COVER SHEET

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SEC Registration Number

SEMIRARA MINING AND POWER CORPORATION

(Company's Full Name)

2nd Floor DMCI PLAZA
2281 DON CHINO ROCES AVENUE
MAKATI CITY

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

John R. Sadullo	(632)8888-3055
(Contact Person)	(Company Telephone Number)

12 31	20-IS	
(Fiscal Year)	(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

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

[1] First Monday of May of each year.

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.: **0000091447**

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**

8. Date, time and place of meeting of Security Holders: **May 6, 2024, 10:00 a.m., virtual meeting at https://www.semirarampc.com/asm.**

9. Approximate Date on which the Information Statement is to be sent or given to Security Holders: **April 12, 2024**

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 Avenue
    Makati City, Philippines
    (632) 8888-3000

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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SCHEDULES

ATTACHMENTS

PART I.

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, Time and Place of Annual Stockholders' 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 6, 2024, 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.

Electronic copy of the Definitive Information Statement will be available to the stockholders of record as of March 12, 2024 (the "Record Date") at the Corporation's website at https://www.semiraramining.com/company_disclosures/content/SEC_Form_20_IS and on the PSE Edge not later than April 12, 2024. 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 to the corporation within 30 days after the date on which the vote was taken for payment for the fair value of his shares. Failure of the stockholder to make the demand within the 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 12, 2024, as the Record Date to determine the stockholders entitled to notice of and vote at the annual stockholders' meeting on May 6, 2024. SMPC's outstanding shares are all classified as common shares.

(b) Class of voting shares as of March 12, 2024:

Nationality	Classes of Voting Shares	Number of Shares	Percentage
Filipino	Common	4,077,378,092	95.93
Non-Filipino (Foreign)	Common	173,169,528	4.07
Total Number of Shares Entitled to Vote		**4,250,547,620**	**100.00**

The breakdown of shares owned by foreign stockholders:

Nationality	No. of Stockholders	Nat. %	No. of Shares	Percentage
Chinese	8	1.07	492,730	0.01
Indian	1	0.13	10,520	0.00
Taiwanese	1	0.13	1	0.00
Others (unspecified)	5	0.67	51,272	0.00
Others (PCD Nominee Corp. – Foreign)	1	0.13	172,615,005	4.06
Total	**16**	**2.13**	**173,169,528**	**4.07**

(c) At the annual stockholders' meeting to be held on May 6, 2024, 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 2, 2023; (ii) presentation and approval of President's Report; (iii) presentation and approval of the audited financial statement for 2023; (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.

The requirements and procedure for electronic voting *in absentia* and participation by remote communication is provided in ***Schedule 4***.

(d) **Security Ownership of Certain Record and Beneficial Owners and Management.** - The following table sets forth as of March 12, 2024, 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	Citizen-ship	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	801,128,157	18.85
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

(e) **Security Ownership of Management.** - The table sets forth as of March 12, 2024 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	30,079,770	30,103,914	Filipino	0.71
Common	Jorge A. Consunji	500,144	5,175,704	5,675,848	Filipino	0.13
Common	Herbert M. Consunji	139,920	-	139,920	Filipino	0.00
Common	Cesar A. Buenaventura	292,120	100,000	392,120	Filipino	0.01
Common	Maria Cristina C. Gotianun	1,428	26,344,245	26,345,673	Filipino	0.62
Common	Ma. Edwina C. Laperal	4,188	15,180,283	15,184,471	Filipino	0.36
Common	Josefa Consuelo C. Reyes	412,400	8,763,998	9,176,398	Filipino	0.22
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	Roberto L. Panlilio	1,000	-	1,000	Filipino	0.00
Common	Francisco A. Dizon	6,000	-	6,000	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	0.01
Common	Carla Cristina T. Levina	-	-	-	Filipino	0.00
Common	Christopher Thomas C. Gotianun	1,000	76,000	77,000	Filipino	0.00
Common	Edgar C. Mariano	-	-	-	Filipino	0.00
Common	Lora Liza S. Dioquino	-	-	-	Filipino	0.00
Aggregate Ownership of all directors and officers as a group		**1,985,444**	**90,134,660**	**92,120,104**		**2.17**

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 2, 2023 to date, there has been no change in control in the Management of SMPC.

(h) **Certain Relationship and Related Transactions.** - In 2023, 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, 2023 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

[1] Messrs. Isidro A. Consunji, Herbert M. Consunji, Cesar A. Buenaventura, Jorge A. Consunji and Maria Cristina Gotianun shall exercise the voting rights on 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 on behalf of Dacon Corporation.

[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.

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 are as follows:

	2023				
	Reference	**Amount/ Volume**	**Receivable (Payable)**	**Terms**	**Conditions**
Trade receivables (Note 5)					
Entities under common control					
Sale of coal	**(a)**	**₱751,089,835**	**₱1,308,007,425**	**Noninterest-bearing, 30 days**	**Unsecured, no impairment**
Sale of materials, services and reimbursement of shared expenses	**(b)**	**13,747,544**	**83,290,699**	**Noninterest-bearing, 30 days**	**Unsecured, no impairment**
			₱1,391,298,124		
Trade payables (Note 12)					
Entities under common control					
Operation and maintenance fees	**(c)**	**(₱324,000,000)**	**(₱29,700,000)**	**30 days, noninterest-bearing**	
Coal handling services	**(d)**	**(1,163,977,108)**	**(135,136,581)**	**30 days, noninterest-bearing**	**Unsecured**
Mine exploration and hauling services	**(e)**	**(592,274,097)**	**(93,567,997)**	**30 days, noninterest-bearing**	**Unsecured**
Construction and other outside services	**(f)**	**(39,028,771)**	**(11,199,223)**	**30 days for monthly billings and portion after expiration of, retention period, noninterest-bearing**	**Unsecured**
Land and warehouse rental expenses	**(g)**	**(17,042,094]**	**(1,286,691)**	**30 days, noninterest-bearing**	**Unsecured**
Aviation services	**(h)**	**(113,756,803)**	**(77,566,939)**	**30 days, noninterest-bearing**	**Unsecured**
Others	**(b)**	**(6,907,405)**	**(4,649,969)**	**30 days, noninterest-bearing**	**Unsecured**
			(₱353,107,400)		

	2022				
	Reference	Amount/ Volume	Receivable (Payable)	Terms	Conditions
Trade receivables (Note 5)					
Entities under common control					
Sale of coal	(a)	₱936,967,262	₱862,122,326	Noninterest-bearing, 30 days	Unsecured, no impairment
Sale of materials, services and reimbursement of shared expenses	(b)	15,272,945	82,352,530	Noninterest-bearing, 30 days	Unsecured, no impairment
			₱944,474,856		
Trade payables (Note 12)					
Entities under common control					
Operation and maintenance fees	(c)	(₱324,000,000)	(₱29,700,000)	30 days, noninterest-bearing	
Coal handling services	(d)	(721,408,109)	(65,084,773)	30 days, noninterest-bearing	Unsecured

	2022				
	Reference	Amount/ Volume	Receivable (Payable)	Terms	Conditions
Mine exploration and hauling services	(e)	(176,612,602)	(62,393,850)	30 days, noninterest-bearing	Unsecured
Repairs and maintenance services	(f)	(155,197,419)	(38,327,450)	30 days for monthly billings and portion after expiration of, retention period, noninterest-bearing	Unsecured
Purchases of raw materials	(g)	(1,024,645)	(3,800,335)	30 days, noninterest-bearing	Unsecured
Land and warehouse rental expenses	(h)	(1,469,610)	(1,785,076)	30 days, noninterest-bearing	Unsecured
Aviation services	(i)	(33,968,706)	(14,480,563)	30 days, noninterest-bearing	Unsecured
Others	(b)	(643,393)	(1,586,322)	30 days, noninterest-bearing	Unsecured
			(₱217,158,369)		

a. The Parent Company has coal sales to DMCI Masbate Power Corporation (DMPC), and DMCI Power Corporation (DPC), entities 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 DPC for the operation and maintenance of the power plant for 10 years until April 1, 2031 with a fixed monthly fee of ₱27.00 million exclusive of VAT, subject to quarterly and annual review and adjustment as maybe mutually agreed upon by both parties.

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. Expenses incurred for said services are included in 'Outside services' under 'Cost of sales' in the consolidated 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. Expenses incurred for these services are included in 'Hauling and shiploading costs' under 'Cost of sales' in the consolidated statements of comprehensive income (see Note 19).

   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 consolidated 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 remained uncollected as of December 31, 2023.

f. The Group contracted DMCI for various repairs and maintenance services for the plane runway and mine site cut-off walls at Semirara Island.

g. 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 10 and 19).

h. 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 of 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.

Terms and conditions of transactions with related parties
The outstanding accounts with other related parties are settled in cash. 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 December 31, 2023 and 2022, there were no impairment losses recognized on related party balances.

Compensation of key management personnel of the Group amounted to ₱103.62 million, ₱140.33 million and ₱83.84 million in 2023, 2022 and 2021, respectively.

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 2023. 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 purchases of shares from the market, changes in beneficial ownership of securities, among others. In 2023, SCC trades by Directors/Officers 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 and have accepted their nomination:

No.	Board	Name	Citizenship	Age
1.	Chairman	Isidro A. Consunji	Filipino	75
2.	Member	Jorge A. Consunji	Filipino	72
3.	Member	Cesar A. Buenaventura	Filipino	94
4.	Member	Maria Cristina C. Gotianun	Filipino	69

5.	Member	Ma. Edwina C. Laperal	Filipino	62
6.	Member	Herbert M. Consunji	Filipino	71
7.	Member	Josefa Consuelo C. Reyes	Filipino	76
8.	Member	Antonio Jose U. Periquet, Jr.	Filipino	62
9.	Lead Independent	Ferdinand M. dela Cruz	Filipino	57
10.	Independent	Roberto L. Panlilio	Filipino	69
11.	Independent	Francisco A. Dizon	Filipino	74

Ferdinand M. dela Cruz, Roberto L. Panlillio and Francisco A. Dizon were nominated independent director on February 22, 2024 by Romulo D. San Juan. Mr. San Juan is a non-controlling shareholder 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, Cesar A. Buenaventura and Antonio Jose U. Periquet, Jr. were formally nominated regular director by a non-controlling shareholder of SMPC, Maria Cristina C. Gotianun on February 21, 2024. Ms. Gotianun is the sister of Isidro A. Consunji, Jorge A. Consunji and cousin of Herbert M. Consunji. She is not related by affinity or consanguinity to Cesar A. Buenaventura and Antonio Jose U. Periquet, Jr. The nominees herein have accepted their nomination.

Moreover, Maria Cristina C. Gotianun, Josefa Consuelo C. Reyes, and Ma. Edwina C. Laperal were nominated by a non-controlling shareholder of SMPC, Isidro A. Consunji on February 22, 2024. Isidro A. Consunji is the brother of Mses. Gotianun, Reyes and Laperal. The nominees herein have likewise accepted their nomination.

The nominees to the Board for election at the annual stockholders' meeting on May 6, 2024, have served SMPC for at least five (5) years except for Ferdinand M. dela Cruz who was elected independent director on May 3, 2021 while Roberto L. Panlilio and Francisco A. Dizon were both elected independent directors on May 2, 2023.

The Corporate Governance Committee has set March 5, 2024 as the deadline for submission of nominees to the Board. On March 12, 2024, the Committee approved the final list of nominees.

The current members of the Corporate Governance Committee (with functions of Nomination and Election, and Compensation & Remuneration committees) of SMPC are Francisco A. Dizon as Chairman while Ferdinand M. dela Cruz and Roberto L. Panlilio are Members.

Below is the record of attendance of Directors to board and annual stockholders' meetings for 2023:

Board	Name	Date of Election	Number of Meetings Held during the Year	Meetings Attended	% of Attendance
Chairman	Isidro A. Consunji	May 2, 2023	11	11	100
Member	Maria Cristina C. Gotianun	May 2, 2023	11	11	100
Member	Jorge A. Consunji	May 2, 2023	11	11	100
Member	Herbert M. Consunji	May 2, 2023	11	11	100
Member	Cesar A. Buenaventura	May 2, 2023	11	10	91
Member	Ma. Edwina C. Laperal	May 2, 2023	11	11	100
Member	Josefa Consuelo A. Consunji	May 2, 2023	11	11	100
Member	Antonio Jose U. Periquet, Jr.	May 2, 2023	11	11	100
Independent	Ferdinand M. dela Cruz	May 2, 2023	11	11	100
Independent	Roberto L. Panlilio*	May 2, 2023	8	8	100
Independent	Francisco A. Dizon*	May 2, 2023	8	8	100

**Elected Independent Director on May 2, 2023 and both attended 8 meetings of the board after their election.*

Our non-executive directors held a meeting on October 27, 2023, without the presence of our executive directors. The discussion focused on opportunities in green energy and partnership and climate change issues.

Below is the record of attendance of Board Committees for 2023:

Name	Audit Committee (AC)	Risk Committee (RC)	Corporate Governance Committee (CGC)	Strategy and Sustainability Committee (SSC)
Isidro A. Consunji *SSC, Member*	n.a.	n.a.	n.a.	1/1
Maria Cristina C. Gotianun *RC, Member; SSC, Member*	n.a.	2/2	n.a.	1/1
Rogelio M. Murga* *AC, Member; RC, Chairman; CGC, Member*	n.a.	n.a.	3/4	n.a.
Honorio O. Reyes-Lao* *AC, Member; RC, Member; CGC, Chairman; SSC, Member*	2/6	n.a.	3/4	1/1
Antonio Jose U. Periquet*, Jr. *AC, Chairman*; SSC, Chairman*	2/6	n.a.	n.a.	1/1
Cesar A. Buenaventura *SSC, Member*	n.a.	n.a.	n.a.	1/1
Ferdinand M. dela Cruz *AC, Member/Chairman**; RC, Member; CGC, Member; SSC, Member*	6/6	2/2	4/4	1/1
Roberto L. Panlilio** *RC, Chairman; AC, Member; CG, Member; SSC, Member*	4/6	2/2	1/4	n.a.
Francisco A. Dizon** *CG, Chairman; AC, Member*	4/6	n.a.	1/4	n.a.

**Committee Member until May 1, 2023*
*** New Member effective May 2, 2023*

2. **Executive Officers –**

No.	Names	Position	Citizenship	Age
1.	Isidro A. Consunji	Chairman of the Board & Chief Executive Officer	Filipino	75
2.	Maria Cristina C. Gotianun	President, Chief Operating Officer & Chief Sustainability Officer	Filipino	69
3.	John R. Sadullo	VP-Legal, Corporate Secretary & Corporate Information Officer	Filipino	53
4.	Jose Anthony T. Villanueva	VP-Marketing for Coal	Filipino	59
5.	Andreo O. Estrellado	VP-Power Market & Commercial Operations	Filipino	62
6.	Ruben P. Lozada	VP-Mining Operations, Resident Manager and Chief Risk Officer	Filipino	68
7.	Carla Cristina T. Levina	VP and Chief Finance Officer	Filipino	39
8.	Christopher Thomas C. Gotianun	VP-Business Development	Filipino	34
9.	Edgar C. Mariano	VP-Supply Chain Management	Filipino	53
10.	Lora Liza S. Dioquino	AVP-Human Resources	Filipino	56

The summary of qualification and business experience 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 2023, the performance assessment of our full Board, Committee and individual director was facilitated by the Castillo Laman Tan Pantaleon & San Jose Law Firm, a third party, 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 Amended 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 amended By-Laws of SMPC 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 three (3) 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 qualification, nomination and election, including the submission of certificate of qualification, and the required number of independent directors. DMCI Holdings, Inc. (DHI) is the majority stockholder of SMPC, and Roberto L. Panlilio, the nominated independent director, is an independent director and/or stockholder of DHI.

The independent directors herein nominated, Ferdinand M. dela Cruz was elected to the Board on May 3, 2021 and has served as such for at least three (3) years, more or less, while Roberto L. Panlilio and Francisco A. Dizon were elected on May 2, 2023 and has served as such for at least one (1) year, more or less, on the date of the annual stockholders' meeting. 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. The reckoning of the cumulative nine-year term is from 2012.

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

Director	Directorship Held in Reporting Companies
Cesar A. Buenaventura	▪ Director & 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	▪ Director, Chairman, President & CEO, DMCI Holdings, Inc. ▪ Director, Atlas Consolidated Mining and Development Corp.
Jorge A. Consunji	▪ Director, DMCI Holdings, Inc.
Maria Cristina C. Gotianun	▪ Director & Asst. Treasurer, DMCI Holdings, Inc.
Ma. Edwina C. Laperal	▪ Director & Treasurer, DMCI Holdings, Inc.
Roberto L. Panlilio	▪ Independent Director, DMCI Holdings, Inc. ▪ Independent Director, Lopez Holdings Corporation
Antonio Jose U. Periquet, Jr.	▪ Independent Director, Globe Telecom, Inc. ▪ Independent Director, Max's Group of Companies ▪ 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 have 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 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 attended seminars on corporate governance for at least four (4) hours in years 2022 and 2023, as follows:

Date	Topic	Name
June 21, 2022	The Corporate Board's Roadmap to ESG-Driven Sustainability Strategy and Reporting, conducted by Center for Global Best Practices	Jorge A. Consunji
August 26, 2022	ICD Masterclass: Sustainability and ESG: The What, Why, and How for Corporate Boards, conducted by Institute of Corporate Directors	Ma. Edwina C. Laperal Rogelio M. Murga Honorio O. Reyes-Lao
October 25, 2022	Corporate Governance, conducted by SGV & Co.	Maria Cristina C. Gotianun Jorge A. Consunji Josefa Consuelo C. Reyes Rogelio M. Murga Honorio O. Reyes-Lao Ferdinand M. dela Cruz Junalina S. Tabor John R. Sadullo Carla Cristina T. Levina Jose Anthony T. Villanueva Andreo O. Estrellado
November 25, 2022	Pilipinas: Aspire, Rise and Sustain Series Accelerating the Energy Transition and Inclusive Development Episode 3: Towards a Prosperity Agenda, conducted by Institute of Corporate Directors	Herbert M. Consunji
September 11, 2023	Corporate Governance, conducted by SGV & Co.	Isidro A. Consunji Maria Cristina C. Gotianun Jorge A. Consunji Herbert M. Consunji Ma. Edwina C. Laperal Josefa Consuelo C. Reyes Antonio Jose U. Periquet, Jr. Ferdinand M. dela Cruz Roberto L. Panlilio Francisco A. Dizon Carla Cristina T. Levina John R. Sadullo Jose Anthony T. Villanueva Andreo O. Estrellado Ruben P. Lozada Christopher Thomas C. Gotianun Edgar C. Mariano Lora Liza S. Dioquino

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 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 & CSO				
Jose Anthony T. Villanueva VP-Marketing for Coal				
Ruben P. Lozada VP-Mining Operations, Chief Risk Officer & Resident Manager				
Carla Cristina T. Levina VP & Chief Finance Officer				
	2022	22,999,123	85,283,937	5,906,785
	2023	25,584,901	49,533,077	6,524,639
	2024*	25,584,901	49,533,077	6,524,639
	Total	**P74,168,926**	**P184,350,091**	**P18,956,063**
All other directors and executive officers Execas a group	2022	10,264,410	4,366,830	18,672,359
	2023	13,318,440	5,027,000	20,694,977
	2024*	13,318,440	5,027,000	20,694,977
	Total	**P36,901,290**	**P14,420,830**	**P60,062,312**

**Approximate amounts*

The amount reflected as compensation of the named executive officers represents salary approved by SMPC's Board of Directors.

Executive directors of SMPC receive an annual retainer fee of P240,000.00 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 P150,000.00 or P1,800,000.00 per annum effective June 1, 2015. Fixed per diem of P20,000.00 for every meeting held and attended by each director who serves as Chairman or a member of SMPC's Board Committees. 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 2022 and 2023. In the same calendar years, executive directors received bonuses in accordance with the by-laws:

Directors	**Total Gross Remuneration (in Php)**	
	CY2023	**CY2022**
Isidro A. Consunji *Executive Director*	2,701,538	1,798,462
Maria Cristina C. Gotianun *Executive Director*	2,741,538	1,818,462
Cesar A. Buenaventura *Non-executive Director*	1,800,000	1,800,000
Herbert M. Consunji *Non-executive Director*	1,800,000	1,800,000
Jorge A. Consunji *Non-executive Director*	1,800,000	1,800,000
Antonio Jose U. Periquet Jr. *Non-executive Director*	1,860,000	1,920,000
Ma. Edwina C. Laperal *Non-executive Director*	1,800,000	1,800,000
Honorio Reyes-Lao* *Independent Director*	680,000	2,000,000
Rogelio M. Murga* *Independent Director*	620,000	1,880,000
Josefa Consuelo C. Reyes *Non-executive Director*	1,800,000	1,800,000
Ferdinand M. dela Cruz *Independent Director*	2,020,000	2,000,000
Roberto L. Panlilio** Independent Director	1,340,000	-

Francisco A. Dizon** Independent Director	1,300,000	-
Total	**22,263,076**	**Php20,416,924**

*BOD Member until May 1, 2023
** New BOD Member effective May 2, 2023

(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 which prescribe a limit on the aggregate amount of director bonuses which shall not exceed two percent (2%) of the SMPC's profit before tax during the previous year, while limit to total yearly compensation package, including bonuses granted, of directors as such directors shall not exceed ten percent (10%) of the SMPC's net income before tax during the previous year.

In 2023, aggregate amount of cash bonus variable pay related to the preceding year's financial performance received by executive and non-executive directors, including independent directors and the CEO, did not exceed above-mentioned limits set by the SMPC's Amended 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. Ms. Jennifer D. Ticlao 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 Finance and Accounting Departments on accounting and financial disclosures.

Pursuant to the General Requirements of SRC Rule 68, paragraph 3 (Qualifications and Reports of Independent Auditors), SMPC has engaged the services of SGV as independent external auditor, and Jennifer D. Ticlao is the Partner-In-Charge for less than five years or starting 2022. This is compliant with SEC Circular No. 8 Series of 2003 and SRC Rule 68(3)(B)(ix) (Rotation of External Auditors).

On February 27, 2024, 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 2024.

The Audit Committee is composed of Ferdinand M. dela Cruz as Chairman while Roberto L. Panlilio and Francisco A. Dizon 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 2, 2023.** - 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 May 2, 2022.

(2) Presentation and Approval of President's Report.
(3) Presentation and Approval of the Audited Financial Statements for 2022.
(4) Ratification of the Acts and Resolutions of the Board of Directors, Management and Board Committees.
(5) Election of Directors for 2023-2024.
(6) Approval of appointment of Independent External Auditor.

The minutes of annual stockholders' meeting may also be viewed at SMPC's website through this link: **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 2023. – Consolidated Audited Financial Statements for the period ended December 31, 2023.

(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 2023 is set forth in ***Schedule 3***.

(e) Election of Directors for 2024-2025. - 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, 2024 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 to 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.

The 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 approve 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 19, 2024 until May 6, 2024 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 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 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 engaged the accounting firm of SGV to provide an independent tabulation service at 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 2, 2023, 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 headed by the Corporate Secretary while the SGV Auditing Firm was engaged to provide an independent tabulation service at the annual stockholders' meeting. After the validation, the 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 annual stockholders' meeting which is available at SMPC's website, 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 Corporation's CEO, Isidro A. Consunji and its President & COO, Maria Cristina C. Gotianun, as follows:

Question	***Answer***
1. How do you see SCC 10 years from today?	*Isidro A. Consunji: "First of all, we hope that the Department of Energy will favorably consider our legal position on the adjustment of the terms of our coal operating contract. Secondly, we believe*

	that there are opportunities in mining outside of Semirara Island, and we could probably participate in these mining opportunities. Thirdly, we expect to expand our power projects and maybe in a shift to Liquified Natural Gas (LNG) if and when the situation arises, that make this shift a good business opportunity. Lastly, we expect that we will be able to look at other businesses assuming our financial state enables us to diversity to other businesses."
2. *Are you still keen on folding DMCI Mining into Semirara? Or would you prefer organic growth for SCC?*	*Isidro A. Consunji: "We have studied the proposed transfer of DMCI Mining from DMCI Holdings to Semirara Mining, however, our Finance people concluded that the friction cost involved in such transfer will make it very expensive and secondly, the ability to determine a fair price for both set of stockholders, the DMCI and Semirara, extremely difficult considering the fact that the bulk of the mining assets of DMCI Mining are not fully permitted. So, it will probably not happen anymore."*
3. *Given rising ESG pressures, do you have a coal exit plan for SCC?*	*Isidro A. Consunji: "Given that coal is the primary product of SMPC, it is difficult for us to exit coal, however, our approach is a coal carbon mitigating plan, which is to offset the carbon emission of our coal and power plants with carbon credits and other mining activities or reforestation that will mitigate a lot of this carbon that are being emitted by our existing business."*
4. *How much coal do you expect to produce from Molave and Narra mines this year?*	*Maria Cristina C. Gotianun: "Based on our mine plan, we are going to produce 15 to 16 million metric tons for this year, 50% of that will come from Molave pit and 50% will come from the Narra mine."*
5. *On the power segment, how much of capex is being allocated to improve asset management, to lessen outages moving forward?*	*Maria Cristina C. Gotianun: "Based on the Asset Management Plan of Calaca, we have allocated P1.5 billion capex for this year. So far, in first quarter of this year, the power plants have been running quite well and we hope that this will continue until the end of the year."*
6. *What is your coal and power marketing strategy for 2023?*	*Isidro A. Consunji: "For 2023, we expect to sell more and more coal locally. Previously, 50% of our coal was exported. This year, we intend to sell 70% to the local market and just 30% for the export; and for the power business, the present volatile prices prevent us from taking a firm stand on fixed-rate contracts. So, for the moment we intend to stay either with a bilateral contract with fuel pass-through or stay in the WESM market and spot market for the time being. Maybe if the fuel prices settle down, we can probably go back to more bilateral contracts."*
7. *Would SCC be open to investing in LNG plants?*	*Isidro A. Consunji: "The Calaca location is ideal for LNG as well as coal. So, the question is really just an issue of business viability, but physically and technically, there is no reason why SMPC cannot go to LNG."*
8. *Any updates on the plan to rewind and re-install the old turbine in SCPC Unit 2?*	*Maria Cristina C. Gotianun: "Originally, our plant outage will be in fourth quarter of this year. However, because of the phase is connected to the rig, it is now going to be moved in the first*

	quarter of 2024. We will resume operation of unit 2 in the second quarter of 2024.
9. Have you reached an agreement with GE regarding their defective equipment?	*Maria Cristina C. Gotianun: "G.E. so far has been cooperating with us, and Unit 2 is performing right now even at derated capacity. The root cause analysis will come out in May and hopefully with that they can continue to support us and even improve the performance of the Unit 2 generator."*
10. Would SCC be open to buying other plants?	*Isidro A. Consunji: "Yes, we are open to purchasing other plants, but the prices being offered in the market makes it better for us to pursue developing new plants like our San Raphael rather than purchase the existing plants."*

Stockholders representing 3,338,757,396 or 78.55% of SMPC's issued and outstanding capital stock have registered and participated remotely or by proxies, as follows:

	Stockholder	Shares Held
1.	Cesar A. Buenaventura	120
2.	Herbert M. Consunji	120
3.	Honorio O. Reyes-Lao	4,000
4.	Isidro A. Consunji (for himself and 26 proxies)	3,336,435,448
5.	Jorge A. Consunji	120
6.	Josefa Consuelo C. Reyes	120,000
7.	Ma. Edwina C. Laperal	1,212
8.	Maria Cristina C. Gotianun	1,428
9.	Rogelio M. Murga	40
10.	Antonio Jose U. Periquet, Jr.	100
11.	Ferdinand M. dela Cruz	1,000
12.	Jaime B. Garcia	2,193,768
13.	Luz Consuelo A. Consunji	40
	Total	**3,338,757,396**

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 4 – Approval of Minutes of Previous Stockholders' Meeting Held on May 2, 2022	3,331,500,516	99.78%	4,935,932	0.15%	0	0.00%
Agenda 5 – Presentation and Approval of President's Report	3,330,970,516	99.77%	5,465,932	0.16%	0	0.00%
Agenda 6 – Presentation and Approval of the Audited Financial Statements for 2022	3,329,904,416	99.73%	5,465,932	0.16%	1,066,100	0.03%
Agenda 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	3,330,198,316	99.74%	5,852,532	0.18%	385,600	0.01%
Agenda 8 – Election of Directors for 2023-2024:						

Director	Votes Cast and Percentage of Shares Represented at the ASM					
	For	%	Abstain	%	Against	%
Regular Directors						
1. Isidro A. Consunji	3,298,581,291	98.80%	14,993,974	0.45%	22,861,183	0.68%
2. Jorge A. Consunji	3,179,155,833	95.22%	148,728,515	4.45%	8,552,100	0.26%
3. Cesar A. Buenaventura	3,160,830,430	94.67%	152,744,835	4.57%	22,861,183	0.68%
4. Herbert M. Consunji	3,179,163,886	95.22%	148,720,462	4.45%	8,552,100	0.26%
5. Maria Cristina C. Gotianun	3,200,022,006	95.84%	128,928,442	3.86%	7,486,000	0.22%

6. Ma. Edwina C. Laperal	3,196,781,406	95.75%	131,102,942	3.93%	8,552,100	0.26%
7. Josefa Consuelo C. Reyes	3,196,781,406	95.75%	131,102,942	3.93%	8,552,100	0.26%
8. Antonio Jose U. Periquet, Jr.	3,165,005,510	94.80%	152,744,835	4.57%	18,686,103	0.56%
Independent Directors						
9. Ferdinand M. dela Cruz	3,323,562,994	99.54%	9,439,254	0.28%	3,434,200	0.10%
10. Roberto L. Panlilio	3,331,500,516	99.78%	4,935,932	0.15%	-	-
11. Francisco A. Dizon	3,331,500,516	99.78%	4,935,932	0.15%	-	-

Agenda 9 – Approval of Appointment of Independent External Auditor	3,328,696,042	99.70%	5,896,376	0.18%	1,844,030	0.06%

The following directors, officers and/or stockholders of SMPC attended the annual stockholders' meeting in 2023:

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

Key Officers:
1. John R. Sadullo, VP-Legal & Corporate Secretary
2. Junalina S. Tabor, SVP and Chief Risk, Compliance & Performance Officer
3. Carla Cristina T. Levina, VP and CFO
4. Jose Anthony T. Villanueva, VP-Marketing for Coal

Others:
1. Jennifer D. Ticlao, Assurance Partner, SGV & Co.
2. Cherubim O. Mojica, Investor Relations

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

Please refer to Part II, pages 13-15 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 6, 2024, 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 no later than April 25, 2024, 5:00 p.m. through email at corporatesecretary@semirarampc.com and hard copies thereof to 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 29, 2024, 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 a 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 6, 2024.

(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 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 2, 2023**

☐ For ☐ Abstain ☐ Against

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

☐ For ☐ Abstain ☐ Against

3. **Presentation and Approval of the Audited Financial Statements for 2023**

☐ 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 2024-2025**

☐ 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. Antonio Jose U. Periquet, Jr.
9. Ferdinand M. dela Cruz*
10. Roberto L. Panlilio*
11. Francisco A. Dizon*

**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 on 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 P126,000.00, 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 be acted upon at the annual stockholders' meeting to be held on May 6, 2024.

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, 2023 AND 2022 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 22, 2024.

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 12, 2024:

1.	Dacon Corporation	6,621,561,069	Common	49.87%
2.	PCD Nominee Corporation (Filipino)[4]	2,905,681,407	Common	21.88%
3.	DFC Holdings, Inc.	2,379,799,910	Common	17.92%
4.	PCD Nominee Corporation (Foreign)	738,476,110	Common	05.56%

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

1.	Inglebrook Holdings, Inc.	4,090,695	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	4,090,694	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	00.35%

[4] 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:

Directors

1. **ISIDRO A. CONSUNJI, 75**
   Filipino, Director since May 1997 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's in Business Economics, Center for Research & Communication
   Master's 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, Chairman, President & CEO
   Atlas Consolidated Mining and Development Corporation, Director

   Other Directorships/Positions:
   SEM-Calaca Power Corporation, Chairman & CEO
   Southwest Luzon Power Generation Corporation, Chairman & CEO
   Semirara Materials and Resources 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
   Sem-Calaca Port Facilities Inc., Director
   D.M. Consunji, Inc., Director & Chairman
   DMCI Mining Corporation, Chairman & CEO
   ENK Plc (U.K.), Chairman
   DMCI Masbate Power Corporation, Vice-Chairman
   Dacon Corporation, Chairman, Director & President
   M&S Company Inc., Director
   DMCI Projects Developers, Inc., Director
   Toledo Mining Corporation Plc (U.K.), Director
   Semirara Cement Corporation, Director, Chairman & 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, 72**
   Filipino, Director since May 2000

   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:
D.M. Consunji, Inc., Director, President & CEO
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 Materials and Resources 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
Sem-Calaca Port Facilities Inc., 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
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, 94**
Filipino, Director since May 1998
Strategy and Sustainability Committee, Member

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

Directorship in Listed Companies:
DMCI Holdings, Inc., Director & Vice-Chairman
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
Semirara Cement Corporation, Director & Vice-Chairman
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, 71**
   Filipino, Director since May 1997

   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:
   None.

   Other Directorships/Positions:
   DMCI Holdings, Inc., EVP, CFO, Chief Compliance Officer & Chief Risk Officer *(listed company)*
   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
   Southwest Luzon Power Generation Corporation, Director
   Semirara Materials and Resources Inc., Director
   Sem-Cal Industrial Park Developers Inc., Director
   Subic Water & Sewerage Corp., 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, 69**
   Filipino, Director since May 2006
   President, Chief Operating Officer and Chief Sustainability 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:
Sem-Calaca Power Corporation, Director & President
Southwest Luzon Power Generation Corporation, Director & President
Semirara Materials and Resources Inc., Director & President
Semirara Energy Utilities Inc., Director & President
Southeast Luzon Power Generation Corporation, Director & President
St. Raphael Power Generation Corporation, Director & President
Sem-Cal Industrial Park Developers Inc., Director & President
Sem-Calaca Port Facilities Inc., Director
Divine Word School of Semirara Island, Inc., Trustee & President
Semirara Training Center, Inc., Trustee & President
Dacon Corporation, Director & Corporate Secretary
D.M. Consunji, Inc., Director, VP & CFO
DMCI Power Corporation, Director & Treasurer
DMCI Masbate Power Corporation, Director & Treasurer

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, 62**
Filipino, Director since May 2007

Education:
B.S. Architecture, University of the Philippines
Master's 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:
SEM-Calaca Power Corporation, Director
Southwest Luzon Power Generation Corporation, Director
Dacon Corporation, Director & Treasurer
D.M. Consunji, Inc., Director & Treasurer
DMCI Project Developers, Inc., Director & SVP-Treasurer
DMC Urban Property Developers, Inc., Director & President

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, 76**
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:
Dacon Corporation, Director
SEM-Calaca Power Corporation, Director
Southwest Luzon Power Generation Corporation, Director
Philippine Coffee Board, Corporate Secretary
Ecology Village Association, Director & Chairperson

Former Affiliations:
Ecology Village Association, *Director & Vice-President*
Manila Herbal & Essential Oils Co., Inc., General Manager

8. **ANTONIO JOSE U. PERIQUET, JR., 62**
Filipino, Independent Director since August 2019 and elected Regular Director on May 2, 2023
Strategy and Sustainability Committee, Chairman

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

Directorship in Listed Companies:
Globe Telecom, Inc., Independent Director
Max's Group of Companies, Independent Director
Universal Robina Corporation, Independent Director

Other Directorships/Positions:
AB Capital & Investment Corporation, Chairman & CEO
Albizia ASEAN Tenggara Fund (Singapore), Independent Director
Campden Hill Group, Inc., Chairman
Lyceum of the Philippines University, Trustee
The Straits Wine Co. Inc., Director

Former Affiliations:
Ayala Corporation, Independent Director
Bank of the Philippine Islands, Independent Director
Campden Hill Advisors, Inc., Chairman
DMCI Holdings, Inc., Independent Director
Sem-Calaca Power Corporation, Independent Director
Southwest Luzon Power Generation Corporation, Independent Director
Philippine Seven Corporation, 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

9. **FERDINAND M. DELA CRUZ, 57**
Filipino, Independent Director since May 3, 2021
Audit Committee, Chairman
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

10. **ROBERTO L. PANLILIO, 69**
Filipino, Independent Director since May 2, 2023
Audit Committee, Member
Corporate Governance Committee, Member
Risk Committee, Chairman
Strategy and Sustainability Committee, Member

Education:
Master's in Business Administration and International Finance, University of Southern California
Bachelor in Business Management, Ateneo de Manila University

Directorship in Listed Companies:
DMCI Holdings, Inc., Independent Director
Lopez Holdings Corporation, Independent Director

Other Directorships/Positions:
Maya Bank, Director
Philippine Association of Securities Brokers and Dealers, Inc., Director
Endeavor Philippines, Director
L&R Corporation, President

Former Affiliations:
J.P. Morgan Chase Philippines, Country Chairman (2019-2022)
J.P. Morgan Chase Philippines, Senior Country Officer (1999-2019)
PCI Bank-Manila, Senior Vice-President & COO (1993-1999)
Citibank, Various Treasury and Investment Banking positions (1979-1993)

11. **FRANCISCO A. DIZON, 74**
Filipino, Independent Director since May 2, 2023
Audit Committee, Member
Corporate Governance Committee, Chairman

Education:
Master's in Business Management, Asian Institute of Management
Bachelor of Arts in General Studies, Ateneo de Manila University

Directorship in Listed Companies:
None.

Other Directorships/Positions:
Sun Savings Bank, President & CEO
Pacific Northstar Inc., Chairman & President
Project Quest Corporation, Chairman & President
BPO International, Chairman
Sun Star Cebu Publishing, Inc., Director
Medical Doctors, Inc., Independent Director
Laura Vicuña Foundation, Trustee
Phoenix One Knowledge Solutions, Inc., Chairman/Director
Fleetwood Holdings, Inc., Chairman & President
Capitol Star Development Corporation, President
Diz Shorline Holdings Corp., Director/Treasurer
Marina Investment, Inc., Director
Joyzend Corp., Director/Corporate Secretary
Joygrowth Holdings, Inc., Director

Former Affiliations:
Sun Savings Bank, Inc., Chairman
PNB (EUROPE) PLC, Chairman
PNB General Insurers Company, Inc., Director
Beneficial-PNB Life Insurers Co., Inc., Director
PNB Remittance Center (Hong Kong), Director
PNB Remittance Center (USA), Director
PNB Holdings Corporation, Director
Bulawan Mining Corporation, Director
Philippine National Bank, Director
Philippine National Bank, Chairman
Rizal Commercial Banking Corporation, President & CEO
RCBC Capital Corporation, Director
RCBC Forex Brokers Corporation, Director
RCBC Savings Bank, Director
Rizal Commercial Banking Corporation, Advisory Board
Asian Bank Corporation, President/CEO/Director
Asian Bank Corporation, President/COO/Director
Asian Savings Bank, Director
AB Capital and Investment Corporation, Vice Chairman
AB Capital and Investment Corporation, President/COO/Director

AB Leasing and Finance Corporation, Director
Stock Transfer Service, Inc., Director
Investment House Association of the Phils., President & Director
Cardinal Ceramics, Inc., Director
Cebu Holdings, Inc., Director
Ayala Property Ventures Corp., Director
HI-Cement Corp., Director
Megalink, Director
Pacific Horizon Investment Trust PLC, Director
Philippine Long Term Equity Fund, Director/Chairman of Investment Committee
ATSP Management Ltd., Director
Union Savings and Mortgage Bank, First VP and COO/VP/OIC
Bancom Group, Inc., Vice-President
Bancom Development Corp., AVP/ Sr. Asst. Treasurer/ Asst. Treasurer/ Deal Manager
Point Technologies Corporation, Chairman/Vice-Chairman
AB Capital and Investment Corporation, Senior Vice-President

Executive Officers

1. **ISIDRO A. CONSUNJI**, Chief Executive Officer*
2. **MARIA CRISTINA C. GOTIANUN**, President & COO*

**Member of the Board (please see above)*

3. **JOHN R. SADULLO, 53**
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 Materials and Resources Inc., Corporate Secretary
Sem-cal Industrial Park Developers Inc., Corporate Secretary
St. Raphael Power Generation Corporation, Corporate Secretary
Sem-Calaca Port Facilities Inc., 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

4. **JOSE ANTHONY T. VILLANUEVA, 59**
Filipino, VP-Marketing for Coal since November 2013

For more than 30 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's in Business Administration, De La Salle University
Master's 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*

5. **ANDREO O. ESTRELLADO, 62**
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.

