



SEMIRARA MINING CORPORATION
(formerly known as Semirara Coal Corporation)

April 16, 2007

THE PHILIPPINE STOCK EXCHANGE, INC.
4th Floor, Philippine Stock Exchange Center
Exchange Road, Ortigas Center, Pasig City

Attn.: **Atty. Pete M. Malabanan**
Head - Disclosure Department

Re: SEC Form 17-A

Gentlemen:

In compliance with the Revised Disclosure Rules of the Philippine Stock Exchange, Inc., we are furnishing you copy of Semirara Mining Corporation's Annual Report using SEC Form 17-A for the period ended December 31, 2006.

Thank you and we hope that you find the foregoing in order.

Very truly yours,

SEMIRARA MINING CORPORATION

By:

(*sgd.*) **JOHN R. SADULLO**
Corporate Information Officer

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended: **December 31**
2. SEC Identification No.: **91447** 3. BIR Tax ID No.: **000-190-324-000**
4. Exact Name of issuer as specified in its charter: **Semirara Mining Corporation**
5. **Philippines** 6. _____ (SEC Use Only)
Province, Country or other jurisdiction of Industry Classification Code:
Incorporation or organization
7. **2nd Floor, DMCI Plaza Bldg., 2281 Don Chino Roces Avenue, Makati City 1200**
Address of principal office Postal Code
8. **(02) 888-3000**
Issuer's telephone number, including area code
9.
Former name, Address and fiscal year, if changed since last report

10. Securities registered pursuant to Secs. 8 & 12 of SRC, or Secs. 4 & 8 of RSA

Title of Each Class	Number of Shares Stock Outstanding and Amount of Debt Outstanding
Common	277,572,800

11. Are any or all of these securities listed on a Stock Exchange

Yes (✓) No ()

If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange **Common Shares**

12. Check whether the issuer:

(a) has filed all reports required to be filed by Sec.17 of the SRC and SRC Rule17 thereunder or Sec. 11 of the RSA and RSA Rule 11 (a)-1 thereunder and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes (✓) No ()

has been subject to such filing requirements for the past ninety (90) days.

Yes () No (✓)

State the aggregate market value of the voting stock held by non-affiliates of the Registrant.

NAME	NO. OF SHARES HELD	% OF TOTAL	AGGREGATE MARKET VALUE
PCD Nominee Corp (NF)	62,795,097	21.15%	Php1,146,010,520
Others	52,922,043	17.83%	965,827,285
TOTAL	115,717,140	38.98 %	Php2,111,837,805¹

NON-FINANCIAL DISCLOSURE REQUIREMENTS

PART I- BUSINESS AND GENERAL INFORMATION

A. Description of Business

(1) Business Development

(a) Form and year of organization

The Company was incorporated on February 26, 1980 to explore, develop, and mine the coal resources in Semirara Island.

(b) Any bankruptcy, receivership or similar proceedings.

None

(c) Any material reclassification, merger, consolidation, or purchase or Sale of a significant amount of assets not in the ordinary course of business.

None

(2) Business of Issuer

(a) Description of Registrant

(i) Principal product or services and their markets;

¹ Computed on the basis of closing price at P18.25/share as of December 29, 2006 as quoted by the Philippine Stock Exchange

The Company generates 98% of its revenues through the production of sub-bituminous coal and 2% from coal handling services at NAPOCOR's Calaca Power Plants. In 2006, the power generation sector accounted for 72% of the Company's total sales while the cement and other manufacturers contributed 28%.

(ii) Percentage of sales or revenues and net income contributed by foreign sales for each of the last three years;

Not applicable as we are purely dealing with local sales.

(iii) Distribution methods of the products or services;

Marketing policy is to sell directly to ultimate consumers. This is done either on FOB Semirara basis or delivered plant site basis.

(iv) Status of any publicly-announced new product or services;

Not applicable.

(v) Competition.

Competition is insignificant in so far as domestic coal mine is concerned. The company remains the largest coal producer in the Philippines, contributing 1.515 million metric tons (MT) or 98.4% of total domestic coal production in 2001 while the nominal balance is shared by small-scale mines in Cebu, Bataan Island, and other areas. Nonetheless, domestic coal demand is still anchored heavily on imported coal. In 2002, importation reached 5.930 million MT, representing 79.4% of aggregate supply, much higher than the 1.539 million MT (or 20.6% of aggregate supply) contributed by domestic coal producers. China brought in the bulk of coal in the country, accounting for 49.84% of the total, followed by Indonesia (36.86%), Australia (9.26%) and Vietnam (4.04%). In 2004, domestic producers supplied 27% of the total demand of 9.5 Million MTs increasing further to 32% of the 9.7 Million MTs market in 2005. However, in 2006 domestic producers supplied only 25% of the total demand of 9.5 Million MT's because of higher imported volume due to demand of higher quality coal which came from other countries. Semirara supplied 22% of the country's total coal consumption for 2006. The competitiveness of domestic coal producers is threatened 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 materials for 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. The tariff rates of sub-bituminous and other coal now stands at the rate of 3%.

To be competitive, local coal industry must be priced competitively against imported coals, currently from, Indonesia, China & Australia. Pricing of domestic coal is based on import parity inclusive of taxes and duties (at the current rate of taxes and duties). With the inherent quality of Semirara coal, it is estimated that it will be used by approximately 50% of the total Philippine market. The promptness of delivery and quality of coal is required. The power companies are mostly located in Luzon and a few in the Visayas.

(vi) Sources and availability of raw materials and the name of Principal suppliers; any major existing supply contracts;

The Company has a Coal Operating Contract with Department of Energy (DOE) in 1977 (amended 1981) for the exploration, development, mining and utilization of coal over Semirara Island, Antique pursuant to PD 972. Semirara Island has an estimated coal reserve of 150 million metric tons representing 50% of the country's known coal reserve.

Currently, Semirara Mining Corporation has a long term Supply Contract with National Power Corporation (NPC) for its power plants in Calaca. Potential requirement of the Calaca plants is approximately 1.5 to 2.0 Million MTs. In March 2003, NPC tested our coal for its Masinloc plant while deliveries were made to Sual and Pagbilao Power Plants in 2004 and 2005. Both the Sual and Pagbilao plants are being operated by Mirant, Phil., Inc., and are covered by a Coal Supply and Energy Conversion Agreements with NPC. These plants have potential market for Semirara coal of 600,000 to 800,000 Mts of coal per annum.

(vii) Dependence upon a single customer.

Historically, approximately 98% of the Company's revenue streams are from the NPC Calaca Plants. NPC's consumption of Semirara Coal has steadily increased since the Company worked on improving the quality of its coal. Note that the Company started washing 25% of its production in mid 1999. Resultantly, its market has widened, to include other power plants, the cement industry and other small industrial plants. As of 2005, NPC's share in volume and value of the Company's sales is 58% and 65%, respectively and increased to 63% and 68% in 2006.

(viii) Transactions with and/or dependence on related parties:

National Power Corporation is the company's principal consumer of Semirara's coal.

(ix) Patents, trademarks, copyrights, licenses, franchises, Concessions and royalty agreements held;

Under its Coal Operating Contract, the Company is obligated to pay royalties to the Department of Energy (DOE) – 3% royalty based on FOB sales and compensation for entry and use of private lands under the provisions of PD 972, as amended by PD 1174, to land owners– P0.50/MT for untitled land and P 1.00/MT for titled land.

(x) Need for any government approval of principal products or services.

The Company has secured permits and licenses from the government as follows: a) Coal Operating Contract with the DOE effective until 2012; b) Mineral Exploration Permit 99-001-VI issued by the DENR renewable every 2 years; c) Environmental Compliance Certificate No. 9805-009-302 issued by the DENR effective for the duration of the projected) d) Business Permit issued by Caluya, Antique for 2007; e) Aerodrome Rating Certificate No. 218 issued by the ATO-yearly renewable by site; f) Certificate of Registration of Port Facilities No. 149.

(xi) Effect of existing or probable governmental regulations on the business;

Tariff reduction on coal affects the price of coal.

(xii) Estimate of amount spent on research and development Activities (2 fiscal years)

None.

(xiii) Costs and effects of compliance with environmental laws;

The Corporation 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 fresh water sanctuary. The Company has spent P23.6 Million for these activities from 2001-2006. The Company has established an Environmental Monitoring Fund for MMT, which has an initial amount of P600,000, determined by the work and financial plan of the Monitoring Team. Also, an Environmental Guarantee Fund was established with a cash component of 1.5 Million. This enables the continued mining operations of the Company.

(xiv) Total number of employees

The average number of personnel of the Company is 753 and 825 for the years 2006 and 2005 respectively, inclusive of employees based at the company's head office in Manila. Out of the 753 employees for 2006, 181 is employed by Semirara while the rest is employed by DMC Construction Equipment Resources, Inc., is an affiliate of Dacon Corporation.

A new CBA was signed between the Company and the Semirara Coal Corporation Labor Union (SECCLU) last December 14, 2006 which will last five (5) years after effectivity.

B. Description of Property

The minesite in Semirara Island, Caluya, Antique, is a leased property from the government. The infrastructures and road network, office administration buildings, and power plants, are some of the improvements made by the Company on the leased area, as well as the following:

	No. of Units
<u>BUILDING OFFICES</u>	
Administration Building	1
Site Office	1
Auxiliary Building	1
Laboratory Building	1
Washing Plant Office	1
Power Plant Shed	1
Product Field Office	1
Service Base/Pit Shop Building	1
Briquetting Building	1
Classrooms for Barangay Semirara	12
Ice Plant	1
Genset Shed at Power Plant	1
Magazine Building	3
Pottery Building	1
Water Refilling Station	1
Classrooms for Divine World College	3

HOUSING

Bachelor's Quarters	2
Ladies' Quarters	1
Quadruplex	17
Group Staffhouse	5
Individual Staffhouse	3
Laborer's Clusters	36
Food House	1
Molave Heights (Laborer's Unit)	264

OTHERS

Commissary Building	1
Wet Market	1
Hospital	1
Guardhouse	1
Site Hangar	3
Site Chapel	1
School Building	1
Smart Cellsite	1

All properties with the net book values are active assets. These are all located in Semirara Island, Caluya, Antique (mining site). All properties are free of any liens and encumbrances except some mining equipments used as collateral for the Company's loans.

The company also invested in conventional and continuous mining equipments and other equipment worth P1.577 Billion and P1.095 Billion for years 2005 and 2006, respectively.

The company has no real estate properties. The only properties it has are those stated above. For further reference, please refer to Note No. 9 of the Notes to Financial Statements in audited report 2006.

(b) Mining and Oil Companies

The mining claims are located in Semirara Island, Caluya, Antique covering an area of 3,832 hectares. On March 10, 1999, the Company was granted an Exploration Permit for a period of two years and renewable for a like period for a maximum of 6 years. The Exploration Permit is for limestone, silica and other quarry minerals. On June 28, 2004, the Mines & Geoscience Bureau issued a renewal of the permit. The Company during the term of the Exploration Permit undertook geological mapping, rock sampling and analysis and beneficiation testing. The preliminary exploration conducted by the company indicates a considerable resource of limestone, silica and clay with potential commercial value.

C. Legal Proceedings

On the Corporation's existing legal cases, take note that sometime on January 2004, the Corporation received a complaint filed by HGL Development Corporation ("HGL") against Semirara. The facts are as follows:

- On August 28, 1984, HGL entered into a Forest Land Grazing Lease Agreement (FLGLA No. 184) with the Department of Environment and Natural Resources (“DENR”) covering a 367-hectare land located at the barrios of Bobog and Pontod, Semirara, Antique. In its Order dated December 6, 2000, the DENR cancelled FLGLA No. 184 explaining that the subject area is within the coverage of Proclamation No. 649, which set apart the island of Semirara in the Province of Antique as coal mining reservations.
- HGL filed a letter requesting a reconsideration of the Order but the request was denied in the DENR’s letter-Order dated December 9, 2002.

The Caloocan case:

- On November 17, 2003, HGL filed a complaint against the DENR for specific performance and damages in Branch 121 of the Regional Trial Court of Caloocan City. HGL prayed that DENR should perform its obligations under FLGLA No. 184 and pay HGL the amount of P3,000,000.00 for moral and exemplary damages and attorneys’ fees.
- On March 2, 2004, the Corporation filed a Motion for Intervention in the said case because the Order canceling FLGLA No. 184 sought to be reconsidered by HGL covers property located in the island of Semirara, Antique. Said Motion for Intervention was granted. Subsequently, the Corporation filed a Motion to Dismiss on the ground of lack of cause of action/jurisdiction and forum shopping. This was denied by the court. A motion for reconsideration was filed by the Corporation. After its denial, the Corporation went to the Court of Appeals last November 28, 2005. It is the position of the Corporation that the lower court has no jurisdiction over the case. On January 16, 2007, the CA promulgated its decision reversing the decision of the RTC Caloocan finding grave abuse of discretion on the part of the presiding judge for failing to dismiss the case for lack of jurisdiction. The CA ruled that the DENR decision canceling the FLGLA No. 184 of HGL has long been final and executory on account of its failure to properly take the proper remedy of appealing the DENR’s decision of cancellation to the Office of the President and then to the CA. HGL filed its Motion for Reconsideration to adverse CA decision.

The Culasi Case

- HGL also filed a separate case against the Corporation on November 17, 2003 in Branch 13 of the Regional Trial Court of Culasi, Antique for the recovery of their alleged possession of a 367-hectare land located at the barrios of Bobog and Pontod, Semirara, Antique. HGL prayed for the issuance of a preliminary mandatory injunction in order to secure immediate possession of the property pending litigation. HGL also prayed for actual, moral and exemplary damages and attorney’s fees in the total amount of ₱10,000,000.00. The Corporation received the summons on January 15, 2004.

- On February 6, 2004, the Corporation filed its Answer to the Complaint. It prayed for the outright dismissal of the case for being baseless and unfounded as the order cancelling FLGLA No. 184 has long been final and executory and can no longer be disturbed. The Corporation claims ₱2,500,000.00 in exemplary and moral damages and attorneys' fees.
- On September 16, 2004 the RTC of Culasi granted the preliminary mandatory injunction in favor of HGL which order was sustained by the Court of Appeals, 19th Division. The Corporation went up to the Supreme Court by way of Certiorari under Rule 65, with prayer for Temporary Restraining Order (TRO) and/or Injunction to be issued against HGL, the Court of Appeals and the RTC of Culasi. The Supreme Court in its Order dated March 2, 2005 issued and granted a TRO as prayed for by the Corporation against HGL.
- On December 06, 2006, Supreme Court promulgated its decision denying the Corporation petition for certiorari. On January 18, 2007, the Corporation filed its Motion for Reconsideration and later on January 25, 2007 due to the ruling by the CA in the Caloocan case filed its Supplemental Motion for Reconsideration.

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

PART II – SECURITIES OF THE REGISTRANT

A. Market price of and Dividends on Registrant's Common Equity and Related Stockholder Matters

(1) Market Information

- (a) Principal market where the registrant's common equity is traded.

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

In February 2005, new additional 46,875,000 shares were sold to the public by the Corporation in its international offer. Also in the same

public offering, DMCI-HI as selling shareholder sold 58,171,000 reducing its shareholdings from 94.51% to 60%.

- (b) The Company's security was traded at the Philippine Stock Exchange (PSE) at a price of Php 0.40/share on December 23, 2002. There was no trading of the Company's securities in 2003 and 2004. The highs and lows (in Pesos) of trading until December 31, 2006 and the past prior years are as follows:

2004	No Trading		
2005	High	Low	Close
Jan-Mar	52.00	35.00	38.00
Apr-Jun	38.00	24.25	25.50
Jul-Sep	30.50	23.50	25.00
Oct-Dec	29.00	24.75	29.00
2006			
Jan-Mar.	29.00	24.50	26.00
Apr-Jun	32.00	25.00	28.50
Jul-Sep	28.50	18.50	20.50
Oct-Dec	22.25	18.25	18.25

(2) **Holders**

- (c) As of December 31, 2006 Semirara Mining Corporation has the following issued shares:

Common shares 296,875,000²

TITLE OF CLASS	NAME	NUMBER OF SHARES HELD	% OF TOTAL
Common	DMCI Holdings, Inc.	161,855,660	54.52
Common	PCD Nominee Corp. (NF)	62,795,097	21.15
Common	PCD Nominee Corp. (F)	40,419,967	13.62
Common	Others	12,502,076	4.21

**NAMES OF TOP TWENTY (20) STOCKHOLDERS OF AS OF DEC. 31, 2006:
COMMON STOCKHOLDERS**

NAME OF STOCKHOLDERS	NUMBER. OF SHARES	Percentage³
1. DMCI Holdings, Inc.	161,855,660	54.52
2. PCD Nomi nee Corp (NF)	62,795,097	21.15
3. PCD Nominee Corp. (F)	40,419,967	13.62

² 19,302,200 are treasury shares as of December 31, 2006.

³ Based on Corporation's issued shares

4.	National Dev't Co.	11,364,658	3.83
5.	DBP/Privatization & Management Office	769,450	0.26
6.	DACON Corporation	103,600	0.03
7.	Exequiel B. Javier	45,000	0.02
8.	Jaime B. Garcia	40,030	0.01
9.	Thiam Lao Bun &/or Janet Dy Lao	27,000	0.01
10.	Adrian Anthony O. Olizon	24,600	0.01
11.	William T. Enrile	20,000	0.01
12.	Ching Bun Teng	15,000	0.01
13.	Isagani S. Amatong	13,900	0.00
14.	Alexander Sy	12,000	0.00
15.	Reginald Bryan Lloyd	10,000	0.00
16.	Stimson Pagallaman Cureg	6,000	0.00
17.	Raymond A. Yap	5,000	0.00
18.	Delfin Go Kian Lam	5,000	0.00
19.	Ana Michelle A. Ranillo	2,700	0.00
20.	Adrian Michael A. Amatong	2,700	0.00

- (i) The table sets forth the record or beneficial owners of more than 5% of the outstanding common shares of the Corporation, which are entitled to vote and the amount of such record or beneficial ownership as of December 31, 2006:

TITLE OF CLASS	NAMES	NUMBER OF SHARES	%OF TOTAL
Common	DMCI Holdings, Inc.	161,855,660	58.31
Common	PCD Nominee Corp (NF)	62,795,097	22.62
Common	PCD Nominee Corp. (F)	40,419,967	14.56

- (ii) each director and nominee

OFFICE	NAMES
Chairman	David M. Consunji
Vice Chairman	Isidro A. Consunji
President	Victor A. Consunji
Treasurer	Herbert M. Consunji
Vice-President/Director	George G. San Pedro
Director	Jorge A. Consunji
Independent Director	Victor C. Macalincag
Director	Cesar A. Buenaventura
Independent Director	Federico E. Puno
Director	Arthur N. Aguilar ⁴
Director	Ma. Cristina C. Gotianun

⁴ Resigned last September 25, 2006

- (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 & Nature of Beneficial Owner	Percentage
Common	David M. Consunji	10	0.00
Common	Isidro A. Consunji	10	0.00
Common	Victor A. Consunji	119,210 ⁵	0.04
Common	Herbert M. Consunji	10	0.00
Common	Jorge A. Consunji	10	0.00
Common	Cesar A. Buenaventura	30,010 ⁶	0.01
Common	George G. San Pedro	30	0.00
Common	Victor C. Macalincag	10	0.00
Common	Federico E. Puno	10	0.00
Common	Ma. Cristina C. Gotianun	100	0.00
Common	Jaime B. Garcia	40,030	0.01

(3) Dividends

Last March 6, 2006, the Board of Directors declared cash dividends at PhP1.20 per outstanding shares payable on April 20, 2006 to stockholders as of record date, March 27, 2006.

(4) Recent Sales of Unregistered Securities

2004 No unregistered securities were sold
 2005 No unregistered securities were sold
 2006 No unregistered securities were sold

PART III-FINANCIAL INFORMATION

**A. MANAGEMENT'S DISCUSSION AND ANALYSIS
 OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
 (YEARS 2003-2006)**

Full Years 2005-2006

I. PRODUCTION

The last fleet of equipment that completed the modernization and expansion program of Semirara Mining Corporation (SMC), which commenced in 2004 to address the growing demand for

⁵ 119,200 shares under PCD Nominee Corporation

⁶ 30,000 shares under PCD Nominee Corporation

Semirara coal, arrived in the first half of the current year. Consequently, the completed expansion program has ramped up the capacity of the Company to move materials up to 40 million bank cubic meters (bcm), translating to an annual capacity of 4 million to 4.5 million run-of-mine (ROM) coal. The “economies of scale” at this level is expected to bring down cost of production that will make the company more competitive against imports, at the same time, bring up the company’s level of business to the vast potentials of the export market in the region which management looks forward to initiate in 2007.

Consequently, 2006 registered the highest material movement in the history of the Company’s operations at 38.42 million bcm, registering a 38% increase over the previous year’s material movement of 27.88 million bcm. Coupled with the increased capacity, this growth was also spurred by the fact that coal demand was slower in 2006, such that mining activities were largely focused on material movement instead of coal extraction. Management opted to use available capacity removing material burden to fully utilize its production equipment but left stripped coal at the pit for future deliveries. Pre-stripped coal is estimated to amount to 1.3 million Mt’s with a market value of at least P2.3 billion as of yearend. This inventory is not recognized in the Company’s balance sheet in accordance with the Generally Accepted Accounting Principles. The coal can be easily extracted at minimum cost in the succeeding year. As a result, waste material to coal ratio (or strip ratio) correspondingly demonstrated a significant increase of 76% at 14.13:1, compared to last year’s ratio of 8.02:1. This translated to a lower ROM coal production of 2.59 million metric tons (MTs), 19% short compared to 2005 production of 3.19 million MTs. The resulting net total product coal was correspondingly lower at 2.27 million MTs, registering a 21% slump from 2005 net production of 2.89 million MTs. Coal stockpile inventory amounted to 606 thousand MTs with a book value of P1.02 billion as of yearend 2006.

Firming up on Quality Improvement, expansion of the coal washing plant was also achieved during the year, while drying facilities were installed to cater to the needs of the cement industry.

To further address Cost Reduction, it is worth mentioning that a second Crusher and Conveyor System was laid down to minimize the use of trucks for hauling material handling to reduce fuel cost which is the single biggest cost item. Installed capacity is now up to 30% of total material handling capacity. To run the systems efficiently, the company’s 2 x 7.5 MW coal-fired power plants underwent rehabilitation.

II. MARKET

Demand for Semirara coal slumped in 2006. Competition from the natural gas-fired plants as well as entry of cheaper imports limited coal deliveries to power plants. For the year, coal sales volume registered at 2.076 million MTs, 16% lower than last year’s 2.479 million MTs.

The Calaca Plants of the National Power Corporation (NPC) accounted for 62% of the total coal delivered, translating to 1.294 million MTs. This reflected a 6% increase over the previous year’s NPC Calaca sales of 1.225 million MTs. NPC Calaca Plant Number 2 had limited operations in 2005 due to a series of technical problems encountered during the course of its maintenance shutdown. Meanwhile, sales to other NPC plants, like Sual and Pagbilao, significantly dropped from 207.14 thousand MTs in 2005 to 5.96 thousand MTs in the current year. Apart from import commitments, the Sual plants encountered problems in the second half of the year, resulting to plant shutdown. On the other hand, Pagbilao was awash with inventory as imported coal

intended for Masinloc and Sual were diverted to Pagbilao. Sale to Non-NPC power plants likewise fell from 348.79 thousand MTs to 195.74 thousand MTs this year, thus greatly contributing to the considerable reduction of total consumption of power plants from 1.78 million in 2005 to 1.50 million in 2006.

The drop in the demand for cement likewise resulted to the decrease in the off-take of Semirara coal by cement plants to 531.29 thousand MTs in the current period, from 666.97 thousand MTs in the previous year. The cement market accounted for 26% of the total sales of the Company.

Nevertheless, despite the bleak picture of the power and cement markets, sales to industrial users of Semirara coal increased by 56% to 48.94 thousand MTs in the current period from 31.46 thousand MTs in the previous year. Although the total volume may not be impressive, it is worthy to note that towards the end of the year, the Company started to deliver to small industrial and manufacturing plants who were shifting to coal from more expensive fuels like bunker and diesel. This is a welcome development for the Company since it has been the thrust of management to reduce dependence on a few major customers and to penetrate more non-traditional users of Semirara coal.

Interestingly, during the current year, the Company received several inquiries on the feasibility of exporting coal to China. Towards the end of the period, the Company was finalizing a deal for a test shipment to South China.

Composite price for Semirara coal is almost at the same level as last year, registering a slight increase at P2,211.76/MT compared to the previous year's price of P2,204.67.

III. FINANCE

A. Sales and Profitability

The 16% drop in sales volume correspondingly registered a decrease in Coal Sales from P5.47 billion in 2005 to P4.59 billion in the current period. Meanwhile, with more volume delivered to Calaca this year, Coal Handling Revenues consequently rose by 11% to P96.34 million from P86.51 million last year. The resulting Gross Revenues is P4.69 billion, 16% lower than the previous year's Revenue level of P5.55 billion. Revenue distribution remained at 98% Coal Sales and 2% Coal Handling Revenues.

On the other hand, higher strip ratio resulted to a 12% rise in Cost of Sales from P3.31 billion, which includes Coal Handling Cost of P113.38 million, in 2005 to P3.71 billion this year, inclusive of Coal Handling Cost of P70.36 million. On a per metric ton basis, the impact of advanced stripping is significantly reflected in the 36% increase in Cost of Coal Sold at P1,754.82/MT in 2006 as against last year's reported figure of P1,287.39/MT. Cash costs in the current period comprised 68% of total cost/MT, while depreciation, depletion and amortization comprised 32%. The previous period's cost is composed of 61% cash costs and 39% non-cash costs. More depreciable equipment were acquired related to capacity expansion causing a rise in depreciation cost.

The resulting Gross Profit ratio is considerably lower at 21% this year as against 2005 profitability ratio of 40%. In absolute amounts, the current period's Gross Profit registered a 57% decrease from P2.25 billion in 2005 to P974.53 million this year.

Operating Expenses recorded a substantial reduction of 51% at P133.13 million as at yearend 2006, as compared to the previous period's figure of P271.64 million. Reduced Coal Sales brought down Government Share by 13% at P138.27 million in 2006 from P158.78 million in 2005. General and Administrative Expenses posted a reduction of 105%, largely as a result of the reversal of the Provision of Real Property Taxes amounting to P73.5 million, in accordance with Presidential Decree (PD) 972 exempting the Company from all taxes except income tax.

Meanwhile, the 80% increase in Financing Cost is attributed to the increased number and value of Letter of Credits opened for the purchase of various parts used for the maintenance program of machineries and equipment, construction of second line in-pit crushing and overburden conveying system, and rehabilitation of the power plants. Moreover, base rates for foreign-denominated loans, which comprised 49% of total loans, increased with the rise in 180-day LIBOR from 3.7650% in 2005 to 5.2963% in 2006, and 90-day SIBOR from 3.5619 % in 2005 to 5.2326% in 2006. Hence, the resulting Financing cost was recorded at P213.04 million in 2006, as against 2005 figure of P118.52 million. It should be noted however that there was a reversal in Accrued Interest Expenses on past due royalty payments for prior years in 2005 amounting to P86.7 million as settlement was reached with the Department of Energy.

Finance Revenue, which reflected interest income on savings accounts and short-term placements and investments, is lower by 1% from P55.11 million in 2005 to P54.53 million in the current year, despite the sizeable reduction in the cash level from P1.33 billion in 2005 to P510.44 million as at yearend 2006.

Meanwhile, the continued strengthening of the Philippine Peso as against the US dollar, which is the currency of all foreign-denominated loans, afforded the Company to recognize Foreign Exchange Gains of P119.96 million from its foreign loans, recording a 22% increase over the previous year's gains of P98.09 million. Of the amount, P34.29 million were Realized and P85.70 million is Unrealized.

Collection of insurance claims amounting to P70.21 million and gains on sale of phased-out mining support equipment amounting to P20.07 million spurred the increase of Other Income account by 24.2x to P107.61 million in 2006 from P4.44 million in the previous year.

The resulting Net Income Before Tax fell by 55% at P910.47 million, which is 19% of Revenues in 2006, from P2.01 billion in 2005 or 36% of Revenues. Provision for Income Tax in the current year amounted to P309.23 million, of which P297.26 million is due and payable in the current year while P11.97 million represents provision for deferred tax liability, total provision is effectively 33.97% of taxable income. On the other hand, 2005 Provision for Income Tax was recorded at P422.61 million, which is only 20.97% of the year's pre-tax income. The effective tax rate in the current period is higher compared to the previous year since 2005 provision included the application of the remaining Net Operating Loss Carry Over (NOLCO) amounting to P455.13 million and Minimum Corporate Income Tax (MCIT) of P67.42 million. Consequently, Net Income After Tax in the current year amounted to P601.24 million, registering a 62% drop from 2005 After-Tax Income of P1.59 billion.

B. Financial Condition, Solvency and Liquidity

Due to adverse market developments, the company failed to meet sales targets in the current year. Consequently, not only did Revenues drop, but cost of coal sold also soared as operations accounted for full costs of pre-stripping activities, in accordance with the consensus of the Emerging Issues Task Force (EITF) of the Financial Accounting Standards Board (FASB) set forth in EITF Issue No. 04-6, Accounting for Stripping Costs Incurred during Production in the Mining Industry. Management opted to fully utilize available capacity by stripping waste, instead of controlling operations to balance stripping activities with coal extraction. As a result, the Company's financial condition has experienced a slight setback in terms of liquidity. However, despite the sluggish market, which is the root cause of reduced profitability, the Company was still able to maintain a healthy cash position and report a sound balance sheet.

Despite the huge drop in profitability, Net Cash Provided by Operating Activities only showed a slight decrease of 8.29% from P1.30 billion in 2005 to P1.19 billion in 2006. This is primarily due to the decrease in Receivables by P608.23 million in the current year compared to an increase in the account by P366.99 million reflected in the previous period and the tempered increase in Inventories by P474.28 million this year as against last year's figure of P811.31 million. Moreover, 2005 reflected a decrease in Accounts and Other Payables of P581.37 million versus the current period's decrease by a smaller amount of P80.31 million as last year's statement recorded complete settlement of some old accounts. These included payment of DOE past due accounts amounting to P193.3 million and payment of Due to Related Parties amounting to P152.7 million incurred in 2004.

As the expansion and modernization program reached its final phase in 2006, P1.5 billion worth of machineries and equipment were purchased during the period. Purchases of new mining equipment worth P1.21 billion and other Capital Expenditures (CAPEX) amounting to P291.19 million was recorded in 2006. The amount, however, is lower than total CAPEX of P1.78 billion in 2005, comprised of various mining equipment amounting to P1.58 billion and P207.71 million other CAPEX. This decline in cash outflow was partly offset when the Company placed P300 million in Temporary Investments with an Affiliate. As a consequence, Net Cash Used in Investing Activities exhibited a drop from P1.18 billion in 2005 to P574.17 million in the current year.

Meanwhile, the Company's Financing Activities recorded a Net Cash Used amounting to P1.44 billion, compared to the previous period's Net Cash Inflow From Financing Activities amounting to P1.18 billion. The previous year recorded cash inflows from proceeds of shares offering amounting to P1.62 billion which shored up cash resources. Although loans repayment amounted to P1.28 billion, higher amounts of loans amounting to P1.2 billion were also availed. On the other hand, the current year's cash flows reflect Repayment of Long-Term Debt of P1.28 billion, but was offset by lower loan borrowings. Furthermore, in 2006 for the first time in its history, the Company paid cash dividends amounting to P333.09 million, thus putting more dent to its cash position.

While 2005 recorded a net cash generation of P1.30 billion, the current year exhibited a Net Decrease in Cash amounting to P821.20 million. As a result, 2006 Cash End is lower at P510.44 compared to 2005 cash level of P1.33 billion.

Correspondingly, Current Assets fell to P3.41 billion as at end 2006 from the P3.95 billion level in the previous year. The Temporary Investment mentioned above is an investment to the parent Company, which has a tenor of 180 days, earning a very attractive rate of 11%. The drop in Trade Receivables from P1.09 billion in 2005 to P505.73 million in the current year mainly accounted for the decrease in Net Receivables from P1.17 billion last year to P566.88 million this year, reflective of the lower sales. Meanwhile, low market demand resulted to an increase in Coal Inventory to P1.02 billion this year accounting for 606 thousand MTs of coal from P552.62 million in the previous year. As a result, Net Inventories rose to P1.84 billion from P1.37 billion as at end 2005. The increase in Other Current Assets is primarily caused by the rise in the amount of Creditable Withholding Taxes on Coal Sales withheld by customers to P175.34 million in the current year from P83.06 million in 2005. This increase is largely due to the government-mandated withholding of 5% VAT by the National Power Corporation which the Company is reclaiming in accordance with its VAT exemptions.

On the other hand, the completion of the last leg of the expansion program brought up Property, Plant and Equipment to P3.10 billion, with additions amounting to P1.50 billion, partially offset by Depreciation, Depletion and Amortization totaling to P1.34 billion. Consequently, Non-Current Assets registered a 4.4% increase from P2.97 billion in 2005 to P3.11 billion as at end of the current year. The decrease in Other Non-Current Assets was mainly driven by the decrease in Marginal Deposits on equipment and parts purchases from P42.82 million in 2005 to P5.64 in the current year. The resulting Total Assets reflected a 6% drop from P6.93 billion as at end 2005 to P6.51 billion in 2006.

Notwithstanding the modest profitability reported during the current year, the Company was able to significantly trim down its Total Liabilities by 20% from P2.74 billion as at end 2005 to P2.19 billion as at end of the current year. The reclassification of Long-Term Portion of Long-Term Debt to Current Portion posted an increase in the Current account. Also, most loan availments during the year have short-term tenors to take advantage of cheaper financing charges compared to long-term loans, giving due consideration to the Company's overall liquidity. Combined, these resulted to a 15% growth in Total Current Liabilities from P1.17 billion in 2005 to P1.34 billion this year. On the other hand, the payment of Accounts and Other Payables, the settlement of last year's Income Taxes Payable, and the delivery of coal to customers with advance payments tempered the net increase in Total Current Liabilities of P180.3 million.

Total Non-Current Liabilities meanwhile showed a 46% fall from P1.57 billion in 2005 to P850.66 million this year, mainly as a result of the pre-payment of Marubeni loan amounting to \$7.42 million before its maturity and reclassification of Long-Term Debts. Moreover, in accordance with the Philippine Accounting Standards (PAS) 19, the Company continued to acknowledge its liability to fund the retirement benefits of the employees, which resulted to an increase in Pension Liability by 27% from P42.33 million in the previous year to P52.67 million this year.

The adoption of the New IFRS/IAS in the previous year caused changes in accounting standards which compelled the Company to restate prior years' financial statements and recognize certain deferred tax liabilities. Net Deferred Tax Liabilities rose by 19% from P61.83 million in 2005 to P73.79 million as at end 2006.

Although in terms of absolute amounts, the decrease in Total Liabilities recorded at P539.63 million is higher than the reduction in Total Assets by P416.73 million, the reclassification from long-term to current portion of Long-Term Debts and availments of short-term financing resulted to a dip in the Current Ratio from 3.39:1 in 2005 to 2.53:1 this year.

The recognition of net profits in 2006, tempered by the distribution of Stock Dividends of P333.09 million, further boosted the strong equity position of the Company. Meanwhile, a continuation of the shares buyback program which commenced in 2005 increased Cost of Treasury Shares by 38% from P383.63 million in the previous period to P528.89 million as at yearend with the acquisition of additional 5,499,500 common shares costing P145.26 million in 2006. The resulting Total Stockholders' Equity was impressive at P4.31 billion as at end 2006 from P4.19 billion in the previous year, recording a 3% growth. As a consequence, Debt-to-Equity ratio further improved to 0.51 in the current period, compared to last year's ratio of 0.65.

