 Ayala Ave. Condominium 6776 Ayala Ave., Makati City	500,000.00
ABACUS SECURITIES CORPORATION	Unit 2904-A East Tower, PSE Centre Exchange Road, Ortigas Center Pasig City	100.00
ABACUS SECURITIES CORPORATION	Unit 2904-A East Tower, PSE Centre Exchange Road, Ortigas Center Pasig City	7,172,725.00
ABACUS SECURITIES CORPORATION	Unit 2904-A East Tower, PSE Centre Exchange Road, Ortigas Center Pasig City	9,393.00
ABACUS SECURITIES CORPORATION	Unit 2904-A East Tower, PSE Centre Exchange Road, Ortigas Center Pasig City	2,820,000.00

BPNAME	STREETADDRESS	HOLDINGS
PHILSTOCKS FINANCIAL INC	Unit 1101 Orient Square Building Emerald Avenue Ortigas Center, Pasig City	134,420.00
PHILSTOCKS FINANCIAL INC	Unit 1101 Orient Square Building Emerald Avenue Ortigas Center, Pasig City	5,084,013.00
PHILSTOCKS FINANCIAL INC	Unit 1101 Orient Square Building Emerald Avenue Ortigas Center, Pasig City	90,312.00
A. T. DE CASTRO SECURITIES CORP.	UNIT 1107, 11TH FLOOR, PSE TOWER 5TH AVENUE CORNER 28TH STREET, BONIFACIO GLOBAL CITY TAGUIG CITY 1634	756,200.00
ALPHA SECURITIES CORP.	UNIT 3003, ONE CORPORATE CENTRE, 30TH FLOOR, JULIA VARGAS STREET, COR MERALCO AVENUE STREET, ORTIGAS CENTER, PASIG CITY	4,000.00
BA SECURITIES, INC.	Rm 401-403 CLMC Bldg, 256-259 EDSA Greenhills Mandaluyong City	24,020.00
BA SECURITIES, INC.	Rm 401-403 CLMC Bldg, 256-259 EDSA Greenhills Mandaluyong City	80,000.00
BA SECURITIES, INC.	Rm 401-403 CLMC Bldg, 256-259 EDSA Greenhills Mandaluyong City	410,100.00
AP SECURITIES INCORPORATED	Suites 2002/2004, The Peak, 107 Alfaro St., Salcedo Village, Makati City	55,400.00

BPNAME	STREETADDRESS	HOLDINGS
AP SECURITIES INCORPORATED	Suites 2002/2004, The Peak, 107 Alfaro St., Salcedo Village, Makati City	3,815,540.00
ANSALDO, GODINEZ & CO., INC.	340 Nueva St., Binondo Manila	364,460.00
AB CAPITAL SECURITIES, INC.	8/F Phinma Plaza 39 Plaza Drive, Rockwell Center Makati City	76,200.00
AB CAPITAL SECURITIES, INC.	8/F Phinma Plaza 39 Plaza Drive, Rockwell Center Makati City	7,086,135.00
AB CAPITAL SECURITIES, INC.	8/F Phinma Plaza 39 Plaza Drive, Rockwell Center Makati City	48,460.00
AB CAPITAL SECURITIES, INC.	8/F Phinma Plaza 39 Plaza Drive, Rockwell Center Makati City	83,640.00
AB CAPITAL SECURITIES, INC.	8/F Phinma Plaza 39 Plaza Drive, Rockwell Center Makati City	144,700.00
SARANGANI SECURITIES, INC.	UNIT 2 D1 VERNIDA I CONDOMINIUM 120 AMORSOLO ST., LEGASPI VILLAGE MAKATI CITY	24,600.00
SB EQUITIES,INC.	7TH FLOOR, SECURITY BANK BLDG., 6776 AYALA AVE., MAKATI CITY	1,000,000.00

BPNAME	STREETADDRESS	HOLDINGS
SB EQUITIES,INC.	7TH FLOOR, SECURITY BANK BLDG., 6776 AYALA AVE., MAKATI CITY	8,862,040.00
SB EQUITIES,INC.	7TH FLOOR, SECURITY BANK BLDG., 6776 AYALA AVE., MAKATI CITY	4,491,960.00
SB EQUITIES,INC.	7TH FLOOR, SECURITY BANK BLDG., 6776 AYALA AVE., MAKATI CITY	1,087,600.00
SB EQUITIES,INC.	7TH FLOOR, SECURITY BANK BLDG., 6776 AYALA AVE., MAKATI CITY	71,400.00
ASIA PACIFIC CAPITAL EQUITIES & SECURITIES CORP.	24/F Galleria Corporate Center EDSA corner Ortigas Avenue, Pasig City	21,800.00
ASIASEC EQUITIES, INC.	8/F Chatham House 116 Valero cor. V.A. Rufino Sts Salcedo Village, Makati City 1227	16,000.00
ASIASEC EQUITIES, INC.	8/F Chatham House 116 Valero cor. V.A. Rufino Sts Salcedo Village, Makati City 1227	9,571,080.00
ASTRA SECURITIES CORPORATION	Units 1204-1205 Ayala Tower One Ayala Ave. cor. Paseo de Roxas Makati City	305,000.00
CHINA BANK SECURITIES CORPORATION	Unit 6f, 6th Floor 8101 Pearl Plaza, Pearl Drive Ortigas Center, Pasig City	11,800.00

BPNAME	STREETADDRESS	HOLDINGS
CHINA BANK SECURITIES CORPORATION	Unit 6f, 6th Floor 8101 Pearl Plaza, Pearl Drive Ortigas Center, Pasig City	943,000.00
BELSON SECURITIES, INC.	4th Floor Belson House 271 Edsa, Mandaluyong City	2,246,000.00
BELSON SECURITIES, INC.	4th Floor Belson House 271 Edsa, Mandaluyong City	18,720,500.00
BENJAMIN CO CA & CO., INC.	ROOM 301 DOWNTOWN CENTER BLDG., 516 QUINTIN PAREDES ST., BINONDO, MANILA	30,200.00
B. H. CHUA SECURITIES CORPORATION	872 G. Araneta Avenue, Quezon City	30,450.00
JAKA SECURITIES CORP.	Unit 814, Ayala Tower I Ayala Ave., Makati City	2,300.00
BPI SECURITIES CORPORATION	11F AYALA NORTH EXCHANGE TOWER 1 6796 AYALA AVENUE CORNER SALCEDO AND AMORSOLO STS. SAN LORENZO, MAKATI CITY PHILIPPINES 1229	157,855.00
BPI SECURITIES CORPORATION	11F AYALA NORTH EXCHANGE TOWER 1 6796 AYALA AVENUE CORNER SALCEDO AND AMORSOLO STS. SAN LORENZO, MAKATI CITY PHILIPPINES 1229	23,292,523.00
BPI SECURITIES CORPORATION	11F AYALA NORTH EXCHANGE TOWER 1 6796 AYALA AVENUE CORNER SALCEDO AND AMORSOLO STS. SAN LORENZO, MAKATI CITY PHILIPPINES 1229	78.00

BPNAME	STREETADDRESS	HOLDINGS
CAMPOS, LANUZA & COMPANY, INC.	2002B PSEC EAST TOWER ECHANGE RD ORTIGAS CENTER PASIG CITY 1605	73,484.00
CAMPOS, LANUZA & COMPANY, INC.	2002B PSEC EAST TOWER ECHANGE RD ORTIGAS CENTER PASIG CITY 1605	1,100.00
SINCERE SECURITIES CORPORATION	1203-A EAST TOWER, PSE BUILDING, EXCHANGE ROAD, ORTIGAS CENTER, SAN ANTONIO, PASIG CITY	1,000.00
CTS GLOBAL EQUITY GROUP, INC.	Rm. 2701-B Tektite Tower Center Exchange Rd, Pasig City	1,672,800.00
CTS GLOBAL EQUITY GROUP, INC.	Rm. 2701-B Tektite Tower Center Exchange Rd, Pasig City	155,500.00
TRITON SECURITIES CORP.	26/F LKG Tower, 6801 Ayala Avenue Makati City	1,069,640.00
IGC SECURITIES INC.	Suite 1006, Tower I & Exchange Plaza Ayala Triangle, Ayala Avenue Makati City	24,000.00
IGC SECURITIES INC.	Suite 1006, Tower I & Exchange Plaza Ayala Triangle, Ayala Avenue Makati City	236,940.00
IGC SECURITIES INC.	Suite 1006, Tower I & Exchange Plaza Ayala Triangle, Ayala Avenue Makati City	1,497,180.00

BPNAME	STREETADDRESS	HOLDINGS
CUALOPING SECURITIES CORPORATION	UNIT 061 LEVEL 3, AYALA MALLS CIRCUIT, HIPPODROMO STREET, CIRCUIT MAKATI, BRGY. CARMONA, MAKATI CITY 1209, PHILIPPINES	194,080.00
CUALOPING SECURITIES CORPORATION	UNIT 061 LEVEL 3, AYALA MALLS CIRCUIT, HIPPODROMO STREET, CIRCUIT MAKATI, BRGY. CARMONA, MAKATI CITY 1209, PHILIPPINES	20,000.00
DAVID GO SECURITIES CORP.	UNIT 2702D EAST TOWER, PHILIPPINE STOCK EXCHANGE CENTRE, EXCHANGE ROAD, ORTIGAS CENTER, PASIG CITY	2,450,900.00
DAVID GO SECURITIES CORP.	UNIT 2702D EAST TOWER, PHILIPPINE STOCK EXCHANGE CENTRE, EXCHANGE ROAD, ORTIGAS CENTER, PASIG CITY	3,656,700.00
DAVID GO SECURITIES CORP.	UNIT 2702D EAST TOWER, PHILIPPINE STOCK EXCHANGE CENTRE, EXCHANGE ROAD, ORTIGAS CENTER, PASIG CITY	10,000.00
DIVERSIFIED SECURITIES, INC.	5/F PDCP Bank Centre, Herrera cor. Alfaro Sts., Salcedo Village, Makati City	1,196,300.00
DIVERSIFIED SECURITIES, INC.	5/F PDCP Bank Centre, Herrera cor. Alfaro Sts., Salcedo Village, Makati City	131,000.00
E. CHUA CHIACO SECURITIES, INC.	113 Renta St., Binondo, Manila	10,000.00
E. CHUA CHIACO SECURITIES, INC.	113 Renta St., Binondo, Manila	985,300.00

BPNAME	STREETADDRESS	HOLDINGS
EAST WEST CAPITAL CORPORATION	2/F U-Bix Building 1331 Angono St., Makati City	592,000.00
EASTERN SECURITIES DEVELOPMENT CORPORATION	1701 Tytana Ctr. Bldg, Binondo, Manila	2,454,700.00
EQUITIWORLD SECURITIES, INC.	807-809 Philippine Stock Exchange Ayala Tower 1, Ayala Avenue Makati City	34,540.00
EVERGREEN STOCK BROKERAGE & SEC., INC.	Suite 606 - 607, 6th Floor, Tower One Phil. Stock Exchange Plaza, Ayala Triangle, Ayala Ave. Makati City	1,085,740.00
EVERGREEN STOCK BROKERAGE & SEC., INC.	Suite 606 - 607, 6th Floor, Tower One Phil. Stock Exchange Plaza, Ayala Triangle, Ayala Ave. Makati City	162,080.00
EVERGREEN STOCK BROKERAGE & SEC., INC.	Suite 606 - 607, 6th Floor, Tower One Phil. Stock Exchange Plaza, Ayala Triangle, Ayala Ave. Makati City	18,000.00
EVERGREEN STOCK BROKERAGE & SEC., INC.	Suite 606 - 607, 6th Floor, Tower One Phil. Stock Exchange Plaza, Ayala Triangle, Ayala Ave. Makati City	15,000.00
FIRST ORIENT SECURITIES, INC.	UNIT 1709 17TH FLOOR PHILIPPINE STOCK EXCHANGE TOWER 5TH AVENUE CORNER 28TH STREET BONIFACIO GLOBAL CITY, TAGUIG CITY	111,140.00
FIRST ORIENT SECURITIES, INC.	UNIT 1709 17TH FLOOR PHILIPPINE STOCK EXCHANGE TOWER 5TH AVENUE CORNER 28TH STREET BONIFACIO GLOBAL CITY, TAGUIG CITY	159,900.00

BPNAME	STREETADDRESS	HOLDINGS
FIRST ORIENT SECURITIES, INC.	UNIT 1709 17TH FLOOR PHILIPPINE STOCK EXCHANGE TOWER 5TH AVENUE CORNER 28TH STREET BONIFACIO GLOBAL CITY, TAGUIG CITY	120,000.00
FIRST INTEGRATED CAPITAL SECURITIES, INC.	Units 1211-1212 Tower I & Exchange Plaza, Ayala Ave. Cor. Paseo de Roxas, Makati City	19,400.00
F. YAP SECURITIES, INC.	17TH FLOOR LEPANTO BUILDING 8747 PASEO DE ROXAS, MAKATI CITY	6,500.00
F. YAP SECURITIES, INC.	17TH FLOOR LEPANTO BUILDING 8747 PASEO DE ROXAS, MAKATI CITY	745,400.00
F. YAP SECURITIES, INC.	17TH FLOOR LEPANTO BUILDING 8747 PASEO DE ROXAS, MAKATI CITY	66,000.00
AURORA SECURITIES, INC.	UNIT 2405A WEST TOWER PHILIPPINE STOCK EXCHANGE CENTRE ORTIGAS, PASIG CITY	119,000.00
GLOBALINKS SECURITIES & STOCKS, INC.	# 706 Ayala Tower One Ayala Avenue Cor. Paseo de Roxas St. Makati City	40,000.00
GLOBALINKS SECURITIES & STOCKS, INC.	# 706 Ayala Tower One Ayala Avenue Cor. Paseo de Roxas St. Makati City	4,777,751.00
GLOBALINKS SECURITIES & STOCKS, INC.	# 706 Ayala Tower One Ayala Avenue Cor. Paseo de Roxas St. Makati City	3,059,800.00

BPNAME	STREETADDRESS	HOLDINGS
GLOBALINKS SECURITIES & STOCKS, INC.	# 706 Ayala Tower One Ayala Avenue Cor. Paseo de Roxas St. Makati City	36,000.00
GLOBALINKS SECURITIES & STOCKS, INC.	# 706 Ayala Tower One Ayala Avenue Cor. Paseo de Roxas St. Makati City	258,752.00
JSG SECURITIES, INC.	4th Floor, A&T Building, 244 Escolta Street, Binondo, Manila	102,200.00
GOLDSTAR SECURITIES, INC.	2201-B East Tower, PSE Centre Exchange Rd, Ortigas Center Pasig City	379,000.00
GUILD SECURITIES, INC.	Unit 1215 Tower One & Exchange Plaza Ayala Ave., Makati City	995,600.00
GUILD SECURITIES, INC.	Unit 1215 Tower One & Exchange Plaza Ayala Ave., Makati City	231,000.00
HDI SECURITIES, INC.	UNIT 2305-B 23/F ORIENT SQUARE BLDG., F. ORTIGAS, JR. ROAD, ORTIGAS CENTRE, PASIG CITY, 1605	1,000.00
HDI SECURITIES, INC.	UNIT 2305-B 23/F ORIENT SQUARE BLDG., F. ORTIGAS, JR. ROAD, ORTIGAS CENTRE, PASIG CITY, 1605	57,400.00
HDI SECURITIES, INC.	UNIT 2305-B 23/F ORIENT SQUARE BLDG., F. ORTIGAS, JR. ROAD, ORTIGAS CENTRE, PASIG CITY, 1605	932,120.00

BPNAME	STREETADDRESS	HOLDINGS
HDI SECURITIES, INC.	UNIT 2305-B 23/F ORIENT SQUARE BLDG., F. ORTIGAS, JR. ROAD, ORTIGAS CENTRE, PASIG CITY, 1605	144,200.00
HDI SECURITIES, INC.	UNIT 2305-B 23/F ORIENT SQUARE BLDG., F. ORTIGAS, JR. ROAD, ORTIGAS CENTRE, PASIG CITY, 1605	900.00
H. E. BENNETT SECURITIES, INC.	Rm. 1704 World Trade Exchange Bldg., 215 Juan Luna St., Binondo, Manila	57,000.00
I. B. GIMENEZ SECURITIES, INC.	3/F NEW ROSARIO ORTIGAS ARCADE, NO. 42, ORTIGAS EXTENSION, ROSARIO, PASIG CITY	14,440.00
INVESTORS SECURITIES, INC,	Unit 604-605 Tower One & Exchange Plaza Ayala Triangle, Ayala Ave. cor Paseo de Roxas Makati City	1,778,600.00
IMPERIAL,DE GUZMAN,ABALOS & CO.,INC.	Ground Floor, EDSA Central Square Shaw Boulevard, Mandaluyong City	10,100.00
IMPERIAL,DE GUZMAN,ABALOS & CO.,INC.	Ground Floor, EDSA Central Square Shaw Boulevard, Mandaluyong City	164,810.00
IMPERIAL,DE GUZMAN,ABALOS & CO.,INC.	Ground Floor, EDSA Central Square Shaw Boulevard, Mandaluyong City	4,000.00
INTRA-INVEST SECURITIES, INC.	11/F ACT Tower, 135 Sen. Gil Puyat Ave., Salcedo Vill., Makati City	47,000.00

BPNAME	STREETADDRESS	HOLDINGS
INTRA-INVEST SECURITIES, INC.	11/F ACT Tower, 135 Sen. Gil Puyat Ave., Salcedo Vill., Makati City	16,800.00
J.M. BARCELON & CO., INC.	#5 PENNSYLVANNIA STREET, NEW MANILA, QUEZON CITY	13,500.00
J.M. BARCELON & CO., INC.	#5 PENNSYLVANNIA STREET, NEW MANILA, QUEZON CITY	30,000.00
VALUE QUEST SECURITIES CORPORATION	45 SWALLOW DRIVE GREENMEADOWS QUEZON CITY 1100	2,527,300.00
STRATEGIC EQUITIES CORP.	Unit 610-611 PSE Plaza, Tower I, Ayala Triangle, Ayala Ave., Makati City	935,820.00
STRATEGIC EQUITIES CORP.	Unit 610-611 PSE Plaza, Tower I, Ayala Triangle, Ayala Ave., Makati City	30,500.00
STRATEGIC EQUITIES CORP.	Unit 610-611 PSE Plaza, Tower I, Ayala Triangle, Ayala Ave., Makati City	558,180.00
LARRGO SECURITIES CO., INC.	Rm. 202 2/F Rufino Building, Ayala Avenue, Makati City	72,600.00
LARRGO SECURITIES CO., INC.	Rm. 202 2/F Rufino Building, Ayala Avenue, Makati City	20,000.00

BPNAME	STREETADDRESS	HOLDINGS
LOPEZ, LOCSIN, LEDESMA & CO., INC.	405 URBAN BUILDING, SEN. GIL. PUYAT AVENUE, MAKATI CITY	34,968.00
LOPEZ, LOCSIN, LEDESMA & CO., INC.	405 URBAN BUILDING, SEN. GIL. PUYAT AVENUE, MAKATI CITY	19,800.00
LUCKY SECURITIES, INC.	Unit 1402-B PSE Center Exchange Road, Ortigas Center Pasig City	958,300.00
LUCKY SECURITIES, INC.	Unit 1402-B PSE Center Exchange Road, Ortigas Center Pasig City	53,200.00
LUYS SECURITIES COMPANY, INC.	28/F LKG Tower 6801 Ayala Ave. Makati City	527,700.00
LUYS SECURITIES COMPANY, INC.	28/F LKG Tower 6801 Ayala Ave. Makati City	300.00
MANDARIN SECURITIES CORPORATION	28/F LKG Tower 6801 Ayala Ave. Makati City	84,700.00
MANDARIN SECURITIES CORPORATION	28/F LKG Tower 6801 Ayala Ave. Makati City	325,700.00
MANDARIN SECURITIES CORPORATION	28/F LKG Tower 6801 Ayala Ave. Makati City	20.00

BPNAME	STREETADDRESS	HOLDINGS
MANDARIN SECURITIES CORPORATION	28/F LKG Tower 6801 Ayala Ave. Makati City	1,600.00
COL Financial Group, Inc.	2401-B EAST TOWER, PSE CENTER, EXCHANGE ROAD, ORTIGAS CENTER 1605 PASIG CITY	2,770,880.00
COL Financial Group, Inc.	2401-B EAST TOWER, PSE CENTER, EXCHANGE ROAD, ORTIGAS CENTER 1605 PASIG CITY	67,994,518.00
DA MARKET SECURITIES, INC.	Unit 2402-B West Tower, PSE Center Exchange Road, Ortigas Center Pasig City	1,491,120.00
MERCANTILE SECURITIES CORP.	UNIT 1102 THE PSE TOWER, ONE BONIFACIO HIGH STREET, 5TH AVENUE CORNER 28TH STREET, BONIFACIO GLOBAL CITY, FORT BONIFACIO, TAGUIG CITY	500,000.00
MERCANTILE SECURITIES CORP.	UNIT 1102 THE PSE TOWER, ONE BONIFACIO HIGH STREET, 5TH AVENUE CORNER 28TH STREET, BONIFACIO GLOBAL CITY, FORT BONIFACIO, TAGUIG CITY	1,800.00
MERIDIAN SECURITIES, INC.	Suite 2702B&C Tektite Tower I Ortigas Centre, Pasig City	666,940.00
MDR SECURITIES, INC.	UNIT 1608 PHILIPPINE STOCK EXCHANGE TOWER 28TH ST. COR. 5TH BONIFACIO GLOBAL CITY TAGUIG CITY	4,400.00
MDR SECURITIES, INC.	UNIT 1608 PHILIPPINE STOCK EXCHANGE TOWER 28TH ST. COR. 5TH BONIFACIO GLOBAL CITY TAGUIG CITY	271,000.00

BPNAME	STREETADDRESS	HOLDINGS
REGIS PARTNERS, INC.	23/F Tower I, Ayala Triangle, Makati City	400.00
REGIS PARTNERS, INC.	23/F Tower I, Ayala Triangle, Makati City	165,000.00
REGIS PARTNERS, INC.	23/F Tower I, Ayala Triangle, Makati City	43,083,640.00
REGIS PARTNERS, INC.	23/F Tower I, Ayala Triangle, Makati City	2,605,000.00
MOUNT PEAK SECURITIES, INC.	#748 C.K. Bldg., Juan Luna St., Binondo, Manila	2,340.00
NEW WORLD SECURITIES CO., INC.	UNIT 2608 WORLD TRADE EXCHANGE BLDG. 215 JUAN LUNA ST. BINONDO, MANILA 1006	147,600.00
OPTIMUM SECURITIES CORPORATION	No. 11 E. O. Bldg., United St. cor. 2nd St. Bo. Kapitolyo, Pasig City	964,780.00
RCBC SECURITIES, INC.	Unit 1008 Tower I & Exchange Plaza Ayala Avenue, Makati City	400.00
RCBC SECURITIES, INC.	Unit 1008 Tower I & Exchange Plaza Ayala Avenue, Makati City	2,406,909.00

BPNAME	STREETADDRESS	HOLDINGS
RCBC SECURITIES, INC.	Unit 1008 Tower I & Exchange Plaza Ayala Avenue, Makati City	408,300.00
RCBC SECURITIES, INC.	Unit 1008 Tower I & Exchange Plaza Ayala Avenue, Makati City	90,600.00
RCBC SECURITIES, INC.	Unit 1008 Tower I & Exchange Plaza Ayala Avenue, Makati City	190,500.00
RCBC SECURITIES, INC.	Unit 1008 Tower I & Exchange Plaza Ayala Avenue, Makati City	14,500.00
RCBC SECURITIES, INC.	Unit 1008 Tower I & Exchange Plaza Ayala Avenue, Makati City	7,860.00
PAN ASIA SECURITIES CORP.	UNIT L2L20-09 PHILIPPINE STOCK EXCHANGE TOWER, 5TH AVE., COR. 28TH STREET, BONIFACIO GLOBAL CITY	198,000.00
PAN ASIA SECURITIES CORP.	UNIT L2L20-09 PHILIPPINE STOCK EXCHANGE TOWER, 5TH AVE., COR. 28TH STREET, BONIFACIO GLOBAL CITY	10,000.00
PAPA SECURITIES CORPORATION	GROUND FLOOR, ACE BUILDING, DE LA ROSA CORNER RADA ST., LEGASPI VILLAGE, MAKATI CITY	4,906,859.00
PAPA SECURITIES CORPORATION	GROUND FLOOR, ACE BUILDING, DE LA ROSA CORNER RADA ST., LEGASPI VILLAGE, MAKATI CITY	2,487,450.00

BPNAME	STREETADDRESS	HOLDINGS
MAYBANK ATR KIM ENG SECURITIES, INC.	17/F Tower One & Exchange Plaza, Ayala Triangle, Ayala Avenue Makati City	484,300.00
MAYBANK ATR KIM ENG SECURITIES, INC.	17/F Tower One & Exchange Plaza, Ayala Triangle, Ayala Avenue Makati City	4,079,340.00
MAYBANK ATR KIM ENG SECURITIES, INC.	17/F Tower One & Exchange Plaza, Ayala Triangle, Ayala Avenue Makati City	4,400.00
MAYBANK ATR KIM ENG SECURITIES, INC.	17/F Tower One & Exchange Plaza, Ayala Triangle, Ayala Avenue Makati City	5,340,120.00
PNB SECURITIES, INC.	3/F PNB Financial Center Roxas Blvd., Pasay City	12,560.00
PNB SECURITIES, INC.	3/F PNB Financial Center Roxas Blvd., Pasay City	1,684,800.00
PREMIUM SECURITIES, INC.	UNIT L2L11-14 PHILIPPINE STOCK EXCHANGE BLDG., 5TH AVE. COR. 28TH ST., ONE BONIFACIO HIGH STREET, BONIFACIO GLOBAL CITY	103,200.00
SALISBURY BKT SECURITIES CORPORATION	SALISBURY BKT SECURITIES CORP U1214 PSE TOWER ONE AND EXCHANGE PLAZA AYALA AVENUE MAKATI CITY	90,000.00
SALISBURY BKT SECURITIES CORPORATION	SALISBURY BKT SECURITIES CORP U1214 PSE TOWER ONE AND EXCHANGE PLAZA AYALA AVENUE MAKATI CITY	318.00

BPNAME	STREETADDRESS	HOLDINGS
QUALITY INVESTMENTS & SECURITIES CORPORATION	Suite 1602 Tytana Plaza Oriente St, Binondo Manila	829,584.00
R & L INVESTMENTS, INC.	675 Lee St., Mandaluyong City	6,600.00
ALAKOR SECURITIES CORPORATION	9/F Quad Alpha Centrum, 125 Pioneer St. Mandaluyong City	40,000.00
ALAKOR SECURITIES CORPORATION	9/F Quad Alpha Centrum, 125 Pioneer St. Mandaluyong City	127,000.00
R. COYIUTO SECURITIES, INC.	5/F Corinthian Plaza, Paseo de Roxas, Legaspi Village Makati City	506,020.00
R. COYIUTO SECURITIES, INC.	5/F Corinthian Plaza, Paseo de Roxas, Legaspi Village Makati City	55,000.00
REGINA CAPITAL DEVELOPMENT CORPORATION	UNIT 1809-1810 PSE TOWER 5TH AVENUE COR 28TH ST. BONIFACIO GLOBAL CITY TAGUIG CITY	900.00
REGINA CAPITAL DEVELOPMENT CORPORATION	UNIT 1809-1810 PSE TOWER 5TH AVENUE COR 28TH ST. BONIFACIO GLOBAL CITY TAGUIG CITY	1,344,506.00
REGINA CAPITAL DEVELOPMENT CORPORATION	UNIT 1809-1810 PSE TOWER 5TH AVENUE COR 28TH ST. BONIFACIO GLOBAL CITY TAGUIG CITY	8,131,600.00

BPNAME	STREETADDRESS	HOLDINGS
REGINA CAPITAL DEVELOPMENT CORPORATION	UNIT 1809-1810 PSE TOWER 5TH AVENUE COR 28TH ST. BONIFACIO GLOBAL CITY TAGUIG CITY	703,000.00
REGINA CAPITAL DEVELOPMENT CORPORATION	UNIT 1809-1810 PSE TOWER 5TH AVENUE COR 28TH ST. BONIFACIO GLOBAL CITY TAGUIG CITY	118,900.00
REGINA CAPITAL DEVELOPMENT CORPORATION	UNIT 1809-1810 PSE TOWER 5TH AVENUE COR 28TH ST. BONIFACIO GLOBAL CITY TAGUIG CITY	25,500.00
R. NUBLA SECURITIES, INC.	Rm 405 Co Ban Kiat Building II, 231 Juan Luna St., Binondo, Manila	11,903,740.00
R. NUBLA SECURITIES, INC.	Rm 405 Co Ban Kiat Building II, 231 Juan Luna St., Binondo, Manila	11,869,000.00
R. NUBLA SECURITIES, INC.	Rm 405 Co Ban Kiat Building II, 231 Juan Luna St., Binondo, Manila	183,500.00
AAA SOUTHEAST EQUITIES, INCORPORATED	Ground Floor, Fortune Life Building #162 Legaspi St., Legaspi Village Makati City	1,000.00
AAA SOUTHEAST EQUITIES, INCORPORATED	Ground Floor, Fortune Life Building #162 Legaspi St., Legaspi Village Makati City	1,032,400.00
R. S. LIM & CO., INC.	1509 Galvani Street San Isidro, Makati City	846,600.00

BPNAME	STREETADDRESS	HOLDINGS
RTG & COMPANY, INC.	UNIT 602 TOWER ONE AND EXCHANGE PLAZA, AYALA TRIANGLE, AYALA AVENUE, MAKATI CITY	1,289,500.00
S.J. ROXAS & CO., INC.	1412 PSE TOWER 5TH AVENUE COR. 28TH STREET, BONIFACIO GLOBAL CITY, TAGUIG CITY	243,900.00
S.J. ROXAS & CO., INC.	1412 PSE TOWER 5TH AVENUE COR. 28TH STREET, BONIFACIO GLOBAL CITY, TAGUIG CITY	3,200.00
SECURITIES SPECIALISTS, INC.	8/F LTA BLDG 118 PEREA ST LEGASPI VILLAGE MAKATI CITY 1226	2,127,240.00
SECURITIES SPECIALISTS, INC.	8/F LTA BLDG 118 PEREA ST LEGASPI VILLAGE MAKATI CITY 1226	4,445,106.00
SECURITIES SPECIALISTS, INC.	8/F LTA BLDG 118 PEREA ST LEGASPI VILLAGE MAKATI CITY 1226	133,000.00
FIDELITY SECURITIES, INC.	2103-B PSE Centre, Exchange Road, Ortigas, Pasig City	32,300.00
FIDELITY SECURITIES, INC.	2103-B PSE Centre, Exchange Road, Ortigas, Pasig City	10,000.00
SUMMIT SECURITIES, INC.	UNIT 2102-B, 21ST FLOOR, EAST TEKTITE TOWER PHIL. STOCK EXCHANGE CENTER, EXCHANGE ROAD ORTIGAS CENTER, PASIG CITY	1,718,020.00

BPNAME	STREETADDRESS	HOLDINGS
SUMMIT SECURITIES, INC.	UNIT 2102-B, 21ST FLOOR, EAST TEKTITE TOWER PHIL. STOCK EXCHANGE CENTER, EXCHANGE ROAD ORTIGAS CENTER, PASIG CITY	100,000.00
STANDARD SECURITIES CORPORATION	#34 Jefferson St., GHW, San Juan Metro Manila	361,560.00
TANSENGCO & CO., INC.	U-2308 World Trade Exchange Condominium 215 Juan Luna St., Binondo, Manila	1,000.00
TANSENGCO & CO., INC.	U-2308 World Trade Exchange Condominium 215 Juan Luna St., Binondo, Manila	305,100.00
THE FIRST RESOURCES MANAGEMENT & SECURITIES CORP.	5TH FL. PSE TOWER, 5TH AVE. COR. 28TH ST. BGC, TAGUIG CITY	176,540.00
THE FIRST RESOURCES MANAGEMENT & SECURITIES CORP.	5TH FL. PSE TOWER, 5TH AVE. COR. 28TH ST. BGC, TAGUIG CITY	590,600.00
TOWER SECURITIES, INC.	1802-C TEKTITE TOWER 1, EXCHANGE ROAD, ORTIGAS CENTER, PASIG CITY	2,721,480.00
TOWER SECURITIES, INC.	1802-C TEKTITE TOWER 1, EXCHANGE ROAD, ORTIGAS CENTER, PASIG CITY	12,000.00
TRANS-ASIA SECURITIES, INC.	RM. 601-S, STATE CENTRE, 333 JUAN LUNA ST. BINONDO MANILA	10,800.00