Education:
Bachelor of Science in Chemical Engineering, Mapua Institute of Technology
Master's 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
National Power Corporation
National Transmission Corp
Manila Oslo Renewable Enterprises/SN Aboitiz Power
East Asia Power Corporation
Resource Management International (Navigant Consulting)
Magellan Utilities Development Corp.
International Resources Group, Philippines
Alternative Energy Development, Philippines

6. **RUBEN P. LOZADA, 68**
Filipino, VP-Mining Operations & Resident Manager since August 2016
Chief Risk Officer since July 2023

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:

Divine Word School of Semirara Island, Inc., Trustee
Semirara Training Center, Inc., Trustee

Former Affiliations:
None.

7. **CARLA CRISTINA T. LEVINA, 39**
Filipino, Vice President and Chief Finance Officer since March 2021

She has more than 18 years of professional experience in the fields of IT audit, business processes, risk management, internal controls, and finance.

Education:
Bachelor of Science in Accountancy *(Cum Laude)*, University of Santo Tomas
Strategic Business Economics Program *(Certificate)*, University of Asia and Pacific

Professional Licenses and Certifications:
Certified Public Accountant *(17th Placer)*
Certified Information Systems Auditor
Certified Internal Auditor – *William Smith Certificate of Excellence Awardee (one of top 10 worldwide)*

Directorship in Listed Companies
None.

Other Directorships/Positions
Sem-Calaca Power Corporation, CFO
Southwest Luzon Power Generation Corporation, CFO
Southeast Luzon Power Generation Corporation, CFO
St. Raphael Power Generation Corporation, CFO
Semirara Materials and Resources, Inc., CFO
Sem-Cal Industrial Park Developers, Inc., CFO
Semirara Energy Utilities Inc., CFO
Sem-Calaca Port Facilities Inc., CFO

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

8. **CHRISTOPHER THOMAS C. GOTIANUN, 34**
Filipino, VP-Business Development since March 1, 2023
Strategy and Sustainability Committee, Secretariat

Education:
Master's in Business Administration, London Business School (2017-2019)
M.S. Mechanical Engineering, University of California, Berkeley, USA (2012-2013)
B.S. Mechanical Engineering, University of California, Berkeley, USA (2008-2012)

Directorship in Listed Companies:
None.

Other Directorships/Positions:
Sem-Calaca Res Corporation, Director & President
Sem-Calaca Port Facilities, Inc., Director & Treasurer
Sem-Cal Industrial Park Developers, Inc., Director
Semirara Materials and Resources Inc., Director

Former Affiliations:
Semirara Mining and Power Corporation, Business Development Head (2022-2023)
DMCI Holdings, Inc., Executive Assistant to the President (2019-2022)

Sem-Calaca Power Corporation, Reliability Engineer (2014-2017)
Marubeni Power Asset Management Ltd., Hong Kong, Graduate Intern (2013)
General Electric Power & Water, New York, USA, Deputy Program Engineer (2012)

9. **EDGAR C. MARIANO, 53**
Filipino, VP-Supply Chain Management since March 1, 2023

Education:
B.S. Mechanical Engineering, University of Santo Tomas (1993)

Directorship in Listed Companies:
None.

Other Directorships/Positions:
Sem-Calaca Power Corporation, VP-Supply Chain Management
Southwest Luzon Power Generation Corporation, VP-Supply Chain Management

Former Affiliations:
Semirara Mining and Power Corporation, Manager, Supply Chain Management (SMPC Group 2021-2022)
Sem-Calaca Power Corporation, Head, General Services (2020-2021)
Southwest Luzon Power Generation Corporation, Head, Inventory Management & Materials Control (2015-2019)
Southwest Luzon Power Generation Corporation, Head, Procurement & Logistics (2012-2015)
M&S Company Inc., Purchasing Officer, Procurement & Logistics (2002-2012)
Satelec Pierre Roland Phils., Sales Officer (2000-2002)
Monark Equipment Corp., Rental Supervisor (1997-1999)
Monark Equipment Corp., Machine Rental Coordinator (1996-1997)
Monark Equipment Corp., Service Marketing Officer (1995-1996)
Monark Equipment Corp., Analyst (1994-1995)
Monark Equipment Corp., Cadet Engineer (1993-1994)

10. **LORA LIZA S. DIOQUINO, 56**
Filipino, AVP-Human Resources since September 6, 2023

Education:
M.A. (Candidate) Industrial/Organizational Psychology, Ateneo de Manila University
Awarded B. Sc. Honours Degree in Psychology, University of Bradford, West Yorkshire, England
Took general education courses (2 years), University of the Philippines, College of Science

Directorship in Listed Companies:
None.

Other Directorships/Positions:
None.

Former Affiliations:
SteelAsia Manufacturing Corporation, Vice President, Human Resources (2023)
Air Philippines Corporation dba PAL Express, AVP, Human Resources (2017-2022)
Aboitiz Power Corporation, Head, HR Operations & AVP, Human Resources for the Oil Business Unit (2015-2016)
Rapid Forming Corporation (share service for Commerce Asia, Inc.), Human Resource Manager (2013)
Chingbee Group Companies, Head, Human Resource & Administration (2012-2013)
RAMCAR Food Group, Human Resource Director (2009-2011)
East-West Seed Company, Inc., Human Resources Manager (1999-2009)
Liebermann Leisure, Inc., Human Resources Manager (1997-1999)
Development Consultants Network, Inc., Psychology Associate/Consultant (1995-1997)
Ateneo de Manila University (Human Resource Center), Consultant (1996-1997)

SCHEDULE 3

2023 SUMMARY OF BOARD ACTS AND RESOLUTIONS

1. Regular Meeting held on February 27, 2023 on the approval of the following resolutions:
   a. Minutes of meeting held on October 28, 2022.
   b. Audited Consolidated Financial Statements for the period ended December 31, 2022.
   c. Setting the virtual Annual Stockholders' Meeting on May 2, 2023 at 10:00 a.m. with record date on March 14, 2023; approval of agenda; requirements and procedure for electronic voting *in absentia* and participation by remote communication; appointment of Special Committee of Inspector on Proxy Validation; and appointment of SGV to provide an independent tabulation service.
   d. Re-appointment of SGV as independent external auditor for year 2023.
   e. Appointment of Edgar C. Mariano as VP-Supply Chain Management and Christopher Thomas C. Gotianun as VP-Business Development effective immediately.
   f. Engagement of AB Capital as Investment Fund Manager, and the designation of representative for the purpose.
   g. Engagement of Erika Fille T. Legara, Ph.D. as consultant for the development and implementation of Data Science and Artificial Intelligence, and the designation of representative for the purpose.
   h. Sale of motor vehicle with plate no. NBJ7493, and the designation of representative for the purpose.
   i. Sale of motor vehicle with plate no. NBY6559, and the designation of representative for the purpose.
   j. Designation of representatives in connection with the application for tax exempt certificate with DOE.
   k. Designation of representative to sign and execute letter of invitation.
   l. Account opening and availment of products and services with DBP-Antique, and the designation of representative for the purpose.
   m. Account opening and availment of products and services with BDO Network Bank for SMPC Hospital in Antique, and the designation of representative for the purpose.
   n. Account opening and availment of products and services with Metrobank, and the designation of representative for the purpose.
   o. Account opening and availment of products and services with BDO Network Bank-Antique, and the designation of representative for the purpose.
   p. Designation of representatives as proxy for the annual stockholders' meeting of SMPC's Subsidiaries for year 2023 or any adjournment or postponements thereof.

2. Special Meeting held on March 27, 2023 on the approval of the following resolutions:
   a. Minutes of meeting held on February 27, 2023.
   b. declaration of regular cash dividend at P1.80 per common share and special cash dividend of P1.70 per common share or a total P3.50 per common share with record date on April 13, 2023 and payable on April 25, 2023.
   c. Account opening and availment of products and services with PNB, and the designation of representative for the purpose.
   d. Designation of attorney-in-fact to represent SMPC for labor case proceedings in Aljas v. SMPC.
   e. Designation of representatives of SIM Card registration with Globe Telecom.
   f. Designation of representatives for Philippine Independent Power Producers Association, Inc.'s Annual General Members Meeting on May 24, 2023, 1:30 p.m.

3. Organizational Meeting held on May 2, 2023 on the approval of the following resolutions:
   a. Minutes of board meeting held on March 27, 2023.
   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. Christopher Thomas C. Gotianun – *VP-Business Development*
10. Edgar C. Mariano – *VP-Supply Chain Management*

B. Corporate Governance Committees:

1. Audit Committee:
   a. Ferdinand M. dela Cruz, Chairman
   b. Roberto L. Panlilio, Member
   c. Francisco A. Dizon, Member

2. Corporate Governance Committee:
   a. Francisco A. Dizon, Chairman
   b. Ferdinand M. dela Cruz, Member
   c. Roberto L. Panlilio, Member

3. Risk Committee:
   a. Roberto L. Panlilio, Chairman
   b. Ferdinand M. dela Cruz, Member
   c. Maria Cristina C. Gotianun, Member

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

Mr. Ferdinand M. dela Cruz 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).

4. Regular Meeting held on May 2, 2023 on the approval of the following resolutions:
   a. Minutes of board meeting held on May 2, 2023.
   b. Unaudited consolidated financial statements for the period ended March 31, 2023 of SMPC and Subsidiaries.
   c. Approval, confirmation and ratification of purchases covered by several purchase orders in accordance with SMPC's table of authorities.
   d. Application for income tax holiday with the BOI for year 2022, and the designation of representative for the purpose.
   e. Designation of representatives for the amendment of bill of lading with the Bureau of Customs.
   f. Application for re-issuance of lost certificate of registration with the BIR, and the designation of representative for the purpose.
   g. Execution of MOA with AFP for CAFGU services for minesite, and the designation of representative for the purpose.
   h. Enrollment with BIR online registration and update system, and the designation of representative for the purpose.
   i. Designation of representatives to transact with Pioneer Life Insurance.
   j. Execution of sworn statement for project operating cost for limestone project, and the designation of representative for the purpose.
   k. Authorizing the exchange of property with Cesar Abelda covering Lot 863-F with an area of 2,000 sq.m., more or less, and the designation of representative for the purpose.
   l. Execution of MOA with AIM for creation/development of computational model and analysis, and the designation of representative for the purpose.
   m. Execution of service agreement with CP Vision Eyewear Shop, and the designation of representative for the purpose.

n. Designation of AB Capital and Investment Corporation as Fund Manager/Trustee, and the designation of representative for the purpose.
o. Designation of Amalgamated Investment Bancorporation as Fund Manager, and the designation of representative for the purpose.
p. Designation of representative to execute undertaking with SSS.

5. Special Meeting held on June 26, 2023 on the approval of the following resolutions:
    a. Minutes of board meeting held on May 2, 2023.
    b. Execution of accountability statement relative to the transfer of ECC from DMCI Holdings, Inc. to SMPC on cement plant and quarry project, and the designation of representative for the purpose.
    c. Designation of representative for insurance claims involving Toyota Vios 1.3 XE CVT.
    d. Designation of attorney-in-fact to represent SMPC in connection with the proceedings with the Philippine Coast Guard.

6. Special Meeting held on June 30, 2023 on the approval of the following resolutions:
    a. Minutes of board meeting held on June 26, 2023.
    b. Appointment of Ruben P. Lozada, as Chief Risk Officer and Joseph D. Susa as Compliance Officer both effective on July 1, 2023.
    c. Execution of non-disclosure agreement with Micropinnacle Technology Corporation, and the designation of representative for the purpose.
    d. Execution of MOA and non-disclosure agreement with AIM for the creation and development of a computational model and analysis, and the designation of representative for the purpose.
    e. Renewal of importer accreditation with LTO, and the designation of representative for the purpose.
    f. Registration of copyright claim with the National Library of the Philippines, and the designation of representative for the purpose.
    g. Application for issuance of permit/license with the Optical Media Board, and the designation of representative for the purpose.
    h. Application for tree cutting permit with DENR, and the designation of representative for the purpose.
    i. Application for issuance of duplicate certificate of registration with LTO, and the designation of representative for the purpose.

7. Regular Meeting held on August 4, 2023 on the approval of the following resolutions:
    a. Minutes of board meeting held on June 30, 2023.
    b. Unaudited consolidated financial statements for the period ended June 30, 2023 of SMPC and Subsidiaries.
    c. Application for license/permit for controlled chemicals with PNP, and the designation of representative for the purpose.
    d. Sale of motor vehicle with plate no. NCB6921, and the designation of representative for the purpose.
    e. Account opening and availment of products and services with Eastwest Bank, and the designation of representative for the purpose.
    f. Account opening and availment of products and services with PSBank, and the designation of representative for the purpose.
    g. Application for performance/surety bond with Prudential Guarantee and Assurance, Inc., and the designation of representative for the purpose.
    h. Designation of representative to receive check for wharfage dues refund with Philippine Ports Authority.

8. Special Meeting held on September 6, 2023 on the approval of the following resolutions:
    a. Minutes of meeting held on August 4, 2023.
    b. Appointment of Lora Liza S. Dioquino as AVP-Human Resources effective immediately.
    c. Assignment of ECC for cement plant and quarry project to Semirara Materials and Resources Inc., and the designation of representative for the purpose.
    d. Renewal of permit to operate private port facilities with Philippine Ports Authority, and the designation of representative for the purpose.

e. Execution of agreement for the exclusive possession and utilization of 374,514 sq.m., more or less, covered by coal operating contract no. 5 for the wind farm power plant project with DMCI Power Corporation, and the designation of representative for the purpose.
f. Application for zoning clearance, building permit and fire safety clearance at the LGU of Caluya, Antique, and the designation of representative for the purpose.
g. Sale of motor vehicle with plate no. NBH5826, and the designation of representative for the purpose.
h. Designation of representative to transact business with the DOE in connection with the coal operating contract no. 5 and all matters related thereto.
i. Approval, confirmation and ratification of purchases covered by several purchase orders in accordance with SMPC's table of authorities.
j. Sale of motor vehicle with plate no. NCQ1475, and the designation of representative for the purpose.
k. Sale of motor vehicle with plate no. ARA9954, and the designation of representative for the purpose.
l. Sale of motor vehicle with plate no. NBP1420, and the designation of representative for the purpose.
m. Sale of motor vehicle with plate no. NCJ7140, and the designation of representative for the purpose.

9. Special Meeting held on October 9, 2023 on the approval of the following resolutions:
   a. Minutes of meeting held on September 6, 2023.
   b. Declaration of special cash dividends at P3.50 per common share with record date on October 23, 2023 and payable on November 8, 2023.
   c. Renewal of permit to operate for cargo handling and lighterage/barging with Philippine Ports Authority, and the designation of representative for the purpose.
   d. Designation of attorney-in-fact to represent SMPC in the labor case proceedings in Aljas v. SMPC.

10. Regular Meeting held on October 27, 2023 on the approval of the following resolutions:
    a. Minutes of meeting held on October 9, 2023.
    b. Unaudited consolidated financial statements for the period ended September 30, 2023 of SMPC and Subsidiaries.
    c. Account opening and availment of products and services with Mizuho Bank, Ltd. – Manila Branch, and the designation of representative for the purpose.
    d. Account opening and availment of products and services with BDO Unibank, Inc., and the designation of representative for the purpose.
    e. Account opening and availment of products and services with Bank of China (Hong Kong) Limited, Manila Branch, and the designation of representative for the purpose.
    f. Account opening and availment of products and services with Bank of the Philippine Islands, and the designation of representative for the purpose.
    g. Account opening and availment of products and services with Bank of Commerce, and the designation of representative for the purpose.
    h. Account opening and availment of products and services with Philippine National Bank, and the designation of representative for the purpose.
    i. Account opening and availment of products and services with Metropolitan Bank and Trust Company, and the designation of representative for the purpose.
    j. Account opening and availment of products and services with BDO Network Bank, and the designation of representative for the purpose.
    k. Account opening and availment of products and services with East West Banking Corporation, and the designation of representative for the purpose.
    l. Account opening and availment of products and services with AB Capital and Investment Corporation, and the designation of representative for the purpose.
    m. P1M as variable pay in the form of reimbursable allowance, which shall be paid in December 2023 to Executive Directors, Non-Executive Directors, and Independent Directors of the Corporation.
    n. Application for duplicate copy of certificate of registration for motor vehicle with plate no. ZBF556, and the designation of representative for the purpose.
    o. Application for permits/licenses for the renovation of SMPC Makati office, and the designation of representative for the purpose.

p. Sale of motor vehicle with plate no. ZBF556, and the designation of representative for the purpose.
q. Application for group life insurance with United Coconut Planters Life Assurance Corporation, and the designation of representative for the purpose.
r. Application for renewal of importer accreditation with the Bureau of Customs, and the designation of representative for the purpose.
s. Application for renewal of license to purchase/handle chemicals with PDEA, and the designation of representative for the purpose.
t. Application for lifting of abandonment/clearance of no alert with the Bureau of Customs.

---------- 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 27, 2024, approved the conduct of the Annual Stockholders' Meeting (ASM) on May 6, 2024, at 10:00 a.m. by remote communication. Stockholders of record, as of March 12, 2024, shall 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

1.1. Stockholders who intend to attend and participate in the meeting remotely must register at https://www.semirarampc.com/asm beginning April 19 to 27, 2024, and provide the following as proof of their 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, 2023, 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, 2024, to corporatesecretary@semirarampc.com, which shall be limited to the items in the Agenda. Some questions may be addressed during the meeting proper, 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 a 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 the majority of the outstanding voting stock present at the meeting. A two-thirds (2/3) vote 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. The Office of the Corporate Secretary is designated as the Board of Canvassers to tabulate and validate the votes received, while Sycip Gorres Velayo & Co. (SGV) shall provide an independent tabulation service, 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:

2.2.1. 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
2.2.2. Copy of any of his government-issued IDs.

2.3. Corporate Stockholder must submit the Proxy Form accompanied by:

2.3.1. Secretary’s Certificate showing the authority; and
2.3.2. 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 25, 2024, and hard copies thereof sent at 2nd Floor DMCI Plaza, 2281 Don Chino Roces Avenue, Makati City. Proxy validation is set for April 29, 2024, 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 19, 2024 until 12:00 noon of May 6, 2024.

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. The Corporate Secretary shall report the results of voting during the meeting.

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 6, 2024, Monday at 10:00 o'clock in the morning and will be conducted via 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 2, 2023
5) PRESENTATION AND APPROVAL OF THE PRESIDENT'S REPORT
6) PRESENTATION AND APPROVAL OF THE AUDITED FINANCIAL STATEMENT FOR 2023
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 2024-2025
9) APPROVAL OF APPOINTMENT OF INDEPENDENT EXTERNAL AUDITOR
10) OTHER MATTERS
11) ADJOURNMENT

Stockholders of record as of March 12, 2024, 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 are set forth in the Information Statement and published on the Company's website at www.semiraramining.com and at the PSE EDGE.

Duly accomplished proxies must be submitted on or before April 25, 2024, 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 for April 29, 2024, at 10:00 a.m.

Makati City, Metro Manila, February 27, 2024.

JOHN R. SADULLO
Corporate Secretary
For the Board of Directors

**Semirara Mining and Power Corporation has a dividend policy that ensures a minimum of 20% of net profit after taxes starting from the period ending December 31, 2005. However, the Board of Directors has the option to declare more than 20% if there is excess cash, and less than 20% if there is insufficient cash available.*

The corporation declared a regular cash dividend of P1.80 per share and a special cash dividend of P1.70 per share on March 27, 2023. The record date is April 13 and payable on April 25, 2023. It also declared a special cash dividend of P3.50 per share on October 9, 2023, with a record date on October 23 and payable on November 8, 2023.

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 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, March 12, 2024 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 2, 2023
Minutes of previous meeting is presented to the stockholders for their approval. Copy thereof is available on SMPC's website through this link: **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 2023
Presented to the stockholders for approval is SMPC's Consolidated Audited Financial Statements for the period ended December 31, 2023.

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 2024-2025
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
7. Josefa Consuelo C. Reyes
8. Antonio Jose U. Periquet, Jr.
9. Ferdinand M. dela Cruz (Independent)

4. Herbert M. Consunji
5. Maria Cristina C. Gotianun
6. Ma. Edwina C. Laperal
10. Roberto L. Panlilio (Independent)
11. Francisco A. Dizon (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 2024.

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 6, 2024, 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 no later than April 25, 2024, 5:00 p.m. through email at corporatesecretary@semirarampc.com and hard copies thereof to 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 29, 2024, 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 a 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 6, 2024.

(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 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 2, 2023**

☐ For ☐ Abstain ☐ Against

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

☐ For ☐ Abstain ☐ Against

3. **Presentation and Approval of the Audited Financial Statements for 2023**

☐ 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 2024-2025**

☐ 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. Antonio Jose U. Periquet, Jr.
9. Ferdinand M. dela Cruz*
10. Roberto L. Panlilio*
11. Francisco A. Dizon*

**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 on 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 P126,000.00, 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 6, 2024.

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).

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

CERTIFICATION

I, **JOHN R. SADULLO**, of legal age, Filipino, with office address located at [redacted] 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.

IN ATTESTATION OF THE ABOVE, I have signed this Certificate this MAR 15 2024 day of March 2024, 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 15 2024, personally appeared John R. Sadullo who has satisfactory proven to me his identity through his Unified Multi-Purpose ID [redacted], 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. 180;
Page No. 37;
Book No. XV;
Series of 2024.

ATTY. MARIA JOSEFINA R. ALFONSO
Notary Public for Muntinlupa City, Philippines
Notarial Commission No. 24-039
Valid until 31 December 2025
Unit 802, [illegible] Land Tower, Market Street
Ayala Alabang, Muntinlupa City 1780
Roll of Attorneys No. 65867
IBP LRN No. 015215; PPLM Chapter
PTR No. A-[illegible]; 01/15/2024; Taguig City
MCLE Compliance No. VII-0021137 issued on 09/14/2022

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

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

CERTIFICATE OF QUALIFICATION

I, **FERDINAND M. DELA CRUZ**, of legal age, Filipino, with address located at [redacted] 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 MAR 1 1 2024, 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 MAR 1 1 2024, affiant exhibited to me his Philippine Passport with [redacted] 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. 136;
Page No. 29;
Book No. XV;
Series of 2024.

ATTY. MARIA JOSEFINA R. ALFONSO
Notary Public for Muntinlupa City, Philippines
Notarial Commission No. 24-039
Valid until 31 December 2025
Unit 802, Prime Land Tower, Market Street
Ayala Alabang, Muntinlupa City 1780
Roll of Attorneys No. 65867
IBP LRN No. 015215; PPLM Chapter
PTR No. A-6090395; 01/18/2024; Taguig City
MCLE Compliance No. VII-0021137 issued on 08/14/2022

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

CERTIFICATE OF QUALIFICATION

I, **ROBERTO L. PANLILIO**, of legal age, Filipino, with address located at [redacted], 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** (SMPC) duly elected at its Annual Stockholders' Meeting on May 2, 2023.

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

Company/Organization	Position/Relationship	Period of Service
Listed:		
DMCI Holdings, Inc.	Independent Director	2022-Present
Lopez Holdings Corporation	Independent Director	2023-Present
Non-Listed:		
Endeavor Philippines	Director	2015-Present
L&R Corporation	President	1992-Present
Philippine Association of Securities Brokers and Dealers, Inc.	Director	1992-Present
Maya Bank	Director	2022-Present

3. I possess all the qualifications and none of the disqualifications to serve as an independent director of SMPC, 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 SMPC, 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, employee 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 SMPC of any changes in the above-mentioned information within five (5) days from its occurrence.

Done on this _____ day of _________________________, Makati City, Metro Manila, Philippines.

ROBERTO L. PANLILIO
Affiant

SUBSCRIBED AND SWORN to before me, a Notary Public in and for the city named above, on this MAR 15 2024, affiant exhibited to me his Passport No. [redacted] issued at DFA, Manila on May 18, 2018, 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. 179;
Page No. 37;
Book No. XV;
Series of 2024.

ATTY. MARIA JOSEFINA R. ALFONSO
Notary Public for Muntinlupa City, Philippines
Notarial Commission No. 24-039
Valid until 31 December 2025
Unit 802, Prime Land Tower, Market Street
Ayala Alabang, Muntinlupa City 1780
Roll of Attorneys No. 65867
IBP LRN No. 015215; PPLM Chapter
PTR No. A-6090395; 01/18/2024; Taguig City
MCLE Compliance No. VII-0021137 issued on 06/14/2022

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

Republic of the Philippines}
MUNTINLUPA CI[illegible]} S.S.

CERTIFICATE OF QUALIFICATION

I, **FRANCISCO A. DIZON**, of legal age, Filipino, with address located at No. [redacted], 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** (SMPC) duly elected at its Annual Stockholders' Meeting on May 2, 2023.

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.		
Non-Listed:		
Sun Savings Bank	President & CEO	2018-Present
Pacific Northstar Inc.	Chairman & President	1995-Present
Project Quest Corporation	Chairman & President	1996-Present
BPO International	Chairman	2004-Present
Sun Star Cebu Publishing, Inc.	Director	1992-Present
Medical Doctors, Inc.	Independent Director	2005-Present
Laura Vicuña Foundation	Trustee	1990-Present
Phoenix One Knowledge Solutions, Inc.	Chairman/Director	2000-Present
Fleetwood Holdings, Inc.	Chairman & President	1999-Present
Capitol Star Development Corporation	President	2014-Present
Diz Shorline Holdings Corp.	Director/Treasurer	2017-Present
Marina Investment, Inc.	Director	2019-Present
Joyzend Corp.	Director/Corp. Sec.	2011-Present
Joygrowth Holdings, Inc.	Director	2016-Present
Former Affiliations:		
Sun Savings Bank, Inc.	Chairman	2011-2018
PNB (EUROPE) PLC	Chairman	2001-2005
PNB General Insurers Company, Inc.	Director	2001-2005
Beneficial-PNB Life Insurers Co., Inc.	Director	2001-2005
PNB Remittance Center (Hong Kong)	Director	2001-2005
PNB Remittance Center (USA)	Director	2001-2005
PNB Holdings Corporation	Director	2001-2005
Bulawan Mining Corporation	Director	2001-2005
Philippine National Bank	Director	2000-2001
Philippine National Bank	Chairman	2001-2005
Rizal Commercial Banking Corporation	President & CEO	1997-2000
RCBC Capital Corporation	Director	1997-2000
RCBC Forex Brokers Corporation	Director	1998-2000
RCBC Savings Bank	Director	1998-2000
Rizal Commercial Banking Corporation	Advisory Board	2000-2000

Asian Bank Corporation	President/CEO/Director	1992-1994
Asian Bank Corporation	President/COO/Director	1990-1992
Asian Savings Bank	Director	1986-1990
AB Capital and Investment Corporation	Vice Chairman	1990-1994
AB Capital and Investment Corporation	President/COO/Director	1986-1990
AB Leasing and Finance Corporation	Director	1986-1994
Stock Transfer Service, Inc.	Director	1986-1994
Investment House Association of the Phils.	President & Director	1987-1998
Cardinal Ceramics, Inc.	Director	1987-1988
Cebu Holdings, Inc.	Director	1988-1994
Ayala Property Ventures Corp.	Director	1987-1989
HI-Cement Corp.	Director	1989-1994
Megalink	Director	1992-1994
Pacific Horizon Investment Trust PLC	Directot	1989-1994
Philippine Long Term Equity Fund	Director/Chairman of Investment Committee	1987-1994
ATSP Management Ltd.	Director	1987-1994
Union Savings and Mortgage Bank	First VP and COO/VP/OIC	1979-1980
Bancom Group, Inc.	Vice-President	1979-1980
Bancom Development Corp.	AVP/ Sr. Asst. Treasurer/ Asst. Treasurer/ Deal Manager	1975-1979
Point Technologies Corporation WEST	Chairman/Vice-Chairman	2004-2018
AB Capital and Investment Corporation	Senior Vice-President	1980-1986

3. I possess all the qualifications and none of the disqualifications to serve as an independent director of SMPC, 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 SMPC, 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, employee 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 SMPC of any changes in the above-mentioned information within five (5) days from its occurrence.

Done on this _____ day of __________________________, Makati City, Metro Manila, Philippines.

FRANCISCO A. DIZON
Affiant

SUBSCRIBED AND SWORN to before me, a Notary Public in and for the city named above, on this MAR 15 2024, affiant exhibited to me his National ID No. [redacted] issued by the Republic of the Philippines, 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. 178 ;
Page No. 37 ;
Book No. XV ;
Series of 2024.

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

ATTY. MARIA JOSEFINA R. ALFONSO
Notary Public for Muntinlupa City, Philippines
Notarial Commission No. 24-039
Valid until 31 December 2025
Unit 802, Prima Land Tower, Market Street
Ayala Alabang, Muntinlupa City 1780
Roll of Attorneys No. 65867
IBP LRN No. 015215; PPLM Chapter
PTR No. A-5[illegible]0395; 01/1[illegible]/2024; Taguig City
MCLE Compliance No. VII-0021137 issued on 06/14/2022

MANAGEMENT REPORT
Pursuant to SRC Rule 20(4)

SEMIRARA MINING AND POWER CORPORATION
MANAGEMENT REPORT

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3. 2023 & 2022 ANNUAL AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND ITS SUPPLEMENTARY SCHEDULES.

PART I- BUSINESS AND GENERAL INFORMATION

Form and Year of Organization

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 the Company's name to include the word "power" in line with the forward integration of its business as a coal supplier or producer to power generation through its wholly-owned subsidiaries.

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

The Company has nine (9) 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. SCPC wholly-owned subsidiaries are:
    a. SEM-Calaca RES Corporation (SCRC) was incorporated on September 14, 2009 to engage in the business of selling electricity primarily to contestable market;
    b. Sem-Calaca Port Facilities Inc.[1] (SPFI) was incorporated on December 20, 2022 to engage in the business of commercial ports and other activities;
2. Southwest Luzon Power Generation Corporation (SLPGC) was incorporated on August 31, 2011 to engage in the business of power generation;
3. SEM-Cal Industrial Park Developers Inc.[1] (SIPDI) was incorporated on April 27, 2011 to engage in the development of economic zone in accordance with Republic Act No. 7916, as amended, otherwise known as the Special Economic Zone Act of 1995;
4. Semirara Material and Resource, Inc.[1] (SMRI) – formerly known as Semirara Claystone Inc. (SCI) was incorporated on November 29, 2012 to engage in the business of manufacturing of cement, cement products, and pottery, among others; SEC approved the change in company name of SCI to SMRI on April 15, 2022.
5. 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;
6. Southeast Luzon Power Generation Corporation[1] (SELPGC) was incorporated on September 9, 2013 to engage in the business of power generation; and
7. 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, 2023*

Principal Product or Services and their Markets

The Company generates its revenues through the production and sale of sub-bituminous coal. In 2023, total volume sold reached 15.8 million metric tons (MMT), 7% improvement from last year. Sales volume is mainly driven by export sales accounting for 51% of the shipments which mostly went to China and South Korea. SMPC has been successful in diversifying its export market from China to other Asian countries such South Korea, Brunei, Japan, India and Vietnam. The 49% consists of domestic sales that was sold to own power plants (47%), other power plants (36%), and to industrial and cement plants (17%).

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, 2023 stood at 710 MW with SCPC at 410 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 238.2 MW as of end of 2023, of which 127 MW is for SCPC and 111.2 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 non-operating as of December 31, 2023.

Percentage of Sales and Net Income Contributed by Foreign Sales for Each of the Last Three Years

For years 2023, 2022 and 2021, foreign sales accounted for 63%, 59% and 69% of consolidated coal revenues, respectively. Meanwhile, the contribution of foreign sales to net income are 22%, 27% and 22% in 2023, 2022 and 2021, respectively. These foreign sales pertain to export sales of the coal segment. There are no foreign sales component in the power segment.

Distribution Methods of the Products or Services

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.

Competitive Business Conditions and the Registrant's Competitive Position in the Industry and Methods of Competition

Competition is insignificant in so far as domestic coal mine is concerned. SMPC's coal production registered a 12% growth from 14.3 MMT in 2021 to an all-time high of 16.0 MMT in 2022 and 2023. 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 and 2022, local coal industry was priced competitively against imported coal due to surging coal indices. In 2023, SMPC's pricing for domestic coal is either on spot, fixed price or based on coal indices such as New Castle Index or Indonesian Coal Index, and related foreign exchange rate. With the normalization of coal and electricity prices in 2023, the Company's revenue dipped by 16% despite all time high coal sales volume and improved plant availability.

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 country's energy requirement is expected to continuously grow given the long-term economic growth trajectory of the Philippines. In 2022, the full reopening of the Philippine economy and election activities pushed up electricity demand. The upsurge in demand coupled with higher fuel costs and supply constraints following multiple plant outages and declining Malampaya output resulted to thin margins and persistent red and yellow alerts during the year. Given the country's growing demand and limited baseload capacity entering the market in the next few years, electricity spot prices are expected to remain elevated.

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.

Sources and Availability of Raw Materials and the Name of Principal Suppliers
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. The 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. In 2019, the Company voluntarily relinquished its rights over these concessions.

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.

Dependence on One or a Few Major Customers and Identification of Such
The Company is not dependent upon a single customer as it successfully diversified its market base. In 2023, export and local sales registered at 55% and 45% in terms of value and 51% and 49% in terms of volume, respectively. While in 2022, export and local sales registered at 59% and 41% in terms of value and 48% and 52% in terms of volume, respectively. The domestic sales were sold to power plants, cement plants, and other industries.

Approximately 32% of the total electricity sold by the power segment (SCPC and SLPGC) are under bilateral contracts for the year ended December 31, 2023. The remaining 68% was sold through WESM or the spot market.

Transactions With and/or Dependence on Related Parties
Please refer to Note 17 (Related Party Transactions) of Notes to Consolidated Financial Statements.

SMPC has no other transaction with other parties (outside the definition of "related parties") with whom SMPC or its related parties have relationship that enables the parties to negotiate terms of material transactions that may not be available from the others. All related party transactions are made at terms and prices agreed upon by the parties. SMPC has an approval process and established limits when entering into material related party transactions. There are no financial assistance provided to subsidiaries or any affiliates.

Patents, Trademarks, Copyrights, Licenses, Franchises, Concessions and Royalty Agreement, or Labor Contracts Including Duration
On July 11, 1977, the Department of Energy (DOE) executed a Coal Operating Contract (COC) with Vulcan Industrial & Mineral Exploration Corporation and Sulu Sea Oil Development Corporation with a contract period until July 13, 2012. On April 7, 1980, all rights and interests of Vulcan and Sulu was assigned to SMPC. The COC was extended until July 14, 2027. SMPC's incentives from the COC are: (1) Exemption from all taxes except income tax; (2) Exemption from payment of tariff duties and compensating tax (VAT) on importation of machinery and equipment and spare parts, and material

required for the coal operations, subject to certain conditions; (3) Accelerated depreciation on fixed assets necessary in coal operations, subject to certain conditions; (4) Right to remit at prevailing exchange rate at the time of remittance arising from foreign loans and contracts associated in the performance of COC, subject to Central Bank regulations; (5) Preference in grant of government loans in the performance of COC; (6) Engagement of alien technical and specialized personnel.

Further, SMPC is required to pay royalties to the Department of Energy (DOE) – 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.

The business of power generation and retail electricity supply is not considered as a public utility operation under the EPIRA. As such, the power businesses of SMPC are not required to obtain franchise. In order to operate a generation facility, SCPC and SLPGC secures from the ERC Certificates of Compliance (COC) and complies with the standards, requirements and other terms and conditions set forth in the COC. Meanwhile, SCRC has obtained a RES license under ERC to engage in the business of selling electricity to end-users in the contestable market.

Government Approval of Principal Products or Services

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.

As discussed previously, operating companies under the power segment (SCPC, SLPGC and SCRC) secures COCs and RES license with ERC. The generation facilities of SCPC and SLPGC complies with all the requirements under the ERC guidelines, the Philippine Grid Code, the Philippine Distribution Code, WESM rules and other relevant laws and regulations. Meanwhile, SCRC's license grants the right for the company to operate as a RES (Retail Electricity Supplier).

Effect of Existing or Probable Government Regulations on the Business

SMPC and its subsidiaries are subject to the laws generally applicable to all Philippine-registered companies with the Securities and Exchange Commission (SEC), such as corporation law, tax, local government code, labor and social legislations, i.e., SSS, Pag-Ibig and Philhealth, among others.

This also includes the Revised Corporation Code of the Philippines (RCC), RA 11232 which took effect on February 23, 2019, and other rules, regulations and issuances of SEC. The RCC aimed at improving ease of doing business and affording more protection to corporations and stockholders and promoting good corporate governance. Also, The Data Privacy Act of 2012, RA 10173 which was approved into law on August 15, 2012, imposes restrictions on the processing of personal information, sensitive or otherwise, held by a personal information controller, such as employers.

The Tax Reform for Acceleration and Inclusion (TRAIN) Law, RA 10963, became effective on January 1, 2018. It introduced amendments to personal income taxation, transfer tax, value-added tax, excise tax, taxation on sale of shares of stocks, and documentary stamp tax, among others. Major provision of the TRAIN Law is the staggered increase in oil and coal excise taxes. Rates were adjusted gradually between 2018 and 2020. The coal rates increased from P10 per metric ton to P50, P100, and P150 per metric ton, respectively, in 2018, 2019, and 2020, covering both domestic and imported coal.

The Corporate Recovery and Tax Incentives for Enterprises Act (CREATE) Law was signed on March 26, 2021 and seeks to reduce corporate income tax rates and rationalizes the current fiscal incentives by making it time-bound, targeted, performed-based, and transparent. The incentives will be granted based on the number and quality of jobs that will be created, the investments made in research and development and skills training, the capital invested for countrywide infrastructure development, among others.

SMPC is required under Philippine laws to secure mining and exploration permits, as well as environmental clearances from appropriate government agencies for its continuing operations. Notable is the Environmental Compliance Certificate (ECC), which the Department of Environment and Natural Resources through the Environmental Management Bureau granted SMPC ECC-CO-2001-0001 dated May 28, 2020 for its Semirara Coal Mine Project located at Barangay Semirara, Caluya, Antique.

Moreover, SMPC is also required to register and/or secure permit to operate from the Philippine Ports Authority (PPA) pursuant to PD 857 dated December 23, 1975 and the relevant Administrative Orders issued by PPA for SMPC's private, non-commercial port located in Semirara, Caluya, Antique.

The Electric Power Industry Reform Act of 2001 (EPIRA) was signed into law on June 8, 2001. It was enacted to provide a framework for the restructuring of the electric power industry, including the privatization of the assets of NPC, the transition to the desired competitive structure, and the definition of the responsibilities of the various government agencies and private entities. SCPC and SLPGC are required under the EPIRA to obtain a Certificate of Compliance (COC) from the Energy Regulatory Commission (ERC) which is renewable every five years.

Competitive Selection Process (CSP)
The DOE issued Department Circular No. DC2018-02-0003 dated February 1, 2018, 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.