C. Performance Indicators

1. **Production & Sales Volume** – These two indicators are main drivers of profitability, with direct impact on cost and revenues. In terms of capacity, the Company can already easily serve an increasing demand of up to 4.5 million MTs. Economies of scale should also work in the Company's favor in reducing cost of production. However, production level should be correspondingly matched with demand to achieve optimum cost efficiency. During the current year, low market demand pushed management to continue stripping operation, which in turn adversely affected profitability level. However, it proved to be a wise decision for management, since towards the latter part of the year, several interested buyers were already knocking at the Company's door wanting to explore possibilities of exporting Semirara coal. Subsequently, the Company had a maiden voyage exporting its coal to South China in the first quarter of 2007. As of this writing, it has received more supply proposals from foreign buyers.
2. **Average Selling Price** – This is another profitability driver. Semirara being the single largest coal producer in the country, producing more than 92% of total local output practically comprise the whole coal industry in the country. Hence, it benchmarks its selling price to global coal prices. Notably, it has inherent advantage over landed cost of imported coal, which includes freight cost and 12% Value Added Tax (VAT). By virtue of PD 972, the Company is VAT-exempt. On the other hand, pricing of Semirara coal to local customers is vulnerable to foreign exchange movements.
3. **Capital Expenditures** – The Company's growth potential depends on its ability to timely increase its capacity to meet growing demand. There is an increased global demand for mining equipment as the mining industry has become more active in the recent years. As a result, delivery lead time of mining equipment is at least 6 months. More often, delivery period is 18 months. Hence, Capital Expenditures should be a major factor in planning and strategizing to balance financial strength and growth.
4. **Debt to Equity (D/E) Ratio** – The mining industry is capital intensive. The ability of the company to raise funds to finance its operations and acquisition requirements largely depends on its financial strength. The D/E Ratio is a good indicator of the Company's financial condition. Over the years, the company has remarkably improved its D/E Ratio,

such that the current year set a new record of 0.51, a further improvement of the previous year's already sound D/E ratio of 0.65.

Improved Coal Quality – The Company's thrust to improve and expand its market should be complimented with efforts to improve acceptability of its product by continuously enhancing coal quality. This need is further underscored by the opening of the export market to Semirara Coal. In this light, the Company has continuously exerted efforts to enhance the value of its product. The inherent characteristics of Semirara coal may only limit its potential, but other quality parameters can still be improved by incorporating additional processes, such as coal washing/drying to improve ash content and lower moisture.

Full Years 2004-2005⁷

I. PRODUCTION

Anticipating the increased requirements for Semirara coal reflective of growing global demand, Semirara Mining Corp. (SMC) geared up its modernization and expansion program commencing on the second half of 2004. Additional importation of production equipment like trucks and shovels and support equipment in terms of bulldozers and graders for 2005 established the company's targeted 3.5 million metric tons (MT's) coal production capacity for the year.

Despite the increased capacity however, coal production was constrained by the failure of certain projected sales to materialize primarily due to the prolonged maintenance shutdown of the company's largest consumer, National Power Corp.'s (NPC) Calaca plant number 2. What was supposedly a regular 60-day annual maintenance shutdown extended for almost 9 months as a series of technical problems were encountered by NPC whenever they attempted to put the plant back on line. Consequently, coal production had to be restrained to market absorption capacity, while advance stripping of waste materials to the point of coal exposure was pursued to use available capacity particularly, during the first 3 quarters of the year. Advance stripping combined with restrained coal production however, resulted into a higher waste material to coal ratio (or strip ratio) of 8.02:1 as against last year's 6.02:1.

In 2005, an unprecedented 3.2 million MT's of Run-of-Mine coal (ROM) was produced out of a likewise historic total material movement of 27.9 million bank cubic meters (bcm). This is a marked improvement over last year's performance of 2.8 million ROM and 19 million bcm or a growth performance of 14% and 47% respectively. This level of production translated to Total Product Coal of 2.9 million MT's, 16% more than 2004 performance of 2.5 million MTs.

It is worth mentioning that during the year, the company has completed the installation of a single pass cyclone centrifugal washing system which effectively brings down washing cost. On the other hand, the completion of the Feeder-crusher and Conveying System marked the company's continuing program for quality improvement.

The system aims to improve coal quality in terms of standardizing coal sizes to meet customer specifications. The crusher is connected to a conveyor system which could bring down fuel costs

⁷ Management Discussion and Analysis for full years 2004-2005 is lifted from the 2005 Annual Report submitted to the Securities and Exchange Commission.

as it tends to reduce hauling of materials by trucks thus, contributing to the cost-cutting program set by management. It has a rated capacity of 6.7 million bcm equivalent to 18% of total material handling capacity of 37.2 million bcm.

II. MARKET

At the onset of 2005, National Power Corporation's (NPC) Calaca Plant #2, the single biggest user of Semirara coal that historically accounts for more than 50% of the of the total sales volume, was shut down for a regular maintenance check scheduled for 60 days. However, various technical problems were encountered in the course of the repairs whereby the plant was not fully restored until the last quarter of the year. This unforeseen prolonged shutdown has resulted into a substantial shortfall against sales targets. Whereas sales target for Calaca was 1.8 million MT's corresponding to their indicated requirements, actual volume sold instead fell by 228 thousand MTs, from 2004 sales level of 1.45 million MTs to 1.23 million MTs in 2005. This development translated into a decline in Calaca's market share from 58% of annual sales volume in the previous year to 49% in 2005.

On a positive note, purchases from other NPC – Independent Power Producers (IPP) power plants, namely Sual and Pagbilao plants, have posted higher volumes of 147 thousand MT's and 61 thousand MT's respectively, an increase of 75 thousand MTs and 26 thousand MTs, over last year's volume. Deliveries to Sual was 72 thousand MT's while Pagbilao coal liftings was only 35 thousand in 2004. This partially offset the decrease in NPC's market share from 62% in 2004 to 58% in the current period.

The thrust towards market diversification that is, non-NPC markets, likewise, have posted an aggregate increase in sales volume by 95 thousand MT's making up for Calaca's shortfall. Despite a slow start, saddled with high inventory at the beginning of the year, cement plants purchases increased by 109 thousand MTs over 2004 volume. A marked increase of 148 thousand MT's was accounted for by APO Cement after certain plant recalibration and adjustments enabled it to use 100% Semirara coal. Deliveries to Solid Cement was also initiated during the year amounting to 18,000 MT's. On the other hand, PNOC purchases declined by 58 thousand MT's from 488 thousand MT's in 2004 to 430 thousand MT's this year tempering the otherwise robust growth from the cement sector. Market diversification is further realized with deliveries of 22 thousand MT's to PICOP Resources, a paper mill located in Surigao del Norte. These are significant developments in that they reflect the growing market acceptance of Semirara coal not only in the Power industry but other industries like Cement and Paper Milling. The poor quality image of Semirara coal is now a thing of the past.

Combined, total sales volume for 2005 amounted to 2,479,461 MT's, slightly lower by 33,422 MT's compared with last year's performance of 2,512,833 MT's or 1.3%. Composite FOB selling price posted at P2,205/MT in 2005, a 12% increase over the 2004 figure of P1,974/MT. The improvement is mainly a consequence of the full year effect of high coal prices in the current year which started to rise dramatically only by the second half of 2004. NPC sales averaged P2,490/MT FOB, higher by P177/MT compared to last year's prices of P2,313/MT or 7.7%. On the other hand prices for non-NPC deliveries averaged P1,815/MT FOB, improving by P397/MT from 2004 level of P1,418/MT equivalent to 28% , largely due to increased volumes from the cement industry as Semirara coal continues to gain wider market acceptance.

III. FINANCE

Sales and Profitability

Despite the slight dip in sales volume, improved prices lifted Revenues to P5.6 billion, P500 million more than last year's performance of P5.1 billion or 9.8 %. Coal sales accounted for P5.466 billion while the balance of P87 million was generated from coal handling services at the Calaca plants. Coal revenues grew by P506 million or 10% from last year's level of P4.960 billion. On the other hand, the prolonged shutdown of Calaca plant number 2 caused coal handling revenue to drop from P106 million in 2004 to P87 million in 2005 equivalent to 18% as less coal was delivered.

Cost of sales in 2005 amounted to P3.3B (inclusive of cost of coal handling of P113.4 million). Cost of coal sold per MT is 17.5% higher at P1,287 compared to last year's cost of P1,095 (as restated according to new IFRS/IAS reporting standards). The higher cost per MT of coal sold may be attributed to several factors: One, the substantial increase in the price of fuel during the year that resulted into higher fuel cost of P299/MT versus last year's P191 /MT or 57%; Two, the adoption of the change in depreciation policy shortening depreciable life of mining equipment from 5 years to 3 years likewise increased depreciation cost per MT to P 500 from last year's P334/MT equivalent to 50%. This was offset by lower cost per MT of Materials and Parts from P320 in 2004 to P240 in 2005 or a drop of 25%. The higher strip ratio of 8.02:1 in 2005 versus 6.02:1 in 2004, pulled up production cost further, contributing to the higher cost of coal sold per MT. With higher Cost of Sales, gross profit margin ratio dipped slightly to 40% from last year's profitability ratio of 44%. In absolute amounts however, Gross Profit earned of P2.25 billion in 2005 still posted a slight 1% improvement over 2004 Gross Profit of P2.22 billion.

Operating Expenses were reduced by P14 million in spite of increases in Department Of Energy Royalty due to higher coal revenues by P10.2 million (from P148.6 million in 2004 to P 158.8 million in 2005), Transportation and Travel by P20.2 million (from P6.6 million in 2004 to P26.8 million in 2005) largely due to the International shares offering undertaken during the year and Personnel Costs by 21.6 million. On the other hand, no new real property tax, Provision for Inventory Obsolescence and Provision for Doubtful Accounts were recognized during the year whereas , these expenses accounted for P63.4 million of Total Operating Costs in 2004. Operating Income earned amounted to P1.98 billion in 2005 slightly better than 2004 earnings of P1.94 billion equivalent to a 2% growth. As a percentage of Revenues however, it registered lower at 36% vis-à-vis 38% in 2004.

Interest and Other Financing Charges for the year dropped dramatically from P438.9 million in 2004 to P118.5 million in the current year. The prepayment of most restructured loans and new loans requiring corporate guarantees of DMC Holdings, Inc. and DM Consunji Inc. and secured by real estate assets of affiliated companies cancelled the guarantee fees and collateral fees being charged to Semirara. Repayment of these loans early in the year likewise contributed to bringing down interest cost. Lower borrowing rates were also experienced due to the general downward trend in rates for foreign and local loans as well as the improved credit rating of the company. In addition, Foreign Exchange Gains of P98.1 million was recognized in 2005 compared to the Losses in 2004 of P15 million when the year ended with an exchange rate of P53.09 to US\$1 from the P56.28 to US\$1 at the beginning of the year. Excess cash during the

year earned interest income to the tune of P55.1 million largely comprising the Other Income of P59.5 million earned, much higher than the P2.8 million in 2004.

Income Before Tax resulting from the foregoing jumped from P1.49 billion in 2004 to P2.02 billion in 2005 or 36% of Revenue, 7% higher than last year's 29%. However, much higher Provisions for Income Tax had to be made vis-à-vis last year (for which only the Minimum Corporate Income Tax was provided) as remaining Net Operating Loss Carry-Over (NOLCO) benefits were limited. From last year's provision of P41.97 million, 2005 provision for income taxes (current) amounted to P435.94 million or 10.4x higher. This finally translates to Net Income After Taxes of P1.592 billion posting a respectable 10.6% growth from last year's level of P1.439 billion. As a percentage of revenue however, 2005 performance is equivalent to 29% or 1% better than last year's 28%.

Financial Condition, Solvency and Liquidity

A new milestone was etched in the Company's history when it successfully went on an international public offering in 4 February 2005 - an event that reactivated the trading of Semirara stocks at the Philippine Stock Exchange. The exercise had brought P1.6 billion into the coffers of the Company, providing sufficient liquidity to fully pay its restructured local and foreign debts and update trade accounts. In addition, it enabled the Company to pay the required down payments for new mining equipments programmed for its modernization and expansion to augment production capacity.

Another first in the Company's history is the declaration of cash dividends of P1.20 per share for stockholders of record as of March 27, 2006. This was approved by the Board of Directors in its special meeting last 6 March 2006, in fulfillment of management's commitment to company's shareholders to pay a minimum of 20% of Audited Net Profit After Taxes starting Year-ending 2005. Total payment will amount to approximately P333 million, representing around 20.9% of the year's Net Profit After Taxes of P1,592,342,821. However, this is not yet reflected in the 2005 Financial Statements since actual declaration and payment of dividends were done after the 31 December 2005 audit cut-off.

Despite the improved profitability, Net Cash Provided by Operating Activities reflected a 13.3% decline from P1.5 billion in 2004 to P1.3 billion in the current period which was primarily caused by increase in Inventories by P811.3 million, Receivables by P367 million and payment of Accounts and Other Payables of P581.4 million.

Consistent with the capacity expansion program of the Company, net cash used in investing activities surged to P1.2 billion, largely comprised of investments in additional production equipments, marking a 43% increase over the previous year's figure of P824.3 million.

Meanwhile, debt service of long-term debt continuously improved to the tune of P1.253 billion in 2005 as the Company becomes more liquid with the inflow of fresh and cheaper loans to finance its Capital Expenditures Program and the proceeds of the public offering.

The public offering, coupled with better coal prices have boosted the Company's cash generation, recording a hefty increase of 3,753% from P35 million in 2004 to P1.33 billion in the current year.

The combined effects of the foregoing is a more robust Balance Sheet for the year 2005. Current ratio is impressive at 3.39:1, compared to last year's ratio of 1.02:1.

Total Assets of the Company has dramatically surged to P6.9 billion from the previous year's level of P3.9 billion. The increase mainly came from higher levels of Current Assets from P1.47 billion in 2004 to P3.95 billion in the current year. The 46% increase in Receivables is mainly trade related reflecting the increase in Revenues. Also, Due From Related Parties amounting to P68.48 million was lodged. These are operating advances chargeable against subsequent billings on coal freight charges and equipment rentals. On the other hand, the increase in inventories reflected higher coal production towards the end of the year and increase in Materials and Supplies. Materials inventory included P76 million worth of conveyor belts which will be subsequently installed to the company's material handling facilities and reclassified to Property, Plant and Equipment and P97 million worth of fuel, oil and lubricants which was delivered towards the end of the year. Meanwhile the growth in Other Current Assets is due to additional Creditable Withholding Taxes on coal sales withheld by customers.

Additional investments in Property, Plant and Equipment (PPE) amounting to P1.78 billion, offset by increased Accumulated Depreciation based on the change in depreciation policy (wherein Estimated Useful Life of Conventional equipment have been reduced from 5 years to 3 years), translated into a 23% increase over last year's PPE of P2.38 billion. Meanwhile, marginal deposits on importation of new equipment amounting to P42.82 million mainly caused the 40% increase in Other Non-Current Assets. The combined effect of these two accounts is a 24% increase of Non-Current Assets from P2.39 billion in 2004 to P2.97 billion in 2005.

Despite substantial long-term borrowings to finance acquisition of mining equipment, Total Liabilities marked a slight increase of 9% from P2.50 billion in 2004 to P2.74 billion in 2005. While Current Liabilities shrunk by P281.6 million or 19% largely due to payment of Accounts and Other Payables offset by increases in Income Tax Payable and Current Portion of Long-Term Debt, Non-Current Liabilities rose by P516 million or 49% mainly as a consequence of new Long-Term Borrowings for the importation of equipment.

The payment of Accounts and Other Payables include debt service of Department of Energy (DOE) past due and current accounts amounting to P193.3 million and P163.5 million, respectively. Likewise, Trade Payables dropped from P282.9 Million in 2004 to P86.4 Million in the current year, while Due to Related Parties amounting to P152.7 million in the previous year was totally paid off. The movements of these two items mainly caused the decrease of the account to P388.74 million in 2005 from P985.0 million in the previous year.

The procurement of additional mining equipment which forms part of the Company's capacity expansion program prompted the drawdown of new loans to finance the same. Bank loan balances increased from P428.41 million in 2004 to P1.13 billion in the current year, however, only P176.6 million represents current portion, while Acceptances and Trust Receipts Payable amounting to P262.96 million, with a current portion of P176.48 million were availed. Meanwhile, Payable to Foreign Suppliers significantly dropped to P467.78 million in 2005 from previous year's level of P922.26 million.

With the Net Operating Loss Carry Over incentive (NOLCO) exhausted, the Company started to provide for regular tax liability. At the end of the period, an Income Tax Payable of P324.11 million was recognized in its books.

The decrease in Customers Deposits represents coal deliveries against deposits during the year. Aside from deliveries made to fulfill current deposits from new customers, the Company continued to deliver coal against NPC deposits covered by the Memorandum of Agreement entered into between the two parties in 28 September 1990. From P61.09 million in 2004, the amount was reduced to P35.60 million in the current period.

In accordance with the Philippine Accounting Standards (PAS) 19, the Company has acknowledged its liability to fund the retirement benefits of its employees. The Pension liability has increased to P42.3 million in 2005 from P34.50 million in the previous year.

Due to the adoption of the New IFRS/IAS, changes in accounting standards caused restatement of the company's prior years financial statements and the recognition of certain deferred tax liabilities. From the P7.73 million deferred tax liability recognized in 2004, it increased to P61.83 million in 2005.

The capital restructuring program undertaken by the Company the previous year aimed to strengthen its Balance Sheet had paved the way to the public offering of additional shares to both international and local investors at the early part of the year. On 4 February 2005, the Company successfully sold 46.875 million shares with a par value of P1, increasing its capital stock to P296.875 million from 250 million at the start of the year. At an offering price of P36/share, an Additional Paid-In Capital of P1.58 billion (net of expenses) was recognized. Improved profit levels resulted to the increase in Retained Earnings from P1.11 billion in 2004 to P2.7 billion in 2005, P1 billion of which was authorized by the Board of Directors (BOD) on 4 April 2005 for Appropriation to Capital Expenditures. Meanwhile, the BOD subsequently approved a shares buy-back program towards the latter part of the year. As of the end of 2005, total shares held in Treasury amounted to 13.8 million, costing P383.63 million. Total Equity has improved by 208% to P4.2 billion from P1.4 billion in 2004. As a result Debt-to-Equity ratio likewise posted a huge improvement from 1.84 in 2004 to 0.65 in the current year.

Performance Indicators

- 1. Production & Sales Volume** – The level of production is an indicator of the Company's capacity to produce which implies its responsiveness to growth in market demand. However, during the period coal production was restrained to the market's absorption capacity as certain sales targets failed to materialize. The prolonged maintenance shutdown of the company's single biggest consumer, NAPOCOR's Calaca Plant No. 2 primarily caused the decline in the company's sales volume for the period. This adverse market development hindered the Company in achieving its sales target of 3.5 million for 2005. Instead, volume sold dropped by 1% from 2.513 million MTs in 2004 to 2.479 million MTs in the current year. However, on the positive side, it should be noted that the Company's thrust for market diversification has continued to progress as sales to other non-traditional markets have further increased.

- 2. Average Selling Price** – This performance indicator demonstrates the effect of movement in global coal prices on the pricing of Semirara coal. When coal price soared during the early part of 2004, it took two quarters before the company felt the benefits. This delayed effect is attributed to the pricing mechanism of the Company’s Coal Supply Agreement with NAPOCOR’S Calaca Power Plants. Being at import parity pricing, prices will only change when actual importation of coal is done during the quarter otherwise, the old price based on the last importation stays. Such that, in 2005, the Company enjoyed stable prices as NAPOCOR-Calaca did not import coal until September 2005. The P2,205 composite average price per MT is the highest price ever for Semirara coal.
- 3. Capital Expenditures** - The lead time for acquiring mining equipment ranges from six months to one year. Hence, management has taken steps to assure that sufficient equipment complement is kept at all times with some provision for critical redundancy. The timing of Capital Expenditures is crucial to minimize opportunity cost. Although the period’s actual production is only 3.2 million MTs ROM coal, its capacity stands at 3.5 million MTs per annum. During the year, new large-capacity mining equipment, such as shovels, dump trucks, dozers, and other support equipment were brought in to the mine site in line with its capacity expansion program.
- 4. Debt to Equity (D/E) Ratio** – As a measure of the strength of the Company’s financial condition, the current period’s DE Ratio (Total Liabilities to Equity Ratio) is remarkable at 0.65:1, a huge improvement compared to the previous period’s ratio of 1.84:1. The continued improvement of this performance indicator is a big factor in attracting better financing packages for the Company.
- 5. Improved Capitalization** - Over the last two years, the Company has fortified its balance sheet through intensive capital restructuring. From posting negative Stockholders’ Equity of (P98.6) million in 2003, the succeeding year posted a huge improvement of its Equity to P1.36 billion as earnings soared. Consequently, the capital restructuring program has enabled the Company to successfully offer additional shares to the market, earning Additional Paid-In Capital of P1.57 billion in the process. Unprecedented profits was realized in 2005 further increasing Stockholder’s Equity to P4.19 billion in 2005.

Full Years 2003-2004⁸

I. PRODUCTION

Mining operations broke the record in 2004, producing 2.13 million Metric Tons (MTs) of clean coal and 0.69 million MTs of washable coal, posting a total run-of-mine coal of 2.82 million MTs, 0.775 million MTs or 38% higher than the previous year of 2.04 million MTs.

⁸ Management Discussion and Analysis for full years 2003-2004 is lifted from the 2004 Annual Report submitted to the Securities & Exchange Commission. It does not reflect the restated 2003 and 2004 audited financial statements brought about by the change in accounting standards.

The volume of total materials moved likewise increased to 18.99 million bcm, from 2003 level of 18.11 million bcm, marking a slight 4.8% growth. The increase in material movement in 2004 was partly attributable to the arrival of newly acquired 7 units of CAT777 100-tonner dump trucks used for hauling which became operational starting July. Moreover, the 6 units of second hand TR33100 100-tonner dump trucks, which were acquired in the second quarter of 2003, gave a full year contribution in 2004.

Waste stripped, inclusive of limestone and silt, amounted only to 16.98 million bcm, resulting to a minimal increase of 2% compared to the volume of 16.65 million bcm in 2003. This effected a decrease in the waste to coal ratio to 6.02:1 in 2004 from 8.15:1 in 2003. Strip ratio dropped in 2004 from 2003's higher level due to two factors: first, the current year benefited from the stripping preparation done during the last quarter of 2003, which exposed 556,000 MTs of coal in the south block (Seam 10); secondly, mining activities in 2004 was concentrated largely in the exposed coal of the thick seam 32/33.

In general, the rate of 87% machine availabilities in 2003 was maintained in 2004. With the acquisition of new equipment, total materials movement could have even been higher were it not for the longer hauling distances ranging from 1.5-3.0 kilometers. In addition, coal mining activities have longer load-haul cycles than waste stripping activities.

Coal feed for washing during the period reached 579,237 MTs, 27% higher than the 2003 figure of 454,724MTs. Recovery was 60%, as against 2003's rate of 63%.

The accounted coal shipment in the current period totaled to 2.51 million MTs with a higher weighted average heating value of 9,559 British Thermal Units (BTU) compared to the previous period's weighted average of 9,466 BTU. On the other hand, heating values of coal delivered to cement plants ranged from 9,064 BTU to 10,555 BTU. Deliveries to NPC power plants have higher heating values than the required minimum of 8,700 BTU, thus effectively increasing prices.

Coal handling operations at the Calaca plant in 2004 comprised of 1.610 million MTs, whereas 2003 figures was registered at 0.165 million MTs.

II. MARKETING

The increase in global coal demand in 2004 augured well for the Company. Due to the difficulty and increasing costs (in particular higher freight costs) of importing coal, local coal consumers were encouraged to test Semirara coal as substitute fuel. A number of plants successfully tested the technical viability of blending Semirara coal with higher BTU imported coal. As a result, coal sales soared to an unprecedented high of 2.51 million MTs, marking a 41% increase over the previous period's total sales volume of 1.78 million MTs. Furthermore, the Company was able to diversify its market base to include more non-traditional markets. Consequently, market dependency to its major customer, the National Power Corporation (NPC) significantly decreased to 63% from last year's market share of 76%, despite the increase in volume to 1.56 million MTs as against the 2003 sales figure of 1.34 million MTs. Philippine National Oil Corporation Exploration Corporation (PNOC-EC) remarkably brought up its

purchases to 488 thousand metric tons from the volume in the previous year of 80 thousand MTs, or an increase of 513%. APO Cement likewise increased the use of Semirara coal, buying 133 thousand MTs this year, posting an increase of 109 thousand MTs from 2003 total volume of 24 thousand MTs. The Company was also able to supply Sual Power Station (owned by MIRANT Phils.) in 2004, which bought a total of 45 thousand MTs during the year. The rest of the previous year's markets maintained their levels.

The increase in demand likewise led to a surge in world prices of coal. Currently, the price per metric ton ranges from US\$61 to US\$80 C&F. Being at import parity pricing with its customers, this effected higher prices for Semirara coal even if it is at the lower end of the price range. Average price per metric ton rose to P1,973.68/MT FOB in 2004, an increase of 63% over the previous year's price even when the effect of world price increases was only fully realized starting the second half of the year. Year 2003 opened at P1,236.99/MT FOB during the first quarter and closed at P1,270.25/MT FOB in the fourth quarter posting an average effective price of only P1,213.58/MT FOB.

III. FINANCE

Sales and Profitability

Coal revenue in 2004 soared to P4.96 billion, or 141% higher than the coal revenue of P2.06 billion generated in 2003. This is more than double the coal sales performance in 2003. On the other hand, coal handling services for the Calaca power plants generated revenues of P106 million. This combined for a total revenue of P5.1 billion for the year 2004.

The higher level of sales volume correspondingly increased cost of sales to P2.97 billion or an increase of 94% compared to the P1.53 billion level of last year. The disproportionate movement in costs against production volume is primarily caused by the write-off of some non-current assets like deferred stripping, deferred drilling, and deferred development costs amounting to P327.4 million. Moreover, hardly used equipment like the two bucketwheels amounting to P50.9 million, were written off while provisions for inventory obsolescence of some spare parts amounting to P12.7 million were recognized. Furthermore, increase in main production cost components such as materials and parts, and fuel and lubricants were also experienced.

Notwithstanding the substantial increase in the cost of sales, the Company more than doubled its gross margin which amounted to P2.10 billion in 2004 against the 2003 level of P645.11 million. This high level of profitability is an effect of the upsurge in sales volume and prices mentioned earlier.

Despite accounting adjustments that adversely affected the net income of the Company such as: write-off of assets totaling to P378 million; recognition of prior years' guarantee fees charged by DMCI-Holdings, Inc. (DMCI-HI) and DM Consunji (DMCI), Inc. for loan guarantees and collateral fees that resulted into a major increase in interest and financing charges; payment of demurrage charges for prior years that were billed only in 2004 that effectively increased shipping and hauling costs; and accrual of additional liability on real property taxes amounting to

P46 million that increased general and administrative expenses, the Company posted a net income of P1.32 billion after providing for a minimum corporate income tax (MCIT) of P42 million. This is almost 10 times higher than the recorded previous year's net income of P138.41 million. Coal handling services in Calaca contributed P18.0 million to the year's profits.

Financial Conditions, Solvency and Liquidity

For the first time in the history of the Company's existence, coal revenues, coupled with the coal handling revenues, hit an outstanding level of P5.066 billion. This was largely caused by twin factors, first, higher coal prices and secondly, the increase in sales volume. As a result, gross profit correspondingly increased to P2.096 billion after deducting cost of sales amounting to P2.969 billion. Net income before tax for the period amounted to P1.360 billion.

The increased profitability of the Company translated into net cash generated from operating activities of P2.0 billion, almost five times the level of P426.8 million in 2003. A total of P824 million was used in investing activities comprised of capital expenditures of P787 million and a net increase in other non-current assets of P37 million. On the other hand, net cash used in financing activities amounted to P1.2 billion primarily due to repayments of long-term debts amounting to P1.1 billion and the retirement of payables to related parties totaling to P500.6 million, offset by the availment of credit facilities for the acquisition of new mining equipment amounting to P405.7 million and the generation of P20.6 million from additional subscription of capital stock.

After retiring considerable amounts of liabilities and funding its capital expansion program, the Company registered a minimal increase in cash amounting to P13.3 million. This amount added to the beginning cash balance of P21.2 million resulted into a slight increase in cash balance of P34.6 million at the end of the year.

The commendable production and sales performance of the Company in 2004 translated into a remarkable improvement in its liquidity. By yearend, total current assets stood at P1.5 billion, 72% more than last year's figure of P860.8 million. The increase is mainly due to higher receivables caused by higher revenues which amounted to P804.9 million, more than thrice the beginning balance of P262.9 million. The minimal increase in cash by P13.3 million; the increase in other current assets which represents additional creditable withholding taxes on coal sales withheld by customers and marginal deposits on new acquisitions of equipment which were negotiated in the latter part of the year amounting to P42.7 million; as well as the slight increase in inventories of materials and parts amounting to P21.54 million also contributed the surge in total current assets.

The write-off of assets, comprised of deferred stripping cost of P122.94 million (net of accumulated amortization) in June 2004, as well as the P37 million worth of deferred drilling costs which were charged to production cost, resulted to reduction in other non-current assets. However, additional deferred charges representing conveyor belts expenditures amounting to P37 million for Calaca coal handling operations were incurred during the year.

The capacity expansion program commenced in 2004 realized a P273 million net increase in Property, Plant and Equipment (PPE). However, total additions in PPE actually amounted to

P1.30 billion, substantially representing mining equipment delivered totaling to P492 million, equipment in-transit worth P504 million, other equipment and capitalized conveyor belts costing P115 million and construction in progress of P111 million. The increase was tempered due to the write-off of old non-operational mining equipment and deferred development cost amounting to P56 million and P167.89 million, respectively. Depreciation for the year was posted at P724 million.

The highly positive cash flow in 2004 afforded the Company to pre-pay a significant portion of its obligations, thus resulting to an immense decrease in current liabilities from 2003 level of P2.3 billion to P1.5 billion in 2004. All of its notes payable, amounting to P129.2 million, which consisted of use of credit lines from local banks of some affiliates were pre-paid. The Company was also able to retire almost all of its restructured loans for a hefty sum of P681 million, so that by the end of the year, only a minimal amount of P22 million remained outstanding. This was however fully settled in January 2005. Total payments of P272.5 million to imported equipment suppliers were met on schedule. Despite the pre-payments of long-term liabilities, Long-Term Debt (including Current Portion) still posted a considerable ending balance of P1.35 billion, a decrease of only P107 million from the previous period's reported figure of P1.46 billion. This was due to new financing availments needed for the acquisition of additional mining equipment consistent with the capacity expansion program which amounted to P848.3 million. This minimized the net decrease in the Current Portion of Long-Term Debt by P286.47 million, while increasing the Long-Term Portion by P179.81 million. Payments to affiliates brought down Payable to Related Parties by P500.65 million.

Accounts and Other Payables posted a net increase of P132 million due to an additional accrual of interests to equipment suppliers amounting to P10 million, increase in due to DOE of P26.3M, net increase in trade payables and other accrued expenses of P29.4 million and LC payable amounting to P65.7 million. Moreover, as of June 2004, the Company recognized an additional accrual of real property tax liability of P46 million to fully provide for the total assessment of P125 million, P42.5 million of which is already being amortized at P1.5 million a month starting January 2004 after a lump sum payment of P9 million. The balance of P82.9 million is under review by both parties as to the correctness of the amount of liability. These major increases in recognized liabilities were offset by the updating of payments to the Company's local and foreign suppliers.

Finally, customer's deposit increased due to a coal supply agreement entered into by the Company with TransEnergy Grinding, Inc., an affiliate company and marketing arm of APO Cement, on August 2004. This contract provided for an advance payment of US\$2 million or a peso equivalent of P111 million in exchanged for 60 thousand MTs of coal to be delivered to APO within a period of six months. Taking into consideration the deliveries made during the year, customer's deposit of TransEnergy Grinding, Inc. left a balance of P52.8 million by yearend. On the other hand, under the old deposit account of NPC, deliveries were made in 2004 amounting to P23.91 million, thereby resulting into a net increase in total customer's deposit of only P28.9 million by yearend.

The Company's liquidity position at the end of the current period improved significantly with a Current Ratio of 0.98x from 0.38x of last year. Likewise, the Company's Solvency Condition firmed up due to the net income realized for the year amounting to P1.318 billion and the consequent liquidity that allowed substantial reduction of debts which strengthened the Company's Total Liabilities to Equity Ratio from 549:1 in 2003 to 1.87:1 in 2004.

Meanwhile, to further strengthen its balance sheet, the Company underwent a capital restructuring program to eliminate its capital deficiency. The program was approved by the Securities and Exchange Commission (SEC) on July 2, 2004 and was implemented in phases. The following were the steps undertaken to boost the Company's Capital Accounts:

- a. Reduction of the authorized capital stock from P1,812,200,000.00 divided into 1,662,200,000 common shares at P1.00 par value per share and 15,000 preferred shares at P10,000.00 par value of per share to P21,370,448.00 divided into 21,370,448 common shares at P1.00 par value of per share;
- b. Retirement and cancellation of the P150,000,000 authorized preferred shares.
- c. Issued and outstanding common shares were used to eliminate deficit as of December 31,2003 of P1,625,852,920.00, thus reducing issued and outstanding common shares to P5,342,612.00;
- d. Increase in the authorized capital stock from P21,370,448.00 divided into 21,370,448 common shares to P100,000,000 divided into 100,000,000 shares with a par value of P1.00 per share.

The increase in the additional paid-in capital resulted from the following:

- a. Conversion of 48 preferred shares at P10,000.00 per share to 225,532 common shares with a par value of P1.00 per share, thereby incurring a premium on conversion amounting to P254,468.00;
- b. Subscription of 19,657,388 common shares TransEnergy Grinding, Inc. by DMCI Holdings, Inc.(DMCI-HI) out of the increase in the authorized capital stock, with a par value P1.00 per share at a premium, or at P1.05 per share or for a total issue value of P20,640,257.40; thereby incurring a premium of subscribed common stock amounting to P982,869.40.

After the capital restructuring and subscription by DMCI-HI of 19,657,388 common shares, the total subscribed capital stock of the Corporation stood at P25,000,000. However, as a result of the decrease in the Corporation's authorized capital stock, there are fractional shares of 454.0650189. Likewise, the 222 shares previously held in Treasury were reduced to a fraction of .7271107 of share.

In a special board meeting last July 30, 2004, the elimination of the fractional shares was taken up and it was agreed that the Corporation shall redeem the fractional shares and hold them in Treasury. For interim financial reporting, the redemption of the fractional shares was booked at par value by recognizing Treasury Shares Payable, thus explaining the increase of cost of treasury

shares to P676.00 from P222.00. In October 2004, the Company sold all common shares held in treasury.

On September 14, 2004, the Board of Directors (BOD) approved the increase of the Company's authorized capital stock from P100 million divided into 100 million common shares with P1 par value per share to P1 billion divided into 1 billion common shares with P1 par value per share. The BOD also approved the declaration of stock dividends in the amount of P225 million consisting of 225 million common shares at a par value of P1 per share in favor of all stockholders, as of the record date determined by the SEC in proportion to their respective shareholdings as of said record date. On October 8, 2004, the stockholders approved the said increase in the authorized capital stock and the declaration of stock dividends. The stockholders also approved the offer for subscription to qualified institutional buyers of common shares out of the authorized capital stock provided it does not exceed 20% of the issued and outstanding capital stock after the offered shares have been subscribed.

Performance Indicators

1. **Production & Sales Volume** - These are the two critical factors to the Company's performance for the period. The level of production translates into cost efficiency as a function of economies of scale, while sales volume measures the sale ability of the Company's product and revenue generating capability. For the current period, both the efforts of the Operations and Marketing have greatly contributed to its astounding growth. Production increased from 2.04 million MTs ROM in 2003 to 2.89 million MTs in the current year. On the other hand, the marketing group successfully minimized its dependence on a single customer, in particular reducing NPC's market share from 76% in 2003 to 63% in 2004, by expanding its marketing efforts to include non-traditional markets such as cement and other industrial plants. In addition, total sales volume increased by 41% over the previous year.
2. **Average Selling Price** – As a driver of the Company's profitability, selling prices of Semirara coal is regularly monitored vis-à-vis its competitors. Considering that Semirara is practically the only coal mining company in the country, producing more than 90% of the total local supply, and being on import parity pricing with its customers, prices are influenced by movements in world prices. Coal quality is also a significant factor in the pricing of coal, thus, the Company continuously exert efforts to improve quality. In the current year when world prices of coal shot up, Semirara coal correspondingly increased its prices. Average composite selling price for the year was recorded at P1,974/MT FOB, a hefty 63% improvement over the previous year's price of P1,213/MT FOB.
3. **Expanded Market** – Consistent with the company's thrust to diversify its market and minimize dependence on a single customer, marketing efforts were intensified, such that non-traditional markets like the cement industry and other smaller industrial plants were aggressively penetrated through competitive pricing. The inherent freight advantage of local coal over imported coal helped increased the Company's market share. In terms of

sales volume, the Company further reduced its reliance on a single customer, the NPC, to 63% from its last year's share of 76%, over a bigger pie of 2.5 million MTs versus the previous period's volume of 1.8 million MTs. In terms of the Philippine market the Company was able to supply 27% of the total market of 9.5 million MTs in 2004 compared to its 23% share of the total demand of 7.9 million MTs in 2003.