BPNAME	STREETADDRESS	HOLDINGS
APEX PHILIPPINES EQUITIES CORPORATION	Unit 902, Antel Corporate Center, No. 139 Valero St., Salcedo Vill., Makati City	20,700.00
UCPB SECURITIES, INC.	Suite 1612, 16/F Ayala Tower I Exchange Plaza, Ayala Ave. cor. Paseo de Roxas Makati City	7,653,180.00
VENTURE SECURITIES, INC.	Unit 811 Tower One & Exchange Plaza Ayala Triangle Ayala Ave. cor. Paseo de Roxas Makati City	197,760.00
VENTURE SECURITIES, INC.	Unit 811 Tower One & Exchange Plaza Ayala Triangle Ayala Ave. cor. Paseo de Roxas Makati City	14,800.00
FIRST METRO SECURITIES BROKERAGE CORP.	Unit 1515, 15/F Ayala Tower One Ayala Triangle, Ayala Ave. cor Paseo de Roxas Makati City	261,300.00
FIRST METRO SECURITIES BROKERAGE CORP.	Unit 1515, 15/F Ayala Tower One Ayala Triangle, Ayala Ave. cor Paseo de Roxas Makati City	8,500.00
FIRST METRO SECURITIES BROKERAGE CORP.	Unit 1515, 15/F Ayala Tower One Ayala Triangle, Ayala Ave. cor Paseo de Roxas Makati City	28,038,445.00
FIRST METRO SECURITIES BROKERAGE CORP.	Unit 1515, 15/F Ayala Tower One Ayala Triangle, Ayala Ave. cor Paseo de Roxas Makati City	5,335,570.00
FIRST METRO SECURITIES BROKERAGE CORP.	Unit 1515, 15/F Ayala Tower One Ayala Triangle, Ayala Ave. cor Paseo de Roxas Makati City	17,100.00

BPNAME	STREETADDRESS	HOLDINGS
FIRST METRO SECURITIES BROKERAGE CORP.	Unit 1515, 15/F Ayala Tower One Ayala Triangle, Ayala Ave. cor Paseo de Roxas Makati City	170,600.00
FIRST METRO SECURITIES BROKERAGE CORP.	Unit 1515, 15/F Ayala Tower One Ayala Triangle, Ayala Ave. cor Paseo de Roxas Makati City	37,140.00
WEALTH SECURITIES, INC.	15TH FLOOR PSE TOWER 5TH AVENUE CORNER 28TH ST. BONIFACIO GLOBAL CITY TAGUIG CITY	493,800.00
WEALTH SECURITIES, INC.	15TH FLOOR PSE TOWER 5TH AVENUE CORNER 28TH ST. BONIFACIO GLOBAL CITY TAGUIG CITY	1,810,283.00
WEALTH SECURITIES, INC.	15TH FLOOR PSE TOWER 5TH AVENUE CORNER 28TH ST. BONIFACIO GLOBAL CITY TAGUIG CITY	30,036.00
WEALTH SECURITIES, INC.	15TH FLOOR PSE TOWER 5TH AVENUE CORNER 28TH ST. BONIFACIO GLOBAL CITY TAGUIG CITY	80.00
WESTLINK GLOBAL EQUITIES, INC.	6/F Philippine Stock Exchange Plaza Ayala Avenue, Makati City	114,400.00
BERNAD SECURITIES, INC.	3/F 1033 M.H. del Pilar St. Ermita, Manila	810,000.00
WONG SECURITIES CORPORATION	1402-B A. Mabini St., cor. Sta. Monica St., Ermita, Manila	12,800.00

BPNAME	STREETADDRESS	HOLDINGS
WONG SECURITIES CORPORATION	1402-B A. Mabini St., cor. Sta. Monica St., Ermita, Manila	4,000.00
YAO & ZIALCITA, INC.	Yao & Zialcita, Inc., 5G Vernida I Condominium, 120 Amorsolo St., Legaspi Village, Makati City	1,228,500.00
YU & COMPANY, INC.	UNIT 1606B EAST TOWER, PSE CENTER, EXCHANGE ROAD, ORTIGAS CENTER, PASIG CITY 1605	273,500.00
BDO SECURITIES CORPORATION	27/F Tower I & Exchange Plaza Ayala Ave., Makati City	15,625,061.00
BDO SECURITIES CORPORATION	27/F Tower I & Exchange Plaza Ayala Ave., Makati City	56,264,430.00
BDO SECURITIES CORPORATION	27/F Tower I & Exchange Plaza Ayala Ave., Makati City	2,712.00
BDO SECURITIES CORPORATION	27/F Tower I & Exchange Plaza Ayala Ave., Makati City	3,404,389.00
BDO SECURITIES CORPORATION	27/F Tower I & Exchange Plaza Ayala Ave., Makati City	946,500.00
EAGLE EQUITIES, INC.	179 Kaimito St. Valle Verde II, Pasig City	5,140.00

BPNAME	STREETADDRESS	HOLDINGS
EAGLE EQUITIES, INC.	179 Kaimito St. Valle Verde II, Pasig City	694,506.00
GOLDEN TOWER SECURITIES & HOLDINGS, INC.	4-B Vernida I Condominium, 120 Amorsolo St., Legaspi Village, Makati City	47,000.00
SOLAR SECURITIES, INC.	Unit 3002-A East Tower, Phil. Stock Exchange Centre, Exchange Road, Ortigas Complex, Pasig City	1,225,760.00
G.D. TAN & COMPANY, INC.	Unit 2203-A East Tower, PSE Center Exchange Road, Ortigas Center, Pasig City	92,200.00
G.D. TAN & COMPANY, INC.	Unit 2203-A East Tower, PSE Center Exchange Road, Ortigas Center, Pasig City	58,020.00
VC SECURITIES CORPORATION	6TH FLOOR WILSON CORPORATE CENTER, 225 A WILSON ST. GREENHILLS, SAN JUAN	22,648,600.00
VC SECURITIES CORPORATION	6TH FLOOR WILSON CORPORATE CENTER, 225 A WILSON ST. GREENHILLS, SAN JUAN	940,400.00
VC SECURITIES CORPORATION	6TH FLOOR WILSON CORPORATE CENTER, 225 A WILSON ST. GREENHILLS, SAN JUAN	709,100.00
CLSA PHILIPPINES, INC.	Trafalgar Plaza, Unit 17-D, 105 H.V. dela Costa St., Salcedo Vill., Makati City	68.00

BPNAME	STREETADDRESS	HOLDINGS
CLSA PHILIPPINES, INC.	Trafalgar Plaza, Unit 17-D, 105 H.V. dela Costa St., Salcedo Vill., Makati City	15,300.00
PHILIPPINE EQUITY PARTNERS, INC.	Unit 19C Citibank Tower Citibank Plaza 8741 Paseo de Roxas Makati City	28.00
PHILIPPINE EQUITY PARTNERS, INC.	Unit 19C Citibank Tower Citibank Plaza 8741 Paseo de Roxas Makati City	1,509,760.00
UNICAPITAL SECURITIES INC.	4F Majalco Bldg Benavidez cor Trasierra Sts Legaspi Vill., Makati City	1,100.00
UNICAPITAL SECURITIES INC.	4F Majalco Bldg Benavidez cor Trasierra Sts Legaspi Vill., Makati City	2,931,201.00
UNICAPITAL SECURITIES INC.	4F Majalco Bldg Benavidez cor Trasierra Sts Legaspi Vill., Makati City	95,500.00
UNICAPITAL SECURITIES INC.	4F Majalco Bldg Benavidez cor Trasierra Sts Legaspi Vill., Makati City	24.00
UNICAPITAL SECURITIES INC.	4F Majalco Bldg Benavidez cor Trasierra Sts Legaspi Vill., Makati City	23,640.00
UNICAPITAL SECURITIES INC.	4F Majalco Bldg Benavidez cor Trasierra Sts Legaspi Vill., Makati City	421,020.00

BPNAME	STREETADDRESS	HOLDINGS
SunSecurities, Inc.	UNIT 1604 EAST TEKTITE TOWER CENTRE, PHIL. STOCK EXCHANGE CENTRE EXCHANGE ROAD, BRGY. SAN ANTONIO, ORTIGAS CENTER, PASIG CITY	807,500.00
SunSecurities, Inc.	UNIT 1604 EAST TEKTITE TOWER CENTRE, PHIL. STOCK EXCHANGE CENTRE EXCHANGE ROAD, BRGY. SAN ANTONIO, ORTIGAS CENTER, PASIG CITY	40,000.00
COHERCO SECURITIES, INC.	8TH FLOOR HERCO CENTER, 114 BENAVIDEZ STREET LEGASPI VILLAGE, MAKATI CITY	21,240.00
TIMSON SECURITIES, INC.	UNIT 3310 ROBINSON'S EQUITABLE TOWER ADB AVE. CORNER POVEDA, ORTIGAS	399,900.00
STAR ALLIANCE SECURITIES CORP.	1201 ONE GLOBAL PLACE, 5TH AVE. COR. 25TH ST., BONIFACIO GLOBAL CITY, TAGUIG CITY	203,300.00
BANCO DE ORO - TRUST BANKING GROUP	17/F, South Tower, BDO Corporate Centre cor H.V. Dela Costa and Makati Avenue Makati City City	399,930.00
BANCO DE ORO - TRUST BANKING GROUP	17/F, South Tower, BDO Corporate Centre cor H.V. Dela Costa and Makati Avenue Makati City City	42,290.00
BANK OF COMMERCE - TRUST SERVICES GROUP	PHIL FIRST BUILDING, 6764 AYALA AVE., MAKATI CITY PHILIPPINES	25,595.00
BANK OF COMMERCE - TRUST SERVICES GROUP	PHIL FIRST BUILDING, 6764 AYALA AVE., MAKATI CITY PHILIPPINES	82,340.00

BPNAME	STREETADDRESS	HOLDINGS
CHINA BANKING CORPORATION - TRUST GROUP	8/F CBC Building, 8745 Paseo de Roxas cor. Villar Streets Makati City	277,740.00
CHINA BANKING CORPORATION - TRUST GROUP	8/F CBC Building, 8745 Paseo de Roxas cor. Villar Streets Makati City	923,800.00
CITIBANK N.A.	2/F CITIBANK CENTER 8741 PASEO DE ROXAS MAKATI CITY	14,554,994.00
CITIBANK N.A.	2/F CITIBANK CENTER 8741 PASEO DE ROXAS MAKATI CITY	36,354,797.00
DEUTSCHE BANK MANILA-CLIENTS A/C	26/F Ayala Tower One Ayala Triangle, Makati City	21,428,910.00
DEUTSCHE BANK MANILA-CLIENTS A/C	26/F ayala Tower One, Ayala Triangle, Makati City	3,047,900.00
GOVERNMENT SERVICE INSURANCE SYSTEM	GSIS Hqs., Financial Center Roxas Blvd., Pasay City	58,946,238.00
THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -CLIENTS' ACCT.	HSBC Securities Services 12th Floor, The Enterprise Center, Tower I 6766 Ayala Avenue corner Paseo de Roxas Makati City	42,300,695.00
THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -CLIENTS' ACCT.	HSBC Securities Services 12th Floor, The Enterprise Center, Tower I 6766 Ayala Avenue corner Paseo de Roxas Makati City	26,304,852.00

BPNAME	STREETADDRESS	HOLDINGS
LAND BANK OF THE PHILIPPINES-TRUST BANKING GROUP	LBP PLAZA 1598 M.H. DEL PILAR COR DR. J. QUINTOS STS., MALATE MANILA	658,910.00
AB CAPITAL & INVESTMENT CORP. - TRUST & INVESTMENT DIV.	G/F, Asianbank Centre Bldg., Sen. Gil Puyat Extension cor. Tordesillas St., Salcedo Village Makati City	968,700.00
AB CAPITAL & INVESTMENT CORP. - TRUST & INVESTMENT DIV.	G/F, Asianbank Centre Bldg., Sen. Gil Puyat Extension cor. Tordesillas St., Salcedo Village Makati City	1,700.00
AB CAPITAL & INVESTMENT CORP. - TRUST & INVESTMENT DIV.	G/F, Asianbank Centre Bldg., Sen. Gil Puyat Extension cor. Tordesillas St., Salcedo Village Makati City	700,868.00
ASIA UNITED BANK - TRUST & INVESTMENT GROUP	347 G/F Morning Star Bldg. Sen. Gil Puyat, Makati City	86,400.00
UNITED COCONUT PLANTERS LIFE ASSURANCE CORPORATION	6774 Cocolife Building, Ayala Avenue, Makati City	6,834,200.00
UNITED COCONUT PLANTERS LIFE ASSURANCE CORPORATION	6774 Cocolife Building, Ayala Avenue, Makati City	24,000.00
SSS PROVIDENT FUND	8F SSS BLDG. EAST AVENUE, DILIMAN QUEZON CITY	2,783,440.00
PNB TRUST BANKING GROUP	3/F PNB Financial Center Roxas Blvd., Pasay City	1,953,904.00

BPNAME	STREETADDRESS	HOLDINGS
PNB TRUST BANKING GROUP	3/F PNB Financial Center Roxas Blvd., Pasay City	3,221,240.00
EASTWEST BANKING CORPORATION - TRUST DIVISION	20/F PBCOM TOWER, AYALA AVE., MAKATI CITY	720,000.00
EASTWEST BANKING CORPORATION - TRUST DIVISION	20/F PBCOM TOWER, AYALA AVE., MAKATI CITY	380,000.00
RCBC TRUST & INVESTMENT DIVISION	9TH FLOOR, YUCHENGCO TOWER 1, RCBC PLAZA, 6819 AYALA AVENUE CORNER GIL PUYAT AVENUE, MAKATI CITY	55,380.00
RCBC TRUST & INVESTMENT DIVISION	9TH FLOOR, YUCHENGCO TOWER 1, RCBC PLAZA, 6819 AYALA AVENUE CORNER GIL PUYAT AVENUE, MAKATI CITY	1,241,680.00
RCBC TRUST & INVESTMENT DIVISION - VARIOUS TAXABLE ACCTS	9TH FLOOR, YUCHENGCO TOWER 1, RCBC PLAZA, 6819 AYALA AVENUE CORNER GIL PUYAT AVENUE, MAKATI CITY	768,460.00
RCBC TRUST & INVESTMENT DIVISION - VARIOUS TAXABLE ACCTS	9TH FLOOR, YUCHENGCO TOWER 1, RCBC PLAZA, 6819 AYALA AVENUE CORNER GIL PUYAT AVENUE, MAKATI CITY	720,080.00
STANDARD CHARTERED BANK	6756 Ayala Avenue Makati City	96,059,705.00
STANDARD CHARTERED BANK	6756 Ayala Avenue Makati City	16,269,900.00

BPNAME	STREETADDRESS	HOLDINGS
MBTC - TRUST BANKING GROUP	5/F Metrobank Plaza Sen. Gil J. Puyat Ave. Makati City	273,516.00
MBTC - TRUST BANKING GROUP	5/F Metrobank Plaza Sen. Gil J. Puyat Ave. Makati City	27,750.00
MBTC - TRUST BANKING GROUP	5/F Metrobank Plaza Sen. Gil J. Puyat Ave. Makati City	21,544.00
SOCIAL SECURITY SYSTEM	SSS Bldg., East Ave., Diliman, Quezon City	133,414,186.00
SOCIAL SECURITY SYSTEM	SSS Bldg., East Ave., Diliman, Quezon City	13,901,946.00
LBP-TBG THIRD PARTY CUSTODIANSHIP & REGISTRY DEPT	Landbank Plaza 1598 M.H. Del Pilar cor. Dr. J. Quintos Sts., Malate Manila	10,000.00
UNITED FUND, INC.	Cocolife Building, Ayala Avenue, Makati City	180,000.00
	TOTAL HOLDINGS	**976,958,242.00**

If no written notice of any error or correction is received by PDTC within five (5) calendar days from receipt hereof, you shall be deemed to have accepted the accuracy and completeness of the details indicated in this report.
This document is computer generated and requires no signature.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The management of **SEMIRARA MINING AND POWER CORPORATION** is responsible for the preparation and fair presentation of the **consolidated financial statements** including the schedules attached therein, for the years ended December 31, 2021 and 2020, in accordance with prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intents to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders.

SyCip Gorres Velayo & Co., the independent auditors, appointed by the stockholders has audited the consolidated financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signed this 24th day of February 2022.

ISIDRO A. CONSUNJI Chairman of the Board & Chief Executive Officer	**CARLA CRISTINA T. LEVINA** Chief Finance Officer

SUBSCRIBED AND SWORN, to before me on this ____ day of MAR 1 8 2022 2022, at MUNTINLUPA CITY, Metro Manila, affiants exhibited to me:

Name	Passport No.	Expiry Date/Place Issued
Isidro A. Consunji	P2690001B	July 30, 2029/DFA, Manila
Carla Cristina T. Levina	P7838909A	July 5, 2028/DFA, Manila

who has satisfactory proven to me their identities through their valid identification cards bearing their photographs and signatures, and that they are the same persons who personally signed before me the foregoing and acknowledged that they executed the same.

Doc. No. 472 ;
Page No. 97 ;
Book No. XI ;
Series of 2022.

MARIA JOSEFINA R. ALFONSO
NOTARY PUBLIC
ROLL NO. 65867
MUNTINLUPA CITY, PHILIPPINES

ATTY. MARIA JOSEFINA R. ALFONSO
Notary Public for Muntinlupa City
Commission No. NC-19-022
Valid until 30 June 2022 as per B.M. No. 3795
Unit 505, Richville Corporate Tower, 1107 Alabang Zapote Rd
Ayala Alabang, Muntinlupa City 1780
Roll of Attorneys No. 65867
IBP LRN No. 015215; PPLM Chapter
PTR No. A-5368757; 01/10/2022; Taguig City
MCLE Compliance No. VI-0015310; 11/10/2018

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

0 0 0 0 0 0 0 9 1 4 4 7

COMPANY NAME

SEMIRARA MINING AND POWER CORP
ORATION AND SUBSIDIARIES

PRINCIPAL OFFICE *(No. / Street / Barangay / City / Town / Province)*

2/F DMCI PLaza, 2281 Don Chino
Roces Avenue, Makati City

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	CRMD	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
www.semiraramining.com	8888-3000 / 8888-3955	N/A

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
741	First Monday of May	December 31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Ms. Carla Cristina T. Levina	ctlevina@semirarampc.com	8888-3025	N/A

CONTACT PERSON's ADDRESS

2/F DMCI Plaza, 2281 Don Chino Roces Avenue, Makati City

NOTE 1 : *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

2 : *All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.*

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and the Stockholders
Semirara Mining and Power Corporation
2/F DMCI Plaza
2281 Don Chino Roces Avenue
Makati City

Opinion

We have audited the consolidated financial statements of Semirara Mining and Power Corporation and its subsidiaries (collectively, the Group), which comprise the consolidated statements of financial position as at December 31, 2021 and 2020, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2021 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Estimation of Provision for Decommissioning and Mine Site Rehabilitation Costs

The Group has recognized provision for decommissioning and mine site rehabilitation costs for the open pit mines of its coal mining activities amounting to ₱298.76 million as of December 31, 2021. This matter is important to our audit because the amount involved is material and the estimation of the provision requires significant management judgment in the use of assumptions, which are subject to higher level of estimation uncertainty. Key assumptions include costs of backfilling, reforestation, and maintenance of the rehabilitated area, inflation rate, and discount rate.

Relevant information on the provision for decommissioning and mine site rehabilitation costs are disclosed in Notes 3 and 14 to the consolidated financial statements.

Audit response

We obtained an understanding of and performed test of controls on management's processes and controls in the estimation of future decommissioning and mine site rehabilitation costs. We evaluated the competence, capabilities and objectivity of the mine site engineers and reviewed the relevant comprehensive mine rehabilitation plan prepared by the Group's Mine Planning and Exploration Department and Environment Department. We inquired of changes in the mine plan and in the cash flow assumptions, including management's bases for identifying and estimating the costs for various mine rehabilitation and closure activities, such as backfilling, reforestation and maintenance of the rehabilitated area. We compared the timing of the expected cash flows with reference to the rehabilitation plan for the open pit mines. We compared the cost estimates to billings, invoices and official receipts. We also evaluated the discount and inflation rates used by comparing these to external data.

Recoverability of Items of Property, Plant and Equipment with Indicators of Impairment

As of December 31, 2021, the Group has yet to obtain a supply agreement for its gas turbine plant with carrying value of ₱1,010.42 million. Also, the joint venture agreement for the development of a thermal power plant was terminated in 2020. As of December 31, 2021, no supply contract has been secured and construction of the plant itself has not commenced. As of the same date, the carrying value of the related asset amounted to ₱104.84 million. These conditions are impairment indicators for which the Group is required under PFRSs to test the recoverability of the relevant items of property, plant and equipment.

This is a key audit matter because the amounts are material to the consolidated financial statements and the assessment of recoverability requires significant judgment and involves estimation and assumptions about future electricity demand and supply, as well as external inputs such as electricity and coal prices, diesel costs, inflation rate and discount rates. In addition, because of the coronavirus pandemic, there is heightened level of uncertainty on the future economic outlook and market forecast.

The relevant information on this matter are disclosed in Notes 3 and 8 to the consolidated financial statements.

Audit response

We involved our internal specialist in evaluating the methodology and the assumptions used in the estimation of recoverable amounts. With respect to future electricity demand, we tested the reasonableness of the inputs to the forecasted revenue based on current and historical dependable capacity, electricity prices and growth rate, taking into consideration the impact associated with the coronavirus pandemic. We compared the electricity prices, coal prices, diesel costs and inflation rate with externally published data.

We tested the parameters used in the determination of the discount rates against the discount rates of comparable companies.

In addition, we reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive, specifically those that have the most significant effect on the determination of the recoverable amount of property, plant and equipment.

Estimation of Mineable Ore Reserves

The Group's coal mining properties totaling to ₱4,562.64 million as of December 31, 2021 are amortized using the units-of-production method. Under this method, management is required to estimate the volume of mineable ore reserves for the remaining life of the mine which is a key input to the amortization of the coal mining properties. This matter is significant to our audit because the estimation of the mineable ore reserves of the Group's coal mines requires use of assumptions and significant estimation from management's specialists.

The related information on the estimation of mineable ore reserves and related coal mining properties are discussed in Notes 3 and 8 to the consolidated financial statements.

Audit response

We obtained an understanding of and performed test of controls on management's processes and controls in the estimation of mineable ore reserves. We evaluated the competence, capabilities and objectivity of management's internal specialists engaged by the Group to perform an assessment of the ore reserves by considering their qualifications, experience and reporting responsibilities. We reviewed the internal specialists' report and obtained an understanding of the nature, scope and objectives of their work and basis of estimates, including the changes in the reserves during the year. We also tested the application of the estimated ore reserves in the amortization of mining properties.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2021, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS, SEC Form 17-A and Annual Report for the year ended December 31, 2021 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Dhonabee B. Señeres.

SYCIP GORRES VELAYO & CO.

Dhonabee B. Señeres

Dhonabee B. Señeres
Partner
CPA Certificate No. 97133
Tax Identification No. 201-959-816
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 97133-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-098-2020, November 27, 2020, valid until November 26, 2023
PTR No. 8854369, January 3, 2022, Makati City

February 24, 2022

SEMIRARA MINING AND POWER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31	
	2021	2020
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 4, 28, 29 and 30)	**₱8,213,048,027**	₱8,084,589,496
Receivables (Notes 5, 17, 28 and 29)	**6,937,177,994**	3,669,234,219
Inventories (Notes 6, 8 and 19)	**10,559,081,495**	10,740,142,357
Other current assets (Note 7)	**1,223,362,466**	805,492,732
Total Current Assets	**26,932,669,982**	23,299,458,804
Noncurrent Assets		
Property, plant and equipment (Notes 8 and 10)	**43,107,760,967**	45,792,738,168
Right-of-use assets (Note 9)	**137,017,373**	156,848,975
Deferred tax assets - net (Note 24)	**559,756,567**	854,996,538
Other noncurrent assets (Notes 7, 10, 28 and 29)	**907,185,163**	1,041,682,098
Total Noncurrent Assets	**44,711,720,070**	47,846,265,779
	₱71,644,390,052	₱71,145,724,583
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Notes 13, 17, 28 and 29)	**₱10,370,383,326**	₱8,306,875,283
Short-term loans (Notes 11, 28 and 29)	**–**	5,425,000,000
Current portion of long-term debt (Notes 12, 28 and 29)	**4,208,923,654**	2,775,355,754
Current portion of lease liabilities (Notes 9, 28 and 29)	**14,837,120**	13,923,691
Total Current Liabilities	**14,594,144,100**	16,521,154,728
Noncurrent Liabilities		
Long-term debt - net of current portion (Notes 12, 28 and 29)	**10,857,711,507**	11,673,716,060
Lease liabilities - net of current portion (Notes 9, 28 and 29)	**73,539,062**	89,095,024
Provision for decommissioning and site rehabilitation costs (Notes 3 and 14)	**325,556,377**	279,202,621
Pension liabilities (Note 18)	**124,049,009**	397,545,236
Other noncurrent liabilities	**59,493,190**	–
Total Noncurrent Liabilities	**11,440,349,145**	12,439,558,941
Total Liabilities	**26,034,493,245**	28,960,713,669
Equity		
Capital stock (Notes 15 and 28)	**4,264,609,290**	4,264,609,290
Additional paid-in capital (Note 28)	**6,675,527,411**	6,675,527,411
Retained earnings (Notes 16 and 28):		
Unappropriated	**28,753,790,517**	26,807,243,576
Appropriated	**6,800,000,000**	5,300,000,000
Net remeasurement losses on pension plan (Notes 18 and 28)	**(144,503,733)**	(122,842,685)
Treasury shares (Notes 15 and 28)	**(739,526,678)**	(739,526,678)
Total Equity	**45,609,896,807**	42,185,010,914
	₱71,644,390,052	₱71,145,724,583

See accompanying Notes to Consolidated Financial Statements.

SEMIRARA MINING AND POWER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2021	2020	2019
REVENUE FROM CONTRACTS WITH CUSTOMERS (Note 31)			
Coal	**₱35,592,978,667**	₱16,488,547,162	₱29,085,433,388
Power	**16,831,448,267**	11,761,821,344	15,166,671,920
	52,424,426,934	28,250,368,506	44,252,105,308
COSTS OF SALES (Notes 19 and 31)			
Coal	**17,324,282,391**	12,280,311,958	17,783,785,669
Power	**8,915,287,329**	7,419,105,537	8,863,373,331
	26,239,569,720	19,699,417,495	26,647,159,000
GROSS PROFIT	**26,184,857,214**	8,550,951,011	17,604,946,308
OPERATING EXPENSES (Notes 20 and 31)	**(9,265,160,273)**	(4,554,061,716)	(7,364,921,176)
INCOME FROM OPERATIONS	**16,919,696,941**	3,996,889,295	10,240,025,132
OTHER INCOME (CHARGES) - Net			
Finance income (Notes 22 and 31)	**22,542,252**	45,872,939	282,983,032
Finance costs (Notes 21 and 31)	**(976,358,612)**	(1,094,820,551)	(1,316,867,512)
Foreign exchange gains (losses) - net (Notes 28 and 31)	**339,601,233**	154,685,877	(8,674,131)
Other income - net (Notes 23 and 31)	**239,739,686**	316,719,609	186,198,604
	(374,475,441)	(577,542,126)	(856,360,007)
INCOME BEFORE INCOME TAX	**16,545,221,500**	3,419,347,169	9,383,665,125
PROVISION FOR (BENEFIT FROM) INCOME TAX (Notes 24 and 31)	**345,124,059**	132,597,757	(295,125,686)
NET INCOME	**16,200,097,441**	3,286,749,412	9,678,790,811
OTHER COMPREHENSIVE LOSS			
Item not to be reclassified to profit or loss in subsequent periods			
Remeasurement losses on pension plan (Note 18)	**(28,881,397)**	(34,933,908)	(89,133,039)
Income tax effect	**7,220,349**	10,480,172	26,739,912
	(21,661,048)	(24,453,736)	(62,393,127)
TOTAL COMPREHENSIVE INCOME	**₱16,178,436,393**	₱3,262,295,676	₱9,616,397,684
Basic/Diluted Earnings per Share (Note 25)	**₱3.81**	₱0.77	₱2.28

See accompanying Notes to Consolidated Financial Statements.

SEMIRARA MINING AND POWER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Capital Stock (Note 15)	Additional Paid-in Capital	Retained Earnings Unappropriated (Note 16)	Retained Earnings Appropriated (Note 16)	Net Remeasurement Loss on Pension Plan (Note 18)	Treasury Shares (Note 15)	Total
			For the Year Ended December 31, 2021				
Balances as of January 1, 2021	**₱4,264,609,290**	**₱6,675,527,411**	**₱26,807,243,576**	**₱5,300,000,000**	**(₱122,842,685)**	**(₱739,526,678)**	**₱42,185,010,914**
Comprehensive income							
Net income	–	–	**16,200,097,441**	–	–	–	**16,200,097,441**
Other comprehensive loss	–	–	–	–	**(21,661,048)**	–	**(21,661,048)**
Total comprehensive income (loss)	–	–	**16,200,097,441**	–	**(21,661,048)**	–	**16,178,436,393**
Cash dividends declared (Note 16)	–	–	**(12,753,550,500)**	–	–	–	**(12,753,550,500)**
Appropriation (Note 16)	–	–	**(1,500,000,000)**	**1,500,000,000**	–	–	–
Balances as of December 31, 2021	**₱4,264,609,290**	**₱6,675,527,411**	**₱28,753,790,517**	**₱6,800,000,000**	**(₱144,503,733)**	**(₱739,526,678)**	**₱45,609,896,807**
			For the Year Ended December 31, 2020				
Balances as of January 1, 2020	₱4,264,609,290	₱6,675,527,411	₱28,833,678,689	₱5,300,000,000	(₱98,388,949)	(₱739,526,678)	₱44,235,899,763
Comprehensive income							
Net income	–	–	3,286,749,412	–	–	–	3,286,749,412
Other comprehensive loss	–	–	–	–	(24,453,736)	–	(24,453,736)
Total comprehensive income (loss)	–	–	3,286,749,412	–	(24,453,736)	–	3,262,295,676
Cash dividends declared (Note 16)	–	–	(5,313,184,525)	–	–	–	(5,313,184,525)
Balances as of December 31, 2020	₱4,264,609,290	₱6,675,527,411	₱26,807,243,576	₱5,300,000,000	(₱122,842,685)	(₱739,526,678)	₱42,185,010,914
			For the Year Ended December 31, 2019				
Balances as of January 1, 2019	₱4,264,609,290	₱6,675,527,411	₱20,468,072,403	₱9,300,000,000	(₱35,995,822)	(₱739,526,678)	₱39,932,686,604
Comprehensive income							
Net income	–	–	9,678,790,811	–	–	–	9,678,790,811
Other comprehensive loss	–	–	–	–	(62,393,127)	–	(62,393,127)
Total comprehensive income (loss)	–	–	9,678,790,811	–	(62,393,127)	–	9,616,397,684
Cash dividends declared (Note 16)	–	–	(5,313,184,525)	–	–	–	(5,313,184,525)
Reversal of appropriation (Note 16)	–	–	4,000,000,000	(4,000,000,000)	–	–	–
Balances as of December 31, 2019	₱4,264,609,290	₱6,675,527,411	₱28,833,678,689	₱5,300,000,000	(₱98,388,949)	(₱739,526,678)	₱44,235,899,763

See accompanying Notes to Consolidated Financial Statements.

SEMIRARA MINING AND POWER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2021	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱16,545,221,500**	₱3,419,347,169	₱9,383,665,125
Adjustments for:			
Depreciation and amortization (Notes 8, 9, 10, 19 and 20)	**6,667,407,615**	6,280,597,948	6,923,044,039
Finance costs (Note 21)	**976,358,612**	1,094,820,551	1,316,867,512
Pension expense (Note 18)	**81,390,961**	70,889,130	692,535
Loss (gain) on sale of equipment (Notes 8 and 23)	**1,990,583**	(67,002,889)	(12,000,005)
Allowance for impairment of other assets	**1,041,239**	–	–
Net unrealized foreign exchange losses (gains)	**(179,861,726)**	68,737,670	139,226,570
Finance income (Note 22)	**(22,542,252)**	(45,872,940)	(282,983,032)
Rental income	**(3,441,745)**	–	–
Provision for impairment losses (Notes 8 and 20)	**–**	157,196,754	166,474,665
Equity in net earnings of joint venture (Note 10)	**–**	(306,874)	(690,954)
Unrealized loss on financial asset at FVPL	**–**	–	245,443,777
Operating income before changes in operating assets and liabilities	**24,067,564,787**	10,978,406,519	17,879,740,232
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Receivables	**(3,168,141,133)**	(47,706,197)	3,513,775,127
Other current assets	**(417,869,734)**	479,486,872	2,666,679,312
Inventories	**181,060,862**	(221,480,470)	2,769,576,176
Increase (decrease) in trade and other payables	**1,725,410,866**	(304,456,973)	(1,486,026,563)
Increase (decrease) in provision for decommissioning and site rehabilitation costs	**36,556,723**	–	(14,543,926)
Cash generated from operations	**22,424,582,371**	10,884,249,751	25,329,200,358
Proceeds from rent collected in advance	**62,934,933**	–	–
Interest received (Note 22)	**21,364,129**	75,968,005	282,983,032
Interest paid	**(835,851,414)**	(1,043,688,003)	(1,270,024,784)
Pension settlement (Note 18)	**(374,664,423)**	(13,348,477)	(11,071,731)
Income taxes paid	**(18,589,382)**	(78,615,783)	(193,027,854)
Net cash provided by operating activities	**21,279,776,214**	9,824,565,493	24,138,059,021
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Property, plant and equipment (including borrowing cost) (Notes 2, 8 and 30)	**(3,864,464,580)**	(5,483,531,298)	(11,634,346,801)
Computer software (Note 10)	**(7,402,204)**	(4,562,479)	(10,326,053)
Investment in a joint venture (Note 10)	**–**	(56,500,000)	–
Proceeds from sale of equipment (Note 8)	**–**	546,586,932	12,000,005
Decrease (increase) in other noncurrent assets (Note 10)	**133,890,921**	818,116,520	(742,661,592)
Net cash used in investing activities	**(3,737,975,863)**	(4,179,890,325)	(12,375,334,441)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from availments of loans (Notes 11, 12 and 30)	**5,304,970,000**	4,980,000,000	47,494,250,000
Payments of:			
Dividends (Notes 16 and 30)	**(12,751,642,860)**	(5,313,211,592)	(5,313,293,707)
Loans (Notes 11, 12 and 30)	**(10,119,384,286)**	(3,702,514,285)	(49,417,912,229)
Principal portion of lease liabilities (Notes 9, 28 and 30)	**(21,747,446)**	(13,096,262)	(10,868,143)
Net cash used in financing activities	**(17,587,804,592)**	(4,048,822,139)	(7,247,824,079)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**174,462,772**	31,651,758	39,232,685
NET INCREASE IN CASH AND CASH EQUIVALENTS	**128,458,531**	1,627,504,787	4,554,133,186
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**8,084,589,496**	6,457,084,709	1,902,951,523
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	**₱8,213,048,027**	₱8,084,589,496	₱6,457,084,709

See accompanying Notes to Consolidated Financial Statements.