ERC Reliability Performance Indices
The ERC issued Resolution No. 13, Series of 2020 as amended, or "A Resolution Adopting the Interim Reliability Performance Indices and Equivalent Outage Days per Year of Generating Units." Its objectives, among others, are to set a reliability performance benchmark per technology for all generating units to lessen outages and ensure predictable power supply and rate; to promote accountability of Generation Companies, the System Operator, and the Transmission Network Provider to achieve greater operations and economic efficiency; and to monitor the actual planned and unplanned outages days of generating units.

ERC Revised Guidelines for Financial Capability Standards of Generation Companies
The ERC issued Resolution No. 06, Series of 2005 dated April 14, 2005, adopting the guidelines for the financial standards of generation companies. Its objectives are to promote the overall financial viability of the generation sector, ensure the affordability of electric power supply while maintaining the required quality and reliability, and protect the public interest.

Retail Competition and Open Access (RCOA)
Pursuant to DOE Department Circular No. DC2015-06-0010 dated June 19, 2015, governs the establishment and full implementation of RCOA. RCOA is the provision of electricity to a contestable market by suppliers through open access where it allows any qualified person to use the transmission, and/or distribution systems associated facilities subject to the payment of transmission and/or distribution retail wheeling rates duly approved by the ERC.

Renewable Portfolio Standards (RPS)
The DOE issued Department Circular No. DC2018-08-0024 dated August 24, 2018, promulgating the rules and guidelines governing the establishment of the renewable portfolio standards for off-grid areas in order to contribute to the growth of the renewable energy industry in the off-grid and missionary areas by mandating electric power industry participants to source and produce a specified portion of their electricity requirements form the eligible renewable energy resources.

Costs and Effects of Compliance with Environmental Laws
SMPC has programs being implemented to comply with the conditions of ECC, which includes the Regular Monitoring by the Multi-partite Monitoring Team (MMT), Marine Assessment Studies/Surveys, and Social & Environmental 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 P1.56 billion on these activities from 1999-2023. SMPC has established an Environmental Monitoring Fund for MMT, which has an initial amount of P600,000.00 determined by the work and financial plan of the Monitoring Team. Also, an Environmental Guarantee Fund was established with a cash component of P15.61 million as of December 31, 2023. This enables the continued mining operations of SMPC.

SCPC and SLPGC continue to go beyond compliance by implementing reforestation programs, marine protection, and river protection. A 50ha forested land that is part of Mt. Batulao was adopted last 2019 to protect and continuously reforest. The marine protection project is a 16ha area in Balayan Bay located in the town of Balayan, Batangas. Activities such as coastal clean-up, marine assessment, livelihood projects, artificial reef deployment, and information dissemination were implemented. Dacanlao and Cawong rivers were protected by SCPC and SLPGC. Steady improvement in the dissolved oxygen (DO) and biochemical oxygen demand (BOD) in the water quality of Cawong and Dacanlao rivers were recorded by DENR-EMB. These were concrete proofs that the river clean-up, tree planting along the riverbanks, and regular garbage collection of the trash traps were effective in improving the water quality.

Aside from outside activities, SCPC and SLPGC implemented resource management through water conservation initiatives, solid waste management, and fugitive dust mitigation. Three units of dust suppressors from Germany were acquired and used starting in 2021 to ensure that fugitive dusts are mitigated and our host communities are protected. Water quality and solid waste management were consistently being implemented to meet the requirements of DENR and other government agencies.

Compliance to ECC conditions and other legal requirements are continuously being strengthened with the help of designated Compliance Officers at sites. The compliance officer is solely dedicated in ensuring that all ECC conditions, permit conditions, licenses, and legal requirements were monitored and complied. The position also conducts compliance reporting and compliance review to ensure that the processes of SCPC and SLPGC adheres to all legal requirements.

Total Number of Employees and Number of Full Time Employees
The number of employees per company, level and location as of December 31, 2023 are as follows:

Head Office	SMPC	SCPC	SLPGC
Executives	10	-	-
Managers	23	-	-
Supervisors	33	-	-
Rank and File	85	-	-
Total	**150**	**-**	**-**

Minesite/Power Plant	SMPC	SCPC	SLPGC
Executives	1	-	1
Managers	15	2	16
Supervisors	182	27	40
Rank and File	3,687	238	187
Total	**3,885**	**267**	**244**

Except for SCRC, other SMPC subsidiaries, namely: SIPDI, SCI, SEUI, SELPGC, SRPGC and SPFI are non-operational, hence, no employees were hired.

There are no existing labor unions in SMPC and subsidiaries.

SMPC and subsidiaries do not anticipate hiring additional employees for the ensuing year except when due to contingencies such as, but not limited to, additional roles and functions, separation, resignation, and termination services of existing employees, among others.

Major Risk/s Involved in Each of the Business of the Company and Subsidiaries
Major business risks are operational, regulatory compliance, and financial risks. The operational and regulatory risks are being mitigated by SMPC's compliance to its Integrated Management System (IMS) Policy covering Quality Management System (ISO 9001:2015), Environmental Management System (ISO 14001:2015), and Occupational Health and Safety Management System (ISO 45001:2008). SMPC has been ISO certified since 2008 and remains certified to date.

In 2023, our power subsidiaries mitigate its operational risks by structuring and executing the asset management plan to manage the prolonged unplanned shutdowns, and by securing industrial all risks with business interruption insurance cover for its power plants. Our coal segment has strengthened its

Safety organization and has been accelerating the implementation of pit safety and ground control management to ensure safety of its workforce, and at the same time achieve the production targets.

Legal Proceedings

Meanwhile, SMPC and subsidiaries' existing legal cases, are as follows:

1. **The HGL Case**. Sometime in January 2004, SMPC 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 on the ground that the subject area is within the coverage of Proclamation No. 649, which sets apart the island of Semirara in the Province of Antique as coal mining reservations.

   HGL's letter-reconsideration dated January 12, 2001 was denied by the DENR on 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 the DENR should be compelled to fulfil its contractual 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, which was granted by RTC-Caloocan. Subsequently, SMPC filed a motion to dismiss for lack of cause of action/jurisdiction and forum shopping. On June 10, 2005, the RTC-Caloocan denied the motion for dismissal and the subsequent motion for reconsideration. SMPC challenged the said Order via a petition for review with the Court of Appeals on November 28, 2005 (Semirara Mining Corporation vs. Judge Adoracion G. Angeles and HGL Development Corporation, Court of Appeals, Manila, G.R. SP No. 92238).

   On January 15, 2007, the Court of Appeals reversed the RTC–Caloocan's decision and ordering the dismissal of the case in view of HGL's failure to appeal before the Office of the President the cancellation of its FLGLA No. 184 by the DENR. On July 2, 2008, the Court of Appeals denied with finality HGL's appeal.

   With the denial of HGL's motion for reconsideration, HGL filed a petition for certiorari on November 14, 2007 before the Supreme Court (SC G.R. No. 177844). Said petition was denied for failure to sufficiently show any reversible error on the assailed Court of Appeals' decision. HGL's motion for reconsideration was denied with finality on July 2, 2008.

   Meanwhile, a separate petition was filed by DENR docketed as *"Secretary of the Department of Environment and Natural Resources vs. Judge Adoracion G. Angeles and HGL Development Corp., CA G.R. SP Case No. 92311."* As the petition was denied by the Court of Appeals, DENR filed a petition for certiorari before the Supreme Court (G.R. No. 180401). On February 4, 2008, the Supreme Court denied the petition of DENR. Its motion for reconsideration was likewise denied with finality on March 25, 2009.

   Citing as basis the dismissal of the RTC-Antique case (Civil Case No. C-146) on the ground of forum shopping, SMPC filed a motion to dismiss the case with RTC-Caloocan on August 15, 2008 for lack of jurisdiction and forum shopping. On December 24, 2008, the RTC-Caloocan denied the motion and retained jurisdiction over the case. With the denial of its motion for reconsideration on June 24, 2009, SMPC filed a petition for certiorari with the Court of Appeals on September 14, 2009 (Semirara Mining Corporation vs. Judge Adoracion G. Angeles and HGL Development Corp., CA G.R. SP No. 110460). On October 31, 2013, the Court of Appeals dismissed SMPC's petition. Its motion for reconsideration dated November 22, 2013, was likewise denied.

   On May 29, 2014, SMPC filed its petition for review on certiorari under Rule 45 with the Supreme Court (G.R. No. 212018). After directives given by the Supreme Court in June 2017, SMPC filed its Reply to HGL's comment to the petition. On April 26, 2021, the Supreme Court directed the Court of Appeals to elevate the complete records of the case. The case remains pending to date.

The Culasi Case
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 possession over a 367-hectare land located in the Barrios of Bobog and Pontod, Semirara, Antique, with prayer for the issuance of a preliminary mandatory injunction; 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 as the Order canceling the 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. SMPC did not seek reconsideration. As the issuance of the writ was sustained by the Court of Appeals-Cebu (CA-GR CEB-SP No. 00035) in its Decision dated January 31, 2005, SMPC filed a Petition for Certiorari to the Supreme Court (G.R. No. 166854) with prayer for Temporary Restraining Order (TRO) and/or Injunction. The Supreme Court initially granted the TRO on March 2, 2005, but on December 6, 2006, it denied SMPC's Petition and lifted the TRO. On January 18, 2007, SMPC filed a Motion for Reconsideration and a Supplemental Motion for Reconsideration on January 25, 2007, which were both denied with finality by the Supreme Court on February 14, 2007. The Supreme Court's December 6, 2006 Decision became final and executory on March 13, 2007.

On the basis of the denial of SMPC's Petition, HGL filed a Motion to Execute the RTC-Culasi's order for preliminary mandatory injunction. On March 26, 2007 SMPC opposed HGL's Motion based on supervening event, i.e., SMPC have secured on March 12, 2007 a DENR Temporary Special Land Use Permit over a 60-hectare portion of the property subject of the case valid until March 2010. SMPC instead sought the dismissal of the case based on Forum Shopping, which the RTC-Antique granted with prejudice on July 18, 2007. HGL's motion for reconsideration was denied on November 20, 2007. No appeal was taken by HGL.

On February 6, 2008, HGL filed with the Supreme Court 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 Supreme Court's December 6, 2006 Decision (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.

On June 6, 2016, the Supreme Court partially granted HGL's Petition and reinstates Civil Case No. C-146 and remands it to RTC-Culasi 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.

On August 4, 2023, the RTC-Culasi issued a Resolution ordering SMPC to pay HGL the amount of P3,000,000.00 as temperate damages and P3,521,168.00 attorney's fees while the claim for moral damages was denied for lack of basis. All monetary awards shall earn 6% legal interest per annum from finality of the Resolution until its full satisfaction. On October 11, 2023, SMPC filed its partial Motion for Reconsideration praying the award of damages be deleted. HGL filed likewise its own motion to claim P21,850,000 in actual damages or in the alternative P8,000,000 in temperate damages and attorney's fees of P4,869,455.17. In an Order dated December 18, 2023, the case is deemed submitted for resolution.

2. **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, 2015 SMPC submitted its affidavits and position paper as required by the Court. The case is submitted for resolution/decision of the Court.

3. **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 at the time of execution. Gabinete filed an amended complaint, which was admitted by RTC on April 27, 2015. 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. On April 18, 2022, the RTC dismissed the case for lack of legal capacity to sue on the part of plaintiff, Richelle G. Mesullo and Rick M. Lavega.

4. **Declaratory Relief with Injunction Case. –** This is a case filed by SMPC against the *Bureau of Internal Revenue [BIR], Bureau of Customs [BOC] & Department of Finance [DOF] 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 PD 972 by the Department of Energy (DOE) for its 36,000,000 liters of diesoline. SMPC made the first partial shipment of 6,176,367 liters. BIR assessed VAT and excise tax on said shipment in the amount of P27,341,714.00, which was paid under protest. As a result, SMPC filed a petition for Declaratory Relief with the RTC-Makati on October 3, 2013 seeking to enjoin BIR and BOC from implementing BIR Revenue Regulation No. 2-2012 (RR No. 2-2012) by imposing advance payment of VAT on SMPC's 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 Coal Operating Contract (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-Makati 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-Makati on February 4, 2014. On February 10, 2014, the RTC-Makati granted SMPC's petition and declared that in view of the tax exemption provided under PD 972 and the COC, RR No. 2-2012 issued by the respondents was held inapplicable to 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 Supreme Court (G.R. No. 211188) on April 8, 2014 while the BIR on May 13, 2014 filed with the Court of Appeals (CA-G.R. No. 135364) a petition for review under Rule 65, ROC with prayer for TRO and/or writ of preliminary injunction. Meanwhile, SMPC filed a petition on September 2, 2015 with the Court of Tax Appeals (CTA Case No. 9133) in view of the denial by the BIR of its claim for tax refund in the amount of P27,341,714.00 as VAT paid under protest.

   SC G.R. No. 211188
   This case is an offshoot of the RTC-Makati (Branch 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 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. On March 28, 2022, an Entry of Judgement was issued by the Supreme Court.

   CA G.R. SP No. 135364
   This case is likewise an offshoot of the RTC-Makati City (Branch 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 Court of Appeals ruled that the petition as "deemed abandoned" for having been filed out of time. The BIR filed an Motion for Reconsideration (MR), which was denied in a Resolution dated January 26, 2015. The BIR filed a petition for review under Rule 45 with the Supreme Court (G.R. No. 217712). SMPC has submitted its comment to the petition. On June 8, 2020, the Supreme

Court dismissed the petition for being a wrong mode of appeal. On December 10, 2020, an Entry of Judgement was issued by the Supreme Court.

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 P27,341,714.00 as VAT paid under protest for the first shipment of its diesoline importation. On July 27, 2018, the Court of Tax Appeals promulgated its decision granting SMPC's petition and ordering the BIR to refund the amount of P27,341,714.00. On August 17, 2018, the BIR moved for reconsideration on the July 27, 2018 decision, which the Court of Tax Appeals' denied in its Resolution dated January 15, 2019 for lack of merit. The BIR filed a petition for review with the Court of Tax Appeals *En Banc* (CTA EB No. 2005) on February 15, 2019. On June 30, 2020, the Court of Tax Appeals *En Banc* promulgated its Decision denying for lack of merit the BIR's petition and affirmed the Court of Tax Appeals' 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 BIR 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 the Court of Tax Appeals *En Banc*. The case remains pending to date.

5. **Illegal Dismissal Case.** – SMPC received a copy of the complaint/summons dated August 30, 2022 for the alleged illegal dismissal docketed as *"Jose Roberto C. Cabili, Complainant vs. Semirara Mining and Power Corp., Cristina C. Gotianun, and Almar G. Valdemar, Respondents, RAB Case No. VI-08-10689-22, National Labor Relations Commission [NLRC], Bacolod City."* The termination from employment is based on just cause, after being involved in an accident resulting in damages to SMPC's equipment due to his gross negligence. SMPC filed its Position Paper on November 28, 2022. On January 31, 2023 the Labor Arbiter dismiss the complaint and money claims for lack of factual and legal basis. The NLRC on June 23, 2023 affirmed the Labor Aribter's findings and denied Cabili's Motion for Reconsideration on October 16, 2023. Cabili appealed the case to the Court of Appeals through a Petition for Certiorari dated January 19, 2024. The case remains pending to date.

6. **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 Energy Regulatory Commission (ERC) Decision imposing a penalty of P337,200.00 for allegedly exceeding the number of allowed unplanned outages by 5.24 days for Unit 1; and P3,975,600.00 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. The case remains pending to date.

7. **In the Matter of Violation of ERC Orders, Rules and Regulations; Sem-Calaca Power Corporation, Respondent, ERC Case No. 2019-022 SC**. – SCPC received a copy of the ERC Decision dated August 5, 2022. The case pertains to the failure to comply with the submission of outage occurrence and resumption of operation reports through short message service (SMS) within the prescribed timeline for unplanned outages on February 12, 2019 and April 27, 2019, and resumption of operation on March 16, 2019, and May 5, 2019, respectively, in violation of ERC Resolution No. 04, Series of 2015. The ERC directed SCPC to pay P400,000.00 as penalty, which was paid on June 16, 2023.

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 P135,400.00 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. The case 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. -**

SMPC's common shares are traded on the Philippine Stock Exchange.

SMPC's stocks closed at P30.25 per share on the last trading day of 2023 with a corresponding market capitalization of P128.6 billion. As of March 12, 2024, market capitalization rose to P146.22 billion based on closing price of P34.40 per share.

The high and low stock prices of the Company's common shares for each quarter of the past three (3) years are as follows:

In Php	High	Low	Close
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	35.00	22.10	30.70
Apr-Jun	37.25	26.85	35.00
July-Sep	44.40	34.60	39.00
Oct-Dec	42.50	28.85	34.50
2023			
Jan-Mar	36.45	28.05	32.35
Apr-Jun	32.95	27.00	28.00
July-Sep	35.70	27.70	34.90
Oct-Dec	37.05	27.90	30.25
2024			
Jan-Mar[1]	34.55	29.90	34.40

(2) **Holders.** – As of March 12, 2024 Record Date, SMPC has 749 shareholders with 4,250,547,620 common shares outstanding of which 4.07% or 173,169,528 shares are owned by foreign stockholders.

Nationality	Classes of Shares	Number of Shares	Percentage of Total
Filipino	Common	4,077,378,092	95.93
Foreign	Common	173,169,528	4.07
Total Number of Common Outstanding Shares		**4,250,547,620**	**100.00**

Names of Top Twenty (20) Stockholders as of March 12, 2024 (Common Stockholders):

No.	Name of Stockholders	No. of Shares	Percentage of Total
1.	DMCI Holdings, Inc.	2,407,770,396	56.65
2.	PCD Nominee Corp. (Filipino)	801,128,157	18.85
3.	Dacon Corporation	542,067,778	12.75
4.	PCD Nominee Corp. (Foreign)	172,615,005	4.06
5.	Privatization Management Office	145,609,296	3.43

[1] As of March 14, 2022.

6.	DFC Holdings Inc.	82,346,916	1.94
7.	Augusta Holdings Inc.	23,243,622	0.55
8.	Freda Holdings Inc.	18,640,092	0.44
9.	Regina Capital Development Corp.	13,200,000	0.31
10.	Berit Holdings Inc.	9,290,592	0.22
11.	Meru Holdings, Inc.	6,854,198	0.16
12.	Daveprime Holdings Inc.	5,622,789	0.13
13.	Great Times Holdings Corporation	4,635,704	0.11
14.	Artregard Holdings Inc.	3,390,390	0.08
15.	F. Yap Securities Inc.	2,760,000	0.06
16.	Garcia, Jaime B.	2,193,768	0.05
17.	Tashiding Holdings Inc.	1,832,400	0.04
18.	Windermere Holdings Inc.	1,192,648	0.03
19.	San Juan, Romulo D.	800,000	0.02
20.	Vendivel, Olga P.	720,000	0.02

A list of SMPC's top 100 stockholders and PCD's list of beneficial ownership of securities as of March 12, 2024 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 12, 2024:

Title of Class	Name	Number of Shares Held	Percentage of Total
Common	DMCI Holdings, Inc.	2,407,770,396	56.65
Common	PCD Nominee Corp. (Filipino)	801,128,157	18.85
Common	Dacon Corporation	542,067,778	12.75

(ii) each director and nominee

Office	Names
Director, Chairman & CEO	Isidro A. Consunji
Lead Independent Director	Ferdinand M. dela Cruz
Independent Director	Roberto L. Panlilio
Independent Director	Francisco A. Dizon
Director, President, COO & CSO	Maria Cristina C. Gotianun
Director	Jorge A. Consunji
Director	Cesar A. Buenaventura
Director	Herbert M. Consunji
Director	Ma. Edwina C. Laperal
Director	Josefa Consuelo C. Reyes
Director	Antonio Jose U. Periquet, Jr.

(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[2]	Total		
Common	Isidro A. Consunji	24,144	30,079,770	30,103,914	Filipino	0.71
Common	Jorge A. Consunji	500,144	5,175,704	5,675,848	Filipino	0.13
Common	Herbert M. Consunji	139,920	-	139,920	Filipino	0.00
Common	Cesar A. Buenaventura	292,120	100,000	392,120	Filipino	0.01
Common	Maria Cristina C. Gotianun	1,428	26,344,245	26,345,673	Filipino	0.62
Common	Ma. Edwina C. Laperal	4,188	15,180,283	15,184,471	Filipino	0.36
Common	Josefa Consuelo C. Reyes	412,400	8,763,998	9,176,398	Filipino	0.22

[2] 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	Antonio Jose U. Periquet, Jr.	-	4,333,000	4,333,000	Filipino	0.10
Common	Ferdinand M. dela Cruz	124,900	-	124,900	Filipino	0.00
Common	Roberto L. Panlilio	1,000	-	1,000	Filipino	0.00
Common	Francisco A. Dizon	6,000	-	6,000	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	0.01
Common	Carla Cristina T. Levina	-	-	-	Filipino	0.00
Common	Christopher Thomas C. Gotianun	1,000	76,000	77,000	Filipino	0.00
Common	Edgar C. Mariano	-	-	-	Filipino	0.00
Common	Lora Liza S. Dioquino	-	-	-	Filipino	0.00
Aggregate Ownership of all directors and officers as a group		**1,985,444**	**90,134,660**	**92,120,104**		**2.17**

(3) **Dividends**. – SMPC's dividend policy is to declare a minimum of 20% of its net profit after tax as annual cash dividend subject to the approval of the Board of Directors. Provided, however, that the Board 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 (P)	Total Amount of Dividend (P)	Record Date	Payment Date
2021	3/25/21	Cash	1.25	5,313,184,525.00	4/13/21	4/23/21
2021	10/11/21	Cash	1.75	7,438,458,335.00	10/25/21	11/9/21
2022	3/31/22	Cash	1.50	6,375,821,430.00	4/18/22	4/28/22
2022	10/17/22	Cash	3.50	14,876,916,670.00	10/31/22	11/15/22
2023	3/27/23	Cash	1.80	7,650,985,716.00	4/13/23	4/25/23
2023	3/27/23	Cash	1.70	7,225,930,954.00	4/13/23	4/25/24
2023	10/9/23	Cash	3.50	14,876,916,670.00	10/23/23	11/8/23

(4) **Recent Sales of Unregistered or Exempt Securities**. - No unregistered or exempt securities were sold in 2023, 2022 and 2021.

PART III – FINANCIAL INFORMATION

A. MANAGEMENT'S DISCUSSION AND ANALYSIS OF CONSOLIDATED FINANCIAL CONDITION AND RESULTS OF OPERATIONS *(YEARS 2020-2023)*

Full Years 2022-2023

December 31, 2023 (Audited) vs December 31, 2022 (Audited)

I. RESULTS OF OPERATIONS

The table below summarizes the performance of Semirara Mining and Power Corporation (SMPC), its operating subsidiaries SEM-Calaca Power Corporation (SCPC) and Southwest Luzon Power Generation Corporation (SLPGC), and other non-operating subsidiaries, collectively referred to as "the Group" for the periods ended December 31, 2023 and 2022.

- SMPC is the only vertically-integrated power generator in the country that runs on its own fuel. The largest domestic coal producer, it supplies affordable fuel to power plants, cement factories and other industrial facilities across the Philippines. It also exports coal to China, South Korea, Japan, Vietnam and other nearby markets.

- SCPC and SLPGC generate baseload power for the national grid. Both supply electricity through bilateral contract quantity (BCQ) and the wholesale electricity spot market (WESM).

In Php Millions except EPS	**January to December (FY)**		
	2023	**2022**	**Change**

SMPC	17,993	32,400	-44%
SCPC	7,854	5,131	53%
SLPGC	2,098	2,482	-15%
Others	45	14	221%

Core Net Income	**27,990**	**40,027**	**-30%**
Nonrecurring Items	(57)	(156)	-63%
Reported Net Income	**27,933**	**39,871**	**-30%**
EPS (reported)	**6.57**	**9.38**	**-30%**

FY 2023 vs FY 2022 Consolidated Highlights

- Reported net income declined by 30% from P39.87 billion to P27.93 billion, marking the Group's second-highest profit on record. All-time high coal shipments and electricity sales volume partially offset a sharp correction in market prices.

  Earnings per share fell from P9.38 to P6.57. Return on equity reached 44%, the highest among listed energy peers in the Philippines.

  Excluding nonrecurring items, core net income fell by 30% from P40.03 billion to P27.99 billion. 2023 nonrecurring item pertains to recognized loss from the planned sale of the 2x25MW gas turbines, while 2022 nonrecurring item was due to the write-down of the gas turbines' value based on its estimated price when the assets were reclassified to Assets Held for Sale.

- Contribution from the coal segment receded by 44% from P32.40 billion to P17.99 billion. Meanwhile, the power segment contributed P9.90 billion, a 33-percent increase from P7.46 billion. The marked improvement was largely due to SCPC, whose contribution rose by 53% from P5.13 billion to P7.85 billion, muting the 12-percent contribution reduction of SLPGC from P2.33 billion to P2.04 billion.

- Coal accounted for 65% of total net income, followed by SCPC (28%) and SLPGC (7%). The significant rise in power contributions (from 19% to 35%) was primarily due to improved overall plant performance amid a decline in coal earnings.

- Core EBITDA margin narrowed from 52% to 46% on the combined effect of lower revenues, higher operating cash costs and lower government share.

- Revenues sank by 16% from P91.13 billion to P76.96 billion mainly due to lower selling prices, while total cash costs slipped by 6% from P43.76 billion to P41.21 billion on lower government share, which dropped by 33% from P15.96 billion to P10.68 billion.

  Cash component of COS went up by 9% from P24.09 billion to P26.24 billion on record coal shipments, higher carried-over production costs from beginning inventory and increased costs for labor, lubricants and contracted services among others. Meanwhile, Opex rose by 16% from P3.71 billion to P4.30 billion on higher plant maintenance expenses, insurance premium and taxes.

  Consequently, Core EBITDA declined by 25% from P47.37 billion to P35.75 billion.

- Depreciation and amortization costs increased by 17% from P5.74 billion to P6.74 billion mostly due to new mining equipment and accelerated amortization of Molave mine due to its early closure.

  Expected mine life was shortened by one year as increased mudflow from the adjacent area made mining operations in Molave uneconomic, given the adjusted stripping ratio and heightened risks. Consequently, the remaining assets valued at P247 million were expensed in the fourth quarter.

- Other income dropped by 56% from P1.25 billion to P550 million on high-base effect, as the Group recorded a net forex loss of P176 million versus a net forex gain of P1.00 billion last year.

  In 2022, the Philippine Peso depreciated by 11% against the US Dollar, weakening from P50.77 (as of December 31, 2021) to P56.12 (as of December 29, 2022). However, from December 29, 2022 to December 29, 2023, the local currency appreciated by 1% to P55.57:US$1, indicating a more stable forex market.

  Additionally, Other income included a P206 million refund of wharfage fees from the Philippine Ports Authority, a P31 million insurance claim for the SLPGC 2x25MW gas turbines, P472 million from the sale of fly ash, and P6 million in income from gas turbine storage fees.

- The Group recorded a net finance income of P597 million versus a net finance cost of P444 million last year because of prudent cash management and regular loan amortization.

- Income taxes slipped by 10% to P2.17 billion from P2.40 billion due to the accrual of tax expenses and interest for year 2020, following a Board of Investments-approved adjustment to the Molave mine's Income Tax Holiday period. Higher taxable profits from the power segment mitigated this decline.

- Total cash balance slid by 5% from P20.06 billion to P18.99 billion, after paying out P29.75 billion in cash dividends (P7/share), the highest ever for the company.

  The dividend payout translated to 75% of the previous year's reported net income (P39.87 billion), well above the dividend policy of 20%.

- Book value per share remained healthy despite a slight decline (-3%) from P15.12 to P14.68, after spending a total of P37.26 billion on cash dividends (P29.75 billion), capital expenditures (P4.02 billion) and debt payment (P3.49 billion).

- Loans payable declined by 34% from P10.20 billion to P6.73 billion, bolstered by strong cash flow that enabled steady amortization and financing of capital expenditures.

- Group financial position remained very healthy with current ratio at 2.38 (from 2.91). Debt ratio was flattish at 0.36, following the declaration of cash dividends from the unrestricted retained earnings.

  Net cash position strengthened, climbing from P9.86 billion to P12.26 billion, as SMPC and SLPGC reported net cash positions as of the end of the period.

FY 2023 vs FY 2022 Segment Performance

<u>Coal</u>

Standalone coal revenues dropped by 21% from P76.18 billion to P59.82 billion on the combined effect of lower average selling prices (-26%) and higher coal shipments (+7%).

Core EBITDA fell by 35% to P39.44 billion from P25.83 billion, as total cash costs declined at a slower pace (-7%). Meanwhile, net income dropped by 39% from P35.99 billion to P21.90 billion because of higher depreciation, absence of net foreign exchange gain, improved net finance income and normalized tax expense.

Net of intercompany eliminations, net income plunged by 44% from P32.40 billion to P17.99 billion. Eliminating entries rose by 9% from P3.59 billion to P3.91 billion on lower selling prices and thinner gross margins, muted by improved plant availability.

Eliminating entries reflect gross margins from intercompany transactions between the coal and power segments.

The following provides additional context on the segment's financial performance:

- **Highest-ever shipments.** Total shipments reached a record 15.8 million metric tons (MMT) from 14.8 MMT (+7%), exceeding the 2019 high of 15.2 MMT by 1%. Record exports and higher internal sales accounted for the spectacular results.

  Exports expanded by 14% from 7.1 MMT to 8.1 MMT on higher fourth-quarter China demand (up 218% from 1.1 MMT to 3.5 MMT) and availability of commercial-grade coal.

  China shipments surged by 31% from 4.0 MMT to 5.2 MMT, accounting for the export sales growth (+1.2 MMT). Coal deliveries to South Korea was unchanged at 2.2 MMT. The two countries accounted for 92% of total exports, followed by Brunei (4%), Japan (2%), India (1%) and Vietnam (1%).

  Domestic sales was flat at 7.7 MMT, as higher shipments to SMPC-owned plants offset weaker sales to external local customers. High sulfur content in some commercial-grade coal curbed external sales.

  Improved overall plant availability led to a 38-percent surge in internal sales from 2.6 MMT to 3.6 MMT, while sale to other power plants, cement and industrial plants contracted by 20% from 5.1 MMT to 4.1 MMT.

- **Stabilizing prices.** Semirara coal average selling price (ASP) declined by 26% from P5,136 per metric ton (MT) to P3,796 per MT, in line with the Indonesian Coal Index 4 (ICI4).

  Full-year average Newcastle index (NEWC) plummeted by 64% from a historic high of US$360.2 to US$128.9, while average ICI4 fell at a slower pace (26%) from peak US$85.9 to US$63.2. Market differences and heightened geopolitical risks drove index price divergence and volatility last year.

  For 2023, strong industrial activity and increased demand for lower-grade coal in Asia sustained the ICI4, while high coal stockpiles, slowing economic growth and increased renewable energy capacity in developed countries translated to elevated NEWC volatility.

- **Normalizing margins.** Core EBITDA margin declined from 52% to 43%, and standalone net income margin fell from 47% to 37%, primarily due to last year's record topline, which created a high base effect.

  Strong profit margins were maintained, with the net income margin significantly exceeding both 2021 (35%) and pre-pandemic 2019 (23%) levels.

  Revenues declined by 21% from P76.18 billion to P59.82 billion due to lower selling prices, but total cash costs fell slower (-7%) from P36.75 billion to P33.99 billion.

  Cash component of the cost of sales (COS) went up by 13% from P19.96 billion to P22.50 billion owing to higher coal sales and carried-over production costs from beginning inventory.

  Elevated fuel costs, accounting for 33% of cash costs in 2022, drove up COS due to the sale of high-cost inventory (beginning balance: 2.0 MMT). Opex remained flat year-on-year at P810 million.

  Government share declined by 33% from P15.96 billion to P10.68 billion because of lower topline and higher costs. In effect, government share of the topline slipped from 21% to 18%.

- **Higher noncash items.** Depreciation and amortization accelerated by 38% from P3.29 billion to P4.54 billion, driven by higher shipment volumes, new mining equipment purchases and accelerated amortization of Molave mine due to its early closure (P247 million).

- **Absence of net forex gain.** Net forex gain reversed from P1.02 billion to a net forex loss of P159 million on stabilizing US$:PHP forex market. As of December 31, 2023, P195 million of gross forex loss remained unrealized.

- **Better net finance income.** Finance income (net of finance costs) expanded 22x from P31 million to P675 million on the back of healthy cash levels, elevated interest rates, prudent treasury management and lower debt levels.

The segment also reported the following operational highlights:

- **Production at maximum capacity.** For the second straight year, coal production reached 16 MMT, which is the annual limit set by the company's Environmental Compliance Certificate (ECC).

  Effective strip ratio rose by 30% to 12.5 from 9.6 because of higher rainfall (243.0 millimeter in 2023 vs 227.7 millimeter in 2022), resumption of Narra mine operations and low-base effect from the near-depletion of Molave mine. In turn, materials moved jumped by 31% from 169.2 million bank cubic meters (MBCM) to 220.9 MBCM.

  Total production was almost evenly split between Molave (51%) and Narra (49%) mines.

  Molave's slightly higher average strip ratio (13.4 vs Narra's 12.8) stemmed from increased activity across more coal blocks.

  Full-year actual strip ratio (13.1) was slightly higher than the initial 2023 guidance of 12.83, as mudflow in Molave South Block 6 prevented the full stripping of materials in the area.

- **Low inventory.** Total coal inventory dropped by 10% from 2.0 MMT to 1.8 MMT on lower third-quarter production and stronger China demand in the fourth quarter.

  With record exports, commercial-grade coal inventory plummeted by 78% from 1.1 MMT to 0.2 MMT.

<u>Power</u>

Standalone power segment revenues jumped by 20% from P20.40 billion to P24.40 billion on improved plant availability. Core EBITDA climbed faster than topline from P8.22 billion to P10.50 billion (+28%), mostly from lower replacement power purchases.

Net income grew by 55% from P3.86 billion to P5.98 billion on higher gross generation and sales volume amid normalizing market prices.

Excluding nonrecurring items, core net income accelerated by 50% from P4.02 billion to P6.04 billion. Nonrecurring items pertain to an additional loss of P57 million, which was recognized in relation to the planned sale of the 2x25MW gas turbines in 2023, while the P156 million pertains to asset write-down for said turbines, which were previously reclassified as Assets Held for Sale.

Net of intercompany eliminations, reported net income went up by 31% from P7.46 billion to P9.90 billion.

To further elaborate on the segment's results:

- **Better plant availability.** Overall plant availability improved from 62% to 81% on reduced outage days (279 days vs 552 days), following the commercial operations of SCPC Unit 2 on October 9, 2022.

  SCPC and SLPGC reported contrasting results, with the former more than doubling (107%) its plant availability (from 44% to 91%) because of fewer outage days (from 411 to 68). Meanwhile, SLPGC plant availability contracted from 81% to 71% on increased outage days (from 141 to 211).

Total average capacity, based on running days, slipped by 5% from 706 MW to 672 MW on the occasional deration of SCPC Unit 2 and SLPGC Unit 1.

- **Improved output and sales.** With higher plant availability, total gross generation surged by 31% from 3,735 gigawatt hours (GWh) to 4,890 GWh. SCPC accounted for 65% of total output (versus 46% last year).

  Increased plant output led to a 26-percent expansion in total power sales from 3,596 GWh to 4,515 GWh. Bulk (68%) of the volume sold went to the spot market, from 52% last year.

  Total spot sales soared to a record high of 3,076 GWh, up by 64% from 1,881 GWh, because of higher plant output and uncontracted capacity. Combined spot market exposure (excluding variable station service) grew by 61% from 298.85 MW (beginning-2022) to 480.75 MW (beginning-2023).

  Station service pertains to the electricity produced by the plant that is used within the facility to power the lights, motors, control systems and other auxiliary electrical loads that are necessary for plant operation.

  Conversely, BCQ sales declined by 16% from 1,715 GWh to 1,439 GWh, as contracted capacity at the beginning of the periods slightly declined from 194.35MW (beginning-2022) to 189.15MW (beginning-2023).

- **Normalizing selling price.** Overall average selling price (ASP) dipped by 5% from P5.67/ kilowatt hour (kWh) to P5.40/kWh mainly due to lower WESM prices, cushioned by better ASP for BCQ sales.

  BCQ ASP rose by 19% from P3.71/KWh to P4.41/KWh, driven by a new SLPGC contract with higher pricing, and 2022 SCPC contracts with fuel pass-through provisions (covering 13% of its contracted capacity). Meanwhile, spot market ASP declined by 21% (P7.46/KWh to P5.87/kWh) due to wider grid supply margins and lower fuel costs.

- **Better contracted capacity.** As of December 31, 2023, more than a third (34% or 238.2MW) of the power segment's dependable capacity (710MW) has been contracted. Contracted capacity grew by 26% over the twelve-month period, from 189.15MW.

  Majority (53%) of the contracted capacity is under SCPC, aligning with Management's guidance to contract approximately half of the dependable capacity.

  Excluding variable station service requirements (58.7MW), the segment has 413.10MW available for spot sales.

- **Lower spot purchases.** Total spot purchases dropped by 59% from P1.76 billion to P721 million owing to improved plant availability and lower spot prices.

  The power segment was a net seller to the spot market by 2,973 GWh (vs 1,656 GWh in 2022).

SCPC standalone revenues surged by 44% from P11.75 billion to P16.91 billion on the combined effect of improved operating performance and lower replacement power purchases, tempered by lower selling prices.

Core EBITDA jumped by 37% from P5.71 billion to P7.81 billion, while margin slightly thinned from 49% to 46% on lower selling prices and higher operating expenses.

Standalone net income grew by 63% from P3.00 billion to P4.89 billion, with margin expanding from 26% to 29% on higher fly ash income and lower net finance costs.

Net of intercompany eliminations, SCPC net income contribution soared by 53% from P5.13 billion to P7.85 billion. Intercompany eliminations went up by 39% from P2.13 billion to P2.96 billion on higher coal consumption because of improved plant availability.

To further elaborate:

- **Better plant performance.** Plant availability more than doubled (107%) from 44% to 91%, mainly due to the full-year operations of Unit 2 and reduced outage days of Unit 1.

  Unit 1 availability increased from 72% to 91% as outage days decreased from 103 to 34. This improvement was driven by a significant reduction in scheduled maintenance outages (22 days in 2023 vs. 90 days in 2022). The plant also had a 12-day emergency shutdown on May 1 due to boiler tube leaks.

  Unit 2 availability surged fivefold from 16% to 91%, as outage days plummeted from 280 to 34 following its October 2022 return to service. The plant also had two emergency shutdowns because of boiler tube leaks (10 days starting May 29 and 13 days starting September 30).

  Average capacity, based on running days, fell by 4% from 420 MW to 402 MW due to Unit 2's deration, pending rewinding works.

- **Improved generation and sales.** Gross generation rallied by 86% from 1,713 GWh to 3,192 GWh on better plant availability.

  With higher output, total power sales accelerated by 79% from 1,639 GWh to an all-time high of 2,926 GWh, mostly on account of higher spots sales (+1,155-GWh). Bulk (87%) of total sales went to the spot market, from 84% last year.

  Spot sales soared by 84% (1,378 GWh to 2,533 GWh) due to increased spot capacity exposure at the start of the period. SCPC's spot exposure broadened by 75% from 202.75 MW (beginning-2022) to 354.45 MW (beginning-2023).

  Sales through bilateral contracts grew by 51% from 261 GWh to 393 GWh, as contracted capacity at the beginning of the period more than doubled (122%) from 20.45 MW to 45.45 MW.

- **Normalizing selling prices.** Overall ASP declined by double digits (19%) from P7.17/KWh to P5.78/KWh on the combined effect of lower BCQ and WESM prices.

  BCQ ASP slumped by 16% from P5.94/KWh to P5.01/KWh on lower fuel costs, as 56% of contracted capacity (45MW) had a fuel pass-through provision. Meanwhile, Spot ASP fell by 20% from P7.40/KWh to P5.89/KWh on stabilizing supply margins in the grid.

- **Minimal spot purchases.** Replacement power purchases plummeted by 82% from P549 million to P100 million owing to better plant performance.