4. **Inventory Level / Accounts Receivable** – These two accounts are indicators of the Company's effectiveness in managing its production and efficiency in collecting its receivables. Inventory is kept at a reasonable level, posting a slight increase from last year's figure. On the other hand, receivables soared as of end 2004 due to higher revenues, and were subsequently collected upon due date.
5. **Debt to Equity Ratio** - This ratio measures the Company's solvency condition which relates to its capability to meet its liabilities. The permanent retirement of a huge portion of its liabilities remarkably narrowed the debt-to-equity ratio to 1.87:1 in 2004 from 549:1 in 2003.

B. INFORMATION ON INDEPENDENT ACCOUNTANT AND OTHER RELATED MATTERS

The principal accountants and external auditors of the Company is the accounting firm Sycip, Gorres, Velayo and Co. (SGV & Co.). Pursuant to the General Requirements of SRC Rule 68, paragraph 3 (Qualifications and Reports of Independent Auditors), the company has engaged the services of SGV & Co. as external auditor of the Company and Mr. Arnel F. de Jesus is the Partner-In-Charge for less than five years or starting 2005 only.

1. External Audit Fees and Services

- a. **Audit & Audit Related Fees-** The Company paid its external auditors the following fees in the past two (2) years:

In Millions Pesos with VAT	
2005	1.1
2006	1.2
Total	2.3⁹

- b. **Tax Fees-** There are no fees billed in each of the last fiscal years for professional services rendered by the SGV & Co. for tax accounting, compliance, advice, planning and any other form of tax services.

All Other Fees-There are no fees billed in each of the last two fiscal years for products and services provided by SGV & Co. other than services reported under item a. above.

⁹ Audit Fees only, no fees for other assurance and related services were paid.

2. There have been no changes in or disagreement with the Corporation's accountants on accounting and financial disclosures.
3. The Corporation's Audit Committee makes recommendation on the appointment, reappointment or replacement of external auditor to the Board. It is charge with the evaluation the audit work engagements, its scope, fees and terms for approval of the Board of Directors. The Audit Committee also reviews non-audit services and taxation advice 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 ensure that Management responds appropriately with timely corrective actions, including audit adjusting entries noted or proposed but passed as immaterial or otherwise.

PART IV – MANAGEMENT and CERTAIN SECURITY HOLDERS

A. Directors and Executive Officers of the Issuer

- (1) The following are the names, **citizenship, educational attainment**, positions, offices and business experiences of all incumbent Directors and Executive Officers of the Corporation:

NAMES/ BUSINESS EXPERIENCES /CITIZENSHIP/ EDUCATIONAL ATTAINMENT

DAVID M. CONSUNJI, 85, Filipino, is a Director and Chairman of the Board of the Corporation. He is a graduate of B.S. Civil Engineering at the University of the Philippines. He is currently the Chairman of the Board of D.M. Consunji, Inc., Dacon Corporation and DMCI Holdings, Inc. He is also a director of Atlantic Gulf & Pacific Co., Inc. He was the former Secretary of the Department of Public Works, Transportation and Communications from August 23, 1971 to 1975, President of the Philippine Contractors Association, President of International Federation of Asian & Western Pacific Contractors' Association, President of Philippine Institute of Civil Engineers, Vice-President of the Confederation of International Contractors' Association. He also served as the Chairman of the Contractors Association, the Philippine Domestic Construction Board, the Philippine Overseas Construction Board, and the U.P Engineering Research and Development Foundation, Inc.

ISIDRO A. CONSUNJI, 58, Filipino, is a Director, Vice-Chairman and Chief Executive Officer of the Corporation. He is a graduate of B.S. Civil Engineering at the University of the Philippines. He is currently the President of DMCI Holdings, Inc. He is the director of Dacon Corporation, M&S Company Inc., DMC-Urban Property Developers, Inc., Crown Equities, Inc., Beta Electric Corporation, and Universal Rightfield Property Holdings, Inc. He is also director of the Maynilad Water Services, Inc, DMCI-MPIC Water Company, Inc., and DMCI Power

Corporation. He was the former President of the Philippine Constructors Association and Philippine Chamber of Coal Mines, Inc.

VICTOR A. CONSUNJI, 56, Filipino, is a Director and the President. He is a graduate of A.B. Political Science at the Ateneo de Davao. He is also a director of D.M. Consunji, Inc., M & S Company, Inc., Dacon Corporation, Sodaco Agricultural Corporation, DMC Urban Property Developers, Inc., Ecoland Properties, Inc. and DMCI Power Corporation. He is also the President of Sirawai Plywood & Lumber,

HERBERT M. CONSUNJI, 54, Filipino, is a Director and the Treasurer of the Corporation. He is a graduate of B.S Commerce, Major in Accounting at the De La Salle University. He is currently the Chief Financial Officer/Director of DMCI Holdings, Inc.; Chairman of Subic Water & Sewerage Corporation; Director of DMCI Project Developers, Inc.; President/Director of Village Parks, Inc.; Partner in H.F Consunji & Associates; and Comptroller of DM Consunji, Inc. He is also director of Maynilad Water Services, Inc., DMCI-MPIC Water Company, Inc. and DMCI Power Corporation. He is a member of the Philippine Institute of Certified Public Accountants, Manila Southwoods Golf & Country Club, Villamor Golf & Country Club, Subic Bay Yacht Club, and Nomad Sports Club.

JORGE A. CONSUNJI, 55, Filipino, is a Director. He is a graduate of B.S Industrial Management Engineering at the De La Salle University. He is currently the President/COO of D.M. Consunji, Inc. and Director of DMCI Holdings, Inc., Dacon Corporation, DMCI Project Developers, Inc., Cotabato Timberland Co., Inc., M&S Company, Inc., Sodaco Agricultural Corporation.. He is also the President of Royal Star Aviation, Inc. He is also a director of Eco-Process & Equipment Phils. Inc., Maynilad Water Services, Inc., DMCI-MPIC Water Company Inc. and DMCI Power Corporation. He was the former Chairman of the Board of Contech Panel Mfg., Inc., and of Wire Rope Corp. of the Philippines. He was the former President of ACEL and Former First Vice-President of Phil. Constructors Association. He is a member of Baguio Country Club, Manila Golf Club, Metropolitan Club, Inc., and Wack Wack Golf & Country Club.

CESAR A. BUENAVENTURA, 77, Filipino, is a Director of the Corporation. He is a graduate of B.S. Civil Engineering at the University of the Philippines. He finished his M.S. Civil Engineering as Fulbright Scholar at the Lehigh University, Pennsylvania. He is currently the President of Atlantic Gulf & Pacific Company of Manila (AG&P) and Vice-Chairman of DMCI Holdings, Inc. He is a director of Montecito Properties, Inc. He is also a director of Pilipinas Shell Petroleum Corporation, Philippine American Life Insurance Company, PetroEnergy Resources Corporation, Paysetter Holdings Limited and Paysetter International, Inc. He is the founding Chairman of Pilipinas Shell Foundation, Inc.; President of the Benigno S. Aquino Foundation; and Member, Board of Trustees, Asian Institute of Management. He was the Chief Executive Officer of Shell Group of Companies in 1975 and appointed member of the Monetary Board of the central Bank of the Philippines. He was also a member of the Board of Directors of the Philippine International Convention Center in 1981, Regents of the University of the Philippines and a Senior Adviser of Jardine Davies. He was a director of the Philippine National Bank, Asian Bank, AB Capital Investment Corporation, Ayala Corporation, Benguet Corporation, First Philippine Holdings Corporation, Ma. Cristina Chemical Industries and Philippine Airlines, Inc.

VICTOR C. MACALINCAG, 71, Filipino, is an Independent Director of the Corporation. He is a holder of a Bachelor of Business Administration (BBA) degree from the University of the East and a Certified Public Accountant (CPA). He completed his academic requirements for a Masteral Degree in Economics and is a fellow of the Economic Development Institute of the World Bank. He is presently the Chairman of AZ Development Managers, Inc. He is an Independent Director of Crown Equities, Inc. and Merchants' Bank. He is a consultant of First Metro Securities Brokerage Corporation. He was formerly the Undersecretary of Finance from 1986 to 1991, Deputy Minister of Finance from 1981 to 1986, Treasurer of the Philippines from 1983 to 1987, President of Trade & Investment Development Corporation of the Philippines (TIDCORP) from 1991 to 2001. He was also a director of the Home Guarantee Corporation from 1979 to 2001, the Philippine Overseas Construction Board from 1991 to 2001, the Philippine Long Distance Telephone Company from 1988 to 1995, the National Power Corporation from 1978 to 1986 and the Regent of Manila Hotel from 1984 to 1986. He was also a director of Philippine Aerotransport, Inc., Paper Industries Corporation of the Philippines, Lumang Bayan Realty Corporation and Manila Midtown Development Corporation.

GEORGE G. SAN PEDRO, 67, Filipino, is a Director, Vice-President for Operation and Resident Manager of the Corporation. He is a graduate of B.S. Civil Engineering at the University of the Philippines. He used to work for DM Consunji, Inc., Dacon Wood Based Companies, DMC-CERI, and CONBROS Shipping Corporation.

FEDERICO E. PUNO, 60, Filipino, is an Independent Director of the Corporation. He is a graduate of B.S. Civil Engineering at the University of the Philippines. He took up his M.S. Industrial Administration at the Camegie Mellon University, Pittsburgh, U.S.A. He is currently the President/CEO of San Roque Power Corporation. He is also the Director of Forum Pacific, Inc., Independent Director of Republic Glass Holdings, Corp. and Director of Pampanga Sugar Dev. Corp. He is also a Director of the Manila Electric Company. He was the President of Anchor Steel Industries; President of National Power Corporation; President of Asahi Glass Corp.; President of Republic Glass Holdings, Corp.; Head of the Chief Financial and Management Services of the Ministry of Energy; Assistant Treasurer of the Bureau of Treasury and (Ministry of Finance); Vice-President-Finance of the Phil. National Oil Company; and Vice-President-Finance/Senior Vice-President-Finance and Administration of the National Power Corp.

MA. CRISTINA C. GOTIANUN, 52, Filipino, is a Director. She is a graduate of B.S. Business Economics at the University of the Philippines. She majored in Spanish at the Instituto de Cultura Hispanica in Madrid, Spain. She is currently a Director and Corporate Secretary of Dacon Corporation and Vice-President for Finance & Administration/CFO of D.M. Consunji, Inc. She is also the Finance Director of DMC-Project Developers, Inc.

GEORGE B. BAQUIRAN, 61, Filipino, is the Vice-President for Special Projects and has held said position for the past five years. He is a graduate of B.S. Geology and also a holder of a Masters Decree in Geology at the University of the Philippines. He has held the position of Vice-President held the position of Vice-President for Energy Exploration from June 1979 to January 1982; AVP, Exploration from April 1979 to June 1979; Manager, Exploration from February 1977 to March 1979 in Vulcan Industries and Mining Corporation.

NESTOR D. DADIVAS, 54, Filipino, is the Chief Finance Officer. He is a graduate of B.S. in Commerce at the University of San Agustin, Iloilo City, Summa cum Laude, majoring all major

subjects: Accounting, Banking and Finance and Business. He is also a holder of a Masters Degree in Business Management at the Asian Institute of Management, Majored in Finance. He was the CFO of A. Soriano Group of Companies from 1982 to December 1991. He was also Vice-President for Finance of Phelps Dodge Philippines, Inc. and a member of its Executive Committee. He was Head of Corporate Planning for the Elizalde and Company in 1976.

JAIME B. GARCIA, 51 years old, Filipino, is the Vice-President for Management Procurement/Materials Management of the Corporation. He is a graduate of B.S. Management and Industrial Engineering at Mapua Institute of Technology. He took also his Masters in Business Administration at De La Salle University in 1994 and Masters in Business Economic at the University of Asia & the Pacific in 1998. He is currently holding the position of: (a) Director of Royal Star Aviation, Inc., (b) Senior Manager-Purchasing of M&S Company, Inc. and (c) DMC Construction Equipment Resources, Inc. He is an Industrial Engineer by profession.

JOHN R. SADULLO, 36, Filipino, is the Corporate Secretary. He is a graduate of A.B. Major in Political Science at the University of the Santo Tomas. He is a holder of a Bachelor of Laws Degree at the San Beda College of Law. He took the bar exams in 1996 and was admitted in 1997. He has held the positions of Corporate Secretary and Director of Universal Rightfield Property Holdings, Inc., its subsidiaries and affiliates. He also holds position as Legal Counsel and Corporate Information Officer of Semirara Mining Corporation.

The nominees for election or re-election of the directors have been indicated in the Company's Definitive Information Statement (SEC Form 20-IS) set to stockholders of record. The officers of the corporation will be known in the organizational meeting of the Board of Directors which will follow immediately after the annual stockholders' meeting.

Term of Office. The term of office of the Directors and Executive Officers is one (1) year from their election. All Directors will have served for a period of approximately twelve (12) months by May 7, 2007.

Independent Directors. DMCI Holdings, Inc. shall nominate and elect at least two (2) Directors in the Board of Directors Registrant pursuant to Section 38 of the Securities Regulation Code.

Other Directorship Held in Reporting Companies:

David M. Consunji - Chairman of the Board of Directors of DMCI Holdings, Inc.

Cesar A. Buenaventura - Vice-Chairman of the Board of Directors of DMCI Holdings, Inc.
- PetroEnergy Resources Corporation

Isidro A. Consunji	- President and Chief Executive Officer, DMCI Holdings, Inc. - Chairman of the Board of Directors of Universal Rightfield Property Holdings, Inc. - Director, Crown Equities, Inc.
Jorge A. Consunji	-Director, DMCI Holdings, Inc.
Victor A. Consunji	- Director, DMCI Holdings, Inc.
Herbert M. Consunji	-Director, DMCI Holdings, Inc.
Ma. Cristina C. Gotianun	-Director, DMCI Holdings, Inc.
Federico E. Puno	-Director, Manila Electric Company -Independent Director, Republic Glass Holdings, Inc. -Director, Forum Pacific Inc.
Victor C. Macalincag	-Independent Director, Crown Equities, Inc. -Independent Director, Merchant's Bank

(2) The following are the Significant Employees/Executive Officers of the Issuer

NAMES	Citizenship	Position	Age
David M. Consunji	Filipino	Chairman	84
Isidro A. Consunji	Filipino	Vice-Chairman/CEO	57
Victor A. Consunji	Filipino	COO/President	55
Herbert M. Consunji	Filipino	Treasurer	53
George G. San Pedro	Filipino	Resident Manager	66
George B. Baquiran	Filipino	VP-Special Projects	61
Nestor D. Dadivas	Filipino	Chief Finance Officer	54
Jaime B. Garcia	Filipino	Vice President	51
John R. Sadullo	Filipino	Corporate Secretary	36

(3) Family Relationship

The family relationship up to the fourth civil degree either by consanguinity or affinity among directors or executive officers is as stated below.

Mr. David M. Consunji is the father of Messrs. Isidro A. Consunji, Victor A. Consunji, Jorge A. Consunji and Ma. Cristina C. Gotianun. Mr. Herbert M. Consunji is a nephew of Mr. David M. Consunji and cousin of Messrs. Isidro A. Consunji, Victor A. Consunji Jorge A. Consunji and Ma. Cristina C. Gotianun.

(4) Involvement in Certain Legal Proceedings

None of the directors and officers was involved in the past five years in any bankruptcy proceeding. Neither have they been convicted by final judgment in any criminal proceeding, nor been subject to any order, judgment or decree of competent jurisdiction, permanently enjoining, barring, suspending, or otherwise limiting their involvement in any type of business, securities, commodities or banking activities, nor found in action by any court or administrative body to have violated a securities or commodities law.

Except for the following, none of the directors and executive officers of the Company is subject to any pending criminal cases:

A complaint for violation of Article 315 (2) (a) of the Revised Penal Code (“RPC”), as qualified by Presidential Decree (“PD”) No. 1689 was filed in the Regional Trial Court of Quezon City, Branch 85 against certain directors and officers of Universal Leisure Corporation (“ULC”), including Mr. Isidro Consunji as incumbent Chairman of ULC and its parent corporation, Universal Rightfield Property Holdings, Inc. (“URPHI”). 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 resolution of this case was delayed due to the retirement of the incumbent judge. Recently, however the criminal complaint was dismissed for lack of probable cause by the new presiding judge, after the Public Prosecutor withdrew the information. The private complaint filed a Notice of Appeal to the Court of Appeals. Last February 22, 2007, the presiding judge of RTC Branch 85 junked the Notice of Appeal and ordered it to be stricken from the records and declared its order dismissing the complaint final and executory. The Notice of Appeal filed by private complaint has not been authorized by the public prosecutor.

Another complaint alleging substantially the same facts above is also pending preliminary investigation with the Department of Justice against the directors and officers of ULC including Mr. Consunji as incumbent Chairman and Mr. Cesar Buenaventura as former Director of ULC. The same is still pending resolution with the Department of Justice.

Lastly, as an offshoot of a pending labor case, a criminal complaint was filed against Mr. Jorge A. Consunji for the latter’s alleged failure to release the salary and allowances of one Norberto Galang, a former employee of Atlantic Gulf & Pacific of Manila (AG&P) in violation of 116 of the Labor Code as amended. The criminal complaint was dismissed by the Department of Justice. Currently, there is a pending petition for review filed by the private complainant before the Court of Appeals questioning the dismissal of the complaint by the Department of Justice.

B. EXECUTIVE COMPENSATION

All executive officers of the Corporation are elected or appointed by the Board of Directors and serve for one year and until their successors are duly elected and qualified. Set

forth below are the names of the CEO and four (4) most highly compensated officers of the Corporation:

<u>Name and Principal Position</u>	<u>Years</u>	<u>Salary</u>	<u>Bonus</u>	<u>Other Annual Compensation</u>
Isidro A. Consunji Vice-Chairman & CEO				
Victor A. Consunji President and COO				
Nestor D. Dadivas Chief Finance Officer				
Jaime G. Garcia VP-Procurement and Materials Management				
George G. San Pedro Vice President & Resident Manager				
	2005	P7,107,317.00*		P2,239,278.00*
	2006	7,161,942.20*		P1,848,433.03*
	2007	8,621,076.00**		P2,048,933.00**
	TOTAL:	P 22,890,335.2	- 0 -	P6,136,644.03
All others officers and directors as a group unnamed	2005	P1,070,000.00*		P444,000.00*
	2006	3,157,241.00*		P760,000.00*
	2007	3,514,000.00**		P1,000,000.00**
	TOTAL:	P7,741,241.00	- 0 -	P2,204,000.00

* Actual amounts

**Approximate amounts

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

Board of Directors' compensation is on a per diem basis in the amount of Php 10,000.00. Said compensation is dependent on the number of meetings held on said year. There are no other arrangements such as consulting contracts.

There is no contract covering their employment with the Corporation and they hold office by virtue of their election to office. The Corporation has no agreements with its named executive officers regarding any bonus, profit sharing, except for benefits for which they may be entitled under the Corporation's pension plan.

There are no warrants and options outstanding held by the registrant's CEO.

C. Security Ownership of Certain Beneficial Owners and Management

1. Security Ownership of Certain Record and Beneficial Owners

The following table sets forth as of December 31, 2006, the record or beneficial owners of more than 5% of the outstanding common shares of the Corporation 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 and Relationship with Record Owner	Citizenship	Amount/ Nature of Record/ Beneficial Ownership	Percent of Class
Common	DMCI Holdings, Inc. 3/F DACON Building, 2281 Pasong Tamo Extension, Makati City, Stockholder of record	(1) PCD Nominee Corporation, stockholder of 906,610,775 shares or 40.19% (2)Dacon Corporation, stockholder of 620,359,329 shares or 27.50%	Filipino	161,855,660 (R)	58.31%
Common	PCD Nominee Corp (NF), stockholder of record	Hongkong and Shangkai Banking Corp. Ltd. holds 66,338,617 shares or 23.89%	Other Alien	62,795,097	22.62%
Common	PCD Nominee Corp., stockholder of record	N/A	Filipino	40,419,967	14.56%

2. Security Ownership Management

The table sets forth as of December 31, 2006 the beneficial stock ownership of each Director of the Corporation and all Officers and Directors as a group.

Title of class	Name of beneficial owner	Amount and nature of beneficial ownership	Citizenship	Percentage
Common	David M. Consunji	10	Filipino	0.0%
Common	Isidro A. Consunji	10	Filipino	0.0%
Common	Cesar A. Buenaventura	30,010 ¹⁰	Filipino	0.01%
Common	Victor A. Consunji	119,210 ¹¹	Filipino	0.04%

¹⁰ 30,000 shares under PCD Nominee Corporation

Common	Jorge A. Consunji	10	Filipino	0.0%
Common	Herbert M. Consunji	10	Filipino	0.0%
Common	Victor C. Macalincag	10	Filipino	0.0%
Common	George G. San Pedro	30	Filipino	0.0%
Common	Federico Escaler Puno	10	Filipino	0.0%
Common	Ma. Cristina C. Gotianun	100	Filipino	0.0%
Common	Jaime B. Garcia	40,030	Filipino	0.01%
Aggregate Ownership of all directors and officers as a group		189,440	Filipino	0.06%

The percentages of ownership of the above officers and directors are very minimal.

There are no arrangements, which may result in a change in control of the registrant.

D. Certain Relationship and Related Transactions

There has been no transaction or proposal for the last two (2) years, to which the Registrant was or is party, in which any of the directors, executive officers or nominees for director has direct or indirect material interest.

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

The Corporation is committed to the principles and leading practices of good corporate governance that will promote a compliance culture of accountability and transparency, provide effective oversight of the Company's business, and ensure long-term shareholder value.

The Corporation annually conducts an assessment and review of its corporate governance performance through a self-rating and evaluation system. It remains committed to promoting a culture of compliance, transparency and accountability to ensure long-term shareholder value.

The Board of Directors and Management commit to meet or exceed the regulatory governance requirements and are guided by the Company's Amended Manual on Corporate Governance, along with the Charters of the Board Committees and Codes of Conduct of Directors and Employees. The Corporation has set up all committees set forth under the Manual of Corporate Governance. These committees have been meeting as required under the Manual of Corporate Governance. To date, there has been no deviation from the company's Manual on Corporate Governance.

The Board's Audit Committee also conducts a self-assessment and review of its own performance annually. Moreover, the Committee obtains feedback from Executive Management to improve its Committee performance.

¹¹ 119, 200 shares under PCD Nominee Corporation

The Board's good governance Committees shall annually review and reassess the adequacy of the Committee Charters, and recommend any proposed changes to the Board for approval.

There is no immediate plan to revise the Corporation's Manual on Corporate Governance. The improvement of Corporation's Manual on Corporate Governance is an ongoing process and specific action to be taken thereon shall depend on the results of the evaluation process.

PART V – EXHIBITS AND SCHEDULES

A. Exhibits and reports on SEC Form 17-C

Exhibits

Furnished with this report are the Company's Audited Financial Statements for the recently completed fiscal year. These financial statements are reports from the Corporation's Independent Public Accountant, SGV & Co.

Reports on SEC Form 17-C

There are SEC Forms 17-C filed during the last six-month period covered by this report, to wit:

1. March 26, 2007, Meeting of the Board of Directors as **Annex A-1**;
2. March 7, 2007, BIR Ruling No. 006-2007 Exemption of Coal Sales from VAT as **Annex A-2**;
3. February 26, 2007, Filing of Complaint against the Municipality of Calaca, Batangas as **Annex A-3**;
4. February 20, 2007, Nomination and Election Committee Meeting as **Annex A-4**;
5. February 15, 2007, Meeting of the Board of Directors as **Annex A-5**;
6. February 9, 2007, Financial Condition of the Corporation, **Annex A-6**;
7. January 26, 2007, Semirara Mining Corporation vs. Hon. Adoracion G. Angeles, et. al., CA G.R. No. 92238 as **Annex A-7**;
8. January 11, 2007, Certification on Compliance with Manual on Corporate Governance as **Annex A-8**;
9. January 9, 2007, Semirara Mining Corporation vs. HGL Development Corporation, SC G.R. No. 16658 as **Annex A-9**;
10. December 27, 2006, Certification of Independent Directors as **Annex A-10**;
11. December 18, 2006, Certification on Board Attendance for 2006 as **Annex A-11**; and
12. October 25, 2006, Resignation of Mr. Arthur N. Aguilar as director as **Annex-12**.


(d) Supplemental Schedules-B, E, F & I


SIGNATURES

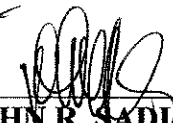
Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the Issuer by the undersigned, thereunto duly authorized, in the City of MAKATI CITY on APR 10 2007.

By:


VICTOR A. CONSUNJI
Principal Executive Officer/COO


NESTOR D. DADIVAS
Principal Financial Officer/
Chief Finance Officer


JUNALINA S. TABOR
Principal Accounting Officer

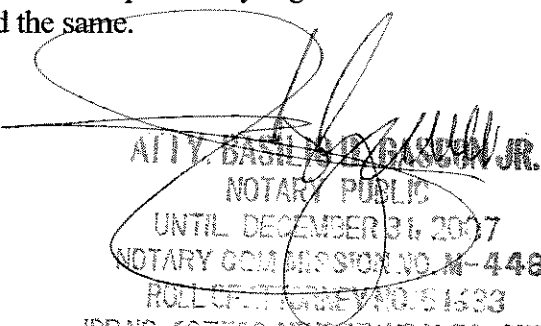

JOHN R. SADULLO
Corporate Secretary

SUBSCRIBED AND SWORN to before me on this APR 10 2007 day of 2007 at Makati City, Philippines, affiants exhibiting to me:

NAMES	VALID ID	EXPIRY/DATE ISSUED
VICTOR A. CONSUNJI	Phil. Passport No. MM692660	March 11, 2009
NESTOR D. DADIVAS	LTO Driver's License No. N15-69-016331	June 13, 2008
JUNALINA S. TABOR	LTO Driver's License No. D16-99-200318	June 23, 2007
JOHN R. SADULLO	LTO Driver's License No. N01-02-005690	July 22, 2008

who have satisfactory proven to me their identities by submitting their respective valid identifications, and that they are the same persons who personally signed before me the foregoing SEC Form 17-A and that they executed the same.

Doc. No. 44 ;
Page No. 23 ;
Book No. 11 ;
Series of 2007.


ATTY. BASIL B. GASUN JR.
NOTARY PUBLIC
UNTIL DECEMBER 31, 2007
NOTARY COMMISSION NO. N-448
ROLL OF FIDUCIARY NO. 51593
IBP NO. 697772 USA / BARILES CHAPTER
PTR NO. 271811 1/5/07
3/F DMCI PLAZA, 2881 PASONG TAMO EXTENSION
MAKATI CITY, METRO MANILA

Annex A-1

9 1 4 4 7 - - - - -

SEC Registration Number

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

(Company's Full Name)

2	n	d	F	l	o	o	r	D	M	C	I	P	L	A	Z	A	B	U	I	L	D	I	N	G
2	2	8	1	P	A	S	O	N	G	T	A	M	O	E	X	T	E	N	S	I	O	N		
										M	A	K	A	T	I	C	I	T						

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

Mr. Sonny Sibug
(Contact Person)

888-3555
(Company Telephone Number)

1 2 3 1

(Fiscal Year)

1 7 - C

(Form Type)

 | | |
Month Day
(Annual Meeting)

(Secondary License Type, If Applicable)

Corporate Finance Dept.

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

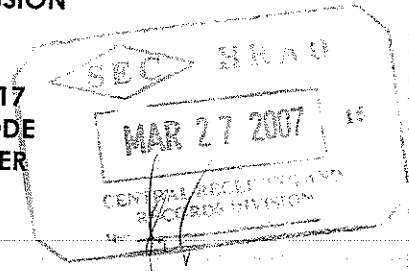
Cashier

STAMPS

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SECURITIES AND EXCHANGE COMMISSION

**SEC FORM 17-C
CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2 (c) THEREUNDER**



1. **March 26, 2007**
Date of Report
2. SEC Identification No.: **91447**
3. BIR Tax Identification No.: **410-000-190-324**
4. **SEMIRARA MINING CORPORATION**
Exact name of issuer as specified in its charter
5. **Philippines**
Province, country or other jurisdiction of incorporation
6. (SEC Use Only)
Industry Classification Code:
7. **2/F DMCI Plaza Bldg., 2281 Chino Roces Avenue, Makati City**
Address of principal office **1231**
Postal Code
8. **(2) 888-3555 Fax No. (2) 888-3955**
Issuer's telephone number, including area code
9.
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

<u>Title of Each Class</u>	<u>Number of Shares of Common Stock</u>
Common Shares	<u>(Outstanding)</u> <u>277,572,800</u>

11. Indicate the item numbers reported herein: **Item 9.**

In the meeting held today, March 26, 2007 (Monday), 10:00 a.m. at the 3rd Floor Dacon Bldg., 2281 Chino Roces Avenue, Makati City, the Board of Directors upon motion duly made and seconded, unanimously approved the following:

1. **Approval of Financial Statements for year ended December 31, 2006**

The Board of Directors approved the financial statements of the Corporation for the year ending December 31, 2006.
2. **Declaration of Cash Dividend and Fixing of Record Date**

The Board of Directors authorized the declaration of cash dividend at Php1.20 per share and fixed the record date on April 12, 2007 and the date of payment on April 30, 2007.

3. **Approval by the Board of Directors for the Corporation to engage in the business of mining other minerals and base metals, and other activities authorized under the Corporation's Secondary Purposes under its Articles of Incorporation, specifically paragraph (a) thereof to wit:**

"(a) To prospect for, explore, mine, extract, dig and drill or, exploit, produce, purchase or otherwise obtain from the earth, any and all kinds of petroleum and petroleum products, hydrocarbon materials, chemical substances and salts, precious and base metals, diatomaceous earth as well as other minerals of whatever nature whether similar or dissimilar to those listed herein, and to store, hold, use, experiment with, treat, reduce, distill, manufacture, smelt, refine, prepare for market, buy, sell, distribute, exchange, import and transport and otherwise deal in petroleum and other minerals of whatever nature, whether similar or dissimilar thereto, their products, compounds, and derivatives and other mineral and chemical substances, in crude or refined condition, and to engage generally, as may be permitted by law, in the business of, and/or investing in mining, manufacturing, contracting and servicing, in addition to oil exploration within the Philippines and in other countries;"

4. **Approval by the Board of Directors for the Corporation to engage in the business of power generation and other activities authorized under the Corporation's Secondary Purposes, specifically paragraph (f) thereof to wit:**

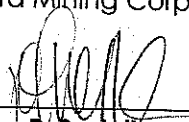
"(f) To purchase, create, generate or otherwise acquire, use, sell, supply or otherwise dispose of, electric current and electric steam and water power of every kind and description, and to sell, supply or otherwise dispose of, light, heat and power of every kind and description."

SIGNATURES

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 thereunto duly authorized.

Issuer : Semirara Mining Corporation

Signature and Title :



John R. Sadullo
Corporate Secretary

Date : March 26, 2007

9 1 4 4 7 - - - - -

SEC Registration Number

SEMIRARA MINING CORPORATION

(Company's Full Name)

2ND FLOOR DMCI PLAZA BUILDING
2281 PASONG TAMO EXTENSION
MAKATI CITY

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

Mr. Sonny Sibug
(Contact Person)

888-3555 loc. 2131
(Company Telephone Number)

1 2 3 1

(Fiscal Year)

1 7 - C

(Form Type)

Month Day

(Annual Meeting¹)

(Secondary License Type, If Applicable)

Corporate Finance Dept.

Dept. Requiring this Doc.

Amended Articles Number/Section

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Total No. of Stockholders

Domestic

Domestic

Foreign

Foreign

To be accomplished by SEC Personnel concerned

File Number

File Number

LCU

LCU

Document ID

Document ID

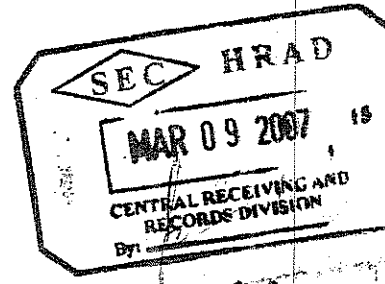
Cashier

Cashier

STAMPS

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¹ First Monday of May of each year.



SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C
CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2 (c) THEREUNDER

- 1. March 7, 2007
Date of Report (Date of earliest event reported)
- 2. SEC Identification Number -91447 3. BIR Tax Identification No.410-000-190-324
- 4. Exact name of registrant as specified in its charter
Semirara Mining Corporation
- 5. Philippines
Province, country or other jurisdiction of incorporation or organization
- 6. Industry Classification Code (SEC Use Only)

- 7. 2/F DMCI Plaza Bldg. , 2281 Pasong Tamo Extension, Makati City
Address of registrant's principal office Postal Code 1231
- 8. (2)888-3555 Fax No. (2) 8410913
Registrant's telephone number, including area code
- 9. _____
Former name, former address, and former fiscal year, if changed since last report.
- 10. Securities registered pursuant to Sections 8 and 12 of the SRC or Section 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock
Common shares	277,572,800

11. Indicate the item numbers reported herein:

Item 9. Other Events

The corporation is in receipt today of BIR Ruling No. 006-2007 of even date confirming the exemption of its coal sales from the Value Added Tax (VAT).

Upon the effect date of Republic Act 9337, NPC began withholding 5% VAT from the corporation's coal sale in accordance with Section 114 (C). As government-owned and controlled corporations NPC is mandated to deduct or withhold a VAT at the rate of 5% before effecting payments on account of purchase of goods and services subject to VAT. NPC posits it has to withhold by clear mandate of law considering the express deletion of the Section 109 (e) of RA 8424 by RA 9337. Prior to the enactment of RA 9337, Section 109 (e) provides:

"xxx Section 109 (1) Subject to the provisions of subsection (2) hereof, the following transactions shall be exempt from the value-added tax:

xxx

xxx

xxx

(e) Sale or importation of coal, natural gas, in whatever form or state, and petroleum products (except lubrication oil, processed gas, wax, petroleum) subject to excise tax under Title IV;

The BIR ruling cites Section 109 (k) as the legal basis for the continued exemption of the corporation from VAT despite the deletion of Section 109 (e) cited by NPC. Said section, provides:

"xxx Section 109 (1) Subject to the provisions of subsection (2) hereof, the following transactions shall be exempt from the value-added tax:

xxx

xxx

xxx

(k) Transactions which are exempt under international agreements to which the Philippines is a signatory or **under special laws**, except those granted under Presidential Decree No. 529"

The corporation's coal operating contract (COC) falls within the coverage of a **special law, Presidential Decree No. 972, otherwise known as the "Coal Development Act of 1976"**. Under said law, specifically Section

16 thereof, incentives in the form of exemption from taxes were granted to COC holders. The pertinent provisions read in part:

"Section 16 Incentives to operators. The provisions of any law to the contrary notwithstanding, a contract executed under this Decree may provide that the operator shall have the following incentives:

a) Exemption from all taxes except income tax.

xxx xxx xxx

The incentive cited above is mirrored in the COC of the Corporation to wit:

"Section V. Rights and obligations of the Parties

xxx xxx xxx

5.2 The Operator shall have the following rights:

a) Exemption from all taxes except income tax.

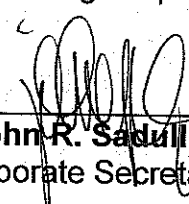
xxx xxx xxx

SIGNATURES

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 thereunto duly authorized.

Issuer : Semirara Mining Corporation

Signature and Title :



John R. Sadullo
Corporate Secretary

Date : March 8, 2007

9 1 4 4 7 - - - - -

SEC Registration Number

SEMIRARA MINING CORPORATION

(Company's Full Name)

2 / F, DMCI Plaza, 2281 Pasong Tamo
Makati City

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

Sonny L. Sibug
(Contact Person)

888-3555
(Company Telephone Number)

1 2 3 1
Month Day
(Fiscal Year)

1 7 - C
(Form Type)

Month Day
(Annual Meeting)

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings
Domestic Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

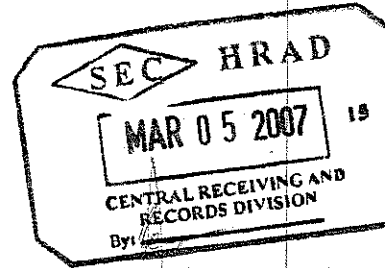
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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C
CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2 (c) THEREUNDER



February 26, 2007

Date of Report (Date of earliest event reported)

1. SEC Identification Number -91447 3. BIR Tax Identification No.410-000-190-324

4. Exact name of registrant as specified in its charter
Semirara Mining Corporation

5. Philippines
Province, country or other jurisdiction of incorporation or organization

6. Industry Classification Code (SEC Use Only)

7. 2/F DMCI Plaza, 2281 Pasong Tamo Extension, Makati City

Address of registrant's principal office Postal Code 1231

8. (2)888-3000 Fax No. (2) 8410913
Registrant's telephone number, including area code

9. _____
Former name, former address, and former fiscal year, if changed since last report.