1. Corporate Information

Semirara Mining and Power Corporation (SMPC or the Parent Company) is a corporation incorporated in the Philippines on February 26, 1980. The Parent Company's registered and principal office address is at 2/F DMCI Plaza, 2281 Don Chino Roces Avenue, Makati City. The Parent Company's shares of stock are listed and currently traded at the Philippine Stock Exchange (PSE). The Parent Company is a 56.65%-owned subsidiary of DMCI Holdings, Inc. (DMCI-HI), a publicly-listed entity in the Philippines and its ultimate parent company.

The Parent Company and its subsidiaries are collectively referred to herein as "the Group".

The Group's primary purpose is to search for, prospect, explore, dig and drill, mine, exploit, extract, produce, mill, purchase or otherwise acquire, store, hold transport, use experiment with, market, distribute, exchange, sell and otherwise dispose of, import, export and handle, trade, and generally deal in, ship coal, coke, and other coal products of all grades, kinds, forms, descriptions and combinations and in general the products and by-products which may be derived, produced, prepared, developed, compounded, made or manufactured there; to acquire, own, maintain and exercise the rights and privileges under the coal operating contract within the purview of Presidential Decree No. 972, *"The Coal Development Act of 1976"*, and any amendments thereto and to acquire, expand, rehabilitate and maintain power generating plants, develop fuel for generation of electricity and sell electricity to any person or entity through electricity markets, among others.

The consolidated financial statements as of December 31, 2021 and 2020 and for each of the three years in the period ended December 31, 2021, were authorized for issue by the Board of Directors (BOD) on February 24, 2022.

2. Summary of Significant Accounting Policies

Basis of Preparation
The consolidated financial statements of the Group have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss (FVPL) that have been measured at fair value. The Parent Company's functional currency and the Group's presentation currency is the Philippine Peso (₱). All amounts are rounded off to the nearest Peso, except for earnings per share and par value information or unless otherwise indicated.

Statement of Compliance
The consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs).

PFRSs include Philippine Financial Reporting Standards, Philippine Accounting Standards and Interpretations issued by Philippine Interpretations Committee (PIC).

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and the following subsidiaries (which are all incorporated in the Philippines) as of December 31, 2021 and 2020, and for each of the three years in the period ended December 31, 2021:

	Effective Rates of Ownership		
	2021	2020	2019
Sem-Calaca Power Corporation (SCPC)	**100.00 %**	100.00 %	100.00 %
Sem-Calaca RES Corporation (SCRC)[1]	**100.00**	100.00	100.00
Southwest Luzon Power Generation Corporation (SLPGC)	**100.00**	100.00	100.00
SEM-Cal Industrial Park Developers, Inc. (SIPDI)	**100.00**	100.00	100.00
Semirara Claystone, Inc. (SCI)	**100.00**	100.00	100.00
Semirara Energy Utilities, Inc. (SEUI)	**100.00**	100.00	100.00
Southeast Luzon Power Generation Corporation (SELPGC)[2]	**100.00**	100.00	100.00
St. Raphael Power Generation Corporation (SRPGC)[3]	**100.00**	100.00	–

1. Wholly-owned subsidiary of SCPC. Started commercial operations on August 29, 2018.
2. Formerly SEM-Balayan Power Generation Corporation (SBPGC).
3. Previously accounted as an investment in a joint venture. In 2020, SMPC entered into a deed of assignment for acquisition of remaining 50% ownership interest in SRPGC. The acquisition of SRPGC was accounted for as an asset acquisition (see Note 3).

Except for SCPC, SLPGC and SCRC, all other subsidiaries have not yet started commercial operations as of December 31, 2021.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All intra-group assets and liabilities, equity, income, expenses, dividends and cash flows relating to transactions between components of the Group are eliminated in full on consolidation.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Control is achieved when the entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the entity controls an investee if and only if the entity has the following element:
- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support the presumption and when the entity has less than a majority of the voting or similar rights of an investee, the entity considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

A change in the ownership interest of a subsidiary without a loss of control is accounted for as an equity transaction. If the entity loses control over a subsidiary, it:

- Derecognizes the related assets (including goodwill), liabilities, non-controlling interests (NCI) and other components of equity,
- Recognizes the fair value of the consideration received, the fair value of any investment retained and any surplus or deficit in profit or loss.
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

Business Combination and Goodwill

Business combinations are accounted for using the acquisition method. This involves recognizing identifiable assets (including previously unrecognized intangible assets) and liabilities (including contingent liabilities and excluding future restructuring) of the acquired business at fair value. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are charge to expense in the consolidated statement of comprehensive income.

When the Group acquires a business, it assesses the financial assets and financial liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability are recognized in accordance with PFRS 9 either in profit or loss or as change to other comprehensive income. If the contingent consideration is classified as equity, it is not remeasured and its subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

When subsidiaries are sold, the difference between the selling price and the net assets plus cumulative translation differences and goodwill is recognized in the consolidated statement of comprehensive income.

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill or profit or loss is recognized as a result. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

Asset Acquisitions

To assess whether a transaction is the acquisition of a business, the Group applies first a quantitative concentration test (also known as a screening test). The Group is not required to apply the test but may elect to do so separately for each transaction or other event. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is required. Otherwise, or if the Group elects not to apply the test, the Group will perform the qualitative analysis of whether an acquired set of assets and activities includes at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

If the assets acquired and liabilities assumed in an acquisition transaction do not constitute a business as defined under PFRS 3, the transaction is accounted for as an asset acquisition. The Group identifies and recognizes the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets) and liabilities assumed. The acquisition cost is allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such transaction or event does not give rise to goodwill. Where the Group acquires a controlling interest in an entity that is not a business, but obtains less than 100% of the entity, after it has allocated the cost to the individual assets acquired, it notionally grosses up those assets and recognizes the difference as noncontrolling-interests.

When the Group obtains control over a previously held joint operation, and the joint operation does not constitute a business, the transaction is also accounted for as an asset acquisition which does not give rise to goodwill. The acquisition cost to obtain control of the joint operation is allocated to the individual identifiable assets acquired and liabilities assumed, including the additional share of any assets and liabilities previously held or incurred jointly, on the basis of their relative fair values at the date of purchase. Previously held assets and liabilities of the joint operation should remain at their carrying amounts immediately before the transaction.

Adoption of New and Amended Accounting Standards and Interpretations

The accounting policies adopted in the preparation of the Group's consolidated financial statements are consistent with those of the previous financial year, except for the adoption of new standards effective in 2021. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the financial statements of the Group.

- Amendments to PFRS 16, *COVID-19-related Rent Concessions beyond 30 June 2021*

  The amendment provides relief to lessees from applying the PFRS 16 requirement on lease modifications to rent concessions arising as a direct consequence of the COVID-19 pandemic. A lessee may elect not to assess whether a rent concession from a lessor is a lease modification if it meets all of the following criteria:

  - The rent concession is a direct consequence of COVID-19;
  - The change in lease payments results in a revised lease consideration that is substantially the same as, or less than, the lease consideration immediately preceding the change;
  - Any reduction in lease payments affects only payments originally due on or before June 30, 2022; and,
  - There is no substantive change to other terms and conditions of the lease.

  A lessee that applies this practical expedient will account for any change in lease payments resulting from the COVID-19 related rent concession in the same way it would account for a change that is not a lease modification, i.e., as a variable lease payment.

  The amendment is effective for annual reporting periods beginning on or after April 1, 2021, with earlier application permitted.

  This amendment is not applicable to the Group as there are no rent concessions granted to the Group as a lessee.

- Amendments to PFRS 9, PAS 39, PFRS 7, PFRS 4 and PFRS 16, *Interest Rate Benchmark Reform – Phase 2*

  The amendments provide the following temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR):

  - Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform.
  - Relief from discontinuing hedging relationships.
  - Relief from the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

  Following are the information that are required to be disclosed:

  - Nature and extent of risks to which the entity is exposed arising from financial instruments subject to IBOR reform, and how the entity manages those risks; and
  - Progress in completing the transition to alternative benchmark rates, and how the entity is managing that transition.

  This amendment is not applicable to the Group.

Standards Issued but not yet Effective
Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2022

- Amendments to PFRS 3, *Reference to the Conceptual Framework*
  The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition principle of PFRS 3, *Business Combinations* to avoid the issue of potential 'day 2'gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* or Philippine-IFRIC 21, *Levies*, if incurred separately.

  At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and apply prospectively.

- Amendments to PAS 16, *Plant and Equipment: Proceeds before Intended Use*
  The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

  The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

  The amendments are not expected to have a material impact on the Group.

- Amendments to PAS 37, *Onerous Contracts – Costs of Fulfilling a Contract*
  The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

- *Annual Improvements to PFRSs* 2018-2020 Cycle

  - Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*

    The amendment permits a subsidiary that elects to apply paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to PFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of PFRS 1.

    The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

  - Amendments to PFRS 9, *Financial Instruments*, *Fees in the '10 per cent' test for derecognition of financial liabilities*

    The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

    The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.

  - Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*

    The amendment removes the requirement in paragraph 22 of PAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of PAS 41.

    An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after January 1, 2022 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

Effective beginning on or after January 1, 2023

- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
  The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented for annual reporting periods on or after January 1, 2023.

- Amendments to PAS 8, *Definition of Accounting Estimates*

  The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

  An entity applies the amendments to changes in accounting policies and changes in accounting estimates that occur on or after January 1, 2023 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

  The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

  - Replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies, and
  - Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

  The amendments to the Practice Statement provide non-mandatory guidance. Meanwhile, the amendments to PAS 1 are effective for annual periods beginning on or after January 1, 2023. Early application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Group.

Effective beginning on or after January 1, 2024

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

  The amendments clarify paragraphs 69 to 76 of PAS 1, *Presentation of Financial Statements*, to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:
  - What is meant by a right to defer settlement
  - That a right to defer must exist at the end of the reporting period
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. However, in November 2021, the International Accounting Standards Board (IASB) tentatively decided to defer the effective date to no earlier than January 1, 2024. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*
  PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

  The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:
  - A specific adaptation for contracts with direct participation features (the variable fee approach)
  - A simplified approach (the premium allocation approach) mainly for short-duration contracts

  On December 15, 2021, the FRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB.

  PFRS 17 is effective for reporting periods beginning on or after January 1, 2025, with comparative figures required. Early application is permitted.

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

  The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

  On January 13, 2016, the Financial Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

  The Group is currently assessing the impact of adopting these amendments.

Significant Accounting Policies and Disclosures

Current and Noncurrent Classification
The Group presents assets and liabilities in consolidated statement of financial position based on current/noncurrent classification.

An asset is current when it is:

- expected to be realized or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within 12 months after reporting date; or
- cash or cash equivalent, unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.

All other assets are classified as noncurrent.

A liability is current when:
- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after reporting date; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after reporting date.

The Group classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities, respectively.

Fair Value Measurement
The Group measures financial assets designated at FVOCI and financial assets at FVPL at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting date.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Cash and Cash Equivalents

Cash includes cash on hand and cash in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three (3) months or less from dates of placement and that are subject to insignificant risk of change in value.

Recognition and Measurement of Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through OCI and FVPL.

The classification of financial assets at initial recognition that are debt instruments depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs.

Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient for contracts that have a maturity of one year or less, are measured at the transaction price determined under PFRS 15 (refer to the accounting policies in *Revenue from contracts with customers*).

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

As of December 31, 2021 and 2020, the Group's financial assets compromise of financial assets at amortized cost.

Subsequent measurement - Financial assets at amortized cost (debt instruments)
The Group measures financial assets at amortized cost if both of the following conditions are met:
- the asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and,
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost includes cash and cash equivalents, receivables and environmental guarantee fund (included under other noncurrent assets).

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired, or,
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognized an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets
The Group recognizes an allowance for Expected Credit Losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate (EIR). The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other financial assets such receivable from related parties, other receivables and refundable deposits, ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For cash and cash equivalents, the Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Group’s policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from Standard & Poor’s (S&P), Moody’s and Fitch to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

For short-term investments, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument.

The Group considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities are trade and other payables (except statutory payables), short-term loans, long-term debt and lease liabilities.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVPL

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by PFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the consolidated statement of comprehensive income.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in PFRS 9 are satisfied. The Group has not designated any financial liability as at FVPL.

Loans and borrowings (Financial liabilities at amortized cost)

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in consolidated statement of comprehensive income.

This category generally applies to trade and other payables, short-term loans, long-term debt and lease liabilities.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Group's consolidated statement of comprehensive income.

Deferred Financing Costs
Deferred financing costs represent debt issue costs arising from the fees incurred to obtain project financing. This is included in the initial measurement of the related debt. The deferred financing costs are treated as a discount on the related debt and are amortized using the EIR method over the term of the related debt.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

'Day 1' difference
For transactions other than those related to customers' guaranty and other deposits, where the transaction price in a non-active market is different to the fair value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a 'Day 1' difference) in the consolidated statement of comprehensive income unless it qualifies for recognition as some other type of asset. In cases where the valuation technique used is made of data which is not observable, the difference between the transaction price and model value is only recognized in the consolidated statement of comprehensive income when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the 'Day 1' difference amount.

Inventories
Inventories are valued at the lower of cost and net realizable value (NRV). NRV is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale for coal inventory or replacement cost for spare parts and supplies. Cost is determined using the weighted average production cost method for coal inventory and the moving average method for spare parts and supplies.

The cost of extracted coal includes stripping costs and other mine-related costs incurred during the period and allocated on per metric ton basis by dividing the total production cost with total volume of coal produced. Except for ship loading cost, which is a period cost, all other production related costs are charged to production cost. Spare parts and supplies are usually carried as inventories and are recognized in the consolidated statement of comprehensive income when consumed.

Inventories transferred to property, plant and equipment are used as a component of self-constructed property, plant and equipment and are recognized as expense during useful life of that asset. Transfers of inventories to property, plant and equipment do not change the carrying amount of the inventories.

Stripping Costs
As part of its mining operations, the Group incurs stripping (waste removal) costs both during the development phase and production phase of its operations. Stripping costs incurred in the development phase of a mine, before the production phase commences (development stripping), are capitalized as part of the cost of mine properties and subsequently amortized over its useful life using the units-of-production method over the mine life. The capitalization of development stripping costs ceases when the mine/component is commissioned and ready for use as intended by management.

After the commencement of production further development of the mine may require a phase of unusually high stripping that is similar in nature to development phase stripping. The costs of such stripping are accounted for in the same way as development stripping (as discussed above).

Stripping costs incurred during the production phase are generally considered to create two benefits, being either the production of inventory or improved access to the coal body to be mined in the future. Where the benefits are realized in the form of inventory produced in the period, the production stripping costs are accounted for as part of the cost of producing those inventories.

Where the benefits are realized in the form of improved access to ore to be mined in the future, the costs are recognized as a noncurrent asset, referred to as a stripping activity asset, if the following criteria are met:

- Future economic benefits (being improved access to the coal body) are probable;
- The component of the coal body for which access will be improved can be accurately identified; and,
- The costs associated with the improved access can be reliably measured.

If all of the criteria are not met, the production stripping costs are charged to the consolidated statement of comprehensive income as operating costs as they are incurred.

In identifying components of the coal body, the Group works closely with the mining operations department for each mining operation to analyze each of the mine plans. Generally, a component will be a subset of the total coal body, and a mine may have several components. The mine plans, and therefore the identification of components, can vary between mines for a number of reasons. These include but are not limited to: the type of commodity, the geological characteristics of the coal body, the geographical location, and/or financial considerations.

The stripping activity asset is initially measured at cost, which is the accumulation of costs directly incurred to perform the stripping activity that improves access to the identified component of coal body, plus an allocation of directly attributable overhead costs. If incidental operations are occurring at the same time as the production stripping activity but are not necessary for the production stripping activity to continue as planned, these costs are not included in the cost of the stripping activity asset. If the costs of the inventory produced and the stripping activity asset are not separately identifiable, a relevant production measure is used to allocate the production stripping costs between the inventory produced and the stripping activity asset. This production measure is calculated for the identified component of the coal body and is used as a benchmark to identify the extent to which the additional activity of creating a future benefit has taken place.

The stripping activity asset is accounted for as an addition to, or an enhancement of, an existing asset, being the mine asset, and is included as part of 'Mine properties, mining tools and other equipment' under 'Property, plant and equipment' in the consolidated statement of financial position. This forms part of the total investment in the relevant cash generating unit (CGU), which is reviewed for impairment if events or changes of circumstances indicate that the carrying value may not be recoverable.

The stripping activity asset is subsequently depreciated using the units-of-production method over the life of the identified component of the coal body that became more accessible as a result of the stripping activity. Economically recoverable reserves, which comprise proven and probable reserves, are used to determine the expected useful life of the identified component of the coal body. The stripping activity asset is then carried at cost less amortization and any impairment losses.

Mineable Ore Reserves

Mineable ore reserves are estimates of the amount of coal that can be economically and legally extracted from the Group's mining properties. The Group estimates its mineable ore reserves based on information compiled by appropriately qualified persons relating to the geological data on the size, depth and shape of the coal body, and require complex geological judgments to interpret the data.

The estimate on the mineable ore reserve are determined based on the information obtained from activities such as drilling, core logging or geophysical logging, coal sampling, sample database encoding, coal seam correlation and geological modelling. The Group will then estimate the recoverable reserves based upon factors such as estimates of commodity prices, future capital requirements, foreign currency exchange rates, and production costs along with geological assumptions and judgments made in estimating the size and grade of the coal body. Changes in the reserve or resource estimates may impact the amortization of mine properties included as part of 'Mine properties, mining tools and other equipment' under 'Property, plant and equipment'.

Property, Plant and Equipment

Upon completion of exploration, evaluation and development of the mine, the capitalized assets are transferred into property, plant and equipment. Items of property, plant and equipment except land, equipment in transit and construction in progress are carried at cost less accumulated depreciation and any impairment in value.

The initial cost of property, plant and equipment also comprises its purchase price or construction cost, including non-refundable import duties, taxes, borrowing costs and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to operations in the year when the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance, and the costs of these items can be measured reliably, the expenditures are capitalized as an additional cost of the property, plant and equipment. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Equipment in transit and construction in progress, included in property, plant and equipment, are stated at cost. Construction in progress includes the cost of the construction of property, plant and equipment and, for qualifying assets, borrowing cost. Equipment in transit includes the acquisition cost of mining equipment and other direct costs.

Mine properties consist of stripping activity asset and expenditures transferred from 'Exploration and evaluation asset' once the work completed supports the future development of the property.

Mine properties are depreciated or amortized on a units-of-production basis over the economically mineable reserves of the mine concerned. Mine properties are included as part of 'Mine properties, mining tools and other equipment' under 'Property, plant and equipment' in the consolidated statement of financial position.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. Depreciation of property, plant and equipment commences once the assets are put into operational use.

Depreciation of property, plant and equipment are computed on a straight-line basis over the estimated useful lives (EUL) of the respective assets or over the remaining life of the mine, whichever is shorter, as follows:

	Years
Mine properties, mining tools and other equipment	2 to 3
Power plant and buildings	5 to 25
Roads and bridges	17

The EUL and depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

Land is stated at historical cost less any accumulated impairment losses. Historical cost includes the purchase price and directly attributable costs.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. When assets are retired, or otherwise disposed of, the cost and the related accumulated depreciation are removed from the accounts. Any gain or loss arising from derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated statement of comprehensive income in the year the item is derecognized.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in the consolidated statement of comprehensive income in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting date. Changes in the life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of comprehensive income as the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable.

If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of comprehensive income when the asset is derecognized.

Research and development costs
Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when the Group can demonstrate:
- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development
- The ability to use the intangible asset generated

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. Amortization is recorded in cost of sales of the consolidated statement of comprehensive income. During the period of development, the asset is tested for impairment annually.

Value-Added Taxes (VAT)
Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable. Input VAT pertains to the 12% indirect tax paid by the Group in the course of the Group's trade or business on local purchase of goods or services. Deferred input VAT pertains to input VAT on accumulated purchases of property, plant and equipment for each month amounting to ₱1.00 million or more.

This is amortized over five (5) years or the life of the property, plant and equipment, whichever is shorter, in accordance with the Bureau of Internal Revenue (BIR) regulation. Output VAT pertains to the 12% tax due on the local sale of goods and services by the Group.

For its VAT-registered activities, when VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the consolidated statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the consolidated statement of financial position up to the extent of the recoverable amount.

For its non-VAT registered activities, the amount of VAT passed on from its purchases of goods or service is recognized as part of the cost of goods/asset acquired or as part of the expense item, as applicable.

<u>Other Assets</u>
Other assets pertain to all other resources controlled by the Group as a result of past events and from which future economic benefits are probable to flow to the Group.

<u>Impairment of Nonfinancial Assets</u>
The Group assesses at each reporting date whether there is an indication that its nonfinancial assets (investment in a joint venture, right-of-use assets, other current and noncurrent assets (except for financial asset at FVPL), and property, plant and equipment) may be impaired. If any such indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

Investment in a joint venture
The Group determines at each reporting date whether there is any objective evidence that the investment in a joint venture is impaired. If this is the case, the Group calculates the amount of impairment as being the difference between the recoverable amount (i.e., higher between fair value less cost to sell and value in use) and the carrying value of the investee company and recognizes the difference in the consolidated statement of comprehensive income.

Property, plant and equipment, right-of-use assets and other current and noncurrent assets
An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less cost to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses are recognized in the consolidated statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If any such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If such is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss been recognized for the asset in prior years.

For property, plant and equipment, right-of-use assets and other current and noncurrent assets, reversal is recognized in the consolidated statement of comprehensive income, unless the asset is carried at revalued amount, in which case, the reversal is treated as a revaluation increase. After such reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Revenue and Income Recognition
Revenue from Contracts with Customers
The Group primarily derives its revenue from the sale of coal and power. Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is acting as principal in all of its significant revenue arrangements since it is the primary obligor in these revenue arrangements.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3.

Sale of coal
Revenue is recognized when control passes to the customer, which occurs at a point in time when the coal is physically transferred onto a vessel or other delivery mechanism. The revenue is measured at the amount to which the Group expects to be entitled, being the price expected to be received upon final billing, and a corresponding trade receivable is recognized.

Revenue from local and export coal sales are denominated in Philippine Peso and US Dollar (US$), respectively.

Contracted power sales
Revenue from contracted power sales are derived from providing and selling electricity to customers of the generated and purchased electricity. The Group recognizes revenue from contracted power sales over time, using an output method measured principally on actual energy delivered each month.

Spot electricity sales
Revenue from spot electricity sales are derived from the sale to the spot market of excess generated electricity over the contracted energy using price determined by the spot market, also known as Wholesale Electricity Spot Market (WESM), the market where electricity is traded, as mandated by Republic Act (RA) No. 9136 of the Department of Energy (DOE). Revenue from spot electricity sales is recognized over time using an output method measured principally on actual excess generation delivered to WESM.

Under PFRS 15, the Group has concluded that revenue should be recognized over time since the customer simultaneously receives and consumes the benefits as the seller supplies power. In this case, any fixed capacity payments for the entire contract period is determined at contract inception and is recognized over time. The Group has concluded that revenue should be recognized over time and will continue to recognize revenue based on amounts billed.

Dividend Income
Dividend income is recognized when the Group's right to receive payment is established, which is generally when shareholders approve the dividend.

Finance income
Finance income is recognized as it accrues (using the EIR method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial assets).

Other income
Other income is recognized when receipts of economic benefits are virtually certain and comes in the form of inflows or enhancements of assets or decreases of liabilities that results in increases in equity, other than from those relating to contributions from equity participants.

<u>Cost of Sales</u>
Cost of coal
Cost of coal includes directly related production costs such as materials and supplies, fuel and lubricants, outside services, depreciation and amortization, provision for decommissioning and site rehabilitation, direct labor and other related production overhead. These costs are recognized when incurred.

Cost of power
Cost of power includes costs directly related to the production and sale of electricity such as cost of coal, coal handling expenses, bunker, lube, diesel, depreciation and other related production overhead costs. Cost of power are recognized at the time the related coal, bunker, lube and diesel inventories are consumed for the production of electricity. Cost of power also includes electricity purchased from the spot market and its related market fees. These costs are recognized when the Group receives the electricity and simultaneously sells to its customers.

Operating Expenses
Operating expenses are expenses that arise in the course of the ordinary operations of the Group. These usually take the form of an outflow or decrease of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distribution to equity participants. Expenses are recognized in the consolidated statement of comprehensive income as incurred.

Contract balances
Trade receivables
Trade receivables represent the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract fulfillment costs
The Group incurs shiploading costs for each coal delivery made under its contracts with customers.

The Group has elected to apply the optional practical expedient for costs to fulfill a contract which allows the Group to immediately expense shiploading costs (presented as part of cost of sales under 'Hauling and shiploading costs') because the amortization period of the asset that the Group otherwise would have used is one (1) year or less.

Borrowing Costs
Borrowing costs directly relating to the acquisition, construction or production of a qualifying capital project under construction are capitalized and added to the project cost during construction until such time the assets are considered substantially ready for their intended use i.e., when they are capable of commercial production. Where funds are borrowed specifically to finance a project, the amount capitalized represents the actual borrowing costs incurred. Where surplus funds are available for a short term, out of money borrowed specifically to finance a project, the income generated from the temporary investment of such amounts is also capitalized and deducted from the total capitalized borrowing cost. Where the funds used to finance a project form part of general borrowings, the amount capitalized is calculated using a weighted average of rates applicable to relevant general borrowings of the Group during the period.

All other borrowing costs are recognized in the consolidated statement of comprehensive income in the period in which they are incurred.

Foreign Currency Translations and Transactions
The consolidated financial statements are presented in Philippine Peso. Each entity in the Group determines its own functional currency and items included in the consolidated financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate at the reporting date. All differences are taken to consolidated statement of income. Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates as at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Pension Cost

The Group has a noncontributory defined benefit plan. The net defined benefit liability or asset is the aggregate of the present value of the defined benefit liability at the end of reporting date reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plan is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:

- Service costs
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Termination benefit

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either an entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

A liability and expense for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of those benefits and when the entity recognizes related restructuring costs. Initial recognition and subsequent changes to termination benefits are measured in accordance with the nature of the employee benefit, as either post-employment benefits, short-term employee benefits, or other long-term employee benefits.

Employee leave entitlement
Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the annual reporting period is recognized for services rendered by employees up to the end of the reporting period.

Leases
The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A reassessment is made after inception of the lease only if one of the following applies:
(a) There is a change in contractual terms, other than a renewal or extension of the arrangement;
(b) A renewal option is exercised or extension is granted, unless the term of the renewal or extension was initially included in the lease term;
(c) There is a change in the determination of whether fulfillment is dependent on a specified asset; or
(d) There is substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios (a), (c), or (d) and at the date of renewal or extension period for scenario (b).

The Group as a lessor
Leases where the Group retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

The Group as a lessee
The Group applies a single recognition and measurement approach for all leases, except for short-term leases. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets
The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets.

"Right-of-use assets" are presented under noncurrent assets in the consolidated statement of financial position and are subject to impairment.

Lease liabilities
At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases
The Group applies the short-term lease recognition exemption to its leases of office spaces, storage and warehouse spaces that have lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on these short-term leases are recognized as expense on a straight-line basis over the lease term.

Income Tax
Current income tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statement of comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax
Deferred income tax is determined, using the liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, with certain exceptions. Deferred income tax assets are recognized for all deductible temporary differences, carryforward of unused tax credits from the excess of minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT), and unused net operating loss carryover (NOLCO), to the extent that it is probable that sufficient taxable income will be available against which the deductible temporary differences and carryforward of unused tax credits from MCIT and unused NOLCO can be utilized. Deferred income tax, however, is not recognized on temporary differences that arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income.

Deferred income tax liabilities are not provided on nontaxable temporary differences associated with investments in domestic subsidiaries and associates. With respect to investments in foreign subsidiaries and associates, deferred income tax liabilities are recognized, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are applicable to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized in OCI or directly in equity is recognized in the consolidated statement of comprehensive income and statement of changes in equity and not in profit or loss. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

For periods where the income tax holiday (ITH) is in effect, no deferred taxes are recognized in the consolidated financial statements as the ITH status of the subsidiary neither results in a deductible temporary difference or temporary taxable difference. However, for temporary differences that are expected to reverse beyond the ITH, deferred taxes are recognized.

Provisions

Provisions are recognized only when the Group has: (a) a present obligation (legal or constructive) as a result of a past event; (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Provision for decommissioning and site rehabilitation

The Group records the present value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these restoration activities includes closure of plants, dismantling and removing of structures, backfilling, reforestation, rehabilitation activities on marine and rainwater conservation and maintenance of rehabilitated area.

The obligation generally arises when the asset is installed, or the ground environment is disturbed at the production location. When the liability is initially recognized, the present value of the estimated cost is capitalized by increasing the carrying amount of the related mining assets and restoration of power plant sites. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognized in the consolidated statement of comprehensive income as a finance cost. Additional disturbances or changes in rehabilitation costs will be recognized as additions or charges to the corresponding assets and rehabilitation liability when they occur. For closed sites, changes to estimated costs are recognized immediately in the consolidated statement of comprehensive income.

Equity
The Group records common stocks at par value and amount of contribution in excess of par value is accounted for as an additional paid-in capital. Incremental costs incurred directly attributable to the issuance of new shares are deducted from proceeds.

Retained earnings represent accumulated earnings of the Group less dividends declared, if any. Dividends on common stocks are recognized as a liability and deducted from equity when they are declared. Dividends for the year that are approved after reporting date are dealt with as an event after reporting date. Retained earnings may also include effect of changes in accounting policy as may be required by the standard's transitional provisions.

Earnings per Share (EPS)
Basic EPS is computed by dividing the consolidated net income for the year attributable to common shareholders (net income less dividends on convertible redeemable preferred shares) by the weighted average number of common shares issued and outstanding during the year and adjusted to give retroactive effect to any stock dividends declared during the period.

Diluted EPS is computed by dividing the net income for the year attributable to common shareholders by the weighted average number of common shares outstanding during the year adjusted for the effects of dilutive convertible redeemable preferred shares. Diluted EPS assumes the conversion of the outstanding preferred shares. When the effect of the conversion of such preferred shares is anti-dilutive, no diluted EPS is presented.

Treasury Shares
Treasury shares pertains to own equity instruments which are reacquired and are carried at cost and are deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Parent Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in additional paid-in capital. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them. When the shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to additional paid-in capital when the shares were issued, and to retained earnings for the remaining balance.

Operating Segments
The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The BOD is the chief operating decision maker. Segment assets and liabilities reported are those assets and liabilities included in measures that are used by the BOD. The Group generally accounts for intersegment revenues and expenses at agreed transfer prices. Income and expenses from discontinued operations are reported separate from normal income and expenses down to the level of income after taxes. Financial information on operating segments is presented in Note 31 to the consolidated financial statements.

Contingencies
Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed in the notes to consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but disclosed when an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the consolidated financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the consolidated financial statements on the period in which the change occurs.

Events after Reporting Date
Post year-end events up to the date of the auditors' report that provides additional information about the Group's position at reporting date (adjusting events) are reflected in the consolidated financial statements. Any post year-end event that is not an adjusting event is disclosed when material to the consolidated financial statements.

3. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements in conformity with PFRS requires management to make judgments, estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The judgments, estimates and assumptions used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the consolidated financial statements. Actual results could differ from such estimates.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ for such estimates.

Judgment
In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations which have the most significant effect on the amounts recognized in the consolidated financial statements:

a. *Revenue recognition - method and measure of progress*
   The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

   The Group concluded that revenue from coal sales is to be recognized at a point in time as the control transfers to customers at the date of shipment.

   On the other hand, the Group's revenue from power sales (both contracted power and spot electricity sales) is to be recognized over time because the customer simultaneously receives and consumes the benefits provided by the Group. The fact that another entity would not need to re-perform the delivery of power that the Group has provided to date demonstrates that the customer simultaneously receives and consumes the benefits as the Group performs its obligation.

   The Group has determined that output method used in measuring the progress of the performance obligation faithfully depicts the Group's performance of its obligation to its customers, since the customer obtains the benefit from the Group's performance based on actual energy delivered each month.

b. *Determination of components of ore bodies and allocation measures for stripping cost allocation*
   The Group has identified that each of its two active mine pits, Narra and Molave, is a whole separate ore component and cannot be further subdivided into smaller components due to the nature of the coal seam orientation and mine plan.