  SCPC was a net seller to the spot market for both periods (2,526 GWh in 2023 vs 1,312 GWh in 2022).

- **Higher cash costs.** Total cash costs surged by 51% from P6.04 billion to P9.10 billion on higher power generation.

  COS (cash component) jumped by 61% from P4.48 million to P7.22 billion on higher fuel consumption, tempered by lower replacement power purchases. Meanwhile operating expenses grew by 21% from P1.56 billion to P1.88 billion on higher insurance and tax expenses.

- **Surge in other income.** Other income more than tripled (3.4x) from P117 million to P401 million on the back of higher fly ash sales from increased power generation.

- **Higher noncash items.** Depreciation and amortization increased by 5% from P1.45 billion to P1.53 billion because of higher 2022 capital spending (P1.2 billion in 2022 vs P0.8 billion in 2023).

- **Lower net finance cost.** Net finance costs tumbled by 65% from P394 million to P136 million owing to strong operating cash flow, continuous debt amortization and elevated interest rates.

  As of December 31, 2023, loans payable dropped by 32% from P7.6 billion to P5.2 billion, while cash balance swelled by 73% from P2.6 billion to P4.5 billion.

- **Higher tax expense.** Provisions for income taxes surged by 68% from P986 million to P1.66 billion on higher taxable earnings.

- **Growing contracted capacity.** As of December 31, 2023, SCPC had 127 MW (31%) of its 410 MW dependable capacity under contract. Of which, 35% (or 45 MW) is scheduled to expire in 2030 or later, while the remaining 82 MW will end within 2024. Additionally, 20% of the contracted capacity includes a fuel pass-through provision.

  Net of variable station service (28.7 MW), SCPC had 254.3 MW of capacity available for spot sales at the end of the period.

SLPGC standalone revenues dropped by 13% from P8.64 billion to P7.49 billion on lower generation and sales volume. Core EBITDA registered a 7-percent uptick from P2.50 billion to P2.69 billion on the back of higher selling prices and lower replacement power purchases.

Net income increased by 25% from P865 million to P1.09 billion, driven by higher core EBITDA and net finance gain, partially offset by an increase in income tax.

Excluding nonrecurring items, core net income climbed by 12% from P1.02 billion to P1.14 billion. Nonrecurring items include an additional recognized loss of P57 million, in relation to the planned sale of the 2x25MW gas turbines of SLPGC, and a P156 million write-down of the turbines in 2022.

Net of intercompany eliminations, net income receded by 12% from P2.33 billion to P2.04 billion. Intercompany eliminations dropped by 35% from P1.46 billion to P956 million on lower consumption, power sales and improved coal blending.

To further elaborate:

- **Reduced plant availability.** Overall plant availability subsided from 81% to 71% on higher outage days (211 vs 141 in 2022).

  Unit 1 availability declined from 84% to 62%, as outage days rose from 60 to 138. Its performance drop was primarily driven by emergency shutdowns: 30 days due to tube leak (May 15), 66 days because of high axial displacement (June 17), 10 days on account of excessive inboard bearing vibration (October 27) and 9 days for vibration issues (December 22).

  Unit 2 availability saw a slight increase from 78% to 80%, despite outage days reducing from 81 to 73. This was largely due to a 36-day planned maintenance (January 7) and a 28-day emergency shutdown (September 16) for coking incidents and planned maintenance.

  Average capacity compressed by 6% (286 MW to 270 MW) due to occasional Unit 1 deration, primarily from vibration issues.

- **Lower generation and dispatch.** Gross generation declined by 16% from 2,022 GWh to 1,698 GWh due to lower availability and average capacity.

  Consequently, total power sales fell by 19% from 1,957 GWh to 1,589 GWh, driven by reduced BCQ sales and partially offset by increased spot sales.

  Bilateral contracts, comprising 66% of sales, declined by 28% from 1,454 GWh to 1,046 GWh. This resulted from a 17-percent drop in contracted capacity from 173.90 MW (beginning-2022) to 143.70 MW (beginning-2023). Conversely, spot sales increased by 8% from 503 GWh to 543 GWh.

- **ASP uptick.** Overall ASP went up by 7% from P4.42/KWh to P4.71/KWh on higher BCQ prices and spot sales.

  Spot ASP dropped by 25% from P7.62/KWh to P5.73/KWh due to the boost in baseload capacity from new and reintegrated plants and the unification of the grid.

  Meanwhile BCQ ASP expanded by 27% from P3.31/KWh to P4.19/KWh due to new contracts signed in H2 2022. Better BCQ ASP boosted overall ASP.

- **Lower spot buys.** Replacement power purchases plunged by 49% from P1.22 billion to P621 million because of reduced contractual obligations and lower purchase price.

  SLPGC remained a net seller to the spot market at 447 GWh compared to 344GWh last year owing to higher spot sales and lower spot buys.

- **Flat noncash items and lower other income.** Depreciation and amortization stood at P1.31 billion on both periods on the back of controlled maintenance spending.

  Meanwhile, Other income tapered by 3% from P106 million to P103 million on lower sale of fly ash (from P100 million to P70 million) due to lower generation, and collection of a storage fee of P6 million, as penalty for the delayed pullout of the two 25MW gas turbines by the buyer.

- **Net finance gain.** Net interest cost of P83 million reversed into a net finance gain of P31 million due to lower debt levels, elevated interest rates and higher cash balance.

- **Net cash position.** SLPGC's net cash position further improved from P131 million (December 31, 2022) to P936 million (December 31, 2023).

  Loans payable decreased by 50% from P1.67 billion to P834 million on debt amortization and non-availment of additional loans, while cash balances picked up by 18% from P1.80 billion to P2.13 billion on robust operating cash flow.

- **Lower contracted capacity.** As of December 31, 2023, 111.2 MW out of the 300 MW dependable capacity is under contract, with 90% of these contracts due to expire in Q4 2024. None of these contracts include a fuel pass-through provision.

  Net of variable station service (30MW), SLPGC has 158.8MW of capacity exposed to the spot market. This is in line with the previous Management guidance to maintain a balance between contracted capacity and spot market exposure.

CAPEX

In 2023, Group capex slipped by 7% from P4.3 billion to P4 billion owing to lower maintenance expenditures under the power segment.

In Php billions	Q4 2023	Q4 2022	Change	2023	2022	Change
Coal	0.6	0.3	100%	3.0	2.5	20%
SCPC	0.3	0.3	0%	0.8	1.2	-33%
SLPGC	0.1	0.1	0%	0.3	0.6	-50%
Total	**1.0**	**0.7**	**43%**	**4.0***	**4.3**	**-7%**

Coal capital spending trended higher, doubling in the fourth quarter and increasing by 20% over the entire year because of continuous re-fleeting and improvements in material handling capabilities.

For the power segment, fourth-quarter capex was unchanged at P0.4 billion, as expenses for SCPC Unit 2's generator rewinding and swapping was deferred to 2024. Meanwhile, annual capex declined by 39% from P1.8 billion to P1.1 billion owing to a reduction in outage days, with SCPC Unit 1's planned maintenance activities notably decreasing from 90 to 22 days.

For 2024, the Group expects capex spending to grow by 75% from P4 billion to P7 billion, with most (74%) of the budget going to the coal segment for its re-fleeting and mine exploration activities.

In Php billions	**2024F**	**2023**	**Change**
Coal	5.2	3.0	73%
SCPC	1.3	0.8	63%
SLPGC	0.6	0.3	100%
Total	**7.0***	**4.0***	**75%**

**Rounding may cause total not to match the sum of parts*

Capital expenditures in the power segment are projected to rise by 73% from P1.1 billion to P1.9 billion. Of this, around 32% or P600 million is earmarked for the rewinding and swapping of SCPC Unit 2's generator during the first half of 2024.

This activity will involve an 80-day outage beginning on March 5, more than a month after the original February 3 schedule, due to manufacturing delays for the stator bars. The replacement of the defective GE generator is expected to raise the plant's dependable capacity back to 300MW by mid-2024. The remaining capital expenditure budget will be allocated to the annual maintenance of both SCPC plants.

SLPGC's capital expenditures are projected to double to P600 million, with both units undergoing extended maintenance outages in the second half of 2024. Unit 1 is scheduled for a 40-day outage starting August 1, and Unit 2 for a 50-day outage beginning October 30.

The budget also includes P36 million for repairs on SLPGC Unit 1's high-pressure/intermediate-pressure (HIP) turbine rotor, following a high axial displacement incident in Q3 2023 and subsequent discussions with reinsurers.

These repairs, initially estimated at P200 million for a replacement rotor, are set to be completed in Q2 2024. Plant management may install the repaired rotor or keep it as an assurance spare, depending on the outcome of its technical review and actual operating conditions.

Market Review and Outlook

Since the start of the pandemic, the global energy markets have experienced unprecedented volatility, influenced by COVID-19 restrictions, geopolitical tensions, sustainability concerns, energy security, and rapidly evolving regulations. These factors have made the demand-supply dynamics within the coal and electricity markets increasingly unpredictable.

Since 2020, the Newcastle Price (NEWC) has fluctuated dramatically, ranging from $49.8 in August 2020 to a peak of $434.0 in September 2022. Similarly, the Indonesian Coal Index 4 (ICI4) has seen a wide trading range, from $23.5 in September 2020 to $133 in October 2021.

In the local electricity spot market, prices have moved significantly, hitting a low of Php 1.40/KWh in April 2020 and then soaring to Php 8.87/KWh in October 2022.

In 2023, the energy markets experienced a notable shift towards stabilization, following a prolonged period of volatility. This period was characterized by the correction of prices, the normalization of supply chains and a rebound in demand.

Coal

Coal production, exports and consumption are primarily concentrated in Asia, as regions like Europe and North America move to reduce coal utilization for power generation.

The NEWC index witnessed a 52-percent decline from US$360.2 to US$173.0 on easing demand from developed countries, particularly Japan—Australian coal's largest market. Meanwhile, the ICI4 index decreased at a slower pace (-26%) from US$85.9 to US$63.2 on record high Indonesian exports amid strong demand from China and India.

In the fourth quarter, NEWC prices posted a sharper drop, plunging by 64% from US$379.5 to US$135.6. The decrease in ICI4 prices was more gradual at 35% from US$90.5 to US$58.9, partly due to China increasing its coal stockpiles in response to record-breaking cold temperatures and in anticipation of the Chinese New Year holiday.

Quarter-over-quarter, both indices displayed less volatility, with NEWC falling by 8% from US$147.8 and ICI4 rising by 13% from US$52.0 on higher demand from India, Indonesia and China.

By January 2024, the NEWC and ICI indices appeared to have found equilibrium, averaging US$128.2 and US$57.5, respectively. The declines were largely due to slowing economic activity and continuous geopolitical strains.

For the rest of the year, demand for coal, especially low-calorific value types, is expected to stay strong, likely maintaining prices above the pre-pandemic averages of US$77 (NEWC) and US$35 (ICI4). However, increased capacity and production in Indonesia, India and China could mute the impact of higher demand.

SMPC management projects coal prices to stabilize at the onset of 2024, with the NEWC index anticipated to average around US$124.0, marking a 28% reduction from US$173.0 in 2023. For ICI4, it is expected to average around US$54.5.

Meanwhile, strip ratio is expected to level at around 13.21, with all production now coming from the Narra mine. In January, the Department of Energy approved the early closure of the Molave mine after excessive mudflow was recorded in South Block 6.

Power

Fourth-quarter average spot prices decreased by 43% from P8.41/KWh to P4.83/KWh on better supply margins amid higher demand. Average supply in the Luzon-Visayas grid increased by 13% from 11,900 MW to 13,400MW, while average demand rebounded by 7% from 10,600MW to 11,300MW.

For FY2023, the average spot price fell by 21% from P7.39/KWh to P5.86/KWh, as the addition of 300MW in baseload capacity, the reintegration of a major 1,200MW baseload plant, and the additional capacity from Mindanao's connection to the Luzon-Visayas grid boosted overall supply. Meanwhile, average demand increased by 5% from 10,600MW to 11,100MW.

Looking ahead to 2024, management expects spot prices to likely to remain stable, but lower than 2023 levels. This is due to the introduction of approximately 1,500MW in additional capacities in the Luzon-Visayas grid, and the increasing capacity contribution from Mindanao. However, heightened El Niño conditions in the first half of the year may cause spot prices to spike, especially during the summer season when El Niño's effects on hydropower production and electricity consumption exert upward pressure on rates.

To mitigate price and operational risks, management plans to contract half of SCPC and SLPGC's dependable capacity during the year.

II. Explanation on movements of accounts

A. Consolidated Statement of Income

Revenue
Consolidated revenue declined by 16% from P91.13 billion in 2022 to P76.96 billion in 2023 due to normalizing prices in the coal segment in spite the all-time high shipments, cushioned by the improved plant output from the power segment.

Cost of Sales
Cost of sales jumped by 11% mainly due to higher shipment volume of coal operations plus the combined effects of higher carried-over production costs from beginning inventory and depreciation of both segments.

Operating Expenses
Operating expenses declined by 24% to P15.12 billion in 2023 as government royalties stood at P10.69 billion, 33% down from P15.96 billion due to exceptional profits from the coal segment last year. Excluding government royalties, operating expenses rose by 11% to P4.43 billion on higher taxes, repairs and maintenance, insurance and personnel-related costs

Finance Cost
Consolidated finance costs fell by 31% to P589 million following the repayment of bank loans.

Finance Income
Consolidated finance income rose more than 2x (187%) to P1.19 billion due to higher placements and interest rates.

Forex Gains (Losses) - Net
The Group recognized net forex losses of P175.81 million from a net forex gain of P1 billion last year mainly due to stabilizing forex rates. Also, forex loss on import payments offset forex gains from dollar-denominated export collections.

Other Income
Other income increased by 199% due to higher fly ash sales, recoveries from insurance claims and refund of wharfage fees from the Philippines Port Authority.

Provision for Income Tax
Income taxes declined by 9% to P2.15 billion from P2.35 billion due to absence of last year's accrual of P897 million income tax expense for 2020 in relation to the deferral of Molave mine's ITH, cushioned by higher taxable income from the power segment.

B. Consolidated Statement of Financial Position

The Company's financial condition for the period slightly declined as consolidated total assets and total equity amounted to P85.1 billion and P62.34 billion, respectively as of December 31, 2023. This is a 2% and 3% decline from last year's balances, which is mainly due to all-time high dividends.

Consolidated cash and cash equivalents slipped by 5% from P20.1 billion in December 31, 2022 to P19.0 billion in December 31, 2023 due to lower cash generated from operations, loan repayments, capital expenditures and all-time high dividends and government royalties.

Receivables rose by 5% from P10.2 billion to P10.8 billion in 2023 due to higher revenue from power segment and due to timing of collection during the period.

Consolidated inventories increased by 15% to P14.6 billion due to higher coal inventory and spare parts.

Other current assets diminished by 5% to P1.1 billion due mainly to the application of tax credits to income tax payable during the year.

Asset held-for-sale was revalued to P713.22 million to reflect the asset's carrying amount based on the current net realizable value or fair value less cost to sell.

Property, plant and equipment stood at P37.5 billion, 8% down from P41.0 billion last year as depreciation and amortization more than offset capital expenditures for 2023.

Right-of-use assets declined by 17% due to amortization recognized for 2023.

Deferred tax assets expanded by 58% mainly due to the reversal of deferred tax liability arising from the taxable temporary difference on unrealized foreign exchange gains of the Parent Company.

Other noncurrent assets declined by 4% due mainly to realization of deferred input VAT.

Accounts and other payables grew by 34% owing mainly to timing of payments to suppliers and contractors and higher government royalties to DOE.

Income tax payable declined by 52% due to payment of 2020 income tax in 2023.

Long-term debts dropped by 34% to P6.7 billion following bank loan repayments.

Lease liabilities (current and noncurrent) fell by 19% due to payments made in 2023.

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 increased by 94% following accrual of retirement expense for the year.

Decrease in other noncurrent liabilities pertain to amortization of deferred rent income of SLPGC.

Consolidated retained earnings stood at P52.4 billion at year-end, 3% dip from P54.2 billion at the close of 2022 after generation of P27.9 billion net income and declaration of P29.8 billion SMPC Parent dividends. The amount also includes appropriated retained earnings of P6.8 billion as of and for the years ended December 31, 2023 and 2022.

III. Performance Indicators

1. Net income after tax – declined by 30% following a high-base effect from its record-high performance last year. Coal segment contribution dropped by 44% but were moderated by the 33% growth in earnings from the power segment.

2. Dividend payout – remarkable liquidity enabled the company to declare P3.50 per share special dividends on October 9, 2023 and P1.70 per share special dividends on March 27, 2023, on top of the P1.80 per share regular dividends declared on March 27, 2023. Total dividend payout to shareholders for 2023 reached an all-time high of P29.8 billion.

3. Debt to equity ratio (interest bearing loans) - DE ratio dropped to 0.11 at the end of 2023 from 0.16 last year due to bank loan repayment and record-high dividends declaration.

4. Core EBITDA margin – Fell to 46% in 2023 from 52% in 2022 due to all-time high coal shipments and electricity sales volume partially offset by the stabilizing market prices.

5. Current ratio – As of December 31, 2023, current ratio slightly declined to 2.38:1 compared to 2.91:1 as of December 31, 2022, which is still in a healthy condition in spite of capex payments, all-time high cash dividends and loan payments.

Full Years 2021-2022

December 31, 2022 (Audited) vs December 31, 2021 (Audited)

I. RESULTS OF OPERATIONS

The table below summarizes the performance of Semirara Mining and Power Corporation (SMPC), its operating subsidiaries SEM-Calaca Power Corporation (SCPC) and Southwest Luzon Power Generation Corporation (SLPGC), and other non-operating subsidiaries, collectively referred to as "the Group" for the periods ended December 31, 2022 and 2021.

- SMPC is the only vertically-integrated power generator in the country that runs on its own fuel. The largest domestic coal producer, it supplies affordable fuel to power plants, cement factories and other industrial facilities across the Philippines. It also exports coal to China, South Korea, Thailand, Cambodia, Vietnam and other nearby markets.

- SCPC and SLPGC generate baseload power for the Luzon-Visayas grid. Both supply electricity through bilateral contract quantity (BCQ) and the wholesale electricity spot market (WESM).

In Php Millions except EPS	**January to December (FY)**		
	2022	**2021**	**Change**
SMPC	32,400	11,448	183%
SCPC	5,131	3,433	49%
SLPGC	2,482	1,446	72%
Others	14	6	133%
Core Net Income	**40,027**	**16,333**	**145%**
Nonrecurring Items	(156)	(133)	17%
Reported Net Income	**39,871**	**16,200**	**146%**
EPS (reported)	**9.38**	**3.81**	**146%**

FY 2022 vs FY 2021 Consolidated Highlights

- The SMPC Group set a new annual profit record after more than doubling (146%) its bottom line from P16.2 billion to P39.9 billion. This translated to an earnings per share of P9.38 and a return on equity of 73%, the highest among power and mining peers for the year.

  Its outstanding performance was mainly attributed to the combined effect of all-time high coal production, market pivot strategies for its coal and power businesses, elevated market prices and favorable forex rates.

  Other income soared by 116% from P578 million to P1.25 billion, primarily due to foreign exchange gains from its coal exports (in US$) and Japan imports (in JP¥). Net forex gain stood at P1.00 billion, nearly three-fold (196%) from P340 million in 2021. Year-on-year US$/PHP surged 11% from US$1:PHP 50.77 in December 2021 to US$1:PHP 56.12 in December 2022, and peaked at US$1:PHP 58.91 in September 2022.

  Tax expense swelled by nearly twelvefold (1,034%) from P212 million to P2.40 billion, primarily due to the accrual of year 2020 tax expense for the deferral of Molave mine's income tax holiday (ITH), higher standalone SCPC taxable income and expiry of SLPGC's ITH.

  The Board of Investments recently approved the correction of the ITH availment period of Molave mine, which was originally set to expire in October 2022. The approval effectively extends SMPC's ITH status up to October 2023, subject to the payment of its 2020 tax due (without the ITH incentive) of P897 million and related interest.

  Excluding nonrecurring losses of P133 million on remeasurements following CREATE law enactment in 2021 and asset write-down of P156 million for the SLPGC 2x25 MW gas turbines in 2022, core net income expanded by 145% from P16.33 billion to P40.03 billion.

  The P156 million-nonrecurring loss in 2022 pertains to the write-down of SLPGC's 2x25MW gas turbines, to reflect the difference between its book value and estimated net selling price.

- Coal core contribution surged by 183%, while SCPC and SLPGC registered double-digit growths at 49% and 72%, respectively.

- Bulk of the consolidated core net income came from coal (81%), followed by SCPC (13%) and SLPGC (6%).

- The Group maintained a strong cash balance of P20.06 billion and a net cash position, as debt levels dropped by 32% from P15.07 billion to P10.20 billion. A total of P46.83 billion was paid in royalties (P15.70 billion), capex (P4.31 billion), debt and interest payments (P5.57 billion) and dividend payout (P21.25 billion) during the period.

- Even after all the above-cited payments, balance sheet remained very healthy as current ratio (liquidity) improved from 1.85x to 2.91x, debt ratio dropped from 0.57x to 0.36x and BVPS surged by 41% from 10.73 to 15.12.

FY 2022 vs FY 2021 Segment Performance

Coal

Standalone revenues accelerated by 86% from P40.86 billion to P76.18 billion on higher selling prices, and boosted by favorable foreign exchange rates. Reported net income more than doubled (149%) owing to better operating margins.

Net of intercompany eliminations, reported net income contribution expanded nearly threefold (184%) from P11.42 billion to P32.40 billion, following a 19-percent increase in eliminating entries from P3.02 billion to P3.59 billion. The improvement was attributable to higher margins and SLPGC utilization of lower-grade coal.

Eliminating entries reflect gross margins from intercompany transactions between the coal and power segments.

The above results are due to the following:

- **Elevated selling prices.** Semirara coal ASP sizzled by 91% from P2,695 per metric ton (MT) to P5,136 per MT on elevated market indices and the company's strategic pivot to domestic and other Asian markets.

  Average Newcastle index (NEWC) surged by 162% from \$137.3 to \$360.2, peaking at \$452.8 on September 9 before ending the year at \$398.50. Average Indonesian Coal Index (ICI4) grew at a slower pace (32%) from \$65.3 to \$85.9, and ended the year at \$90.45 .

- **Lower sales.** Shipments slightly declined (-3%) from 15.2 MMT to 14.8 MMT, mainly due to weaker demand from Chinese buyers.

  Semirara coal exports dropped by 24% from 9.4 MMT to 7.1 MMT. China sales fell by 55 % from 8.9 MMT to 4.0 MMT, but sale to other foreign buyers improved more than 6x (520%) from 0.5 MMT to 3.1 MMT.

  China accounted for 56% of foreign shipments, followed by South Korea (31%), Thailand (7%), Cambodia (2%), Vietnam (2%), Brunei (1%) and India (1%).

  Domestic sales expanded by 33% from 5.8 MMT to 7.7 MMT mainly due to the company's strategic pivot away from China and stronger demand from SLPGC.

  Coal shipments to other power plants skyrocketed by 83% from 1.8 MMT to 3.3 MMT while sale to own plants rose by 13% from 2.3 MMT to 2.6 MMT. Sale to industrial and cement plants stood at 1.8 MMT, 6% higher than 1.7 MMT in 2021.

- **Better EBITDA margin.** Core EBITDA more than doubled (115%) from P18.35 billion to P39.44 billion, which translated to higher Core EBITDA margin from 45% to 52%.

  The margin expansion was due to the combined effect of stronger topline, slower growth in cost of sales (COS) – cash component and higher government share.

COS – cash increased by 27% from P15.67 billion to P19.96 billion largely due to a 71-percent increase in fuel costs from P5.31 billion to P9.05 billion. Fuel costs accounted for 48% of total COS-cash costs, versus 36% the previous year.

Government share surged by 151% from P6.36 billion to an all-time high of P15.96 billion.

- **Favorable foreign exchange rate.** The segment booked P1.02 billion in net forex gain following a 11-percent jump in average US$/PHP exchange rate from US$: PHP49.3 to US$:PHP 54.5.

- **Higher tax expenses.** Tax expense swelled more than 20x (1,918%) from P60 million to P1.21 billion owing to the accrual of income tax expense of P897 million for year 2020 in relation to the deferral of Molave mine's income tax holiday (ITH).

The segment also reported the following operational highlights:

- **All-time high production.** Production rose by 12% from 14.3 MMT to 16 MMT, which is the maximum allowable volume under the company's Environmental Compliance Certificate. Good weather conditions, sustained water seepage management and better-than-expected strip ratio led to the record high production.

- **Better strip ratio.** Strip ratio was at 9.9, 10% lower than last year (11.0) and 8% below the expected level for 2022 (10.8). The improved strip ratio was attributable to the near-depletion of East Block 4 and South Block 5 (both in Molave mine), together with the reduced water seepage level in the area.

- **Double-digit inventory growth.** Ending high-grade coal inventory grew by 22% from 0.9 MMT to 1.1 MMT on robust production and slightly lower shipments. Including lower grade coal, inventory increased by 67% from 1.2 MMT to 2.0 MMT.

Power

Standalone net income of the power segment more than doubled (117%) from P1.78 billion to P3.86 billion, largely driven by better selling prices, more spot sales and lower replacement power purchases.

Net of intercompany eliminations, the segment's net income contribution rose by 56% from P4.78 billion to P7.46 billion on better margins.

The above results are due to the following:

- **Reduced plant availability, average capacity and gross generation.** Overall plant availability dipped (-2%) from 63% to 62%, as the 54-day increase in SCPC outage days (412 days vs 358 days in 2021) was moderated by the 34-day decrease in SLPGC outage days (143 days from 177 days in 2021). In turn, better SLPGC availability (from 76% to 80%) cushioned the effect of lower SCPC availability (from 51% to 44%).

  Total average capacity fell by 5% from 749 MW to 708 MW because of the deration of SCPC Unit 2 from 230 MW to 190 MW (average dependable capacity).

  Gross generation dropped by 6% from 3,959 GWh to 3,729 GWh on the combined effect of lower plant availability and average capacity. SLPGC contributed bulk (54%) of total generation (versus 48% last year) on better operating performance.

- **Weaker power sales.** Reduced power generation led to an 11-percent decline in total power sales from 4,032 GWh to 3,596 GWh. BCQ sales sustained a 43-percent drop from 3,004 GWh to 1,715 GWh, cushioned by an 83-percent upsurge in spot sales from 1,028 GWh to 1,881 GWh. Spot sales accounted for 52% of power sales (vs. 25% last year) due to lower contracted capacity.

- **Higher spot exposure.** At the beginning of 2022, the segment had 345.65MW or 64% of running dependable capacity (540MW) uncontracted and available for spot selling.

  By the end of 2022, spot exposure widened by 56% to 540.85 MW due to the commercial operation of SCPC Unit 2 on October 9. This represents 74% of the segment's total dependable capacity (730MW).

- **Robust selling prices.** Overall ASP rallied by 38% from P4.11/KWh to P5.67/KWh mainly due to elevated spot prices.

  Persistent red and yellow alerts, elevated fuel prices and thin supply margins led to a 53-percent jump in average spot prices in the Luzon-Visayas grid, from P4.83/KWh to P7.39/KWh.

  BCQ ASP firmed up by 2% from P3.64/KWh to P3.71/KWh owing to fixed prices in the companies' power supply agreements, while Spot ASP rose by 35% from P5.51/KWh to P7.46/KWh.

SCPC standalone revenues expanded by 27% from P9.27 billion to P11.75 billion mainly due to higher selling prices. Reported net income grew more than six times (533%) from P474 million to P3.00 billion on better topline and lower cash costs.

Net of intercompany eliminations, net income contribution from SCPC jumped by 54% from P3.33 billion to P5.13 billion. To further explain:

- **Weak plant performance.** Overall plant availability fell by 14% from 51% to 44% on higher outage days for both plants (412 days in 2022 vs 358 days in 2021). Unit 1 availability declined by 14% from 85% to 73%, while Unit 2 availability retreated by 13% from 16% to 14%.

  Average capacity declined by 9% from 465 MW to 422MW on the deration of SCPC Unit 2 from 230 MW to 190 MW (average dependable capacity) post-GE works.

  Consequently, gross generation slumped by 17% from 2,067 GWh to 1,712 GWh. Unit 1 accounted for 86% of generation (from 84% last year) owing to better availability and capacity (compared to Unit 2).

- **Anemic sales**. Power sales shrank by 19% from 2,023 GWh to 1,639 GWh on lower gross generation, contracted capacity and replacement power volume.

- **More spot sales.** Spot sales accelerated by 90% from 727 GWh to 1,378 GWh due to high level of uncontracted capacity and the commercial operations of Unit 2 in October 2022. Spot sales accounted for 84% of total sales, a marked increase from 36% last year.
- **Better selling prices.** Overall ASP climbed by 57% from P4.58/KWh to P7.17/KWh on the combined effect of higher spot prices and fuel pass-through of some BCQ sales.

  In turn, BCQ ASP improved by 44% from P4.12/KWh to P5.94/KWh, while spot ASP increased by 37% from P5.41/KWh to P7.40/KWh.

- **Higher spot buys.** Replacement power expenses jumped by 40% from P392 million to P549 million due to simultaneous plant outages in Q4 and higher spot prices.
- **Lower cash costs.** Cash costs declined by 10% from P6.72 billion to P6.04 billion on lower generation and sales, combined with higher power plant maintenance and insurance costs.

SCPC also reported the following operational highlights:

- **More contracts.** Year-end contracted capacity more than doubled (122%) from 20.45 MW to 45.45 MW. More than half (55%) of the 2022 contracts have fuel pass-through provisions.

- **Net Seller.** SCPC remained a net seller, with volume more than doubling (104%) from 644 GWh to 1,312 GWh.

- **Ample uncontracted capacity.** As of December 31, 2022, bulk (89%) of running dependable capacity (430 MW) is available for spot selling (384.55 MW).

SLPGC standalone revenues grew by 18% from P7.32 billion to P8.65 billion mainly due to improved plant availability, higher spot exposure and better selling prices. Net income declined by 34% from P1.31 billion to P865 million pesos on higher cash costs, tax provisions and asset write-down.

Net of intercompany eliminations, SLPGC net income accelerated by 61% from P1.45 billion to P2.33 billion due to the combined effect of the following:

- **Mixed plant results.** Overall plant availability improved from 76% to 80% because of lower outage days (143 days vs 177 days in 2021).
  Unit 1 showed a 27-percent improvement in availability from 66% to 84%. However, Unit 2 dropped by 10% from 86% to 77% due to the deferment of its Q4 2021 planned outage to Q1 2022.

  Average capacity was mostly flat (1%) from 284MW to 286GW as the improvement in Unit 1 capacity (+9MW) was offset by the reduced capacity of Unit 2 (-7MW).

  Gross generation rose by 7% from 1,892 GWh to 2,017 GWh because of Unit 1, whose gross generation jumped by 36% from 780 GWh to 1,060 GWh. Meanwhile, Unit 2 output fell by 14% from 1,112 GWh to 957 GWh.

  Unit 1 contributed 53% of total generation vs. 41% in 2021.

- **Lower power sales.** Total power sales slipped by 3% from 2,009 GWh to 1,957 GWh on lower contracted capacity and replacement power volume. 2021 sales included dispatch from the 2x25MW gas turbines (GT). Excluding sales from the GT's, total power sales fell by 2% from 1,984 GWh to 1,954 GWh.
  Spot market exposure expanded by 24% from 126.10MW to 156.30 MW following the expiry of a 50MW contract on December 25, 2022. BCQ sales went down by 15% from 1,708 GWh to 1,454 GWh, while spot sales jumped by 67% from 301 GWh to 503 GWh.

  As of year-end, almost half (143.70 MW) of its 300 MW dependable capacity has been contracted with no fuel pass-through provision in place. SLPGC was a net market seller at 344 GWh (vs net market buyer 3 GWh in 2021)

- **Better ASP.** Overall ASP climbed by 21% from P3.64/KWh to P4.42/KWh following a strategic pivot to spot sales, coupled with better market prices.

  BCQ ASP was flattish (1%) from P3.27/KWh to P3.31/KWh, while spot ASP surged by 33% from P5.74/KWh to P7.62/KWh mainly due to tight supply margins, higher fuel costs and prolonged outages of several baseload plants.

- **Steeper cash cost.** While replacement power purchases fell by 26% from P1.64 billion to P1.22 billion on lower contracted obligations and better plant performance, cash costs rose by 34% from P4.58 billion to P6.15 billion owing to elevated fuel costs, maintenance activities and insurance costs.

- **Higher taxes.** Income taxes swung from P2 million tax benefit to P201 million tax provision following the expiration of its ITH at the end of 2021.

- **More eliminating entries.** Intercompany eliminating entries jumped by 61% from P1.45 billion to P2.33 billion because of better plant availability, higher fuel consumption and higher margins.

- **Absence of GT sales.** Excluding revenues contributed by the 2x25 MW gas turbines last year, revenues expanded by 25% from P6.87 billion to P8.61 billion.

In 2021, GTs 1 and 2 served as peaking plants, selling exclusively to the spot market before both went on outage on January 22 and February 10, 2022, respectively.

- **Asset write-down**. Management has ongoing negotiations to sell the GTs, and has received approvals from the Department of Energy and other regulatory agencies for the asset decommissioning.

  In accordance with PFRS 5, the equipment was revalued to reflect the price difference between its book value and estimated net selling price. This resulted in a write-down (nonrecurring loss) of P156 million and a reclassification of the long-term asset as Assets Held for Sale.

CAPEX
Group capex grew by 10% on SCPC's planned maintenance activities.

In Php billions	2022	2021	Change
Coal	2.5	2.5	0%
SCPC	1.2	0.8	50%
SLPGC	0.6	0.6	0%
Total	**4.3**	**3.9**	**10%**

For 2023, the Group is projecting a 42-percent increase in capital spending to sustain its operations. Bulk of the spending will go to the coal segment to replace old mining equipment and acquire additional ones to boost material handling capacity and improve cost efficiency. The rest will be used for power plant maintenance activities.

In Php billions	2023F	2022	Change
Coal	4.1	2.5	64%
SCPC	1.3	1.2	8%
SLPGC	0.7	0.6	17%
Total	**6.1**	**4.3**	**42%**

Market Review and Outlook

Coal

In the fourth quarter alone, average Newcastle price (NEWC) doubled (106%) from US$183.9 to US$379.5, while Indonesian Coal Index 4 (ICI4) price slipped by 2% from US$ 92.7 to $ 90.5 as a result of the Indonesian price cap and China pivot to heavily discounted Russian coal.

Full-year average NEWC advanced even faster (162%) from US$137.3 to $360.2, while ICI4 ascended more slowly (32%) from US$65.3 to US$85.9.

For 2023, global coal price indices are expected to consolidate as key markets face easing energy crisis, high inventories from aggressive stockpiling, warmer-than-expected winter, slow economic recovery and influx of steeply-discounted Russian coal.

NEWC is seen to become more volatile and primed for a correction compared to ICI given the former's EU exposure and the latter's focus on Asian markets. In turn, the divergence between the two indices is expected to narrow during the year.

With Semirara coal pricing mostly derived from ICI, Management expects its ASP to be more stable, hovering below the 2022-level but still above pre-pandemic level. Meanwhile, it expects average NEWC (2023F) to ease from US$360 to around US$200.

Power

Q4 average spot prices in the Luzon-Visayas grid jumped by 45% from P5.79/KWh to P8.41/KWh mainly due to higher fuel costs and multiple plant outages from October to November 2022.

Full-year spot prices surged by 53% from P4.83/kWh to P7.39/kWh on growing electricity demand and limited baseload capacity.

For 2023, spot prices are expected to remain elevated (~P7.10/kWh), with some upside potential, given growing demand and limited baseload capacity entering the market in 2023 (~300MW).

II. Explanation on movements of accounts

A. Consolidated Statement of Income

Revenue
Consolidated revenue soared by 74% from P52.4 billion in 2021 to a record-high of P91.1 billion in 2022 owing mainly to elevated market prices, market pivot strategies of both coal and power segments and favorable forex rates.

Cost of Sales
Cost of sales jumped by 13% mainly due to higher fuel costs for coal operations which was partially offset by the decrease in spot purchases of the power segment.

Operating Expenses
Operating expenses surged to P20.0 billion in 2022 as government royalties grew to P16.0 billion, more than doubled of last year's P6.4 billion due to the all-time high performance of the coal business. Excluding government royalties, operating expenses incurred rose by 37% to P4.0 billion due to higher maintenance, insurance and personnel costs, recognition of loss on asset write-down and accrual of interest relative to the deferral of Molave mine's income tax holiday (ITH).

Finance Cost
Consolidated finance costs fell by 12% to P858 million following the repayment of bank loans.

Finance Income
Consolidated finance income swelled more than 18x (1,734%) to P413 million due to higher placements and interest rates.

Forex Gain
Forex gains expanded by 196% owing to higher forex rates and higher dollar-denominated short-term placements during the year.

Other Income
Other income increased by 1% due to higher fly ash sales.

Provision for Income Tax
Income taxes grew more than 6x (581%) from P345 million to P2.4 billion owing to higher taxable income following the remarkable performance of SCPC and the expiration of SLPGC's ITH last year. The accrual of P897 million income tax expense for 2020 in relation to the deferral of Molave mine's ITH further contributed to the increase in tax provisions for 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 P87.1 billion and P64.3 billion, respectively as of December 31, 2022. This is an improvement of 22% and 41%, respectively.

Consolidated cash and cash equivalents surged by 144% from P8.2 billion in December 31, 2021 to P20.1 billion in December 31, 2022 due to higher cash generated from operations after loan repayments, capital expenditures and all-time high dividends and government royalties .

Receivables rose by 47% from P6.9 billion to P10.2 billion in 2022 due to higher revenue and due to timing of collection during the period.

Consolidated inventories increased by 20% to P12.7 billion due to higher coal inventory and spare parts.

Other current assets slipped by 7% to P1.1 billion due mainly to the application of tax credits to income tax payable during the year.

The Group reclassified its 2x25 MW gas turbine as an "Asset held for sale" upon its assessment that its value will be recovered principally through a sale transaction rather than continuing use. In accordance with PFRS 5, the asset is carried at its fair value less costs to sell which resulted to a write-down of P156 million.

Property, plant and equipment stood at P41.0 billion, 5% down from P43.1 billion last year as depreciation and amortization more than offset capital expenditures for 2022. The reclassification of gas turbine to "Asset held for sale" further pulled down the balance of the account.

Right-of-use assets declined by 15% due to amortization recognized for 2022.

Deferred tax assets dropped by 13% mainly due to the separate presentation of the Parent Company's deferred income tax. In 2022, the deferred tax effect of SMPC's unrealized foreign exchange gains is significantly higher than its deferred tax assets resulting to net deferred tax liabilities of P125 million.

Other noncurrent assets dipped by 30% due mainly to realization of deferred input VAT and recoupment of advances to suppliers and contractors.

Accounts and other payables grew by 7% owing mainly to timing of payments to suppliers and contractors, higher government royalties to DOE and accrual of interest relative to the deferral of Molave mine's income tax holiday (ITH).

Long-term debts contracted by 32% to P10.2 billion following bank loan repayments.

Lease liabilities (current and noncurrent) fell by 20% due to payments made in 2022.

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 increased by 17% following accrual of retirement expense for the year.

Decrease in other noncurrent liabilities pertain to amortization of deferred rent income of SLPGC.

Consolidated retained earnings stood at P54.2 billion at year-end, 52% up from P35.6 billion at the close of 2021 after generation of P39.9 billion net income and declaration of P21.3 billion SMPC Parent dividends. The amount also includes appropriated retained earnings of P6.8 billion as of and for the years ended December 31, 2022 and 2021.

III. Performance Indicators

1. Net income after tax – record-high performance of the coal segment coupled with significant improvement in power segment pushed up consolidated net income after tax by 146%.