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Section 4 and 8 of the RSA

Title of Each Class
Common shares

Number of Shares of Common Stock
277,572,800

11. Indicate the item numbers reported herein:

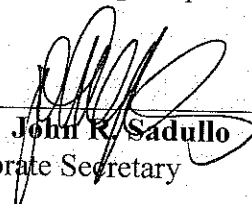
Item 5 – Legal proceedings.

The Corporation filed on February 26, 2007, a complaint before the Regional Trial Court of Makati, Branch 137, entitled "*Semirara Mining Corporation vs. Municipality of Calaca, Batangas and Milagros V. Tenorio in her capacity as Municipal Treasurer of Calaca*" (Civil Case No. 07-180) appealing the tax assessment of the Municipality of Calaca for alleged deficiency business tax in the total amount of Php66,685,189.50 for the years 2003, 2004 and 2005. The Municipality of Calaca maintains that the corporation is liable for said taxes due to its coal sales to the National Power Corporation's ("NPC") 2 X 300 MW Calaca Coal Fired Power Plants located in the municipality. The Corporation, among others maintains that there is no legal basis for the assessment as there is no situs of taxation in Municipality of Calaca in accordance with the Local Government Code since the corporation does not maintain any branch or sales office thereat and therefore it is not subject to business tax.

SIGNATURES

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 thereunto duly authorized.

Issuer : Semirara Mining Corporation

Signature and Title : 
(Sgd) **John R. Sadullo**
Corporate Secretary

Date : March 5, 2007

Annex

A-4

9 1 4 4 7 - - - - -

SEC Registration Number

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

(Company's Full Name)

2	n	d	F	l	o	o	r	D	M	C	I	P	L	A	Z	A	B	U	I	L	D	I	N	G
2	2	8	1	P	A	S	O	N	G	T	A	M	O	E	X	T	E	N	S	I	O	N		

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

Mr. Sonny Sibug
(Contact Person)

888-3555
(Company Telephone Number)

1 2 3 1

(Fiscal Year)

1 7 - C

(Form Type)

Month Day
(Annual Meeting)

(Secondary License Type, If Applicable)

Corporate Finance Dept.

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

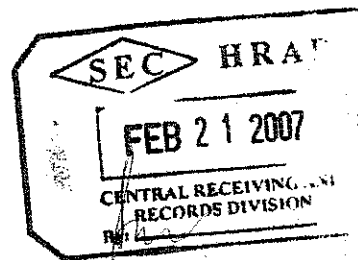
Cashier

STAMPS

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C
CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2 (c) THEREUNDER



- 1. February 20, 2007
Date of Report
- 2. SEC Identification No.: 91447
- 3. BIR Tax Identification No.: 410-000-190-324

4. **SEMIRARA MINING CORPORATION**

Exact name of issuer as specified in its charter

5. **Philippines**

Province, country or other jurisdiction of incorporation

6. (SEC Use Only)
Industry Classification Code:

7. **2/F DMCI Plaza Bldg., 2281 Chino Roces Avenue, Makati City**

Address of principal office

1231
Postal Code

8. **(2) 888-3555 Fax No. (2) 888-3955**

Issuer's telephone number, including area code

9.
Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

<u>Title of Each Class</u>	<u>Number of Shares of Common Stock</u> <u>(Outstanding)</u>
Common Shares	277,572,800

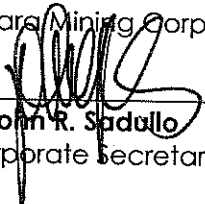
11. Indicate the item numbers reported herein: **Item 9(b)**.

Please be advised that in the Nomination and Election Committee Meeting of Semirara Mining Corporation (the "Corporation") held today, February 20, 2007, 10:00 a.m., at the 2nd Floor, DMCI Plaza Bldg., 2281 Don Chino Roces Ave., Makati City, upon motion duly made and seconded, unanimously approved the Procedure on the Nomination and Election of Directors, copy of which is hereto integrally attached.

SIGNATURES

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 thereunto duly authorized.

Issuer : Semirara Mining Corporation

Signature and Title : 
John R. Sadullo
Corporate Secretary

Date : February 20, 2007

PROCEDURE ON THE NOMINATION AND ELECTION OF DIRECTORS

Section 1. Period. Nomination for the position of directors shall be submitted to the Nomination Committee or the Corporate Secretary not later than March 15 of every year or such other dates as may be fixed by the Committee.

Section 2. Right to Nominate. A Stockholder who owns at least one (1) share standing in his name in the books of the corporation as of record date shall have the right to nominate.

Section 3. Form and Content.¹ The Committee may adopt a Nomination Form which it may from time to time be amended; provided that such form shall require that:

- a. All nominations shall be signed by the nominating stockholder/s together with the acceptance and conformity by the would-be nominees.
- b. Each nomination shall set forth (i) the name, age, citizenship, status, business address and residence of each nominee; (ii) educational attainment and work and business experience (iii) the principal occupation or employment of each nominee, (iv) the number of shares of stock of the Corporation which are beneficially owned by each such nominee, (v) the interest and position held by each nominee in other corporations, (vi) and other relevant information. In addition, the stockholder making such nomination shall promptly provide any other information reasonably requested by the Committee.
- c. In case of nomination of independent directors, the nominee shall be required to sign a certification that he/she has the qualifications and none of the disqualifications as provided for in SEC Memorandum

¹ Please see Nomination Form

Circular No. 16, Series of 2002, Section 38 of the Securities Regulation Code and its implementing Rules and Regulations.

Section 4. List of Candidates. After the submission of the nominations, the Committee shall pre-screen the qualifications and prepare a final list of all candidates which shall contain all the information about the nominees not later than ten (10) days from the submission of the nominations. Only nominees whose names appear on the Final List of Candidates shall be eligible for election. No other nomination shall be entertained after the Final List of Candidates shall have been prepared. No further nomination shall be entertained or allowed on the floor during the actual annual stockholders' meeting.



SEMIRARA MINING CORPORATION
(formerly known as Semirara Coal Corporation)

NOMINATION FORM

PLS. CHECK PROPER BOX

- Nominee for Regular Director

- Nominee for Independent Director -b/

Name of Nominee -a/

CITIZENSHIP: _____ AGE:-c/ _____

DATE OF BIRTH: _____ NAME OF SPOUSE: _____

RESIDENCE ADDRESS: _____

OFFICE ADDRESS: _____

CELLPHONE NO.: _____ HOME NO.: _____

OFFICE NO.: _____ FAX NO.: _____

EDUCATIONAL BACKGROUND/ATTAINMENT: -d/ (Please use separate sheet, if necessary)

WORK AND/OR BUSINESS EXPERIENCE: (Please use separate sheet, if necessary)

DIRECTORSHIP/POSITION IN OTHER CORPORATIONS/ASSOCIATIONS: (Please use separate sheet, if necessary)

STOCKHOLDINGS/SECURITY OWNERSHIP

Direct: _____

Indirect: _____

CONVICTION, **IF ANY**, JUDICIAL OR ADMINISTRATIVE, OF AN OFFENSE OR JUDICIAL DECLARATION OF BEING INSOLVENT, SPENDTHRIFT OR INCAPACITATED TO CONTRACT, IF ANY. IF APPLICABLE, PLEASE STATE:

Particulars & Nature of Offense	Court/Body	Date of Complaint/ Information was filed

CONFORMITY & ACCEPTANCE:

Signature

Printed Name of Nominee

Date Submitted

Signature

Printed Name of Nominator-Stockholder
or his/her/its Authorized Representative -e/

Date Submitted

A-5

9 1 4 4 7 - - - - -

SEC Registration Number

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

(Company's Full Name)

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

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

Mr. Sonny Sibug
(Contact Person)

888-3555
(Company Telephone Number)

1 2 3 1
(Fiscal Year)

1 7 - C
(Form Type)

Month Day
(Annual Meeting)

(Secondary License Type, If Applicable)

Corporate Finance Dept.
Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings
Domestic Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

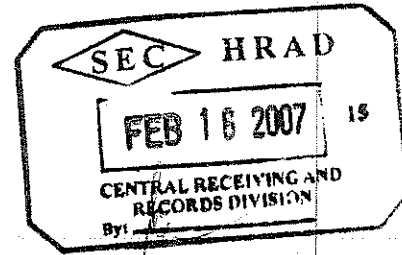
Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C
CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2 (c) THEREUNDER



1. **February 15, 2007**
Date of Report

2. SEC Identification No.: **91447**

3. BIR Tax Identification No.: **410-000-190-324**

4. **SEMIRARA MINING CORPORATION**

Exact name of issuer as specified in its charter

5. **Philippines**

Province, country or other jurisdiction of incorporation

6. (SEC Use Only)
Industry Classification Code:

7. **2/F DMCI Plaza Bldg., 2281 Chino Roces Avenue, Makati City**

Address of principal office

1231
Postal Code

8. **(2) 888-3555 Fax No. (2) 888-3955**

Issuer's telephone number, including area code

9.
Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

<u>Title of Each Class</u>	<u>Number of Shares of Common Stock</u> <u>(Outstanding)</u>
Common Shares	277,572,800

11. Indicate the item numbers reported herein: **Item 9(b).**

Please be informed that in the meeting held today, February 15, 2007, 10:00 a.m., at the 3rd Floor, Dacon Bldg., 2281 Don Chino Roces Ave., Makati City, the Board of Directors upon motion duly made and seconded, unanimously approved:

1. Annual Stockholders' Meeting

The Board of Directors of the Corporation in accordance with its By-Laws sets May 7, 2007, as the scheduled date for the holding of the 2007 Annual Stockholders' Meeting to be held at the Fairways Room, Manila Golf & Country Club, Harvard Road, Forbes Park, Makati City, at 10:00 a.m.

Further, the Board of Directors sets March 2, 2007, as the record date for purposes of determining the stockholders entitled to notice of, and vote at the Annual Stockholders' Meeting scheduled above or any adjournment, or postponement thereof.

2. Amendments to the By-Laws of the Corporation

Likewise in today's meeting, the following amendments to the By-Laws of the Corporation have been unanimously approved, as follows:

1. Amendment to Section 3 (Notice of Meetings), Article I, last sentence, to add the following phrase, which reads: "*Notices to stockholders shall be sent to them by airmail, posted by mail or delivered personally at least fifteen (15) business days before the meeting*".
2. Introduction of "Section 6" (Proxy), as additional provision in Article I.
3. Amendment of Article I, by renumbering former Section 6 (List of Stockholders) to read as "Section 7". In the third (3rd) line of said section, the phrase "*twenty (20) days*" was inserted between the words "*least*" and "*before*". Further, in line 4, between the words "*for*" and "*shall*", another sentence was inserted, which reads: "*at least fifteen (15) days prior to the date of the annual stockholders' meeting at the Corporation's principal office and the corporation shall furnish a copy thereof to any stockholder who may request the same at the expenses of said stockholder. A copy of the list*".
4. Amendment to Section 1 (General Powers), Article II, additional sub-section letter "*(f)*" was inserted, which reads: "*(f) Such other powers and functions as prescribed in the SEC Code of Corporate Governance and the Corporation's Manual on Corporate Governance.*"
5. Amendment to Section 2 (Qualifications), Article II, by adding in the last sentence additional qualifications of the Board of Directors.
6. Amendment to Article II, by adding a new section as "Section 3", on disqualifications of the Board of Directors.
7. Amendment to Article II, by adding a new section as "Section 4" (Term) on the election of the Board of Directors.
8. Amendment to Article II, by renumbering former Section 3 (Chairman of the Board) to "Section 5" and providing therein additional phrase, line 4, after the word "*delegate,*" which reads: "*and perform such other duties as may be provided for under the Corporation's Manual of Corporate governance.*"
9. Amendment to Article II, by renumbering former Section 4 (Annual, Regular and Special Meetings) to "Section 6." In line 2 of said section, the word "*organizational*" was inserted between the words "*The*" and "*meeting.*" Further, the opening statement of the second sentence, which reads: "*Regular meetings of the Board of Directors shall be held every quarter of the year*" was added. Furthermore, in the last line of said section the phrase "*Chief Executive Officer,*" was inserted between the words "*or*"

and "or"; and on the same line, the word "their" was inserted between the words "in" and "absence." Lastly, additional paragraph (third paragraph) was added as entirely new provision, which reads: "All meetings of the Board Directors should be attended in person, however in view of modern technology, in the event that any member cannot attend personally scheduled meetings of the Board, meetings by teleconferencing or videoconferencing may be allowed subject to the with strict adherence to Securities and Exchange Commission's rules and regulations on the subject."

10. Amendment to Article II, by renumbering former Section 5 (Notice of Meeting) to "Section 7."
11. Amendment to Article II, by renumbering former Section 6 (Quorum) to "Section 8." In line 2 of said section, the phrase "as fixed in the Articles of Incorporation" was inserted between the words "directors" and "shall." In addition, in line 4, closing sentence, the statement "provided however that an independent director shall always be in attendance" was added; and immediately following the said sentence, a new phrase was inserted, which reads: "The absence of an independent director, shall not however affect the quorum requirements if such director is duly notified of the meeting."
12. Amendment to Article II, by renumbering former Section 7 (Resignations) to "Section 9."
13. Amendment to Article II, by renumbering former Section 8 (Removal of Directors) to "Section 10."
14. Amendment to Article II, by renumbering former Section 9 (Vacancies) to "Section 11."
15. Amendment to Article II, by renumbering former Section 10 to "Section 12" and rewording "Per diem for Board Members" to "Compensation" in accordance with Section 30 of the Corporation Code.
16. Amendment to Article II, by adding a new section as "Section 13" (Profit Sharing).
17. An entirely new provision of "Article III" on "Independent Directors" was added in compliance with the requirements under Rule 38 of the Securities Regulation Code.
18. Former Article III of the Corporation's By-laws referring to "Officers" was renumbered to "Article IV."
19. Amendment to Section 1, Article IV, line 1, by inserting the phrase "Chief Executive Officer," between the words "a" and "President"; and in line 2, the phrase "Chief Operating Officer" was likewise inserted between the words "President" and "one."

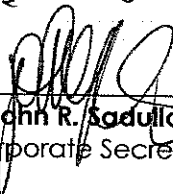
20. Amendment to Section 7, Article IV, by deleting the first sentence "*The President shall be the chief executive officer of the corporation.*"
21. Amendment to Article IV, by inserting an entirely new section as "*Section 14*" on "*Compliance Officer*" providing thereon his/her duties and responsibilities.
22. Amendment to Article IV, by renumbering former Section 14 (Salaries) to "*Section 15.*"
23. Amendment to Article IV, by renumbering Section 15 (Surety Bonds) to "*Section 16.*"
24. An entirely new provision of "*Article V*" referring to "*Board Committees*" was inserted.
25. Former Article IV of the Corporation's By-laws referring to "*Execution of Instruments and Report of Corporate Funds*" was renumbered to "*Article VI.*"
26. Former Article V of the Corporation's By-laws referring to "*Shares and their Transfer*" was renumbered to "*Article VII.*"
27. Amendment to Section 3, Article VII, line 3, by inserting the phrase "*twenty (20) days*" between the words "*exceeding*" and "*preceding*"; and in line 7, by inserting the phrase "*20 days*" between the words "*exceeding*" and "*in*".
28. Former Article VI of the Corporation's By-laws referring to "*Corporate Seal*" was renumbered to "*Article VIII.*"
29. Former Article VII of the Corporation's By-laws referring to "*Fiscal Year*" was renumbered to "*Article IX.*" The Phrase "*External Auditor and Dividends*" was added to the main heading of Article IX. Lastly, "*Sections 2 and 3*" referring to "*External Auditor*" and "*Dividends*", respectively, were inserted as entirely new sections.
30. Former Article VIII of the Corporation's By-laws referring to "*Amendments*" was renumbered to "*Article X.*" In addition in line 1, the phrase "*by at least majority vote of the Board of Directors and the owners of the outstanding capital stock, at regular or special meeting duly called for the purpose. The owners of two-thirds (2/3) of the outstanding capital stock may delegate to the Board of Directors the power to amend or repeal any by-laws or adopt new by-laws; provided, that any power delegated to the Board of Directors to amend or repeal shall be considered as revoked whenever stockholders owning or representing a majority of the outstanding capital stock shall so vote at a regular or special meeting*" was added after the word "*repealed*" of said section.

The meeting was adjourned at 12:30 p.m.

SIGNATURES

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 thereunto duly authorized.

Issuer : Semirara Mining Corporation

Signature and Title : 
John R. Sadulo
Corporate Secretary

Date : February 15, 2007

9 1 4 4 7 - - - - -

SEC Registration Number

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

(Company's Full Name)

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

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

Mr. Rachel Pacheo
(Contact Person)

888-3555
(Company Telephone Number)

1 2 3 1

(Fiscal Year)

1 7 - C

(Form Type)

Month Day

(Annual Meeting)

(Secondary License Type, If Applicable)

Corporate Finance Dept.

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Domestic Foreign

Total No. of Stockholders

To be accomplished by SEC Personnel concerned

File Number

Document ID

LCU

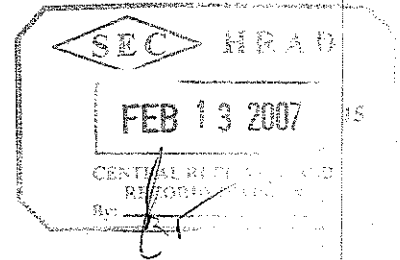
Cashier

STAMPS

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C
CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2 (c) THEREUNDER



1. **February 9, 2007**
Date of Report
2. SEC Identification No.: **91447** 3. BIR Tax Identification No.: **410-000-190-324**

4. **SEMIRARA MINING CORPORATION**
Exact name of issuer as specified in its charter

5. **Philippines**
Province, country or other jurisdiction of incorporation

6. (SEC Use Only)
Industry Classification Code:

7. **2/F DMCI Plaza Bldg., 2281 Chino Roces Avenue, Makati City**
Address of principal office **1231**
Postal Code

8. **(2) 888-3555 Fax No. (2) 888-3955**
Issuer's telephone number, including area code

9.
Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

<u>Title of Each Class</u>	<u>Number of Shares of Common Stock</u> <u>(Outstanding)</u>
Common Shares	277,572,800

11. Indicate the item numbers reported herein: **Item 9(b).**

Semirara Mining Corp. estimates NPAT for 2006 to be in the level of P600 million. The decline in profitability is largely due to lower coal sales as demand for coal in the power industry and the cement sector of its business registered lower than last year. Competition from the natural gas-fired plants as well as entry of cheaper imports limited coal deliveries. For the year, coal sales volume registered at 2.076 Million Mt's, 16% lower than last year's 2.479 Million Mt's.

Furthermore, production costs went up as **advance stripping** cost of material overburden was taken up as current cost in the books. Total materials moved during the year increased by 38% to an unprecedented 38.423 Million bcm against last year's volume of 27.875 Million bcm. On the other hand, Net Product Coal produced in 2006 declined by 21% at 2.270 Million Mt's compared with last year's 2.888 Million Mt's. Management opted to use available capacity removing material burden to fully utilize its production equipment but left stripped coal at the pit for future deliveries. **Pre-stripped coal** is estimated to amount to 1.3 million Mt's with a market value of at least P2.3 billion as of yearend. The coal can be easily extracted at minimum cost next year. In addition, coal stockpile inventory amounted to 606 thousand Mt's with a market value of P1.1 billion as of yearend 2006.

During the year, the company completed its **Modernization and Expansion Program** bringing production capacity to 4 million Mt's of Run-of-Mine coal. The "economies of scale" at this level is expected to bring down cost of production that will make the company more competitive against imports. At the same time, it will bring up the company's level of business to the vast potentials of the **Export Market** in the region which management looks forward to initiate in 2007.

On the local front, small manufacturers are gradually shifting to Semirara coal to save on fuel cost adding to the improving prospects of the company.

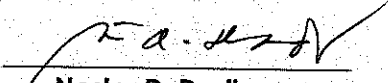
Firming up on **Quality Improvement**, expansion of the coal washing plant was also achieved during the year while drying facilities were installed to cater to the needs of the cement industry.

To further address **Cost Reduction**, it is worth mentioning that a second Crusher and Conveyor System was laid down to minimize the use of trucks and shovels for material handling to reduce fuel cost which is the single biggest cost item. Installed capacity is now up to 30% of total material handling capacity. To run the systems efficiently, the company's 2 x 7.5 MW coal-fired power plants underwent rehabilitation.

SIGNATURES

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 thereunto duly authorized.

Issuer : Semirara Mining Corporation

Signature and Title : 
Nestor D. Dadivas
Chief Finance Officer

Date : February 9, 2007

9 1 4 4 7 - - - - -

SEC Registration Number

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

(Company's Full Name)

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

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

Mr. Sonny Sibug
(Contact Person)

888-3555
(Company Telephone Number)

1 2 3 1

(Fiscal Year)

1 7 - C

(Form Type)

Month Day

(Annual Meeting)

(Secondary License Type, If Applicable)

Corporate Finance Dept.

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

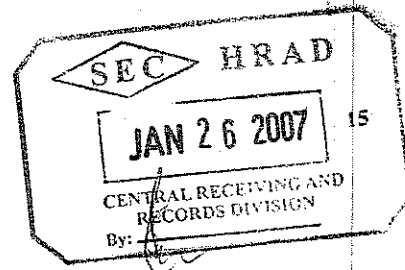
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SECURITIES AND EXCHANGE COMMISSION



SEC FORM 17-C
CURRENT REPORT UNDER SECTION 17
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1. January 26, 2007
Date of Report
2. SEC Identification No.: 91447 3. BIR Tax Identification No.: 410-000-190-324
4. **SEMIRARA MINING CORPORATION**
Exact name of issuer as specified in its charter
5. **Philippines**
Province, country or other jurisdiction of incorporation
6. (SEC Use Only)
Industry Classification Code:
7. **2/F DMCI Plaza Bldg., 2281 Chino Roces Avenue, Makati City** **1231**
Address of principal office Postal Code
8. **(2) 888-3555 Fax No. (2) 888-3955**
Issuer's telephone number, including area code
9. **N/A**
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

<u>Title of Each Class</u>	<u>Number of Shares of Common Stock</u>
Common Shares	(Outstanding) 277,572,800
11. Indicate the item numbers reported herein: **Item 5.**

We wish to inform you that the Semirara Mining Corporation ("Semirara" or the "Corporation") is in receipt today of the Decision of the Honorable Court of Appeals promulgated on January 15, 2007, in the case entitled "*Semirara Mining Corporation, Petitioner vs. Hon. Adoracion G. Angeles, HGL Development Corporation represented by its President, Henry G. Lim, Respondents, CA-G.R. SP No. 92238.*"

In the above-mentioned decision, the Honorable Court of Appeals **reversed and set aside** the Regional Trial Court of Caloocan City, Branch 121 previous Order dated June 10, 2005, denying the Corporation's Motion to Dismiss which sought the trial court's dismissal of the case for lack of jurisdiction. The Corporation anchored its argument that the Court does not have jurisdiction to take cognizance of the complaint filed by HGL since the DENR's order cancelling the Forest Land Grazing Lease Agreement (FLGLA) No. 184 issued to HGL has long been final and executory.

HGL in another case (Civil Case No. C-146, RTC Culasi, Antique, Branch 13) anchors its alleged right to the possession of a portion of a property in Semirara Island on the existence of the FLGLA No. 184. By reason of this decision HGL's case no longer has a leg to stand on.

The dispositive portion of the decision reads reads:

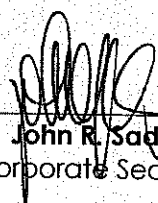
"WHEREFORE, finding that the respondent judge committed grave abuse of discretion amounting to lack or excess or jurisdiction in denying Semirara's motion to dismiss the complaint in Civil Case No. C-20675 (2003) entitled "HGL Development Corporation, represented by its President Henry G. Lim, vs. Department of Environmental and Natural Resources, Defendant, Semirara Mining Corporation, Intervenor," the instant petition is **GRANTED** and the assailed orders of public respondent Judge Adoracion G. Angeles dated June 10, 2005, denying the motion to dismiss filed by petitioner SEMIRARA MINING CORPORATION as well as the Order dated September 22, 2005, denying reconsideration are **REVERSED AND SET ASIDE**.

Accordingly, Civil Case No. C-20675 in the Regional Trial Court of Caloocan City, Branch 121 is hereby **DISMISSED**."

SIGNATURES

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 thereunto duly authorized.

Issuer : Semirara Mining Corporation

Signature and Title : 
John R. Sadullo
Corporate Secretary

Date : January 26, 2007

9 1 4 4 7 - - - - -

SEC Registration Number

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

(Company's Full Name)

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

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

Mr. Sonny Sibug
(Contact Person)

888-3555
(Company Telephone Number)

1 2 3 1

(Fiscal Year)

1 7 - L C

(Form Type)

Month Day
(Annual Meeting)

(Secondary License Type, if Applicable)

Corporate Finance Dept.

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

Document ID

LCU

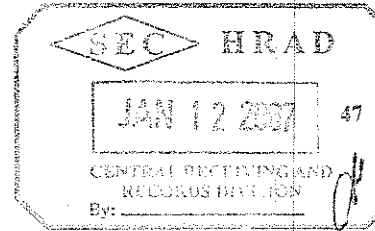
Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C
CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2 (c) THEREUNDER



1. January 11, 2007
Date of Report
2. SEC Identification No.: 91447
3. BIR Tax Identification No.: 410-000-190-324
4. SEMIRARA MINING CORPORATION
Exact name of issuer as specified in its charter
5. Philippines
Province, country or other jurisdiction of incorporation
6. (SEC Use Only)
Industry Classification Code:
7. 2/F DMCI Plaza Bldg., 2281 Chino Roces Avenue, Makati City
Address of principal office 1231
Postal Code
8. (2) 888-3555 Fax No. (2) 888-3955
Issuer's telephone number, including area code
9.
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA


<u>Title of Each Class</u>	<u>Number of Shares of Common Stock</u>
<u>Common Shares</u>	<u>(Outstanding)</u> <u>277,572,800</u>
11. Indicate the item numbers reported herein: Item 9(b).

Please find attached is the Certification of the Corporation's Corporate Secretary on the extent of the Corporation's compliance with its Manual on Corporate Governance for the year 2006.

SIGNATURES

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 thereunto duly authorized.

Issuer : Semirara Mining Corporation

Signature and Title : 
John R. Sadullo
Corporate Secretary

Date : January 11, 2007

CERTIFICATION

I, **JOHN R. SADULLO**, of legal age, Filipino, with office address located at 2nd Floor, DMCI Plaza Bldg., 2281 Chino Roces Avenue, Makati City, being the duly elected and qualified Corporate Secretary of **Semirara Mining Corporation**, (the "Corporation"), a corporation duly organized and existing under the laws of the Republic of the Philippines, under SEC Certificate of Registration No. 91447, under oath, does hereby certify that:

1. Pursuant to the provisions of our Corporate Governance Manual required under Securities and Exchange Commission Memorandum Circular No. 2 dated April 5, 2002, as well as relevant Circulars on Corporate Governance has been monitored;

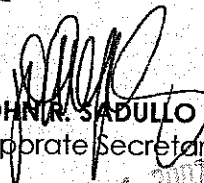
2. The Corporation, its directors, officers and employees complied with all the leading practices and principles on good corporate governance as embodied in the Corporation's Manual;

3. The Corporation has complied with the appropriate performance self-rating assessment and performance evaluation system to determine and measure compliance with the Manual;

4. There were minor deviations in its compliance from the adopted Manual on Corporate Governance due mainly to organizational changes and issues that need to be addressed accordingly; and


5. All members of the Board of Directors as well as the Corporation's Senior Management officers completed and were duly certified to have attended a special seminar on Corporate Governance.

IN ATTESTATION OF THE ABOVE, this certification was signed on the ____ day of January 2007 at _____, Metro Manila


JOHN R. SADULLO
Corporate Secretary
JAN 11 2007

SUBSCRIBED AND SWORN to before me this ____ day of January 2007, affiant exhibiting to me his Community Tax Certificate No. 05826448 issued on January 5, 2007 at Mandaluyong City, Metro Manila.

Doc. No. 381;
Book No. 71;
Page No. 68;
Series of 2007.


ATTY. LOPE M. VELASCO
NOTARY PUBLIC
Until Dec. 31, 2007
PTR O.R. No. 5333617 - Mla. 01/05/07
IBP O.R. No. 693575 - Mla. 01/05/07
TIN 212-965-989
Roll No. 28757

9 1 4 4 7 - - - - -

SEC Registration Number

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

(Company's Full Name)

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

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

Mr. Sonny Sibug
(Contact Person)

888-3555
(Company Telephone Number)

1 2 3 1

(Fiscal Year)

1 7 - C

(Form Type)

Month Day
(Annual Meeting)

(Secondary License Type, if Applicable)

Corporate Finance Dept.

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

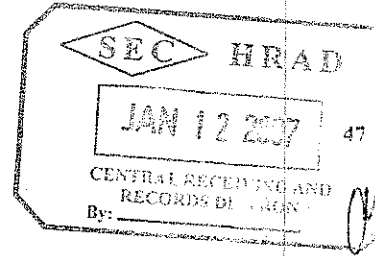
Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C
 CURRENT REPORT UNDER SECTION 17
 OF THE SECURITIES REGULATION CODE
 AND SRC RULE 17.2 (c) THEREUNDER



1. January 9, 2007
 Date of Report (Date of earliest event reported)
2. SEC Identification Number -91447 3. BIR Tax Identification No.410-000-190-324
4. Exact name of registrant as specified in its charter
Semirara Mining Corporation
5. Philippines
 Province, country or other jurisdiction of incorporation or organization
6. Industry Classification Code (SEC Use Only)
-
7. 4/F Dacon Bldg., 2281 Pasong Tamo Extension, Makati City
 Address of registrant's principal office Postal Code 1231
8. (2)888-3000 Fax No. (2) 8410913
 Registrant's telephone number, including area code
9. _____
 Former name, former address, and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Section 4 and 8 of the RSA

Title of Each Class
 Common shares

Number of Shares of Common Stock
 277,572,800

11. Indicate the item numbers reported herein:

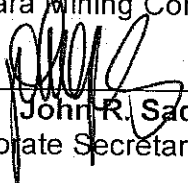
Item 5 – Legal proceedings.

Today, January 9, 2007, the Corporation received a copy of the Supreme Court decision dated December 06, 2006 in connection with the Corporation's Petition for Certiorari (G.R. No. 166854), entitled "Semirara Mining Corporation, *Petitioner* versus HGL Development Corporation and Hon. Antonio Bantolo, *Respondents*. Said decision denied the Corporation's petition questioning the order of the Regional Trial Court (RTC) of Culasi, Antique granting in favor of HGL the provisional remedy of preliminary mandatory injunction in connection with its claim to recover possession of a portion of its grazing area by virtue of its Forest Land Grazing Lease Agreement (FLGLA) No. 184 issued by the Department of Environment and Natural Resources (DENR).

The Corporation will ask the Supreme Court to reconsider its decision on the ground among others that HGL is not entitled to the injunction as said remedy can be availed of only in forcible entry cases and not in actions for recovery of possession involving dispossession by more than one (1) year. HGL claims to have been dispossessed of the property sometime in 1999 or four (4) years before HGL filed its case before the RTC, Culasi on November 17, 2003. This case was filed simultaneously on the same date with another case involving principally the same issues before the RTC of Caloocan against DENR for specific performance. In said case HGL prayed that DENR comply with the terms of the FLGLA and that DENR be enjoined from enforcing its Order dated December 06, 2000 which cancelled HGL's FLGLA. This case is still pending due to the filing of the Petition with the Supreme Court. In both cases the issue which must be resolved is validity of the FLGLA. The DENR order of cancellation supports the Corporation's position that HGL has no cause of action and is not entitled to recover possession as its right over the property no longer has basis.

SIGNATURES

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 thereunto duly authorized.

Issuer : Semirara Mining Corporation
Signature and Title : 
(Sgd) John R. Sadullo
Corporate Secretary
Date : January 9, 2007

9 1 4 4 7 - - - - -

SEC Registration Number

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

(Company's Full Name)

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

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

Mr. Sonny Sibug
(Contact Person)

888-3555
(Company Telephone Number)

1 2 3 1

(Fiscal Year)

1 7 - C

(Form Type)

Month Day
(Annual Meeting)

(Secondary License Type, if Applicable)

Corporate Finance Dept.
Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings
Domestic Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

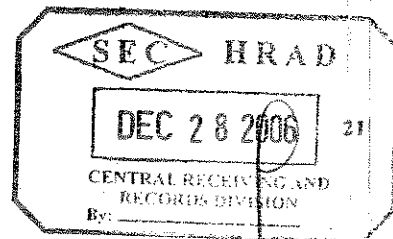
Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C
CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2 (c) THEREUNDER



- 1. December 27, 2006
Date of Report
- 2. SEC Identification No.: 91447
- 3. BIR Tax Identification No.: 410-000-190-324

4. **SEMIRARA MINING CORPORATION**

Exact name of issuer as specified in its charter

5. **Philippines**

Province, country or other jurisdiction of incorporation

6. [REDACTED] (SEC Use Only)
Industry Classification Code:

7. **2/F DMCI Plaza Bldg., 2281 Chino Roces Avenue, Makati City**

Address of principal office

1231
Postal Code

8. **(2) 888-3555 Fax No. (2) 888-3955**

Issuer's telephone number, including area code

9.
Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

<u>Title of Each Class</u>	<u>Number of Shares of Common Stock</u> <u>(Outstanding)</u>
Common Shares	277,572,800

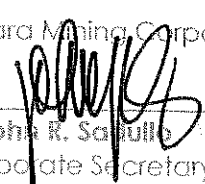
11. Indicate the item numbers reported herein: Item 9(b)

In compliance with Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations, please find attached are the Certifications of Messrs. Federico E. Puno and Victor C. Macalincag, as Independent Directors of the Semirara Mining Corporation.

SIGNATURES

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 thereunto duly authorized.

Issuer : Semirara Mining Corporation

Signature and Title : 
John R. Salullo
Corporate Secretary

Date : December 27, 2006

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **FEDERICO E. PUNO**, Filipino, of legal age and a resident of No. 30 Norway Street, Loyola Grand Villas, Diliman, Quezon City, after having been duly sworn in accordance with laws do hereby declare that:

1. I am an independent director of **Semirara Mining Corporation**.
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/ Relationship	Period of Service
Republic Glass Holdings	Ind. Director	Mar. 2001 – Present
Forum Pacific Inc.	Director	Feb. 2001 – Present
Pampanga Sugar Dev.	Director	Aug. 2002 – Present
Manila Electric Company	Director	June 2006 – Present
San Roque Power Corporation	President and CEO	Oct. 2004 – Present
San Fernando Electric	Consultant	July 2004 – Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Semirara Mining Corporation, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations.
4. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code.
5. I shall inform the Corporate Secretary of Semirara Mining Corporation of any changes in the abovementioned information within five (5) days from its occurrence.

Done, this _____ day of _____, at _____.


FEDERICO E. PUNO
 Affiant

05 DEC 2006

SUBSCRIBED AND SWORN to before me this _____ day of _____ at _____, affiant personally appeared before me and exhibited to me his Community Tax Certificate No. 00361525 issued at San Manuel, Pangasinan on January 17, 2006.

Doc. No. 340 ;
 Page No. 69 ;
 Book No. VI ;
 Series of 2006 ;


MA. ESMERALDA R. CUNANAN
 Notary Public

Until December 31, 2007

Appt. No. M-24 (2006-2007) Attorney's Roll No. 34562

Republic of the Philippines }
_____ } S.S.

CERTIFICATION OF INDEPENDENT DIRECTOR

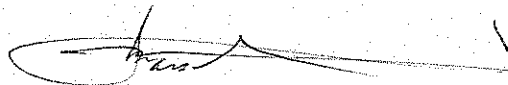
I, **VICTOR C. MACALINCAG**, of legal age, Filipino, with address located at No. 31, Don Vicente Ave., Corinthian Gardens, Quezon City, after being duly sworn to in accordance with law, hereby depose and state:

1. That I am an Independent Director of Semirara Mining Corporation;
2. That I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Crown Equities, Inc.	Independent Director	2003 to present
AZ Development Managers, Inc.	Board Chairman	2002 to present
New Tech Trading & Development Corp.	Director	2001 to present
Merchant's Bank	Independent Director	2001 to present
First Metro Investment Corp.	Consultant	2004 to present

3. That I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the foregoing companies, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations;
4. That 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;
5. That I shall inform the Corporate Secretary of the companies of any changes in the above-mentioned information within five (5) days from its occurrence.

Done on this 22nd day of December 2006, Makati City, Metro Manila, Philippines.