Judgment is also required to identify a suitable production measure to be used to allocate production stripping costs between inventory and any stripping activity asset(s) for each component. The Group considers that the ratio of the expected volume of waste to be stripped for an expected volume of ore to be mined for a specific component of the coal body (i.e., stripping ratio) is the most suitable production measure. The Group recognizes stripping activity asset by comparing the actual stripping ratio during the year for each component and the component's mine life stripping ratio.

c. *Contingencies*
The Group is currently involved in various legal proceedings and other claims. The estimate of the probable costs for the resolution of these claims has been developed in consultation with internal and outside counsels handling the Group's defense in these matters and is based upon an analysis of potential results. The Group currently believes that these claims will not have a material adverse effect on its current financial position and results of operations. It is possible, however, that future results of operations and financial position could be materially affected by changes in the assessment or in the effectiveness of the strategies relating to these proceedings (see Note 27 and 32).

d. *Determination of lease term of contracts with renewal and termination options - Group as a lessee*
The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

The Group did not include the renewal and termination period of several lease contracts since the renewal and termination options is based on mutual agreement, thus not enforceable (see Note 9)

Management's Use of Estimates and Assumptions
The key assumptions concerning the future and other sources of estimation uncertainty at reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

a. *Estimating mineable ore reserves*
The Group uses the mineable ore reserve in the determination of the amount of amortization of mine properties using units-of-production method. The Group estimates its mineable ore reserves based on the assessment performed by the internal specialists engaged by the Group, who are professionally qualified mining engineers and geologists (specialists). These estimates on the mineable ore resource and reserves are determined based on the information obtained from activities such as drilling, core logging or geophysical logging, coal sampling, sample database encoding, coal seam correlation and geological modelling.

The carrying values of mine properties included as part of 'Mine properties, mining tools and other equipment' under 'Property, plant and equipment' amounted to ₱4,562.64 million and ₱5,160.28 million as of December 31, 2021 and 2020, respectively (see Note 8).

b. *Estimating provision for expected credit losses of trade and other receivables*
The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type).

The provision matrix is initially based on the Group's historical observed default rates. The Group then calibrates the matrix to adjust the historical credit loss experience with forward-looking information such as inflation and foreign exchange rates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions, and ECL is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 5.

The Group has considered impact of COVID-19 pandemic and revised its assumptions in determining the macroeconomic variables and loss rates in the computation of ECL. The changes in the gross carrying amounts of receivables during the year and impact of COVID-19 pandemic did not materially affect the allowance for ECLs.

Based on the estimation process above, no resulting provision for ECL for each of the three years in the period ended December 31, 2021 (see Note 5).

c. *Estimating stock pile inventory quantities*
The Group estimates the stock pile inventory of clean and unwashed coal by conducting a topographic survey which is performed by in-house and third-party surveyors. The survey is conducted by in-house surveyors on a monthly basis with a confirmatory survey by third party surveyors at year end. The process of estimation involves a predefined formula which considers an acceptable margin of error of plus or minus five percent (5%). Thus, an increase or decrease in the estimation threshold for any period would differ if the Group utilized different estimates and this would either increase or decrease the profit for the year.

The coal inventory as of December 31, 2021 and 2020 amounted to ₱1,515.20 million and ₱2,016.65 million, respectively (see Note 6).

d. *Estimating allowance for obsolescence in spare parts and supplies*
The Group provides 100% allowance for obsolescence on items that are specifically identified as obsolete. The amount of recorded inventory obsolescence for any period would differ if the Group made different judgments or utilized different estimates. An increase in the allowance for inventory obsolescence would increase the Group's recorded operating expenses and decrease its current assets.

The carrying amount of spare parts and supplies is disclosed in Note 6.

e. *Estimating recoverability of capitalized development costs*
Initial capitalization of costs is based on management's judgment that technological and economic feasibility is confirmed. In determining the amounts to be capitalized, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

The information about the estimation of recoverability of capitalized development costs is discussed in Note 10.

f. *Estimating provision for decommissioning and site rehabilitation costs*
The Group is legally required to fulfill certain obligations under its Department of Environment and Natural Resources (DENR) issued Environmental Compliance Certificate when its activities have ended in the depleted mine pits. The Group assesses its mine rehabilitation provision annually. The Group is also contractually required to fulfill certain obligations under Section 8 of the Land Lease Agreement (LLA) upon its termination or cancellation. Significant estimates and assumptions are made in determining the provision for decommissioning and mine site rehabilitation costs as there are numerous factors that will affect the ultimate liability. These factors include estimates of the extent and costs of rehabilitation activities given the approved decommissioning and site rehabilitation plan, (e.g., cost of backfilling, reforestation, rehabilitation activities on marine and rainwater conservation and maintenance of the rehabilitated area), technological changes, regulatory changes, cost increases, and changes in inflation rates and discount rates. These uncertainties may result in future actual expenditure differing from the amounts currently provided. The Group also records the present value of estimated costs of legal and constructive obligations required to restore operating locations of power generating plants in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing of structures, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas.

An increase in decommissioning and site rehabilitation costs would increase the carrying amount of the related assets and increase noncurrent liabilities. The provision at reporting date represents management's best estimate of the present value of the future rehabilitation costs required. Assumptions used to compute the decommissioning and site rehabilitation costs are reviewed and updated annually.

Information with respect to the estimated provision for decommissioning and site rehabilitation costs are disclosed in Note 14.

g. *Impairment assessment of nonfinancial assets*
The Group reviews its nonfinancial assets for impairment. This includes considering certain indicators of impairment such as the following:

- Significant or prolonged decline in the fair value of the asset;
- Increase in market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating the asset's value-in-use and decrease the asset's recoverable amount materially;
- Significant underperformance relative to expected historical or projected future operating results;
- Significant changes in the manner of use of the acquired assets or the strategy for overall business;

- Significant negative industry or economic trends; or
- Significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment where the Group operates.

When indicators exist, an impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Assets that are subject to impairment testing when impairment indicators are present are as follows:

	2021	2020
Property, plant and equipment (Note 8)	**₱43,107,760,967**	₱45,792,738,168
Right-of-use assets (Note 9)	**137,017,373**	156,848,975
Other current assets (Note 7)	**1,223,362,466**	805,492,732
Other noncurrent assets (Note 10)	**907,185,163**	1,041,682,098

The Group assessed that an indicator of impairment exists for the 2x25 MW ancillary gas turbine plant due to its withdrawal from the ancillary contract with NGCP in 2019. As of December 31, 2021, a supply agreement has yet to be secured for the gas turbine plant. Accordingly, the Group reperformed an impairment assessment on its gas turbine plant in 2021 and 2020. Impairment loss amounting to ₱157.20 million was recognized in 2020 to reduce the carrying amount to its recoverable amount. No resulting additional impairment or reversal of previously recognized impairment was made in 2021. The recoverable amount was computed using discounted cash flows approach and considered certain assumptions, such as future electricity demand and supply, historical and future dependable capacity, electricity prices, growth rate, diesel costs, inflation rate and discount rate, taking into consideration the impact of COVID-19 pandemic. As of December 31, 2021 and 2020, the carrying value of ancillary gas turbine, net of related allowance for impairment loss, amounted to ₱1,010.42 million and ₱1,073.94 million, respectively (see Note 8).

The Group also assessed for impairment the pre-construction costs of the 2x350 power plants of SRPGC due to termination of the related joint venture agreement in 2020. The carrying value of the pre-construction costs amounted to ₱104.84 million and ₱233.53 million as of December 31, 2021 and 2020, respectively (see Note 8). The recoverable amount was determined using assumptions about future electricity demand and supply, as well as external inputs such as electricity and coal prices, diesel costs, inflation rate and discount rate. Discount rate used to compute for the recoverable amount is 10.78%. There was no resulting impairment loss in 2021 and 2020.

Management believes that no impairment indicator exists for the Group's other nonfinancial assets.

h. *Estimating useful lives of depreciable property, plant and equipment*
The Group estimated the useful lives of its property, plant and equipment (except land, equipment in transit and construction in progress) based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed at least annually and are updated if expectations differ from previous estimates due to physical wear and tear and technical or commercial obsolescence on the use of these assets.

It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment would increase depreciation expense and decrease noncurrent assets.

In 2017, the BOD approved the rehabilitation of the Group's Units 1 and 2 coal-fired thermal power plant. The rehabilitation of the Units 1 and 2 were completed in 2019 and 2020, respectively, and there were no salvage values for the parts replaced. Additional depreciation on the replaced parts were recorded during 2020 and 2019 amounting to ₱101.23 million and ₱549.95 million, respectively (see Note 20).

In estimating the useful life of depreciable assets that are constructed in a leased property, the Group considers the enforceability of and the intent of management to exercise the option to purchase the leased property. For these assets, the depreciation period is over the economic useful life of the asset which may be longer than the remaining lease period.

The carrying values and movements in property, plant and equipment are disclosed in Note 8.

i. *Deferred tax assets*
The Group reviews the carrying amounts of the deferred income tax assets at each end of the reporting period and reduces deferred income tax assets to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred income tax assets to be utilized. Significant management judgment is required to determine the amount of deferred income tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies. However, there is no assurance that the Group will utilize all or part of the deferred income tax assets.

The deductible temporary differences and NOLCO for which deferred tax assets are not recognized are disclosed in Note 24.

j. *Estimating pension and other employee benefits*
The cost of defined benefit pension plan and the present value of the pension liabilities are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These assumptions are described in Note 18 and include among others, the determination of the discount rates and future salary increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit liability.

The mortality rate is based on publicly available mortality tables for the specific country and is modified accordingly with estimates of mortality improvements. Future salary and pension increases are based on management's assumption aligned with the future inflation rates.

k. *Estimating the incremental borrowing rate*
The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-

alone credit rating). This rate reflects the amount that the entity would need to borrow over the term of the lease.

The Group's lease liabilities discounted using the IBR amounted to ₱88.38 million and ₱103.02 million as of December 31, 2021 and 2020, respectively (see Note 9).

4. Cash and Cash Equivalents

This account consists of:

	2021	2020
Cash on hand and in banks	**₱6,987,078,602**	₱3,897,601,336
Cash equivalents	**1,225,969,425**	4,186,988,160
	₱8,213,048,027	₱8,084,589,496

Cash and cash equivalents comprise of cash on hand and in banks and short-term deposits but excludes any restricted cash that is not available for use by the Group and therefore is not considered highly liquid.

Cash in banks earn interest at the respective bank deposit rates. Cash equivalents include short-term placements made for varying periods of up to three (3) months, depending on the immediate cash requirements of the Group, and earn interest at the respective prevailing short-term placement rates ranging from 0.01% to 1.75%, 0.50% to 4%, and 0.13% to 4.45% in 2021, 2020 and 2019, respectively.

In 2021, 2020 and 2019, total interest income earned from cash and cash equivalents amounted to ₱20.60 million, ₱45.63 million and ₱81.24 million, respectively (see Note 22).

5. Receivables

This account consists of:

	2021	2020
Trade receivables - outside parties	**₱8,161,013,954**	₱4,709,006,489
Trade receivables - related parties (Note 17)	**192,083,313**	307,412,820
Others (Note 23)	**154,335,168**	223,069,351
	8,507,432,435	5,239,488,660
Less allowance for impairment losses	**1,570,254,441**	1,570,254,441
	₱6,937,177,994	₱3,669,234,219

Trade receivables - outside parties
These are receivables from electricity sales and coal sales.

Receivables from electricity sales are claims from power distribution utilities, spot market participants and other customers for the sale of contracted power and spot sales transactions. These are generally on a 30-day credit term and are carried at original invoice amounts less discounts and rebates.

Receivables from coal sales are noninterest-bearing and generally have 30 to 45 days credit terms. These receivables arise from export sales for coal sold to international market which are priced in US$ and local sales for coal sold to domestic market which are priced in Philippine Peso.

Trade receivables - related parties
Receivables from related parties are noninterest-bearing and due and demandable. These are generally settled in cash.

Others
Others include advances to officers, employees and receivables from sale of fly ashes. These are generally noninterest-bearing. Advances to officers and employees are recovered through salary deduction and receivables from sale of fly ash are generally settled within the 30 to 45 days credit terms.

Allowance for impairment losses
As of December 31, 2021 and 2020, this account pertains to the following:

Trade receivables - outside parties	₱1,564,439,082
Others	5,815,359
	₱1,570,254,441

6. Inventories

This account consists of:

	2021	2020
Spare parts and supplies - at NRV	**₱9,043,886,412**	₱8,723,491,132
Coal pile inventory - at cost	**1,515,195,083**	2,016,651,225
	₱10,559,081,495	₱10,740,142,357

Coal pile inventory is stated at cost, which is lower than NRV. The cost of coal inventories recognized as ‘Cost of coal sales’ in the consolidated statements of comprehensive income amounted to ₱16,001.58 million, ₱11,840.35 million and ₱17,574.81 million in 2021, 2020 and 2019, respectively (see Note 19).

Coal pile inventory at cost includes capitalized depreciation of ₱278.09 million, ₱324.71 million and ₱443.04 million in 2021, 2020 and 2019, respectively (see Note 8).

Spare parts and supplies, with previously recognized allowance for obsolescence, amounting to ₱5.88 million were written off in 2020. Allowance for obsolescence of spare parts and supplies amounted to ₱230.05 million and ₱61.51 million as of December 31, 2021 and 2020, respectively.

Inventories transferred to property, plant and equipment are used as a component of self-constructed property, plant and equipment and are recognized as expense over the useful life of the asset (see Note 8).

7. Other Current Assets

This account consists of:

	2021	2020
Creditable withholding tax	**₱832,952,871**	₱650,544,168
Advances to suppliers and contractors (Note 10)	**238,608,295**	161,753,032
Prepaid insurance	**72,348,445**	38,869,056
Input VAT - net (Note 10)	**11,491,368**	–
Prepaid rent	–	3,030,748
Others	**67,961,487**	34,234,807
	1,223,362,466	888,431,811
Less allowance for impairment losses (Note 20)	–	82,939,079
	₱1,223,362,466	₱805,492,732

Creditable withholding tax
Creditable withholding tax pertains to the amount withheld by the Group's customers from their income payment. This will be claimed as tax credit and will be used against future income tax payable.

Advances to suppliers and contractors
Advances to suppliers and contractors represent prepayments for the acquisition of materials and supplies and is expected to be realized within one (1) year. In 2019, the Group recognized provision for impairment loss on this account amounting to ₱82.94 million (see Note 20). In 2021, the Parent Company was able to recover the previously recognized provision for impairment loss amounting to ₱82.94 million.

Input VAT- net
Input VAT represents VAT imposed on the Group by its suppliers and contractors for the acquisition of goods and services required under Philippine taxation laws and regulations. Input VAT is applied against output VAT. The balance, net of the related allowance, is recoverable in future periods.

Others
Others include environmental guarantee fund and guarantee deposit to government and other prepaid charges.

8. Property, Plant and Equipment

The rollforward of this account follows:

	2021					
	Land	**Mine Properties, Mining Tools and Other Equipment**	**Power Plant and Buildings**	**Roads and Bridges**	**Equipment in Transit and Construction in Progress**	**Total**
Cost						
At January 1	**₱386,884,790**	**₱37,329,144,380**	**₱53,605,314,573**	**₱846,946,929**	**₱1,932,864,417**	**₱94,101,155,089**
Additions	**43,105,832**	**2,616,941,122**	**29,040,000**	–	**924,849,093**	**3,613,936,047**
Reclassifications	–	**352,745,163**	**1,420,990,283**	–	**(1,773,735,446)**	–
Transfer from inventory	–	–	**531,586,938**	–	–	**531,586,938**
Disposals (Note 23)	–	**(3,769,000)**	–	–	–	**(3,769,000)**
Adjustment (Note 14)	–	**(36,912,868)**	–	–	**(153,802,272)**	**(190,715,140)**
At December 31	**429,990,622**	**40,258,148,797**	**55,586,931,794**	**846,946,929**	**930,175,792**	**98,052,193,934**

(Forward)

	2021					
	Land	**Mine Properties, Mining Tools and Other Equipment**	**Power Plant and Buildings**	**Roads and Bridges**	**Equipment in Transit and Construction in Progress**	**Total**
Accumulated Depreciation and Impairment						
At January 1	**₱–**	**₱29,713,258,734**	**₱17,901,003,009**	**₱694,155,178**	**₱–**	**₱48,308,416,921**
Depreciation and amortization (Notes 3, 6, 19 and 20)	**–**	**3,593,370,299**	**2,990,761,553**	**53,662,611**	**–**	**6,637,794,463**
Disposals (Note 23)	**–**	**(1,778,417)**	**–**	**–**	**–**	**(1,778,417)**
At December 31	**–**	**33,304,850,616**	**20,891,764,562**	**747,817,789**	**–**	**54,944,432,967**
Net Book Value	**₱429,990,622**	**₱6,953,298,181**	**₱34,695,167,232**	**₱99,129,140**	**₱930,175,792**	**₱43,107,760,967**

	2020					
	Land	Mine Properties, Mining Tools and Other Equipment	Power Plant and Buildings	Roads and Bridges	Equipment in Transit and Construction in Progress	Total
Cost						
At January 1	₱386,884,790	₱34,797,430,978	₱49,430,748,239	₱846,946,929	₱4,259,979,442	₱89,721,990,378
Additions	–	2,864,208,130	253,439,892	–	2,582,907,647	5,700,555,668
Reclassifications	–	–	4,345,744,560	–	(4,345,744,560)	–
Write-down (Note 20)	–	–	(424,618,118)	–	–	(424,618,118)
Disposals (Note 23)	–	(64,610,303)	–	–	(564,278,112)	(628,888,415)
Adjustment (Note 14)	–	(267,884,423)	–	–	–	(267,884,424)
At December 31	386,884,790	37,329,144,380	53,605,314,573	846,946,929	1,932,864,417	94,101,155,089
Accumulated Depreciation and Impairment						
At January 1	–	26,462,473,351	14,991,714,222	637,173,377	–	42,091,360,950
Depreciation and amortization (Notes 3, 6, 19 and 20)	–	3,315,395,686	3,176,710,151	56,981,801	–	6,549,087,638
Write-down (Note 20)	–	–	(267,421,364)	–	–	(267,421,364)
Disposals (Note 23)	–	(64,610,303)	–	–	–	(64,610,303)
At December 31	–	29,713,258,734	17,901,003,009	694,155,178	–	48,308,416,921
Net Book Value	₱386,884,790	₱7,615,885,646	₱35,704,311,564	₱152,791,751	₱1,932,864,417	₱45,792,738,168

Land

- On June 30, 2021 the Group availed of the option to purchase parcels of land or "Optioned Assets" under Option Existence Notice (OEN) dated February 3, 2020 and in accordance with the provisions of the Land Lease Agreement (LLA) with PSALM. Total acquisition cost of the optioned assets amounted to ₱43.11 million (see Notes 9 and 27).

Mine properties, mining tools and other equipment

- Mine properties, mining tools and other equipment includes the mining properties and stripping activity assets amounting to ₱4,562.64 million and ₱5,160.28 million as of December 31, 2021 and 2020, respectively, that are depreciated using the units-of-production method (see Note 3).

- These also include the expected cost of decommissioning and site rehabilitation of mine sites and future clean-up of its power plants. The impact of annual re-estimation is shown in the rollforward as an adjustment (see Notes 3 and 14).

- In 2019, the Group incurred a loss on write-down of property, plant and equipment amounting to ₱83.54 million due to the dismantling of the coal washing plant (nil in 2020 and 2021, see Note 20). In relation to the dismantling, the recovered parts and construction supplies in the amount of ₱182.72 million that are still usable were transferred to "Inventories" in the consolidated statements of financial position. In 2021, ₱168.54 million of these parts and supplies were provided with an allowance for obsolescence (see Note 6).

Power Plant and Buildings

- Power Plant and Buildings includes the ancillary gas turbine plant covered by the Ancillary Services and Procurement Agreement with the NGCP which was withdrawn in 2019. As of December 31, 2021, the Group has yet to secure a supply agreement for this plant. Accordingly, the Group revisited the recoverable amount of the plant in 2021 and 2020. Impairment loss amounting to ₱157.20 million was recognized in 2020 (see Notes 3 and 20). No additional impairment loss or reversal of previously recognized impairment loss was made in 2021. The carrying value of this plant amounted to ₱1,010.42 million and ₱1,073.94 million as of December 31, 2021 and 2020, respectively.

- The replacement of the significant components of SCPC's Units I and II coal-fired thermal power plants as part of the life extension rehabilitation program, resulted to the recognition of additional depreciation expense in 2020 and 2019 (see Notes 3 and 20). The Group did not expect any salvage values for the parts to be replaced.

Equipment in transit and construction in progress accounts

- Equipment in transit and construction in progress accounts mostly pertain to purchased mining equipment that are in transit and various buildings and structures that are under construction as of December 31, 2021 and 2020.

- In 2021 and 2020, there were reclassifications from "Equipment in Transit and Construction in progress" to "Power Plant and Buildings" upon completion of construction and regular rehabilitation works which amounted to ₱1,420.99 million and ₱4,345.74 million, respectively.

- This also includes capitalized pre-construction costs for the thermal power plant of SRPGC amounting to ₱104.84 million and ₱233.53 million as of December 31, 2021 and 2020, respectively. As of December 31, 2021, construction of the plant itself has yet to commence and the Group has yet to secure a supply agreement. Based on management's estimation of the recoverable amount, no resulting impairment loss for both 2021 and 2020.

- In 2020, the Group sold its marine vessels included under "Equipment in Transit and Construction in Progress" and "Mine Properties, Mining Tools and Other Equipment" to DMC-CERI for ₱620.58 million, of which ₱13.39 million remained uncollected as of December 31, 2021. Gain recognized from the sale amounted to ₱56.30 million (see Notes 17 and 23).

The Group also sold various equipment to third parties at a gain amounting to ₱1.99 million, ₱10.70 million and ₱12.00 million, in 2021, 2020 and 2019, respectively (see Note 23).

Depreciation and amortization follow:

	2021	2020	2019
Included under:			
Inventories (Note 6)	**₱278,093,673**	₱324,707,108	₱443,040,632
Mine properties, mining tools and other equipment	–	261,445,280	56,712,527
Cost of coal sales (Note 19):			
Depreciation and amortization	**3,206,865,763**	2,346,583,325	3,461,657,292
Hauling and shiploading costs	**284,506,848**	61,458,508	35,861,154

(Forward)

	2021	2020	2019
Cost of power sales (Note 19):			
Depreciation and amortization	**₱2,712,156,415**	₱2,871,506,678	₱2,483,914,467
Cost of coal:			
Depreciation and amortization	**102,492,872**	519,986,937	298,030,756
Operating expenses (Note 20)	**83,292,044**	194,002,240	643,580,370
	₱6,667,407,615	₱6,579,690,076	₱7,422,797,198
Depreciation and amortization of:			
Property, plant and equipment	**₱6,637,794,463**	₱6,549,087,638	₱7,392,225,362
Right-of-use assets (Note 9)	**21,604,934**	19,857,722	18,994,967
Computer software (Note 10)	**8,008,218**	10,744,716	11,576,869
	₱6,667,407,615	₱6,579,690,076	₱7,422,797,198

Depreciation and amortization of 'Property, plant and equipment' includes amortization of stripping activity asset amounting to ₱3.32 million and ₱0.30 million in 2020 and 2019, respectively (nil in 2021).

9. Leases

The Group as a Lessee

The Group has lease contracts for various items of land, office spaces and foreshore leases used in its operations. Leases of land and foreshore generally have lease terms between five (5) and twenty-five (25) years, while office spaces generally have lease terms of two (2) to seven (7) years. The Group also has certain leases of warehouse, and office spaces with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemption for these leases.

Set out below the movement in the Group's right-of-use assets and lease liabilities during the year:

	Right-of-use Assets	
	2021	2020
At Cost		
Beginning balance	**₱195,701,664**	₱194,974,653
Additions	**4,915,711**	727,011
Ending balance	**200,617,375**	195,701,664
Accumulated Amortization		
Beginning balance	**38,852,689**	18,994,967
Amortization (Note 19 and 20)	**21,604,934**	19,857,722
Others	**3,142,379**	–
Ending balance	**63,600,002**	38,852,689
	₱137,017,373	₱156,848,975

On June 30, 2021, the Group purchased the parcels of land under PSALM OEN which amounted to ₱43.11 million (see Notes 8 and 27). Unused rentals as of option exercise date amounted to ₱1.13 million which was applied against the total purchase price.

The Group applied the requirements of PFRS 16 for this long-term lease and did not change the amount initially recognized as right-of-use asset at the date of initial application. No corresponding lease liability was recognized given the prepayment.

	Lease Liabilities	
	2021	2020
Beginning balance	**₱103,018,715**	₱107,537,618
Additions	–	727,011
Accretion of interest (Note 21)	**7,104,913**	7,850,348
Lease payments	**(21,747,446)**	(13,096,262)
Ending balance	**88,376,182**	103,018,715
Less current portion of lease liabilities	**14,837,120**	13,923,691
Noncurrent lease liabilities	**₱73,539,062**	₱89,095,024

The lease liabilities were measured at the present value of the remaining lease payments discounted at the Group's weighted average incremental borrowing rate of 6.32% in 2021 and 2020, respectively.

As of December 31, 2021 and 2020, future minimum lease payments under operating leases are as follows:

	2021	2020
Within one year	**₱20,852,090**	₱21,173,304
After one year but not more than five years	**57,260,835**	68,473,093
More than five years	**37,410,573**	48,469,118
	₱115,523,498	₱138,115,515

10. **Other Noncurrent Assets**

This account consists of:

	2021	2020
Deferred input VAT	**₱601,149,166**	₱678,797,795
Advances to suppliers and contractors (Note 7)	**454,683,271**	464,303,562
Computer software	**9,014,409**	9,620,423
Input VAT - net (Note 7)	–	27,698,588
Others	**80,946,612**	23,014,762
	1,145,793,458	1,203,435,130
Less current portion of (Note 7):		
Advances to suppliers and contractors	**238,608,295**	161,753,032
	₱907,185,163	₱1,041,682,098

Deferred input VAT
Deferred input VAT pertains to the unamortized portion of input VAT on purchase of capital goods spread evenly between the life of the capital goods or five years, whichever is shorter. The balance is recoverable in future periods

Advances to suppliers and contractors
Advances to suppliers and contractors under noncurrent assets represent prepayment for the acquisition and construction of property, plant and equipment and other capitalized development costs.

Computer software
Movements in computer software account follow:

	2021	2020
At Cost		
At January 1	**₱78,604,564**	₱74,042,085
Additions	**7,402,204**	4,562,479
At December 31	**86,006,768**	78,604,564
Accumulated Amortization		
At January 1	**68,984,141**	58,239,425
Amortization (Note 8)	**8,008,218**	10,744,716
At December 31	**76,992,359**	68,984,141
Net Book Value	**₱9,014,409**	₱9,620,423

11. **Short-term Loans**

Rollforward analyses of this account are as follows:

	2021	2020
Balance at beginning of year	**₱5,425,000,000**	₱2,070,000,000
Additional borrowings	**350,000,000**	3,580,000,000
Payments	**(5,775,000,000)**	(225,000,000)
Balance at end of year	**₱–**	₱5,425,000,000

The Group's bank loans consist of unsecured Peso-denominated short-term borrowings from local banks which bear annual interest ranging from 2.50% to 4.00% in 2021 and 4.00% to 4.50% in 2020, and are payable on lump-sum basis on various maturity dates within the next 12 months after the reporting date.

During 2021 and 2020, the Group obtained various short-term loans from local banks primarily to finance its working capital requirements.

Interest expense on these short-term loans recognized under 'Finance costs' amounted to ₱58.42 million, ₱318.75 million and ₱582.21 million in 2021, 2020 and 2019, respectively (see Note 21).

12. Long-term Debt

This account consists of:

	2021	2020
Principal	**₱15,133,071,429**	₱14,522,485,714
Less unamortized deferred financing cost	**66,436,268**	73,413,900
	15,066,635,161	14,449,071,814
Less current portion	**4,208,923,654**	2,775,355,754
	₱10,857,711,507	₱11,673,716,060

The Group's outstanding long-term debt from local banks pertain to the following:

	2021	2020
SMPC	**₱3,363,603,264**	₱3,853,255,055
SCPC	**9,208,243,465**	7,273,956,008
SLPGC	**2,494,788,432**	3,321,860,751
	15,066,635,161	14,449,071,814
Less current portion	**4,208,923,654**	2,775,355,754
	₱10,857,711,507	₱11,673,716,060

a. Details of the Parent Company's bank loans are as follows:

Loan Type	**Year of Availment**	**Outstanding Balance Gross of Deferred Financing Costs 2021**	**2020**	**Maturity**	**Interest Rate**	**Payment Terms**	**Covenants**
Peso loan 2	2020	**₱2,200,000,000**	₱2,475,000,000	Various quarterly maturities starting 2020 until 2027	Floating rate to be repriced every 3 years	Interest payable every 3 months, principal to be paid every 3 months	None
Peso loan 1	2020	**1,176,000,000**	1,400,000,000	Various maturities from 2020 to 2027	Floating rate to be repriced every 3 months based on 3-months "PDST-R2" plus a spread of one half of one percent (0.5%)	Interest payable every 3 months, principal to be paid on maturity date	Current Ratio not less than 1:1 and Debt-to-Equity Ratio not to exceed 2:1
Peso loan 3	2017	**–**	–	2020	Floating rate to be repriced every 3 months based on 3-months "PDST-R2" plus a spread of one half of one percent (0.5%)	Interest payable every 3 months, principal to be paid on maturity date	Current Ratio not less than 1:1 and Debt-to-Equity Ratio not to exceed 2:1
Peso loan 4	2017	**₱–**	₱–	2020	Floating rate to be repriced every 3 months	Interest payable every 3 months, principal to be paid on maturity date	None
		₱3,376,000,000	₱3,875,000,000				

b. On November 28, 2019, November 29, 2019 and December 20, 2019, SLPGC availed of interest-bearing promissory notes with local banks amounting to ₱1,000 million, ₱2,000 million and ₱1,000 million, respectively. Interest is payable every three months at a fixed annual interest rate of 5.134%, 5.125% and 5.00% per annum, respectively. The principal amounts shall be payable from 17 to 20 equal consecutive quarterly installments with commencement ranging from the third month to one year from the initial borrowing date. Final repayment date is five (5) years after initial borrowing. All outstanding bank loans are clean and are compliant with loan covenants.

c. Details of SCPC's loans are as follows:

- *Promissory Note of ₱3,000.00 million*
  On December 22, 2017, SCPC obtained a ₱3,000.00 million interest-bearing promissory note from BDO Unibank, Inc. Interest is payable every three (3) months at 4.9% fixed annual interest rate. The principal amount shall be payable in 16 equal consecutive quarterly installments commencing on the 39th month from the initial borrowing date. Final repayment date is seven (7) years after initial borrowing. This loan agreement requires SCPC to maintain maximum debt-to-equity (DE) ratio of 2.0x and minimum historical debt service coverage ratio of 1.2x, among others.

- *Promissory Note of ₱2,000.00 million*
  On November 18, 2019, SCPC obtained a ₱2,000.00 million interest-bearing promissory note from Philippine National Bank. Interest is payable every three (3) months at 4.876% fixed annual interest rate for five (5) years to be repriced at the two-year Bloomberg Valuation Service (BVAL) benchmark rate plus 60 basis points for the remainder of its tenor. The principal amount shall be payable in 28 equal consecutive quarterly installments commencing on the third (3rd) month from the initial borrowing date. Final repayment date is seven (7) years after initial borrowing. This loan agreement requires SCPC to maintain maximum debt-to-equity (DE) ratio of 2.0x and minimum historical debt service coverage ratio of 1.1x, among others.

- *Promissory Note of ₱2,700.00 million*
  On November 28, 2019, SCPC obtained a ₱2,700.00 million interest-bearing promissory note from Bank of the Philippine Islands. Interest is payable every three (3) months at 4.877% fixed annual interest rate for five (5) years to be repriced at the two-year BVAL benchmark rate plus 60 basis points for the remainder of its tenor. The principal amount shall be payable in 25 equal consecutive quarterly installments commencing on the 12th month from the initial borrowing date. Final repayment date is seven (7) years after initial borrowing. This loan agreement requires SCPC to maintain maximum debt-to-equity (DE) ratio of 2.0x and current ratio of at least 1.0x, among others.

- *Promissory Note of ₱3,500.00 million*
  On May 14, 2021, SCPC obtained a ₱3,500.00 million interest-bearing promissory note from BDO Unibank, Inc. Interest is payable every three (3) months at 4.6258% fixed annual interest rate. The principal amount shall be payable in 16 equal consecutive quarterly installments commencing on the 3rd month from the initial borrowing date. Final repayment date is four (4) years after initial borrowing. This loan agreement requires SCPC to maintain maximum debt-to-equity (DE) ratio of 2.0x and minimum prospective debt service coverage ratio of 1.2x, among others.

All bank loans are clean and are compliant with loan covenants. As of December 31, 2021 and 2020, the Group has not been cited by bank as in default.

The movements in unamortized debt issue cost follow:

	2021	2020
Balance at beginning of year	**₱73,413,900**	₱72,964,996
Additions	**26,250,000**	31,125,000
Amortization (Note 21)	**(33,227,632)**	(30,676,096)
Balance at end of year	**₱66,436,268**	₱73,413,900

Interest expense on long-term debt recognized under 'Finance cost' amounted to ₱774.63 million, ₱668.08 million and ₱538.20 million in 2021, 2020 and 2019, respectively (see Note 21).

The Group's remaining borrowing facility that can be drawn as of December 31, 2021 and 2020 amounted to ₱22,331.56 million and ₱14,332.52 million, respectively.