2. Dividend payout – record-high profitability and remarkable liquidity enables the company to declare P3.50 per share special dividends on October 17, 2022, on top of the P1.50 per share regular dividends declared last March 31, 2022. Total dividend payout to shareholders for 2022 reached an all-time high of P21.3 billion.

3. Debt to equity ratio (interest bearing loans) - DE ratio dropped to 0.16 at the end of 2022 from 0.33 last year due to bank loan repayment and higher net income.

4. Core EBITDA margin – from 44% in 2021 to 52% in 2022 due mainly to all-time high coal production and favorable market conditions for both coal and power segment resulting in elevated market prices.

5. Current ratio – cash position remains healthy despite capex, all-time high dividends and loan payments. As of December 31, 2022, current ratio improved to 2.91:1 compared to 1.85:1 as of December 31, 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 P 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.

<u>Power</u>

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 P 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.

Power

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.

B. INFORMATION ON INDEPENDENT ACCOUNTANT AND OTHER RELATED MATTERS

The external auditors of SMPC and its Subsidiaries 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 has engaged the services of SGV as external auditor of the SMPC, and Jennifer D. Ticlao is the Partner-In-Charge starting 2022 audit period given the required audit partner rotation every five years.

On February 27, 2023, the Board of Directors of SMPC, upon recommendation of its Audit Committee, approved and recommended the re-appointment of SGV, subject to the stockholders' approval, as SMPC's Independent External Auditor for the fiscal year 2023.

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	
2022	7.97[3]
2023	8.40[4]
Total	16.37[5]

[3] Includes Subsidiaries audit fees of P4.5 million.
[4] Includes Subsidiaries audit fees of P4.7 million.
[5] Audit and non-audit-related fees; no fees for other assurance and related services were paid.

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 2023, non-audit fees paid to SGV amounted to P168,000.00 for engagement in performing as an independent party to count and/or validate the votes at the Annual Stockholders' Meeting. There are no significant fees paid in 2023 for products and services provided by SGV other than services reported 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 an 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 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 SMPC are Ferdinand M. dela Cruz as Chairman while Roberto L. Panlilio and Francisco A. Dizon are Members.

PART 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

In 2023, SMPC was recognized as an Asset Class awardee by the ASEAN Capital Market Forum (ACMF), together with the Asian Development Bank (ADB) and Institute of Corporate Directors (ICD) Philippines for its corporate governance practices along with other top-ranking Philippine publicly listed companies. Also, in the recent ASEAN Corporate Governance Scorecard (ACGS) Awards, SMPC received the three Golden Arrow recognition. We continue to be among PLCs which achieved a score of 97 points and higher in the country and the region, which shows how we stand by the values and pillars embedded in our corporate governance framework.

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 2023, 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 2023, 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 2023, 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 2023, 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 2023, 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 integrity 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 2, 2023 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 Chief Risk Officer (CRO) leads the overall implementation and enhancement of our ERM framework and practices. Our Risk and Quality Management (RQM) Department provides full support to the CRO 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 among others.

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

SEMIRARA MIINING AND POWER CORPORATION
LIST OF TOP 100 SHAREHOLDERS
AS OF MARCH 12, 2024

No.	Last Name	First Name	Middle Name	Shares (Sum)	Percentage
1	DMCI HOLDINGS INC.			2,407,770,396	56.65%
2	PCD NOMINEE CORPORATION (FILIPINO)			801,128,157	18.85%
3	DACON CORPORATION			542,067,778	12.75%
4	PCD NOMINEE CORPORATION (FOREIGN)			172,615,005	4.06%
5	PRIVATIZATION AND MANAGEMENT OFFICE			145,609,296	3.43%
6	DFC HOLDINGS INC.			82,364,916	1.94%
7	AUGUSTA HOLDINGS INC.			23,243,622	0.55%
8	FREDA HOLDINGS INC.			18,640,092	0.44%
9	REGINA CAPITAL DEVELOPMENT CORP.			13,200,000	0.31%
10	BERIT HOLDINGS CORPORATION			9,290,592	0.22%
11	MERU HOLDINGS INC			6,854,198	0.16%
12	DAVEPRIME HOLDINGS INC.			5,622,789	0.13%
13	GREAT TIMES HOLDINGS CORP.			4,635,704	0.11%
14	ARTREGARD HOLDINGS INC.			3,390,390	0.08%
15	F. YAP SECURITIES INC.			2,760,000	0.06%
16	GARCIA	JAIME	B.	2,193,768	0.05%
17	TASHIDING HOLDINGS INC.			1,832,400	0.04%
18	WINDERMERE HOLDINGS INC.			1,192,648	0.03%
19	SAN JUAN	ROMULO	D.	800,000	0.02%
20	VENDIVEL	OLGA	P.	720,000	0.02%
21	CAROUSEL HOLDINGS INC.			500,000	0.01%
22	FLASHPRIME HOLDINGS INC.			270,364	0.01%
23	GO JR. JOSE YU OR NGIE JOAN GO			230,000	0.01%
24	DIRECTPOINT HOLDINGS INC			223,944	0.01%
25	JABBERWOCK HOLDINGS INC.			191,828	0.00%
26	TEAM GLADIOLA INC.			183,135	0.00%
27	AMATONG	ISAGANI	S.	166,800	0.00%
28	TENG	CHING BUN		135,000	0.00%
29	XINIMA ZHA			128,000	0.00%
30	TAN	ALEXANDER	LAPUZ	121,000	0.00%
31	REYES	JOSEFA	C.	120,000	0.00%
32	AGILEWINGS HOLDINGS INC.			110,000	0.00%
33	ASTERION HOLDINGS INC.			110,000	0.00%
34	LIGHTSTAR INFINITE HOLDINGS INC.			110,000	0.00%
35	LUMIDERM HOLDINGS INC.			110,000	0.00%
36	HENRY CHUSUEY OR ANNA LISSA CHUSUEY			100,000	0.00%
37	XIE	BIHUI		82,500	0.00%
38	YAN LUCIO W. YAN &/OR CLARA Y.			80,000	0.00%
39	CHEN	XIAOER		72,000	0.00%
40	ROSARIO VICTOR J. DEL ROSARIO OR MA. RITA S. D			72,000	0.00%
41	AKIDAGAIN HOLDINGS INC.			60,516	0.00%
42	YEBES	ROLANDO	E.	60,000	0.00%
43	CHEN	SHU ZHU		58,630	0.00%
44	NARANJO	LORNA	J.	57,140	0.00%
45	ZHUANG	YUANPENG		56,000	0.00%
46	IBANEZ	ANGELICA S.J		55,000	0.00%
47	HO	DORIS TERESA	M.	46,080	0.00%
48	IBANEZ	ANGELICA SJ.		45,000	0.00%
49	INTERNATIONAL SYNTHETIC INDUSTRIES INC.			45,000	0.00%
50	MARANA MIGUEL DE CASTRO OR BITUIN DE CASTR			41,160	0.00%
51	RUFINO	JOSEFINA	P.	40,880	0.00%
52	GAHUMAN	KRIZZA RICA	O.	40,000	0.00%
53	ZHUANG	YUANHAN		39,200	0.00%

54	CID	JOHANNA THERES/	A.	35,100	0.00%
55	AMATONG	ANTOINETTE MAR		32,400	0.00%
56	AMATONG	ADRIAN MICHAEL	A.	32,400	0.00%
57	MARANA JR.	CENON	BIENVENIDO	32,400	0.00%
58	RANILLO	ANNA MICHELLE	A.	32,400	0.00%
59	XIE	XINGXIA		32,400	0.00%
60	FRANCISCO	ERNESTO	A.	30,000	0.00%
61	BAUTISTA	JOHN	A.	27,600	0.00%
62	KE	CONGMING		24,000	0.00%
63	WU YI-YING			21,400	0.00%
64	YEBES	ROLANDO	ENRIQUEZ	20,520	0.00%
65	JOSE SEMENARIO E. JOSE OR MARIA LUNINGNING			20,000	0.00%
66	RUFINO	JOSEFINA	P.	20,000	0.00%
67	SEMENARIO E. JOSE OR MARIA LUNINGNING A. JOS			20,000	0.00%
68	MONTET	VIVIAN	THOMAS	18,000	0.00%
69	DIAZ	FERDINAND	T.	15,000	0.00%
70	MARANA	MIGUEL DC		14,400	0.00%
71	FRANCISCO	MA. DEL PILAR	PUEO	12,240	0.00%
72	GARCIA	EXEQUIEL		12,240	0.00%
73	LAPERAL MA. EDWINA C. ITF MIGUEL DAVID C. LAF			12,000	0.00%
74	MADERA	GREGORIO		12,000	0.00%
75	GURPREET SINGH GREWAL			10,520	0.00%
76	SCHUBERT	FILIP SEBASTIAN		10,000	0.00%
77	OLIZON	ANTONIO	C.	9,360	0.00%
78	CATHAY ASIA SEC. INC.			9,120	0.00%
79	PATTUGALAN	ROLANDO	I.	9,120	0.00%
80	VILLANUEVA	MYRA	P.	8,000	0.00%
81	TANCO	GERALDINE	K.	7,425	0.00%
82	TANCO	MARTIN	K.	7,425	0.00%
83	TANCO	PATRICK	K.	7,425	0.00%
84	TANCO	RONALD	K.	7,425	0.00%
85	LIM	IRIS VERONICA	G.	7,000	0.00%
86	NARANJO	ROMEO VINCY	J.	6,960	0.00%
87	ADOLFO R. REYES &/OR PEREGRINA Z. REYES			6,000	0.00%
88	ROWENA Z. REYES &/OR ADOLFO II Z. REYES			6,000	0.00%
89	LAYA JAIME C. &/OR ALICIA S. LAYA			5,520	0.00%
90	REYES-LAO	HONORIO	O.	4,000	0.00%
91	AQUINO	ESTRELLA	O.	3,600	0.00%
92	REINOSO	RAYMUNDO		3,600	0.00%
93	SANTAMARIA	CARMELITA	E.	3,600	0.00%
94	STEPHEN T. TEO &/OR TERESITA R. TEO			3,200	0.00%
95	CHUA	TIAN POH		3,000	0.00%
96	HIDALGO SIMEON A. &/OR FREDESVINDA B. HIDAL			2,400	0.00%
97	CHAN	AARON FRANCIS	ONG	2,020	0.00%
98	BONE	GERALD	F.	1,800	0.00%
99	BUHAIN	DOMINADOR		1,800	0.00%
100	CALDERON	EMMANUEL		1,800	0.00%

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 : SCC000000000 To : SCC000000000 Input Date : 03/12/2024

BPNAME	ADDRESS	HOLDINGS
A & A SECURITIES, INC.	[redacted]	1,701,000.00
A & A SECURITIES, INC.	[redacted]	755,500.00
A & A SECURITIES, INC.	[redacted]	2,959.00
A. T. DE CASTRO SECURITIES CORP.	[redacted]	1,146,100.00
AAA SOUTHEAST EQUITIES, INCORPORATED	[redacted]	1,300.00
AAA SOUTHEAST EQUITIES, INCORPORATED	[redacted]	1,305,200.00
AB CAPITAL & INVESTMENT CORP. - TRUST & INVESTMENT DIV.	[redacted]	1,700.00
AB CAPITAL & INVESTMENT CORP. - TRUST & INVESTMENT DIV.	[redacted]	2,781,638.00
AB CAPITAL SECURITIES, INC.	[redacted]	753,440.00
AB CAPITAL SECURITIES, INC.	[redacted]	15,741,910.00
AB CAPITAL SECURITIES, INC.	[redacted]	138,851.00

BPNAME	ADDRESS	HOLDINGS
ABACUS SECURITIES CORPORATION	[redacted]	200.00
ABACUS SECURITIES CORPORATION	[redacted]	4,943,224.00
ABACUS SECURITIES CORPORATION	[redacted]	149,950.00
ABACUS SECURITIES CORPORATION	[redacted]	2,932,000.00
ALAKOR SECURITIES CORPORATION	[redacted]	127,700.00
ALAKOR SECURITIES CORPORATION	[redacted]	17,000.00
ALPHA SECURITIES CORP.	[redacted]	39,300.00
ANSALDO, GODINEZ & CO., INC.	[redacted]	800,860.00
AP SECURITIES INCORPORATED	[redacted]	149,900.00
AP SECURITIES INCORPORATED	[redacted]	2,385,900.00
AP SECURITIES INCORPORATED	[redacted]	53,900.00
APEX PHILIPPINES EQUITIES CORPORATION	[redacted]	36,000.00

BPNAME	ADDRESS	HOLDINGS
ASIA PACIFIC CAPITAL EQUITIES & SECURITIES CORP.	[redacted]	21,300.00
ASIA UNITED BANK - TRUST & INVESTMENT GROUP	[redacted]	217,400.00
ASIASEC EQUITIES, INC.	[redacted]	1,217,280.00
ASTRA SECURITIES CORPORATION	[redacted]	110,000.00
AURORA SECURITIES, INC.	[redacted]	130,000.00
AURORA SECURITIES, INC.	[redacted]	1,200.00
B. H. CHUA SECURITIES CORPORATION	[redacted]	120,300.00
B. H. CHUA SECURITIES CORPORATION	[redacted]	75,000.00
B. H. CHUA SECURITIES CORPORATION	[redacted]	20,000.00
BA SECURITIES, INC.	[redacted]	63,620.00
BA SECURITIES, INC.	[redacted]	80,000.00
BA SECURITIES, INC.	[redacted]	25,500.00

BPNAME	ADDRESS	HOLDINGS
BANCO DE ORO - TRUST BANKING GROUP	[redacted]	1,022,030.00
BANCO DE ORO - TRUST BANKING GROUP	[redacted]	6,212,700.00
BANK OF COMMERCE - TRUST SERVICES GROUP	[redacted]	38,595.00
BANK OF COMMERCE - TRUST SERVICES GROUP	[redacted]	177,900.00
BDO SECURITIES CORPORATION	[redacted]	20,813,613.00
BDO SECURITIES CORPORATION	[redacted]	60,876,699.00
BDO SECURITIES CORPORATION	[redacted]	310.00
BDO SECURITIES CORPORATION	[redacted]	2,712.00
BDO SECURITIES CORPORATION	[redacted]	813,300.00
BELSON SECURITIES, INC.	[redacted]	248,200.00
BELSON SECURITIES, INC.	[redacted]	9,049,100.00
BELSON SECURITIES, INC.	[redacted]	3,880,500.00

BPNAME	ADDRESS	HOLDINGS
BERNAD SECURITIES, INC.	[redacted]	632,000.00
BPI SECURITIES CORPORATION	[redacted]	127,705.00
BPI SECURITIES CORPORATION	[redacted]	97,750.00
BPI SECURITIES CORPORATION	[redacted]	21,787,586.00
BPI SECURITIES CORPORATION	[redacted]	67.00
CAMPOS, LANUZA & COMPANY, INC.	[redacted]	78,144.00
CENTURY SECURITIES CORPORATION	[redacted]	130,000.00
CHINA BANK SECURITIES CORPORATION	[redacted]	110,500.00
CHINA BANK SECURITIES CORPORATION	[redacted]	2,000,600.00
CHINA BANKING CORPORATION - TRUST GROUP	[redacted]	158,100.00
CHINA BANKING CORPORATION - TRUST GROUP	[redacted]	31,230.00
CHINA BANKING CORPORATION - TRUST GROUP	[redacted]	282,700.00

BPNAME	ADDRESS	HOLDINGS
CITIBANK N.A.	[redacted]	11,713,408.00
CITIBANK N.A.	[redacted]	4,929,632.00
CITIBANK N.A.	[redacted]	83,698,047.00
CLSA PHILIPPINES, INC.	[redacted]	12,000.00
COHERCO SECURITIES, INC.	[redacted]	21,240.00
COL Financial Group, Inc.	[redacted]	3,074,439.00
COL Financial Group, Inc.	[redacted]	65,436,402.00
COL Financial Group, Inc.	[redacted]	1,962,465.00
COL Financial Group, Inc.	[redacted]	306,590.00
COL Financial Group, Inc.	[redacted]	9,260,040.00
COL Inv Mgt Inc as Investment Company Adviser for Various Mutual Funds	[redacted]	60,220.00
CTS GLOBAL EQUITY GROUP, INC.	[redacted]	370,300.00

BPNAME	ADDRESS	HOLDINGS
CTS GLOBAL EQUITY GROUP, INC.	[redacted]	1,720,900.00
CUALOPING SECURITIES CORPORATION	[redacted]	324,980.00
CUALOPING SECURITIES CORPORATION	[redacted]	20,000.00
DA MARKET SECURITIES, INC.	[redacted]	433,400.00
DAVID GO SECURITIES CORP.	[redacted]	268,500.00
DAVID GO SECURITIES CORP.	[redacted]	4,078,000.00
DEUTSCHE BANK MANILA-CLIENTS A/C	[redacted]	805,798.00
DEUTSCHE BANK MANILA-CLIENTS A/C	[redacted]	4,211,739.00
DEUTSCHE BANK MANILA-CLIENTS A/C	[redacted]	2,340,000.00
DIVERSIFIED SECURITIES, INC.	[redacted]	969,300.00
DIVERSIFIED SECURITIES, INC.	[redacted]	252,000.00
DRAGONFI SECURITIES, INC.	[redacted]	62,000.00

BPNAME	ADDRESS	HOLDINGS
DRAGONFI SECURITIES, INC.	[redacted]	86,600.00
DRAGONFI SECURITIES, INC.	[redacted]	200.00
E. CHUA CHIACO SECURITIES, INC.	[redacted]	1,121,500.00
E. CHUA CHIACO SECURITIES, INC.	[redacted]	8,300.00
EAGLE EQUITIES, INC.	[redacted]	97,940.00
EAGLE EQUITIES, INC.	[redacted]	216,000.00
EAGLE EQUITIES, INC.	[redacted]	592,300.00
EAGLE EQUITIES, INC.	[redacted]	22,000.00
EAST WEST CAPITAL CORPORATION	[redacted]	600,000.00
EASTERN SECURITIES DEVELOPMENT CORPORATION	[redacted]	2,422,480.00
EASTWEST BANKING CORPORATION - TRUST DIVISION	[redacted]	484,200.00
EASTWEST BANKING CORPORATION - TRUST DIVISION	[redacted]	189,000.00

BPNAME	ADDRESS	HOLDINGS
EQUITIWORLD SECURITIES, INC.	[redacted]	8,960.00
EVERGREEN STOCK BROKERAGE & SEC., INC.	[redacted]	102,800.00
EVERGREEN STOCK BROKERAGE & SEC., INC.	[redacted]	72,080.00
EVERGREEN STOCK BROKERAGE & SEC., INC.	[redacted]	565,053.00
EVERGREEN STOCK BROKERAGE & SEC., INC.	[redacted]	15,000.00
F. YAP SECURITIES, INC.	[redacted]	300.00
F. YAP SECURITIES, INC.	[redacted]	8,900.00
F. YAP SECURITIES, INC.	[redacted]	634,490.00
F. YAP SECURITIES, INC.	[redacted]	68,500.00
F. YAP SECURITIES, INC.	[redacted]	19,600.00
FIDELITY SECURITIES, INC.	[redacted]	25,500.00
FIRST INTEGRATED CAPITAL SECURITIES, INC.	[redacted]	19,400.00

BPNAME	ADDRESS	HOLDINGS
FIRST METRO SECURITIES BROKERAGE CORP.	[redacted]	206,500.00
FIRST METRO SECURITIES BROKERAGE CORP.	[redacted]	30,647,829.00
FIRST METRO SECURITIES BROKERAGE CORP.	[redacted]	2,300.00
FIRST METRO SECURITIES BROKERAGE CORP.	[redacted]	118,800.00
FIRST METRO SECURITIES BROKERAGE CORP.	[redacted]	5,656,801.00
FIRST METRO SECURITIES BROKERAGE CORP.	[redacted]	111,440.00
FIRST ORIENT SECURITIES, INC.	[redacted]	11,000.00
FIRST ORIENT SECURITIES, INC.	[redacted]	206,400.00
FIRST ORIENT SECURITIES, INC.	[redacted]	120,000.00
FIRST ORIENT SECURITIES, INC.	[redacted]	68,740.00
G.D. TAN & COMPANY, INC.	[redacted]	43,020.00
G.D. TAN & COMPANY, INC.	[redacted]	101,700.00

BPNAME	ADDRESS	HOLDINGS
GLOBALINKS SECURITIES & STOCKS, INC.	[redacted]	35,900.00
GLOBALINKS SECURITIES & STOCKS, INC.	[redacted]	4,862,012.00
GLOBALINKS SECURITIES & STOCKS, INC.	[redacted]	1,000.00
GLOBALINKS SECURITIES & STOCKS, INC.	[redacted]	36,000.00
GLOBALINKS SECURITIES & STOCKS, INC.	[redacted]	174,537.00
GOLDEN TOWER SECURITIES & HOLDINGS, INC.	[redacted]	328,100.00
GOLDSTAR SECURITIES, INC.	[redacted]	434,600.00
GOVERNMENT SERVICE INSURANCE SYSTEM	[redacted]	2,000,018.00
GUILD SECURITIES, INC.	[redacted]	95,900.00
GUILD SECURITIES, INC.	[redacted]	329,000.00
GUILD SECURITIES, INC.	[redacted]	70,000.00
H. E. BENNETT SECURITIES, INC.	[redacted]	55,000.00

BPNAME	ADDRESS	HOLDINGS
HDI SECURITIES, INC.	[redacted]	129,920.00
HDI SECURITIES, INC.	[redacted]	37,100.00
HDI SECURITIES, INC.	[redacted]	3,000.00
I. B. GIMENEZ SECURITIES, INC.	[redacted]	22,840.00
IGC SECURITIES INC.	[redacted]	25,300.00
IGC SECURITIES INC.	[redacted]	5,406,860.00
IGC SECURITIES INC.	[redacted]	369,180.00
IMPERIAL,DE GUZMAN,ABALOS & CO.,INC.	[redacted]	10,100.00
IMPERIAL,DE GUZMAN,ABALOS & CO.,INC.	[redacted]	101,450.00
INTRA-INVEST SECURITIES, INC.	[redacted]	1,500.00
INTRA-INVEST SECURITIES, INC.	[redacted]	38,600.00
INTRA-INVEST SECURITIES, INC.	[redacted]	46,000.00

BPNAME	ADDRESS	HOLDINGS
INVESTORS SECURITIES, INC,	[redacted]	2,222,000.00
JAKA SECURITIES CORP.	[redacted]	553,300.00
JSG SECURITIES, INC.	[redacted]	57,700.00
LAND BANK OF THE PHILIPPINES-TRUST BANKING GROUP	[redacted]	78,800.00
LAND BANK OF THE PHILIPPINES-TRUST BANKING GROUP	[redacted]	20,000.00
LAND BANK OF THE PHILIPPINES-TRUST BANKING GROUP	[redacted]	280,600.00
LAND BANK OF THE PHILIPPINES-TRUST BANKING GROUP	[redacted]	78,410.00
LANDBANK SECURITIES, INC.	[redacted]	7,237,300.00
LANDBANK SECURITIES, INC.	[redacted]	5,000.00
LARRGO SECURITIES CO., INC.	[redacted]	62,000.00
LBP-TBG THIRD PARTY CUSTODIANSHIP & REGISTRY DEPT	[redacted]	2,188,200.00
LOPEZ, LOCSIN, LEDESMA & CO., INC.	[redacted]	63,968.00

BPNAME	ADDRESS	HOLDINGS
LOPEZ, LOCSIN, LEDESMA & CO., INC.	[redacted]	19,800.00
LUCKY SECURITIES, INC.	[redacted]	878,100.00
LUNA SECURITIES, INC.	[redacted]	40,000.00
LUNA SECURITIES, INC.	[redacted]	346,200.00
LUNA SECURITIES, INC.	[redacted]	38,700.00
LUYS SECURITIES COMPANY, INC.	[redacted]	11,000.00
LUYS SECURITIES COMPANY, INC.	[redacted]	784,700.00
MANDARIN SECURITIES CORPORATION	[redacted]	29.00
MANDARIN SECURITIES CORPORATION	[redacted]	720.00
MANDARIN SECURITIES CORPORATION	[redacted]	194,671.00
MAYBANK SECURITIES, INC.	[redacted]	379,400.00
MAYBANK SECURITIES, INC.	[redacted]	13,774,420.00

BPNAME	ADDRESS	HOLDINGS
MAYBANK SECURITIES, INC.	[redacted]	4,400.00
MAYBANK SECURITIES, INC.	[redacted]	4,444,480.00
MAYBANK SECURITIES, INC.	[redacted]	122,000.00
MBTC - TRUST BANKING GROUP	[redacted]	9,947,660.00
MBTC - TRUST BANKING GROUP	[redacted]	32,100.00
MBTC - TRUST BANKING GROUP	[redacted]	8,200.00
MBTC - TRUST BANKING GROUP	[redacted]	341,156.00
MBTC - TRUST BANKING GROUP	[redacted]	1,017,140.00
MBTC - TRUST BANKING GROUP	[redacted]	393,004.00
MDR SECURITIES, INC.	[redacted]	30,100.00
MDR SECURITIES, INC.	[redacted]	1,500.00
MDR SECURITIES, INC.	[redacted]	289,700.00

BPNAME	ADDRESS	HOLDINGS
MERCANTILE SECURITIES CORP.	[redacted]	18,900.00
MERCANTILE SECURITIES CORP.	[redacted]	234,400.00
MERIDIAN SECURITIES, INC.	[redacted]	33,000.00
MERIDIAN SECURITIES, INC.	[redacted]	487,540.00
MOUNT PEAK SECURITIES, INC.	[redacted]	140.00
NEW WORLD SECURITIES CO., INC.	[redacted]	15,000.00
OPTIMUM SECURITIES CORPORATION	[redacted]	1,247,380.00
PAN ASIA SECURITIES CORP.	[redacted]	152,000.00
PAPA SECURITIES CORPORATION	[redacted]	1,793,275.00
PAPA SECURITIES CORPORATION	[redacted]	1,505,619.00
PHILIPPINE EQUITY PARTNERS, INC.	[redacted]	19.00
PHILIPPINE EQUITY PARTNERS, INC.	[redacted]	1,366,560.00

BPNAME	ADDRESS	HOLDINGS
PHILSTOCKS FINANCIAL INC	[redacted]	145,900.00
PHILSTOCKS FINANCIAL INC	[redacted]	5,942,749.00
PHILSTOCKS FINANCIAL INC	[redacted]	90,312.00
PNB SECURITIES, INC.	[redacted]	16,560.00
PNB SECURITIES, INC.	[redacted]	2,234,350.00
PNB SECURITIES, INC.	[redacted]	27,500.00
PNB SECURITIES, INC.	[redacted]	24,560.00
PNB TRUST BANKING GROUP	[redacted]	1,192,304.00
PNB TRUST BANKING GROUP	[redacted]	2,457,940.00
PREMIUM SECURITIES, INC.	[redacted]	142,000.00
QUALITY INVESTMENTS & SECURITIES CORPORATION	[redacted]	547,384.00
R & L INVESTMENTS, INC.	[redacted]	6,600.00

BPNAME	ADDRESS	HOLDINGS
R. COYIUTO SECURITIES, INC.	[redacted]	775.00
R. COYIUTO SECURITIES, INC.	[redacted]	436,045.00
R. COYIUTO SECURITIES, INC.	[redacted]	45,000.00
R. NUBLA SECURITIES, INC.	[redacted]	7,485,400.00
R. NUBLA SECURITIES, INC.	[redacted]	152,000.00
R. NUBLA SECURITIES, INC.	[redacted]	9,734,040.00
R. S. LIM & CO., INC.	[redacted]	250,300.00
R. S. LIM & CO., INC.	[redacted]	1,000.00
RCBC SECURITIES, INC.	[redacted]	1,000.00
RCBC SECURITIES, INC.	[redacted]	167,300.00
RCBC SECURITIES, INC.	[redacted]	2,912,176.00
RCBC SECURITIES, INC.	[redacted]	118,700.00

BPNAME	ADDRESS	HOLDINGS
RCBC SECURITIES, INC.	[redacted]	26,093.00
RCBC TRUST CORPORATION	[redacted]	1,040,280.00
RCBC TRUST CORPORATION	[redacted]	1,311,700.00
RCBC TRUST CORPORATION	[redacted]	826,480.00
RCBC TRUST CORPORATION	[redacted]	585,500.00
RCBC TRUST CORPORATION	[redacted]	220,900.00
RCBC TRUST CORPORATION	[redacted]	86,180.00
REGINA CAPITAL DEVELOPMENT CORPORATION	[redacted]	36,000.00
REGINA CAPITAL DEVELOPMENT CORPORATION	[redacted]	7,004,600.00
REGINA CAPITAL DEVELOPMENT CORPORATION	[redacted]	118,900.00
REGINA CAPITAL DEVELOPMENT CORPORATION	[redacted]	4,431,840.00
REGINA CAPITAL DEVELOPMENT CORPORATION	[redacted]	27,000.00

BPNAME	ADDRESS	HOLDINGS
REGIS PARTNERS, INC.	[redacted]	653.00
REGIS PARTNERS, INC.	[redacted]	58,226,628.00
REGIS PARTNERS, INC.	[redacted]	1,911,900.00
RTG & COMPANY, INC.	[redacted]	1,962,460.00
S.J. ROXAS & CO., INC.	[redacted]	10,000.00
S.J. ROXAS & CO., INC.	[redacted]	3,200.00
S.J. ROXAS & CO., INC.	[redacted]	234,500.00
SALISBURY SECURITIES CORPORATION	[redacted]	50,000.00
SALISBURY SECURITIES CORPORATION	[redacted]	689.00
SARANGANI SECURITIES, INC.	[redacted]	24,600.00
SB EQUITIES,INC.	[redacted]	180,000.00
SB EQUITIES,INC.	[redacted]	1,990,488.00

BPNAME	ADDRESS	HOLDINGS
SB EQUITIES,INC.	[redacted]	2,635,800.00
SB EQUITIES,INC.	[redacted]	1,918,312.00
SB EQUITIES,INC.	[redacted]	465,500.00
SECURITIES SPECIALISTS, INC.	[redacted]	129,700.00
SINCERE SECURITIES CORPORATION	[redacted]	10,000.00
SOCIAL SECURITY SYSTEM	[redacted]	121,629,886.00
SOCIAL SECURITY SYSTEM	[redacted]	22,040,046.00
SOLAR SECURITIES, INC.	[redacted]	2,932,100.00
STANDARD CHARTERED BANK	[redacted]	75,024,101.00
STANDARD CHARTERED BANK	[redacted]	14,722,822.00
STANDARD SECURITIES CORPORATION	[redacted]	320,560.00
STRATEGIC EQUITIES CORP.	[redacted]	1,013,740.00

BPNAME	ADDRESS	HOLDINGS
STRATEGIC EQUITIES CORP.	[redacted]	695,300.00
SUMMIT SECURITIES, INC.	[redacted]	433,300.00
SUMMIT SECURITIES, INC.	[redacted]	1,935,420.00
SunSecurities, Inc.	[redacted]	596,500.00
SunSecurities, Inc.	[redacted]	60,000.00
TANSENGCO & CO., INC.	[redacted]	303,500.00
TANSENGCO & CO., INC.	[redacted]	14,000.00
THE FIRST RESOURCES MANAGEMENT & SECURITIES CORP.	[redacted]	310,300.00
THE FIRST RESOURCES MANAGEMENT & SECURITIES CORP.	[redacted]	553,240.00
THE FIRST RESOURCES MANAGEMENT & SECURITIES CORP.	[redacted]	55,000.00
THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -CLIENTS' ACCT.	[redacted]	23,889,200.00
THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -CLIENTS' ACCT.	[redacted]	42,661,069.00

BPNAME	ADDRESS	HOLDINGS
THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -CLIENTS' ACCT.	[redacted]	26,304,852.00
THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -CLIENTS' ACCT.	HSBC Securities Services 12th Floor, The Enterprise [redacted]	1,978,300.00
TIMSON SECURITIES, INC.	[redacted]	70,500.00
TOWER SECURITIES, INC.	[redacted]	5,000.00
TOWER SECURITIES, INC.	[redacted]	1,724,980.00
TRITON SECURITIES CORP.	[redacted]	170,000.00
TRITON SECURITIES CORP.	[redacted]	838,740.00
UCPB GENERAL INSURANCE CO., INC.	[redacted]	42,500.00
UNICAPITAL SECURITIES INC.	[redacted]	76,300.00
UNICAPITAL SECURITIES INC.	[redacted]	1,210,680.00
UNICAPITAL SECURITIES INC.	[redacted]	24.00
UNICAPITAL SECURITIES INC.	[redacted]	23,640.00

BPNAME	ADDRESS	HOLDINGS
UNICAPITAL SECURITIES INC.	[redacted]	384,901.00
UNICAPITAL SECURITIES INC.	[redacted]	121,120.00
UNICAPITAL SECURITIES INC.	[redacted]	300.00
UNICAPITAL SECURITIES INC.	[redacted]	55,600.00
UNITED COCONUT PLANTERS LIFE ASSURANCE CORPORATION	[redacted]	452,600.00
UNITED COCONUT PLANTERS LIFE ASSURANCE CORPORATION	[redacted]	245,000.00
UNITED FUND, INC.	[redacted]	240,000.00
UPCC SECURITIES CORP.	[redacted]	179,140.00
VALUE QUEST SECURITIES CORPORATION	[redacted]	528,600.00
VALUE QUEST SECURITIES CORPORATION	[redacted]	690,000.00
VC SECURITIES CORPORATION	[redacted]	304,200.00
VC SECURITIES CORPORATION	[redacted]	1,329,500.00

BPNAME	ADDRESS	HOLDINGS
VC SECURITIES CORPORATION	[redacted]	24,027,300.00
VENTURE SECURITIES, INC.	[redacted]	5,000.00
VENTURE SECURITIES, INC.	[redacted]	3,000.00
VENTURE SECURITIES, INC.	[redacted]	70,600.00
VENTURE SECURITIES, INC.	[redacted]	358,860.00
VENTURE SECURITIES, INC.	[redacted]	14,800.00
WEALTH SECURITIES, INC.	[redacted]	2,700.00
WEALTH SECURITIES, INC.	[redacted]	380,000.00
WEALTH SECURITIES, INC.	[redacted]	188,036.00
WEALTH SECURITIES, INC.	[redacted]	4,130,100.00
WEALTH SECURITIES, INC.	[redacted]	1,362,993.00
WEALTH SECURITIES, INC.	[redacted]	497,100.00

BPNAME	ADDRESS	HOLDINGS
WESTLINK GLOBAL EQUITIES, INC.	[redacted]	104,000.00
WONG SECURITIES CORPORATION	[redacted]	1,000.00
WONG SECURITIES CORPORATION	[redacted]	4,000.00
WONG SECURITIES CORPORATION	[redacted]	19,000.00
YAO & ZIALCITA, INC.	[redacted]	788,000.00
YAO & ZIALCITA, INC.	[redacted]	372,000.00
YU & COMPANY, INC.	[redacted]	542,900.00
YU & COMPANY, INC.	[redacted]	63,000.00
	Total Holdings:	973,743,162.00

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 year ended December 31, 2023 and 2022, in accordance with the 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 intends 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 auditor appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signed this 27th day of February 2024.

Isidro A. Consunji
Chairman of the Board & Chief Executive Officer

Maria Cristina C. Gotianun
President

Carla Cristina T. Levina
Chief Finance Officer

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public for and in MUNTINLUPA CITY, this ___ day of MAR 1 1 2024, affiants exhibited before me:

Name	Passport/CTC No.	Validity / Place Issued
Isidro A. Consunji	[redacted]	[redacted]
Maria Cristina C. Gotianun	[redacted]	[redacted]
Carla Cristina T. Levina	[redacted]	[redacted]

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal on the date and place above written.

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Book No. XV
Series No. 2024

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

ATTY. MARIA JOSEFINA R. ALFONSO
Notary Public for Muntinlupa City, Philippines
Notarial Commission No. 24-039
Valid until 31 December 2025
Unit 802, Prime Land Tower, Market Street
Ayala Alabang, Muntinlupa City 1780
Roll of Attorneys No. 65867
IBP LRN No. 015215; PPLM Chapter
PTR No. A-6090395; 01/18/2024; Taguig City
MCLE Compliance No. VII-0021137 issued on 06/14/2022

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 CORPORATION 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)
747	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 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, 2023 and 2022, 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, 2023, and notes to the consolidated financial statements, including material accounting policy information.

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, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2023 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 Mineable Ore Reserves

The Group's coal mining properties with a carrying value of ₱3,751.88 million as of December 31, 2023 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 9 to the consolidated financial statements.

Audit response

We obtained an understanding 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.

Presentation and valuation of 2x25 MW Gas Turbine Plant as Asset Held-for-Sale

The Group disclosed its intention to sell the 2x25 MW Gas Turbine Plant (the Asset) as discussed and approved in the minutes of meeting of the Board of Directors (BOD) held on August 2, 2022. The Group maintains that the carrying amount of the Asset will be recovered principally through a sale transaction rather than through continuing use. In October 2022, the Group has completely secured all relevant clearances from regulatory bodies to disconnect, deregister, decommission, and sell the Asset. In October 2023, upon the completion of the one-year period, the sale of the Asset was not finalized due to circumstances beyond the control of the Group but the commitment to the plan to sell the Asset remains. As of December 31, 2023, the Group has yet to complete the sale of the Asset with a carrying value of ₱713.22 million. The Group assessed that the Asset will be accounted for as asset held-for-sale in accordance with Philippine Financial Reporting Standards (PFRS) 5, *Non-current Assets Held-for-Sale and Discontinued Operations*.

This is a key audit matter because the presentation and valuation of asset held-for-sale involves significant management judgments and estimates in assessing whether the requirements under PFRS 5 have been met.

The relevant information on this matter is disclosed in Notes 3 and 8 to the consolidated financial statements.

Audit response

We obtained management's evaluation on whether the requirements of PFRS 5 have been met, including the events and circumstances that extended the period to complete the sale beyond one year, as regards the proper presentation of the Asset in the consolidated financial statements. We determined whether these events and circumstances are within the exceptions of PFRS 5 requirements. We evaluated whether necessary actions were initiated by management to respond to these events and circumstances, and whether the sale of the Asset is still highly probable to take place by inspecting the agreements and any correspondences with the active buyer.

We determined that the Asset is carried at the lower of carrying amount and fair value less costs to sell. We reviewed the fair value assessment made by management, including assessment of key assumptions applied by comparing the fair value with the information from the agreements and correspondences with the active buyer. We obtained an understanding and reviewed the appropriateness of the nature, scope and basis of estimates of costs to sell the Asset.

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, 2023, 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, 2023 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 Jennifer D. Ticlao.

SYCIP GORRES VELAYO & CO.