VICTOR C. MACALINCAG
Affiant

SUBSCRIBED AND SWORN to before me on this DEC. 22 2006 day of December 2006, affiant exhibited to me his Community Tax Certificate No. 12522032 issued on January 6, 2006 at Quezon City.

Doc. No. 1037 ;
Page No. 16 ;
Book No. 111 ;
Series of 2006.

LOURDES B. NOCUM
UNTIL DEC. 31, 2006
PTR No. 8795246, 1/11/06, MKTICITY
IBP No. 6489548, 1/10/06, Q.C.

9 1 4 4 7 - - - - -

SEC Registration Number

SEMIRARA MINING CORPORATION

(Company's Full Name)

2nd Floor DMCI PLAZA BUILDING
2281 PASONG TAMO EXTENSION
MAKATI CITY

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

Mr. Sonny Sibug
(Contact Person)

888-3555
(Company Telephone Number)

1 2 3 1

(Fiscal Year)

1 7 - C

(Form Type)

Month Day

(Annual Meeting)

(Secondary License Type, If Applicable)

Corporate Finance Dept.

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

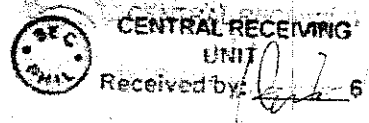
Document ID

Cashier

STAMPS

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SECURITIES AND EXCHANGE COMMISSION



SEC FORM 17-C
CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2 (c) THEREUNDER

- 1. December 18, 2006
Date of Report
- 2. SEC Identification No.: 91447
- 3. BIR Tax Identification No.: 410-000-190-324

4. **SEMIRARA MINING CORPORATION**
Exact name of issuer as specified in its charter.

5. **Philippines**
Province, country or other jurisdiction of incorporation

6. (SEC Use Only)
Industry Classification Code:

7. **2/F DMCI Plaza Bldg., 2281 Chino Roces Avenue, Makati City**
Address of principal office **1231**
Postal Code

8. **(2) 888-3555 Fax No. (2) 888-3955**
Issuer's telephone number, including area code

9.
Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

<u>Title of Each Class</u>	<u>Number of Shares of Common Stock</u> <u>(Outstanding)</u>
Common Shares	277,572,800

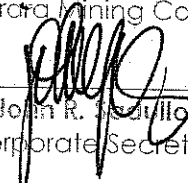
11. Indicate the item numbers reported herein: **Item 9(b)**.

Pursuant to the requirements under the adopted Manual on Corporate Governance of Semirara Mining Corporation (the "Corporation"), please find attached is the Sworn Certification as to the attendance of directors of the Corporation during board meetings for the fiscal year 2006.

SIGNATURES

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 thereunto duly authorized.

Issuer : Semirara Mining Corporation

Signature and Title : 
John R. Revilla
Corporate Secretary

Date : December 18, 2006

Republic of the Philippines }
 _____ } S.S.

SWORN CERTIFICATION

I, **JOHN R. SADULLO**, of legal age, Filipino, with office address located at 2nd Floor, DMCI Plaza Bldg., 2281 Chino Roces Avenue Ext., Makati City, being the duly elected and qualified Corporate Secretary of **Semirara Mining Corporation**, (the "Corporation"), a corporation duly organized and existing under the laws of the Republic of the Philippines, under SEC Certificate of Registration No. 91447, under oath, does hereby certify that:

1. Based on the records filed with the Corporation, the following members of the Board of Directors of the Corporation were present (✓) / absent (—) during the meeting of the Corporation's Board of Directors for the fiscal year 2006-2007, to wit:

a) Composition of the Board **BEFORE** the Annual Stockholders' Meeting held on May 2, 2006:

Name of Directors	2006 Board Meetings	
	January 11	March 6
David M. Consunji	✓	✓
Isidro A. Consunji	✓	✓
Victor A. Consunji	✓	✓
Jorge A. Consunji	✓	—
Herbert M. Consunji	✓	✓
Cesar A. Buenaventura	✓	✓
Ma. Cristina C. Gotianun	n/a ¹	✓
Victor A. Macalincag (I)	✓	✓
Arthur N. Aguilar	✓	✓
Federico E. Puno (I)	✓	✓
George G. San Pedro	✓	✓

b) Composition of the Board **AFTER** the Annual Stockholders' Meeting held on May 2, 2006:

Name of Directors	2006 Board Meetings			
	May 2 ²	July 10	Aug. 10	Nov. 10
David M. Consunji	✓	✓	✓	✓
Isidro A. Consunji	✓	✓	✓	—
Victor A. Consunji	✓	✓	✓	✓
Jorge A. Consunji	✓	✓	✓	✓
Herbert M. Consunji	✓	✓	✓	✓

¹ Appointed as regular director on March 6, 2006.

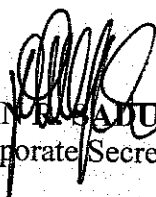
² Organizational Meeting of the duly elected members of the Board of Directors for the year 2006-2007.

Cesar A. Buenaventura	—	✓	✓	—
Arthur N. Aguilar	✓	✓	✓	n/a ³
Victor A. Macalincag (I)	✓	✓	✓	✓
Ma. Cristina C. Gotianun	✓	✓	✓	✓
Federico E. Puno (I)	✓	✓	✓	✓
George G. San Pedro	✓	✓	—	—

(I) – independent director


2. I am executing this Certification to attest to the veracity of the foregoing statements and in compliance with the Code on Corporate Governance and/or adopted Manual on Corporate Governance of the Corporation.

IN ATTESTATION OF THE ABOVE, this certification was signed on the day of December 2006 at MAKATI CITY, Metro Manila
DEC 18 2006


JOHN R. ADULLO
Corporate Secretary

SUBSCRIBED AND SWORN to before me this DEC 18 2006 day of December 2006, affiant exhibiting to me his Community Tax Certificate No. 09781108 issued on January 11, 2006 at Mandaluyong City, Metro Manila.

Doc. No. 1062;
Book No. 4;
Page No. vii;
Series of 2006.


LOURDES B. NOCUM
UNTIL DEC. 31, 2006
PTR No. 8795246, 1/11/06, MKTICITY
IBP No. 6489548, 1/10/06, G.O.

³ Resigned effective October 25, 2006, as disclosed thru SEC Form 17-C duly stamped received on October 27, 2006.

A-12

9 1 4 4 7 - - - - -

SEC Registration Number

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

(Company's Full Name)

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

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

Mr. Sonny Sibug
(Contact Person)

888-3555
(Company Telephone Number)

1 2 3 1
(Fiscal Year)

1 7 - C
(Form Type)

Month Day
(Annual Meeting)

(Secondary License Type, if Applicable)

Corporate Finance Dept.
Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings
Domestic Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C
 CURRENT REPORT UNDER SECTION 17
 OF THE SECURITIES REGULATION CODE
 AND SRC RULE 17.2 (c) THEREUNDER



CENTRAL REGISTER
 UNIT
 Received by

1. October 25, 2006
 Date of Report
2. SEC Identification No.: 91447 3. BIR Tax Identification No.: 410-000-190-324

4. **SEMIRARA MINING CORPORATION**
 Exact name of issuer as specified in its charter

5. **Philippines** 6. (SEC Use Only)
 Province, country or other jurisdiction of Industry Classification Code:
 incorporation

7. 2/F DMCI Plaza Bldg., 2281 Chino Roces Avenue, Makati City 1231
 Address of principal office Postal Code

8. (2) 888-3555 Fax No. (2) 888-3955
 Issuer's telephone number, including area code

9.
 Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

<u>Title of Each Class</u>	<u>Number of Shares of Common Stock</u> <u>(Outstanding)</u>
Common Shares	277,572,800

11. Indicate the item numbers reported herein: Item 4 (a).

We wish to inform you that Semirara Mining Corporation (the "Corporation") is in receipt today, October 25, 2006, of the resignation letter of its Director, Arthur N. Aguilar in view of his appointment as President and CEO of the National Transmission Corporation (TRANSCO). His resignation has been accepted by the Chairman of the Board of the Corporation.

SIGNATURES

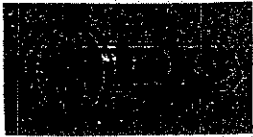
Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer : Semirara Mining Corporation

Signature and Title :
 John R. Jacullo
 Corporate Secretary

Date : October 25, 2006

Identification No. 410-000-190-324



National Development Company

Mr. Chris P. Remon to the SMC



Seen D/Mr To: SMC Board

September 25, 2006

SEMIRARA MINING CORP.

RECEIVED:

DATE: 10/25/06

BY: [Signature]

THE BOARD OF DIRECTORS
Semirara Mining Corporation
Makati City

Through : **MR. DAVID M. CONSUNJI**
Chairman

Dear Sirs:

In view of my appointment as President and CEO of the National Transmission Corporation (Transco), I wish to tender my resignation as a Member of the Board of Directors of the Semirara Mining Corporation (SMC).

I wish to thank the Directors and Management of SMC for the time I have served as your director.

Thank you.

Truly yours,

[Signature]
ARTHUR N. AGUILAR

Director

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

The management of **SEMIRARA MINING CORPORATION** is responsible for all information and representations contained in the financial statements for the years ended December 31, 2006 and 2005. The financial statements have been prepared in conformity with the generally accepted accounting principles in the Philippines and reflected amounts are based on the best estimates and informed judgment of the management with an appropriate consideration to materiality.


In this regard, management maintains a system of accounting and reporting which provides for the necessary internal controls to ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition and liabilities are recognized. The management likewise discloses to the company's audit committee and to its external auditor.

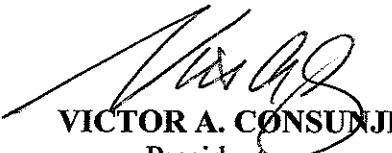
- (i) All significant deficiencies in the design or operation of internal controls that could adversely affect its ability to record, process, and report financial data;
- (ii) Material weaknesses in the internal controls; and
- (iii) Any fraud that involves management or other employees who exercise significant roles in internal controls.

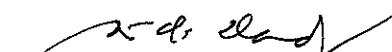
The Board of Directors reviews the financial statements before such statements are approved and submitted to the stockholders of the company.

SYCIP GORRES VELAYO & CO., the Independent Auditors and appointed by the stockholders, has examined the financial statements of the company in accordance with the generally accepted auditing standards in the Philippines and has expressed its opinion on the fairness of presentation upon completion of such examination, in its report to the Board of Directors and Stockholders.

Signed under oath by the following:


DAVID M. CONSUNJI
Chairman of the Board


VICTOR A. CONSUNJI
President


NESTOR D. DADIVAS
Chief Finance Officer

APR 10 2007

SUBSCRIBED AND SWORN to before me on this _____ day of _____ at Makati City, Philippines, affiants exhibiting to me:

NAMES	VALID ID	EXPIRY/DATE ISSUED
DAVID M. CONSUNJI	LTO Driver's License No. N10-84-047814	November 02, 2008
VICTOR A. CONSUNJI	Phil. Passport No. MM692660	March 11, 2009
NESTOR D. DADIVAS	LTO Driver's License No. N15-69-016331	Expires 2008-05-13

all of whom have satisfactory proven to me their identities by submitting their respective valid identifications, and that they are the same persons who personally signed before me the foregoing Statement of Management's Responsibility for Financial Statement and that they executed the same.

Doc. No. 410 ;
Page No. 82 ;
Book No. 10 ;
Series of 2007.

[Signature]
 ATTY. BASILIO B. GASUN JR.
 NOTARY PUBLIC
 UNTIL DECEMBER 31, 2007
 NOTARY COMMISSION NO. M-448
 ROLL OF ATTORNEY NO. 51533
 IBP NO. 697793 1/5/07 ZAMBALES CHAPTER
 PTR NO. 271811 1/5/07
 3/F DMCI PLAZA, 2881 PASONG TAMO EXTENSION
 MAKATI CITY, METRO MANILA

no. lead
[Signature]
[Signature]

COVER SHEET

9 1 4 4 7

SEC Registration Number

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

(Company's Full Name)

2 2 8 1 D o n C h i n o R o c e s A v e n u e , M a k a

t i C i t y

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

Mr. Nestor D. Dadivas

(Contact Person)

816-7301

(Company Telephone Number)

1 2 3 1

Month Day
(Fiscal Year)

A A F S

(Form Type)

Month Day
(Annual Meeting)

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

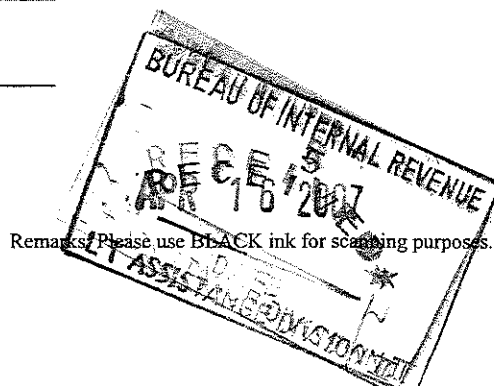
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INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Semirara Mining Corporation
2281 Don Chino Roces Avenue
Makati City

We have audited the accompanying financial statements of Semirara Mining Corporation, which comprise the balance sheets as at December 31, 2006 and 2005, and the statements of income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2006, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

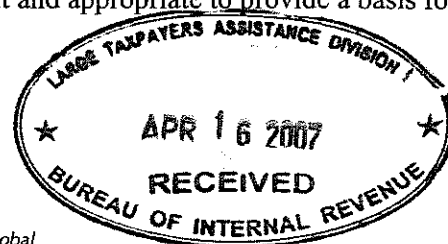
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

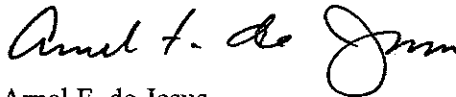
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Semirara Mining Corporation as of December 31, 2006 and 2005, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2006 in accordance with Philippine Financial Reporting Standards.

SYCIP GORRES VELAYO & CO.



Arnel F. de Jesus
Partner

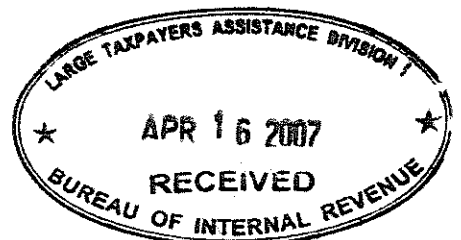
CPA Certificate No. 43285

SEC Accreditation No. 0075-AR-1

Tax Identification No. 152-884-385

PTR No. 0266544, January 2, 2007, Makati City

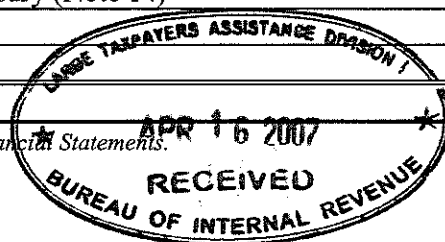
March 26, 2007



SEMIRARA MINING CORPORATION
BALANCE SHEETS

	December 31	
	2006	2005 (As restated - Note 2)
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 5 and 28)	₱510,439,223	₱1,331,641,854
Short-term investment (Notes 16 and 28)	300,000,000	-
Receivables - net (Notes 6, 16, 25 and 28)	566,877,125	1,171,854,780
Inventories - net (Note 7)	1,840,409,362	1,366,127,761
Other current assets (Note 8)	187,975,060	84,564,749
Total Current Assets	3,405,700,770	3,954,189,144
Noncurrent Assets		
Property, plant and equipment - net (Notes 2, 9 and 13)	3,014,851,173	2,831,606,307
Other noncurrent assets - net (Notes 2 and 10)	90,641,223	142,132,113
Total Noncurrent Assets	3,105,492,396	2,973,738,420
	₱6,511,193,166	₱6,927,927,564
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables (Notes 11, 16, 26 and 28)	₱320,464,835	₱388,737,244
Current portion of long-term debt (Notes 9, 13 and 28)	976,010,745	402,742,462
Income tax payable	30,568,160	324,107,390
Customers' deposits (Notes 12 and 25)	18,895,985	50,052,467
Total Current Liabilities	1,345,939,725	1,165,639,563
Noncurrent Liabilities		
Long-term debt - net of current portion (Notes 9, 13 and 28)	713,056,539	1,456,431,223
Pension liability (Note 17)	52,669,928	42,332,361
Asset retirement obligation	11,138,611	10,000,000
Deferred tax liability (Note 23)	73,794,342	61,828,094
Total Noncurrent Liabilities	850,659,420	1,570,591,678
	2,196,599,145	2,736,231,241
Equity (Notes 14 and 15)		
Capital stock	296,875,000	296,875,000
Additional paid-in capital	1,576,796,271	1,576,796,271
Retained earnings	2,969,814,010	2,701,658,512
Cost of shares held in treasury (Note 14)	(528,891,260)	(383,633,460)
Total Equity	4,314,594,021	4,191,696,323
	₱6,511,193,166	₱6,927,927,564

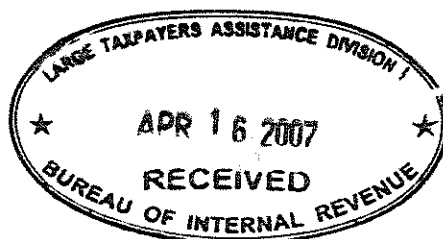
See accompanying Notes to Financial Statements.



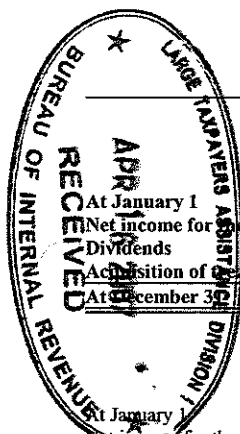
SEMIRARA MINING CORPORATION
STATEMENTS OF INCOME

	Years Ended December 31		
	2006	2005	2004
SALES AND SERVICES (Note 25)	₱4,687,694,870	₱5,552,892,725	₱5,065,864,642
COST OF SALES (Notes 16 and 18)	3,713,161,109	3,305,420,022	2,840,904,625
GROSS PROFIT	974,533,761	2,247,472,703	2,224,960,017
OPERATING EXPENSES (Notes 16, 17, 19 and 26)	(133,125,734)	(271,639,979)	(285,653,704)
FINANCE COSTS (Notes 16 and 20)	(213,038,456)	(118,518,445)	(438,899,836)
FINANCE REVENUE (Notes 16 and 21)	54,526,586	55,111,406	365,347
FOREIGN EXCHANGE GAINS (LOSSES)	119,964,722	98,094,920	(14,999,391)
OTHER INCOME (Note 22)	107,607,836	4,435,259	2,431,645
	(64,065,046)	(232,516,839)	(736,755,939)
INCOME BEFORE INCOME TAX	910,468,715	2,014,955,864	1,488,204,078
PROVISION FOR INCOME TAX (Note 23)			
Current	297,259,609	435,939,571	41,972,694
Deferred	11,966,248	(13,326,528)	7,730,677
	309,225,857	422,613,043	49,703,371
NET INCOME	₱601,242,858	₱1,592,342,821	₱1,438,500,707
Basic / Diluted Earnings Per Share (Note 24)	₱2.161	₱5.469	₱7.021

See accompanying Notes to Financial Statements.



SEMIRARA MINING CORPORATION
STATEMENTS OF CHANGES IN EQUITY



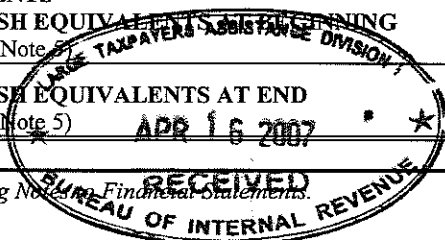
	Paid-up Capital			Total Paid-up Capital	Unappropriated Retained Earnings (Note 15)	Appropriated Retained Earnings (Note 15)	Total	Cost of Shares Held in Treasury (Notes 14 and 15)	Grand Total
	Preferred Stock (Note 14)	Common Stock (Note 14)	Additional Paid-in Capital (Note 14)						
For the Year Ended December 31, 2006									
At January 1	P-	₱296,875,000	₱1,576,796,271	₱1,873,671,271	₱1,701,658,512	₱1,000,000,000	₱2,701,658,512	(₱383,633,460)	₱4,191,696,323
Net income for the year	-	-	-	-	601,242,858	-	601,242,858	-	601,242,858
Dividends	-	-	-	-	(333,087,360)	-	(333,087,360)	-	(333,087,360)
Acquisition of treasury shares	-	-	-	-	-	-	-	(145,257,800)	(145,257,800)
At December 31	P-	₱296,875,000	₱1,576,796,271	₱1,873,671,271	₱1,969,814,010	₱1,000,000,000	₱2,969,814,010	(₱528,891,260)	₱4,314,594,021
For the Year Ended December 31, 2005									
At January 1	P-	₱250,000,000	₱1,277,836	₱251,277,836	₱1,109,315,691	P-	₱1,109,315,691	P-	₱1,360,593,527
Net income for the year	-	-	-	-	1,592,342,821	-	1,592,342,821	-	1,592,342,821
Additional issuance of common stock	-	46,875,000	1,575,518,435	1,622,393,435	-	-	-	-	1,622,393,435
Appropriation during the year	-	-	-	-	(1,000,000,000)	1,000,000,000	-	-	-
Acquisition of treasury shares	-	-	-	-	-	-	-	(383,633,460)	(383,633,460)
At December 31	P-	₱296,875,000	₱1,576,796,271	₱1,873,671,271	₱1,701,658,512	₱1,000,000,000	₱2,701,658,512	(₱383,633,460)	₱4,191,696,323
For the Year Ended December 31, 2004									
At January 1	₱480,000	₱1,630,970,000	₱36,872	₱1,631,486,872	(₱1,730,037,936)	P-	(₱1,730,037,936)	(₱222)	(₱98,551,286)
Net income for the year	-	-	-	-	1,438,500,707	-	1,438,500,707	-	1,438,500,707
Conversion of preferred shares to common stock	(480,000)	225,532	254,468	-	-	-	-	-	-
Decrease in issued and outstanding common stock from capital restructuring	-	(1,625,852,920)	-	(1,625,852,920)	1,625,852,920	-	1,625,852,920	-	-
Additional issuance of common stock	-	19,657,388	986,496	20,643,884	-	-	-	-	20,643,884
Stock dividends	-	225,000,000	-	225,000,000	(225,000,000)	-	(225,000,000)	-	-
Sale of treasury shares	-	-	-	-	-	-	-	222	222
At December 31	P-	₱250,000,000	₱1,277,836	₱251,277,836	₱1,109,315,691	P-	₱1,109,315,691	P-	₱1,360,593,527

See accompanying Notes to Financial Statements

SEMIRARA MINING CORPORATION
STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2006	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱910,468,715	₱2,014,955,864	₱1,488,204,078
Adjustments for:			
Depreciation, depletion and amortization (Notes 9 and 10)	1,336,202,892	1,239,303,578	564,210,124
Interest expense (Note 20)	213,038,456	118,518,445	438,899,836
Loss (gain) on disposal/retirement/write-off of assets (Notes 9, 18 and 22)	(20,066,758)	-	383,496,359
Net unrealized foreign exchange losses (gains)	(85,679,563)	(74,911,051)	9,000,667
Interest income (Note 21)	(54,526,586)	(55,111,406)	(365,347)
Provision for (reversal of provision) for real property tax (Notes 19 and 23)	(71,530,122)	-	45,996,836
Operating income before changes in working capital	2,227,907,034	3,242,755,430	2,929,442,553
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Receivables	608,232,450	(366,991,928)	(541,991,341)
Inventories	(474,281,601)	(811,305,721)	16,961,517
Other current assets	(245,539,448)	(7,898,712)	(42,713,450)
Increase (decrease) in:			
Accounts and other payables	(8,784,115)	(583,480,152)	(212,064,441)
Customers' deposits	(31,156,482)	(63,874,944)	28,873,155
Asset retirement obligation	1,138,611	-	-
Pension liability	10,337,567	7,836,430	5,774,025
Cash generated from operations	2,087,854,016	1,417,040,403	2,184,282,018
Interest received	51,271,791	55,111,406	365,347
Interest paid	(200,996,628)	(130,868,816)	(672,846,295)
Income taxes paid	(448,669,703)	(44,408,239)	(15,847,965)
Net cash provided by operating activities	1,489,459,476	1,296,874,754	1,495,953,105
CASH FLOWS FROM INVESTING ACTIVITIES			
Short-term investment placement (Note 16)	(300,000,000)	-	-
Additions to property, plant and equipment (Notes 9, 10 and 30)	(633,924,797)	(1,143,281,804)	(787,147,324)
Decrease (increase) in other noncurrent assets	39,195,667	(36,190,069)	(37,136,949)
Proceeds from sale of assets	20,115,000	-	-
Net cash used in investing activities	(874,614,130)	(1,179,471,873)	(824,284,273)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term debt	(1,278,163,549)	(1,253,045,049)	(1,084,675,246)
Availments of long-term debt (Note 30)	320,460,732	1,193,955,068	405,687,511
Additional subscription to capital stock (Note 14)	-	1,622,393,435	20,643,884
Sale of treasury shares (Note 14)	-	-	222
Payment of dividends (Note 15)	(333,087,360)	-	-
Payment on acquisition of shares held in treasury (Note 14)	(145,257,800)	(383,633,460)	-
Net cash provided by (used in) financing activities	(1,436,047,977)	1,179,669,994	(658,343,629)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(821,202,631)	1,297,072,875	13,325,203
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (Note 5)	1,331,641,854	34,568,979	21,243,776
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 5)	₱510,439,223	₱1,331,641,854	₱34,568,979

See accompanying Notes to Financial Statements.



SEMIRARA MINING CORPORATION

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

Semirara Mining Corporation (the Company) is incorporated and domiciled in the Philippines. The Company's registered office address is 2281 Don Chino Roces Avenue, Makati City. The Company is a majority-owned (58.31%) subsidiary of DMCI Holdings, Inc. (DMCI-HI), a company incorporated in the Philippines.

The Company's primary purpose is to search for, prospect, explore, dig and drill for mine, exploit, extract, produce, mill, purchase or otherwise, 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 therefrom within the purview of PD No. 972, "The Coal Development Act of 1976", and any amendments thereto.

As discussed in Note 26, the Company has a Coal Operating Contract with the Department of Energy (DOE) in 1977 (amended in 1981) for the exploration, development, mining and utilization of coal over Semirara Island, Antique pursuant to PD No. 972.

2. Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

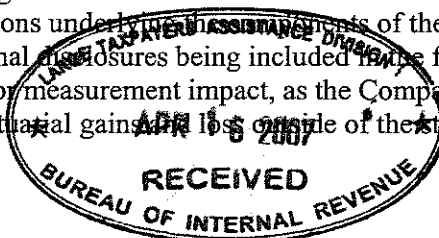
The Company has adopted the following new and amended Philippine Financial Reporting Standards (PFRS) and Philippine Interpretations during the year. Adoption of these revised standards and Philippine Interpretations did not have any effect on the financial statements of the Company. These, however, give rise to additional disclosures.

- Philippine Accounting Standards (PAS) 19, *Amendment - Employee Benefits*
- PAS 21, *Amendment - The Effects of Changes in Foreign Exchange Rates*
- PAS 39, *Amendments - Financial Instruments: Recognition and Measurement*
- PFRS 6, *Exploration for and Evaluation of Mineral Resources*
- Philippine Interpretation IFRIC 4 - *Determining whether an Arrangement Contains a Lease*

The principal effects of these changes are as follows:

PAS 19 - *Employee Benefits*

As of January 1, 2006, the Company adopted the amendments to PAS 19. As a result, additional disclosures are made providing information about trends in the assets and liabilities in the defined benefit plans and the assumptions underlying the assumptions of the defined benefit cost. This change has resulted in additional disclosures being included in the financial statements (Note 17) but has not had a recognition or measurement impact, as the Company chose not to apply the new option offered to recognize actuarial gains and losses outside of the statement of income.



PAS 21 - The Effects of Changes in Foreign Exchange Rates

As of January 1, 2006, the Company adopted the amendments to PAS 21. Under this amendment, all exchange differences arising from a monetary item that forms part of the Company's investment in a foreign operation are recognized in a separate component of equity in the financial statements regardless of the currency in which the monetary item is denominated. This change had no impact to the financial statements as there are no investments in foreign operation.

PAS 39 - Financial Instruments: Recognition and Measurement

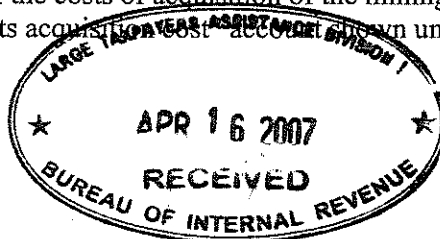
Amendment for financial guarantee contracts - amended the scope of PAS 39 to require financial guarantee contracts that are not considered to be insurance contracts to be recognized initially at fair value and to be remeasured at the higher of the amount determined in accordance with PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, and the amount initially recognized less, when appropriate, cumulative amortization recognized in accordance with PAS 18, *Revenue*. This amendment did not have any impact to the financial statements.

Amendment for hedges of forecast intragroup transactions - amended PAS 39 to permit the foreign currency risk of a highly probable intragroup forecast transaction to qualify as the hedged item in a cash flow hedge, provided that the transaction is denominated in a currency other than the functional currency of the entity entering into that transaction and that the foreign currency risk will affect the statement of income. As the Company has no such transactions, the amendment did not have any effect on the financial statements.

Amendment for the fair value option - amended PAS 39 to restrict the use of the option to designate any financial asset or any financial liability to be measured at fair value through the statements of income. The Company had not previously used this option; hence, the amendment will not have any effect on the financial statements.

PFRS 6, Exploration for and Evaluation of Mineral Resources.

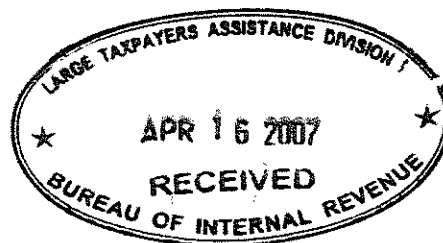
This standard requires a company to develop its own accounting policy for the recognition and measurement of exploration and evaluation of assets without specifically considering the requirements of paragraphs 11 and 12 of PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*. Thus, a company adopting PFRS 6 may continue to use the accounting policies applied immediately before adopting the PFRS. This includes continuing to use recognition and measurement practices that are part of those accounting policies. The standard also specifies the circumstances in which the companies recognized exploration and evaluation assets should test such assets for impairment in accordance with PAS 36, *Impairment of Assets*. The standard also requires companies engaged in the exploration for and evaluation of mineral resources to disclose information about exploration and evaluation assets, the level at which such assets are assessed for impairment and any impairment losses recognized. The adoption of this standard did not materially impact the financial statements as the Company is not presently engaged in any exploration for and evaluation of mineral resources. The adoption, however, resulted to the reclassification of the costs of acquisition of the mining rights from "Property, plant and equipment" to "Mining rights acquisition cost account" under the "Other noncurrent assets" account.



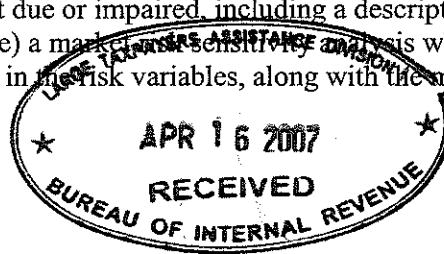
Philippine Interpretation IFRIC 4 - *Determining Whether an Arrangement Contains a Lease*
The Company adopted IFRIC 4 as of January 1, 2006, which provides guidance in determining whether an arrangement contain to which lease accounting must be applied. This change in accounting policy has not had a significant impact on the financial statements.

The following are the Philippine Interpretations and accounting standards that have been issued but effective for financial statements after January 1, 2006. The Company did not early adopt this Philippine Interpretations and accounting standards.

- Philippine Interpretation IFRIC 7, *Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies (effective for annual periods beginning on or after March 1, 2006)*. This Philippine Interpretation requires entities to apply PAS 29, *Financial Reporting in Hyper-inflationary Economies*, in the reporting period in which an entity first identifies the existence of hyperinflation in the economy of its functional currency as if the economy had always been hyperinflationary. This Philippine Interpretation is not applicable to the Company.
- Philippine Interpretation IFRIC 8, *Scope of PFRS 2 (effective for annual periods beginning on or after May 1, 2006)*. This Philippine Interpretation clarifies that PFRS 2, *Share-based Payment*, will apply to any arrangement when equity instruments are granted or liabilities (based on a value of the Company's equity instruments) are incurred by the Company, when the identifiable consideration appears to be less than the fair value of the instruments given. The adoption of this Philippine Interpretation will not impact the financial statements as the Company has no share-based payments.
- Philippine Interpretation IFRIC 9, *Reassessment of Embedded Derivatives (effective for annual periods beginning on or after June 1, 2006)*. This Philippine Interpretation requires an entity to assess whether a contract contains an embedded derivative at the date an entity first become a party to the contract and prohibits reassessment unless there is change to the contract that significantly modifies the cash flows. The Company will reassess to determine whether or not embedded derivatives were assessed at the date of transition to PFRS rather than at the date of entering into the contract. This Philippine Interpretation requires the Company to revisit and revise accounting for embedded derivatives.
- Philippine Interpretation IFRIC 10, *Interim financial Reporting and Impairment (effective for annual periods beginning on or after November 1, 2006)*. This Philippine Interpretation addresses an inconsistency between PAS 34, *Interim Financial Reporting*, and the impairment requirements relating to goodwill in PAS 36, *Impairment of Assets* and equity instruments classified as available for sale in PAS 39, *Financial Instruments: Recognition and Measurement*. The Philippine Interpretation states that the specific requirements of PAS 36 and PAS 39 take precedence over the general requirements of PAS 34 and, therefore, any impairment loss recognized for these assets in an interim period may not be reversed in subsequent interim periods. The Company will assess impact of this Philippine Interpretation.



- Philippine Interpretation IFRIC 11, *PFRS 2 - Group and Treasury Share Transactions (effective for annual periods beginning on or after March 1, 2007)*. This Philippine Interpretation requires arrangements whereby an employee is granted rights to a Company's equity instruments to be accounted for as an equity-settled scheme by the Company even if: (a) the Company chooses or is required to buy those equity instruments (e.g. treasury shares) from another party, or (b) the shareholders of the Company provide the equity instruments needed. It also provides guidance on how subsidiaries, in their separate financial statements, account for such schemes when their employees receive rights to equity instruments of the parent. The adoption of this Philippine Interpretation will not have an impact on the financial statements.
- Philippine Interpretation IFRIC 12, *Service Concession Arrangements (effective for annual periods beginning on or after January 1, 2008)*. This Philippine Interpretation outlines an approach to account for contractual arrangements arising from entities providing public services. It provides that the operator should not account for the infrastructure as property, plant and equipment, but recognize a financial asset and/or an intangible asset. This Philippine Interpretation will not have an impact on the financial statements of the Company since the Company is not involved in providing public services.
- Amendments to PAS 1, *Presentation of Financial Statements - Capital Disclosure (effective for annual periods beginning on or after January 1, 2007)*. This amendment requires entities to disclose information that enables readers to evaluate the entity's objectives, policies and processes for managing capital. The disclosures are based on information provided internally to key management personnel, and will include: (a) the objectives, procedures and policies used to manage capital, (b) a description of what the entity manages as capital, the nature of any externally imposed capital requirements (if any) and how it meets objectives for managing capital, (c) quantitative information about what the entity manages as capital and any changes from the prior period, (d) whether the entity complied with externally imposed capital requirements and the consequences of any non-compliance, (if applicable). The Company will consider what information is currently used internally and how this is to be incorporated into the disclosures.
- PFRS 7, *Financial Instruments - Disclosures (effective for annual periods beginning on or after January 1, 2007)*. PFRS 7 includes all of the disclosure requirements relating to financial instruments and will replace the disclosure section of PAS 32, *Financial Instruments: Disclosure and Presentation* and all of PAS 30, *Disclosures in the Financial Statements of Banks and Similar Financial Institutions*. PAS 32 will then contain only presentation requirements for financial instruments. The most significant additional disclosure requirements of PFRS 7 (compared to PAS 32 and PAS 30) are as follows: (a) qualitative risk disclosures are to include information on the processes that an entity uses to manage and measure its risks, (b) quantitative data about the exposure to each type of risk (including credit risk, liquidity risk and market risk) arising from financial instruments, (c) information about the credit quality of financial assets that are neither past due nor impaired, (d) an analysis of financial assets that are past due or impaired including a description of collateral held as security and its fair value, (e) a market sensitivity analysis which includes the effect of a reasonably possible change in the risk variables, along with the methods and assumptions used



in preparing the analysis. The Company will assess whether the processes and systems in place are capable of collecting these information and making any necessary changes. The Company will reassess to determine whether documented policies are comprehensive and complete. The amendment requires presentation of comparative information in the financial statements.