Future payments of long-term debt of the Group as of December 31, 2021 and 2020 follow:

	2021	2020
Within one year	**₱4,214,414,286**	₱2,775,355,754
After one year but not more than five years	**10,363,657,143**	10,402,837,534
More than five years	**555,000,000**	1,270,878,526
	₱15,133,071,429	₱14,449,071,814

13. **Trade and Other Payables**

This account consists of:

	2021	2020
Trade:		
Payable to suppliers and contractors	**₱6,589,509,917**	₱5,487,316,397
Related parties (Note 17)	**457,833,928**	510,862,019
Payable to DOE and local government units (LGU) (Note 26)	**2,059,611,932**	1,034,079,245
Deferred output tax	**562,896,767**	240,717,100
Accrued expenses and other payables	**369,326,217**	503,403,757
Output VAT - net	**331,204,565**	530,496,765
	₱10,370,383,326	₱8,306,875,283

Trade payable to suppliers and contractors
Trade payable to suppliers and contractors arise from progress billings of completed work as of year-end. The amount includes liabilities amounting to ₱3,647.10 million (US$71.84 million) and ₱2,243.37 million (US$46.71 million) as of December 31, 2021 and 2020, respectively, payable to various foreign suppliers for open account purchases of equipment, and equipment parts and supplies (see Note 28).

Trade payables are noninterest-bearing and are normally settled on 30-day to 60-day credit terms.

Payable to DOE and LGU
Payable to DOE and LGU represent the share of DOE and LGU in the gross income of the Parent Company's coal production computed in accordance with the Coal Operating Contract (COC) between the Parent Company, DOE and LGU dated July 11, 1977 (see Note 26).

Deferred output tax
Deferred output tax pertains to VAT due on uncollected sale of electricity

Accrued expenses and other payables
Accrued expenses and other payables are noninterest-bearing and are normally settled on a 30-day to 60-day credit terms from date of invoice (except, dividends payable). Details of this account follow:

	2021	2020
Financial benefit payable	**₱84,210,168**	₱87,509,694
Taxes, permits and licenses	**82,737,824**	243,230,122
Interest	**76,448,257**	83,734,468
Salaries and wages	**71,097,153**	6,021,525
Power spot purchases	**10,606,751**	677,292
Professional fees	**9,154,000**	1,195,040
Customer deposit	**–**	32,192,515
Others	**35,072,064**	48,843,101
	₱369,326,217	₱503,403,757

Others include accruals on contracted services, utilities, supplies and other administrative expenses. This account also includes dividends payable amounting to ₱3.10 million and ₱1.20 million as of December 31, 2021 and 2020, respectively (see Note 29).

Output VAT payable
Output VAT pertains to the VAT due on the sale of electricity, net of input VAT.

14. Provision for Decommissioning and Site Rehabilitation Costs

The rollforward of this account follows:

	2021	2020
At January 1	**₱279,202,621**	₱522,804,859
Effect of change in estimates (Note 8)	**36,556,722**	(267,884,423)
Accretion of interest (Note 21)	**9,797,034**	24,282,185
At December 31	**₱325,556,377**	₱279,202,621

The Group's provision for decommissioning and site rehabilitation costs relates to rehabilitation activities for the coal pits for its mining segment and dismantling and restoration activities for its power segment. Segment breakdown of provision for decommissioning and site rehabilitation costs follows:

	2021	2020
Mining	**₱298,756,686**	₱254,525,083
Power	**26,799,691**	24,677,538
	₱325,556,377	₱279,202,621

These provisions have been created based on the Group's internal estimates. Assumptions based on the current regulatory requirements and economic environment have been made, which management believes are reasonable bases upon which to estimate the future liability. These estimates are reviewed annually to take into account any material changes to the assumptions (see Note 3).

However, actual rehabilitation costs will ultimately depend upon future market prices for the necessary decommissioning works required which will reflect market conditions at the relevant time. Furthermore, the timing of rehabilitation is likely to depend on when the mines cease to produce at economically viable rates. This, in return, will depend upon future ore and coal prices, which are inherently uncertain.

Discount rates used by the Group to compute for the present value of liability for decommissioning and mine site rehabilitation costs are from 4.82% to 6.67% in 2021, 2.99% to 4.48% in 2020 and 4.46% to 8.58% in 2019.

The Group revised its mine work program based on the current conditions of the mining operations. Management revisited certain procedures, practices and assumptions on its existing rehabilitation plan (e.g., timing of mining operations, reforestation requirements, movement of the overburden) which resulted to adjustment in the previously estimated provision for decommissioning and mine site rehabilitation costs.

Resulting changes in estimate pertaining to mine sites amounted to ₱36.56 million and (₱267.88 million) (recognized as adjustment to ‘Mine properties, mining tools and other equipment’ under property, plant and equipment account) in 2021 and 2020, respectively (see Note 8).

15. **Capital Stock**

The details of the Parent Company’s capital stock as of December 31, 2021 and 2020 are as follows:

	Shares	Amount
Authorized - ₱1 par value		
Balance at beginning and end of year	10,000,000,000	₱10,000,000,000
Issued and outstanding		
Capital stock		
Balance at beginning and end of year	4,264,609,290	₱4,264,609,290
Treasury shares		
Balance at beginning and end of year	(14,061,670)	(739,526,678)
	4,250,547,620	₱3,525,082,612

On November 28, 1983, the SEC approved the issuance and public offering of 55,000.00 million common shares of the Parent Company at an offer price of ₱0.01 per share. Additional public offering was also approved by SEC on February 4, 2005 for 46.87 million common shares at an offer price of ₱36.00 per share.

On August 18, 2014, the SEC approved the increase in authorized capital stock of the Parent Company from ₱1,000.00 million to ₱3,000.00 million divided into 3,000.00 million common shares with a par value of ₱1 per share.

On August 18, 2017, the SEC approved the increase in authorized capital stock of the Parent Company from ₱3,000.00 million to ₱10,000.00 million divided into 10,000.00 million common shares with a par value of ₱1 per share.

Treasury shares
As of December 31, 2021 and 2020, the Parent Company has bought-back a total of 14,061,670 shares for a total consideration of ₱739.53 million. This is presented as treasury shares in the consolidated statements of financial position.

The unappropriated retained earnings amounting to ₱28,753.79 million and ₱26,807.24 million as of December 31, 2021 and 2020, respectively, are restricted for the payment of dividends to the extent of the cost of the shares held in treasury, the undistributed earnings of the subsidiaries and joint venture, and recognized deferred tax assets which did not flow through profit or loss (see Note 16).

The Parent Company's track record of capital stock is as follows:

	Number of shares registered	Issue/offer price	Date of approval	Number of holders as of yearend
At January 1, 2001	1,630,970,000	₱1/share		
Add (deduct):				
Additional issuance	19,657,388	₱1/share	July 2, 2004	
Conversion of preferred shares to common shares	225,532	₱1/share	July 2, 2004	
Decrease in issued and outstanding common share from capital restructuring	(1,625,852,920)			
Share dividends	225,000,000	₱1/share	July 2, 2004	
Public offering additional issuance	46,875,000	₱36/share	February 4, 2005	
December 31, 2010	296,875,000			632
Add: Share rights offering	59,375,000	₱74/share	January 12, 2010	7
December 31, 2011	356,250,000			639
Add: Movement	–			24
December 31, 2012	356,250,000			663
Add: Movement	–			–
December 31, 2013	356,250,000			663
Add: Stock dividends	712,500,000		May 5, 2014	5
December 31, 2014	1,068,750,000			668
Add: Movement	–			9
December 31, 2015	1,068,750,000			677
Add: Movement	(3,463,570)		August 15, 2017	16
December 31, 2016	1,065,286,430			693
Add: Stock dividends	3,195,859,290		May 2, 2017	–
Add: Movement	(2,735,100)		December 7, 2018	1
December 31, 2017	4,258,410,620			694
Add: Movement	(7,863,000)		December 7, 2018	15
December 31, 2018	4,250,547,620			709
Add: Movement	–			22
December 31, 2019	4,250,547,620			731
Add: Movement	–			–
December 31, 2020	4,250,547,620			731
Add: Movement	–			10
December 31, 2021	4,250,547,620			741

16. **Retained Earnings**

As of December 31, 2021, and 2020, retained earnings amounted to ₱35,553.79 million and ₱32,107.24 million, respectively. The amounts include the accumulated equity in undistributed net earnings of subsidiaries which are not available for dividends until declared by the BOD of the respective subsidiaries. The retained earnings is also restricted to the extent of the cost of the treasury shares (see Note 15).

In accordance with SEC Memorandum Circular No. 11 issued in December 2008, the Parent Company's retained earnings available for dividend declaration as of December 31, 2021 and 2020 amounted to ₱28,092.26 million and ₱26,140.31 million, respectively.

<u>Cash Dividends</u>
On October 11, 2021, the Parent Company's BOD authorized the Parent Company to declare and distribute special cash dividends of ₱1.75 per share or ₱7,300.57 million to stockholders of record as of October 25, 2021 and payable on November 9, 2021.

On March 25, 2021, the Parent Company's BOD authorized the Parent Company to declare and distribute special cash dividends of ₱1.25 per share or ₱5,452.98 million to stockholders of record as of April 13, 2021 and payable on April 23, 2021.

On February 28, 2020, the Parent Company's BOD authorized the Parent Company to declare and distribute special cash dividends of ₱1.25 per share or ₱5,313.18 million to stockholders of record as of March 13, 2020 and payable on March 27, 2020.

On March 18, 2019, the Parent Company's BOD authorized the Parent Company to declare and distribute special cash dividends of ₱1.25 per share or ₱5,313.18 million to stockholders of record as of April 2, 2019. The said cash dividends were paid on April 26, 2019.

<u>Appropriations</u>
On October 28, 2021, the BOD approved the appropriation of ₱1,500.00 million from the unappropriated retained earnings as of December 31, 2021 for other investments of the Group. This appropriation is intended for the renewable energy investments of the Group.

The remaining appropriations as of December 31, 2020 amounting to ₱5,300.00 million were retained for the continuing capital expenditures for the coal mining operations and ongoing power plant expansion projects which are expected to be completed by 2023. This is after the reversal of ₱4,000.00 million, representing the costs of equipment procured for mine site operations in 2019. This also includes, the 2013 appropriations of ₱1,600.00 million and ₱700.00 million for the power generation and coal mining operations, respectively, retained for the continuing capital expenditure for the power and coal mining segment.

On February 23, 2017, the BOD approved the appropriation of ₱4,500.00 million from the unappropriated retained earnings as of December 31, 2016 for other investments of the Group. This appropriation is intended for the ongoing power capacity expansion project which are expected to be completed by 2023.

On November 8, 2016, the BOD approved the appropriation of ₱2,500.00 million from the unappropriated retained earnings as of December 31, 2015 as additional capital expenditure for the Phase 2 Power Plant expansion project of SRPGC which was initially expected to be completed in 2021 but has been moved to 2023.

On August 8, 2013, the BOD approved the appropriation of ₱1,600.00 million from the unappropriated retained earnings as of December 31, 2012, as additional capital expenditure and investment in power expansion projects of the Group which are expected to be completed by 2021.

On March 12, 2013, the BOD of the Parent Company ratified the remaining ₱700.00 million appropriations to partially cover new capital expenditures for the Group's mine operations.

17. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence which include affiliates. Related parties may be individuals or corporate entities. Transactions entered into by the Group with affiliates are made at normal commercial prices and terms. These are settled in cash, unless otherwise specified.

The significant related party transactions entered into by the Group with its related parties and the amounts included in the accompanying consolidated financial statements with respect to these transactions follow:

	2021				
	Reference	**Amount/ Volume**	**Receivable (Payable)**	**Terms**	**Conditions**
Trade receivables (Note 5)					
Entities under common control					
Sale of coal	**(a)**	**₱193,838,467**	**₱62,074,857**	**Noninterest-bearing, 30 days**	**Unsecured, no impairment**
Sale of materials, services and reimbursement of shared expenses	**(b)**	**48,785,747**	**130,008,456**	**Noninterest-bearing, 30 days**	**Unsecured, no impairment**
			₱192,083,313		
Trade payables (Note 13)					
Entities under common control					
Operation and maintenance fees	**(c)**	**(₱297,000,000)**	**₱–**	**30 days, noninterest-bearing**	
Coal handling services	**(d)**	**(458,912,857)**	**(35,292,720)**	**30 days, noninterest-bearing**	**Unsecured**
Mine exploration and hauling services	**(e)**	**(110,976,310)**	**(239,006,451)**	**30 days, noninterest-bearing**	**Unsecured**
Construction and other outside services	**(f)**	**(229,825,611)**	**(130,764,070)**	**30 days for monthly billings and portion after expiration of, retention period, noninterest-bearing**	**Unsecured**
Purchases of office supplies and refreshments	**(g)**	**(751,564)**	**(2,775,691)**	**30 days, noninterest-bearing**	**Unsecured**
Land and warehouse rental expenses	**(h)**	**(517,392)**	**(315,466)**	**30 days, noninterest-bearing**	**Unsecured**
Aviation services	**(i)**	**(21,209,834)**	**(48,449,269)**	**30 days, noninterest-bearing**	**Unsecured**
Others	**(b)**	**(688,234)**	**(1,230,261)**	**30 days, noninterest-bearing**	**Unsecured**
			(₱457,833,928)		

	2020				
	Reference	Amount/ Volume	Receivable (Payable)	Terms	Conditions
Trade receivables (Note 5)					
Entities under common control					
Sale of coal	(a)	₱8,716,440	₱38,709,058	Noninterest-bearing, due and demandable	Unsecured, no impairment
Sale of materials, services and reimbursement of shared expenses	(b)	24,278,037	268,703,762	Noninterest-bearing, due and demandable	Unsecured, no impairment
			₱307,412,820		
Trade payables (Note 13)					
Entities under common control					
Operation and maintenance fees	(c)	(₱23,055,378)	(₱3,747,060)	30 days, noninterest-bearing	
Coal handling services	(d)	(91,459,312)	(53,574,790)	30 days, noninterest-bearing	Unsecured
Mine exploration and hauling services	(e)	(128,030,141)	(128,030,141)	30 days, noninterest-bearing	Unsecured
Construction and other outside services	(f)	42,922,472	(297,028,036)	30 days for monthly billings and portion after expiration of, retention period, noninterest-bearing	Unsecured
Retention payable		(14,822,091)	(51,835)	30 days, noninterest-bearing	Unsecured
Purchases of office supplies and refreshments	(g)	(611,855)	-	30 days, noninterest-bearing	Unsecured
Land and warehouse rental expenses	(h)	(425,657)	(832,859)	30 days, noninterest-bearing	Unsecured
Aviation services	(i)	(4,794,885)	(27,239,435)	30 days, noninterest-bearing	Unsecured
Others	(b)	(356,363)	(357,863)	30 days, noninterest-bearing	Unsecured
			(₱510,862,019)		

a. The Group has coal sales to DMCI Masbate Power Corporation (DMPC), an entity under common control of DMCI-HI.

b. The Group has receivables for services rendered, deliveries of goods and reimbursement of expenses advanced by the Group to its affiliates. This includes contracted services, share in rental expenses, office materials and supplies, and maintenance and renewal expenses of information systems.

c. SCPC engaged DMCI Power Corporation (DPC) for the management, operation and maintenance of the power plant.

d. SCPC and SLPGC entered into a voyage charter agreement with DMC Construction Equipment and Resources, Inc. (DMC CERI), an affiliate. Freight cost charged by DMC CERI are included as part of the cost of coal inventory. The total inventory cost including the freight charges are recorded as expenses under 'Cost of power sales' depending on the level of coal consumed for the period. Outstanding payable balance as of year-end to DMC CERI are included in the 'Accounts and other payables' account.

e. DMC-CERI had transactions with the Parent Company for services rendered relating to the Parent Company's coal operations. These include services for the confirmatory drilling for coal reserve and evaluation of identified potential areas, exploratory drilling of other minerals within Semirara Island, and fresh water well drilling for industrial and domestic supply under an agreement. Expenses incurred for said services are included in 'Outside services' under 'Cost of sales' in the parent company statements of comprehensive income (see Note 19).

   DMC-CERI also provides service requirements needed by the Parent Company to operate and maintain barges, vessels and tugboats for the purpose of transporting coal. This is inclusive of full and complete supervision of all employees and personnel assigned to perform such services. It also covers hauling and transportation of spare parts, materials, sand and gravel and other cargoes for its use at its coal operation. Expenses incurred for these services are included in 'Hauling and shiploading costs' under 'Cost of sales' in the parent company statements of comprehensive income (see Note 19).

   Effective 2018, the Parent Company amended its Operations and Maintenance agreement with DMC-CERI wherein, DMC-CERI will be credited for all the despatch for the early loading and unloading of coal cargos in the Semirara Port. In addition, demurrage charges shall be charged to the account of DMC-CERI or the customer on the basis of who is at fault to cause the laytime delay.

   Furthermore, DMC-CERI provides labor services relating to coal operations including those services rendered by consultants. Expenses incurred for said services are included in 'Direct labor' under 'Cost of sales' in the parent company statements of comprehensive income (see Note 19).

   Labor costs related to manpower services rendered by DMC-CERI represent salaries and wages of personnel, including consultants, incurred in rendering services to Parent Company in its coal operations. Under existing arrangements, payments of salaries and wages are given directly to personnel concerned. Expenses incurred for said services are included in 'Direct labor' under 'Cost of Sales' in the parent company statements of comprehensive income (see Note 19).

   In 2020, marine vessels were sold to DMC-CERI for ₱620.58 million, of which ₱13.39 million and ₱84.69 remained uncollected as of December 31, 2021 and 2020, respectively. Gain recognized from this transaction amounted to ₱56.30 million (see Note 8).

f. The Group contracted DMCI for the construction of its 1x 5 MW Power Plant located at Semirara Island. Other services include ongoing rehabilitation of existing power plant, and other constructions in compliance with its Corporate Social Responsibility (CSR) such as construction of covered tennis courts, track and field, perimeter fence and others.

   In addition, the Group have retention payable to DMCI which represents amounts withheld from payments to contractors as guaranty for any claims against them. These are noninterest-bearing and will be remitted to contractors at the end of the contracted work.

g. Transactions with other affiliates pertain to supply various raw materials, office supplies and refreshments.

h. DMC Urban Property Developers, Inc. (DMC-UPDI) had transactions with the Parent Company representing long-term lease on land, warehouse space and other transactions necessary for the coal operations. Rental expenses on warehouse space are included in cost of sales under 'Outside services', while payments related to lease of land are accounted as reduction to lease liabilities upon adoption of PFRS 16 (see Notes 9 and 19).

i. Royal Star Aviation Inc. provide maintenance services and hangarage for the Parent Company's aircraft use to transport supplies, employees and visitors in and out the minesite. The related expenses are included in cost of sales under 'Production overhead' in the consolidated statement of comprehensive income (see Note 19).

All outstanding balances from affiliates are included in receivables under 'Trade receivables - related parties' and 'Trade payables - related parties' in the consolidated statements of financial position (see Notes 5 and 13).

Terms and conditions of transactions with related parties
The outstanding accounts with other related parties are settled either in cash and non cash considerations. The transactions are made at terms and prices agreed upon by the parties. The Group has approval process and established limits when entering into material related party transactions.

There have been no guarantees and collaterals provided or received for any related party receivables or payables. These accounts are noninterest-bearing and are generally unsecured. Impairment assessment is undertaken each financial year through a review of the financial position of the related party and the market in which the related party operates. As of December31, 2020 and 2019, there were no impairment losses recognized on related party balances.

Compensation of key management personnel of the Group amounted to ₱83.84 million, ₱66.96 million and ₱122.13 million in 2021, 2020 and 2019, respectively.

There are no other agreements between the Group and any of its directors and key officers providing for benefits upon termination of employment, except for such benefits to which they may be entitled under the Group's pension plan.

18. **Pension Plan**

The Group has a funded, noncontributory defined benefit plan covering substantially all of its regular employees. The latest actuarial valuation is for the year ended December 31, 2021.

The Group accrues retirement costs (included in 'Pension liabilities' in the consolidated statements of financial position) based on an actuarially determined amount using the projected unit credit method.

The funds are administered by a trustee bank under the supervision of the BOD of the plan. The BOD is responsible for the investment of the assets. It defines the investment strategy as often as necessary, at least annually, especially in the case of the significant market developments or changes to the structure of the plan participants. When defining the investment strategy, it takes account of the plan's objectives, benefit obligation and risk capacity. The investment strategy is defined in the form of a long-term target structure (investment policy). The BOD delegates the implementation of the investment policy in accordance with the investment strategy as well as various principles and objectives to an Investment Committee, which also consists of members of the BOD, Senior Vice-President Chief Risk, Compliance and Performance Officer. The Vice-President Chief Finance Officer and Treasury Head oversee the entire investment process.

Under the existing regulatory framework, Republic Act No. 7641 requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

Provisions for pension liabilities are established for benefits payable in the form of retirement pensions. Benefits are dependent on years of service and the respective employee's final compensation. The Group updates the actuarial valuation every year by hiring the services of a third party professionally qualified actuary.

There are no plan amendments, curtailments or settlements in 2021, 2020 and 2019.

The cost of defined benefit pension plans and the present value of the pension liabilities are determined using actuarial valuations.

The actuarial valuation involves making various assumptions. The principal assumptions used in determining pension liabilities for the defined benefit plan are shown below:

	2021	2020	2019
Discount rate	**5.01% - 5.18%**	3.72% - 4.07%	5.42% - 5.54%
Salary increase rate	**3.00% - 6.00%**	3.00% - 6.00%	3.00% - 6.00%

The weighted average duration of significant defined benefit obligation per segment are as follows (average number of years) for 2021 and 2020:

	2021	2020
Mining	**5.8 years**	5.7 years
Power	**9.0-14.2 years**	8.6-15.1 years

The following table summarizes the components of pension expense in the consolidated statements of comprehensive income:

	2021	2020	2019
Current service cost	**₱72,465,030**	₱54,382,566	₱38,099,335
Interest expense related to the defined benefit liability	**19,846,410**	23,339,604	21,948,856
Interest income related to plan assets	**(10,920,479)**	(6,833,040)	(5,355,656)
	₱81,390,961	₱70,889,130	₱54,692,535

The above pension expense is included as 'Direct labor' under cost of sales and 'Personnel costs' under operating expenses in the consolidated statement of comprehensive income (see Notes 19 and 20).

The following tables provide analyses of the movement in the defined benefit liability, fair value plan assets and net pension liabilities recognized on consolidated statements of financial position:

	2021	2020
Defined benefit liability at beginning of year	**₱526,483,803**	₱425,534,713
Current service cost	**72,465,030**	54,382,566
Interest expense	**19,846,410**	23,339,604
Remeasurement losses arising from:		
Changes in demographic assumptions	**57,468,576**	(15,702,291)
Changes in financial assumptions	**(55,020,913)**	59,066,951
Experience adjustments	**(11,300,365)**	(13,348,477)
Benefits directly paid by the Group	**(27,858,782)**	–
Benefits paid from plan assets	**(16,468,693)**	(6,789,263)
Defined benefit liability at end of year	**₱565,615,066**	₱526,483,803

	2021	2020
Fair value of plan assets at beginning of year	**₱125,195,196**	₱127,037,944
Contributions	**343,649,989**	–
Interest income	**10,920,479**	6,833,040
Remeasurement losses arising from return on plan assets	**(21,730,914)**	(1,886,525)
Benefits paid from plan assets	**(16,468,693)**	(6,789,263)
Fair value of plan assets at end of year	**₱441,566,057**	₱125,195,196

	2021	2020
Net pension liability at beginning of year	**₱397,545,236**	₱294,753,397
Net pension expense	**81,390,961**	70,889,130
Actuarial losses recognized in OCI	**16,621,584**	45,251,186
Contributions	**(343,649,989)**	–
Benefit directly paid by the Group	**(27,858,783)**	(13,348,477)
Net pension liability at end of year	**₱124,049,009**	₱397,545,236

The Group does not expect any contribution into the pension fund for the next 12 months.

The composition and fair value of plan assets as at the end of reporting date are as follows:

	2021	2020
Cash and cash equivalents	**₱71,547,815**	₱–
Equity instruments		
Financial institutions	**93,046,697**	54,309,015
Debt instruments		
Government securities	**273,013,653**	58,935,219
Unquoted debt securities	**2,475,888**	10,789,072
Receivables	**1,482,004**	1,161,890
	₱441,566,057	₱125,195,196

Trust fee in 2021 and 2020 amounted to ₱193,824 and ₱33,464 respectively.

The composition of the fair value of the plan assets includes:

- *Cash and cash equivalents* - include savings and time deposit with banks and special deposit account with Bangko Sentral ng Pilipinas.
- *Investment in equity securities* - includes investment in common and preferred shares of financial institutions traded in the Philippine Stock Exchange.
- *Investment in debt securities - government securities* - include investment in Philippine Retail Treasury Bonds and Fixed Rate Treasury Notes.
- *Investments in unquoted debt securities* - include investment in long-term debt notes and retail bonds.
- *Receivables* - pertain to interest and dividends receivable on the investments in the fund.

The management performs a study of how to match its existing assets versus the pension liabilities to be settled. The overall investment policy and strategy of the Group's defined benefit plan is guided by the objective of achieving an investment return which, together with contributions, ensures that there will be sufficient assets to pay pension benefits as they fall due while also mitigating the various risks of the plan. The Group's current guiding strategic investment strategy consists of 60% and 50% of debt instruments, 20% and 0% of cash and cash equivalents, 20% and 40% of equity instruments and 1% and 1% of others for 2021 and 2020, respectively.

Each sensitivity analysis on the significant actuarial assumptions was prepared by remeasuring the Defined Benefit Obligation (DBO) at the reporting date after first adjusting one of the current assumptions according to the applicable sensitivity increment or decrement (based on changes in the relevant assumption that were reasonably possible at the valuation date) while all other assumptions remained unchanged. The sensitivities were expressed as the corresponding change in the DBO.

It should be noted that the changes assumed to be reasonably possible at the valuation date are open to subjectivity, and do not consider more complex scenarios in which changes other than those assumed may be deemed to be more reasonable.

	Effect on Defined Benefit Liability		
	Increase (Decrease)	**2021**	2020
Discount rates	+1%	**(₱37,813,545)**	(₱36,128,233)
	-1%	**44,105,672**	42,488,899
Future salary increases	+1%	**44,071,162**	41,861,319
	-1%	**(38,501,086)**	(36,343,135)

Shown below is the maturity analysis of the undiscounted benefit payment up to 10 years:

	2021	2020
Less than 1 year	**₱226,863,069**	₱198,723,961
More than 1 year to 5 years	**192,879,476**	127,965,726
More than 5 years to 10 years	**230,891,824**	203,005,983
	₱650,634,369	₱529,695,670

The Group has no other transactions with the fund.

19. **Cost of Sales**

Cost of coal sales consists of:

	2021	2020	2019
Cost of coal (Note 6)			
Fuel and lubricants	**₱5,151,443,587**	₱3,500,149,163	₱4,831,590,762
Materials and supplies (Note 17)	**4,814,829,506**	3,763,516,229	5,112,461,962
Depreciation and amortization (Notes 8, 9 and 10)	**3,206,865,763**	2,346,583,325	3,461,657,292
Direct labor (Notes 17 and 18)	**1,740,399,466**	1,107,658,868	1,364,754,071
Production overhead (Note 17)	**617,330,942**	580,140,429	1,593,169,230
Outside services (Note 17)	**470,713,991**	542,297,370	1,211,178,162
	16,001,583,255	11,840,345,384	17,574,811,479
Hauling and shiploading costs (Notes 9 and 17)	**1,322,699,136**	439,966,574	208,974,190
	₱17,324,282,391	₱12,280,311,958	₱17,783,785,669

Cost of power sales consists of:

	2021	2020	2019
Coal	**₱3,515,523,065**	₱3,936,553,761	₱2,947,448,354
Depreciation and amortization (Note 8)	**2,712,156,415**	2,871,506,678	2,483,914,467
Energy spot purchases	**2,187,503,217**	411,055,081	2,790,441,203
Diesel	**295,562,474**	46,426,387	190,885,580
Chemicals, lubricants and limestone	**75,615,195**	24,509,295	29,791,624
Market fees	**14,706,578**	31,054,721	31,233,740
Bunker	–	39,740,981	97,391,081
Coal handling expense (Note 17)	–	–	217,012,723
Others	**114,220,385**	58,258,633	75,254,559
	₱8,915,287,329	₱7,419,105,537	₱8,863,373,331

The cost of coal on power sales consists of:

	2021	2020	2019
Materials and supplies	**₱1,815,056,200**	₱1,309,162,437	₱946,901,917
Fuel and lubricants	**747,530,776**	1,114,770,271	894,880,508
Hauling and shiploading costs	**440,003,812**	213,958,565	34,791,561
Direct labor	**252,552,230**	385,306,000	252,772,198
Depreciation and amortization (Note 8)	**102,492,872**	519,986,937	298,030,756
Production overhead	**89,581,119**	201,805,442	295,077,990
Outside services	**68,306,056**	191,564,109	224,993,424
	₱3,515,523,065	₱3,936,553,761	₱2,947,448,354

20. **Operating Expenses**

	2021	2020	2019
Government share (Note 26)	**₱6,354,771,211**	₱1,813,594,427	₱3,927,055,360
Personnel costs (Notes 17 and 18)	**673,300,883**	508,983,157	522,233,324
Taxes and licenses	**600,942,907**	552,966,795	627,723,116
Repairs and maintenance	**453,607,978**	283,240,150	249,052,444
Insurance and bonds	**300,864,581**	257,761,191	349,514,794
Operation and maintenance (Note 17)	**297,000,000**	415,104,047	455,298,286
Office expenses (Note 17)	**177,644,604**	110,296,868	140,504,952
Depreciation and amortization (Notes 3, 8 and 9)	**83,292,044**	194,002,240	643,580,370
Entertainment, amusement and recreation	**67,133,369**	36,940,602	37,704,730
Professional fees	**60,366,134**	71,194,050	82,956,495
Transportation and travel	**17,479,977**	14,226,265	25,533,655
Write-down of property, plant and equipment (Notes 3 and 8)	**–**	157,196,754	83,535,586
Marketing	**–**	2,591,716	6,821,665
Provision for impairment losses (Note 7)	**–**	–	82,939,079
Others (Notes 6 and 8)	**178,756,585**	135,963,454	130,467,320
	₱9,265,160,273	₱4,554,061,716	₱7,364,921,176

In 2020 and 2019, the Group recorded accelerated depreciation for its power generation units amounting to ₱101.23 million and ₱549.95 million, respectively (nil in 2021), due to planned rehabilitation of the Group's coal-fired power plants in Calaca, Batangas.

Others pertain to various expenses such as advertising, utilities and equity in net losses of a joint venture.

Prior to acquisition of the 50% shareholdings of Meralco PowerGen Corporation, MGen (the other joint venturer in SRPGC), the Parent Company recognized equity in net losses of SRPGC amounting to ₱0.31 million and ₱0.69 million in 2020 and 2019, respectively. On November 9, 2020, the joint venture agreement between the Parent Company and MGen was terminated. Subsequently after termination, SRPGC became a wholly-owned subsidiary of the Parent Company upon acquisition of the shareholdings of MGen for ₱115.0 million (remained unpaid as of December 31, 2021). SRPGC has started pre-construction work and the related capitalized costs amounting to ₱104.84 million and ₱233.53 million is recorded under "Property, plant and equipment" as of December 31, 2021 and 2020, respectively (see Note 8). The Parent Company's equity in losses of SRPGC in 2020 and 2019 amounted to ₱0.31 million and ₱0.69 million, respectively, included under "Others".

21. **Finance Costs**

	2021	2020	2019
Interest on:			
Long-term debt (Note 12)	**₱774,632,597**	₱668,081,709	₱538,199,923
Short-term loans (Note 11)	**58,416,679**	318,752,682	582,205,604
Accretion of provision for decommissioning and site rehabilitation costs (Note 14)	**9,797,034**	24,282,185	30,229,558
Lease liabilities (Note 9)	**7,104,913**	7,850,348	6,620,167
Amortization of debt issuance cost (Note 12)	**33,227,632**	30,676,096	14,837,763
Bank charges and others	**93,179,757**	45,177,531	144,774,497
	₱976,358,612	₱1,094,820,551	₱1,316,867,512

22. **Finance Income**

	2021	2020	2019
Interest on:			
Cash in banks (Note 4)	**₱15,097,453**	₱6,078,596	₱5,057,250
Cash equivalents (Note 4)	**5,498,252**	39,548,131	76,183,958
Others	**1,946,547**	246,212	201,741,824
	₱22,542,252	₱45,872,939	₱282,983,032

Others in 2019 includes interest income collected by SCPC in relation to the claims from Power Sector Assets and Liabilities Management (PSALM) and National Power Corporation (NPC) for the recovery of amounts charged and withheld by PSALM for spot purchases of SCPC in connection with NPC's over nomination of bilateral contracted capacity to a distribution utility company for the period January to June 2010.

23. **Other Income (Charges)**

	2021	2020	2019
Sale of fly ash	**₱167,589,713**	₱180,213,166	₱166,120,069
Gain (loss) on sale of equipment - net (Note 8)	**–**	67,002,889	(10,632,904)
Loss on financial asset at FVPL	**–**	–	(643,476,025)
Gain on pre-termination of option contract	**–**	37,238,898	–
Recoveries from insurance claims and claims from third party settlement	**–**	–	668,393,238
Miscellaneous	**72,149,973**	32,264,656	5,794,226
	₱239,739,686	₱316,719,609	₱186,198,604

Recoveries from insurance claims and claims from third party settlement
Recoveries from insurance claims pertain to the amount reimbursed by the insurer on insured equipment that were damaged. In 2019, insurance claims amounting to ₱698.39 million was received to cover the cost of repair for the unplanned shutdown of one of the Group's power plant. The amount of other income recognized from the insurance claims is net of the related cost of repairs of ₱23.69 million in 2019.