Jennifer D. Ticlao

Jennifer D. Ticlao
Partner
CPA Certificate No. 109616
Tax Identification No. 245-571-753
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
BIR Accreditation No. 08-001998-110-2023, September 12, 2023, valid until September 11, 2026
PTR No. 10082023, January 6, 2024, Makati City

February 27, 2024

SEMIRARA MINING AND POWER CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31	
	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 4, 28, 29 and 30)	**₱18,986,929,983**	₱20,056,558,463
Receivables (Notes 5, 17, 28 and 29)	**10,766,377,921**	10,198,812,587
Inventories (Notes 6, 9 and 19)	**14,589,493,550**	12,718,105,651
Other current assets (Note 7)	**1,079,475,886**	1,137,301,624
	45,422,277,340	44,110,778,325
Asset held-for-sale (Note 8)	**713,218,205**	789,312,800
Total Current Assets	**46,135,495,545**	44,900,091,125
Noncurrent Assets		
Property, plant and equipment (Notes 9 and 11)	**37,517,566,474**	40,961,238,063
Right-of-use assets (Note 10)	**97,608,500**	116,945,402
Deferred tax assets - net (Note 24)	**767,660,407**	486,751,049
Other noncurrent assets (Notes 11, 28 and 29)	**610,112,053**	637,757,385
Total Noncurrent Assets	**38,992,947,434**	42,202,691,899
	₱85,128,442,979	₱87,102,783,024
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Notes 12, 17, 28 and 29)	**₱14,857,647,709**	₱11,047,187,266
Income tax payable (Note 24)	**425,427,270**	897,302,520
Current portion of long-term debt (Notes 13, 28 and 29)	**4,099,734,888**	3,487,809,312
Current portion of lease liabilities (Notes 10, 28 and 29)	**13,528,185**	15,978,993
Total Current Liabilities	**19,396,338,052**	15,448,278,091
Noncurrent Liabilities		
Long-term debt - net of current portion (Notes 13, 28 and 29)	**2,626,597,661**	6,708,378,202
Lease liabilities - net of current portion (Notes 10, 28 and 29)	**44,031,883**	54,721,853
Provision for decommissioning and site rehabilitation costs (Notes 3 and 14)	**353,871,687**	315,050,224
Deferred tax liabilities - net (Note 24)	**–**	124,788,736
Pension liabilities (Note 18)	**281,932,125**	145,574,979
Other noncurrent liabilities	**47,692,881**	53,593,031
Total Noncurrent Liabilities	**3,354,126,237**	7,402,107,025
Total Liabilities	**22,750,464,289**	22,850,385,116
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
Treasury shares (Notes 15 and 28)	**(739,526,678)**	(739,526,678)
Retained earnings (Notes 16 and 28):		
Unappropriated	**45,551,667,126**	47,372,204,129
Appropriated	**6,800,000,000**	6,800,000,000
Net remeasurement losses on pension plans (Notes 18 and 28)	**(174,298,459)**	(120,416,244)
Total Equity	**62,377,978,690**	64,252,397,908
	₱85,128,442,979	₱87,102,783,024

See accompanying Notes to Consolidated Financial Statements.

SEMIRARA MINING AND POWER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2023	2022	2021
REVENUE FROM CONTRACTS WITH CUSTOMERS (Note 31)			
Coal	**₱52,268,160,713**	₱70,506,120,909	₱35,592,978,667
Power	**24,692,254,731**	20,622,571,798	16,831,448,267
	76,960,415,444	91,128,692,707	52,424,426,934
COSTS OF SALES (Notes 19 and 31)			
Coal	**23,372,636,968**	21,139,699,216	17,324,282,391
Power	**9,536,873,419**	8,615,452,181	8,915,287,329
	32,909,510,387	29,755,151,397	26,239,569,720
GROSS PROFIT	**44,050,905,057**	61,373,541,310	26,184,857,214
OPERATING EXPENSES (Notes 20 and 31)	**(15,117,258,063)**	(19,952,229,080)	(9,265,160,273)
INCOME FROM OPERATIONS	**28,933,646,994**	41,421,312,230	16,919,696,941
OTHER INCOME (CHARGES) - Net			
Finance income (Notes 22 and 31)	**1,187,503,300**	413,379,725	22,542,252
Finance costs (Notes 21 and 31)	**(589,249,769)**	(857,922,894)	(976,358,612)
Foreign exchange gains (losses) - net (Notes 28 and 31)	**(175,807,586)**	1,003,605,129	339,601,233
Others - net (Notes 23 and 31)	**725,624,255**	242,561,516	239,739,686
	1,148,070,200	801,623,476	(374,475,441)
INCOME BEFORE INCOME TAX	**30,081,717,194**	42,222,935,706	16,545,221,500
PROVISION FOR INCOME TAX (Notes 24 and 31)	**2,148,420,857**	2,351,777,882	345,124,059
NET INCOME	**27,933,296,337**	39,871,157,824	16,200,097,441
OTHER COMPREHENSIVE INCOME (LOSS)			
Item not to be reclassified to profit or loss in subsequent periods			
Remeasurement gains (losses) on pension plan (Note 18)	**(71,842,953)**	32,116,652	(28,881,397)
Income tax effect	**17,960,738**	(8,029,163)	7,220,349
	(53,882,215)	24,087,489	(21,661,048)
TOTAL COMPREHENSIVE INCOME	**₱27,879,414,122**	₱39,895,245,313	₱16,178,436,393
Basic/Diluted Earnings Per Share (Note 25)	**₱6.57**	₱9.38	₱3.81

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	Treasury Shares (Note 15)	Retained Earnings Unappropriated (Note 16)	Retained Earnings Appropriated (Note 16)	Net Remeasurement Loss on Pension Plan (Note 18)	Total
				For the Year Ended December 31, 2023			
Balances as of January 1, 2023	**₱4,264,609,290**	**₱6,675,527,411**	**(₱739,526,678)**	**₱47,372,204,129**	**₱6,800,000,000**	**(₱120,416,244)**	**₱64,252,397,908**
Comprehensive income							
Net income	–	–	–	**27,933,296,337**	–	–	**27,933,296,337**
Other comprehensive loss	–	–	–	–	–	**(53,882,215)**	**(53,882,215)**
Total comprehensive income (loss)	–	–	–	**27,933,296,337**	–	**(53,882,215)**	**27,879,414,122**
Cash dividends declared (Note 16)	–	–	–	**(29,753,833,340)**	–	–	**(29,753,833,340)**
Balances as of December 31, 2023	**₱4,264,609,290**	**₱6,675,527,411**	**(₱739,526,678)**	**₱45,551,667,126**	**₱6,800,000,000**	**(₱174,298,459)**	**₱62,377,978,690**
				For the Year Ended December 31, 2022			
Balances as of January 1, 2022	₱4,264,609,290	₱6,675,527,411	(₱739,526,678)	₱28,753,790,517	₱6,800,000,000	(₱144,503,733)	₱45,609,896,807
Comprehensive income							
Net income	–	–	–	39,871,157,824	–	–	39,871,157,824
Other comprehensive income	–	–	–	–	–	24,087,489	24,087,489
Total comprehensive income	–	–	–	39,871,157,824	–	24,087,489	39,895,245,313
Cash dividends declared (Note 16)	–	–	–	(21,252,744,212)	–	–	(21,252,744,212)
Balances as of December 31, 2022	₱4,264,609,290	₱6,675,527,411	(₱739,526,678)	₱47,372,204,129	₱6,800,000,000	(₱120,416,244)	₱64,252,397,908
				For the Year Ended December 31, 2021			
Balances as of January 1, 2021	₱4,264,609,290	₱6,675,527,411	(₱739,526,678)	₱26,807,243,576	₱5,300,000,000	(₱122,842,685)	₱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	–	–	–	(1,500,000,000)	1,500,000,000	–	–
Balances as of December 31, 2021	₱4,264,609,290	₱6,675,527,411	(₱739,526,678)	₱28,753,790,517	₱6,800,000,000	(₱144,503,733)	₱45,609,896,807

See accompanying Notes to Consolidated Financial Statements.

SEMIRARA MINING AND POWER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱30,081,717,194**	₱42,222,935,706	₱16,545,221,500
Adjustments for:			
Depreciation and amortization (Notes 9, 10, 19 and 20)	**7,043,028,260**	5,822,253,636	6,389,313,942
Finance costs (Note 21)	**589,249,769**	857,922,894	976,358,612
Pension expense (Note 18)	**71,676,424**	79,442,426	81,390,961
Loss (gain) on sale of equipment (Notes 9 and 23)	**–**	(423,256)	1,990,583
Write-down of inventories, asset held-for-sale and property, plant and equipment (Notes 6, 8, 9 and 20)	**76,094,595**	210,752,009	–
Impairment loss on other current assets (Notes 7 and 20)	**8,465,289**	–	–
Provision for impairment losses on receivable and advances (Notes 5, 7, 11 and 20)	**13,687,290**	30,987,428	1,041,239
Net unrealized foreign exchange losses (gains)	**198,097,226**	(1,202,246,647)	(179,861,726)
Finance income (Note 22)	**(1,187,503,300)**	(413,379,725)	(22,542,252)
Recoveries from insurance claims and claims from third party settlement (Note 23)	**(31,884,171)**	–	–
Rental income	**(5,900,150)**	(5,900,159)	(3,441,745)
Reversal of allowance for inventory obsolescence (Note 6)	**(79,863,727)**	–	–
Operating income before changes in operating assets and liabilities	**36,776,864,699**	47,602,344,312	23,789,471,114
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Receivables	**(602,215,617)**	(3,302,054,947)	(3,168,141,133)
Other current assets	**(27,498,662)**	(804,773,755)	(235,461,031)
Inventories	**(1,528,789,106)**	(1,834,800,222)	459,154,535
Increase (decrease) in:			
Trade and other payables	**3,873,607,460**	179,937,402	1,764,658,017
Provision for decommissioning and site rehabilitation costs	**17,084,500**	(27,329,512)	36,556,723
Cash generated from operations	**38,509,053,274**	41,813,323,278	22,646,238,225
Proceeds from rent collected in advance	**–**	–	62,934,933
Interest received (Note 22)	**1,187,503,300**	413,379,725	21,364,129
Interest paid	**(558,340,720)**	(830,275,139)	(875,098,565)
Pension settlement (Note 18)	**(7,162,231)**	(25,799,804)	(374,664,423)
Income taxes paid, including creditable withholding tax	**(2,931,174,352)**	(595,740,053)	(200,998,085)
Net cash provided by operating activities	**36,199,879,271**	40,774,888,007	21,279,776,214
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Property, plant and equipment (Notes 9 and 30)	**(4,016,846,153)**	(4,303,681,458)	(3,864,464,580)
Computer software (Note 11)	**(29,361)**	(449,549)	(7,402,204)
Proceeds from:			
Sale of equipment (Note 9)	**–**	618,006	–
Insurance claims and claims from third party settlement (Note 23)	**31,884,171**	–	
Decrease in other noncurrent assets	**24,657,404**	266,832,339	133,890,921
Net cash used in investing activities	**(3,960,333,939)**	(4,036,680,662)	(3,737,975,863)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from availments of loans (Notes 13 and 30)	**–**	–	5,304,970,000
Payments of:			
Dividends (Notes 16 and 30)	**(29,754,052,759)**	(21,252,510,224)	(12,751,642,860)
Loans (Notes 13 and 30)	**(3,489,414,286)**	(4,901,914,286)	(10,119,384,286)
Principal portion of lease liabilities (Notes 10, 28 and 30)	**(17,988,992)**	(23,690,307)	(21,747,446)
Net cash used in financing activities	**(33,261,456,037)**	(26,178,114,817)	(17,587,804,592)
EFFECT OF EXCHANGE RATE CHANGES IN CASH AND CASH EQUIVALENTS	**(47,717,775)**	1,283,417,908	174,462,772
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(1,069,628,480)**	11,843,510,436	128,458,531
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**20,056,558,463**	8,213,048,027	8,084,589,496
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	**₱18,986,929,983**	₱20,056,558,463	₱8,213,048,027

See accompanying Notes to Consolidated Financial Statements.

SEMIRARA MINING AND POWER CORPORATION AND SUBSIDIARIES
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, 2023 and 2022 and for each of the three years in the period ended December 31, 2023, were authorized for issue by the Board of Directors (BOD) on February 27, 2024.

2. Material Accounting Policy Information

Basis of Preparation

The consolidated financial statements of the Group have been prepared on a historical cost basis. 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.

Any other differences in the comparative amounts from the amounts in the consolidated financial statements for the year ended December 31, 2023 are solely the result of reclassifications for comparative purposes and are not material.

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, 2023 and 2022, and for each of the three years ended December 31, 2023, 2022, and 2021:

	Effective Rates of Ownership					
	2023		2022		2021	
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 Materials and Resources, Inc. (SMRI)[2]	**100.00**		100.00		100.00	
Semirara Energy Utilities, Inc. (SEUI)	**100.00**		100.00		100.00	
Southeast Luzon Power Generation Corporation (SELPGC)	**100.00**		100.00		100.00	
St. Raphael Power Generation Corporation (SRPGC)[3]	**100.00**		100.00		100.00	
Sem-Calaca Port Facilities, Inc. (SPFI)[4]	**100.00**		100.00		–	

1. Wholly owned subsidiary of SCPC. Started commercial operations on August 29, 2018.
2. Formerly Semirara Claystone, Inc. (SCI).
3. Previously accounted as an investment in a joint venture. In 2020, SMPC entered into a deed of assignment for the acquisition of remaining 50% ownership interest in SRPGC. The acquisition of SRPGC was accounted for as an asset acquisition (Note 3).
4. Wholly owned subsidiary of SCPC. Incorporated on December 20, 2022.

Change in Corporate Name of Semirara Claystone, Inc.

On April 15, 2022, SEC approved the change in name of Semirara Claystone, Inc. (SCI) to Semirara Materials and Resources, Inc. (SMRI).

Incorporation of Sem-Calaca Port Facilities, Inc.

Sem-Calaca Port Facilities, Inc. (SPFI) was incorporated on December 20, 2022 and is 100% owned by Sem-Calaca Power Corporation, a wholly owned subsidiary of SMPC. The Company is organized primarily to manage, operate and develop a port/s in the Philippines.

Except for SCPC, SLPGC and SCRC, all other subsidiaries have not yet started commercial operations as of December 31, 2023.

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.

Adoption of New and Amended Accounting Standards and Interpretations
The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those of the previous financial year, except for the adoption of the following new accounting pronouncements starting January 1, 2023. 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 consolidated financial statements of 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 have had an impact on the Group’s disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group’s consolidated financial statements.

- 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.

- 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).

- Amendments to PAS 12, *International Tax Reform – Pillar Two Model Rules*

  The amendments introduce a mandatory exception in PAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes.

  The amendments also clarify that PAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes', respectively.

The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception, apply immediately and retrospectively upon adoption of the amendments in June 2023.

Meanwhile, the disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation is effective are required for annual reporting periods beginning on or after January 1, 2023.

The amendments had no impact on the Group's consolidated financial statements as the Group is not in scope of the Pillar Two model rules.

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, 2024

- Amendments to PAS 1*, Classification of Liabilities as Current or Non-current*

  The amendments clarify:
  - That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
  - 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, 2024 and must be applied retrospectively. The Group is currently assessing the impact of adopting these amendments.

- Amendments to PFRS 16*, Lease Liability in a Sale and Leaseback*

  The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively. Earlier adoption is permitted and that fact must be disclosed.

  This amendment has no impact to the Group's consolidated financial statements.

- Amendments to PAS 7 and PFRS 7*, Disclosures: Supplier Finance Arrangements*

  The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2024. Earlier adoption is permitted and that fact must be disclosed.

  These amendments are not expected to have a material impact on the Group's consolidated financial statements.

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.

  This standard is not applicable to the Group.

- Amendments to PAS 21, *Lack of exchangeability*

  The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2025. Earlier adoption is permitted and that fact must be disclosed. When applying the amendments, an entity cannot restate comparative information.

These amendments are not expected to have a material impact on the Group's consolidated financial statements.

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 and Sustainability 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.

  These amendments are not expected to have a material impact on the Group's consolidated financial statements.

<u>Material Accounting Policies</u>
The material accounting policies that have been used in the preparation of financial statements are summarized below. These accounting policies have been consistently applied to all the years presented, unless otherwise stated.

<u>Recognition and Measurement of Financial Instruments</u>
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.

<u>Financial assets</u>
Initial recognition and measurement
Financial assets are classified, at initial recognition, as either subsequently measured at amortized cost, at fair value through other comprehensive income (FVOCI), or at fair value through profit or loss (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, 2023 and 2022, the Group's financial assets comprise 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 excluding cash on hand, receivables (excluding nonfinancial assets) 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 statements 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.

Modification of contractual cash flows
When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Group recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit-impaired financial assets) and recognizes a modification gain or loss in the consolidated statements of income.

When the modification of a financial asset results in the derecognition of the existing financial asset and the subsequent recognition of the modified financial asset, the modified asset is considered a 'new' financial asset. Accordingly, the date of the modification shall be treated as the date of initial recognition of that financial asset when applying the impairment requirements to the modified financial asset.

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, advances to supplier and contractors 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.

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 and long-term debt and lease liabilities.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

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 and 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.

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 transferred, and that carrying amount becomes cost for recognition.

Assets Held-for-Sale
The Group classifies non-current assets and disposal groups as held-for-sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Noncurrent assets classified as held-for-sale are carried at the lower of carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held-for-sale classification under PFRS 5, *Noncurrent Assets Held-for-Sale and Discontinued Operations* is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale is expected to be completed within one year from the date of the classification. Events or circumstances may extend the period to complete the sale beyond one year. An extension of the period required to complete a sale does not preclude an asset (or disposal group) from being classified as held for sale if the delay is caused by events or circumstances beyond the Group's control and there is sufficient evidence that the Group remains committed to its plan to sell the asset (or disposal group).

Property, plant and equipment are not depreciated or amortized once classified as held-for-sale. Assets classified as held-for-sale are presented separately as current items in the consolidated statement of financial position.

Immediately before the initial classification of the asset as held-for-sale, the carrying amount of the Asset will be measured in accordance with applicable PFRSs. Any impairment loss on initial classification and subsequent measurement is recognized as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognized) is recognized in profit or loss.

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 is 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, except mine properties, 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
Machineries and mining equipment	2 to 3
Power plant and buildings	5 to 25
Roads and bridges	10

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.

<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. If assets are expected to be realized within 12 months from end of reporting period, these are classified as current. Otherwise, these are classified as noncurrent.

Creditable withholding tax
Creditable withholding taxes are classified at the amount expected to be utilized and are available for offset against income tax payable in future periods. The assets expected to be expensed or consumed within 12 months from reporting date are classified as current assets; otherwise, they are classified as noncurrent assets.

Advances to Suppliers and Contractors
Advances to suppliers and contractors are recognized in the consolidated statement of financial position when it is probable that the future economic benefits will flow to the Group and the assets have cost or value that can be measured reliably. These assets are regularly evaluated for any impairment in value. Classification is based on actual realization of such advances considering the usage or realization of the asset to which it is intended for (e.g., inventory, property plant and equipment).

Prepayments
Prepayments are amounts paid in advance for goods and services that are yet to be delivered and from which future economic benefits are expected to flow to the Group within its normal operating cycle or within 12 months from end of reporting period. These are measured at amortized cost less any impairment loss.

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 not yet charged against output VAT in compliance to relevant BIR regulations. This also includes the remaining unamortized portion of input VAT from acquisition of capital goods prior to January 1, 2022. Under the TRAIN Law, starting January 1, 2022, all input VAT on purchases of capital goods shall already be allowed to be claimed outright and shall no longer be subject to amortization. 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.

Impairment of Nonfinancial Assets
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.

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 statements 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 once the performance obligation to the customer is satisfied. 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

Contracted power sales pertain to sales of generated or purchased electricity to customers under Power Supply Agreement (PSA) and are recognized over time, using the output method. This is measured on actual energy delivered or nominated by the customer, net of adjustments, as agreed between parties.

Spot electricity sales

Revenue from spot electricity sales is derived from the sale to the spot market of excess generated electricity over the contracted energy using price determined by the spot market or Wholesale Electricity Spot Market (WESM) 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 generation delivered to trading participants of WESM.

Under PFRS 15, the Group has concluded that revenue from power sales (contracted and spot sales) 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.

Finance income

Finance income is recognized as it accrues. The Group's finance income mainly pertains to interest on cash in banks and cash equivalents.

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.

Cost of Sales

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 mine 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 generation and sale of electricity such as cost of coal, coal handling expenses, bunker, lube, diesel, depreciation and other related generation overhead costs. Cost of power are recognized at the time the related coal, bunker, lube and diesel inventories are consumed for the generation 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 practical expedient option 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 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.

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 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.

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 consolidated 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 Parent Company and subsidiaries neither result 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 costs

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, 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 President is the chief operating decision maker. 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. Material Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements in conformity with PFRSs requires management to make judgments, estimates and assumptions that affect the amounts reported in the consolidated 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 from 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 (i.e., when the coal passes the rail of the bulk carrier while loading at the SMPC's port for third party sales, when the coal crosses the ship's rail of the related party for intercompany sales) which is consistent with the point in time when customer obtains control of a promised asset under PFRS 15.

   On the other hand, the Group's revenue from power sales (both contracted power and spot electricity sales) is to be recognized over time since 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. *Classification of asset held-for-sale*
The Group classified its 2x25 MW gas turbine plant as asset held-for-sale under PFRS 5, *Noncurrent Assets Held-for-Sale and Discontinued Operations*, as result of the assessment that the assets' carrying amount will be recovered principally through a sale transaction rather than through continuing use.

The following criteria are met:
a) The asset is available for immediate sale in its present condition.
b) The sale is highly probable to be completed within 12 months from the classification date.
c) The Group is committed to sell the 2x25 MW gas turbine plant as evidenced by the approval of the Group's BOD on August 2, 2022, and the clearances obtained from relevant government agencies in October 2022.
d) The Group has initiated an active programme to locate a buyer upon approval of the BOD.
e) The Group determined that it is unlikely that the plan will be significantly changed or withdrawn.

The Group identified that the above criteria are met in October 2022 upon completely securing all relevant clearances from regulatory bodies to disconnect, deregister, decommission and sell the asset and reclassified the asset as held-for-sale.

During the initial one-year period, circumstances arise that were previously considered unlikely, and, as a result, the sale of the gas turbine plant was not finalized as of the end of October 2023. The Group took the necessary actions to respond to these circumstances and was able to locate a buyer and agree with the terms and conditions of the sale. As of December 31, 2023, the criteria for the extension of the one-year period are met and the gas turbine plant remains as an Asset held-for-sale in accordance with PFRS 5.

d. *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 Notes 27 and 32).

e. *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 yet enforceable (see Note 10).

f. *Impairment assessment of nonfinancial assets*
The Group reviews its nonfinancial assets for impairment. This includes considering certain indicators of impairment such as significant or prolonged decline in the fair value of the asset, 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 Parent Company operates.

Management believes that no impairment indicator exists on other nonfinancial assets of the Group. The information and related balances of these remaining nonfinancial assets are disclosed in Notes 7, 8, 9, 10 and 11.

<u>Management's Use of Estimates and Assumptions</u>
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 reserves 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 ₱3,751.88 million and ₱4,196.98 million as of December 31, 2023 and 2022, respectively (see Note 9).

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 historically 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 historically observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historically observed default rates, forecasted economic conditions, and ECL is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecasted 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 the recent economic developments 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 recent economic developments did not materially affect the allowance for ECLs.

Additional provision for expected credit losses recognized for the years ended December 31, 2023 and 2022 amounted to ₱13.69 million and ₱30.99 million, respectively (see Notes 5, 7 and 11).

As of December 31, 2023 and 2022, allowance for expected credit losses amounted to ₱1,613.66 million and ₱1,599.97 million, respectively. The total carrying value of trade and other receivables, net of allowance for expected credit losses, amounted to ₱10,766.38 million and ₱10,198.81 million as of December 31, 2023 and 2022, respectively (see Note 5).

c. *Estimating stockpile inventory quantities*
The Group estimates the stockpile 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 pile inventory as of December 31, 2023 and 2022 amounted to ₱1,634.43 million and ₱2,557.12 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 amounts of spare parts and supplies are 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 11.

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., 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:

	2023	2022
Asset held-for-sale (Note 8)	**₱713,218,205**	₱789,312,800
Property, plant and equipment (Note 9)	**37,517,566,474**	40,961,238,063
Right-of-use assets (Note 10)	**97,608,500**	116,945,402
Other current assets (Note 7)	**1,079,475,886**	1,137,301,624
Other noncurrent assets (Note 11)	**610,112,053**	637,757,385

Impairment losses on other current and noncurrent assets were recognized upon assessment that its carrying amounts exceeded the assets' recoverable values. As of December 31, 2023 and 2022, the allowance for impairment losses on other current and noncurrent assets amounted to ₱2.31 million (see Notes 7 and 11).

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, construction in progress and mine properties) 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 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 9.

i. *Recoverability of 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 ₱57.56 million and ₱70.70 million as of December 31, 2023 and 2022, respectively (see Note 10).

l. *Determination of fair value less cost to sell*
The Group estimated the recoverable amount of the 2 x 25 MW gas turbine plant based on offers received from buyers in the advanced stage of negotiations or, if available, the final selling price agreed with the buyer, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing the asset (e.g. dismantling and handling costs) (see Note 8).

4. Cash and Cash Equivalents

	2023	2022
Cash on hand	**₱1,849,087**	₱4,087,070
Cash in banks	**2,379,966,909**	2,999,408,650
Cash equivalents	**16,605,113,987**	17,053,062,743
	₱18,986,929,983	₱20,056,558,463

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. Interest rates ranges from 0.03% to 7.13%, 0.01% to 6.00%, and 0.01% to 1.75% in 2023, 2022 and 2021, respectively.

In 2023, 2022 and 2021, total interest income earned from cash and cash equivalents amounted to ₱1,182.93 million, ₱410.58 million and ₱20.60 million, respectively (see Note 22).

5. Receivables

	2023	2022
Trade receivables - outside parties	**₱10,697,037,984**	₱10,562,538,314
Trade receivables - related parties (Note 17)	**1,391,298,124**	944,474,856
Others (Note 23)	**291,702,156**	291,772,470
	12,380,038,264	11,798,785,640
Less allowance for impairment losses (Note 20)	**1,613,660,343**	1,599,973,053
	₱10,766,377,921	₱10,198,812,587

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 days credit terms. These receivables arise from coal export sales which are priced in US$ and coal domestic sales which are priced in Philippine Peso.

Trade receivables - related parties
Receivables from related parties are noninterest-bearing and are generally on a 30-day credit term. 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 days credit terms.

Allowance for impairment losses
The movements in the allowance for impairment losses are as follows:

	2023	2022
Balance at beginning of year	**₱1,599,973,053**	₱1,570,254,441
Provision for impairment losses (Note 20)	**13,687,290**	29,718,612
Balance at end of year	**₱1,613,660,343**	₱1,599,973,053

6. **Inventories**

	2023	2022
At cost		
Coal pile inventory	**₱1,634,429,607**	₱2,557,122,848
At NRV		
Spare parts and supplies	**13,144,232,238**	10,430,014,825
Less allowance for inventory obsolescence	**(189,168,295)**	(269,032,022)
	12,955,063,943	10,160,982,803
	₱14,589,493,550	₱12,718,105,651

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 ₱22,014.95 million and ₱20,039.12 million in 2023 and 2022, respectively (see Note 19).

Coal pile inventory at cost includes capitalized depreciation of ₱262.74 million and ₱324.22 million in 2023 and 2022, respectively (see Note 9).

Movement in the Group's allowance for inventory obsolescence are as follows:

	2023	2022
Balance at beginning of year	**₱269,032,022**	₱230,051,447
Provision (Notes 8 and 20)	**–**	38,980,575
Reversal (Note 19)	**(79,863,727)**	–
Balance at end of year	**₱189,168,295**	₱269,032,022

In 2023, the Group made a reversal on the previously recognized allowance for inventory obsolescence amounting to ₱79.86 million.

In 2022, the Group recognized provision for inventory write down amounting to ₱38.98 million. This amount includes provision of ₱36.78 million which pertains to the spare parts of the 2x25 MW gas turbine plant classified as "Asset held-for-sale" under PFRS 5 (see Notes 8 and 20).

As of December 31, 2023 and 2022, the allowance for inventory write-down amounted to ₱189.17 million and ₱269.03 million, respectively.

7. Other Current Assets

	2023	2022
Creditable withholding tax	**₱657,531,286**	₱734,390,397
Advances to suppliers and contractors - current portion	**186,022,256**	288,249,904
Prepaid insurance	**92,043,151**	70,121,733
Input VAT - net	**24,221,887**	12,638,481
Prepaid rent	**3,030,747**	3,030,748
Others	**118,558,504**	30,802,306
	1,081,407,831	1,139,233,569
Less allowance for impairment losses (Note 20)	**1,931,945**	1,931,945
	₱1,079,475,886	₱1,137,301,624

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. In 2023, the Group recognized an impairment loss amounting to ₱8.47 million upon assessment that the amount cannot be claimed as tax credits against future income tax liability (see Note 20).

Advances to suppliers and contractors
Advances to suppliers and contractors represent prepayments for the acquisition of materials and supplies. The Group recognized provision for impairment loss amounting to ₱1.28 million in 2022 (nil in 2023; see Note 20). The balance, net of related allowance of ₱1.93 million as of December 31, 2023 and 2022. will be recouped upon rendering of services or delivery of assets within the Group's normal operating cycle.

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 is recoverable within 12 months.

Others
Others include a placement to a bank with maturity period of less than one year, guarantee deposit to government and other prepaid charges.

8. Asset Held-for-Sale

In 2022, the Group assessed that the carrying amount of its 2x25 MW gas turbine plant will be recovered principally through a sale transaction rather than continuing use.

The gas turbine pertains to two (2) units of GE TM2500 G6 Generator ("Asset") which was acquired in 2016 to provide ancillary services. However, since its withdrawal from the ancillary contract, the gas turbine continued to run and supplied electricity directly to the spot market. The gas turbine is one of the power generating assets of SLPGC under Power Segment.

The plan to decommission and sell the asset was approved on August 2, 2022 by the BOD.
On October 3, 2022, the Group has completely secured all relevant clearances from regulatory bodies to disconnect, deregister, decommission, and sell the Asset.

Depreciation of the asset ceased immediately, and the Group reclassified the asset as Asset held-for-sale. A loss on write-down amounting to ₱171.77 million was recorded upon reclassification to bring the asset's carrying amount to its net realizable value or fair value less costs to sell (see Notes 9 and 20).

The Company recorded an allowance for inventory write down on related spare parts of the Assets amounting to ₱36.78 million as of December 31, 2023 and 2022 (see Note 6).

In October 2023, upon the completion of the one-year period, the sale of the asset was not finalized. Hence, the period to complete the sale was extended beyond one year due to circumstances beyond the control of the Group but the commitment to the plan to sell the asset remains.

The Group took the necessary actions to respond to these circumstances and was able to locate a buyer and agree with the terms and conditions of the sale. Prepayments were received from the buyer based on the progress made in the dismantling of the Asset. These were recorded under 'Trade and other payables' in the consolidated statement of financial position. Final payment will be made upon transfer of the Asset to the buyer.

Management believes that the sale transaction will be finalized within 12 months from reassessed classification date. As a result, the Group retains the classification of the Asset as held-for-sale as of December 31, 2023 in accordance with PFRS 5.

Consequently, the Group recorded an additional loss on write-down amounting to ₱76.09 million in 2023 to revalue the Asset's carrying amount based on the current net realizable value or fair value less costs to sell (see Note 20).

As of December 31, 2023 and 2022, Asset held-for-sale amounted to ₱713.22 million and ₱789.31 million, respectively.

9. Property, Plant and Equipment

	2023					
	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	**₱429,990,622**	**₱43,973,777,588**	**₱55,896,895,818**	**₱846,946,929**	**₱373,354,302**	**₱101,520,965,259**
Additions	–	**3,878,429,416**	**4,587,233**	–	**160,686,670**	**4,043,703,319**
Transfer from inventory	–	–	**239,372,058**	–	–	**239,372,058**
Reclassifications	–	–	**128,908,721**	–	**(128,908,721)**	–
Disposals	–	**(1,600,000)**	–	–	–	**(1,600,000)**
Adjustments (Note 14)	–	**35,498,636**	–	–	–	**35,498,636**
Others	–	**(407,672,875)**	–	–	–	**(407,672,875)**
At December 31	**429,990,622**	**47,478,432,765**	**56,269,763,830**	**846,946,929**	**405,132,251**	**105,430,266,397**
Accumulated Depreciation and Impairment						
At January 1	–	**36,368,778,371**	**23,392,968,639**	**797,980,186**	–	**60,559,727,196**
Depreciation and amortization (Notes 3, 6, 19 and 20)	–	**4,282,134,898**	**3,025,881,536**	**46,556,293**	–	**7,354,572,727**
Disposals	–	**(1,600,000)**	–	–	–	**(1,600,000)**
At December 31	–	**40,649,313,269**	**26,418,850,175**	**844,536,479**	–	**67,912,699,923**
Net Book Value	**₱429,990,622**	**₱6,829,119,496**	**₱29,850,913,655**	**₱2,410,450**	**₱405,132,251**	**₱37,517,566,474**

			2022			
	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	₱429,990,622	₱40,258,148,797	₱55,586,931,794	₱846,946,929	₱930,175,792	₱98,052,193,934
Additions	–	3,830,141,239	–	–	473,540,219	4,303,681,458
Transfer from inventory	–	–	695,205,692	–	–	695,205,692
Reclassifications	–	–	1,030,361,709	–	(1,030,361,709)	–
Asset held-for-sale (Note 8)	–	–	(1,415,603,377)	–	–	(1,415,603,377)
Retirement	–	(3,808,358)	–	–	–	(3,808,358)
Disposals (Note 23)	–	(92,254,786)	–	–	–	(92,254,786)
Adjustment (Note 14)	–	(18,449,304)	–	–	–	(18,449,304)
At December 31	429,990,622	43,973,777,588	55,896,895,818	846,946,929	373,354,302	101,520,965,259
Accumulated Depreciation and Impairment						
At January 1	–	33,304,850,616	20,891,764,562	747,817,789	–	54,944,432,967
Depreciation and amortization (Notes 3, 6, 19 and 20)	–	3,145,907,149	2,955,723,220	50,162,397	–	6,151,792,766
Write-down of property, plant and equipment (Notes 8 and 20)	–	–	171,771,434	–	–	171,771,434
Asset held-for-sale (Note 8)	–	–	(626,290,577)	–	–	(626,290,577)
Disposals (Note 23)	–	(78,171,036)	–	–	–	(78,171,036)
Retirement		(3,808,358)	–	–	–	(3,808,358)
At December 31	–	36,368,778,371	23,392,968,639	797,980,186	–	60,559,727,196
Net Book Value	₱429,990,622	₱7,604,999,217	₱32,503,927,179	₱48,966,743	₱373,354,302	₱40,961,238,063

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 10 and 27).

Mine properties, mining tools and other equipment

- Fully depreciated asset with original cost of ₱77.50 million was donated to a third party in 2022.

- In 2023, the Group acquired various property, plant and equipment amounting to ₱4,043.70 million and ₱26.86 million remains unpaid as of December 31, 2023.

- Mine properties, mining tools and other equipment includes the mining properties and stripping activity assets amounting to ₱3,751.88 million and ₱4,196.98 million as of December 31, 2023 and 2022, 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).

- The Group received a purchase discount in 2023 amounting to ₱407.67 million in relation to its purchase of an item of property, plant and equipment. This is shown in the rollforward as others.

Power Plant and Buildings

- The Group reclassified its 2x25 MW gas turbine plant to "Asset Held-for-Sale" in October 2022. Depreciation of the asset ceased immediately and a loss on write-down amounting to ₱171.77 million was recognized in 2022 to bring the carrying amount to its net realizable value before its reclassification (see Notes 8 and 20).

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, 2023 and 2022.

- In 2023 and 2022, 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 ₱128.91 million and ₱1,030.36 million, respectively.
- This also includes capitalized pre-construction costs for the thermal power plant of SRPGC amounting to ₱111.67 million as of December 31, 2023 and 2022. As of December 31, 2023, construction of the plant itself has yet to commence pending completion of the connectivity to the grid c/o NGCP. Based on management's estimation of the recoverable amount, there is no resulting impairment loss for both 2023 and 2022.

Depreciation and amortization follow:

	2023	2022	2021
Depreciation and amortization of:			
Property, plant and equipment	**₱7,354,572,727**	₱6,151,792,766	₱6,637,794,463
Right-of-use assets (Note 10)	**19,336,902**	20,071,971	21,604,934
Computer software (Note 11)	**3,017,289**	5,074,823	8,008,218
	₱7,376,926,918	₱6,176,939,560	₱6,667,407,615
Included under:			
Inventories (Note 6)	**₱262,735,066**	₱324,223,934	₱278,093,673
Mine properties, mining tools and other equipment	**71,163,592**	30,461,990	–
	333,898,658	354,685,924	278,093,673
Cost of coal sales (Note 19):			
Depreciation and amortization	**3,522,670,333**	2,953,823,251	3,206,865,763
Hauling and shiploading costs	**27,341,039**	21,957,414	284,506,848
Cost of power sales (Note 19):			
Depreciation and amortization	**2,793,654,219**	2,713,660,463	2,712,156,415
Cost of coal:			
Depreciation and amortization	**636,493,016**	63,249,788	102,492,872
Operating expenses (Note 20)	**62,869,653**	69,562,720	83,292,044
	7,043,028,260	5,822,253,636	6,389,313,942
	₱7,376,926,918	₱6,176,939,560	₱6,667,407,615

10. 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 are the movements in the Group's right-of-use assets and lease liabilities during the year:

	Right-of-use Assets	
	2023	2022
At Cost		
Beginning and ending balance	**₱200,617,375**	₱200,617,375

(Forward)

	Right-of-use Assets	
	2023	2022
Accumulated Amortization		
Beginning balance	**₱83,671,973**	₱63,600,002
Amortization (Notes 19 and 20)	**19,336,902**	20,071,971
Ending balance	**103,008,875**	83,671,973
	₱97,608,500	₱116,945,402

On June 30, 2021, the Group purchased the parcels of land under PSALM OEN which amounted to ₱43.11 million (see Notes 9 and 27). The unused rental payments as of option exercise date amounting to ₱1.13 million 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	
	2023	2022
Beginning balance	**₱70,700,846**	₱88,376,182
Accretion of interest (Note 21)	**4,848,214**	6,014,971
Lease payments	**(17,988,992)**	(23,690,307)
Ending balance	**57,560,068**	70,700,846
Less current portion of lease liabilities	**13,528,185**	15,978,993
Noncurrent lease liabilities	**₱44,031,883**	₱54,721,853

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 2023 and 2022.

As of December 31, 2023 and 2022, future minimum lease payments under operating leases are as follows:

	2023	2022
Within one year	**₱17,153,963**	₱20,827,207
After one year but not more than five years	**33,547,955**	46,073,462
More than five years	**23,142,284**	29,189,453
	₱73,844,202	₱96,090,122

11. **Other Noncurrent Assets**

	2023	2022
Advances to suppliers and contractors – net of current portion	**₱357,925,684**	₱179,889,628
Deferred input VAT	**165,361,452**	365,221,588
Computer software	**1,401,207**	4,389,135
Others	**85,801,820**	88,635,144
	610,490,163	638,135,495
Less allowance for impairment losses (Note 20)	**378,110**	378,110
	₱610,112,053	₱637,757,385

Advances to suppliers and contractors
Advances to suppliers and contractors under noncurrent assets (net of related allowance of ₱0.38 million recognized as of December 31, 2023 and 2022) represent prepayment for the acquisition and construction of property, plant and equipment and other capitalized development costs. In 2022, the Group made a reversal of the provision for impairment loss amounting to ₱0.01 million (see Note 20).

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.

Computer software
Movements in computer software account follows:

	2023	2022
At Cost		
At January 1	**₱86,456,317**	₱86,006,768
Additions	**29,361**	449,549
At December 31	**86,485,678**	86,456,317
Accumulated Amortization		
At January 1	**82,067,182**	76,992,359
Amortization (Note 9)	**3,017,289**	5,074,823
At December 31	**85,084,471**	82,067,182
Net Book Value	**₱1,401,207**	₱4,389,135

Others
Others include environmental guarantee fund and advances for the cost of the right-of-way grants on lots affected by the transmission lines to be developed by the Group.

12. Trade and Other Payables

	2023	2022
Trade:		
Payable to suppliers and contractors	**₱9,423,938,254**	₱7,025,549,922
Related parties (Note 17)	**353,107,400**	217,158,369
Payable to DOE (Note 26)	**3,336,570,310**	2,169,246,696
Deferred output tax	**761,556,844**	701,292,194
Accrued expenses and other payables	**628,580,426**	786,973,010
Output VAT - net	**353,894,475**	146,967,075
	₱14,857,647,709	₱11,047,187,266

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 ₱5,550.77 million (US$99.89 million) and ₱3,839.89 million (US$68.42 million) as of December 31, 2023 and 2022, 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 to 60-day credit terms.