- PFRS 8, *Operating Segments (effective for annual periods beginning on or after January 1, 2009)*. This amendment was issued as part of the convergence project with the US Financial Accounting Standards Board. This new standard replaces PAS 14 Segment Reporting and adopts a management approach to segment reporting as required in the US Standard SFAS 131 - *Disclosures about Segments of an Enterprise and Related Information*. The information reported would be that which management uses internally for evaluating the performance of operating segments and allocating resources to those segments. This information may be different from that reported in the balance sheet and statement of income and entities will need to provide explanations and reconciliations of the differences. As the information required to be disclosed will likely be readily available as it is already used internally, the Company will reassess to determine whether additional processes should be put into place to reconcile information to the balance sheet and statement of income.

3. Summary of Significant Accounting Policies

Basis of Preparation

The financial statements have been prepared using the historical cost basis and are presented in Philippine Pesos.

Statement of Compliance

The financial statements have been prepared in compliance with PFRS.

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of Coal

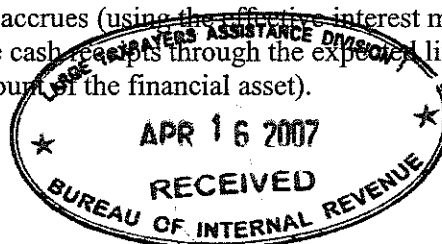
Revenue from coal sales is recognized upon delivery when the significant risks and rewards of ownership of the goods have passed to the buyer and the amount of revenue can be measured reliably. Revenue from coal sales are denominated and recorded in Philippine Pesos.

Rendering of services

Service fees from coal handling activities are recognized as revenue when the related services have been rendered.

Interest income

Revenue is recognized as interest accrues (using the effective interest method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).



Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of changes in value and are free of any encumbrances.

Financial Assets

Financial assets within the scope of PAS 39 are classified as either financial assets at fair value through profit and loss (FVPL), loans and receivables, held-to-maturity (HTM) investments and available for sale (AFS) financial assets, as appropriate. When financial assets are recognized initially, these are measured at fair value, plus, in the case of investments measured not at FVPL, directly attributable costs. The Company considers whether a contract contains an embedded derivative when the entity first becomes a party to it. The embedded derivatives are separated from the host contract which is not measured at FVPL when analysis shows that the economic characteristics and risks of embedded derivatives are not closely related to those of the host contract.

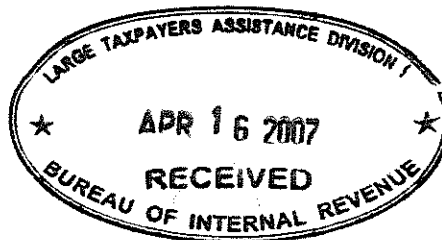
The Company determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

All regular way purchases and sales of financial assets are recognized on the trade date, which is the date that the Company commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

Financial assets at FVPL

Financial assets at FVPL include financial assets held for trading and financial assets designated upon initial recognition as at FVPL. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless these are designated as effective hedging instruments or a financial guarantee contract. Gains or losses on investments held for trading are recognized in the statement of income.

Financial assets may be designated at initial recognition as FVPL if the following criteria are met: (a) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognizing gains or losses on them on a different basis; or (b) the assets are part of a group of financial assets which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or (c) the financial asset contains an embedded derivative that would need to be separately recorded. As of December 31, 2006 and 2005, no financial assets have been designated as at FVPL.



HTM investments

HTM investments are non-derivative financial assets which carry fixed or determinable payments and fixed maturities which the Company has the positive intention and ability to hold to maturity. After initial measurement, HTM investments are measured at amortized cost. This cost is computed as the amount initially recognized minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initially recognized amount and the maturity amount, less allowance for impairment. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. Gains and losses are recognized in the statement of income when the investments are derecognized or impaired, as well as through the amortization process. As of December 31, 2006 and 2005, the Company has no HTM investments.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, loans and receivables are subsequently carried at amortized cost using the effective interest method less any allowance for impairment. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are integral part of the effective interest rate and transaction costs. Gains and losses are recognized in the statement of income when the loans and receivables are derecognized or impaired, as well through the amortization process. The Company's loans and receivables consist mainly of receivable from customers and related parties.

AFS Investments

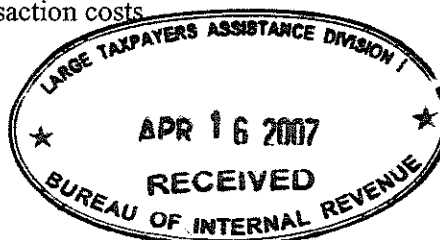
AFS investments are those non derivative financial assets that are designated as AFS or are not classified in any of the three preceding categories. After initial measurement, AFS are measured at fair value with unrealized gains or losses being recognized directly in equity in the net unrealized gain on AFS investments. When the investment is disposed of, the cumulative gain or loss previously recorded in equity is recognized in the statement of income. Interest earned or paid on the investments is reported as interest income or expense using the effective interest rate. Dividends earned on investments are recognized in the statement of income when the right to receive has been established. As of December 31, 2006, the Company classified its short-term investments as AFS investments.

Fair Value

The fair value of investments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using arm's length market transactions; references to the current market value of another instrument, which is substantially the same; discounted cash flow analysis or other valuation models.

Interest Bearing Loans and Borrowings

All loans and borrowings are initially recognized at the fair value of the consideration received less directly attributable transaction costs



After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized costs using the effective interest method.

Gains and losses are recognized in the statement of income when the liabilities are derecognized as well as through the amortization process.

Derecognition of Financial Assets and Liabilities

Financial Assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either: (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risk and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

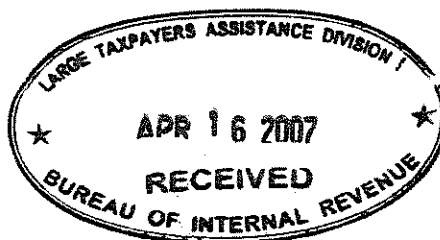
Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged or canceled or expires.

Where 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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of income.

Impairment of Financial Assets

The Company assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.



Assets carried at amortized cost

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If there is objective evidence that an impairment loss on loans and receivables carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial assets' original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss shall be recognized in the statements of income during the period in which it arises. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in profit or loss, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

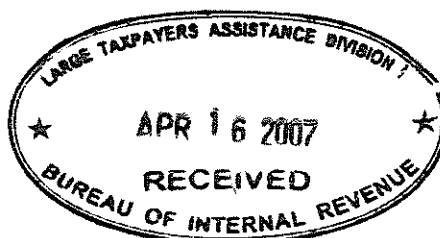
In relation to trade receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through the use of an allowance account. Impaired debts are derecognized when they are assessed as uncollectible.

AFS financial investments

If an AFS asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortization) and its current fair value, less any impairment loss previously recognized in the statement of income, is transferred from equity to the statement of income. Reversals in respect of equity instruments classified as AFS are not recognized in the statement of income. Reversals of impairment losses on the debt instruments are reversed through the statement of income; if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognized in the statement of income.

Inventories

Inventories are valued at the lower of cost or 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 all 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 shiplading cost, which is a component of total minesite cost, all other production related costs are charged to production cost.

Property, Plant and Equipment

Property, plant and equipment are carried at cost less accumulated depreciation and amortization and any impairment in value. Costs also include asset retirement obligations (ARO).

The initial cost of property, plant and equipment comprises its purchase price, including non-refundable import duties, taxes 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. All other repairs and maintenance expenses are charged to current operations as incurred.

Property, plant and equipment that were previously stated at fair values are reported at their deemed cost.

Depreciation and amortization of assets commences once the assets are put into operational use.

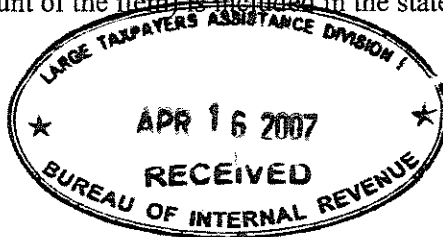
Depreciation and amortization of property, plant and equipment are computed on a straight-line basis over the following estimated useful lives (EUL) of the respective assets:

Conventional and continuous mining equipment	2 to 13 years
Power plant and buildings	17 years
Roads and bridges	17 years

The estimated useful lives and depreciation and amortization method are reviewed periodically to ensure that the period and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

Construction in progress, included in property, plant and equipment, is stated at cost. This includes the cost of the construction of property, plant and equipment and other direct costs. Construction in progress is not depreciated until such time the relevant assets are completed and put into operational use.

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. Any gain or loss arising on the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of income in the year the item is derecognized.



ARO

The Company is legally required to fulfill certain obligations as required under its Environmental Compliance Certificate (ECC) issued by Department of Environment and Natural Resources (DENR). The Company recognizes the present value of the liability for these obligations and capitalizes the present value of these costs as part of the balance of the related property and equipment accounts which are depreciated on a straight-line basis over the EUL of the related property and equipment or the contract period, whichever is shorter. The ARO was determined based on PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*. The Company recognizes the liability for these obligations as “*Asset retirement obligation*” in the balance sheet.

Intangible Assets

Intangible assets acquired separately are capitalized at cost and these are shown as part of the other noncurrent assets account in the balance sheet. Subsequently, intangible assets are measured at cost. The useful lives of intangible assets with finite lives are assessed at the individual asset level. An intangible asset with finite life is amortized over its useful life. Periods and method of amortization for intangible assets with finite useful lives are reviewed annually or earlier where an indicator of impairment exists. The Company considered its mining rights acquisition costs and software cost as its intangible assets.

Mining Rights Acquisition Costs and Mine Exploration and Development Costs

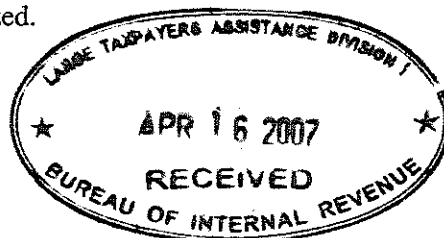
Cost incurred for the acquisition of mining rights are capitalized and amortized using the units-of-production method.

Expenditures for mine exploration and development activities on mining properties are deferred as incurred. These deferred costs are charged to expense when the results of the exploration activities are determined to be negative or not commercially viable. When exploration results are positive or commercially viable, the exploration expenses and subsequent development expenses are capitalized and presented under the “*Other noncurrent assets*” account in the balance sheet. Upon the start of commercial production, such capitalized costs are amortized using the units-of-production method.

Depletion of mining rights acquisition costs, mine exploration and development costs is calculated based on the units-of-production method. The estimated remaining mine life is 19 years where units of production is estimated at 29 million metric tons.

The estimated units of production and depletion method are reviewed periodically to ensure that the period and method of depletion are consistent with the expected pattern of economic benefits that can be derived from items of mining rights acquisition costs and mine exploration and development costs.

Mining rights acquisition costs and mine and development costs are derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the assets) is included in the statement of income in the year the item is derecognized.



Software Cost

Costs incurred to acquire computer software (not an integral part of its related hardware) and bring it to its intended use are capitalized as part of intangible assets. These costs are amortized over their estimated useful lives ranging from 3 to 5 years. Costs directly associated with the development of identifiable computer software that generate expected future benefits to the Company are recognized as intangible assets. All other costs of developing and maintaining computer software programs are recognized as expense as incurred.

Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of income when the asset is derecognized.

Impairment of Non-financial Assets

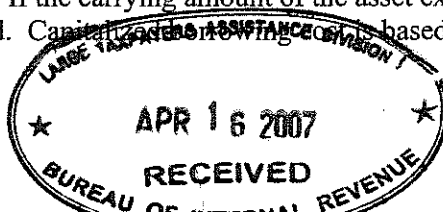
The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment testing for an asset is required, the group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher 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.

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 such indication exists, the Company makes an estimate of recoverable amount. 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 that 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, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

Intangible assets with indefinite useful lives are tested for impairment annually as of December 31 either individually or at the cash generating unit level, as appropriate.

Borrowing Costs

Borrowing costs are generally expensed as incurred. Interest on borrowed funds used to finance the construction of building to the extent incurred during the period of construction is capitalized as part of the cost of building. The capitalization of these borrowing costs as part of the cost of building: (a) commences when the expenditures and borrowing costs are being incurred during the construction and related activities necessary to prepare the building for its intended use are in progress; and (b) ceases when substantially all the activities necessary to prepare the property for its intended use are complete. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded. Capitalized borrowing costs are based on the applicable weighted average borrowing rate.



These costs are amortized using the straight-line method over the estimated useful life of the building.

Interest expense on loans is recognized using the effective interest method over the term of the loans.

Retirement

The Company has a noncontributory defined benefit retirement plan.

The retirement cost of the Company is determined using the projected unit credit method. Under this method, the current service cost is the present value of retirement benefits payable in the future with respect to services rendered in the current period. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs.

The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using prevailing interest rate on government bonds that have terms to maturity approximating the terms of the related retirement liability. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are credited to or charged against income when the net cumulative unrecognized actuarial gains and losses at the end of the previous period exceeded 10% of the higher of the defined benefit obligation and the fair value of plan assets at that date. These gains or losses are recognized over the expected average remaining working lives of the employees participating in the plan.

Past-service costs, if any, are recognized immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortized on a straight-line basis over the vesting period.

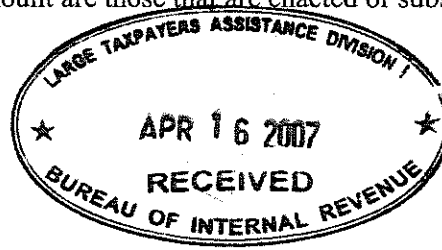
The retirement benefits of officers and employees are determined and provided for by the Company and are charged against current operations.

The defined benefit asset or liability comprises the present value of the defined benefit obligation less past service costs not yet recognized, if any, and less the fair value of the plan assets out of which the obligations are to be settled directly. The value of any asset is restricted to the sum of any past service costs not yet recognized, if any, and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

Income Tax

Current Tax

Current income tax assets and liabilities for the current and prior periods 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 balance sheet date.



Deferred Income tax

Deferred income tax is provided, using the balance sheet liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

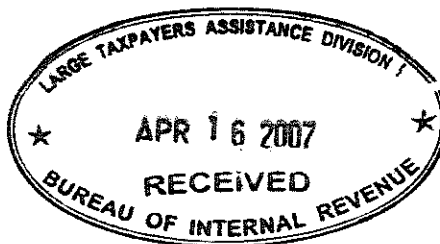
- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits from excess minimum corporate income tax (MCIT) and unused net operating loss carry over (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused NOLCO can be utilized except:

- where the deferred income tax asset relating to the deductible temporary differences arises 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 profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rate (and tax laws) that have been enacted or substantively enacted at the balance sheet date.



Provisions

Provisions are recognized only when the Company 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 balance sheet date and adjusted to reflect the current best estimate.

Leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating lease. Fixed lease payments are recognized on a straight line basis over the lease term.

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 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 the fulfillment is dependent on a specified asset; or (d) there is a 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).

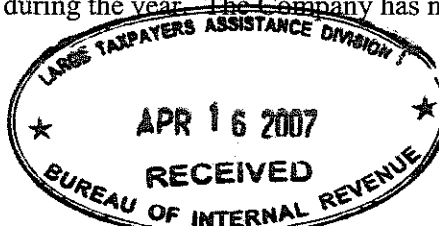
Operating lease payments are recognized as an expense in the statement of income on a straight basis over the lease term.

Foreign Currency Translation

The Company's financial statements are presented in Philippine pesos, which is the functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. However, monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the statement of income during the period of retranslation.

Earnings Per Share (EPS)

Basic EPS is computed by dividing earnings applicable to common stock by the weighted average number of common shares outstanding after giving retroactive effect for any stock dividends, stock splits or reverse stock splits during the year. The Company has no outstanding dilutive potential common shares.



Offsetting

Financial assets and financial liabilities are only offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognized amounts and the Company intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

Contingencies

Contingent liabilities are not recognized in the financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

Subsequent Events

Post year-end events up to the date of the auditors' report that provides additional information about the Company's position at the balance sheet date (adjusting events) are reflected in the financial statements. Any post year-end event that is not an adjusting event is disclosed when material to the financial statements.

4. Significant Accounting Estimates, Judgments and Assumptions

Judgment

In the process of applying the Company'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 financial statements:

Contingencies

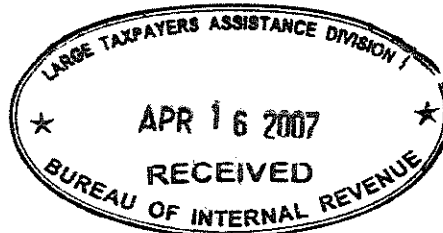
The Company is currently involved in various legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the Company's defense in these matters and is based upon an analysis of potential results. The Company currently does not believe that these proceedings will have a material adverse affect on its financial position. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceedings (Note 27).

Revenue recognition

The Company's revenue recognition policies require management to make use of estimates and assumptions that may affect the reported amounts of the revenues and receivables.

The Company's sales arrangement with its customers includes reductions of invoice price to take into consideration charges for penalties and bonuses. These estimates are based on actual final coal quality analysis on delivered coal using American Standards for Testing Materials (ASTM) standards.

There is no assurance that the use of estimates may not result in material adjustments in future periods.



Estimates and Assumptions

The key assumptions concerning the future and other sources of estimation uncertainty at the balance sheet 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.

Estimating allowance for doubtful accounts

The Company maintains an allowance for doubtful accounts at a level considered adequate to provide for potential uncollectible receivables. The level of this allowance is evaluated by management on the basis of factors that affect the collectibility of the accounts. These factors include, but are not limited to, the length of the Company's relationship with the customer, the customer's payment behavior and known market factors. The Company reviews the age and status of receivables and identifies accounts that are to be provided with allowance. This is performed regularly.

The amount and timing of recorded doubtful accounts for any period would differ if the Company made different judgments or utilized different estimates. An increase in the allowance for doubtful accounts would increase the recorded operating expenses and decrease the current assets.

Provision for doubtful accounts amounted to ₱4.68 million for the year ended December 31, 2004. There were no provisions made in 2006 and 2005. Receivables of the Company, net of allowance for doubtful accounts of ₱26.90 million and ₱47.50 million as of December 31, 2006 and 2005, respectively, amounted to ₱566.88 million and ₱1,171.85 million as of December 31, 2006 and 2005, respectively (Note 6).

Estimating stock pile inventory quantities

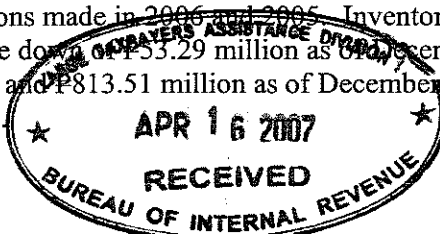
The Company estimates the stock pile inventory by conducting a topographic survey which is performed by in house surveyors. The survey is conducted on a monthly basis with a reconfirmatory survey at year end. The process of estimation involves a predefined formula which considers an acceptable margin of error of plus or minus 3%. Thus an increase or decrease in the estimation threshold for any period would differ if the Company utilized different estimates and this would either increase or decrease the profit for the year. Stock pile inventory as of December 31, 2006 and 2005 amounted to ₱1,017.02 million and ₱552.62 million, respectively (Note 7).

Estimating allowance for write down in spare parts and supplies

The Company estimates its allowance for inventory write down in spare parts and supplies based on periodic specific identification. The Company provides 100% allowance for write down on items that are specifically identified as obsolete.

The amount and timing of recorded inventory write down for any period would differ if the Company made different judgments or utilized different estimates. An increase in the allowance for inventory write down would increase the Company's recorded operating expenses and decrease its current assets.

Provision for inventory write down amounted to ₱12.74 million for the year ended December 31, 2004. There were no provisions made in 2006 and 2005. Inventories of the Company, net of allowance for inventory write down of ₱53.29 million as of December 31, 2006 and 2005, amounted to ₱823.38 million and ₱813.51 million as of December 31, 2006 and 2005, respectively (Notes 7 and 19).



Estimating ARO

The Company is legally required to fulfill certain obligations under its DENR issued ECC when it abandons depleted mine pits. These costs are accrued based on in-house estimate, which incorporates estimates of the amount of obligations and interest rates, if appropriate. The Company recognizes the present value of the liability for these obligations and capitalizes the present value of these costs as part of the balance of the related property and equipment accounts, which are being depreciated and amortized on a straight line basis over the useful life of the related asset or the lease term, whichever is shorter. Assumptions used to compute the ARO are reviewed and updated annually.

The amount and timing of the recorded obligations for any period would differ if different judgments were made or different estimates were utilized. An increase in ARO would increase the recorded operating expenses and increase noncurrent liabilities.

As of December 31, 2006 and 2005, the ARO has a carrying value of ₱11.14 million and ₱10.00 million, respectively.

Estimating useful lives of property, plant and equipment and intangible assets

The Company estimated the useful lives of its property, plant and equipment and intangible assets based on the period over which the assets are expected to be available for use. The Company reviews annually the estimated useful lives of property, plant and equipment and intangible assets based on factors that include asset utilization, internal technical evaluation, technological changes, environmental and anticipated use of the assets. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned.

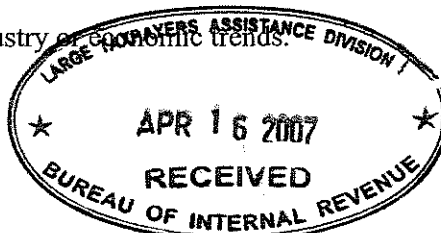
A reduction in the estimated useful lives of property, plant and equipment and intangible assets would increase the recorded depreciation, depletion and amortization expense and decrease noncurrent assets.

The net book values of the property, plant and equipment, mining rights acquisition cost and software cost as of December 31, 2006 amounted to ₱3,014.85 million, ₱80.41 million and ₱3.41 million, respectively. The net book values of the property, plant and equipment, mining rights acquisition cost and software cost as of December 31, 2005 amounted to ₱2,831.61 million, ₱95.08 million and ₱1.03 million, respectively (Notes 9 and 10).

Estimating impairment for nonfinancial assets

The Company assesses impairment on assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Company considers important which could trigger an impairment review include the following:

- 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; and
- significant negative industry or economic trends.



An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Company is required to make estimates and assumptions that can materially affect the financial statements. The nonfinancial assets of the Company include property, plant and equipment, mining rights acquisition cost and software cost.

The net book values of the property, plant and equipment, mining rights acquisition cost and software cost as of December 31, 2006 amounted to ₱3,014.85 million, ₱80.41 million and ₱3.41 million, respectively. The net book values of the property, plant and equipment, mining rights acquisition cost and software cost as of December 31, 2005 amounted to ₱2,831.61 million, ₱95.08 million and ₱1.03 million, respectively (Notes 9 and 10).

Deferred income tax assets

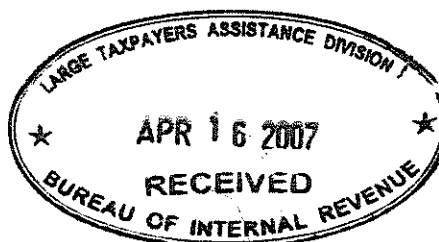
The Company reviews the carrying amounts of deferred tax assets at each balance sheet date and reduces deferred income tax assets to the extent that it is no longer probable that sufficient income will be available to allow all or part of the deferred income tax assets to be utilized. However, there is no assurance that the Company will generate sufficient taxable profit to allow all or part of its deferred income tax assets to be utilized.

As of December 31, 2006 and 2005, the Company has net deferred tax liability of ₱73.79 million and ₱61.83 million, respectively (Note 23).

Estimating pension and other employee benefits

The determination of the obligation and cost of retirement and other employee benefits is dependent on the selection of certain assumptions used in calculating such amounts. Those assumptions include, among others, discount rates, expected returns on plan assets and salary increase rates and price for the retirement of pension (Note 17). Actual results that differ from the Company's assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expense and recorded obligation in such future periods. While the Company believes that the assumptions are reasonable and appropriate, significant differences between actual experiences and assumptions may materially affect the cost of employee benefits and related obligations.

The Company also estimates other employee benefits obligation and expense, including the cost of paid leaves based on historical leave availments of employees, subject to the Company's policy. These estimates may vary depending on the future changes in salaries and actual experiences during the year.



As of December 31, 2006 and 2005, the balances of the Company's net pension liability and unrecognized actuarial gain follow:

	2006	2005
Pension liability (Note 17)	₱52,669,928	₱42,332,361
Unrecognized actuarial gains (losses) (Note 17)	(4,709,675)	18,937,011

The Company also estimates other employee benefits obligation and expense, including cost of paid leaves based on historical leave availments of employees, subject to the Company's policy. These estimates may vary depending on the future changes in salaries and actual experiences during the year.

The accrued balance of unpaid vacation and sick leaves as of December 31, 2006 and 2005 amounted to ₱3.54 million and ₱3.13 million, respectively (Note 11).

Financial assets and liabilities

The Company carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgments. While significant components of fair value measurement were determined using verifiable objective evidence (i.e., foreign exchange rates, interest rates, volatility rates), amount of changes in fair value would differ if the Company utilized a different valuation methodology. Any changes in fair value of these financial assets and liabilities would affect profit and loss and equity.

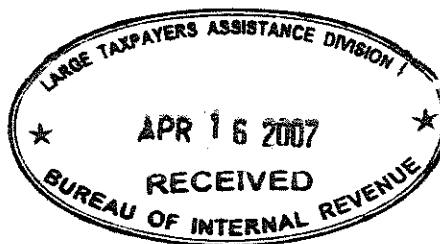
The fair value of financial assets and liabilities as of December 31, 2006 amounted to ₱1,377.32 million and ₱1,826.06 million, respectively. The fair value of financial assets and liabilities as of December 31, 2005 amounted to ₱2,503.50 million and ₱2,231.22 million, respectively (Note 28).

5. Cash and Cash Equivalents

This account consists of:

	2006	2005
Cash in banks and on hand	₱139,688,135	₱168,922,957
Short-term placements	370,751,088	1,162,718,897
	₱510,439,223	₱1,331,641,854

Cash in banks earns interest at their respective bank deposit rates. Short-term placements are made for varying period of up to three months depending on the immediate cash requirements of the Company, and earn interest at the respective short-term placement rates.



6. Receivables

This account consists of:

	2006	2005
Trade (Notes 25 and 28)	P505,732,640	P1,093,097,146
Due from related parties - net (Notes 16 and 28)	62,106,768	68,477,758
Others (Note 28)	25,940,567	57,776,622
	593,779,975	1,219,351,526
Less allowance for doubtful accounts	26,902,850	47,496,746
	P566,877,125	P1,171,854,780

Trade receivables are non-interest bearing and are generally on 30 - 45 days' terms.

Movement in the allowance for doubtful accounts follow:

	2006	2005
At January 1	P47,496,746	P216,555,744
Amounts written-off	(20,593,896)	(169,058,998)
At December 31	P26,902,850	P47,496,746

7. Inventories

This account consists of:

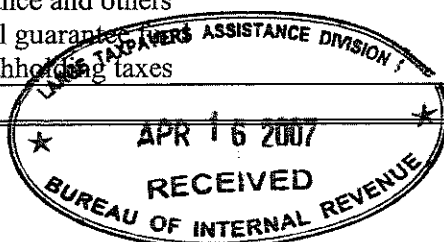
	2006	2005
Coal inventory at cost	P1,017,024,549	P552,615,554
Spare parts and supplies at NRV	823,384,813	813,512,207
	P1,840,409,362	P1,366,127,761

The amount of write down of inventories recognized as an expense amounted to P12.74 million for the year ended December 31, 2004. There were no provisions made in 2006 and 2005 (Note 19).

8. Other Current Assets

This account consists of:

	2006	2005
5% value added tax (VAT) withheld	P175,341,478	P-
Prepaid insurance and others	11,133,582	-
Environmental guarantee	1,500,000	1,500,000
Creditable withholding taxes	-	83,064,749
	P187,975,060	P84,564,749



As a result of the enactment of RA 9337 (Note 23), NPC started withholding the required 5% VAT on the VAT exempt coal sales of the Company. On March 7, 2007, the Company obtained a ruling from the Bureau of Internal Revenue which ruled that the sale of coal remains exempt from VAT.

The environmental guarantee fund represents the funds designated to cover all costs attendant to the operation of the multi-partite monitoring team (MMT) of the Company's environmental unit (EU).

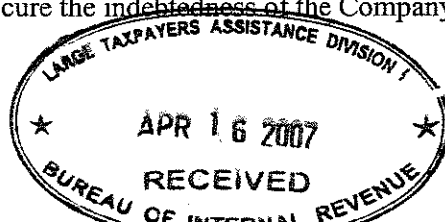
9. Property, Plant and Equipment

The rollforward analysis of this account follows:

	2006					Total
	Conventional and Continuous Mining Equipment	Power Plant and Buildings	Roads and Bridges	Construction in Progress		
AT COST						
Cost						
January 1	₱7,296,500,797	₱1,151,114,619	₱269,004,106	₱222,593,212		₱8,939,212,734
Additions	1,094,733,699	994,464	-	408,658,000		1,504,386,163
Transfers/disposals	47,226,689	106,648,241	9,960,303	(235,070,791)		(71,235,558)
December 31	8,438,461,185	1,258,757,324	278,964,409	396,180,421		10,372,363,339
Accumulated Depreciation and Amortization						
January 1	5,077,165,340	795,720,873	234,720,214	-		6,107,606,427
Depreciation and amortization	1,260,932,533	45,879,885	14,280,637	-		1,321,093,055
Retirement/disposals	(71,187,316)	-	-	-		(71,187,316)
December 31	6,266,910,557	841,600,758	249,000,851	-		7,357,512,166
Net Book Value	₱2,171,550,628	₱417,156,566	₱29,963,558	₱396,180,421		₱3,014,851,173

	2005					Total
	Conventional and Continuous Mining Equipment	Power Plant and Buildings	Roads and Bridges	Construction in Progress		
Cost						
January 1	₱5,719,409,618	₱1,105,022,356	₱252,629,388	₱77,350,401		₱7,154,411,763
Additions	1,577,091,179	46,092,263	16,374,718	145,242,811		1,784,800,971
December 31	7,296,500,797	1,151,114,619	269,004,106	222,593,212		8,939,212,734
Accumulated Depreciation and Amortization						
January 1	3,925,230,460	754,189,430	222,081,113	-		4,901,501,003
Depreciation and amortization	1,151,934,880	41,531,443	12,639,101	-		1,206,105,424
December 31	5,077,165,340	795,720,873	234,720,214	-		6,107,606,427
Net Book Value	₱2,219,335,457	₱355,393,746	₱34,283,892	₱222,593,212		₱2,831,606,307

Certain conventional and continuous mining equipment items with an aggregate book value of ₱8.07 million and ₱143.62 million as of December 31, 2006 and 2005, respectively, have been pledged as collaterals to secure the indebtedness of the Company to local banks and foreign suppliers (Note 13).



Depreciation and amortization charged to operations aggregated to ₱1,321.09 million, ₱1,206.11 million and ₱656.25 million for the years ended December 31, 2006, 2005 and 2004, respectively.

Losses on Property and Equipment

In 2004, the Company has written-off property and equipment with net book value of ₱224.00 million consisting mainly of development costs and certain continuous mining equipment (Note 18). This has resulted from the Company's annual review of the EUL and impairment of assets where management determined that there has been a significant change in the use and expected economic benefits from the said assets.

10. Other Noncurrent Assets

This account consists of:

	2006	2005
Mining rights acquisition cost - net	₱80,411,136	₱95,080,680
Marginal deposits	5,684,483	42,818,880
Software cost - net	3,406,919	1,032,598
Others	1,138,685	3,199,955
	₱90,641,223	₱142,132,113

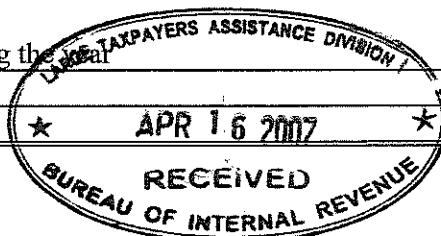
Depletion charged to operations amounted to ₱14.67 million, ₱32.82 million and ₱28.85 million for the years ended December 31, 2006, 2005 and 2004, respectively.

The movements in the mining rights acquisition cost account follow:

	2006	2005
At cost		
January 1 and December 31	₱181,451,611	₱181,451,611
Accumulated depletion		
January 1	86,370,931	53,546,677
Depletion	14,669,544	32,824,254
December 31	101,040,475	86,370,931
Net Book Value	₱80,411,136	₱95,080,680

The movements in the software cost account follow:

	2006	2005
At Cost		
January 1	₱1,445,336	₱893,282
Additions	2,814,614	552,054
December 31	4,259,950	1,445,336
Accumulated Amortization		
January 1	412,738	38,838
Amortization during the year	440,293	373,900
December 31	853,031	412,738
Net Book Value	₱3,406,919	₱1,032,598



The software costs are not integral to the computer hardware.

11. Accounts and Other Payables

This account consists of:

	2006	2005
Trade payables	P219,687,000	P196,274,784
Accrued expenses and other payables	66,947,492	72,790,832
Payable to DOE and local government units (Note 26)	28,505,131	46,141,506
Due to related parties - net (Note 16)	5,325,212	-
Provisions	-	73,530,122
	P320,464,835	P388,737,244

Trade payables included liabilities amounting to P98.51 million (US\$2.01 million) and P77.13 (US\$0.3 million) as of December 31, 2006 and 2005, respectively, to various foreign suppliers for open account purchases of equipment and equipment parts and supplies. Trade payables are noninterest bearing and are normally settled on a 30 to 60 day terms.

Details of the accrued expenses and other payables account follow:

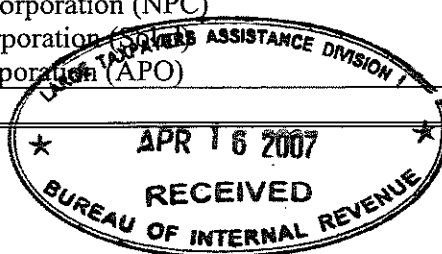
	2006	2005
Interest	P29,246,691	P24,797,166
Withholding tax	18,301,640	21,059,077
Salaries and wages	2,403,904	9,172,944
Coal handling costs	3,338,556	6,765,190
Professional fees	2,251,786	6,161,762
Others	11,404,915	4,834,693
	P66,947,492	P72,790,832

The provision that was previously recognized for a pending claim amounting to P71.53 million was reversed in 2006. The management strongly believes that there will be no material outflow of Company's resources relative to said claim due to claimant's inaction after the Company apprised claimant of the basis of the Company's legal position.

12. Customers' Deposits

The deposits are due to the following customers:

	2006	2005
National Power Corporation (NPC)	P14,049,111	P35,597,050
Solid Cement Corporation (SCC)	4,846,874	-
APO Cement Corporation (APO)	-	14,455,417
	P18,895,985	P50,052,467



These deposits represent advances from customers that are applied against future coal deliveries which occur within one year from the dates the deposits are made. The deliveries are in accordance with the existing coal supply agreements (CSA) and/or memorandum of agreements (MOA) with these customers (Note 25).