Gain on pre-termination of option contract and loss on financial asset at FVPL
On March 25, 2020, the Group and a retail-electricity supplier (RES) has agreed to pre-terminate the five (5)-year option agreement with respect to its exposure to the WESM. The pre-termination gain recognized amounted to ₱37.24 million in 2020. The pre-termination did not constitute any default of either party and did not give rise to any termination fee. Prior to termination, the Group recorded remeasurement loss on this financial asset amounting to ₱643.48 million in 2019.

Miscellaneous
Miscellaneous pertains to sale of sample products for its claystone business.

24. Income Tax

The provision for (benefit from) income tax consists of:

	2021	2020	2019
Current	**₱18,859,250**	₱78,606,899	₱137,373,974
Final	**112,133,683**	7,460,349	16,228,957
Deferred	**214,131,126**	46,530,509	(448,728,617)
	₱345,124,059	₱132,597,757	(₱295,125,686)

The reconciliation of the effective statutory income tax rate to the effective income tax rate shown in the consolidated statements of comprehensive income follows:

	2021	2020	2019
Statutory income tax rate	**25.00%**	30.00%	30.00%
Adjustments for:			
Nondeductible expense	**0.09**	1.83	0.56
Nondeductible interest expense	**0.00**	0.17	0.10
Movement in unrecognized deferred tax assets	**0.53**	(1.31)	0.16
Interest income already subject to final tax at a lower rate	**(0.01)**	(0.17)	(0.09)
Tax-exempt income	**(26.20)**	(26.66)	(33.56)
Adjustment of prior year income taxes due to change in tax rate (CREATE)	**0.82**	–	–
Effective income tax rate	**0.23%**	3.86%	2.83%

The components of net deferred tax assets as of December 31, 2021 and 2020 follow:

	2021	2020
Deferred tax assets (liabilities) on:		
Allowance for expected credit losses and impairment losses	**₱385,904,657**	₱510,416,398
Accrual of pension obligation	**120,127,774**	99,169,806
Allowance for inventory obsolescence	**57,512,862**	20,218,166
Provision for decommissioning and site rehabilitation	**3,341,973**	5,394,890
Unrealized foreign exchange loss (gain) - net	**(44,965,430)**	10,621,301
NOLCO	**–**	192,787,790
Others	**37,834,731**	16,388,187
	₱559,756,567	₱854,996,538

Deferred tax assets are recognized only to the extent that taxable income will be available against which the deferred tax assets can be used.

The Group has the following deductible temporary differences that are available for offset against future taxable income or tax payable for which deferred taxes have not been recognized:

	2021	2020
NOLCO	**₱477,906,468**	₱–
Allowance for impairment losses and other probable losses	**286,408,831**	157,196,754
MCIT	**14,904,246**	–
Others	**63,246,572**	–

Unrecognized deferred tax assets on temporary differences amounting to ₱210.62 million and ₱47.16 million as of December 31, 2021 and 2020, respectively.

Rollforward analysis of the Group's NOLCO follows:

	2021	2020
Balance at beginning of year	**₱642,625,967**	₱647,512,994
Addition	**425,016,978**	–
Adjustment due to CREATE	**128,764**	–
Applied	**(568,290,871)**	–
Expired	**(21,574,370)**	(4,887,027)
Balance at the end of year	**₱477,906,468**	₱642,625,967

The Group did not recognize deferred tax assets on NOLCO incurred in 2017 amounting to ₱0.42 million which expired by 2020.

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4 of Bayanihan to Recover as One Act (Bayanihan 2) which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over as a deduction from gross income for the next five (5) consecutive years immediately following the year of such loss.

As of December 31, 2021, the Group has available NOLCO that can be claimed as deduction from future taxable income follow:

Period	Amount	Applied	Expired	Balance	Expiry Year
2021	₱477,906,468	₱–	₱–	₱477,906,468	2026

As of December 31, 2021, the excess MCIT that is available for offset against future income tax payable follow:

Year incurred	Amount	Applied	Expired	Balance	Expiry Year
2020	₱36,838,060	(₱21,933,814)	₱–	₱14,904,246	2023
2019	29,474,180	(29,474,180)	–	–	2022
	₱66,312,240	(₱51,407,994)	₱–	₱14,904,246	

Board of Investments (BOI) Incentives

Parent Company

In relation to the Parent Company's operation in Panian minesite, on September 26, 2008, the BOI issued in favor of the Parent Company a Certificate of Registration as an Expanding Producer of Coal in accordance with the provisions of the Omnibus Investments Code of 1987. Pursuant thereto, the Parent Company shall be entitled to the following incentives, among others:

On August 31, 2012 and February 24, 2016, BOI has granted the Parent Company Certificates of Registration as New Producer of Coal in accordance with the provisions of the Omnibus Investments Code of 1987 in relation to the operation in Narra Minesite (formerly Bobog) (Certificate of Registration No. 2012-183) and Molave Minesite (Certificate of Registration No. 2017-042). Pursuant thereto, the Parent Company shall be entitled to the following incentives for the two Certificates of Registration, among others:

a. ITH for four (4) years from January 2015 and January 2017 for Narra minesite and Molave minesite, respectively, or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration.

b. Income qualified for ITH availment shall not exceed by more than 10% of the projected income represented by the Parent Company in its application provided the project's actual investments and employment match the Parent Company's representation in the application.

On October 24, 2019, the BOI approved the request for suspension of Narra Mine until the slope stability of the Narra mine to resume production is ensured, as follows:

a. the suspension of mining operation of Narra Mine under its Certificate of Registration No. 2012-183 dated August 31, 2012, subject to the capping of ITH incentive of Molave mine to 9,697,165 MT under BOI Certificate of Registration No. 2016-042 dated February 24, 2016, which is the highest attained production volume for the last three (3) years of operation; and,

b. the suspension of the corresponding ITH under its Certificate of Registration No. 2012-183 dated August 31, 2012.

On November 28, 2019, the BOI approved the Parent Company's application for extension for one (1) year for ITH incentive. The approved bonus year under Certificate of Registration No. 2016-042 is for the period October 15, 2020 to October 14, 2021 using the Indigenous Raw Material Criterion pursuant to Executive Order No. 226.

The Parent Company received a letter from the BOI dated February 28, 2020, stating that the BOI per Board Resolution No. 04-14, Series of 2020, approved the motion for reconsideration of the Parent Company and that the portion of BOI Board Resolution No. 31-07, Series of 2019, capping the incentive of Molave mine to 9,697,165 MT be amended. The annual coal production rate of 16 million metric tons as specified in the Amended Environmental Compliance Certificate issued by the Department of Environment and Natural Resources-Environmental Management Bureau (DENR-EMB) shall be imposed upon the Parent Company's two (2) projects under BOI Certificate of Registration No. 2012-183 dated August 31, 2012 and BOI Certificate of Registration No. 2016-042 dated February 24, 2016 as New Producer of Coal, pursuant to the provisions under the Executive Order No. 226. Any revenue arising from the coal production in excess of 16 million metric tons annual production rate shall not be entitled to ITH incentive.

The Parent Company availed of incentive in the form of ITH on its income under registered activities amounting to ₱3,579.18 million, ₱978.86 million and ₱2,323.04 million in 2021, 2020 and 2019, respectively.

SLPGC
On June 21, 2012, the application for registration of SLPGC as new operator of 300 MW (Phase 1) Batangas Coal-fired Power Plant on a Non-Pioneer Status under the Omnibus Investments Code of 1987 (Executive Order No. 226) was approved. Pursuant thereto, SLPGC shall be entitled to the following incentives, among others:

a. ITH for four (4) years from January 2015 or actual start of commercial operations, whichever is earlier but in no case earlier than the date of registration;

b. For the first five (5) years from the date of registration, the enterprise shall be allowed an additional deduction from taxable income of fifty percent (50%) of the wages corresponding to the increment in number of direct labor for skilled and unskilled workers in the year of availments as against the previous year if the project meets the prescribed ratio of capital equipment to the number of workers set by the BOI and provided that this incentive shall not be availed of simultaneously with the ITH;

c. Importation of consigned equipment for a period of 10 years from the date of registration, subject to posting of re-export bond;

d. Employment of foreign nationals. This may be allowed in supervisory, technical or advisory positions for five (5) years from the date of registration; and,

e. Simplification of customs procedures for the importation of equipment, spare parts, raw materials and supplies.

On June 29, 2016, the BOI granted the request of SLPGC for the movement of the reckoning period for the ITH incentive from January 1, 2015 to January 1, 2016 due to the delay arising from interconnection issue which is considered as an operational force majeure. On February 5, 2020, the BOI approved SLPGC's application for extension of ITH incentives for one (1) year for the period of January 1, 2020 to December 31, 2020, using the Indigenous Raw Material criterion pursuant to Executive Order No. 226.

On September 14, 2020, SLPGC was granted a maximum postponement of 2 years of its ITH bonus year on grounds of COVID-19 pandemic. SLPGC opted to exercise the deferral of its ITH bonus year in 2020, or a period of one (1) year only.

Corporate Recovery and Tax Incentive for Enterprise (CREATE) Act

On March 26, 2021, Republic Act No. 11534, Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act, was signed into law and took effect on April 11, 2021. The CREATE Act introduces reforms to the corporate income tax and incentive systems by implementing changes to the current tax regulations. Some of these changes, which became effective beginning July 1, 2020, are as follows:

- Reduction in the RCIT rate from 30% to 20% for entities with net taxable income not exceeding ₱5.0 million and with total assets not exceeding ₱100.0 million (excluding the value of land on which the business entity's office, plant and equipment are situated);
- Reduction in the RCIT from 30% to 25% for all other corporations;
- Reduction in the MCIT rate from 2% to 1% of gross income for 3 years or until June 30, 2023;
- Repeal of the imposition of 10% improperly accumulated earnings tax (IAET).

25. Basic/Diluted Earnings Per Share

The following table presents information necessary to calculate earnings per share:

	2021	2020	2019
Net income	**₱16,200,097,441**	₱3,286,749,412	₱9,678,790,811
Divided by the weighted average number of common shares outstanding	**4,250,547,620**	4,250,547,620	4,250,547,620
Basic/diluted earnings per share	**₱3.81**	₱0.77	₱2.28

There have been no other transactions involving common shares or potential common shares between the reporting date and the date of authorization of these consolidated financial statements.

26. Coal Operating Contract with DOE

On July 11, 1977, the Government, through its former Energy Development Board, awarded a 35-year COC to a consortium led by Vulcan Industrial & Mineral Exploration Corporation and Sulu Sea Oil Development Corporation that subsequently assigned said COC to then Semirara Coal Corporation, now the Parent Company, on April 7, 1980. On July 27, 1977, Presidential Decree (PD) 972 was amended by PD 1174: (a) increasing coal operators' maximum cost recovery from an amount not exceeding 70% to 90% of the gross proceeds from production, and (b) increasing the amount of a special allowance for Philippine corporations from an amount not exceeding 20% to 30% of the balance of the gross income, after deducting all operating expenses. As a result, the Parent Company's COC was subsequently amended on January 16, 1981 reflecting said changes.

On May 13, 2008, the DOE granted the Parent Company's request for an extension of its COC for another 15-year or until July 14, 2027.

On November 12, 2009, the COC was amended further, expanding its contract area to include Caluya and Sibay Islands, Antique, covering an additional area of 3,000 hectares and 4,200 hectares, respectively.

On August 6, 2018, the COC was amended relinquishing the contract areas in Caluya and Sibay Islands, Antique. The contract areas under the COC was re-configured with an area of 13,000 hectares.

On April 29, 2013, the DOE issued a new COC to the Parent Company granting the Parent Company the exclusive right to conduct exploration, development and coal mining operations in the municipality of Bulalacao, province of Oriental Mindoro, up to a maximum of 36 years from its effective date. The COC covers two coal-bearing parcels of land covering areas of 2,000 and 5,000 hectares, respectively.

On June 7, 2013, the DOE issued a new COC to the Parent Company granting the Parent Company the exclusive right to conduct exploration, development and coal mining operations in the municipalities of Maitum and Kiamba, province of Sarangani, up to a maximum of 36 years from its effective date. The COC covers a coal-bearing parcel of land covering area of 5,000 hectares. On January 18, 2019, the old COC was voluntarily relinquished by the Parent Company.

In return for the mining rights granted to the Parent Company, the Government is entitled to receive annual royalty payments consisting of the balance of the gross income after deducting operating expenses, operator's fee and special allowance. The DOE, through the Energy Resources Development Bureau, approved the exclusion of coal produced and used solely by the Parent Company to feed its power plant used for mining operations in determining the amount due to DOE.

Royalty dues for DOE's share under this contract and to the different LGU in the province of Antique, under the provisions of the Local Government Code of 1991, amounted to ₱6,354.77 million, ₱1,813.59 million and ₱3,927.06 million in 2021, 2020 and 2019, respectively, included under 'Operating expenses' in the consolidated statements of comprehensive income (see Note 20). Payable to DOE and LGU, amounting to ₱2,059.61 million and ₱1,034.08 million as of December 31, 2021 and 2020, respectively, are included under the 'Trade and other payables' account in the consolidated statements of financial position (see Note 13).

27. Contingencies and Commitments

The Group is a party to certain proceedings and legal cases with other parties in the normal course of business. The ultimate outcome of these proceedings and legal cases cannot be presently determined. Management, in consultation with its legal counsels, believes that it has substantial legal and factual bases for its positions and is currently of the opinion that the final resolution of these claims will not have a material effect on the financial statements.

The Group is also contingently liable with respect to certain taxation matters, lawsuits and other claims which are being contested by management, the outcome of which are not presently determinable. Management believes that the final resolution of these claims will not have a material effect on the Group financial statements.

No resulting provision in 2021, 2020 and 2019 for these lawsuits, claims and assessments based on management's assessment. The other information usually required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, are not disclosed on the grounds that it can be expected to prejudice the outcome of pending lawsuits, claims and assessments.

a. Effectivity of Revenue Regulations (RR) 1-2018

On January 5, 2018, RR 1-2018 took effect pursuant to the effectivity of the Tax Reform for Acceleration and Inclusion (TRAIN) law beginning January 1, 2018. Among others, the new tax law raised the excise tax rates on domestic and imported coal from ₱10.0 per metric ton (MT) to ₱50.0 per MT in the first year of implementation, ₱100.0/MT in the second year, and ₱150.0/MT in the third and succeeding years. Based also on the RR, coal produced under coal operating contracts entered into by the Government pursuant to PD No. 972, as well as those exempted from excise tax on mineral products under other laws, shall now be subject to the applicable rates beginning January 1, 2018.

On February 21, 2018, the Group requested for a clarification on this with the tax bureau and submitted a supplemental letter explaining why the excise tax provisions on coal under the TRAIN law will not apply to the Group under the terms and conditions of its COC with the DOE. In response, on December 17, 2018, Revenue Memorandum Circular (RMC) No. 105-2018 was issued, clarifying the payment of excise tax on domestic coal sales and specifically identifying the Group as merely a collecting agent (the Group collected from customers and remitted to the tax bureau). The RMC did not provide for the excise tax treatment of export coal sales (per RMC, this will be tackled in a separate revenue memorandum issuance), but management believes that the Group is similarly not liable for this under the terms of its existing COC. Given this, management believes that both the timing and the amount of excise tax on exported coal that will be due from the Group, if any, are uncertain as of December 31, 2021 and 2020 and will only be confirmed when the said issuance will be issued by the tax bureau.

b. *DOE Resolution on Violation of Accreditation of Coal Traders*

On May 23, 2019, the trial shipment of 4,768.737 MT of the Group was shipped and delivered to Gold Anchorage Stevedoring and Arrastre Services, Inc. (GASAI). On June 6, 2019, the Group received an Order dated June 4, 2019 from the DOE directing the SMPC to: (a) File a verified Answer within 30 days from receipt; and (b) cease and desist from doing coal trading activities and operations. Order also states that the coal trader accreditation of SMPC is suspended until further notice.

On July 5, 2019, the Group filed its Verified Answer arguing that: (a) sale and delivery of coal to GASAI was done in good faith; (b) the cease and desist order (CDO) and suspension is disproportionately severe under the circumstances as it should only be directed to trading done with GASAI; and c) imposition of fines is only applicable to those entities who are not accredited.

On July 10, 2019, the Group wrote the DOE requesting deferment of the that implementation of the CDO and/or suspension pending resolution of the DOE.

On July 12, 2019, the DOE held in abeyance the imposition of the implementation of the CDO subject to the following conditions:

a. Order of abeyance is effective only for 30 days or until resolution of the Answer, whichever comes earlier;
b. the Group to continue with its existing coal contracts, but shall not enter as party to any new coal supply agreement; and,
c. the Group should faithfully comply with its commitments and obligations as an accredited coal trader.

On November 19, 2019, the Group received the DOE Resolution dated October 15, 2019 imposing the following penalties:

- Suspension of coal trading activities for 1 month, except to the Group-owned and other powerplants with existing coal supply agreements; and,
- Monetary penalty of ₱1.74 million.

On November 20, 2019, a motion for reconsideration to the Resolution dated October 15, 2019 was filed with the following prayer:

- The Resolution is null and void as it was issued in violation of the DOE Rules of Procedure; and,
- The CDO and Resolution are onerous and overbroad in scope as it was applied to unrelated transactions (not GASAI's) and inconsistent with the objectives of the Accreditation Guidelines.

On November 25, 2019, an amended motion for reconsideration was filed by the Group.

On January 3, 2020, the Group received letter from the DOE dated December 26, 2019 directing the former to file its position paper relative to the CDO in which the Group filed on January 10, 2020.

On March 16, 2021, DOE resolves to modifying its October 15, 2019 resolution as follows:

- Ordering payment of a fine of P610,000.00 instead
- Removal of the penalty of one-month suspension of the coal trader accreditation.

As of February 24, 2022, the case is presently pending for decision with the DOE.

c. *DOE Suspension of Mining Activities*

On October 2, 2019, a mudflow incident in the Molave Pit South Wall transpired. On October 11, 2019, the Group submitted to the DOE its Final Report on said incident.

Thereafter, on November 19, 2019, the DOE issued an Order dated November 14, 2019 suspending all mining activities at the site until compliance with certain conditions (hereafter 'DOE Order').

In a series of submissions on November 25, 29 and December 6, 2019, the Group submitted to the DOE a request to lift the suspension of mining operations and a list of compliances to the conditionalities required by the latter.

On December 26, 2019, the DOE, in a letter dated December 23, 2019, lifted the suspension order as the Group substantially complied with the conditions for the lifting. As of December 31, 2019, all liquefiable materials in the concerned area have been removed and a Safety Consultant has been hired. Consequently, all mining operations at the mine site has resumed.

d. *Land Lease Agreement*

As discussed in Note 9, the Group entered into an LLA with PSALM for the lease of land where the Power Plant is situated, for the period of 25 years, renewable for another 25 years upon mutual agreement. In 2009, the Group paid US$3.19 million or its Peso equivalent ₱150.57 million as advance rental for the 25-year land lease.

Provisions of the LLA include that the Group has the option to buy the Option Assets upon issuance of an Option Existence Notice (OEN) by the lessor. Option assets are parcels of land that form part of the leased premises which the lessor offers for sale to the lessee.

The Group was also required to deliver and submit to the lessor a performance security amounting to ₱34.83 million in the form of Stand-by Letter of Credits. The Performance Security shall be maintained by the Group in full force and effect continuously without any interruption until the Performance Security expiration date. The Performance Security initially must be effective for the period of one year from the date of issue, to be replaced prior to expiration every year thereafter and shall at all times remain valid.

In the event that the lessor issues an OEN and the Group buy the option assets, the land purchase price should be equivalent to the highest of the following and/or amounts:
(i) assessment of the Provincial Assessors of Batangas Province; (ii) the assessment of the Municipal or City Assessor having jurisdiction over the particular portion of the leased premises; (iii) the zonal valuation of Bureau of Internal Revenue or, (iv) 21.00 per square meter (dollar). Valuation basis for (i) to (iii) shall be based on the receipt of PSALM of the option to exercise notice.

The exchange rate to be used should be the Philippine Dealing Exchange rate at the date of receipt of PSALM of the option to exercise notice.

On July 12, 2010, PSALM issued an OEN and granted the Group the "Option" to purchase parcels of land (Optioned Assets) that form part of the leased premises. The Group availed of the "Option" and paid the Option Price amounting to US$0.32 million (₱14.72 million) exercisable within one year from the issuance of the Option Existence Notice.

On April 28, 2011, the Group sent a letter to PSALM requesting for the assignment of the option to purchase a lot with an area of 82,740 square meters in favor of its Parent Company. On May 5, 2011, PSALM approved the assignment. On June 1, 2011, the Group exercised the land lease option at a purchase price of ₱292.62 million and is included as part of "Property, plant and equipment".

On October 12, 2011, the Group reiterated its proposal to purchase the remainder of the Leased Premises not identified as Optioned Assets. One of the salient features of the proposal included the execution of Contract to Sell (CTS) between the Group and PSALM. This included the proposal of the Group to assign its option to purchase and sub-lease in favor of SLPGC.

On February 13, 2012, PSALM held off the approval of the proposal to purchase the portion of Calaca Leased Premises not identified as Optioned Assets, subject to further studies. On the same date, PSALM Board has approved the Group's request to sub-lease a portion of the Calaca Leased Premises to SLPGC for the purpose of constructing and operating a power plant.

On February 14, 2014, the Group reiterated its proposal to purchase the Calaca Leased Premises not identified as Optioned Assets.

On February 1, 2017, the Group again reiterated to PSALM its proposal to purchase the Calaca Leased Premises.

On August 15, 2017, the Group exercised its option to purchase for a lot with an area of 9,548 square meters at a price of ₱10.56 million.

On September 24, 2019, PSALM informed SCPC regarding lots ready for OEN issuance. On February 11, 2020, SCPC wrote PSALM seeking clarifications on the status of lots available for OEN.

On June 30, 2021, the Group exercised its option to purchase lots with a total area of 19,304 square meters for a consideration of ₱43.11 million (see Note 9).

Foreshore lease

On April 2009, National Power Corporation (NAPOCOR or "NPC") and the Department of Environment and Natural Resources -CENRO (DENR-CENRO) entered to a 25-year foreshore lease agreement. On July 29, 2009, DMCI HI won the open and competitive bidding of the 600MW Batangas Coal-Fired Thermal Power Plant conducted by PSALM. Subsequently, the rights of DMCI HI on the 600MW Batangas Coal-Fired Thermal Power Plant was assigned to SCPC. PSALM and SCPC executed the Deed of Sale on the power plant. On December 29, 2011, NPC transferred its rights over the foreshore lease with DENR-CENRO thru an execution of Deed of Assignment in which the Group unconditionally agrees to assume all rights and obligations under the Foreshore Lease Contract. Lease payments is subject to reappraisal every 10 years of the contract. On the first 10 years of the lease, the rate is ₱2.65 million. The rate was reappraised in May 3, 2019. Starting April 2019, the rate will be ₱3.88 million until reappraised in 2029. Refer to Note 11 for the information and related disclosures.

e. Application for Approval of the ASPA between the Group and NGCP, with Prayer for the Issuance of Provisional Authority

On July 12, 2018, the Group and NGCP filed an application for approval of the ASPA, with a prayer for the issuance of provisional authority, docketed as ERC Case No. 2018-074-RC, where NGCP agreed to procure and the Group agreed to supply ancillary services in the form of regulating reserve under a firm and non-firm arrangement and contingency reserve and dispatchable reserve under a non-firm arrangement.

Both parties filed their joint pre-trial brief and filed their compliance with the jurisdictional requirements before the ERC. On October 11, 2018, the case was set for jurisdictional hearing, expository presentation, pre-trial conference and evidentiary hearing. ERC directed the Group and NGCP to submit additional documents to file its formal offer of evidence.

On November 9, 2018, the Group and NGCP filed their formal offer of evidence and compliance.

On May 21, 2019, the Group received the ERC Order dated May 20, 2019 granting interim relief in favor of the Group and NGCP to implement the ASPA. The ERC Order, however, disallowed the recovery of the cost of minimum stable load (Pmin) Capacity of the ancillary gas turbine.

On June 6, 2019, the Group filed a Motion for Partial Reconsideration with Manifestation of the Order dated May 20, 2019 praying for the recovery of the cost Pmin Capacity of 2 MW.

On September 5, 2019, the ERC resolved to deny the Group's Motion for Partial Reconsideration with Manifestation for lack of merit.

On November 19, 2019, the Group and NGCP filed their Joint Manifestation with Motion to Withdraw in view of the decision to terminate the ASPA. As of March 3, 2021, ERC has yet to rule on the Joint Manifestation with Motion to Withdraw filed by the Group and NGCP. While no supply agreement has been secured yet, the plant is being used by the Group for electricity generation and sale through WESM.

On July 12, 2021, the Group received an order from the ERC dated June 22, 2021 requiring both NGCP and the Group to comply with DOE Department Circular No. DC2019-12-0018 or Adopting a General Framework Governing the Provision and Utilization of Ancillary Services in the Grid. The Group manifested to the ERC that the circular is no longer applicable as the ASPA has long been terminated as jointly manifested to the ERC in November 19, 2019.

The ERC has yet to rule on the Motion to Withdraw filed jointly by NGCP and the Group.

28. Financial Risk Management Objectives and Policies

The Group has various financial assets such as cash and cash equivalents, receivables, and environmental guarantee fund, which arise directly from operations.

The Group's financial liabilities comprise trade and other payables, short-term loans, lease liabilities, and long-term debt. The main purpose of these financial liabilities is to raise finance for the Group's operations. The main risks arising from the Group's financial instruments are price risk, interest rate risk, liquidity risk, foreign currency risk and credit risk.

The BOD reviews and approves policies for managing each of these risks which are summarized below.

The sensitivity analyses have been prepared on the following basis:

- Price risk - movement in one-year historical coal prices and movement of WESM price for power
- Interest rate risk - market interest rate on loans
- Foreign currency risk - yearly movement in the foreign exchange rates

The assumption used in calculating the sensitivity analyses of the relevant income statement item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at December 31, 2021 and 2020.

Price risk
Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The price that the Group can charge for its coal is directly and indirectly related to the price of coal in the world coal market. In addition, as the Group is not subject to domestic competition in the Philippines, the pricing of all of its coal sales is linked to the price of imported coal. World thermal coal prices are affected by numerous factors outside the Group's control, including the demand from customers which is influenced by their overall performance and demand for electricity. Prices are also affected by changes in the world supply of coal and may be affected by the price of alternative fuel supplies, availability of shipping vessels as well as shipping costs.

As the coal price is reset on a periodic basis under coal supply agreements, this may increase its exposure to short-term coal price volatility.

There can be no assurance that world coal prices will be sustained or that domestic and international competitors will not seek to replace the Group in its relationship with its key customers by offering higher quality, better prices or larger guaranteed supply volumes, any of which would have a materially adverse effect on the Group's profits.

To mitigate this risk, the Group continues to improve the quality of its coal and diversify its market from power industry, cement industry, other local industries and export market. This will allow flexibility in the distribution of coal to its target customers in such manner that minimum target average price of its coal sales across all its customers will still be achieved (i.e., domestic versus export). Also, in order to mitigate any negative impact resulting from price changes, it is the Group's policy to set minimum contracted volume for customers with long-term supply contracts for each given period (within the duration of the contract) and pricing is negotiated on a monthly basis to even out the impact of any fluctuation in coal prices, thus, protecting its target margin.

The excess volumes are allocated to spot sales which may command different price than those contracted already since the latter shall follow pricing formula per contract.

Nevertheless, on certain cases temporary adjustments on coal prices with reference to customers following a certain pricing formula are requested in order to recover at least the cost of coal if the resulting price is abnormally low vis-à-vis cost of production (i.e., abnormal rise in cost of fuel, foreign exchange).

Below are the details of the Group's coal sales to the domestic market and to the export market (as a percentage of total coal sales volume):

	2021	2020
Domestic market	**27.33%**	24.96%
Export market	**72.67%**	75.04%

The following table shows the effect on income before income tax should the change in the prices of coal occur based on the inventory of the Group as of December 31, 2021 and 2020 with all other variables held constant.

The change in coal prices used in the simulation assumes fluctuation from the lowest and highest price based on one (1)-year historical price movements in 2021 and 2020.

	Effect on income before income tax Increase (decrease)	
Change in coal price	**2021**	2020
Based on ending coal inventory		
Increase by 83% in 2021 and 22% in 2020	**₱916,186,257**	₱501,215,811
Decrease by 83% in 2021 and 22% in 2020	**(916,186,257)**	(501,215,811)
Based on coal sales volume		
Increase by 155% in 2021 and 22% in 2020	**12,103,657,136**	₱4,745,718,121
Decrease by 155% in 2021 and 22% in 2020	**(12,103,657,136)**	(4,745,718,121)

Interest rate risk
The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt with floating interest rates. The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts. The Group's policy is to maintain a balance of Philippine Peso-denominated and US$-denominated debts.

The following table shows the information about the Group's financial instruments that are exposed to cash flow (floating rate instrument) and fair value (fixed rate instrument) interest rate risks and presented by maturity profile:

	2021						
	Interest	Within 1 year	More than 1 year to 2 years	More than 2 years to 3 years	More than 3 years to 4 years	More than 4 years	Carrying Value
Cash in banks and cash equivalents	0.09% to 1.75%	₱8,080,535,922	₱–	₱–	₱–	₱–	₱8,080,535,922
Peso (PHP) long-term debt							
a) ₱3,000.00 million loan	Fixed annual interest rate of 4.9% per annum	750,000,000	748,719,092	747,474,149	–	–	2,246,193,241
b) ₱4,000.00 million loan	Fixed annual interest rate of 5.00% - 5.13% per annum	835,200,000	831,473,990	828,114,443	–	–	2,494,788,433
c) ₱2,750.00 million loan	Fixed annual interest rate of 4.57% per annum to be repriced after 3 years	222,014,512	222,395,026	222,792,205	223,218,143	280,913,878	1,171,333,764
d) ₱1,400.00 million loan	Floating rate to be repriced every 3 months	1,508,994,857	136,016,523	136,316,960	136,639,584	274,301,576	2,192,269,500
e) ₱2,700.00 million loan	Fixed annual interest rate of 4.88% per annum	432,000,000	429,051,906	429,833,514	430,656,752	427,830,482	2,149,372,654
f) ₱2,000.00 million loan	Fixed annual interest rate of 4.88% per annum	285,714,285	283,598,096	284,169,044	284,770,739	282,743,925	1,420,996,089
g) ₱3,500.00 million loan	Fixed annual interest rate of 4.63% per annum	175,000,000	954,623,305	1,571,058,727	690,999,448	–	3,391,681,480
		₱4,208,923,654	₱3,605,877,938	₱4,219,759,042	₱1,766,284,666	₱1,265,789,861	₱15,066,635,161

		2020					
	Interest	Within 1 year	More than 1 year to 2 years	More than 2 years to 3 years	More than 3 years to 4 years	More than 4 years	Carrying Value
Cash in banks and cash equivalents	0.50% to 4.00%	₱8,080,535,922	₱–	₱–	₱–	₱–	₱8,080,535,922
Peso (PHP) long-term debt							
a. ₱3,000.00 million loan	Fixed annual interest rate of 4.9% per annum	747,253,960	748,007,198	748,700,005	749,486,037	–	2,993,447,200
b. ₱4,000.00 million loan	Fixed annual interest rate of 5.00% - 5.13% per annum	827,050,882	829,203,986	831,460,819	834,145,064	–	3,321,860,751
c. ₱2,750.00 million loan	Fixed annual interest rate of 4.57% per annum to be repriced after 3 years	269,257,491	1,508,997,973	136,016,464	136,317,024	410,941,943	2,461,530,895
d. ₱1,400.00 million loan	Floating rate to be repriced every 3 months	221,653,357	222,014,512	222,395,026	222,792,205	502,869,060	1,391,724,160
e. ₱2,700.00 million loan	Fixed annual interest rate of 4.88% per annum	427,601,404	428,308,325	429,051,906	429,833,514	862,178,909	2,576,974,058
f. ₱2,000.00 million loan	Fixed annual interest rate of 4.88% per annum	282,538,660	283,054,936	283,598,096	284,169,044	570,174,014	1,703,534,750
		₱2,775,355,754	₱4,019,586,930	₱2,651,222,316	₱2,656,742,888	₱2,346,163,926	₱14,449,071,814

The following table demonstrates the sensitivity of the Group's income before income tax to a reasonably possible change in interest rates on December 31, 2021 and 2020, with all variables held constant, through the impact on floating rate borrowings (amounts in thousands):

	Effect on income before income tax Increase (decrease)	
Basis points	**2021**	2020
+100	**(₱185,760)**	(₱248,900)
-100	**185,760**	248,900

The assumed movement in basis points for interest rate sensitivity analysis is based on the Group's historical changes in market interest rates on bank loans.

There was no effect on the equity other than those affecting the income before tax.