Payable to DOE
Payable to DOE represents the share of DOE in the gross income of the Parent Company's coal production and shipments computed in accordance with the Coal Operating Contract (COC) between the Parent Company and DOE 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
Details of this account follow:

	2023	2022
Taxes, permits and licenses	**₱273,189,211**	₱368,502,478
Salaries and wages	**39,313,207**	10,825,172
Interest	**34,555,595**	49,791,044
Dividends payable (Note 30)	**3,115,263**	3,334,682
Professional fees	**147,531**	291,000
Others	**278,259,619**	354,228,634
	₱628,580,426	₱786,973,010

Others include accruals on contracted services, spot purchases, utilities, supplies, other administrative expenses and financial benefit payable to host communities, retention on contract payments (usually settled on a 30 to 60-day terms) and withholding taxes.

Output VAT payable
Output VAT pertains to the VAT due on the sale of electricity, net of input VAT.

13. **Long-term Debt**

	2023	2022
Principal	**₱6,741,742,857**	₱10,231,157,144
Less unamortized deferred financing cost	**15,410,308**	34,969,630
	6,726,332,549	10,196,187,514
Less current portion	**4,099,734,888**	3,487,809,312
	₱2,626,597,661	₱6,708,378,202

The Group's outstanding long-term debt from local banks pertain to the loans of the following entities:

	2023	2022
SMPC	**₱725,661,265**	₱948,056,291
SCPC	**5,166,442,887**	7,582,435,288
SLPGC	**834,228,397**	1,665,695,935
Total long-term debt	**6,726,332,549**	10,196,187,514
Less current portion	**4,099,734,888**	3,487,809,312
Long-term debt - net of current portion	**₱2,626,597,661**	₱6,708,378,202

a. Details of the Parent Company's bank loans are as follows:

Loan Type	Year of Availment	Outstanding Balance Gross of Deferred Financing Costs 2023	2022	Maturity	Interest Rate	Payment Terms
Peso loan 1	2020	**₱728,000,000**	₱952,000,000	Various quarterly maturities starting 2020 until 2027	Fixed rate at 4.974%	Interest payable every 3 months, principal to be paid on maturity date

b. Details of the SLPGC's bank loans are as follows:

Loan Type	Year of Availment	Outstanding Balance Gross of Deferred Financing Costs 2023	2022	Maturity	Interest Rate	Payment Terms
Peso loan 1	2019	**₱400,000,000**	₱800,000,000	Various quarterly maturities starting 2019 until 2024	Fixed rate of 5.1253%	Interest payable every 3 months, principal to be paid on maturity date
Peso loan 2	2019	**235,600,000**	470,800,000	Various quarterly maturities starting 2019 until 2024	Fixed rate of 5.1337%	Interest payable every 3 months, principal to be paid on maturity date
Peso loan 3	2019	**200,000,000**	400,000,000	Various quarterly maturities starting 2019 until 2024	Fixed rate of 5.0000%	Interest payable every 3 months, principal to be paid on maturity date
		₱835,600,000	₱1,670,800,000			

c. Details of the SCPC's bank loans are as follows:

Loan Type	Year of Availment	Outstanding Balance Gross of Deferred Financing Costs 2023	2022	Maturity	Interest Rate	Payment Terms
Peso loan 1	2017	**₱750,000,000**	₱1,500,000,000	Various quarterly maturities starting 2017 until 2024	Fixed rate of 4.9000%	Interest payable every 3 months, principal to be paid on maturity date
Peso loan 2	2019	**857,142,857**	1,142,857,143	Various quarterly maturities starting 2019 until 2026	Fixed rate of 4.8760% to be repriced at the two-year Bloomberg Valuation Service (BVAL) benchmark rate plus 60 basis points for the remainder of its tenor	Interest payable every 3 months, principal to be paid on maturity date
Peso loan 3	2019	**1,296,000,000**	1,728,000,000	Various quarterly maturities starting 2019 until 2026	Fixed rate of 4.8770% to be repriced at the two-year BVAL benchmark rate plus 60 basis points for the remainder of its tenor	Interest payable every 3 months, principal to be paid on maturity date
Peso loan 4	2021	**2,275,000,000**	3,237,500,000	Various quarterly maturities starting 2021 until 2025	Fixed rate of 4.6258%	Interest payable every 3 months, principal to be paid on maturity date
		₱5,178,142,857	₱7,608,357,143			

All bank loans are clean and are compliant with loan covenants. As of December 31, 2023 and 2022, the Group has not been cited by any banks as in default.

The movements in unamortized debt issue cost are as follows:

	2023	2022
Balance at beginning of year	**₱34,969,630**	₱66,436,268
Amortization (Note 21)	**(19,559,322)**	(31,466,638)
Balance at end of year	**₱15,410,308**	₱34,969,630

Interest expense on long-term debt recognized under 'Finance cost' amounted to ₱428.97 million, ₱646.02 million and ₱774.63 million in 2023, 2022 and 2021 respectively (see Note 21).

Future payments of long-term debt of the Group as of December 31, 2023 and 2022 follow:

	2023	2022
Within one year	**₱4,102,314,286**	₱3,489,414,286
After one year but not more than five years	**2,639,428,571**	6,741,742,858
	₱6,741,742,857	₱10,231,157,144

14. **Provision for Decommissioning and Site Rehabilitation Costs**

	2023	2022
At January 1	**₱315,050,224**	₱325,556,377
Effect of change in estimates (Note 9)	**43,368,960**	(21,589,768)
Actual usage	**(26,284,460)**	(5,739,744)
Accretion of interest (Note 21)	**21,736,963**	16,823,359
At December 31	**₱353,871,687**	₱315,050,224

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:

	2023	2022
Mining	**₱322,262,084**	₱285,945,139
Power	**31,609,603**	29,105,085
	₱353,871,687	₱315,050,224

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 5.96% to 8.58% in 2023, 6.65% to 8.77% in 2022 and 4.82% to 6.67% in 2021.

In 2023, there were two (2) mine pits being mined for coal deposits – Molave and Narra. In October 2022, Narra resumed its operation which was non-operational since March 2019 due to implementation of geotechnical solutions on the continuous increase of water seepage in Narra pit. The Panian mine site has been depleted and its operation was closed in September 2016. All mine sites are located in Semirara Island, Province of Antique.

In November 2023, a mudflow incident occurred in Molave mine that resulted to a change in its existing pit configuration. Expected mine life of Molave was shortened by one year as increased mudflow from the adjacent area made mining operations in Molave uneconomic. Given the adjusted stripping ratio and heightened risks, the remaining Molave reserves were no longer economically feasible to mine.

In January 2024, SMPC presented to the DOE the early closure plan of Molave including the revised impact to SMPC's work program and budget from 2024 onwards.

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 an addition of ₱43.37 million in 2023 and a reduction of ₱21.59 million in 2022. The changes in estimates were recognized as adjustment to 'Mine properties, mining tools and other equipment' under property, plant and equipment account amounting to ₱35.50 million and ₱18.45 million in 2023 and 2022, respectively (see Note 9), and as adjustment to 'Others' under operating expense account amounting to ₱7.87 million and ₱3.14 million in 2023 and 2022, respectively (see Note 20).

15. **Capital Stock**

The details of the Parent Company's capital stock as of December 31, 2023 and 2022 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

<u>Treasury shares</u>
As of December 31, 2023 and 2022, the Parent Company has bought-back 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 ₱45,551.67 million and ₱47,372.20 million as of December 31, 2023 and 2022, 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 recognized deferred tax assets which did not flow through profit or loss (see Note 16).

Below is the summary of the Parent Company's track record of registration of securities with the SEC as of December 31, 2023:

	Number of shares registered	Number of holders as of yearend
December 31, 2021	4,250,547,620	741
Add: Movement	–	(5)
December 31, 2022	4,250,547,620	736
Add: Movement	–	11
December 31, 2023	4,250,547,620	747

16. **Retained Earnings**

As of December 31, 2023, and 2022, retained earnings amounted to ₱52,351.67 million and ₱54,172.20 million, respectively. The accumulated equity in undistributed net earnings of subsidiaries which are not available for dividends until declared by the BOD of the respective subsidiaries as of December 31, 2023 and 2022 amounted to ₱18,416.57 million and ₱15,382.57 million, respectively. 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, 2023 and 2022 amounted to ₱26,213.61 million and ₱31,140.44 million, respectively.

Cash Dividends

On October 9, 2023, the Parent Company's BOD authorized the Parent Company to declare and distribute special cash dividends of ₱3.50 per share or ₱14,876.92 million to stockholders of record as of October 23, 2023 and payable on November 8, 2023.

On March 27, 2023, the Parent Company's BOD authorized the Parent Company to declare and distribute regular cash dividends of ₱1.80 per share or ₱7,650.99 million to stockholders of record as of April 13, 2023 and payable on April 25, 2023.

On March 27, 2023, the Parent Company's BOD authorized the Parent Company to declare and distribute special cash dividends of ₱1.70 per share or ₱7,225.93 million to stockholders of record as of April 13, 2023 and payable on April 25, 2023.

On October 17, 2022, the Parent Company's BOD authorized the Parent Company to declare and distribute special cash dividends of ₱3.50 per share or ₱14,876.92 million to stockholders of record as of October 31, 2022 and payable on November 15, 2022.

On March 31, 2022, the Parent Company's BOD authorized the Parent Company to declare and distribute regular cash dividends of ₱1.50 per share or ₱6,375.82 million to stockholders of record as of April 18, 2022 and payable on April 28, 2022.

Appropriations
On October 28, 2022, the BOD approved the re-appropriation of ₱5,300.00 million from the appropriated retained earnings as of 2020 for capital expenditures and power expansion projects which are expected to be completed by 2026.

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 which are expected to be completed by 2026.

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 are as follows:

	2023				
	Reference	**Amount/ Volume**	**Receivable (Payable)**	**Terms**	**Conditions**
Trade receivables (Note 5)					
Entities under common control					
Sale of coal	**(a)**	**₱751,089,835**	**₱1,308,007,425**	**Noninterest-bearing, 30 days**	**Unsecured, no impairment**
Sale of materials, services and reimbursement of shared expenses	**(b)**	**13,747,544**	**83,290,699**	**Noninterest-bearing, 30 days**	**Unsecured, no impairment**
			₱1,391,298,124		
Trade payables (Note 12)					
Entities under common control					
Operation and maintenance fees	**(c)**	**(₱324,000,000)**	**(₱29,700,000)**	**30 days, noninterest-bearing**	
Coal handling services	**(d)**	**(1,163,977,108)**	**(135,136,581)**	**30 days, noninterest-bearing**	**Unsecured**
Mine exploration and hauling services	**(e)**	**(592,274,097)**	**(93,567,997)**	**30 days, noninterest-bearing**	**Unsecured**
Construction and other outside services	**(f)**	**(39,028,771)**	**(11,199,223)**	**30 days for monthly billings and portion after expiration of, retention period, noninterest-bearing**	**Unsecured**
Land and warehouse rental expenses	**(g)**	**(17,042,094)**	**(1,286,691)**	**30 days, noninterest-bearing**	**Unsecured**
Aviation services	**(h)**	**(113,756,803)**	**(77,566,939)**	**30 days, noninterest-bearing**	**Unsecured**
Others	**(b)**	**(6,907,405)**	**(4,649,969)**	**30 days, noninterest-bearing**	**Unsecured**
			(₱353,107,400)		

	2022				
	Reference	Amount/ Volume	Receivable (Payable)	Terms	Conditions
Trade receivables (Note 5)					
Entities under common control					
Sale of coal	(a)	₱936,967,262	₱862,122,326	Noninterest-bearing, 30 days	Unsecured, no impairment
Sale of materials, services and reimbursement of shared expenses	(b)	15,272,945	82,352,530	Noninterest-bearing, 30 days	Unsecured, no impairment
			₱944,474,856		
Trade payables (Note 12)					
Entities under common control					
Operation and maintenance fees	(c)	(₱324,000,000)	(₱29,700,000)	30 days, noninterest-bearing	
Coal handling services	(d)	(721,408,109)	(65,084,773)	30 days, noninterest-bearing	Unsecured
Mine exploration and hauling services	(e)	(176,612,602)	(62,393,850)	30 days, noninterest-bearing	Unsecured
Repairs and maintenance services	(f)	(155,197,419)	(38,327,450)	30 days for monthly billings and portion after expiration of, retention period, noninterest-bearing	Unsecured
Purchases of raw materials	(g)	(1,024,645)	(3,800,335)	30 days, noninterest-bearing	Unsecured
Land and warehouse rental expenses	(h)	(1,469,610)	(1,785,076)	30 days, noninterest-bearing	Unsecured
Aviation services	(i)	(33,968,706)	(14,480,563)	30 days, noninterest-bearing	Unsecured
Others	(b)	(643,393)	(1,586,322)	30 days, noninterest-bearing	Unsecured
			(₱217,158,369)		

a. The Parent Company has coal sales to DMCI Masbate Power Corporation (DMPC), and DMCI Power Corporation (DPC), entities 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 DPC for the operation and maintenance of the power plant for 10 years until April 1, 2031 with a fixed monthly fee of ₱27.00 million exclusive of VAT, subject to quarterly and annual review and adjustment as maybe mutually agreed upon by both parties.

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. Expenses incurred for said services are included in 'Outside services' under 'Cost of sales' in the consolidated 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. Expenses incurred for these services are included in 'Hauling and shiploading costs' under 'Cost of sales' in the consolidated statements of comprehensive income (see Note 19).

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 consolidated 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 remained uncollected as of December 31, 2023.

f. The Group contracted DMCI for various repairs and maintenance services for the plane runway and mine site cut-off walls at Semirara Island.

g. 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 10 and 19).

h. 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 of 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 12).

Terms and conditions of transactions with related parties
The outstanding accounts with other related parties are settled in cash. 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 December 31, 2023 and 2022, there were no impairment losses recognized on related party balances.

Compensation of key management personnel of the Group amounted to ₱103.62 million, ₱140.33 million and ₱83.84 million in 2023, 2022 and 2021, 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, 2023.

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 consists of members of the BOD, the President and the Vice President and Chief Finance Officer.

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 or curtailments in 2023, 2022 and 2021.

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:

	2023	2022	2021
Discount rate	**6.05% - 6.16%**	7.16% - 7.34%	5.01% - 5.18%
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 2023 and 2022:

	2023	2022
Mining	**5.1 years**	4.6 years
Power	**12.5-12.7 years**	10.3-12.2 years

The following table summarizes the components of pension expense in the consolidated statements of comprehensive income:

	2023	2022	2021
Current service cost	**₱60,290,120**	₱73,125,395	₱72,465,030
Interest expense related to the defined benefit liability	**39,156,143**	28,530,762	19,846,410
Interest income related to plan assets	**(27,769,839)**	(22,213,731)	(10,920,479)
	₱71,676,424	₱79,442,426	₱81,390,961

The above pension expense is included as 'Direct labor' under cost of sales and 'Personnel costs' under 'Operating Expenses' in the consolidated statements 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:

	2023	2022
Defined benefit liability at beginning of year	**₱544,297,959**	₱565,615,066
Current service cost	**60,290,120**	73,125,395
Interest expense	**39,156,143**	28,530,762
Remeasurement losses (gains) arising from:		
Changes in demographic assumptions	–	(25,425,974)
Changes in financial assumptions	**47,031,079**	(81,097,001)
Experience adjustments	**19,914,253**	9,349,515
Benefits directly paid by the Group	**(7,162,231)**	(25,799,804)
Benefits paid from plan assets	**(24,504,095)**	–
Defined benefit liability at end of year	**₱679,023,228**	₱544,297,959

	2023	2022
Fair value of plan assets at beginning of year	**₱398,722,980**	₱441,566,057
Interest income	**27,769,839**	22,213,731
Remeasurement losses arising from return on plan assets	**(4,897,621)**	(65,056,808)
Benefits paid from plan assets	**(24,504,095)**	–
Fair value of plan assets at end of year	**₱397,091,103**	₱398,722,980

	2023	2022
Net pension liability at beginning of year	**₱145,574,979**	₱124,049,009
Net pension expense	**71,676,424**	79,442,426
Actuarial losses (gains) recognized in OCI	**71,842,953**	(32,116,652)
Benefit directly paid by the Group	**(7,162,231)**	(25,799,804)
Net pension liability at end of year	**₱281,932,125**	₱145,574,979

The Group is not required to pre-fund the future defined benefits payable under the Retirement Plan before they become due. For this reason, the amount and timing of contributions to the Retirement Fund are at the Group's discretion. However, in the event a benefit claim arises and the Retirement Fund is insufficient to pay the claim, the shortfall will then be due and payable from the Group to the Retirement Fund.

The composition and fair value of plan assets as at the end of reporting date are as follows:

	2023	2022
Cash and cash equivalents	**₱50,407,621**	₱38,585,207
Equity instruments		
Financial institutions	**84,417,417**	94,457,947
Debt instruments		
Government securities	**210,290,247**	214,791,490
Unquoted debt securities	**50,114,399**	49,702,996
Receivables	**1,861,419**	1,185,340
	₱397,091,103	₱398,722,980

Trust fee in 2023 and 2022 amounted to ₱633,451 and ₱163,942, 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 66% and 65% of debt instruments, 13% and 10% of cash and cash equivalents, 21% and 24% of equity instruments and 0% and 1% of others for 2023 and 2022, 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)	**2023**	2022
Discount rates	+1%	**(₱41,765,412)**	(₱29,918,931)
	-1%	**48,334,579**	34,418,756
Future salary increases	+1%	**48,770,723**	35,149,785
	-1%	**(42,890,576)**	(31,047,650)

Shown below is the maturity analysis of the undiscounted benefit payment up to 10 years:

	2023	2022
Within one year	**₱275,914,086**	₱240,620,989
After one year but not more than five years	**166,425,144**	157,818,343
More than five years	**366,523,452**	267,849,943
	₱808,862,682	₱666,289,275

The Group has no other transactions with the fund.

19. Cost of Sales

Cost of coal sales consists of:

	2023	2022	2021
Cost of coal (Note 6)			
Fuel and lubricants	**₱8,966,311,223**	₱8,662,032,669	₱5,151,443,587
Materials and supplies (Note 17)	**5,237,045,506**	4,894,599,127	4,814,829,506
Depreciation and amortization (Notes 9, 10 and 11)	**3,522,670,333**	2,953,823,251	3,206,865,763
Direct labor (Notes 17 and 18)	**2,312,655,836**	2,000,915,792	1,740,399,466
Production overhead (Note 17)	**1,566,630,870**	1,229,839,584	617,330,942
Outside services (Note 17)	**409,632,735**	297,911,144	470,713,991
	22,014,946,503	20,039,121,567	16,001,583,255
Hauling and shiploading costs (Notes 9 and 17)	**1,357,690,465**	1,100,577,649	1,322,699,136
	₱23,372,636,968	₱21,139,699,216	₱17,324,282,391

In 2023, the Parent Company made a reversal on the previously recognized allowance for inventory obsolescence amounting to ₱79.86 million included as part of "Materials and supplies" under cost of coal in the consolidated statements of comprehensive income.

In 2021, the Parent Company recognized provision for inventory obsolescence amounting to ₱168.54 million, which is included in "Materials and supplies' under cost of coal in the consolidated statements of comprehensive income.

Cost of power sales consists of:

	2023	2022	2021
Coal	**₱5,425,050,452**	₱3,382,073,706	₱3,515,523,065
Depreciation and amortization (Note 9)	**2,793,654,219**	2,713,660,463	2,712,156,415
Energy spot purchases	**880,725,734**	1,885,580,927	2,187,503,217
Diesel	**173,032,673**	204,960,352	295,562,474
Chemicals, lubricants and limestone	**143,994,889**	330,111,016	75,615,195
Market fees	**25,815,100**	17,258,131	14,706,578
Others	**94,600,352**	81,807,586	114,220,385
	₱9,536,873,419	₱8,615,452,181	₱8,915,287,329

The cost of coal on power sales consists of:

	2023	2022	2021
Materials and supplies	**₱1,797,883,005**	₱1,491,607,366	₱1,815,056,200
Fuel and lubricants	**1,705,410,611**	1,030,987,549	747,530,776
Depreciation and amortization (Note 9)	**636,493,016**	63,249,788	102,492,872
Hauling and shiploading costs	**469,502,629**	376,233,907	440,003,812
Direct labor	**439,871,839**	238,156,487	252,552,230
Production overhead	**297,976,374**	146,380,110	89,581,119
Outside services	**77,912,978**	35,458,499	68,306,056
	₱5,425,050,452	₱3,382,073,706	₱3,515,523,065

20. Operating Expenses

	2023	2022	2021
Government share (Note 26)	**₱10,682,608,445**	₱15,963,371,469	₱6,354,771,211
Repairs and maintenance	**1,255,358,370**	1,007,559,364	453,607,978
Personnel costs (Notes 17 and 18)	**855,490,362**	811,695,278	673,300,883
Taxes and licenses	**729,950,599**	496,057,322	600,942,907
Insurance and bonds	**510,407,770**	398,102,708	300,864,581
Operation and maintenance (Note 17)	**324,000,000**	324,000,000	297,000,000
Office expenses (Note 17)	**210,102,811**	227,484,743	177,644,604
Professional fees	**79,151,745**	77,288,700	60,366,134
Write-down of inventories, asset held-for-sale and property, plant and equipment (Notes 3, 6, 8 and 9)	**76,094,595**	210,752,009	–
Depreciation and amortization (Notes 3, 9 and 10)	**62,869,653**	69,562,720	83,292,044
Entertainment, amusement and recreation	**38,061,026**	30,860,344	67,133,369
Transportation and travel	**25,660,590**	21,979,008	17,479,977

(Forward)

	2023	2022	2021
Provision for impairment losses (Notes 5, 7 and 11)	**₱13,687,290**	₱30,987,428	₱–
Impairment loss on other current assets (Note 7)	**8,465,289**	–	–
Others (Note 24)	**245,349,518**	282,527,987	178,756,585
	₱15,117,258,063	₱19,952,229,080	₱9,265,160,273

In 2022, others include the accrued interest on the 2020 income tax due amounting to ₱184.00 million (see Note 24). Others also pertain to various expenses such as advertising and utilities.

21. Finance Costs

	2023	2022	2021
Interest on:			
Long-term debt (Note 13)	**₱428,970,377**	₱646,024,986	₱774,632,597
Short-term debt	–	–	58,416,679
Accretion of provision for decommissioning and site rehabilitation costs (Note 14)	**21,736,963**	16,823,359	9,797,034
Lease liabilities (Note 10)	**4,848,214**	6,014,971	7,104,913
Amortization of debt issuance cost (Note 13)	**19,559,322**	31,466,638	33,227,632
Bank charges and others	**114,134,893**	157,592,940	93,179,757
	₱589,249,769	₱857,922,894	₱976,358,612

22. Finance Income

	2023	2022	2021
Interest on:			
Cash in banks (Note 4)	**₱31,259,609**	₱13,227,156	₱5,498,252
Cash equivalents (Note 4)	**1,151,671,119**	397,348,429	15,097,453
Others	**4,572,572**	2,804,140	1,946,547
	₱1,187,503,300	₱413,379,725	₱22,542,252

23. Other Income

	2023	2022	2021
Sale of fly ash	**₱472,004,670**	₱220,674,227	₱167,589,713
Recoveries from insurance claims and claims from third party settlement	**31,884,171**	–	–
Gain (loss) on sale of equipment – net (Note 9)	–	423,256	(1,990,583)
Miscellaneous	**221,735,414**	21,464,033	74,140,556
	₱725,624,255	₱242,561,516	₱239,739,686

Miscellaneous
Miscellaneous pertains to liquidated damages received and amortization of deferred rental income.

24. Income Tax

	2023	2022	2021
Current	**₱2,321,226,660**	₱2,099,546,578	₱18,859,250
Final	**214,931,551**	72,342,178	112,133,683
Deferred	**(387,737,354)**	179,889,126	214,131,126
	₱2,148,420,857	₱2,351,777,882	₱345,124,059

The current provision for income tax in 2022 includes the accrual of income tax due for its 2020 income amounting to ₱897.30 million.

The reconciliation of the effective statutory income tax rate to the provision for income tax rate shown in the consolidated statements of comprehensive income follows:

	2023	2022	2021
Statutory income tax rate	**25.00%**	25.00%	25.00%
Adjustments for:			
Nondeductible expense	**0.39**	0.81	0.09
Nondeductible interest expense	**0.05**	0.06	0.00
Movement in unrecognized deferred tax assets	**(0.02)**	(0.29)	0.53
Interest income already subject to final tax at a lower rate	**(0.27)**	(0.07)	(0.01)
Tax-exempt income	**(20.53)**	(22.66)	(26.20)
Adjustment of prior year income taxes due to change in tax rate (CREATE)	–	–	0.82
Others	**2.52**	2.72	–
Effective income tax rate	**7.14%**	5.57%	0.23%

Deferred tax assets and deferred tax liabilities are offset on a per entity level and the net amount is reported in the consolidated statements of financial position as follows:

Deferred tax assets - net

	2023	2022
Deferred tax assets on:		
Allowance for expected credit losses and impairment losses (Notes 5 and 7)	**₱443,635,528**	₱389,465,331
Write-down of PPE (Note 9)	**71,711,651**	42,942,859
Accrual of pension obligation	**132,447,625**	26,048,335
Provision for decommissioning and site rehabilitation costs (Note 14)	**4,544,443**	5,771,879
Lease liabilities (Note 10)	**689,427**	126,393
Allowance for inventory obsolescence	**47,292,074**	9,745,143
Unrealized foreign exchange losses	**49,874,165**	–
Others	**19,516,345**	15,850,474
	₱769,711,258	₱489,950,414

(Forward)

	2023	2022
Deferred tax liability on:		
Other comprehensive income	**(₱2,050,851)**	(₱3,199,365)
	(2,050,851)	(3,199,365)
	₱767,660,407	₱486,751,049

Deferred tax liabilities - net

	2022
Deferred tax assets on:	
Accrual of pension obligation	₱96,704,138
Allowance for inventory obsolescence	57,512,862
Allowance for doubtful accounts (Note 5)	18,707,571
Lease liabilities (Note 10)	6,348,719
Allowance for expected credit losses and impairment losses (Notes 7 and 10)	3,823,014
	183,096,304
Deferred tax liabilities on:	
Right-of-use assets	(7,323,379)
Unrealized foreign exchange gains	(300,561,661)
	(307,885,040)
	(₱124,788,736)

There were no net deferred tax liabilities on a per entity level reported in the consolidated statement of financial position as of December 31, 2023.

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:

	2023	2022
NOLCO	**₱43,232,940**	₱42,654,944
Allowance for impairment losses and other probable losses	**159,690,670**	287,861,508
MCIT	**43,585**	14,904,246
Others	**70,166,025**	57,682,916

Unrecognized deferred tax assets on temporary differences amounted to ₱68.32 million and ₱111.95 million as of December 31, 2023 and 2022, respectively.

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, 2023, the Group has available NOLCO that can be claimed as deduction from future taxable income as follows:

Period	Amount	Applied	Expired	Balance	Expiry Year
2021	₱40,320,083	₱–	₱–	₱40,320,083	2026
2022	2,334,861	–	–	2,334,861	2025
2023	577,996	–	–	577,996	2026
	₱43,232,940	₱–	₱–	₱43,232,940	

As of December 31, 2023, the excess MCIT that is available for offset against future income tax payable follow:

Year incurred	Amount	Applied	Expired	Balance	Expiry Year
2020	₱14,904,246	₱–	₱14,904,246	₱–	2023
2021	43,585	–	–	43,585	2024
	₱14,947,831	₱–	₱14,904,246	₱43,585	

Board of Investments (BOI) Incentives

Parent Company

In relation to the Parent Company's operation in Panian mine site, 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 operations in Narra Mine (formerly Bobog) (Certificate of Registration No. 2012-183) and Molave Mine (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 mine and Molave mine, 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.

On July 12, 2021, the Parent Company applied for another extension of one (1) year of ITH incentive for Molave Mine. On December 16, 2021, the BOI approved the Parent Company's application for extension for one (1) year of ITH incentive for Molave Mine.

The approved bonus year under Certificate of Registration No. 2016-042 is for the period October 15, 2021 to October 14, 2022 using the net foreign exchange earnings criterion pursuant to Executive Order No. 226.

On July 2, 2020, through Board Resolution No. 12-13, Series of 2020, the BOI approved the request for deferment of the ITH incentive availment for Molave mine for taxable year 2020, noting that the operation has been affected or disrupted by COVID-19 pandemic and since the project has not fully enjoyed the incentives granted to it for reasons beyond the Parent Company's control pursuant to Article 7(14) of Executive Order No. 226, otherwise known as the Omnibus Investments Code of 1987, as amended, subject to the following:

(1) the income tax due for the taxable year covered by the deferment period shall be paid by the Parent Company;
(2) the Parent Company will only be entitled to ten (10) months of ITH incentive in the next taxable year since the deferment period, taxable year 2020, is the project's last year of ITH availment period;
(3) that this deferment shall not prejudice the project's approved bonus year under Certificate of Registration No. 2016-042 for the period October 15, 2020 to October 14, 2021 using the Indigenous Raw Material Criterion pursuant to Art. 39(a)(ii) of E.O. 226 pursuant to Board Resolution No. 31-07, Series of 2019. Noting the deferment of its ITH incentive for taxable year 2020, the bonus year shall correspondingly be amended from October 15, 2021 to October 24, 2022.

In 2022, the BOI provided the Parent Company the option to amend the ITH incentive (bonus) expiration year for Molave mine to October 2023 subject to the Parent Company paying the Taxable Year 2020 income tax due amounting to ₱897.30 million and the related interest.

In 2022, the Parent Company recognized ₱897.30 million of income tax due on its income in 2020, as part of its provision for current income tax.

In January 2023, the Parent Company settled the income tax due for the Taxable Year 2020 at ₱1,088.46 million inclusive of interest amounting to ₱191.16 million. Hence, the ITH incentive (bonus) will expire beginning October 2023 and the income from the registered activities of the BOI project (Molave mine pit) from October 2023 will be subjected to regular corporate tax of 25%.

The BOI corrected the ITH availment period of the BOI project pursuant to Art. 39(a)(1)(iii) of E.O. 226 under Certificate of Registration No. 2016-042 from October 15, 2021 to October 14, 2022 to October 15, 2022 to October 14, 2023.

The Parent Company availed of incentive in the form of ITH on its income under registered activities. The income under registered activities amounted to ₱21,559.39 million, ₱36,375.37 million, ₱14,316.71 million in 2023, 2022 and 2021, 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. The bonus year was availed for the period of January 1, 2021 to December 31, 2021.

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:

	2023	2022	2021
Net income	**₱27,933,296,337**	₱39,871,157,824	₱16,200,097,441
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	**₱6.57**	₱9.38	₱3.81

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

The DOE issued Coal Operating Contract (COC) to the Parent Company which gives it the exclusive right to conduct exploration, development and coal mining operations in Semirara Island. 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.

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.

Royalty dues for DOE's share under this contract, amounted to ₱10,682.61 million, ₱15,963.37 million and ₱6,354.77 million in 2023, 2022 and 2021, respectively, included under 'Operating expenses' in the consolidated statements of comprehensive income (see Note 20). Payable to DOE, amounting to ₱3,336.57 million and ₱2,169.25 million as of December 31, 2023 and 2022, respectively, are included under the 'Trade and other payables' account in the consolidated statements of financial position (see Note 12).

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 consolidated 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's consolidated financial statements.

There is no resulting provision in 2023, 2022 and 2021 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, 2023 and 2022 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 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 modified its October 15, 2019 resolution as follows:

- Ordering payment of a fine of ₱610,000 instead
- Removal of the penalty of one-month suspension of the coal trader accreditation.

The Group paid the penalty on March 31, 2021.

c. *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 in the form of Stand-by Letter of Credits. As of December 31, 2023, SBLC issued for this purpose has a value of US$0.54 million. The Performance Security shall be maintained by the Company 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).

On December 27, 2023, PSALM wrote informing the Company that certain lots with an area of 389,357 square meters may be considered for OEN issuance under the principle of "just cause of exclusive possession". The Company, in its letter dated January 24, 2024, to PSALM inquired if an adjustment in the final price of lots can be made since titles have yet to be issued to PSALM and since portions of the lots are submerged in seawater. PSALM replied on January 29, 2024, and reiterated the OEN when issued will be an "as-is-where-is' basis. To date, the Company has yet to consider whether to accede to the position of PSALM.

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 Agreement. 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 10 for the information and related disclosures.

d. 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 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, 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, 2023 and 2022.

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 global 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 referenced to coal indices such as New Castle Index and Indonesian Coal Index. Global 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 global 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 is no assurance that global coal prices will remain higher than pre-pandemic level 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):

	2023	2022
Domestic market	**33.59%**	41.76%
Export market	**66.41%**	58.24%

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, 2023 and 2022 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 2023 and 2022.

	Effect on income before income tax increase (decrease)	
Change in coal price	**2023**	2022
Based on ending coal inventory		
Increase by 29% in 2023 and 19% in 2022	**₱774,424,326**	₱1,088,406,194
Decrease by 29% in 2023 and 19% in 2022	**(774,424,326)**	(1,088,406,194)
Based on coal sales volume		
Increase by 33% in 2023 and 18% in 2022	**13,164,052,954**	9,880,537,599
Decrease by 33% in 2023 and 18% in 2022	**(13,164,052,954)**	(9,880,537,599)

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 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:

	2023						
	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**	**Total**
Cash in banks and cash equivalents	**0.030% to 7.125%**	**₱18,985,080,896**	**₱–**	**₱–**	**₱–**	**₱–**	**₱18,985,080,896**
Peso (PHP) long-term debt*							
a) 1,400.00 million loan	**Fixed annual interest rate of 4.97% - 5.13% per annum**	**₱264,915,019**	**₱250,183,136**	**₱235,544,101**	**₱56,711,835**	**–**	**₱807,354,091**
b) 3,000.00 million loan	**Fixed annual interest rate of 4.88% - 4.90% per annum**	**773,377,083**	**–**	**–**	**–**	**–**	**773,377,083**
c) 2,000.00 million loan	**Fixed annual interest rate of 4.88% - 4.90% per annum**	**320,219,313**	**306,277,456**	**292,346,027**	**–**	**–**	**918,842,796**
d) 2,700.00 million loan	**Fixed annual interest rate of 4.88% - 4.90% per annum**	**485,391,157**	**464,310,058**	**443,241,418**	**–**	**–**	**1,392,942,633**
e) 3,500.00 million loan	**Fixed annual interest rate of 4.88% – 4.90% per annum**	**1,641,668,550**	**707,939,901**	**–**	**–**	**–**	**2,349,608,451**
f) 4,000.00 million loan	**Fixed annual interest rate of 5.00% - 5.13% per annum**	**862,386,243**	**–**	**–**	**–**	**–**	**862,386,243**
		₱4,347,957,365	**₱1,728,710,551**	**₱971,131,546**	**₱56,711,835**	**₱–**	**₱7,104,511,297**

**Includes future interest payables amounting to ₱362.77 million*

	Interest	2022 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	Total
Cash in banks and cash equivalents	0.01% to 6.00%	₱20,052,471,393	₱–	₱–	₱–	₱–	₱20,052,471,393
Peso (PHP) long-term debt*							
a) 1,400.00 million loan	Fixed annual interest rate of 4.97% - 5.13% per annum	₱279,461,205	₱264,915,019	₱250,183,136	₱235,544,101	₱56,711,835	₱1,086,815,296
b) 3,000.00 million loan	Fixed annual interest rate of 4.88% - 4.90% per annum	811,428,646	773,377,083	–	–	–	1,584,805,729
c) 2,000.00 million loan	Fixed annual interest rate of 4.88% - 4.90% per annum	334,140,313	320,219,313	306,277,456	292,346,027	–	1,252,983,109
d) 2,700.00 million loan	Fixed annual interest rate of 4.88% - 4.90% per annum	506,447,338	485,391,157	464,310,058	443,241,418	–	1,899,389,971
e) 3,500.00 million loan	Fixed annual interest rate of 4.88% - 4.90% per annum	1,098,897,733	1,641,668,550	707,939,901	–	–	3,448,506,184
f) 4,000.00 million loan	Fixed annual interest rate of 5.00% - 5.13% per annum	904,620,829	862,386,243	–	–	–	1,767,007,072
		₱3,934,996,064	₱4,347,957,365	₱1,728,710,551	₱971,131,546	₱56,711,835	₱11,039,507,361

**Includes future interest payables amounting to ₱808.35 million*

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, 2023 and 2022, 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	**2023**	2022
+100	**(₱21,531)**	(₱28,709)
-100	**21,531**	28,709

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, 2023 and 2022 based on contractual payments:

	2023					
	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	₱18,985,080,896	₱–	₱–	₱–	₱–	₱18,985,080,896
Receivables						
Trade:						
Outside parties	10,697,037,984	–	–	–	–	10,697,037,984
Related parties	1,391,298,124	–	–	–	–	1,391,298,124
Others[(1)]	191,415,020	–	–	–	–	191,415,020
Environmental guarantee fund	–	–	–	–	17,637,972	17,637,972
	₱31,264,832,024	₱–	₱–	₱–	₱17,637,972	₱31,282,469,996
Financial Liabilities						
Trade and other payables						
Trade:						
Payable to suppliers and contractors	₱9,423,938,254	₱–	₱–	₱–	₱–	₱9,423,938,254
Related parties	353,107,400	–	–	–	–	353,107,400
Accrued expenses and other payables[(2)]	355,391,215	–	–	–	–	355,391,215
Lease liabilities	–	17,153,963	9,639,833	9,639,833	37,410,572	73,844,201
Peso long-term debt with interest payable in arrears[(3)]						
1,400.00 million loan	–	264,915,019	250,183,136	235,544,101	56,711,835	807,354,091
3,000.00 million loan	–	773,377,083	–	–	–	773,377,083
2,000.00 million loan	–	320,219,313	306,277,456	292,346,027	–	918,842,796
2,700.00 million loan	–	485,391,157	464,310,058	443,241,418	–	1,392,942,633
3,500.00 million loan	–	1,641,668,550	707,939,901	–	–	2,349,608,451
4,000.00 million loan	–	862,386,243	–	–	–	862,386,243
	₱10,132,436,869	₱4,365,111,328	₱1,738,350,384	₱980,771,379	₱94,122,407	₱17,310,792,367

[(1)]Excludes advances to officers and employees amounting to ₱100.29 million which are considered as non-financial asset
[(2)]Excludes statutory liabilities amounting to ₱273.19 million
[(3)]Includes future interest payable amounting to ₱362.77 million

	2022					
	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	₱20,052,471,393	₱–	₱–	₱–	₱–	₱20,052,471,393
Receivables						
Trade:						
Outside parties	10,562,538,314	–	–	–	–	10,562,538,314
Related parties	944,474,856	–	–	–	–	944,474,856
Others[(1)]	196,729,604	–	–	–	–	196,729,604
Environmental guarantee fund	–	–	–	–	15,637,143	15,637,143
	₱31,756,214,167	₱–	₱–	₱–	₱15,637,143	₱31,771,851,310
Financial Liabilities						
Trade and other payables						
Trade:						
Payable to suppliers and contractors	₱7,025,549,922	₱–	₱–	₱–	₱–	7,025,549,922
Related parties	217,158,369	–	–	–	–	217,158,369
Accrued expenses and other payables[(2)]	418,470,532	–	–	–	–	418,470,532
Lease liabilities	–	20,827,207	17,153,963	9,639,833	48,469,119	96,090,122
Peso long-term debt with interest payable in arrears[(3)]						
1,400.00 million loan	–	279,461,205	264,915,019	250,183,136	292,255,936	1,086,815,296
3,000.00 million loan	–	811,428,646	773,377,083	–	–	1,584,805,729
2,000.00 million loan	–	334,140,313	320,219,313	306,277,456	292,346,027	1,252,983,109
2,700.00 million loan	–	506,447,338	485,391,157	464,310,058	443,241,418	1,899,389,971
3,500.00 million loan	–	1,098,897,733	1,641,668,550	707,939,901	–	3,448,506,184
4,000.00 million loan	–	904,620,829	862,386,243	–	–	1,767,007,072
	₱7,661,178,823	₱3,955,823,271	₱4,365,111,328	₱1,738,350,384	₱1,076,312,500	₱18,796,776,306

[(1)] *Excludes advances to officers and employees amounting to ₱95.04 million which are considered as nonfinancial assets*
[(2)] *Excludes statutory liabilities amounting to ₱368.50 million*
[(3)] *Includes future interest of ₱808.35 million*

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, 43.11% and 45.93% of the Group's sales in 2023 and 2022 were denominated in US$ whereas approximately 24.40% and 16.80% of liabilities were denominated in US$ as of December 31, 2023, and 2022, respectively.