13. Long-term Debt

This account consists of:

	2006	2005
Bank loans	P996,445,034	P1,052,616,540
Acceptances and trust receipts payable	683,728,838	313,673,959
Payable to foreign suppliers	8,893,412	492,883,186
	<u>1,689,067,284</u>	<u>1,859,173,685</u>
Less current portion of:		
Bank loans	283,388,495	176,604,879
Acceptances and trust receipts payable	683,728,838	176,477,558
Payable to foreign suppliers	8,893,412	49,660,025
	<u>976,010,745</u>	<u>402,742,462</u>
	<u>P713,056,539</u>	<u>P1,456,431,223</u>

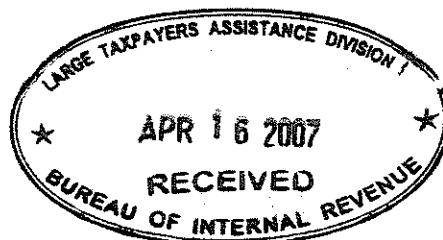
The maturities of long-term debt as of December 31, 2006 follow:

Due in:	
2007	P976,010,745
2008	287,224,710
2009	284,411,189
2010 and thereafter	141,420,640
	<u>P1,689,067,284</u>

Details of the obligations follow:

Loan Type	Date of Availment	Outstanding Balance		Maturity	Interest Rate	Payment Terms	Covenants/Collaterals
		2006	2005				
(In Million)							
Local bank loan							
Loan 1	September 30, 2005	P179.81	P224.80	October 5, 2009	13% fixed p.a.	Payable in 48 equal monthly installments to commence on November 5, 2005	Secured by collaterals on mining equipment
Foreign bank loans							
Loan 1	December 14, 2005	306.50	117.49	November 30, 2010	Based on SIBOR plus 1.95% p.a.	Repriceable and payable in 16 equal quarterly installments to commence 2 months after the drawn down dates	Unconditional and irrevocable guarantee issued by Komatsu Asia and Pacific Pte Ltd. and other covenants

(Forward)



Loan Type	Date of Availment	Outstanding Balance		Maturity	Interest Rate	Payment Terms	Covenants/Collaterals
		2006	2005				
(In Million)							
Other loans	Various availments in 2004 and 2005	₱510.14	₱710.33	Various maturities in 2009 and 2010	Based on 6-month USD LIBOR plus 1.5% p.a.	Payable in 10 equal consecutive semi-annual installments, the first of which shall become due and payable 6 months after the starting point	Unconditional and irrevocable guarantee issued by DMCI-HI
		996.45	1,052.62				
Payable to foreign suppliers							
Supplier 1	October 15, 2004	-	458.28	January 26, 2010; prepaid fully in 2006	Based on 3 month SIBOR plus 4.25% p.a.	Payable in 16 consecutive equal quarterly installments	None
Supplier 2	December 31, 2005	6.44	10.72	December 4, 2007	5.7% p.a. compounded quarterly	Payable in 8 equal quarterly installments	None
Supplier 3	August 20, 2004	2.45	23.88	September 15, 2006	5% p.a. compounded monthly	Payable in 18 equal monthly installments	Unconditional and irrevocable guarantee issued by DMCI-HI
		8.89	492.88				
Various Letters of Credits	Various dates of availments	683.73	313.67	Various maturities in 2007	Interest ranging from 9% to 11% p.a.	Payable within 1 year or more	None
		₱1,689.07	₱1,859.17				

The other covenants in loan 1 under the foreign bank loans require the Company to seek prior written notice to the lender in respect of any financial indebtedness for loans or credit extended by the Company to an affiliate and directors and officers in excess of US\$3 million and US\$1 million, respectively, or their equivalent in other currencies.

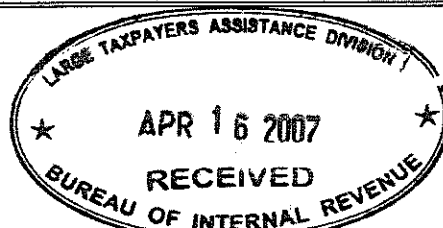
The payable to foreign supplier 1 aggregating US\$7.53 million was paid on August 23, 2006. There had been no penalties in the prepayment of the full amount of this loan.

14. Capital Stock

The Company's authorized capital stock consists of 1,000,000,000 common shares at ₱1 par value per share.

The rollforward of outstanding common shares follows:

	2006		2005		2004	
	Shares	Amount	Shares	Amount	Shares	Amount
At January 1	296,875,000	₱296,875,000	250,000,000	₱250,000,000	1,630,970,000	₱1,630,970,000
Additional issuance	-	-	46,875,000	46,875,000	19,657,388	19,657,388
Conversion of preferred shares to common shares	-	-	-	-	225,532	225,532
Decrease in issued and outstanding common stock from capital restructuring	-	-	-	-	(1,625,852,920)	(1,625,852,920)
Stock dividends	-	-	-	-	225,000,000	225,000,000
At December 31	296,875,000	₱296,875,000	296,875,000	₱296,875,000	250,000,000	₱250,000,000



Conversion of Preferred Shares to Common Shares

On August 12, 2000, the BOD approved the conversion of 48 unredeemed preferred shares into common shares without exemption on or before October 15, 2000. In this connection, the BOD authorized the Company to issue, exchange and deliver 225,532 common shares with a par value of ₱1 per share to the preferred shareholders pursuant to their right of conversion. On September 29, 2000, the Stockholders approved such conversion of preferred shares. In 2004, the preferred shareholders converted their outstanding preferred shares to common shares.

Capital Restructuring

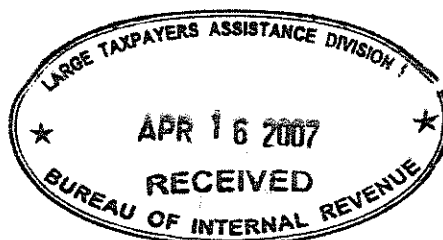
On March 17, 2004, the stockholders ratified the BOD resolution on the Company's Capital Restructuring and on July 2, 2004, the SEC approved the Company's Capital Restructuring.

The Capital Restructuring includes the following:

- a) Reduction of the authorized capital stock from ₱1,812,200,000, divided into 1,662,200,000 common shares at ₱1 par value per share and 15,000 preferred shares at ₱10,000 par value per share to ₱21,370,448 divided into 21,370,448 common shares at ₱1 par value per share.
- b) Retirement and cancellation of the ₱150,000,000 authorized preferred shares.
- c) Issued and outstanding common shares will be used to eliminate deficit as of December 31, 2003 of ₱1,625,852,920, thus, reducing issued and outstanding common shares to ₱5,342,612.
- d) Increase in authorized capital stock from ₱21,370,448 divided into 21,370,448 common shares to ₱1,000,000,000 divided into 1,000,000,000 shares with a par value of ₱1 per share.

On July 30, 2004, the BOD approved the application for additional listing on the Philippine Stock Exchange of 19,657,388 common shares. These shares were subscribed by DMCI-HI out of the increase in the authorized capital stock approved by the SEC on July 2, 2004 as part of the Company's Capital Restructuring.

On September 14, 2004, the BOD approved the increase in the Company's authorized capital stock from ₱100.00 million divided into 100 million common shares with ₱1 par value per share to ₱1 billion divided into 1 billion common shares with ₱1 par value per share. The BOD also approved the declaration of 900% stock dividends in the amount of ₱225.00 million consisting of 225 million common shares at a par value of ₱1 per share in favor of all stockholders as of the record date to be determined by the SEC in proportion to their respective shareholdings as of said record date. On October 8, 2004, the stockholders approved the said increase in the authorized capital stock and the declaration of stock dividends. The stockholders also approved the offer for subscription to qualified institutional buyers of common shares out of the authorized capital stock provided it does not exceed 20% of the issued and outstanding capital stock after the offered shares have been subscribed.



Cost of Shares Held in Treasury

On July 7 2005, the BOD approved the buy back of Company shares aggregating 40 million shares which began on August 15, 2005 until December 31, 2005. On January 11, 2006, the BOD approved to extend its buy back program for a period of 60 days starting January 12, 2006 under the same terms and conditions as resolved by the BOD last July 7, 2005, provided that the total number of shares to be reacquired shall in no case exceed 15 million shares. As of December 31, 2006 and 2005, 5,499,500 shares (₱145.26 million) and 13,802,700 shares (₱383.63 million), respectively were reacquired.

A reconciliation of the movement of the treasury shares follow:

	2006		2005		2004	
	Shares	Amount	Shares	Amount	Shares	Amount
At January 1	13,802,700	(₱383,633,460)	-	₱-	(222)	(₱222)
Acquisitions	5,499,500	(145,257,800)	13,802,700	(383,633,460)	-	-
Sale	-	-	-	-	222	222
At December 31	19,302,200	(₱528,891,260)	13,802,700	(₱383,633,460)	-	₱-

15. Retained Earnings

Cash Dividends

On March 26, 2007 and March 6, 2006, the BOD approved and declared cash dividend of ₱1.20 per share or ₱333.09 million to stockholders of record as of April 12, 2007 and March 27, 2006, respectively. The 2006 cash dividends shall be paid on April 30, 2007 while the 2005 cash dividends were paid on April 20, 2006.

Restrictions

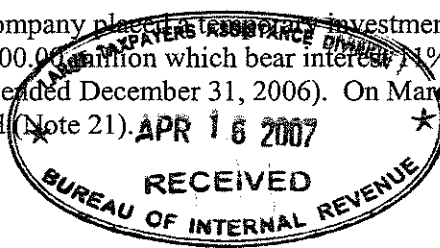
In a meeting held on April 4, 2005, the BOD authorized the restriction in the amount of ₱1 billion out of the Company's retained earnings to be devoted to capital expenditures.

Retained earnings are restricted for the payment of dividends to the extent of the cost of the common shares held in treasury amounting to ₱528.90 million and ₱383.63 million for the years ended December 31, 2006 and 2005, respectively.

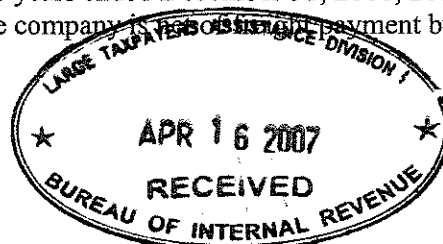
16. Related Party Transactions

Related 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 the financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. In the regular course of business, the Company's significant transactions with related parties include the following:

- a. In November 2006, the Company placed its temporary investment in DMCI-HI for a period of 180 days amounting to ₱300.00 million which bear interest at 1% per annum (amounted to ₱3.25 million for the year ended December 31, 2006). On March 22, 2007, the temporary investment was terminated (Note 21).



- b. Continuing Indemnity Agreement dated September 3, 1998 with DMCI-HI and certain related parties whereby the Company, in consideration for guarantees extended by DMCI-HI and related parties in the form of Real Estate Mortgage, standby letters of credit and other credit lines or facilities to secure the Company's indebtedness to various banks and creditors, agreed to indemnify and hold DMCI-HI and related parties free from and against any and all claims, liabilities, demands, actions, costs, expenses and consequences of whatever nature which may arise or result from said corporate guarantees. The Company further agreed to pay a fixed interest rate per annum on all sums or monies paid by DMCI-HI and related parties by reason of or in connection with the said corporate guarantees, letters of credit, credit facilities or REM; real properties of this affiliate were already freed from lien effective at the time when these old equipment loan were fully paid. The loans contracted in 2004 and 2005 were still guaranteed by DMCI-HI. In 2004, the Company agreed to the retroactive charging of guarantee fees and fees for use of collateral. Guarantee fees incurred amounted to ₱12.29 million, ₱23.39 million and ₱7.63 million for the years ended December 31, 2006, 2005 and 2004, respectively. Additional guarantee fees booked in 2004 amounted to ₱160.02 million representing back guarantee fees covering the years 1998-2002. All real properties of this affiliate were already freed from lien effective at the time when these old equipment loan were fully paid. The new loans starting in 2006 no longer contain corporate guarantee of DMCI-HI and DMCI except for loans with Hypo-und Vereinsbank (HVB) and another lender which are guaranteed by DMCI-HI;
- c. Use of DMCI, DMC CERI and PDI properties as collaterals for certain debts of the Company; The amount of ₱59.78 million was booked in 2004 representing collateral fees for the period 1998-2002;
- d. Interest-bearing operating cash advances from M&S Company, an affiliate, amounting to ₱4.55 million as of December 31, 2004. Interest expense charged to operations arising from these cash advances amounted to ₱7.10 million for the year ended December 31, 2004. These advances were fully paid in 2005. No new interest-bearing cash advances were obtained in 2006.
- e. DMC-Construction Equipment Resources, Inc. (DMC-CERI), an affiliate, has transactions with the Company for services rendered relating to the Company's coal operations. These included services for the confirmatory drilling for coal reserve evaluation of identified potential areas, exploratory drilling of other minerals within Semirara Island, dewatering well drilling along cut-off wall of Panian mine and fresh water well drilling for industrial and domestic supply under an agreement. Expenses incurred for said services amounted to ₱24.48 million, ₱26.02 million and ₱34.19 million for the years ended December 31, 2006, 2005 and 2004, respectively; and
- f. DMC-CERI also provides to the Company marine vessels for use in the delivery of coal to its various customers. The coal freight billing is on a per metric ton basis plus demurrage charges when delay will be incurred in the loading and unloading of coal cargoes. Expenses (at gross amount) incurred for this services amounted to ₱308.93 million, ₱302.17 million and ₱332.97 million for the years ended December 31, 2006, 2005 and 2004, respectively. The reported expense of the company is for assistance payment by NPC (billing is C&F).



- g. M&S Co., DMC-CERI and DMCI-CI had transactions with the Company representing equipment rental, long-term lease on office space and other transactions, such as transfer of equipment, materials, supplies and labor services rendered to the Company necessary for the coal operations. Equipment rental expense incurred amounted to ₱103.15 million, ₱109.64 million, ₱23.30 million, in 2006, 2005 and 2004, respectively. Office rental expense amounted to ₱2.67 million in 2006 and 1.06 million per year in 2005 and 2004. Transfer of materials and supplies amounted to ₱10.84 million, ₱64.42 million, ₱23.05 million, for the years ended December 31, 2006, 2005 and 2004, respectively (covering steel structures and construction materials and parts for various projects).
- h. Equipment transferred by DMCI-CI and DMC-CERI to the company in 2005 amounted to ₱72.10 million, none were transferred in 2006 and 2004. Most of the equipment items transferred were rented in 2004 by the Company. Among the equipment items transferred included one (1) unit aircraft, one (1) lot rock crusher, two (2) units crane, two (2) units drill rig, seven (7) welding machines and other tools and accessories. Labor cost related to manpower services rendered by DMC-CERI and DMCI-CI employees represents actual salaries and wages covered by the period when the services were rendered to Company in its coal operations. Under existing arrangements, payments of said salaries and wages are given directly to personnel concerned.

The Company has not recorded any impairment losses on its receivables relating to amounts owed by related companies. This assessment is undertaken each financial year.

Compensation of key management personnel of the Company by benefit type follows:

	2006	2005	2004
Short-term employee benefits	₱9,010,375	₱9,346,594	₱9,194,671
Post employment benefits	843,467	988,074	1,155,756
	₱9,853,842	₱10,334,668	₱10,350,427

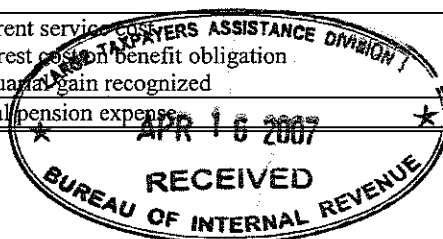
There are no agreements between the Company and any of its directors and key officers providing for benefits upon termination of employment, except for such benefits to which they may be entitled under the Company's pension plan.

17. Pension Plan

The Company has an unfunded, noncontributory defined benefit plan covering substantially all of its employees. Total pension costs charged to operations amounted to ₱10.34 million, ₱7.84 million and ₱5.77 million for the years ended December 31, 2006, 2005 and 2004, respectively.

The following table summarizes the components of net benefit expense in the statement of income:

	2006	2005	2004
Current service cost	₱8,788,614	₱3,007,000	₱2,901,834
Interest cost on benefit obligation	2,573,489	4,829,430	2,872,191
Actuarial gain recognized	(1,024,536)	-	-
Total pension expense	₱10,337,567	₱7,836,430	₱5,774,025



Movements in the pension benefit liability for the years ended December 31 are as follows:

	2006	2005	2004
Balance at January 1	₱23,395,350	₱34,495,931	₱28,721,906
Current service cost	8,788,614	3,007,000	2,901,834
Interest cost on benefit obligation	2,573,489	4,829,430	2,872,191
Actuarial loss (gain)	22,622,150	(18,937,011)	—
Balance at December 31	₱57,379,603	₱23,395,350	₱34,495,931

The pension liability to be recognized in the balance sheet follows:

	2006	2005	2004
Balance at January 1	₱57,379,603	₱23,395,350	₱34,495,931
Unrecognized actuarial gain (losses)	(4,709,675)	18,937,011	—
	₱52,669,928	₱42,332,361	₱34,495,931

The assumptions used to determine pension benefits of the Company for the years ended December 31, 2006, 2005 and 2004 follow:

	2006	2005	2004
Discount rate	8.12%	11.00%	14%
Salary increase rate	6.00%	10.00%	10%

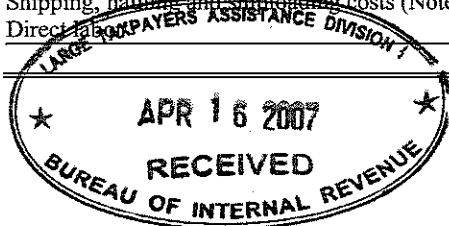
The amounts for the current and the previous period follow:

	2006	2005
Present value of the unfunded defined benefit obligation	₱52,669,928	₱42,332,361
Effects of changes in actuarial assumptions	8,119,335	2,582,027
Experience adjustments on plan obligation	14,502,816	(21,519,038)
Actuarial loss (gain)	22,622,150	(18,937,011)

18. Cost of Sales

This account consists of:

	2006	2005	2004
Depreciation, depletion, amortization and assets written-off (Notes 9 and 10)	₱1,169,414,380	₱1,238,929,678	₱839,411,435
Fuel and lubricants	1,068,281,359	742,905,050	481,441,058
Materials and supplies (Note 16)	670,710,940	607,062,100	834,086,980
Outside services (Note 16)	268,620,540	228,515,951	201,327,903
Production overhead	222,425,015	177,281,177	140,232,607
Shipping, hauling and shiploading costs (Note 16)	159,130,227	194,443,110	188,233,309
Direct labor	154,578,648	116,282,956	156,171,333
	₱3,713,161,109	₱3,305,420,022	₱2,840,904,625



19. Operating Expenses

This account consists of:

	2006	2005	2004
Government share (Note 26)	₱138,272,655	₱158,784,821	₱148,623,317
Personnel costs (Notes 16 and 17)	23,804,340	40,979,760	19,439,206
Entertainment, amusement and recreation	8,678,867	6,411,005	7,419,889
Transportation and travel (Note 16)	8,015,437	26,797,368	6,616,689
Professional fees	7,285,341	17,306,728	16,435,040
Taxes and licenses	1,752,898	1,684,655	16,280,512
Provision for (reversal of) real property tax (Note 11)	(71,530,122)	-	45,996,836
Provision for inventory writedown (Note 7)	-	-	12,742,719
Provision for doubtful accounts	-	-	4,684,941
Office expenses and others	16,846,318	19,675,642	7,414,555
	₱133,125,734	₱271,639,979	₱285,653,704

20. Finance Costs

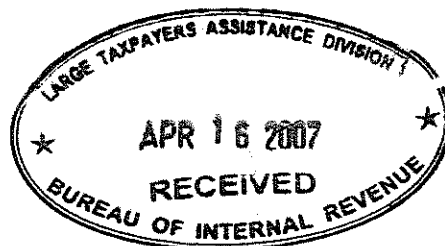
The finance costs are incurred from the following:

	2006	2005	2004
Interest on:			
Bank loans	₱115,834,669	₱49,290,577	₱46,819,893
Acceptances and letter of credits and other short-term borrowings	73,229,501	32,141,602	15,906,485
Purchase contracts	23,974,286	37,086,266	90,417,954
Loans - affiliated entities	-	-	285,755,504
	₱213,038,456	₱118,518,445	₱438,899,836

21. Finance Revenue

Finance revenue is derived from the following sources:

	2006	2005	2004
Interest on:			
Short term placements and temporary investments (Note 16)	₱52,847,520	₱54,461,877	₱-
Bank savings account	1,679,066	649,529	365,347
	₱54,526,586	₱55,111,406	₱365,347



22. Other Income

This account consists of:

	2006	2005	2004
Recoveries from insurance claims	₱70,205,364	₱-	₱-
Gain on sale of property and equipment	20,066,758	-	-
Miscellaneous	17,335,714	4,435,259	2,431,645
	₱107,607,836	₱4,435,259	₱2,431,645

23. Income Taxes

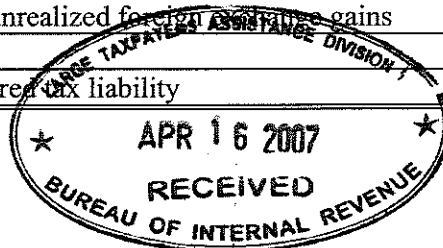
The provision for income tax in 2006 and 2005 consisted solely of current income tax provision while the 2004 provision for income tax represents MCIT.

The reconciliation of the provision for income tax computed at the statutory income tax rate to the provision for income tax shown in the statements of income follows:

	2006	2005	2004
Provision for income tax computed at the statutory income tax rate	35%	32.50%	32.00%
Adjustments for:			
Additional deductible expense from adopt-a-school program	(0.04)	(0.07)	-
Interest income already subjected to final tax at a lower rate - net of nondeductible interest expense	(1.00)	(0.46)	-
Changes in unrecognized deferred tax assets and tax rates	-	(11.00)	(28.66)
Effective interest rate	33.96%	20.97%	3.34%

The significant components of deferred tax assets and liabilities represented the deferred tax effects of the following:

	2006	2005
Deferred tax assets on:		
Allowance for doubtful accounts	₱9,415,997	₱16,623,861
Allowance for inventory write down	18,650,424	18,650,424
Accrual of expenses	10,484,528	35,520,070
Pension costs	18,434,472	14,816,323
	56,985,421	85,610,678
Deferred tax liabilities on:		
Deferred tax liability on incremental cost of property, plant and equipment	100,791,916	121,219,904
Net unrealized foreign exchange gains	29,987,847	26,218,868
	130,779,763	147,438,772
Net deferred tax liability	(₱73,794,342)	(₱61,828,094)



In 2004, the Company has deductible temporary differences that are available for offset against future taxable income or tax payable for which deferred tax assets have not been recognized. These deductible temporary differences with no deferred tax assets recognized in the financial statements are as follows:

NOLCO	P455,126,957
Allowance for doubtful accounts	33,061,409
MCIT	67,423,942
	P555,612,308

The deferred income tax effects of the above deductible temporary differences amounted to P223.64 million in 2004. Deferred tax assets are recognized only to the extent that taxable income will be available against which the deferred tax assets can be used or when there are sufficient taxable temporary differences which are expected to reverse in the same period as the expected reversal of the deductible temporary differences. The Company assesses the unrecognized deferred tax assets and will recognize a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered. Accordingly, in 2005, the Company recognized the deferred income tax effects of these deductible temporary differences amounting to P238.29 million (inclusive of the tax adjustment arising from the change in tax rate).

As of December 31, 2005, the Company's available NOLCO and MCIT amounting to P455.13 million and P67.42 million, respectively, were applied against the current provision for income tax and income tax payables, respectively.

RA No. 9337

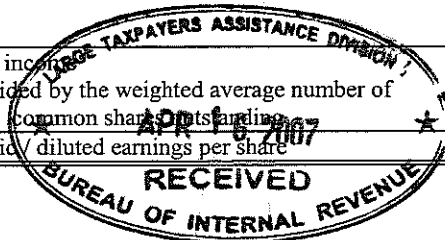
RA No. 9337 was enacted into law amending various provisions in the existing 1997 National Internal Revenue Code. Among the reforms introduced by the said RA, which became effective on November 1, 2005, are as follows:

- Increase in the corporate income tax rate from 32% to 35% with a reduction thereof to 30% beginning January 1, 2009;
- Increase in VAT rate from 10% to 12% effective February 1, 2006 as authorized by the Philippine President pursuant to the recommendation of the Secretary of Finance;
- Revised invoicing and reporting requirements for VAT;
- Expanded scope of transactions subject to VAT; and
- Provide thresholds and limitations on the amounts of VAT credits that can be claimed.

24. Basic / Diluted Earnings Per Share

The following table presents information necessary to calculate earnings per share:

	2006	2005	2004
Net income	P601,242,858	P1,592,342,821	P1,438,500,707
Divided by the weighted average number of common shares outstanding	278,289,067	291,112,892	204,884,683
Basic / diluted earnings per share	P2.161	P5.469	P7.021



For the years ended December 31, 2006, 2005 and 2004, there were no outstanding dilutive potential common shares.

25. Coal Supply Agreements with NPC, Solid and APO

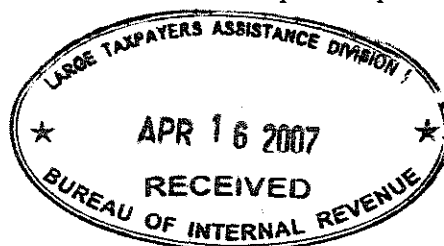
NPC

The Company has a CSA with NPC, a major customer, dated May 19, 1995, whereby the Company agreed to sell and NPC agreed to buy from the Company the local coal requirements of its 2 x 300 megawatt coal-fired power plants at Calaca, Batangas (Calaca I & II).

The CSA is effective for 15 years up to May 2010. Subsequent amendments have been made to the CSA in 2001 and 2002 and the most relevant among those amendments included the following:

- a) NPC to be entitled to an additional 3% discount in the event that its aggregate lifting in any given year exceeds 1,100,000 MT up to 2,400,000 MT of coal. Discount computation shall start on the month its aggregate lifting exceeds 1,100,000 MT of coal;
- b) maintenance by the Company, at its own expense, of a minimum coal running inventory of at least 100,000 MT that meets the applicable coal specifications set forth in the second amendment of the CSA and ready in all aspects for loading and delivery to Calaca I and Calaca II;
- c) limitation in the coal's sulfur content to 1.0% in compliance with the Clean Air Act and reduction in its ash specification to 20% to minimize coal handling problems;
- d) inclusion of certain bases of NPC's exercise of its rights to reject and/or stop coal deliveries by the Company to NPC, consequences of coal rejection in terms of title and risk of loss to coal delivered, relief from payment by NPC, and removal of delivered coal from NPC premises; and remedies for the Company in the event NPC exercises such rights;
- e) changes in (i) the pricing periods to a 3-month period which shall commence respectively at the beginning of a calendar quarter namely: January 1, April 1, July 1, and October 1; and (ii) the computation of the base price of the Company's coal delivery including the determination of the initial and final base prices, to consider the volatile foreign exchange situation and the price of all NPC imported coal for Calaca plant during the pricing period; and
- f) changes in the computation of the adjustment for penalty or bonus from the base price per MT.

In 2003, the supplemental agreement (Agreement) to the CSA has been finalized. The Agreement provided for, among others, the services to be undertaken by the Company for the coal handling operations at Calaca, Batangas as a result of the extension of coal delivery from C&F Discharge Port to C&F Silo with the cost of ₱66 per MT plus value added tax.



The services to be undertaken by the Company in order to extend its delivery service from discharge port to silos includes coal unloading and handling; repairs and maintenance of coal handling facilities; stevedoring services; support activities and coal yard management; and tree planting, marine life protection program and environmental programs to enhance image of NPC power plants. The Company recognized a net income (loss) of ₱25.98 million, (₱26.87) million and ₱17.71 million from this handling operation for the years ended December 31, 2006, 2005 and 2004, respectively.

The Company's receivables from NPC amounted to ₱380.93 million and ₱809.33 million as of December 31, 2006 and 2005, respectively.

Solid and APO

The Company has existing MOAs with Solid and APO. These MOAs cover coal deliveries aggregating 108,000 MT in 2006 and 20,000 MT in 2005 with an estimated base price of ₱1,800.00 per MT.

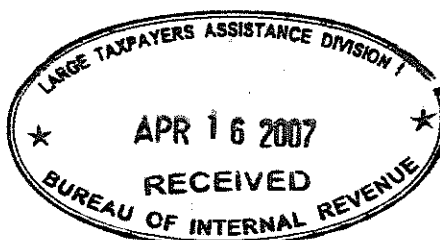
As provided for in the MOA, the Company received advance payments that are subsequently applied against coal delivery sales. The unapplied portion of these advance payments are presented as "Customers' deposits" account in the balance sheet (Note 12).

26. Coal Operating Contract with DOE

The Company has a Coal Operating Contract with DOE dated July 11, 1977, as amended on January 16, 1981, for the exploration, development, mining and utilization of coal over Semirara Island, Antique under the terms and conditions provided therein and pursuant to the provisions of

Presidential Decree No. 972, otherwise known as the Coal Development Act of 1976. The contract also provides for the manner and basis of sharing the gross proceeds from coal production between the Company and DOE. The Company's liabilities to DOE (including accrued interest computed at 14% per annum on outstanding balance) under this contract and to the different local government units in the province of Antique, under the provisions of the Local Government Code of 1991, amounted to ₱28.51 million and ₱46.14 million as of December 31, 2006 and 2005, respectively. These liabilities are included under the "Accounts and other payables" account in the balance sheets (Note 11). The contract is for a maximum period of 35 years (inclusive of the developmental stage and renewals) up to July 2012.

In 2002, the DOE, through the Energy Resources Development Bureau, approved the exclusion of coal produced and used solely by the Company to feed its power plant in determining the amount due to DOE.



27. Contingencies

The Company is contingently liable for lawsuits or claims filed by third parties which are either pending decision by the courts or are under negotiation, the outcomes of which are not presently determinable. In the opinion of management and its legal counsel, the eventual liability under these lawsuits or claims, if any, will not have a material effect on the financial statements. The information usually required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, is not disclosed on the grounds that it can be expected to prejudice the outcome of these lawsuits, claims and assessments.

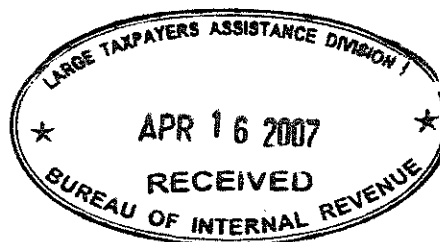
28. Financial Risk Management Objectives and Policies

The Company's financial instruments comprise bank loans, trade payables, purchase contracts and loans. The main purpose of these financial instruments is to raise finance for the Company's operations. The Company has various financial assets such as trade receivables and cash and short-term deposits, which arise directly from operations.

The main risks arising from the Company's financial instruments are cash flow interest rate risk, foreign currency risk, credit risk and liquidity risk. The BOD reviews and approves policies for managing each of these risks which are summarized below:

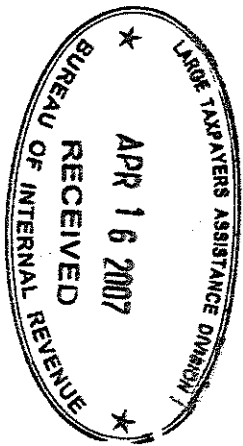
Interest Rate Risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term obligations with floating interest rates. The Company's policy is to manage its interest cost using a mix of fixed and variable rate debts. The Company's policy is to maintain a balance of Peso-denominated and US\$ denominated debts.



The following table shows the information about the Company's financial instruments that are exposed to cash flow and fair value interest rate risks and presented by maturity profile.

	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total - Gross (in PHP)	Total - Gross (In USD)
Liabilities:								
Floating Rate (exposed to cash flow risk)								
\$15.14 million loan (USD)								
6 month USD LIBOR plus 1.5% per annum	₱148,446,773	₱148,446,773	₱148,446,771	₱ 64,795,403	₱-	₱-	₱510,135,720	\$10,404,563
\$6.64 million loan (USD)								
3 month SIBOR plus 1.95% per annum	76,620,174	76,630,300	76,625,238	76,625,237	-	-	306,500,949	6,251,294
Various letters of credits and suppliers debt with various interest rates								
	692,622,250	-	-	-	-	-	692,622,250	181,387
Fixed Rate (exposed to fair value risk)								
₱234.58 million promissory note								
13.00% per annum	58,321,548	62,147,637	59,339,180	-	-	-	179,808,365	-
	₱976,010,745	₱287,224,710	₱284,411,189	₱141,420,640	₱-	₱-	₱1,689,067,284	\$16,837,244



Foreign Currency Risk

The Company's foreign exchange risk results primarily from movements of the Philippine Pesos against the US\$. All revenues are generated in Pesos, and substantially all of capital expenditures are substantially in US\$. Approximately 46% and 69% of debts as of December 31, 2006 and 2005, respectively, were denominated in US\$.

Information on the Company's foreign currency-denominated monetary assets and liabilities and their Philippine peso equivalents as of December 31, 2006 follows:

	U.S. Dollar	Peso Equivalent
<u>Assets</u>		
Cash and cash equivalents	\$238,651	₱11,701,058
<u>Liabilities</u>		
Accounts and other payables	(2,009,078)	(98,505,094)
Long-term debt (including current portion)	(16,837,244)	(825,530,073)
<u>Net foreign currency denominated liabilities</u>	<u>(\$18,607,671)</u>	<u>(₱912,334,109)</u>

The spot exchange rate used was ₱49.03 to US\$1.

Credit Risk

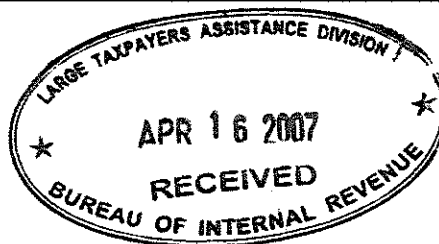
The Company trades only with recognized, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

The Company generally offers 80% of coal delivered payable within 30 days upon receipt of billing and the remaining 20% payable within 15 days after receipt of final billing based on final analysis of coal delivered.

With respect to the credit risk arising from the other financial assets of the Company, which comprise cash and cash equivalents, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The Company transacts only with institutions or banks that have proven track record in financial soundness.

The credit risk is concentrated to the following customers:

	Percentage
NPC and PNOC	80.42%
Cement companies	8.75
Others	10.83
<u>Total</u>	<u>100.0%</u>



Liquidity Risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans. The Company'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 sufficiently funded through cash collections.

Fair Values

The following tables set forth the carrying values and estimated fair values of the Company's financial assets and liabilities recognized as of December 31, 2006 and 2005.

	2006		2005	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Cash in banks	₱510,439,222	₱510,439,222	₱1,331,641,854	₱1,331,641,854
Short-term investment	300,000,000	300,000,000	—	—
Receivables - net	566,877,125	566,877,125	1,171,854,780	1,171,854,780
Total financial assets	₱1,377,316,347	₱1,377,316,347	₱2,503,496,634	₱2,503,496,634
Current Financial Liabilities				
Current portion of long-term debt	₱976,010,745	₱945,619,277	₱402,742,462	₱402,742,462
Accounts payable and accrued expenses	320,464,835	320,464,835	388,737,244	388,737,244
Total current financial liabilities	1,296,475,580	1,266,084,112	791,479,706	791,479,706
Noncurrent Financial Liabilities				
Long-term debt - net of current portion	713,056,539	559,976,306	1,456,431,223	1,439,738,340
Total financial liabilities	₱2,009,532,119	₱1,826,060,418	₱2,247,910,929	₱2,231,218,046

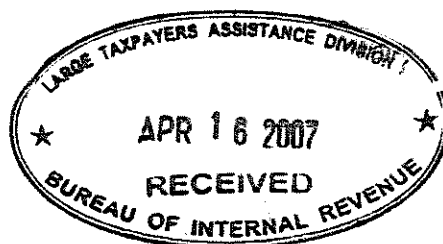
The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

Financial Assets

Due to the short-term nature of the transactions, the fair value of cash and cash equivalents, short-term investments and receivables approximate the amount of consideration at the time of initial recognition.

Financial Liabilities

Debt Type	Fair Value Assumptions
Floating rate loans USD Php	The carrying values approximated the fair value because of recent and regular repricing (quarterly) based on market conditions.
Fixed rate loan Php	Estimated fair value is based on the discounted value of future cash flows using the applicable rates for similar type of loans.



29. Lease Commitments

The Company leases certain premises for some of its operation and equipment. The operating lease agreements are for periods ranging from 1 to 7 years from the date of the contracts and are renewable under certain terms and conditions. The Company's rentals incurred on these leases (included in cost of sales and operating expenses) aggregated to ₱105.82 million, ₱110.7 million and ₱24.36 million in 2006, 2005 and 2004, respectively.

As of December 31, 2006, the future minimum lease payments under this operating lease is as follows:

Not later than one year	₱15,300,629
After one year	9,950,472
	<u>₱25,251,101</u>

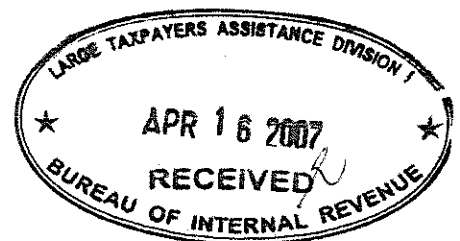
30. Note to Cash Flow Statements

Supplemental disclosure of noncash investing and financing activities follows:

	2006	2005	2004
Acquisition of conventional and other mining equipment on account (Notes 11 and 13)	₱873,275,980	₱642,071,221	₱434,125,210
Capital restructuring (Note 14)	-	-	1,625,852,920

31. Approval of the Financial Statements

On March 26, 2007, the BOD approved and authorized the release of the accompanying financial statements.