Liquidity risk
Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans. The Group's policy is to maintain a level of cash that is sufficient to fund its monthly cash requirements, at least for the next four to six months. Capital expenditures are funded through a mix of suppliers' credit, letters of credit, trust receipts and long-term debt, while operating expenses and working capital requirements are funded through cash collections. A significant part of the Group's financial assets that are held to meet the cash outflows include cash equivalents and trade receivables. Although trade receivables are contractually collectible on a short-term basis, the Group expects continuous cash inflows through continuous production and sale of coal and power generation. In addition, although the Group's short-term deposits are collectible at a short notice, the deposit base is stable over the long term as deposit rollovers and new deposits can offset cash outflows.

Moreover, the Group considers the following as mitigating factors for liquidity risk:
- It has available lines of credit that it can access to answer anticipated shortfall in sales and collection of receivables resulting from timing differences in programmed inflows and outflows.
- It has very diverse funding sources.
- It has internal control processes and contingency plans for managing liquidity risk. Cash flow reports and forecasts are reviewed on a weekly basis in order to quickly address liquidity concerns. Outstanding trade receivables are closely monitored.

As part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund raising activities. Fund-raising activities may include obtaining bank loans.

The tables below summarize the maturity profile of the Group's financial assets and financial liabilities as of December 31, 2021 and 2020 based on contractual payments:

	2021					
	On Demand	Within 1 year	Beyond 1 year to 2 years	Beyond 2 year to 3 years	Beyond 3 years	Total
Financial Assets						
Cash in banks and cash equivalents	**₱8,209,119,512**	**₱–**	**₱–**	**₱–**	**₱–**	**₱8,209,119,512**
Receivables						
Trade:						
Outside parties	**6,593,248,703**	**211,721,169**	**–**	**–**	**–**	**6,804,969,872**
Related parties	**192,083,313**	**–**	**–**	**–**	**–**	**192,083,313**
Others*	**140,703,023**	**–**	**744,643**	**744,643**	**6,701,785**	**148,894,094**
Environmental guarantee fund	**13,607,307**	**–**	**–**	**–**	**–**	**13,607,307**
	15,148,761,858	**211,721,169**	**744,643**	**744,643**	**6,701,785**	**15,368,674,098**
Financial Liabilities						
Trade and other payables						
Trade:						
Payable to suppliers and contractors	**6,369,253,197**	**–**	**–**	**–**	**–**	**6,369,253,197**
Related parties	**457,833,928**	**–**	**–**	**–**	**–**	**457,833,928**
Accrued expenses and other payables**	**396,005,362**	**–**	**–**	**–**	**–**	**396,005,362**
Short term loans* **	**–**	**–**	**–**	**–**	**–**	**–**
Lease liabilities	**12,762,774**	**8,089,317**	**20,827,207**	**17,153,963**	**56,690,239**	**115,523,500**
Peso long-term debt with interest payable in arrears* **						
₱3,000.00 million loan	**750,000,000**	**748,719,092**	**747,474,149**	**–**	**–**	**2,246,193,241**
₱4,000.00 million loan	**835,200,000**	**831,473,990**	**828,114,443**	**–**	**–**	**2,494,788,433**
₱2,750.00 million loan	**222,014,512**	**222,395,026**	**222,792,205**	**223,218,143**	**280,913,878**	**1,171,333,764**
₱1,400.00 million loan	**1,508,994,857**	**136,016,523**	**136,316,960**	**136,639,584**	**274,301,576**	**2,192,269,500**
₱2,700.00 million loan	**432,000,000**	**429,051,906**	**429,833,514**	**430,656,752**	**427,830,482**	**2,149,372,654**
₱2,000.00 million loan	**285,714,285**	**283,598,096**	**284,169,044**	**284,770,739**	**282,743,925**	**1,420,996,089**
₱3,500.00 million loan	**175,000,000**	**954,623,305**	**1,571,058,727**	**690,999,448**	**–**	**3,391,681,480**
	₱11,444,778,915	**₱3,613,967,255**	**₱4,240,586,249**	**₱1,783,438,629**	**₱1,322,480,100**	**₱22,405,251,148**

**excludes nonfinancial assets*
***excludes statutory liabilities*
****includes future interest*

	2020					
	On Demand	Within 1 year	Beyond 1 year to 2 years	Beyond 2 year to 3 years	Beyond 3 years	Total
Financial Assets						
Cash in banks and cash equivalents	₱8,080,535,922	₱–	₱–	₱–	₱–	₱8,080,535,922
Receivables						
Trade:						
Outside parties	3,105,858,349	–	–	–	–	3,105,858,349
Related parties	307,412,820	–	–	–	–	307,412,820
Others*	202,470,722	–	–	–	–	202,470,722
Environmental guarantee fund	3,520,000	–	–	–	–	3,520,000
	11,699,797,813	–	–	–	–	11,699,797,813
Financial Liabilities						
Trade and other payables						
Trade:						
Payable to suppliers and contractors	5,487,316,399	–	–	–	–	5,487,316,399
Related parties	510,862,019	–	–	–	–	510,862,019
Accrued expenses and other payables**	431,576,478	–	–	–	–	431,576,478
Short term loans***	5,450,955,679	–	–	–	–	5,450,955,679
Lease liabilities	6,961,846	6,961,845	14,703,241	15,365,724	59,026,059	103,018,715
Peso long-term debt with interest payable in arrears***						
₱3,000.00 million loan	446,152,083	437,959,896	846,851,563	809,591,146	772,458,333	3,313,013,021
₱4,000.00 million loan	498,165,160	488,750,876	944,172,673	901,415,268	859,178,799	3,691,682,776
₱2,750.00 million loan	192,696,904	190,399,581	1,577,772,806	166,041,839	600,466,864	2,727,377,994
₱1,400.00 million loan	145,487,179	143,196,928	277,387,600	266,091,093	786,881,107	1,619,043,907
₱2,700.00 million loan	276,449,680	272,134,938	527,515,978	506,447,338	1,392,942,634	2,975,490,568
₱2,000.00 million loan	182,428,125	179,575,045	348,071,742	334,140,313	918,842,796	1,963,058,021
	₱13,629,051,552	₱1,718,979,109	₱4,536,475,603	₱2,999,092,721	₱5,389,796,592	₱28,273,395,577

**excludes nonfinancial assets*
***excludes statutory liabilities*
****includes future interest*

Foreign currency risk
Majority of the Group's revenue are generated in Philippine Peso, however, there are also significant export coal sales as well as capital expenditures which are in US$.

The Group manages this risk by matching receipts and payments in the same currency and monitoring. Approximately, 47.07% of the Group's sales in 2021 and 2020 were denominated in US$ whereas approximately 14.01% and 7.75% of debts as of December 31, 2021 and 2020, respectively, were denominated in US$.

Information on the Group's foreign currency-denominated monetary assets and liabilities and their Philippine Peso equivalents follow:

	December 31, 2021		December 31, 2020	
	US Dollar	**Peso Equivalent**	US Dollar	Peso Equivalent
Assets				
Cash and cash equivalents	**$44,488,544**	**₱2,258,683,370**	$18,465,858	₱886,785,883
Trade receivables	**51,175,956**	**2,598,203,262**	12,607,855	605,467,024
Liabilities				
Trade payables	**(71,835,650)**	**(3,647,095,962)**	(46,714,548)	(2,243,372,743)
Net exposure	**$23,828,850**	**₱1,209,790,670**	($15,640,835)	(₱751,119,836)

The exchange rates used were ₱50.77 to $1 and ₱48.02 to $1 in 2021 and 2020, respectively.

The following table demonstrates the sensitivity to a reasonably possible change in foreign exchange rates, with all variables held constant, of the Group's income before income tax (due to changes in the fair value of monetary assets and liabilities) as of December 31, 2021 and 2020.

Reasonably possible change in the Philippine Peso-US$ exchange rate	Increase (decrease) in income before income tax	
	2021	2020
₱3	**(₱71,486,551)**	(₱46,922,505)
(3)	**(71,486,551)**	46,922,505

There is no impact on the Group's equity other than those already affecting profit or loss. The movement in sensitivity analysis is derived from current observations on movement in dollar average exchange rates.

The Group recognized net foreign exchange gains (losses) (realized and unrealized) amounting to ₱339.60 million, ₱154.69 million and (₱8.67 million) in 2021, 2020 and 2019, respectively, arising from the translation of the Group's cash and cash equivalents, trade receivables, trade payables, short-term loans and long-term debt.

Credit risk
Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Group manages and controls credit risk by doing business with recognized, creditworthy third parties, thus, there is no requirement for collateral. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The Group evaluates the financial condition of the local customers before deliveries are made to them.

On the other hand, export sales are covered by sight letters of credit issued by foreign banks subject for the Group's approval, hence, mitigating the risk on collection. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to doubtful accounts is not significant. The Group generally bills 80% of coal delivered payable within 30 days upon receipt of billing and the remaining 20% payable within 15 days after receipt of final billing based on final analysis of coal delivered. The Group's exposure to credit risk from trade receivables arise from the default of the counterparty with a maximum exposure equal to their carrying amounts.

With respect to the credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, other receivables, environmental guarantee fund and investment in sinking fund, the exposure to credit risk arises from default of the counterparty with a maximum exposure to credit risk equal to the carrying amount of the financial assets as of reporting date. The Group does not hold any collateral or other credit enhancement that will mitigate credit risk exposure. The Group transacts only with institutions or banks and third parties that have proven track record in financial soundness. The management does not expect any of these institutions to fail in meeting their obligations, however, due to the regulated environment that the Group operates in, collectability of financial assets is impacted by government regulations or actions.

The credit risk is concentrated to the following markets:

	2021	2020
Trade receivables - outside parties	**94.60%**	85.70%
Trade receivables - related parties	**3.22**	8.38
Others	**2.18**	5.92
	100.00%	100.00%

As of December 31, 2021 and 2020, the credit quality per class of financial assets is as follows:

	2021				
	Neither Past Due nor Impaired			**Past due and/or Individually**	
	Grade A	**Grade B**	**Substandard Grade**	**Impaired**	**Total**
Cash in banks and cash equivalents	**₱8,034,668,947**	**₱–**	**₱–**	**₱–**	**₱8,034,668,947**
Receivables:					
Trade receivables - outside parties	**5,372,904,836**	**–**	**–**	**2,760,345,402**	**8,133,250,238**
Trade receivables - related parties	**178,954,670**	**–**	**–**	**13,128,643**	**192,083,313**
Others*	**107,070,346**	**–**	**–**	**33,688,543**	**140,758,889**
Environmental guarantee fund	**15,636,932**	**–**	**–**	**–**	**15,636,932**
	₱13,709,235,731	**₱–**	**₱–**	**₱2,807,162,588**	**₱16,516,398,319**

**excludes nonfinancial assets*

	2020				
	Neither Past Due nor Impaired			Past due and/or Individually	
	Grade A	Grade B	Substandard Grade	Impaired	Total
Cash in banks and cash equivalents	₱8,080,535,922	₱–	₱–	₱–	₱8,080,535,922
Receivables:					
Trade receivables - outside parties	2,426,468,243	–	–	2,282,538,247	4,709,006,489
Trade receivables - related parties	289,660,688	–	–	17,752,132	307,412,820
Others*	202,470,722	–	–	5,815,359	208,286,081
Environmental guarantee fund	3,520,000	–	–	–	3,520,000
	₱11,002,655,575	₱–	₱–	₱2,306,105,738	₱13,308,761,312

**excludes nonfinancial assets*

Cash in banks and cash equivalents are short-term placements and working cash fund placed, invested or deposited in foreign and local banks belonging to top ten banks in the Philippines in terms of resources and profitability. These financial assets are classified as Grade A due to the counterparties' low probability of insolvency. Trade receivables - related parties are apportioned between Grade A and Past due and/or individually impaired. Environmental guarantee fund is assessed as Grade A since this is deposited in a reputable bank, which has a low probability of insolvency.

Grade A are accounts considered to be of high credit rating and are covered with coal supply and power supply contracts. The counterparties have a very remote likelihood of default and have consistently exhibited good paying habits.

Grade B accounts are active accounts with minimal instances of payment default, due to collection issues. These accounts are typically not impaired as the counterparties generally respond to credit actions and update their payments accordingly. The Group determines financial assets as impaired when the probability of recoverability is remote evidenced by the counterparty's financial difficulty.

Substandard grade accounts are accounts which have probability of impairment based on historical trend. Accounts under this group show possible future loss to the Group as a result of default in payment of the counterparty despite of the regular follow-up actions and extended payment terms.

In the Group's assessment, there are no financial assets that will fall under the category substandard grade due to the following reasons:

- Receivables from electricity and local coal sales - transactions are entered with reputable and creditworthy companies.

- Receivables from export coal sales - covered by irrevocable letter of credit at sight from a reputable bank acceptable to the Group.

Capital management
The primary objective of the Group's capital management strategy is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares.

No changes were made in the objectives, policies and processes from the previous years.

The Group manages its capital using debt-to-equity ratio, which is interest-bearing loans divided by equity, and EPS. The following table shows the Group's capital ratios as of December 31, 2021 and 2020.

	2021	2020
Interest-bearing loans	**₱15,066,635,161**	₱19,874,071,814
Total equity	**45,609,896,807**	42,185,010,914
Debt-equity ratio	**0.33:1**	0.47:1
EPS (Note 25)	**₱3.81**	₱0.77

The debt-to-equity ratio, expressed in percentage, is carefully matched with the strength of the Group's financial position, such that when a good opportunity presents itself, the Group can afford further leverage.

The Group considers short-term loans and long-term debt as 'interest-bearing loans' in determining debt-to-equity ratio.

The following table shows the components of the Group's capital as of December 31, 2021 and 2020:

	2021	2020
Total paid-up capital	**₱10,940,136,701**	₱10,940,136,701
Acquisition of treasury shares	**(739,526,678)**	(739,526,678)
Net remeasurement losses on pension plan	**(144,503,733)**	(122,842,685)
Retained earnings – unappropriated	**28,753,790,517**	26,807,243,576
Retained earnings – appropriated	**6,800,000,000**	5,300,000,000
	₱45,609,896,807	₱42,185,010,914

The Group is not subject to any externally imposed capital requirements.

29. **Fair Values**

Fair Value Information

The fair values of cash and cash equivalents, receivables, environmental guarantee fund, trade payables, accrued expenses and other payables, and short-term loans approximate its carrying values since most of these financial instruments are relatively short-term in nature.

Financial asset at FVPL

The fair value of the derivative was determined using the market data approach, MCS valuation which is categorized within Level 3 of the fair value hierarchy.

Long-term debt and lease liabilities

The fair values approximated the carrying values because of recent and regular repricing of interest rates (e.g., monthly, quarterly, semi-annual or annual basis) based on current market conditions. In 2021 and 2020, interest rate for long-term debt ranges from 2.66% to 2.76%, while interest rate for lease liabilities is 3.42% to 4.56% in 2021 and 2020, respectively.

Fair Value Hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data

There has been no reclassification from Level 1 to Level 2 or 3 category in 2021 and 2020.

30. Notes to Consolidated Statements of Cash Flows

Supplemental disclosure of noncash investing activities follows:

	2021	2020	2019
Transfers from property, plant and equipment to inventories (Notes 6 and 8)	**531,586,938**	–	182,722,425
Write-down of property, plant and equipment (Notes 8 and 20)	**–**	157,196,754	83,535,586

Changes in liabilities arising from financing activities in 2021 and 2020 follows:

	For the Year Ended December 31, 2021				
	January 1, 2021	**Net cash flows**	**Foreign exchange movement**	**Noncash**	**December 31, 2021**
Short-term loans (Note 11)	**₱5,425,000,000**	**(5,425,000,000)**	**₱–**	**₱–**	**₱–**
Long-term debt (Note 12)	**14,449,071,814**	**610,585,714**	**–**	**6,977,633**	**15,066,635,161**
Dividend payable (Note 13)	**1,193,054**	**(12,751,642,860)**	**–**	**12,753,550,500**	**3,100,694**
Lease liabilities (Note 9)	**103,018,715**	**(21,747,446)**	**–**	**7,104,913**	**88,376,182**
	₱19,978,283,583	**(₱17,587,804,592)**	**₱–**	**₱12,767,633,046**	**₱15,158,112,037**

	For the Year Ended December 31, 2020				
	January 1, 2020	Net cash flows	Foreign exchange movement	Noncash	December 31, 2020
Short-term loans (Note 11)	₱2,070,000,000	3,355,000,000	₱–	₱–	₱5,425,000,000
Long-term debt (Note 12)	16,527,035,004	(2,077,514,285)	–	(448,905)	14,449,071,814
Dividend payable (Note 13)	1,220,121	(5,313,211,592)	–	5,313,184,525	1,193,054
Lease liabilities (Note 9)	107,537,618	(5,245,912)	–	727,009	103,018,715
	₱18,705,792,743	(₱4,040,971,789)	₱–	₱5,313,462,629	₱19,978,283,583

Noncash changes in pertain to amortization of deferred financing costs and cash dividend declaration by the Parent Company, recognition of lease liabilities as a result of adoption of PFRS 16 and subsequent additions thereto, and accretion of interest (see Notes 2 and 9).

31. Operating Segments

Segment Information

For management purposes, the Group is organized into business units based on their products and activities. Segment revenues, cost and operating expenses, profit or loss, segment assets and segment liabilities assume measurement under PFRS.

Reportable operating segments are as follows:

- Mining - engaged in surface open cut mining of thermal coal; and,
- Power - involved in generation of power available for sale thru bilateral contracts, wholesale electricity market and trading.

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker (CODM) monitors the operating results of the Group for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on revenue, operating profit and pretax income which are measured similarly in the consolidated financial statements. Transactions between operating segments are made at terms and prices agreed upon by the parties.

	2021 (In thousands)				
	Mining	**Power**	**Others**	**Adjustments and Eliminations**	**Consolidated**
Revenue					
Sales to external customers	**₱35,592,979**	**₱16,831,448**	**₱–**	**₱–**	**₱52,424,427**
Inter-segment sales	**5,262,513**	**–**	**–**	**(5,262,513)**	**–**
	40,855,492	**16,831,448**	**–**	**(5,262,513)**	**52,424,427**
Cost of sales*	**(15,667,358)**	**(9,196,871)**	**–**	**4,779,840**	**(20,084,389)**
Depreciation and amortization	**(3,900,193)**	**(2,712,156)**	**–**	**457,169**	**(6,155,180)**
Gross profit	**21,287,941**	**4,922,421**	**–**	**(25,504)**	**26,184,858**
Operating expenses*	**(6,842,853)**	**(2,334,645)**	**(4,371)**	**–**	**(9,181,869)**
Depreciation	**(32,969)**	**(50,323)**	**–**	**–**	**(83,292)**
Operating profit (loss)	**14,412,119**	**2,537,453**	**(4,371)**	**(25,504)**	**16,919,697**
Other income (expense) - net	**1,264,315**	**175,425**	**–**	**(1,200,000)**	**239,740**
Finance income	**13,615**	**8,703**	**224**	**–**	**22,542**
Foreign exchange loss - net	**340,934**	**(1,332)**	**–**	**–**	**339,602**
Finance costs	**(303,528)**	**(672,830)**	**–**	**–**	**(976,358)**
Pretax income (loss)	**15,727,455**	**2,047,419**	**(4,147)**	**(1,225,504)**	**16,545,223**
Provision for income tax	**(89,753)**	**(255,323)**	**(48)**	**–**	**(345,124)**
Net income	**₱15,637,702**	**₱1,792,096**	**(₱4,195)**	**(₱1,225,504)**	**₱16,200,099**
Segment assets	**₱45,432,360**	**46,312,161**	**₱56,092**	**(₱20,715,979)**	**₱71,084,634**
Deferred tax assets	**129,672**	**430,084**	**–**	**–**	**559,756**
	₱45,562,032	**₱46,742,245**	**₱56,092**	**(₱20,715,979)**	**₱71,644,390**
Segment liabilities	**₱9,080,193**	**₱5,458,955**	**₱238,876**	**(₱3,810,166)**	**₱10,967,858**
Long-term debt	**3,363,603**	**11,703,032**	**–**	**–**	**15,066,635**
	₱12,443,796	**₱17,161,987**	**₱238,876**	**(₱3,810,166)**	**₱26,034,493**
Cash flows arising from:					
Operating activities	**₱15,324,763**	**₱6,588,541**	**₱–**	**(₱633,528)**	**₱21,279,776**
Investing activities	**(1,289,535)**	**(1,152,362)**	**–**	**(1,296,079)**	**(3,737,976)**
Financing activities	**(15,262,676)**	**(4,171,746)**	**–**	**1,846,617**	**(17,587,805)**
Other disclosures					
Capital expenditures	**₱2,480,325**	**₱1,384,140**	**₱–**	**₱–**	**₱3,864,465**

**Excluding depreciation and/or amortization*

	2020 (In thousands)				
	Mining	Power	Others	Adjustments and Eliminations	Consolidated
Revenue					
Sales to external customers	₱16,488,547	₱11,761,822	₱–	₱–	₱28,250,369
Inter-segment sales	4,458,634	–	–	(4,458,634)	–
	20,947,181	11,761,822	–	(4,458,634)	28,250,369
Cost of sales*	(12,088,956)	(6,208,388)	–	4,692,924	(13,604,420)
Depreciation and amortization	(3,223,491)	(2,871,507)	–	–	(6,094,998)
Gross profit	5,634,734	2,681,927	–	234,290	8,550,951
Operating expenses*	(2,181,808)	(2,170,876)	(7,375)	–	(4,360,060)
Depreciation	(46,484)	(147,519)	–	–	(194,002)
Operating profit (loss)		363,532	(7,375)	234,290	
Other income (expense) - net	2,071,809	251,014	7,727	(2,013,830)	316,720
Finance income	21,029	24,596	697	(449)	45,873

(Forward)

	2020 (In thousands)				
	Mining	Power	Others	Adjustments and Eliminations	Consolidated
Foreign exchange loss - net	₱157,953	(₱3,267)	₱–	₱–	₱154,686
Finance costs	(357,881)	(737,416)	–	476	(1,094,821)
Pretax income (loss)	5,299,352	(101,541)	1,049	(1,779,513)	3,419,347
Benefit from (provision for) income tax	(60,008)	(74,664)	2,074	–	(132,598)
Net income	₱5,239,344	(₱176,205)	₱3,123	(₱1,779,513)	₱3,286,749
Segment assets	₱42,648,511	₱45,982,500	₱49,209	(₱18,389,492)	₱70,290,728
Deferred tax assets	151,453	701,341	2,203	–	854,997
	₱42,799,964	₱46,683,841	₱51,412	(₱18,389,492)	₱71,145,725
Segment liabilities	₱8,720,822	₱7,319,036	₱222,438	(₱1,750,654)	₱14,511,642
Long-term debt	3,853,255	10,595,817	–	–	14,449,072
	₱12,574,077	₱17,914,853	₱222,438	(₱1,750,654)	₱28,960,714
Cash flows arising from:					
Operating activities	₱6,853,207	₱4,507,770	₱52,247	₱1,596,509	₱9,816,715
Investing activities	29,159	(2,441,833)	2,784	(1,770,000)	(4179,890)
Financing activities	(4,349,015)	308,043	–	–	(4,040,972)
Other disclosures					
Capital expenditures	₱2,863,750	₱2,468,800	₱368,006	₱–	₱5,700,556

**Excluding depreciation and/or amortization*

	2019 (In thousands)				
	Mining	Power	Others	Adjustments and Eliminations	Consolidated
Revenue					
Sales to external customers	₱29,085,433	₱15,166,672	₱–	₱–	₱44,252,105
Inter-segment sales	3,196,974	–	–	(3,196,974)	–
	32,282,407	15,166,672	–	(3,196,974)	44,252,105
Cost of sales*	(15,965,115)	(7,759,265)	–	3,356,685	(20,367,695)
Depreciation and amortization	(3,795,550)	(2,483,914)	–	–	(6,279,464)
Gross profit	12,521,742	4,923,493	–	159,711	17,604,946
Operating expenses*	(4,575,637)	(2,130,048)	(15,656)	–	(6,721,341)
Depreciation	(46,912)	(596,668)	–	–	(643,580)
Operating profit (loss)	7,899,193	2,196,777	(15,656)	159,711	10,240,025
Other income (expense) - net	(8,008)	193,946	338	(77)	186,199
Finance income	23,773	259,128	468	(386)	282,983
Foreign exchange loss - net	(6,922)	(1,752)	–	–	(8,674)
Finance costs	(534,900)	(781,968)	–	–	(1,316,868)
Pretax income (loss)	7,373,136	1,866,131	(14,850)	159,248	9,383,665
Benefit from (provision for) income tax	59,068	236,152	(94)	–	295,126
Net income	₱7,432,204	₱2,102,283	(₱14,944)	₱159,248	₱9,678,791
Segment assets	₱41,408,334	₱49,119,354	₱40,913	(₱19,247,658)	₱71,320,943
Deferred tax assets	196,973	691,208	–	–	888,181
	₱41,605,307	₱49,810,562	₱40,913	(₱19,247,658)	₱72,209,124
Segment liabilities	₱6,406,696	₱7,311,206	₱215,540	(₱2,487,253)	₱11,446,189
Long-term debt	4,900,000	11,627,035	–	–	16,527,035
	₱11,306,696	₱18,938,241	₱215,540	(₱2,487,253)	₱27,973,224
Cash flows arising from:					
Operating activities	₱13,251,420	₱9,063,685	₱24,903	₱1,798,051	₱24,138,059
Investing activities	(2,622,079)	(8,066,040)	2,784	(1,689,999)	(12,375,334)
Financing activities	(8,288,424)	1,040,600	–	–	(7,247,824)
Other disclosures					
Capital expenditures	₱3,328,138	₱8,354,746	₱8,175	₱–	₱11,691,059

**Excluding depreciation and/or amortization*

Intersegment revenues, other income, cost and expenses are eliminated in the consolidation under adjustments and eliminations.

Segment assets exclude deferred tax assets amounting to ₱559.76 million, ₱855.00 million and ₱888.18 million in 2021, 2020 and 2019, respectively.

Capital expenditures consist of additions to property, plant and equipment.

All noncurrent assets other than financial instruments are located in the Philippines.

Disaggregation of Revenue Information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

Revenues from coal sales

	2021	2020	2019
Domestic market	**₱10,915,873,609**	₱4,939,825,531	₱6,973,910,841
Export market	**24,677,105,058**	11,548,721,631	22,111,522,547
	₱35,592,978,667	₱16,488,547,162	₱29,085,433,388

Substantially all revenues from external customer are from open cut mining and sales of thermal coal. Local and export classification above is based on the geographic location of the customer.

Customers on the export sales are significantly from China.

All of the Group's sales of coal are revenue from contracts with customers recognized at point in time.

Revenues from power sales

	2021	2020	2019
Bilateral contracts			
Distribution utility	**₱531,792,960**	₱1,233,792,000	₱1,376,375,687
RES	**10,015,107,072**	4,879,102,971	6,222,128,463
Others	**617,653,813**	17,802,399	111,848,219
	11,164,553,845	6,130,697,370	7,710,352,369
Spot sales			
WESM	**5,666,894,422**	5,631,123,974	7,456,319,551
	₱16,831,448,267	₱11,761,821,344	₱15,166,671,920

All revenues from power are derived from the Philippine market and are revenue from contracts with customers recognized over time.

Set out below is the reconciliation of contracts with customers with the amounts disclosed in segment information:

	For the Year Ended December 31, 2021				
	Domestic coal sales	**Export coal sales**	**Bilateral contracts**	**Spot sales**	**Total**
Revenue					
External customers	**₱10,915,873,609**	**₱24,677,105,057**	**₱11,164,553,578**	**₱5,666,894,422**	**₱52,424,426,666**
Inter-segment	**5,262,513,290**	**–**	**–**	**–**	**5,262,513,290**
	16,178,386,899	**24,677,105,057**	**11,164,553,578**	**5,666,894,422**	**57,686,939,956**
Inter-segment adjustments and eliminations	**(5,262,513,290)**	**–**	**–**	**–**	**(5,262,513,290)**
	₱10,915,873,609	**₱24,677,105,057**	**₱11,164,553,578**	**₱5,666,894,422**	**₱52,424,426,666**

	For the Year Ended December 31, 2020				
	Domestic coal sales	Export coal sales	Bilateral contracts	Spot sales	Total
Revenue					
External customers	₱4,939,825,531	₱11,548,721,631	₱6,130,697,370	₱5,631,123,974	₱28,250,368,506
Inter-segment	4,458,634,145	–	–	–	4,458,634,145
	9,398,459,676	₱11,548,721,631	₱6,130,697,370	₱5,631,123,974	32,709,002,651
Inter-segment adjustments and eliminations	(4,458,634,145)	–	–	–	(4,458,634,145)
	₱4,939,825,531	₱11,548,721,631	₱6,130,697,370	₱5,631,123,974	₱28,250,368,506

32. Other Matters

a. Electric Power Industry Reform Act (EPIRA)

With the objective of providing competitive price of electricity, the EPIRA authorized DOE to constitute an independent entity to be represented equitably by electric power industry participants and to administer and operate WESM. WESM will provide a mechanism for identifying and setting the price of actual variations from the quantities transacted under contracts between sellers and purchasers of electricity.

In addition, the DOE was tasked to formulate the detailed rules for WESM which include the determination of electricity price in the market. The price determination methodology will consider accepted economic principles and should provide a level playing field to all electric power industry participants. The price determination methodology was subject to the approval of the ERC.

In this regard, the DOE created PEMC to act as the market operator governing the operation of WESM. On June 26, 2006, WESM became operational in the Luzon grid and adopts the model of a “gross pool, net settlement” electricity market.

In 2017, the Board of PEMC has approved the transition plan for the creation of an independent market operator (IMO), paving the way for the state firm to finally relinquish control of the WESM.

On February 4, 2018, the DOE published Department Circular No. DC2018-01-0002, “Adopting Policies for the Effective and Efficient Transition to the Independent Market Operator for the Wholesale Electricity Spot Market”. This Circular shall take effect immediately after its publication in two (2) Newspapers of general circulation and shall remain in effect until otherwise revoked. Pursuant to Section 37 and Section 30 of the EPIRA, jointly with the electric power participants, the DOE shall formulate the detailed rules for the wholesale electricity spot market. Said rules shall provide the mechanism for determining the price of electricity not covered by bilateral contracts between sellers and purchasers of electricity users. The price determination methodology contained in said rules shall be subject to the approval of ERC. Said rules shall also reflect accepted economic principles and provide a level playing field to all electric power industry participants.

b. Clean Air Act

On November 25, 2000, the Implementing Rules and Regulations (IRR) of the Philippine Clean Air Act (PCAA) took effect. The IRR contains provisions that have an impact on the industry as a whole and on the Group in particular, that need to be complied with within 44 months (or until July 2004) from the effectivity date, subject to the approval by Department of Environment and Natural Resources. The power plant of the Group uses thermal coal and uses a facility to test and monitor gas emissions to conform to Ambient and Source Emissions Standards and other provisions of the Clean Air Act and its IRR. Based on the Group's initial assessment of its power plant's existing facilities, it believes that it is in full compliance with the applicable provisions of the IRR of the PCAA as of December 31, 2021 and 2020.

c. Competitive Selection Process (CSP)

On June 11, 2015, DOE Circular No. DC2015-06-0008, "Mandating All Distribution Utilities to Undergo CSP In Securing PSAs", was signed, requiring all Distribution Utilities (DUs) to conduct a CSP in procuring PSAs. The CSP shall be conducted by a qualified third party duly recognized by the DOE and ERC and, in the case of Electric Cooperatives (ECs), shall be recognized by the National Electrification Administration (NEA). The CSP shall conform with aggregation of DU's un-contracted demand requirement, annual conduct of CSP, and a uniform PSA Template on the terms and conditions to be issued by the ERC and DOE. The circular does not apply to PSAs with tariff rates already approved and/or have been applied for approval by the ERC before the effectivity of the circular. The DOE shall enforce and monitor compliance and the penalty provision through ERC.

On October 20, 2015, the DOE and ERC released Joint Resolution No. 1 (2015), "A Resolution Enjoining All Distribution Utilities to Conduct Competitive Selection Process (CSP) in the Procurement of Supply for Their Captive Market". The DOE and ERC recognize that CSP in the procurement of PSAs by the DUs engenders transparency, enhances security of supply, and ensure stability of electricity prices to captive electricity end-users in the long-term.

On the same day, the ERC signed Resolution No. 13, Series of 2015, "A Resolution Enjoining All Distribution Utilities to Conduct Competitive Selection Process (CSP) in the Procurement of Supply for Their Captive Market". The resolution prescribes that all PSAs shall be awarded to the winning Generation Company following a successful transparent CSP, or by Direct Negotiation in the event of two (2) failed CSPs, and that DUs may adopt any accepted form of CSP. This resolution does not apply to PSAs already filed with the ERC as of its effectivity.

On March 15, 2016, the ERC released Resolution No. 1 Series of 2016, "A Resolution Clarifying the Effectivity of ERC Resolution No.13, series of 2015". The resolution postponed the effectivity of ERC Resolution No.13, Series of 2015 to April 30, 2016. All PSAs executed on or after the said date shall be required, without exception, to comply with the provisions of the CSP resolution. There should be at least two qualified bids for the CSP to be considered as successful and lastly, the DU shall adopt the Terms of Reference prescribed in Section 2 of ERC Resolution No. 13, Series of 2015. On PSA's with provisions on automatic renewal or extension of term, it shall apply that PSA's approved by ERC or filed before the effectivity of Resolution No. 1, may have one (1) automatic renewal or extension for a period not exceeding one (1) year from the end of their respective terms. There will be no automatic renewal or extension of PSAs upon effectivity of Resolution No. 1.