Information on the Group's foreign currency-denominated monetary assets and liabilities and their Philippine Peso equivalents follow:

	December 31, 2023		December 31, 2022	
	US Dollar	**Peso Equivalent**	US Dollar	Peso Equivalent
Assets				
Cash and cash equivalents	**$145,489,122**	**₱8,084,830,510**	$172,349,869	₱9,672,274,648
Trade receivables	**69,163,967**	**3,843,441,646**	26,361,264	1,479,394,136
Liabilities				
Trade payables	**(99,887,893)**	**(5,550,770,214)**	(68,422,914)	(3,839,893,934)
Net exposure	**$114,765,196**	**₱6,377,501,942**	$130,288,219	₱7,311,774,850

The exchange rates used were ₱55.57 to US$1 and ₱56.12 to US$1 in 2023 and 2022, 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, 2023 and 2022.

	Currency	Increase (decrease) in Philippine Peso/ Foreign exchange rate	Effect on profit before tax
2023	**USD**	**6.66%**	**₱424,741,629**
		(6.66%)	**(424,741,629)**
2022	USD	7.51%	₱549,114,291
		(7.51%)	(549,114,291)

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 realized and unrealized net foreign exchange gains (losses) amounting to (₱175.81) million, ₱1,003.61 million and ₱339.60 million in 2023, 2022 and 2021, 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 5 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 and environmental guarantee 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.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due of the customer with loss pattern. The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The tables below present the summary of the Group's exposure to credit risk as of December 31 and show the credit quality of the assets by indicating whether the assets are subjected to the 12-month ECL or lifetime ECL.

	2023			
	12-month ECL	**Lifetime ECL Not Credit Impaired**	**Lifetime ECL Credit Impaired**	**Total**
Cash in banks and cash equivalents	**₱18,985,080,896**	**₱–**	**₱–**	**₱18,985,080,896**
Receivables:				
Trade receivables – related parties	–	**1,391,298,124**	–	**1,391,298,124**
Trade receivables – outside parties	–	**9,089,193,000**	**1,607,844,984**	**10,697,037,984**
Others*	–	**185,599,661**	**5,815,359**	**191,415,020**
Environmental guarantee fund	–	**17,637,972**	–	**17,637,972**
	₱18,985,080,896	**₱10,683,728,757**	**₱1,613,660,343**	**₱31,282,469,996**

**Excludes advances to officers and employees amounting to ₱100.29 million which are considered as non-financial asset*

	2022			
	12-month ECL	Lifetime ECL Not Credit Impaired	Lifetime ECL Credit Impaired	Total
Cash in banks and cash equivalents	₱20,052,471,393	₱–	₱–	₱20,052,471,393
Receivables:				
Trade receivables - related parties	–	944,474,856	–	944,474,856
Trade receivables - outside parties	–	8,968,380,620	1,594,157,694	10,562,538,314
Others*	–	190,914,245	5,815,359	196,729,604
Environmental guarantee fund	–	15,637,143	–	15,637,143
	₱20,052,471,393	₱10,119,406,864	₱1,599,973,053	₱31,771,851,310

**Excludes advances to officers and employees amounting to ₱95.04 million which are considered as non-financial asset*

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, 2023 and 2022.

	2023	2022
Interest-bearing loans	**₱6,726,332,549**	₱10,196,187,514
Total equity	**62,377,978,690**	64,252,397,908
Debt-equity ratio	**0.11:1**	0.16:1
EPS (Note 25)	**₱6.57**	₱9.38

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 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, 2023 and 2022:

	2023	2022
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	**(174,298,459)**	(120,416,244)
Retained earnings – unappropriated	**45,551,667,126**	47,372,204,129
Retained earnings – appropriated	**6,800,000,000**	6,800,000,000
	₱62,377,978,690	₱64,252,397,908

Some loan agreements have covenants that require the Group to maintain debt-to-equity (DE) ratios, among others (see Note 13).

29. **Fair Values**

Fair Value Information
The fair values of cash and cash equivalents, receivables, environmental guarantee fund, trade payables and accrued expenses and other payables approximate its carrying values since most of these financial instruments are relatively short-term in nature.

Long-term debt and lease liabilities
Estimated fair values are based on the discounted value of future cash flows using the applicable rates for similar types of debt. Interest rates used in discounting cash flows ranges from 4.63% to 5.13%, while interest rate for lease liabilities is 3.20% to 7.88% in 2023 and 2022, respectively.

Asset held-for-sale
The fair value less costs to sell is the estimated price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. This was based from offers received from buyers in the advanced stage of negotiations, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing the asset (e.g. dismantling and handling costs).

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 2023 and 2022.

30. Notes to Consolidated Statements of Cash Flows

Supplemental disclosure of noncash investing activities follows:

	2023	2022	2021
Transfers from inventories to property, plant and equipment (Notes 6 and 9)	**₱239,372,058**	₱695,205,692	₱531,586,938

Changes in liabilities arising from financing activities in 2023, 2022 and 2021 follows:

	For the Year Ended December 31, 2023			
	January 1, 2023	**Net cash flows**	**Noncash**	**December 31, 2023**
Long-term debt (Note 13)	**₱10,196,187,514**	**(₱3,489,414,286)**	**₱19,559,321**	**₱6,726,332,549**
Dividend payable (Note 12)	**3,334,682**	**(29,754,052,759)**	**29,753,833,340**	**3,115,263**
Lease liabilities (Note 10)	**70,700,846**	**(17,988,992)**	**4,848,214**	**57,560,068**
	₱10,270,223,042	**(₱33,261,456,037)**	**₱29,778,240,875**	**₱6,787,007,880**

	For the Year Ended December 31, 2022			
	January 1, 2022	Net cash flows	Noncash	December 31, 2022
Long-term debt (Note 13)	₱15,066,635,161	(₱4,901,914,286)	₱31,466,639	₱10,196,187,514
Dividend payable (Note 12)	3,100,694	(21,252,510,224)	21,252,744,212	3,334,682
Lease liabilities (Note 10)	88,376,182	(23,690,307)	6,014,971	70,700,846
	₱15,158,112,037	(₱26,178,114,817)	₱21,290,225,822	₱10,270,223,042

	For the Year Ended December 31, 2021			
	January 1, 2021	Net cash flows	Noncash	December 31, 2021
Short-term loans (Note 13)	₱5,425,000,000	(₱5,425,000,000)	₱–	₱–
Long-term debt (Note 13)	14,449,071,814	610,585,714	6,977,633	15,066,635,161
Dividend payable (Note 12)	1,193,054	(12,751,642,860)	12,753,550,500	3,100,694
Lease liabilities (Note 10)	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

Noncash changes 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 10).

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 Officer (COO) 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.

	2023 (In thousands)				
	Mining	Power	Others	Adjustments and Eliminations	Consolidated
Revenue					
Sales to external customers	₱52,268,160	₱24,692,255	₱–	₱–	₱76,960,415
Inter-segment sales	7,550,937	–	–	(7,550,937)	–
	59,819,097	24,692,255	–	(7,550,937)	76,960,415
Cost of sales*	(22,498,824)	(10,661,034)	–	6,926,040	(26,233,818)
Depreciation and amortization	(4,518,530)	(2,793,654)	–	636,493	(6,675,691)
Gross profit	32,801,743	11,237,567	–	11,596	44,050,906
Operating expenses*	(11,492,718)	(3,561,558)	(113)	–	(15,054,389)
Depreciation	(23,300)	(39,570)	–	–	(62,870)
Operating profit (loss)	21,285,725	7,636,439	(113)	11,596	28,933,647
Others - net	3,205,584	555,040	–	(3,035,000)	725,624
Finance income	855,432	329,299	2,772	–	1,187,503
Foreign exchange gain (loss) - net	(159,468)	(16,340)	–	–	(175,808)
Finance costs	(180,631)	(408,618)	–	–	(589,249)
Pretax income (loss)	25,006,642	8,095,820	2,659	(3,023,404)	30,081,717
Provision for income tax	(107,342)	(2,040,525)	(554)	–	(2,148,421)
Net income	₱24,899,300	₱6,055,295	₱2,105	(₱3,023,404)	₱27,933,296
Segment assets	₱57,268,808	45,202,642	₱55,168	(₱18,165,836)	₱84,360,782
Deferred tax assets	250,319	517,342	–	–	767,661
	₱57,519,127	₱45,719,984	₱55,168	(₱18,165,836)	₱85,128,443
Segment liabilities	₱12,828,469	₱4,229,617	₱230,964	(₱1,264,918)	₱16,024,132
Long-term debt	725,661	6,000,671	–	–	6,726,332
	₱13,554,130	₱10,230,288	₱230,964	(₱1,264,918)	₱22,750,464
Cash flows arising from:					
Operating activities	₱26,570,942	₱9,578,882	₱–	₱50,055	₱36,199,879
Investing activities	29,572	(588,024)	–	(3,401,882)	(3,960,334)
Financing activities	(29,959,529)	(6,701,354)	–	3,399,427	(33,261,456)
Other disclosures					
Capital expenditures	₱2,967,055	₱1,049,792	₱–	₱–	₱4,016,846

**Excluding depreciation and/or amortization*

	2022 (In thousands)				
	Mining	Power	Others	Adjustments and Eliminations	Consolidated
Revenue					
Sales to external customers	₱70,506,121	₱20,622,572	₱–	₱–	₱91,128,693
Inter-segment sales	5,674,498	–	–	(5,674,498)	–
	76,180,619	20,622,572	–	(5,674,498)	91,128,693
Cost of sales*	(19,963,309)	(9,494,034)	–	5,369,675	(24,087,668)
Depreciation and amortization	(3,259,968)	(2,713,660)	–	306,144	(5,667,484)
Gross profit	52,957,342	8,414,878	–	1,321	61,373,541
Operating expenses*	(16,783,021)	(3,097,697)	(1,947)	–	(19,882,665)
Depreciation	(25,794)	(43,770)	–	–	(69,564)
Operating profit (loss)	36,148,527	5,273,411	(1,947)	1,321	41,421,312
Others- net	1,007,498	243,063	–	(1,008,000)	242,561
Finance income	342,863	69,782	735	–	413,380
Foreign exchange gain (loss) - net	1,015,444	(11,838)	–	–	1,003,606
Finance costs	(312,046)	(545,877)	–	–	(857,923)
Pretax income (loss)	38,202,286	5,028,541	(1,212)	(1,006,679)	42,222,936
Provision for income tax	(1,211,729)	(1,139,902)	(147)	–	(2,351,778)
Net income	₱36,990,557	₱3,888,639	(₱1,359)	(₱1,006,679)	₱39,871,158
Segment assets	₱60,166,663	44,933,470	₱46,700	(₱18,530,801)	₱86,616,032
Deferred tax assets	–	486,751	–	–	486,751
	₱60,166,663	₱45,420,221	₱46,700	(₱18,530,801)	₱87,102,783
Segment liabilities	₱10,362,492	₱3,687,359	₱230,851	(₱1,626,504)	₱12,654,198
Long-term debt	948,056	9,248,131	–	–	10,196,187
	₱11,310,548	₱12,935,490	₱230,851	(₱1,626,504)	₱22,850,385
Cash flows arising from:					
Operating activities	₱34,857,900	₱6,451,187	₱–	(₱534,199)	₱40,774,888
Investing activities	(1,521,801)	(1,521,441)	–	(993,439)	(4,036,681)
Financing activities	(23,695,431)	(4,009,237)	–	1,526,553	(26,178,115)
Other disclosures					
Capital expenditures	₱2,518,089	₱1,785,592	₱–	₱–	₱4,303,681

**Excluding depreciation and/or amortization*

	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
Others - net	1,264,315	175,425	–	(1,200,002)	239,738
Finance income	13,615	8,703	224	–	22,542
Foreign exchange gain (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)	(1,225,506)	16,545,221
Provision for income tax	(89,753)	(255,323)	(48)	–	(345,124)
Net income	₱15,637,702	₱1,792,096	(₱4,195)	(₱1,225,506)	₱16,200,097
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

(Forward)

	2021 (In thousands)				
	Mining	Power	Others	Adjustments and Eliminations	Consolidated
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*

Inter-segment revenues, other income and cost of sales are eliminated in the consolidation under adjustments and eliminations.

Segment assets exclude deferred tax assets amounting to ₱767.66 million, ₱486.75 million and ₱559.76 million as of December 31, 2023, 2022 and 2021, 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

	2023	2022	2021
Domestic market	**₱19,087,490,745**	₱28,652,104,719	₱10,915,873,609
Export market	**33,180,669,968**	41,854,016,190	24,677,105,058
	₱52,268,160,713	₱70,506,120,909	₱35,592,978,667

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.

All of the Group's sales of coal are revenue from contracts with customers recognized at point in time.

Revenues from power sales

	2023	2022	2021
Bilateral contracts			
Distribution utility	**₱2,532,595,868**	₱1,935,669,732	₱531,792,960
RES	**3,820,348,311**	4,335,089,131	10,015,107,072
Others	**288,636,284**	312,721,867	617,653,813
	6,641,580,463	6,583,480,730	11,164,553,845
Spot sales			
WESM	**18,050,674,268**	14,039,091,068	5,666,894,422
	₱24,692,254,731	₱20,622,571,798	₱16,831,448,267

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, 2023				
	Domestic coal sales	**Export coal sales**	**Bilateral Contracts**	**Spot sales**	**Total**
Revenue					
External customers	**₱19,087,490,745**	**₱33,180,669,968**	**₱6,641,580,463**	**₱18,050,674,268**	**₱76,960,415,444**
Inter-segment	**7,550,936,901**	**–**	**–**	**–**	**7,550,936,901**
	26,638,427,646	**33,180,669,968**	**6,641,580,463**	**18,050,674,268**	**84,511,352,345**
Inter-segment adjustments and eliminations	**(7,550,936,901)**	**–**	**–**	**–**	**(7,550,936,901)**
	₱19,087,490,745	**₱33,180,669,968**	**₱6,641,580,463**	**₱18,050,674,268**	**₱76,960,415,444**

	For the Year Ended December 31, 2022				
	Domestic coal sales	Export coal sales	Bilateral Contracts	Spot sales	Total
Revenue					
External customers	₱28,652,104,719	₱41,854,016,190	₱6,583,480,730	₱14,039,091,068	₱91,128,692,707
Inter-segment	5,674,498,212	–	–	–	5,674,498,212
	34,326,602,931	41,854,016,190	6,583,480,730	14,039,091,068	96,803,190,919
Inter-segment adjustments and eliminations	(5,674,498,212)	–	–	–	(5,674,498,212)
	₱28,652,104,719	₱41,854,016,190	₱6,583,480,730	₱14,039,091,068	₱91,128,692,707

	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	₱24,677,105,058	₱11,164,553,845	₱5,666,894,422	₱52,424,426,934
Inter-segment	5,262,513,290	–	–	–	5,262,513,290
	16,178,386,899	24,677,105,058	11,164,553,845	5,666,894,422	57,686,940,224
Inter-segment adjustments and eliminations	(5,262,513,290)	–	–	–	(5,262,513,290)
	₱10,915,873,609	₱24,677,105,058	₱11,164,553,845	₱5,666,894,422	₱52,424,426,934

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, 2023 and 2022.

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.

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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, 2023 and 2022, and for each of the three years in the period ended December 31, 2023, and have issued our report thereon dated February 27, 2024. 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.

Jennifer D. Ticlao

Jennifer D. Ticlao
Partner
CPA Certificate No. 109616
Tax Identification No. 245-571-753
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
BIR Accreditation No. 08-001998-110-2023, September 12, 2023, valid until September 11, 2026
PTR No. 10082023, January 6, 2024, Makati City

February 27, 2024

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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, 2023 and 2022, and for each of the three years in the period ended December 31, 2023, and have issued our report thereon dated February 27, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule of 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, 2023 and for each of the three years in the period ended December 31, 2023 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Jennifer D. Ticlao

Jennifer D. Ticlao
Partner
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PTR No. 10082023, January 6, 2024, Makati City

February 27, 2024

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 AND FOR THE YEAR ENDED DECEMBER 31, 2023

Unappropriated Retained Earnings, beginning of reporting period		**₱31,140,441,789**
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings	₱–	
Reversal of Retained Earnings Appropriation/s	–	
Effect of restatements or prior-period adjustments	–	
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	29,753,833,340	
Retained Earnings appropriated during the reporting period	–	
Effect of restatements or prior-period adjustments	–	**29,753,833,340**
Unappropriated Retained Earnings, as adjusted		**1,386,608,449**
Add/Less: Net Income for the current year		**24,899,300,679**
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	–	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	–	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	–	
Unrealized fair value gain of Investment Property	–	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	–	
Sub-total		–
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	–	
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	–	
Realized fair value gain of Investment Property	–	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	–	
Sub-total		–

Add: <u>Category C.3</u>: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	–	
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	–	
Reversal of previously recorded fair value gain of Investment Property	–	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded	–	
Sub-total		–
Adjusted Net Income/Loss		**26,285,909,128**
Add: <u>Category D:</u> Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)		
Sub-total		
Add/Less: <u>Category E</u>: Adjustments related to relief granted by the SEC and BSP		
Amortization of the effect of reporting relief		
Total amount of reporting relief granted during the year	–	
Sub-total		–
Add/Less: <u>Category F:</u> Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)	–	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	(72,300,065)	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction	–	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	–	
Sub-total		**(72,300,065)**
Total Retained Earnings, end of the reporting period available for dividend		**₱26,213,609,063**

SEMIRARA MINING AND POWER CORPORATION AND SUBSIDIARIES

COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

FOR THE YEARS ENDED DECEMBER 31, 2023 and 2022

Financial Soundness Indicators

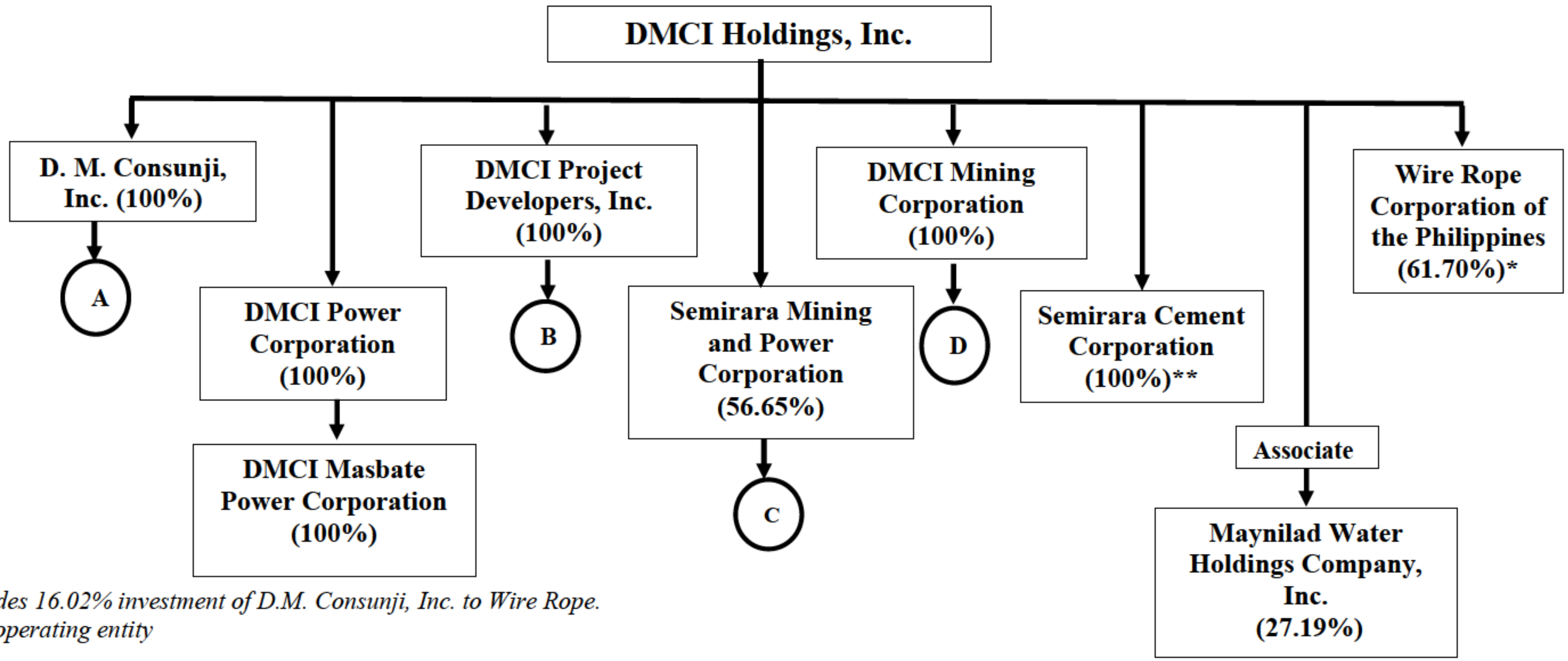
Below are the financial ratios that are relevant to the Group for the years ended December 31, 2023 and 2022:

Financial ratios		2023	2022
Current ratio	Current assets / Current liabilities	**2.38:1**	2.91:1
Acid-test ratio	Current assets less inventories / Current liabilities	**1.63:1**	2.08:1
Solvency ratio	Net income plus depreciation / Total liabilities	**1.55:1**	2.01:1
Debt to equity ratio	Interest-bearing loans / Total equity	**0.11:1**	0.16:1
Asset-to-equity ratio	Total assets / Total equity	**1.36:1**	1.36:1
Inventory turnover	Cost of sales / Average inventory	**1.71:1**	1.82:1
Accounts receivable turnover ratio	Net credit sales / Average accounts receivable	**7.34:1**	10.64:1
Interest rate coverage	Earnings before interest and taxes / Interest paid	**54.93:1**	63.18:1
Return on assets	Net income / Average total assets	**0.32:1**	0.50:1
Return on equity	Net income / Average total equity	**0.44:1**	0.73:1
Gross Margin ratio	Gross profit / Sales	**0.57:1**	0.67:1
Net profit margin ratio	Net income / Sales	**0.36:1**	0.44:1

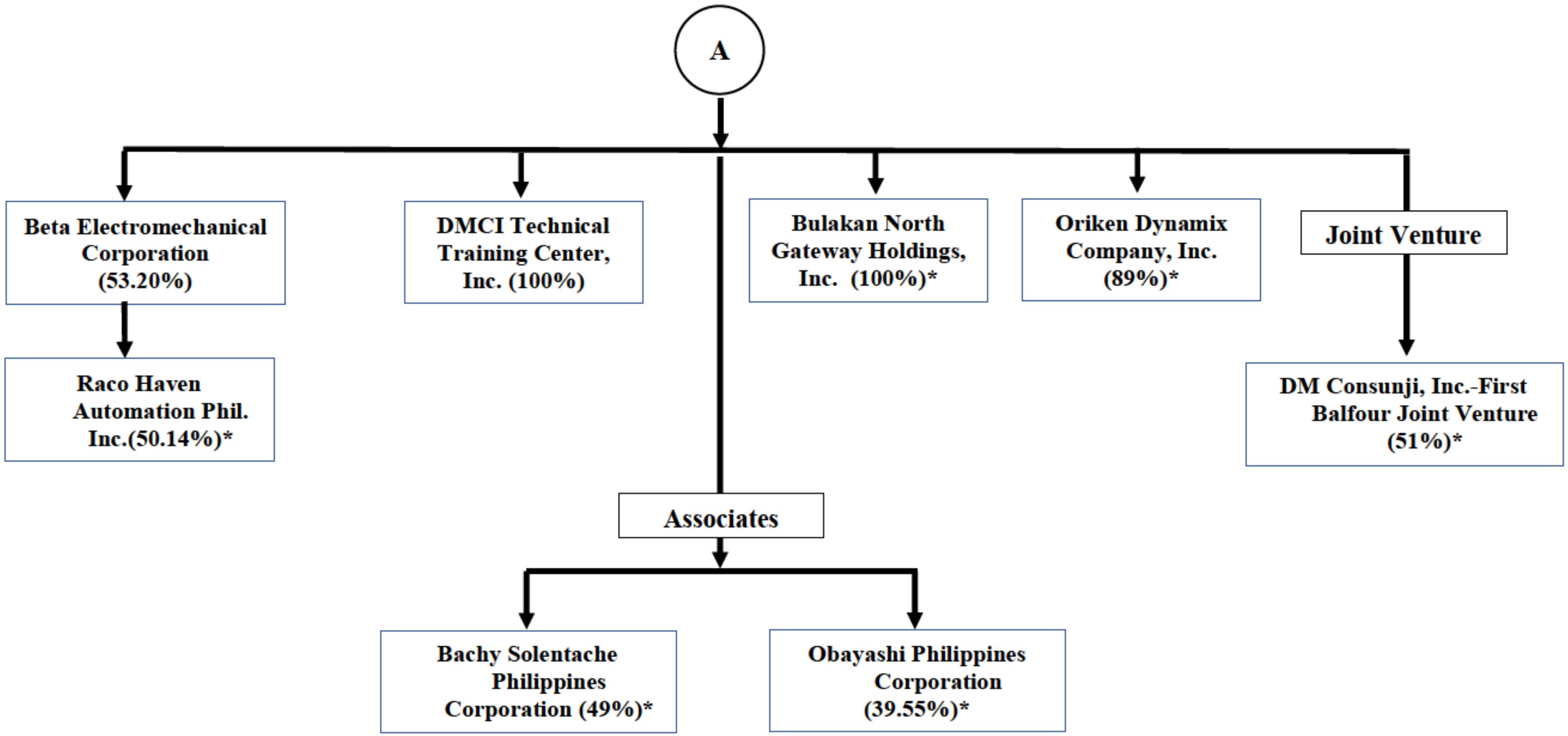
ANNEX B

SEMIRARA MINING AND POWER CORPORATION AND SUBSIDIARIES
MAP OF RELATIONSHIPS OF THE COMPANIES WITHIN THE GROUP

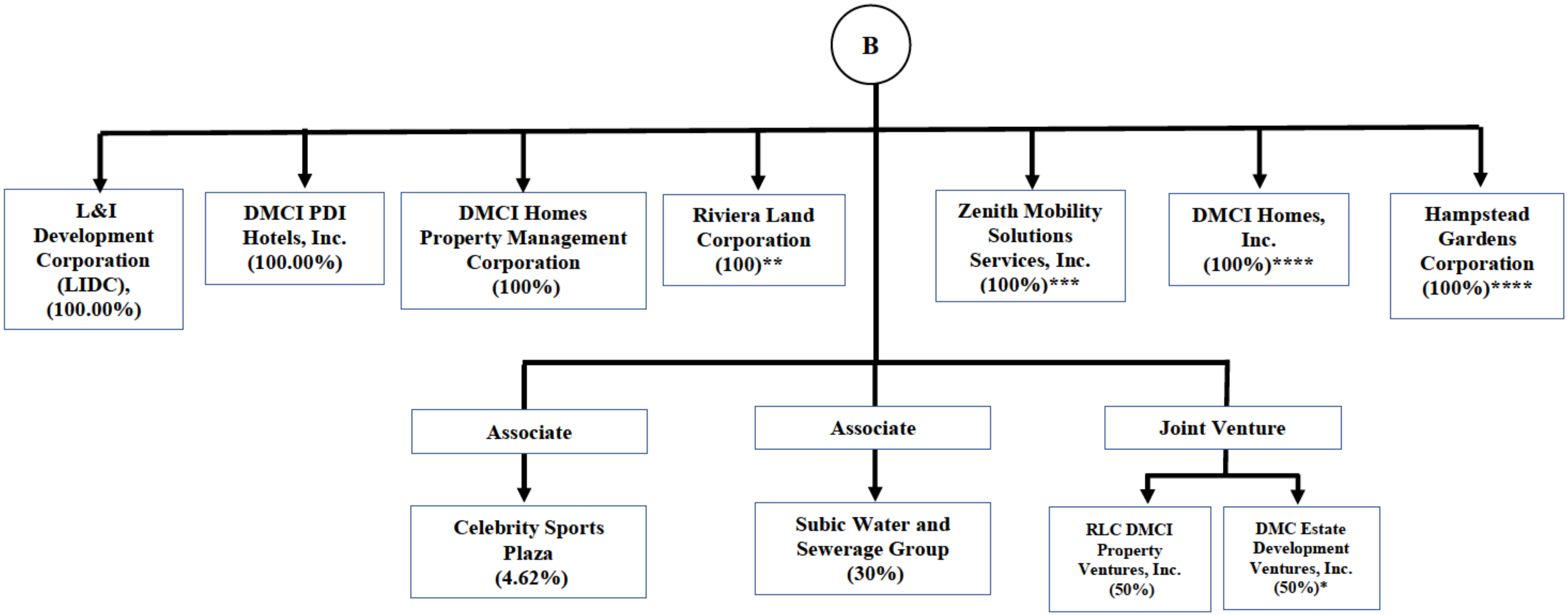
Group Structure
Below is a map showing the relationship between and among the Group as of December 31, 2023:



* *Includes 16.02% investment of D.M. Consunji, Inc. to Wire Rope.*
***Non-operating entity*



**Non-operating entities*

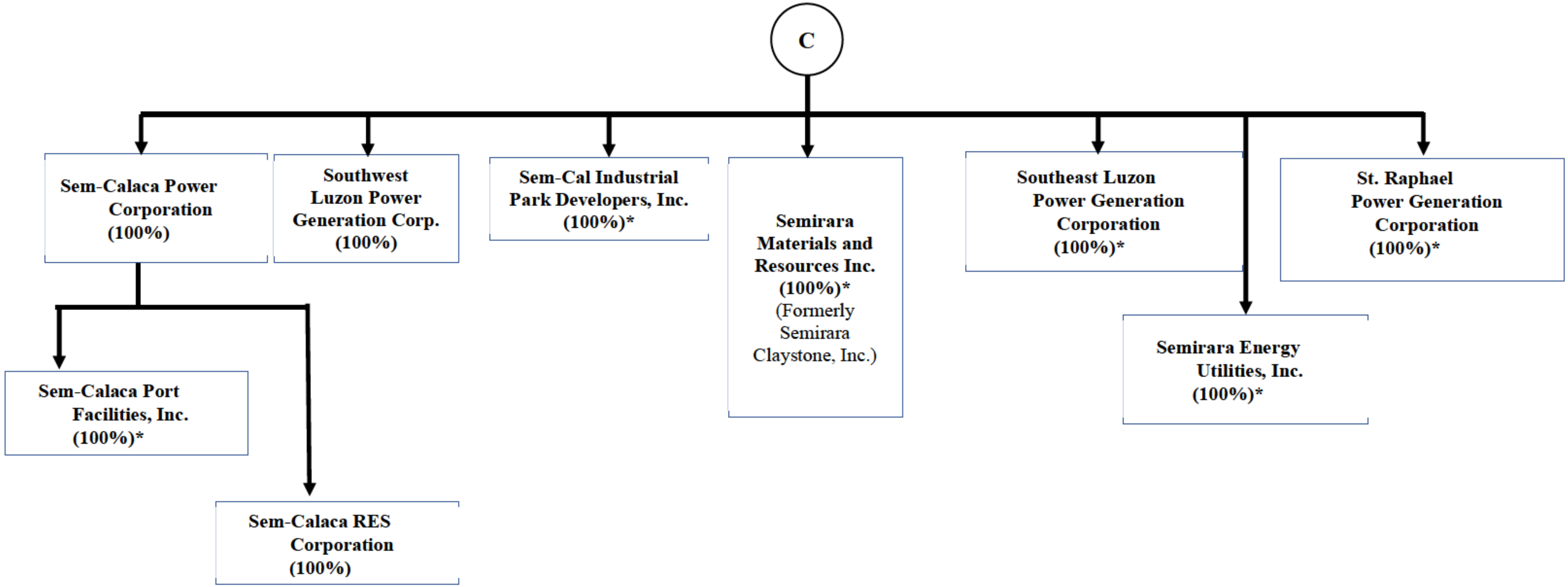


* *Established in 2021*

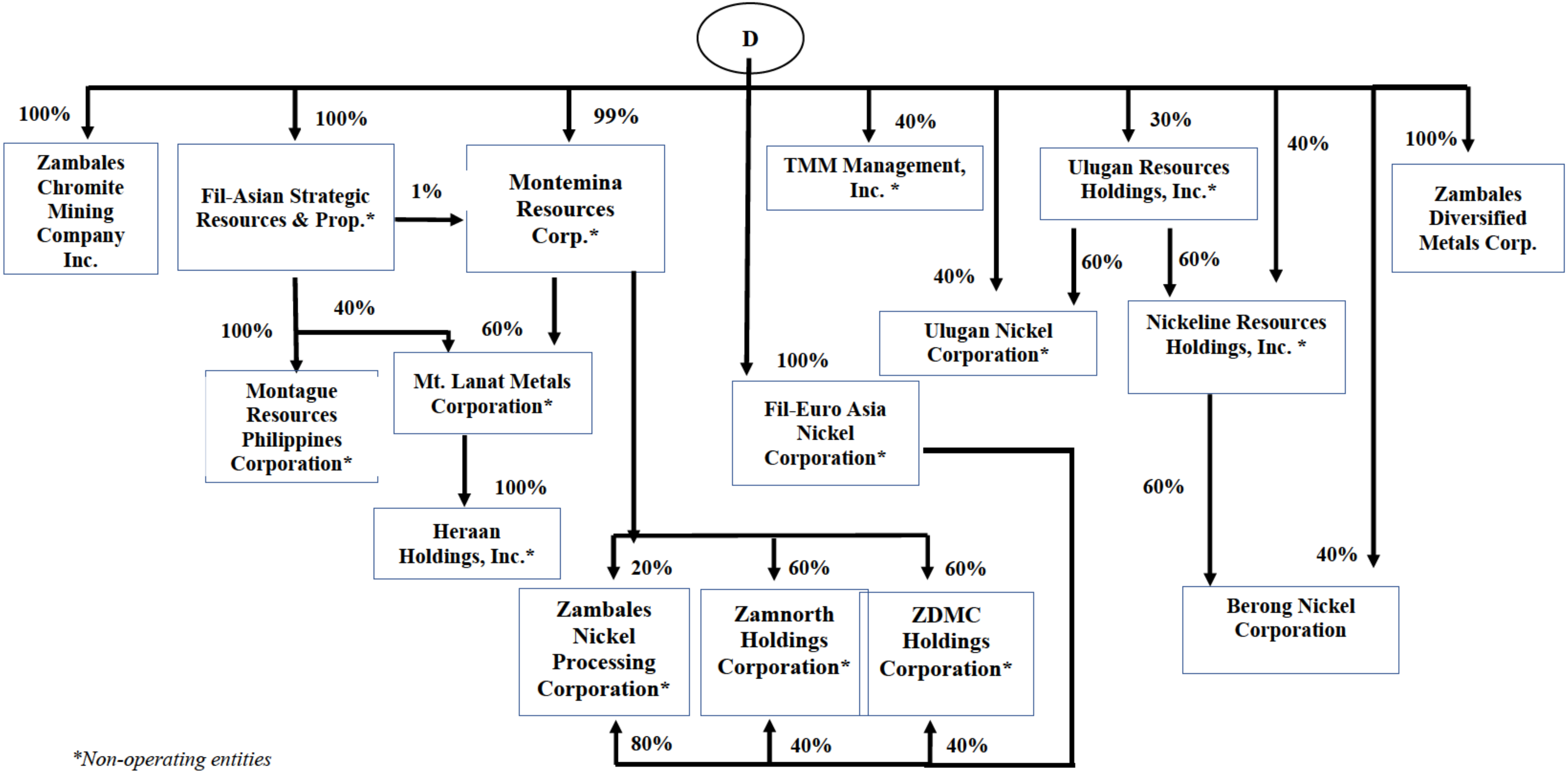
** *Includes the 34.12% interest of DMCI*

*** *Equity interest increased from 51% to 100% in 2020*

**** *Liquidating as of December 31, 2023*



Non-operating entities



*Non-operating entities

ANNEX C

SEMIRARA MINING AND POWER CORPORATION AND SUBSIDIARIES

SCHEDULE A: FINANCIAL ASSETS

DECEMBER 31, 2023

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, 2023

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, 2023

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	**₱982,694,548**	**₱5,455,686,946**	**₱5,729,552,336**	**₱–**	**₱708,829,158**	**₱–**	**₱708,829,158**
Semirara Materials and Resources, Inc.	**228,721,893**	**22,187**	**–**	**–**	**228,744,080**	**–**	**228,744,080**
Southwest Luzon Power Generation Corporation	**443,037,208**	**1,784,531,183**	**1,962,665,722**	**–**	**264,902,669**	**–**	**264,902,669**
Semirara Energy Utilities, Inc.	**694,100**	**47,219**	**–**	**–**	**741,319**	**–**	**741,319**
Southeast Luzon Power Generation Corporation	**17,688,644**	**44,020**	**–**	**–**	**17,732,664**	**–**	**17,732,664**
SEM-Cal Industrial Park Developers, Inc.	**405,789**	**44,020**	**–**	**–**	**449,809**	**–**	**449,809**
St. Raphael Power Generation Corporation	**11,544,770**	**–**	**–**	**–**	**11,544,770**	**–**	**11,544,770**
	₱1,684,786,952	**₱7,240,375,575**	**₱7,692,218,058**	**₱–**	**₱1,232,944,469**	**₱–**	**₱1,232,944,469**

ANNEX C

SEMIRARA MINING AND POWER CORPORATION AND SUBSIDIARIES

SCHEDULE D: LONG-TERM DEBT

DECEMBER 31, 2023

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	₱1,400.00 million	Fixed annual interest rate of 4.97% - 5.13% per annum	Various quarterly maturities starting 2020 until 2027	Interest payable every 3 months, principal to be paid on maturity date	₱222,792,205	₱502,869,060
Bank loans	₱3,000.00 million	Fixed annual interest rate of 4.88% - 4.90% per annum	Various quarterly maturities starting 2021 until 2025	Interest payable every 3 months, principal to be paid on maturity date	750,000,000	–
Bank loans	₱2,000.00 million	Fixed annual interest rate of 4.88% - 4.90% per annum	Various quarterly maturities starting 2019 until 2026	Interest payable every 3 months, principal to be paid on maturity date	285,714,286	568,628,772
Bank loans	₱2,700.00 million	Fixed annual interest rate of 4.88% - 4.90% per annum	Various quarterly maturities starting 2019 until 2026	Interest payable every 3 months, principal to be paid on maturity date	432,000,000	859,581,299
Bank loans	₱3,500.00 million	Fixed annual interest rate of 4.88% – 4.90% per annum	Various quarterly maturities starting 2017 until 2024	Interest payable every 3 months, principal to be paid on maturity date	1,575,000,000	695,518,530
Bank loans	₱4,000.00 million	Fixed annual interest rate of 5.00% - 5.13% per annum	Various quarterly maturities starting 2019 until 2024	Interest payable every 3 months, principal to be paid on maturity date	834,228,397	–
					₱4,099,734,888	₱2,626,597,661

ANNEX C

SEMIRARA MINING AND POWER CORPORATION AND SUBSIDIARIES

SCHEDULE E: INDEBTEDNESS TO RELATED PARTIES

DECEMBER 31, 2023

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, 2023

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, 2023

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	–	3,007,294,581	91,594,004	1,151,659,035