On February 9, 2018, the DOE published Department Circular No. DC2018-02-0003, "Adopting and Prescribing the Policy for the Competitive Selection Process in the Procurement by the Distribution Utilities of Power Supply Agreement for the Captive Market". This Circular shall take effect immediately after its publication in two (2) Newspapers of general circulation and shall remain in effect until otherwise revoked. There are five (5) governing principles in the Policy (1) Transparency in the conduct of CSP through wide dissemination of bid opportunities and participation of all generation companies (GenCos); (2) Competitiveness by extending equal opportunity to eligible and qualified GenCos to participate in the CSP; (3) Least cost manner in ensuring that each distribution utility (DU) is able to meet the demand for its captive market at any given time; (4) Simple, streamlined and efficient procurement process applicable to the specific requirements of each Distribution Development Plan; and (5) Accountability involved in the procurement process and implementation of the Power Supply Agreement awarded under CSP.

d. Retail Competition and Open Access (RCOA)

Under Section 31 of the Electric Power Industry Reform Act (EPIRA) of 2001, RCOA shall be implemented. In Retail Competition, the Contestable Market are provided electricity by Retail Suppliers through Open Access, wherein qualified Persons are allowed to use the Transmission, and/or Distribution Systems and their associated facilities. The implementation of RCOA is subject to the following conditions; a. Approval of the unbundled transmission and distribution wheeling charges; b. initial implementation of the cross subsidy removal scheme; c. Establishment of the WESM; d. Privatization of at least 70% of the total capacity of generating assets of NPC in Luzon and Visayas; and e. Transfer of the management and control of at least 70% of the total energy output of power plants under contract with NPC to the IPP Administrators.

Upon satisfying these conditions, the ERC declared 26 December 2012 as the Open Access Date where end-users who have an average monthly peak demand for the preceding twelve (12) months, as indicated by a single utility meter, of at least 1MW (the threshold level) qualifies as Contestable Customers (CCs) making up the Contestable Market (Phase 1). After a six-month Transition Period, on 26 June 2013, Retail Supply Contracts (RSCs) entered into by and between the Ccs and their chosen Suppliers where implemented. Phase 2 implementation was set to begin two (2) years after Phase 1. During Phase 2, the threshold level shall be reduced to 750 kW and Aggregators shall be allowed to supply electricity to End-users whose aggregate monthly average peak demand within a Contiguous Area is at least 750 kW. Subsequently and every year thereafter, the ERC shall evaluate the performance of the market.

On the basis of such evaluation, it shall gradually reduce the threshold level until it reaches the household demand level.

On May 12, 2016, ERC Resolution No. 10 (2016), "A Resolution Adopting the Revised Rules for Contestability", was signed. This revised rules aim to clarify and establish the conditions and eligibility requirements for End-users to be part of the Contestable Market; to set the threshold level for the Contestable Market; to ensure the efficient transition towards full contestability and to ensure consumer protection and enhance the competitive operation of the retail electricity market.

The Resolution states that the Threshold Reduction Date covering End-users with an average monthly peak demand of at least 750 kilowatts (750 kW) for the preceding twelve (12) months, is set to 26 June 2016. Thus, on such date, all End-users with an average monthly peak demand of at least 1 MW (1MW Customers) and 750 kW (750kW Customers), which have been issued Certificates of Contestability by the ERC, shall be allowed to contract with any RES on a voluntary basis. Thereafter, an End-user with an average monthly peak demand of at least 1MW is hereby mandated to enter into RSC with a RES by its mandatory contestability date of 26 December 2016 (This was moved by the ERC to 26 February 2017 through ERC Resolution No. 28 (2016), "Revised Timeframe for Mandatory Contestability, Amending Resolution No. 10, series of 2016, entitled Revised Rules for Contestability" signed on November 15, 2016. Subsequently, an End-user with an average monthly peak demand of at least 750kW is hereby mandated to enter into an RSC with a RES by its mandatory contestability date of 26 June 2017. The lowering of the threshold to cover an end-user with an average monthly peak demand of at least 500kW is set on 26 June 2018, subject to the review of the performance of the retail market by the ERC. Corollary, in its review of the performance of the retail market, the ERC shall establish a set of criteria as basis for the lowering of the contestability threshold. Retail Aggregation shall subsequently be allowed on 26 June 2018. During this phase, suppliers of electricity shall be allowed to contract with end-users whose aggregate demand within a Contiguous Area is at least 750 kW. Retail Competition and Open Access shall be effective only in grids where the WESM is operational.

On February 21, 2017, the Supreme Court issued a Temporary Restraining Order (TRO), G.R. No. 228588, on the implementation of several ERC Resolutions and a DOE Circular concerning the RCOA. ERC Res 10 & 28, Series of 2016 were among them. In a joint advisory on February 24, 2017, the DOE, ERC and PEMC said that they are in a process of drafting a general advisory for the guidance of RCOA Stakeholders. Issues to be considered are: 1) those who have already executed RSCs and were already registered and switched shall continue to honor their respective RSCs; 2) ongoing applications for registration filed before the Central Registration Body (CRB) may proceed voluntarily; 3) applicants who wish to withdraw or defer their registration before the CRB may do so consistent with the Retail Market Rules provided that the CRB shall not be liable for any legal repercussions that may arise out of the contestable customers' contractual obligations; and 4) remaining contestable customers who have not yet secured their RSCs may continue to negotiate and exercise their power to choose.

e. Renewable Portfolio Standards (RPS)

The implementation of the RPS is an important development for the Renewable Energy (RE) Market, and impacts the public as a whole. Republic Act No. 9513 or the Renewable Energy Law gives both fiscal and non-fiscal incentives to investors in order to encourage the promotion and development of renewable energy in the Philippines. Toward this end, the RPS serves as a market-based policy mechanism which makes use of the RE Market to facilitate and commercialize trading in RE Certificates, the latter which are used to satisfy the RPS requirements and increases RE generation in the country.

On December 30, 2017, DOE Circular No. DC2017-12-0015, or the RPS On-Grid Rules, took effect, requiring DUs, electricity suppliers, generating companies supplying directly connected customers, and other mandated energy sector participants to source or produce a certain share of electricity from their Energy Mix from eligible RE resources. These eligible RE facilities include the following technologies: biomass, waste to energy technology, wind, solar, hydro, ocean, geothermal, and other RE technologies later identified by the DOE.

The RPS On-Grid Rules mandates energy sector participants to comply with the minimum annual RPS requirement in order to meet the aspirational target of thirty-five (35%) in the generation mix by 2030.

This minimum RE requirement, however, will not be imposed immediately but in 2020. The 2018 and 2019 years are considered transition years to help the mandated participants comply with the DOE Circular. Additionally, the RPS On-Grid Rules implements a Minimum Annual Incremental RE Percentage to be sold by mandated participants. It is initially set at a minimum of one percent (1%) and applied to net electricity sales or annual energy demand for the next ten (10) years, and used to determine the current year's requirement for RE Certificates (RECs) of the Mandated Participant.

SGV
Building a better working world

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INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES

The Board of Directors and Stockholders
Semirara Mining and Power Corporation
2/F DMCI Plaza
2281 Don Chino Roces Avenue
Makati City

We have audited in accordance with Philippine Standards on Auditing the consolidated financial statements of Semirara Mining and Power Corporation and its subsidiaries (the Group) as at December 31, 2021 and 2020, and for each of the three years in the period ended December 31, 2021, and have issued our report thereon dated February 24, 2022. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68 and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Dhonabee B. Señeres
Partner
CPA Certificate No. 97133
Tax Identification No. 201-959-816
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 97133-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-098-2020, November 27, 2020, valid until November 26, 2023
PTR No. 8854369, January 3, 2022, Makati City

February 24, 2022

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INDEPENDENT AUDITOR'S REPORT ON
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Board of Directors and the Stockholders
Semirara Mining and Power Corporation
2/F DMCI Plaza
2281 Don Chino Roces Avenue
Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Semirara Mining and Power Corporation and its subsidiaries (the Group) as at December 31, 2021 and 2020, and for each of the three years in the period ended December 31, 2021, and have issued our report thereon dated February 24, 2022. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Components of Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRSs) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission and is not a required part of the basic consolidated financial statements prepared in accordance with PFRSs. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2021 and for each of the three years in the period ended December 31, 2021 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Dhonabee B. Señeres
Partner
CPA Certificate No. 97133
Tax Identification No. 201-959-816
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 97133-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-098-2020, November 27, 2020, valid until November 26, 2023
PTR No. 8854369, January 3, 2022, Makati City

February 24, 2022

SEMIRARA MINING AND POWER CORPORATION AND SUBSIDIARIES
INDEX TO THE SUPPLEMENTARY SCHEDULES

ANNEX A

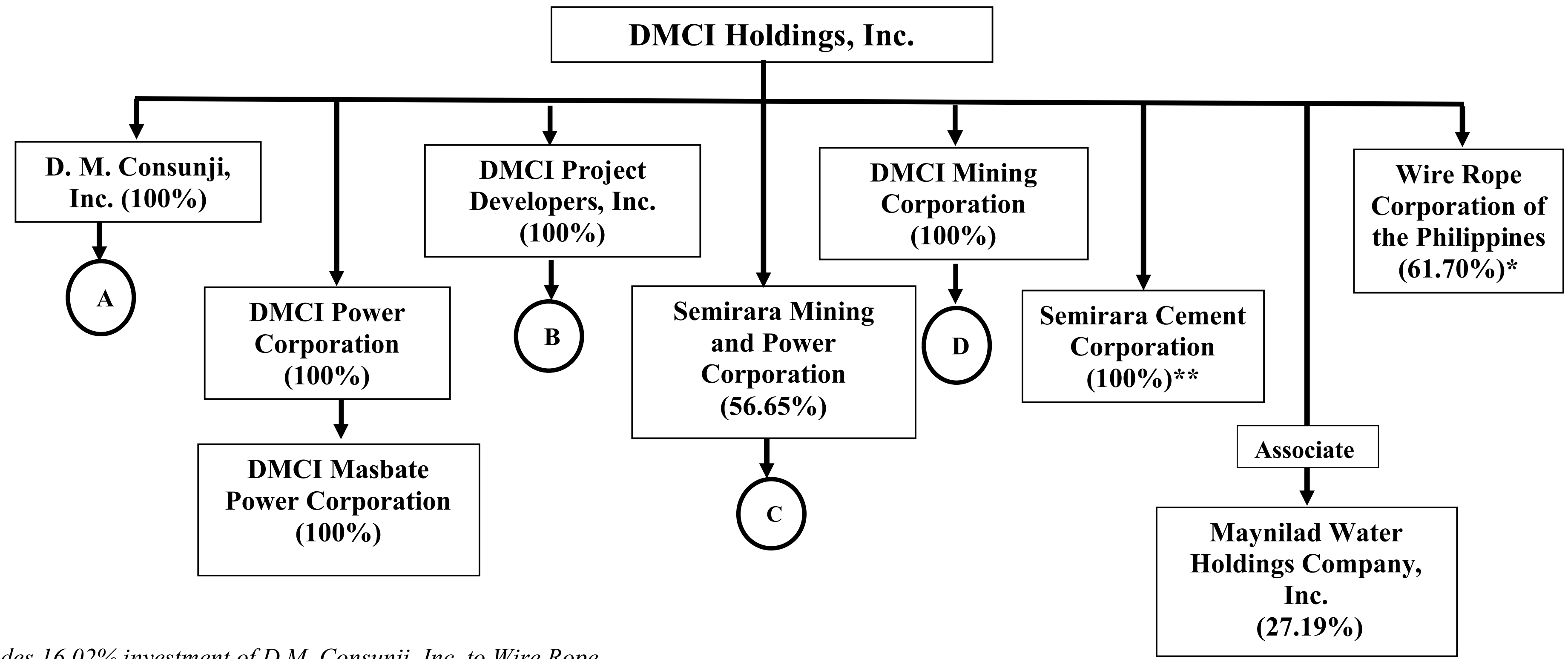
SEMIRARA MINING AND POWER CORPORATION
SCHEDULE OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
AS OF FOR THE YEAR ENDED DECEMBER 31, 2021

Unappropriated retained earnings, beginning		₱26,807,243,576
Adjustments:		
Deferred tax asset that reduced the amount of income tax expense of prior periods		8,188,387
Unrealized foreign exchange loss - net (except those attributable to cash and cash equivalents)		64,406,412
Treasury shares		(739,526,678)
Unappropriated retained earnings, as adjusted to available for dividend distribution, as at December 31, 2020		26,140,311,697
Net income actually earned/realized during the period:		
Net income during the period closed to retained earnings	₱16,200,097,441	
Less: Non-actual/unrealized income net of tax		
Equity in net income of associate/joint venture	–	
Unrealized actuarial gain	–	
Fair value adjustment (M2M gains)	–	
Fair value adjustment of Investment Property resulting to gain	–	
Adjustment due to deviation from PFRS/GAAP-gain	–	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	–	
Deferred tax asset that increased the amount of income tax expense	–	
Add: Non-actual losses		
Depreciation on revaluation increment (after tax)	–	
Adjustment due to deviation from PFRS/GAAP-loss	–	
Loss on fair value adjustment of investment property (after tax)	–	
Unrealized foreign exchange loss - net (except those attributable to cash and cash equivalents)	5,398,954	
Net income actually earned during the period		16,205,496,395
Add (Less):		
Cash dividend declarations during the period		(12,753,550,500)
Stock dividend declarations during the period	–	–
Appropriations of retained earnings during the period	–	(1,500,000,000)
Reversals of appropriations	–	–
Effects of prior period adjustments	–	–
Treasury shares	–	–
TOTAL RETAINED EARNINGS, END AVAILABLE FOR DIVIDEND DECLARATION		₱28,092,257,592

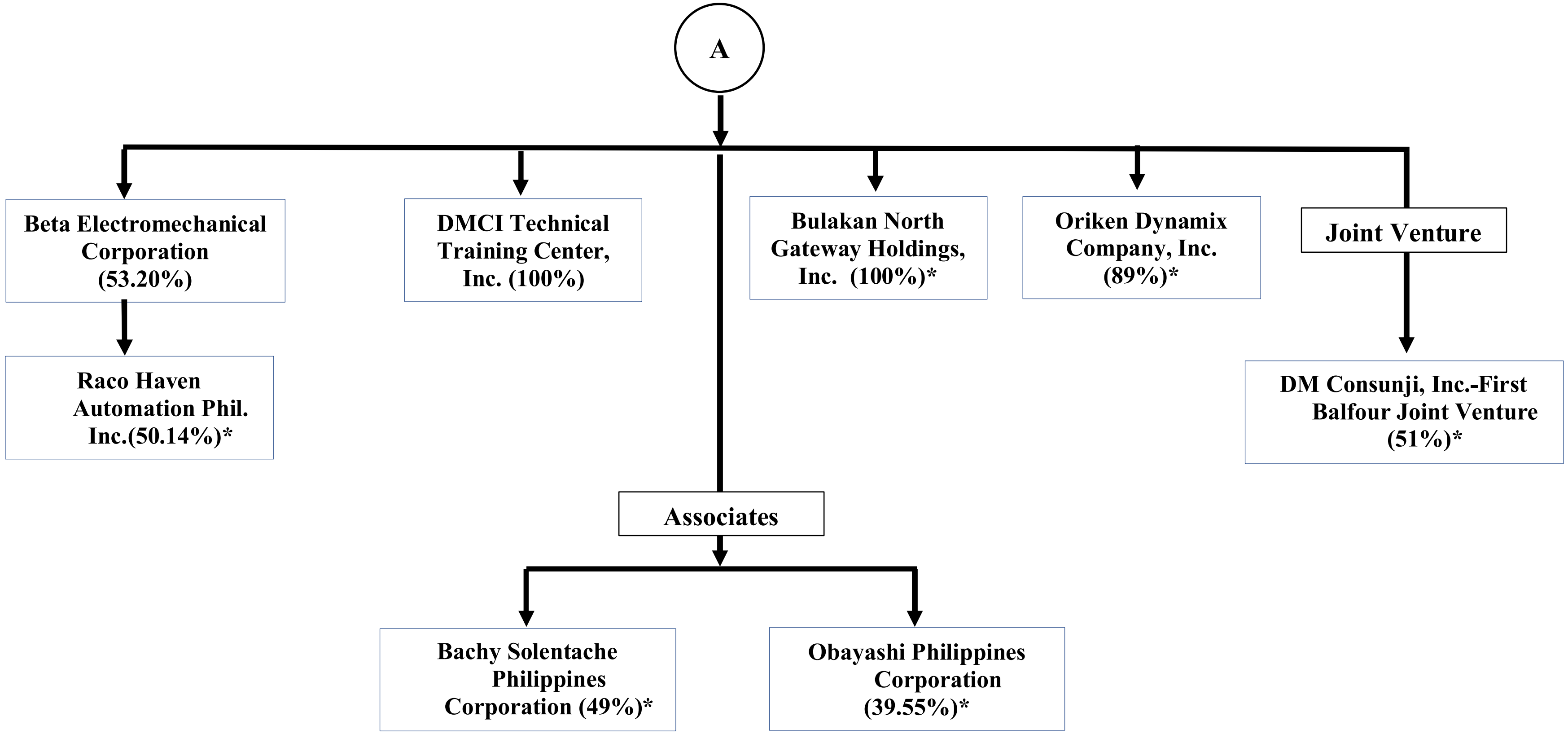
ANNEX B

SEMIRARA MINING AND POWER CORPORATION AND SUBSIDIARIES
MAP OF RELATIONSHIPS OF THE COMPANIES WITHIN THE GROUP

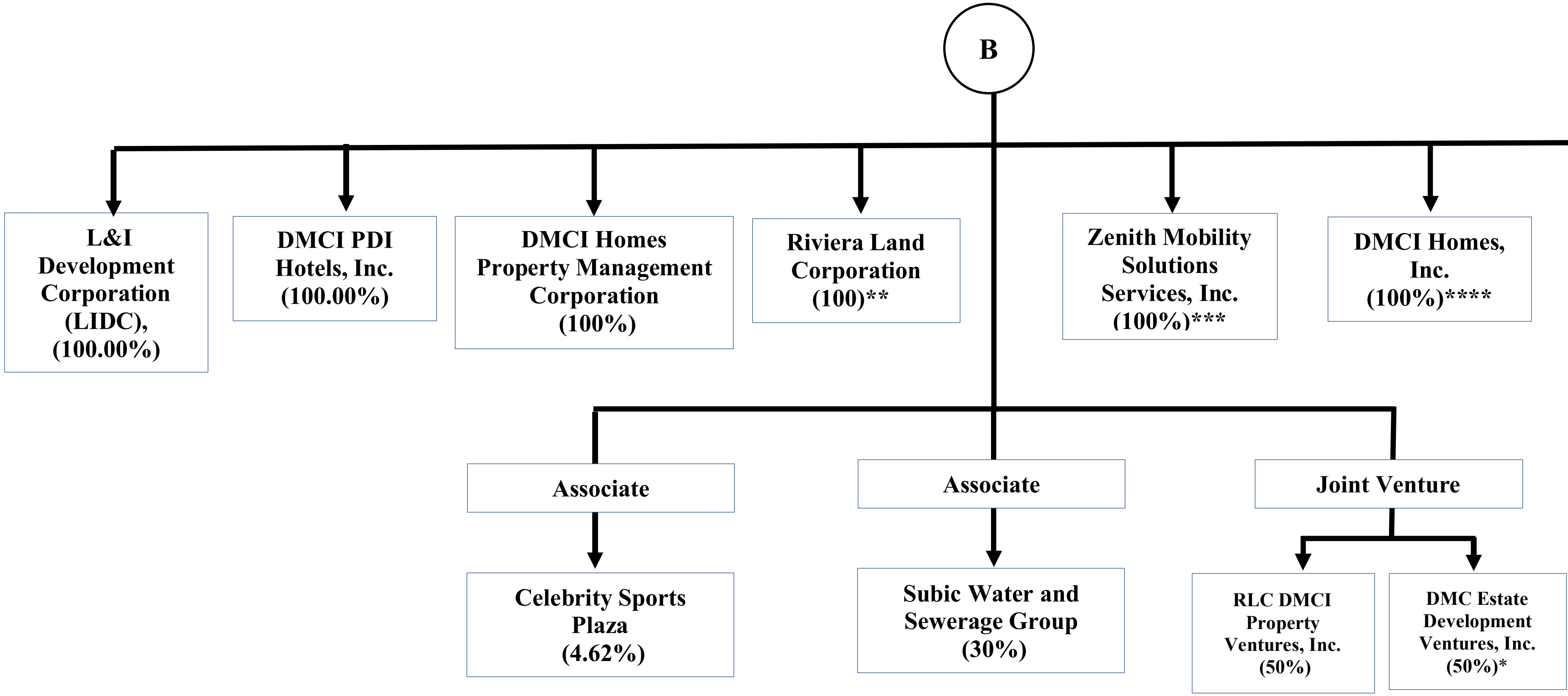
Group Structure
Below is a map showing the relationship between and among the Group as of December 31, 2021:



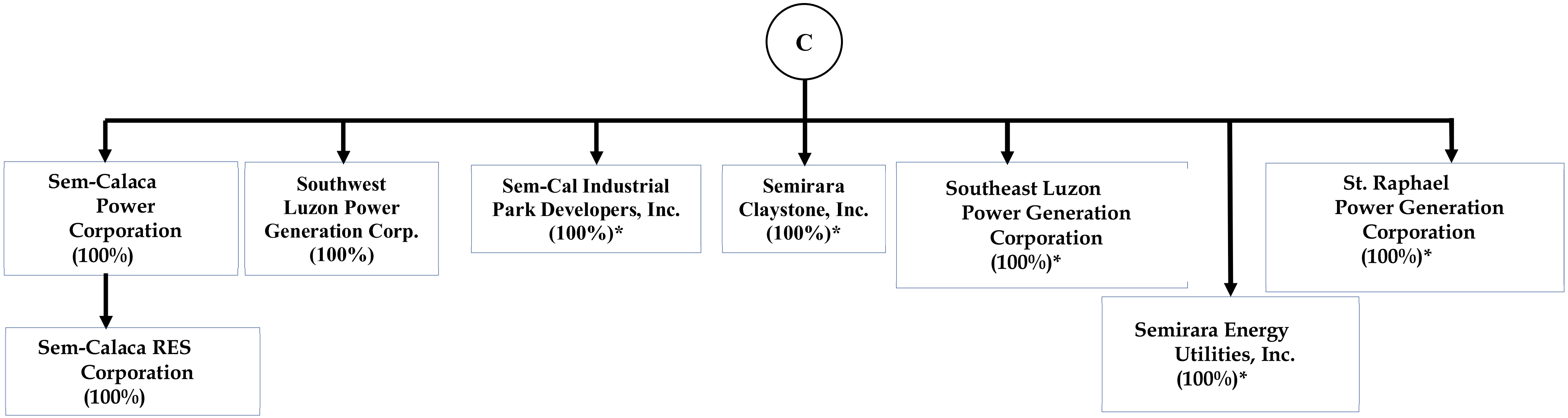
* *Includes 16.02% investment of D.M. Consunji, Inc. to Wire Rope.*
***Non-operating entity*



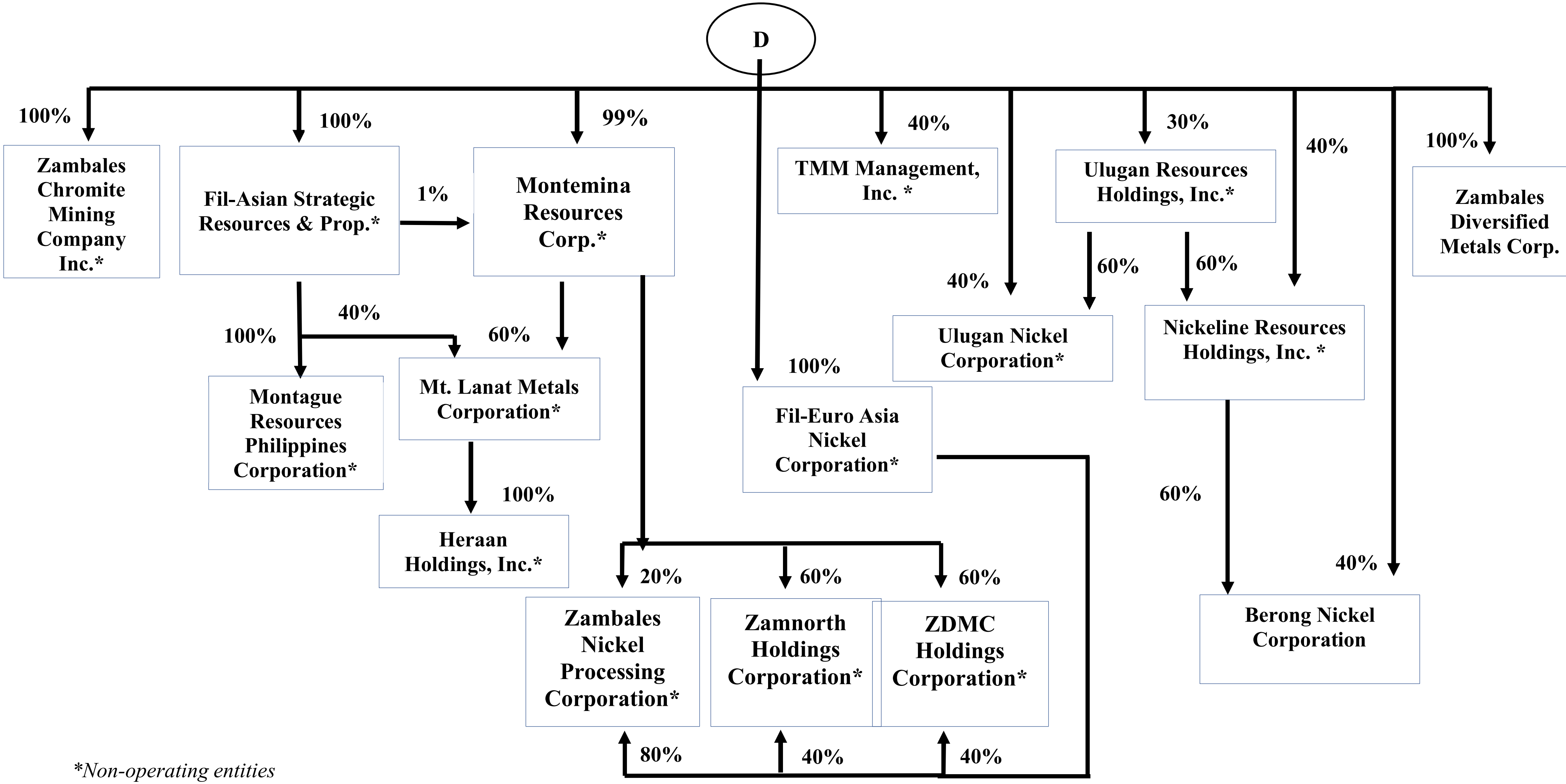
Non-operating entities



* *Established in 2021*
** *Includes the 34.12% interest of DMCI*
*** *Equity interest increased from 51% to 100% in 2020*
**** *Liquidating as of December 31, 2021*



**Non-operating entities*



Non-operating entities

SEMIRARA MINING AND POWER CORPORATION AND SUBSIDIARIES

SCHEDULE A: FINANCIAL ASSETS

DECEMBER 31, 2021

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Income received and accrued

NOT APPLICABLE

ANNEX C

SEMIRARA MINING AND POWER CORPORATION AND SUBSIDIARIES

SCHEDULE B: AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDER (OTHER THAN RELATED PARTIES)

DECEMBER 31, 2021

Name and Designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Not current	Balance at end of period

Not applicable. The Group's receivables from officers and employees pertain to ordinary purchases subject to usual terms, travel and expense advances and other transactions arising from the Group's ordinary course of business.

ANNEX C

SEMIRARA MINING AND POWER CORPORATION AND SUBSIDIARIES

SCHEDULE C: AMOUNTS RECEIVABLES/PAYABLES FROM/TO RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS

DECEMBER 31, 2021

Name of Subsidiaries	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Not current	Balance at end of period
Sem-Calaca Power Corporation	**₱1,137,930,947**	**₱4,526,866,778**	**₱2,310,655,229**	**₱–**	**₱3,354,142,495**	**₱–**	**₱ 3,354,142,495**
Semirara Claystone, Inc.	**222,567,613**	**4,340,990**	**42,410**	**–**	**226,866,194**	**–**	**226,866,194**
Southwest Luzon Power Generation Corporation	**496,557,146**	**1,004,462,750**	**1,465,989,945**	**–**	**35,029,952**	**–**	**35,029,952**
Semirara Energy Utilities, Inc.	**640,003**	**36,854**	**29,810**	**–**	**647,047**	**–**	**647,047**
Southeast Luzon Power Generation Corporation	**17,573,640**	**71,384**	**–**	**–**	**17,645,024**	**–**	**17,645,024**
SEM-Cal Industrial Park Developers, Inc.	**238,320**	**123,849**	**–**	**–**	**362,169**	**–**	**362,169**
St. Raphael Power Generation Corporation	**11,544,770**	**–**	**–**	**–**	**11,544,770**	**–**	**11,544,770**
	₱1,887,052,439	**₱5,535,902,605**	**₱3,776,717,394**	**₱–**	**₱3,646,237,651**	**₱–**	**₱ 3,646,237,651**

ANNEX C

SEMIRARA MINING AND POWER CORPORATION AND SUBSIDIARIES

SCHEDULE D: LONG-TERM DEBT

DECEMBER 31, 2021

Title of issue and type of obligation	Amount authorized by indenture	Interest rates	Maturity date	Number of periodic installments	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-term debt" in related balance sheet
Bank loans	₱3,000.00 million	Fixed Nominal Rate of 4.90%	Various quarterly maturities starting 2021 until 2024	Payable in 16 equal consecutive quarterly installments commencing in May 2021	₱750,000,000	₱1,496,192,954
Bank loans	₱2,700.00 million	Fixed Nominal Rate of 4.88%	Various quarterly maturities starting 2020 until 2026	Interest and principal payable every 3 months	432,000,000	1,717,373,361
Bank loans	₱1,176.00 million	Floating rate to be repriced every 3 months based on 3-Months "PDST-R2" plus a spread of one-half of one percent (0.5%)	February 2027	Interest payable every 3 months, principal to be paid on maturity date	222,014,512	949,319,252
Bank loans	₱2,200.00 million	Fixed annual interest rate of 4.57% per annum to be repriced after 3 years	Various quarterly maturities starting 2020 until 2027	Interest and principal payable every 3 months	1,508,994,857	683,274,643
Bank loans	₱2,000.00 million	Fixed Nominal Rate of 4.88%	Various quarterly maturities starting 2020 until 2026	Interest and principal payable every 3 months	285,714,285	1,135,282,347
Bank loans	₱4,000.00 million	Fixed Nominal Rate of 5.00%-5.13%	Various quarterly maturities starting 2020 until 2024	Interest and principal payable every 3 months	835,200,000	1,659,588,432
Bank loans	₱3,500.00 million	Fixed Nominal Rate of 4.63%	Various quarterly maturities starting 2021 until 2025	Interest and principal payable every 3 months	175,000,000	3,216,680,518
					₱4,208,923,654	₱10,857,711,507

ANNEX C

SEMIRARA MINING AND POWER CORPORATION AND SUBSIDIARIES

SCHEDULE E: INDEBTEDNESS TO RELATED PARTIES

DECEMBER 31, 2021

Name of related party	Balance at beginning of period	Balance at end of period

Not applicable. The Group currently has no noncurrent indebtedness to related parties

ANNEX C

SEMIRARA MINING AND POWER CORPORATION AND SUBSIDIARIES

SCHEDULE F: GUARANTEES OF SECURITIES OF OTHER ISSUERS

DECEMBER 31, 2021

Name of issuing entity of securities guaranteed by the company for which this statements is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount of owned by person for which statement is filed	Nature of guarantee

NOT APPLICABLE

ANNEX C

SEMIRARA MINING AND POWER CORPORATION AND SUBSIDIARIES
SCHEDULE G: CAPITAL STOCK
DECEMBER 31, 2021

Title of issue	Number of shares authorized	Number of shares issued and outstanding at shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by		
				Related parties	Directors, officers and employees	Others
Common stock - ₱1 par value	10,000,000,000	4,250,547,620	–	2,944,688,744	42,748,484	1,263,110,392

SEMIRARA MINING AND POWER CORPORATION AND SUBSIDIARIES

COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS
FOR THE YEARS ENDED DECEMBER 31, 2021 and 2020

Financial Soundness Indicators

Below are the financial ratios that are relevant to the Group for the years ended December 31, 2021 and 2020:

Financial ratios		2021	2020
Current ratio	Current assets / Current liabilities	**1.85:1**	1.41:1
Acid-test ratio	Current assets less inventories / Current liabilities	**1.12:1**	0.76:1
Solvency ratio	Net income plus depreciation / Total liabilities	**0.88:1**	0.33:1
Debt to equity ratio	Interest-bearing loans / Total equity	**0.33:1**	0.47:1
Asset-to-equity ratio	Total assets / Total equity	**1.57:1**	1.69:1
Inventory turnover	Cost of sales / Average inventory	**1.63:1**	1.88:1
Accounts receivable turnover ratio	Net credit sales / Average accounts receivable	**9.89:1**	7.73:1
Interest rate coverage	Earnings before interest and taxes / Interest paid	**20.96:1**	4.46:1
Return on assets	Net income / Average total assets	**0.23:1**	0.05:1
Return on equity	Net income / Average total equity	**0.37:1**	0.08:1
Gross Margin ratio	Gross profit / Sales	**0.50:1**	0.30:1
Net profit margin ratio	Net income / Sales	**0.31:1**	0.12:1