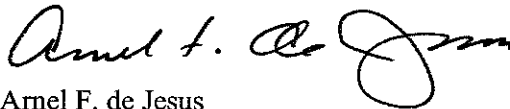


INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Semirara Mining Corporation
2281 Don Chino Roces Avenue
Makati City

We have audited in accordance with auditing standards generally accepted in the Philippines, the financial statements of Semirara Mining Corporation included in this Form 17-A and have issued our report thereon dated March 26, 2007. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to Financial Statements and Supplementary Schedules are the responsibility of the Company's management. These schedules are presented for purposes of complying with the Securities Regulation Code (SRC) Rule 68.1 and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state in all material respects, the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Arnel F. de Jesus
Partner
CPA Certificate No. 43285
SEC Accreditation No. 0075-AR-1
Tax Identification No. 152-884-385
PTR No. 0266544, January 2, 2007, Makati City

March 26, 2007



SCHEDULE B : ADVANCES-EMPLOYEES, DIRECTORS AND OFFICERS

Code	Name	As of 31-Dec-06
E-47201	ABA-A, DANTE T.	(0.20)
E-45489	ABAD, RUBEN G.	(971.25)
E-65137	ABAGON, JOEMAR T.	(36.75)
E-21660	ABAGON, WELENITO B.	1,046.60
E-41017	ABALON, AMADOR C.	0.05
E-18082	ABALON, GERONIMO V.	100.00
E-44105	ABANID, REYNALDO T.	6,881.52
E-76872	ABARCA, SR., LARRY G.	100.00
E-07439	ABEJO, REGAN L.	373.33
E-63363	ABEJO, RITCHELIO L.	7,503.90
E-47643	ABELLANA, JR. MIGUEL V.	2,478.20
E-43028	ABELLANA, MIGUEL C.	4,431.00
E-01007	ABELLANOSA, ERNESTO P.	127.50
E-89591	ABELLON, JOEL A.	486.72
E-82228	ABON, ROMEO V.	174.87
E-20907	ABOS, FEDERITO G.	(2,470.24)
E-41203	ABUTON, JAIME V.	1,054.00
E-13684	ACANTILADO, RAUL ANTHONY Y.	(219.31)
E-24864	ACDAL, JR. SILVESTRE R.	2,831.38
E-84786	ACDAL, ROSPECIO R.	10.00
E-46213	ACSIOMA, PABLO S.	790.00
E-63924	ADINO, ROSARIO E.	117.50
E-47570	AGAN, TEODOCIO C.	19.08
E-71730	AGAPITO, NESTOR V.	5,355.44
E-63681	AGO-O, JULIO R.	(81.75)
E-40371	AGUILAR, CARLITO R.	(661.87)
E-20958	AGUILAR, DIOSDADO JR. G.	(120.00)
E-79618	AGUILAR, JOSELITO C.	(60.00)
E-41149	AGUILAR, RODRIGO N.	502.83
E-53090	AGUSTIN, PATRICIO R.	(30.50)
E-79952	ALBACITE, RICKY A.	190.56
E-9213694	ALBANO, AMPARO	(163.25)
E-0006858	ALCALA, ARIEL B	9,847.00
E-48534	ALCANTARA, ARNULFO F.	1,724.00
E-41823	ALCAZARIN, BENNIE A.	(190.00)
E-00582	ALCONES, EDWIN F.	(4,400.00)
E-78786	ALDE, JR., ROMEO D.	(100.00)
E-77682	ALECHA, SAMUEL B.	1,279.89
E-09717	ALEGA, ROBUSTIANO V.	(72.50)
E-43036	ALEGRE, DANILO A.	(31.25)
E-45977	ALEJANDRINO, RICO E.	(1,086.06)
E-25461	ALEMORIN, ARTEMIO A.	3,827.04
E-15253	ALERA, ABNER D.	5,657.50
E-45683	ALERA, PANCHITO D.	(10.00)
E-25968	ALERIA, MACARIO G.	(65.00)
E-89869	ALFEREZ, ALAN JESUS S.	1,417.18
E-89435	ALFEREZ, BERNARDINO R.	1,920.40
E-81477	ALFEREZ, JR. RANULFO R.	623.80
E-78018	ALFORQUE, DANIEL T.	(21.00)
E-46310	ALIMORIN, JOSE RICKY B.	(281.99)
E-21482	ALINEA, MARICRIS V.	1,872.59
E-23590	ALINGALAN, BERNIE D.	374.19
E-15520	ALMAIZ, ALEXANDER E.	40.00
E-64467	ALMONIA, ARNILO B.	352.90
E-42080	ALMONIA, EDUARDO B.	680.51
E-27162	ALPUERTO, FELIXBERTO V.	89.09
V-000496	ALVAREZ, TERESITA B.	(9,482.56)
E-25488	AMABA, ARTURO F.	673.00
E-90190	AMANCIO, FERNANDO P.	431.20
E-25615	AMARILLENTO, ALLAN A.	495.00
E-14567	AMBOS, RIXON M.	(90.00)
E-71595	AMMUGAUAN, JAYDEE G.	154.35
E-71609	AMPARO, ELENO G.	530.00
E-78026	AMPARO, RONALD C.	(21.32)
E-85049	AMPONG, ISMAEL C.	20,402.18
E-25232	ANCLA, CARLOS L.	(209.38)
E-46639	ANCLA, SR., NESTOR L.	6,357.47

Code	Name	As of 31-Dec-06
E-43060	ANDILUM, ROBERTO G.	1.00
E-79340	ANGELES, JAYSON P.	253.00
E-47910	ANGELES, JR., HILIODORO L.	2,571.95
E-40401	ANGUAY, DANILO B.	401.00
E-45632	ANGUAY, NOLAN B.	15.00
E-03824	ANTHONY, MARINO G.	4,640.50
E-92592	ANTIMARO, EDWIN R.	36.00
E-24449	ANTIPOLO, JUANITO O.	727.58
E-42498	ANTIPUESTO, CUALBERTO C.	233.61
E-22535	ANTONIO C. JAYME	(6,865.24)
E-40045	ANTONIO, FLORENTINO D.	(0.00)
E-04669	APOLINARIO, JOVENCIO A.	(16.60)
E-71404	AQUINO, SAMUEL L.	636.70
E-71846	ARANTE, MARLITO M.	(1,243.39)
E-21652	ARBIAS, JR., SAUL C.	(148.45)
E-44830	ARBIAS, MARLON B.	605.51
E-19909	ARBON, MARLON SR. M.	(371.80)
E-65331	ARDENO, RAYLIN P.	(1,310.00)
E-78255	ARENAS, JR., NICOLAS P.	1,955.50
E-25828	ARGUELLES, OSCAR C.	179.00
E-48003	ARTAJO, ROMEO A.	608.80
E-52302	ASIO, EDWIN S.	0.02
E-45284	ASIS, ADONAI EMMANUEL A.	7,959.15
E-43974	ASUNCION, AUGUSTO B.	260.00
E-73830	ASUNCION, EDWIN C.	100.00
E-43877	ATILANO, BARTOLOME C.	172.55
E-23868	ATON, JAIME B.	5,217.97
E-86460	ATON, SR., ROLANDO B.	160.00
E-0010863	ATTY. JOHN R. SADULLO	(1,299.88)
E-06858	AVENIDO, ROGELIO P.	(13,356.62)
E-43087	AVILA, JR., ALFREDO N.	162.09
E-85219	AWE, ANGELITO B.	303.59
E-86770	AWE, ANTONIO P.	163.79
E-80926	BACANI, LEONARDO V.	(0.00)
E-22527	BACOLCOL, RODOLFO D.	(5,872.00)
E-45195	BADE, MARLON R.	530.34
E-19186	BADILLA, RAYMUND MATTHIE D.	81.90
E-89889	BAGUIO, CARLOS S.	315.18
E-00141	BAILON, IRENE L.	2,987.50
E-40800	BAJA, JIMMY N.	1,114.00
E-51101	BAJAR, JOSE V.	(107.50)
E-40576	BAJAS, JR., CESARIO B.	(566.80)
E-14605	BALAGTAS, SAMUEL R.	(636.85)
E-27146	BALANCIO, ROBERTO C.	(388.50)
E-46744	BALAO, JENNIE B.	(140.00)
E-40339	BALASABAS, ARIEL R.	(350.07)
E-41106	BALBIN, DANY J.	431.20
E-08605	BALBUENA, JAN N.	9,799.58
E-84688	BALDUEZA, DISODADO C.	(4,000.00)
E-43699	BALENA, JR., ESMAEL G.	(58.75)
E-26468	BALESTRAMON, JR., ELADIO R.	0.10
E-25496	BALIGUAT, JOSE TEDDY F.	300.00
E-9210235	BALINGIT, EDUARDO L.	(9,855.00)
E-20265	BALLEZA, VICENTE S.	115.50
E-65420	BALOYO, RENANTE P.	750.70
E-60550	BALTAZAR, BENJAMIN R.	144.00
E-73210	BAMBA II, ABRAHAM EULOGIO A.	(6,950.00)
E-73385	BANAN, ERROL P.	(4.20)
E-43095	BANTILLO, JR., ANTONIO C.	1,636.77
E-71188	BARBON, RODERICK S.	1,952.75
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E-72478	BARLOLONG, ALLAN B.	65.00
E-79936	BARRO, PATRICIO G.	189.00
E-27359	BARROQUILLO, JUNIPER A.	(5.51)
E-15067	BARROS, JERUM O.	49.87
E-47317	BARTOLO, REAGAN L.	134.40
E-43109	BASTASA, ZACARIAS P.	(19.25)
E-46647	BASTIDA, REYNALDO V.	42.90
E-40061	BATANAY, CHARLIE B.	213.25
E-71226	BATANGUE, RAMON N.	1,649.00
E-40428	BATBAT, ARIEL T.	415.58

Code	Name	As of 31-Dec-06
E-21288	BATES, RONNIE M.	153.60
E-19046	BATUTAY, ELENO R.	107.50
E-63665	BAYA, LUCIO M.	161.25
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E-44954	BAYNOSA, CHRISTOPHER V.	(130.00)
E-74837	BAYOT, NORBEERTO M.	407.56
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E-9210296	BEDRIO, SR., CESAR A.	107,141.22
E-43745	BELACHO, MARLOUN P.	(54.63)
E-79189	BELARMINO, REY V.	40.00
E-21814	BELDIA, EMELITO V.	(101.53)
E-40436	BELJEDA, DANILO D.	2,068.24
E-44237	BELLO, CELSO C.	(38.00)
E-84859	BELUAN, ROSELO D.	521.00
E-73911	BENEDICTO, JOSE PERRY V.	2,493.45
E-44563	BENORE, JOVENCIO A.	309.25
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E-91251	BERNIDO, RODRIGO M.	610.00
E-73024	BERNIDO, ROGER M.	398.40
E-45578	BERTE, OLIGARIO T.	352.80
E-43117	BERTILLO, GREGORIO A.	85,069.05
E-24902	BESANDE, SR., BONIFACIO M.	(25.00)
E-21946	BESINGA, SULPICIO L.	(749.98)
E-80853	BILOY, HILARIO S.	252.00
E-17353	BILOZA, WENNIE P.	100.00
E-41602	BINARAO, ELPIDIO M.	1,059.26
E-71277	BINONDO, DIONESIO B.	(0.20)
E-16454	BISO, EDGAR ALLAN A.	457.00
E-62944	BITOR, ROCELYN P.	(289.38)
E-23221	BONGAOS, VICTORIO T.	129.86
E-9210237	BORBON, MELCHOR D.	11,052.29
E-80098	BORRES, JOSE L.	(24.64)
E-79324	BOSTON, VERGEL E.	(500.00)
E-62634	BRABONGA, WILMER	321.80
E-03387	BRIONES, VIRGILIO S.	55.00
E-71161	BUALAN, LEOPOLDO D.	(100.00)
E-43125	BUCO, LUCRESIO B.	3,190.72
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E-43133	BULUDAN, NESTOR T.	1,111.50
E-19429	BUNDAC, JUN ALLAN D.	(371.80)
E-82570	BURGOS, ODonnell A.	7,500.00
E-64262	BURUANGA, VALLARDO I.	214.74
E-96793	CABADDU, CORAZON	(919.68)
E-06947	CABALFIN, ANTONIO S.	5,692.70
E-45934	CABALLERO, KARLO VINCI A.	150.00
E-26344	CABALLERO, RUEM G.	(89.35)
E-47627	CABANATAN, RONALD P.	254.62
E-47120	CABANERO, JERIC S.	50.00
E-71749	CABANIERO, ANTONIO R.	25.00
E-23515	CABANILLA, DESIDERIO J.	(100.00)
E-24228	CABARUAN, MACARIO T.	358.00
E-65099	CABATUAN, ERNESTO L.	19.05
E-77666	CABILITO, IAN CRIS D.	144.00
E-45152	CABIOS, RAMIL A.	78.51
E-76775	CADIGAL, BERNARD M.	(0.00)
E-81450	CADUADA, ROMY Z.	40.00
E-81094	CAGA, ROLLY BOY C.	18.87
E-44121	CAGAS, DIXIE G.	(687.96)
E-83585	CAGATA, RUBEN V.	101.34
E-21326	CAGAY, GERONIMO G.	(356.46)
E-20850	CAJOLO, SR., CORNELIO E.	1,267.60
E-20052	CALIBO, ALICIA S.	(79.00)
E-13048	CALINAWAGAN, LERIO H.	426,301.90
E-40010	CALINAWAN, NESTOR B.	1,483.29
E-51675	CALINOG, JOHNNY F.	(114.15)
E-18929	CALINOG, JR., RAYMUNDO P.	(694.61)
E-58580	CALINOG, REYNALDO E.	8,063.00
E-20923	CALINOG, RONALD E.	(62.50)
E-48119	CALINOG, RYAN S.	764.73
E-20567	CALISO, ROGELIO M.	1,358.65
E-79758	CALLAR, JR., LEOPOLDO A.	160.80
E-47635	CAMACHO, ELEAZAR L.	548.23

Code	Name	As of 31-Dec-06
E-41173	CAMACHO, RUBEN L.	63.10
E-41156	CAMACHO, SR., CHRISTOPHER A.	699.15
E-65439	CAMILO, MARJUN Q.	(300.00)
E-85677	CAMORO, WENY C.	100.00
E-80004	CANADA, NEIL B.	26.88
E-47007	CANDIA, EDGAR M.	(151.20)
E-41041	CANE, DANILO M.	(714.25)
E-41564	CANETE, DANILO G.	(19.09)
E-40193	CANETE, RONALD M.	6,243.39
E-9210241	CANJA, HERMAN P.	7,355.08
E-25569	CANONIGO, JESSIE G.	(0.00)
E-76899	CAPANGPANGAN, ERNESTO B.	100.00
E-25054	CAPILLANES, NORBERTO S.	694.93
E-40207	CAPUNIHAN, RICHARD D.	(334.50)
E-43893	CARBAJOSA, GEDION L.	(673.70)
E-47384	CARIO, JOHN GERALD L.	65.00
E-40444	CARMAN, NARCISO P.	177.59
E-24740	CARNASA, CLAUDIO M.	(26.44)
E-79448	CASABAR, JORGE S.	323.00
E-43176	CASAMA, JOEMARIE T.	(696.25)
E-22829	CASEM, DANILO O.	3,153.70
E-24082	CASERIA, EDGAR E.	(48.48)
E-46752	CASQUEJO, SR., JOE MARIE R.	27.50
E-72052	CASTILLO, JOHNARD A.	1,686.32
E-43168	CASTROVERDE, NILO M.	86.67
E-81280	CASTROVERDE, RAMIL M.	(324.55)
E-40215	CATUBIG, VENERANDO R.	416.30
E-17647	CAUNGA, JONATHAN M.	(815.00)
E-47929	CAUTIVAR, JIMWIN E.	879.65
E-22675	CAVAN, LAURO C.	317.92
E-41238	CELESTE, CHRISTOPHER I.	217.03
E-43184	CELESTINO, RENE B.	150.30
E-84638	GENITA, ALEJANDRO O.	805.00
E-86614	CERNA, JR., NARCISO H.	1,374.00
O-CTV	CESAR T. VILLANUEVA	2,204.01
E-41432	CHECA, RONEL R.	2,950.00
E-25844	CHEQUITO, JERRY V.	245.00
E-96772	CHERRY MHOANNA, MARI BALDEMOR	(12,999.60)
E-24872	CHU, LORETO V.	349.00
E-42579	CIOCON, JERRY C.	2,163.94
E-91278	CLANTINA, ABUNDIO N.	156.65
E-45373	CLARABAL, ALLAN D.	725.00
E-17531	CLATARO, FRED E.	381.63
E-47376	COMING, HOMER C.	366.76
E-78719	COMPETENTE, JERRY L.	(100.00)
E-04197	CONCEPCION, REX M.	239.69
E-91693	CONCILLADO, CORNELIO T.	12.00
E-82368	CONDE, FLORENCIO P.	28.80
E-23426	CONEJAR, JOEL P.	1,731.00
E-85103	COPANG, FRANCISCO L.	265.33
E-24392	COREA, FAUSTO L.	873.75
E-92711	CORONEL, JESUS B. JR.	1,913.75
E-43206	CORTEZ, ROMEL P.	268.34
E-43192	CRUZ, CARMELITO V.	19.00
E-83887	CUENCA, BELTRAN T.	42.19
E-72567	CULANCULAN, RICKY M.	273.00
E-12921	CUSTODIO, NAPOLEON T.	4,771.04
E-91707	DACERA, NELSON D.	1,492.38
E-72559	DADOL, JOHNNY S.	(217.20)
E-44768	DAGAR, EDGAR G.	341.00
E-26271	DAGAR, GUILLERMO G.	1,870.00
E-85197	DALIPE, GILBERTO C.	10.00
E-22233	DALIT, RICARDO L.	(333.18)
E-72079	DALUPERI, INGEL L.	729.62
E-21997	DANDAN, VIRGILIO O.	108.45
E-16179	DANGAN, BERNARDO A.	(132.50)
E-14770	DANGAN, EBENEZER E.	9,785.50
E-15857	DANTE, SEBASTIAN JR. D.	1,019.50
E-85715	DAPILAGA, DINGILL D.	189.35
E-40975	DAYANAN, NUMERIANO C.	2,835.66
E-82864	DAYAWAN, ANTONIO T.	(47.75)
E-85855	DAYON, JOEL E.	52,397.62

Code	Name	As of 31-Dec-06
E-9210092	DE ASIS, DAISELYN MA. T.	50,000.00
E-23337	DE ASIS, EDUARDO B.	(11,363.45)
E-17965	DE GUZMAN, ANTONIO F.	(120.00)
E-47651	DE GUZMAN, JR., CAMILO G.	(668.93)
E-96771	DE GUZMAN, MARIBYL	(5,068.75)
E-42110	DE GUZMAN, WARLITO G.	(1,288.65)
E-58548	DE SAN JOSE, IAN D.	2,065.81
E-46736	DE SAN JOSE, JR., OSCAR D.	2,357.91
E-25100	DE VELA, ARMANDO E.	99.88
E-14788	DE VERA, JOSE O.	(36.00)
E-52248	DE VERA, JOSEPH M.	(36.75)
E-73075	DE VERA, RONNIE C.	(7,995.00)
E-40592	DE VIEJO, GUILLER V.	59.35
E-24546	DE VIEJO, VAN V.	1,785.99
E-96773	DECLARO, REMEDIOS M.	(5,389.00)
E-75949	DEJOS, RUDINO G.	111.29
E-20311	DEL CARMEN, EDEN J.	67.20
E-23744	DEL VALLE, PERGENTINO S.	270.54
E-45055	DELA CRUZ, ALIPIO A.	36.00
E-63428	DELA CRUZ, AMATCHITO D.	20.00
E-65218	DELA CRUZ, ANTHONY T.	(2,848.69)
E-43222	DELA CRUZ, BIENE A.	(393.25)
E-46779	DELA CRUZ, CESAR S.	260.00
E-40312	DELA CRUZ, JOEL B.	2.98
E-45527	DELA CRUZ, JOSE Q.	356.25
E-24473	DELA CRUZ, JR., ANDRES A.	469.00
E-80365	DELA PEÑA, JADE T.	593.70
E-24945	DELA ROSA, JAN EDGAR G.	935.04
E-17841	DELA TORRE, CEZAR M.	300.00
E-24511	DELADA, EPIE A.	50.00
E-72656	DELGADO, JR., ARTURO B.	681.46
E-89680	DELOS REYES, JORGE T.	532.80
E-9217005	DELOS SANTOS, ANTONIO	(4,219,470.79)
E-23620	DELOS SANTOS, JR., ALBERTO T.	(460.00)
E-60542	DELOS SANTOS, MARLON C.	610.00
E-72117	DELOS SANTOS, REY D.	100.00
E-44989	DENOLAN, AGATON P.	36.00
E-79987	DEOCAMPO, JIMMY T.	64.20
E-81779	DESABELLE, FILOMINO A.	40.00
E-90980	DIACOSTA, RONALD E.	42.00
E-85375	DIAMAL, DANILO A.	610.00
E-08001	DIAZ, ANSELMO D.	(125.40)
E-89664	DIGNO, ALBERTO B.	43.92
E-57096	DIMAL, ROLDAN M.	610.00
E-06009	DIMALALUAN, HERMINIO A.	1,155.39
E-61522	DIMALALUAN, JR., HERMINIO M.	(100.00)
E-42730	DIOLA, DANIEL R.	266.67
E-27154	DIOSO, SAMSON E.	107.50
E-45667	DIWATIN, VIRGILIO A.	(20.90)
E-15040	DIZON, LORENZO L.	3,498.31
E-53503	DOCTOR, SR., REYNALDO E.	1,593.36
E-43966	DOMINGO, DANILO E.	419.25
E-19097	DOMINGO, DORY M.	1,242.28
E-63541	DOMINGO, FREDDIE M.	3,478.62
E-96803	DOMINGO, MANUEL	7,506.90
E-40894	DOMINGO, PURITA G.	(110.75)
E-60828	DOMINGO, RANDY D.	(12.88)
E-40363	DONAIRE, NICOLAS G.	636.27
E-72265	DOYO, JR., CORNELIO B.	100.00
E-85227	DRAPIZA, JOEL R.	218.40
E-12912	DROWA, JOSE T.	(1,239.42)
E-27030	DROWA, RODOLFO T.	(236.90)
E-59579	DUATIN, GUILLERMO F.	(0.00)
E-17612	DULAY, TEODORO D.	(238.92)
E-40614	DULLESKO, GERRY D.	2,088.37
E-48054	DURAN, JR., DIOSCORO A.	36.12
E-22195	EBALLE, SR., WILLITO D.	971.63
E-78824	ECUACION, ALLAN O.	60.00
E-89915	EGAÑA, JESSE C.	2,649.92
E-20893	EGENIAS, DENNIS T.	(194.20)
E-90875	EGINA, FAMILA V.	(2,999.26)
E-03549	EGINA, TANNY M.	(255.00)

Code	Name	As of 31-Dec-06
E-01511	ELISAN, EDDIE V.	(80.10)
E-15911	ELLA, JUANITO D.	(50.00)
E-65560	ELLA, JUCRIS NOEL B.	(23,340.00)
E-75698	EMOY, JUN JUN A.	180.77
E-46183	EMPALMADO, ELMER S.	180.61
E-91588	EMPUERTO, FERDINAND E.	19.20
E-79642	ENDONILA, ROMER M.	(1,082.00)
E-77399	ENOHADA, RANDY B.	1,630.40
E-08869	ENRIQUEZ, RENATO V.	100.00
E-80861	EPARUA, ERIC B.	195.00
E-51632	EQUIZA, TESIO A.	11.30
E-9213341	ERAMES, SHARADE J.	(3,988.11)
E-79529	ERODIAS, ANTHONY POE M.	613.90
E-19526	ERODIAS, C. JECHRIST M.	(38.66)
E-46531	ERODIAS, DECHINYL M.	510.05
E-58319	ERODIAS, ERNIE A.	431.20
E-41874	ERODIAS, IRENEO P.	(12.50)
E-14478	ERODIAS, ZALDE D.	(282.50)
E-80314	ERQUITA, RAUL B.	2,290.00
E-40908	ESCALONA, EDWARD Q.	277.11
E-47724	ESCANER, HILZEBER A.	(15.00)
E-21563	ESCARPE, NAPOLEON M.	37,702.38
E-40460	ESCASINAS, ROGELIO F.	690.86
E-04162	ESCONDO, NOEL S.	520.00
E-26549	ESCUETA, RENATO B.	64.66
E-63533	ESCULTOR, ISAGANI M.	431.20
E-04138	ESCULTOR, JESSIE L.	(5.80)
E-60054	ESCULTOR, JONARD F.	(36.00)
E-40096	ESLAVA, EUGENE D.	21,337.18
E-40347	ESLAVA, JR., ANSELMO D.	602.75
E-47783	ESPIGAR, RODAH E.	642.10
E-72958	ESPINOSA, FELIXBERTO A.	50.42
E-43826	ESPOSO, REY B.	230.00
E-12858	ESTELLENA, PEMPEO P.	(65.00)
E-22594	ESTRABELA, EVELYN E.	(25,000.00)
E-42722	ESTRIBO, REYNALDO C.	(70.42)
E-43885	EULOGIO, HIGIN P.	229.00
E-00043	EVIOTA, SALVADOR A.	(690.36)
E-45098	FABILA, RIZALLY A.	45.26
E-73903	FAREN, JOEL D.	132.50
E-79057	FARNACIO, RONNIE F.	165.00
E-44458	FEBRE, ROLAND F.	4,860.00
E-77526	FERIOL, GERRY R.	100.00
E-00876	FERMINDOZA, ROMULO N.	(21.24)
E-45535	FERNANDEZ, EDDIE M.	50.00
E-53295	FERNANDEZ, MARIO S.	(135.99)
E-20362	FERNANDEZ, RICHARD C.	(159.48)
E-03484	FETALVERO, RUBEN G.	1,623.87
E-04979	FIGUEROA, NELSON Y.	100.00
E-73067	FILARMEO, MELFRED L.	319.90
E-23434	FLORES, ROMIL S.	(459.20)
E-85812	FLORES, SR., EDUARDO M.	325.70
E-47538	FONTE, ARTHUR R.	110.40
E-14397	FORTUNO, ROMEO D.	(12.50)
E-89788	FRANCISCO, ANTONIO C. JR.	4,285.82
E-07927	FRANCISCO, EMMANUEL E.	2,610.27
E-45470	FRANCISCO, ESTELITO P.	138.79
E-60933	FRANCISCO, MERLO B.	115.00
E-58564	FRAYNA, DOMINGO A.	1,041.20
E-18414	FRESNIDO, JR., JOSE B.	41.25
E-09890	FUENTES, ELENA M.	36.25
E-60593	FUENTES, NORMAN G.	(498.77)
E-64726	GABE, JONATHAN C.	65.00
E-63436	GABINETE, JUNE-JUNE G.	(41.00)
E-41246	GABLINES, VICTOR C.	(100.00)
E-45071	GAJELLOMA, SEVERINO E.	359.41
E-21202	GAJO, ROGIE M.	(1,011.95)
E-10138	GALANZA, NENITA D.	488.02
E-46493	GALLANO, REYLEN S.	260.00
E-46329	GALOPE, EVE CER H.	315.62
E-22659	GAMBI, BERNARDINO T.	(1,619.50)
E-51470	GANO, VANLY C.	1.00

Code	Name	As of 31-Dec-06
E-17973	GARBO, ROMEL L.	3,536.00
E-43990	GARCIA, BERNARD F.	(235.67)
E-43249	GARDOSE, SR., ROMULO C.	(8,043.88)
E-46337	GARIN, FIDELITO A.	1,399.58
E-15156	GARRIDO, ERMIN M.	(528.21)
E-07366	GARROTE, IRENIETO C.	4,000.00
E-27391	GASKELL, J E DENZIL L.	378.00
E-43257	GASPAR, FORTUNATO S.	2,883.12
E-41084	GATDULA, ARSENIO S.	0.40
E-84816	GATERA, JERSON P.	100.00
E-22934	GAVIOLA, WILLIE A.	(600.00)
E-85464	GAYOMALI, EDGAR R.	14,005.40
E-08389	GAYONDATO, EDNA A.	305,117.09
E-62065	GELLE, JUVETTE M.	136.00
E-19291	GENEBLAZA, JOHN RODNEY L.	73.00
E-22241	GENELASO, RONALD M.	1,180.09
E-77801	GENERALE, JOEL D.	72.72
E-71625	GENON, ROGER C.	20.00
E-21342	GERAGO, CLEMENTE M.	(11.75)
E-42544	GEROCHE, CLAUDIO B.	266.67
E-17507	GEROCHI, ZEPHELINA S.	162.50
E-23841	GERVACIO, SR., ROLAND L.	2,302.59
E-71323	GILSANA, DENNIS L.	20.00
E-47600	GIRAO, GERONIMO M.	(0.00)
E-40622	GLINOGO, ROMULO M.	602.80
V-000169	GLOBE TELECOM	128.32
E-26050	GOC-ONG, ROMEO L.	495.00
E-40479	GODMALIN, FLORIANO V.	774.10
E-921-3899	GOMEZ, ALFRED C.	(10,985.70)
E-00426	GOMEZ, CRISANTO G.	(757.80)
E-46396	GONZAGA, JOSEP D.	136.00
E-90204	GONZALES, JOHN VER A.	45,754.41
E-46280	GONZALES, LEO E.	57.60
E-74047	GONZALES, RENE C.	9,874.12
E-46299	GORANTES, JOHN C.	695.65
E-44350	GORDON, JIMMY T.	(41.60)
E-52612	GOZAR, REYNOSO E.	(550.00)
E-79103	GUEMO, ANGEL M.	453.60
E-49786	GUERRERO, NORBETO S.	211.00
E-41610	GUETA, NERI H.	(161.00)
E-84794	GUINIT, FERNANDO D.	52.25
E-84840	GUINSISANA, JACKSON B.	500.00
E-19917	GUION, FENTON H.	(244.50)
E-05894	GUMBAN, ABRAHAM G.	(179.76)
E-82635	GUNSI, DANIEL M.	200.00
E-24155	GURTONES, EDWIN L.	(47.40)
E-24430	GUTIERREZ, JOELIBERT	342.12
E-45810	GUTIERREZ, JURRY F.	(291.23)
E-80160	HAMOY, JR., AUBERTO ANDRES D.	321.76
E-43281	HAMPAC, CASIMIRO C.	(379.00)
E-73148	HARINA, CANDELARIO L.	283.15
E-0096374	HILARIO, CATHERINE	28,147.26
E-64882	HILONGOS, JESSON O.	15,975.40
E-41947	HILONGOS, JOSIE T.	418.79
E-46884	HONCULADA, CHONA B.	(100.00)
E-26484	HONDANTE, ANTIPAS P.	(149.94)
E-51853	HUELAR, GERARDO SR. H.	996.13
E-22497	IBEOS, ROMEO S.	6,108.25
E-44342	IMAN, REYNANTE N.	(0.35)
E-25089	IMPERIAL, JOSE B.	275.00
E-86789	INDANGAN, MARIO B.	270.00
E-72893	INDANGAN, SAMUEL B.	73.45
E-19321	INOPIA, ROLANDO SR. B.	(884.86)
E-46922	IRANGAN, RONNIE B.	100.68
E-11991	JABINES, LORENZO A.	(566.85)
E-9212752	JACOB, LORENA	2,757.84
E-14851	JADORMIO, ARNEL T.	3,524.68
E-43583	JAICTIN, RUDY M.	1,180.66
E-18902	JALIQUE, JERRY T.	217.79
E-81574	JAMISON, RUBEN G.	(13.42)
E-24368	JAO, RUEL F.	426.46
E-62332	JARANILLA, JAY R.	(68.00)

Code	Name	As of 31-Dec-06
E-41637	JAVAR, ROBERTO D.	357.15
E-62235	JAVIER III, CONRADO A.	(839.99)
E-50539	JAVIER, ARNOLD S.	(155.00)
E-21539	JAVIER, CHRISTOPHER A.	1,021.88
E-62316	JAVIER, EMMA M.	0.45
E-02330	JAVIER, ROLAND S.	1,130.95
E-9210261	JAYME JR, JIM B.	(0.00)
E-24627	JAYSON, JOSE P.	495.00
E-80934	JIMENEZ, HERCULEAN S.	138.43
E-24422	JINON, RICHARD S.	102.62
E-40819	JOCSON, CEFERINO T.	(47.75)
E-20036	JONIEGA, JR., J. PERCHING M.	160.00
E-22144	JUAREZ, WENEFREDO D.	148.74
E-49379	JUBILADO, GILVEN Y.	132.95
E-25240	JUBILADO, JOSELITO C.	0.19
E-40118	JUNASA, ELIZALDE A.	3,113.22
E-85588	JUNASA, PABLITO A.	(2,440.15)
E-14940	JUNGCO, NONY T.	(22,256.95)
E-89990	JUNTILLA, JIMMY S.	43.20
E-19550	KAYAN, JAMES N.	32,301.63
E-40711	KIGOD, RAYMUNDO P.	(3,491.75)
E-46191	LABAJO, ROMEO Z.	(3,500.16)
E-44016	LABAJO, RUEL G.	1,945.65
E-64580	LABIANO, ALFREDO A.	44.35
E-71331	LABIAO, JR. ERNESTO J.	(20.00)
E-79774	LABIAO, ROBINSON E.	194.40
E-63711	LABIGAN, ROMEO A.	131.10
E-47813	LABOR, ELIAS B.	37.45
E-73792	LABRADA, AMID H.	85.85
E-73199	LABRADA, CRIS H.	(1,325.00)
E-70718	LABRADOR, DANTE B.	243.50
E-74314	LABUAN, JAIME E.	100.00
E-15342	LACANG, LORIE B.	24,784.65
E-18996	LACANG, RAUL B.	227.81
E-43311	LACBAYO, WILFREDO C.	225,851.59
E-15539	LACSON, ROGER M.	(76.90)
E-41262	LAMACLAMAC, JR., CESAR P.	100.00
E-43303	LAMACLAMAC, PETER J.	53.00
E-44482	LAMDAG, ALEXANDER C.	60.40
E-44652	LAMOR, DANNY P.	77.54
E-80128	LANGAHID, KIM V.	423.58
E-41122	LANTACA, JR., VICENTE T.	(6,433.94)
E-47740	LARAZI, CALIX L.	(43.00)
E-42838	LARAZI, FELIX L.	1,311.50
E-92096	LARIOSIA, ARTHUR L.	1,654.00
E-80209	LARIOSIA, LUISITO	2,082.00
E-08559	LAS PINAS, ALEJANDRO T.	(7.50)
E-73466	LASMARIAS, MARIE JANE C.	137.00
E-20591	LATON, RONI L.	938.55
E-45454	LAULONG, OSCAR E.	835.40
E-41475	LAURENTE, ALEJANDRO A.	1,056.17
E-73180	LAURENTE, EMMANUEL M.	2,294.25
E-19143	LAVARIAS, ISAIAS P.	271.50
E-12629	LAZARTE, RENE J.	(84.70)
E-86037	LEE, ROMEO S.	(5.85)
E-71218	LEGIS, BOBBY D.	80.00
E-22446	LEONG, CHARLIE G.	(382.45)
E-24635	LEPANIA, VICENTE G.	(219.53)
E-40282	LEQUIGAN, MARCELO Z.	235.22
E-42897	LERIO, ILDEFONSO S.	725.87
E-72311	LIBOON, NORMAN E.	118.00
E-44431	LICUANAN, DHONA L.	3,377.19
E-20982	LIDRES, ARTURO A.	(51.52)
E-41114	LILIA, NESTOR	(130.00)
E-24007	LIM, ABNER J.	357.03
E-44695	LIM, JR., ABRAHAM J.	177.40
E-23140	LIM, MITCHEL F.	108.79
E-82538	LIMBAGA, JR. BENJAMIN A.	40.00
E-44075	LIMOS, JOSE JONATHAN O.	233.75
E-20087	LIMOS, JOSEPH LOU O.	74.80
E-40126	LINDO, NILO C.	586.19
E-75914	LINGANAY, PATERNO P.	(0.00)

Code	Name	As of 31-Dec-06
E-89524	LITAO, RYAN V.	354.07
E-71544	LIZA, TEDDY C.	(57.60)
E-42889	LLOREN, VIRGILIO F.	(49.60)
E-44423	LOMBOY, SENEN B.	154.55
E-94927	LOMBRIO, ARIEL R.	2,096.62
E-47260	LONGAKIT, ERWIN M.	194.38
E-21938	LONGAKIT, SULPECIO M.	275.18
E-77410	LONGAQUIT, ELMER M.	72.00
E-96795	LONGARA, ROMEO	(372.45)
E-61409	LOPEZ, ALWEN A.	188.40
E-45950	LOPEZ, JOEL P.	(111.17)
E-83895	LOPEZ, SHERYL G.	6,151.56
E-45446	LOQUILLANO, MARIO A.	449.75
E-45357	LOZADA, CRISANTO Q.	3,597.37
E-49360	LOZADA, RUBEN P.	7,664.00
E-06998	LOZANO SR., ANTONIO B.	421.00
E-63673	LU-AB, LEOPOLDO R.	810.00
E-40630	LUAYON, JR., DIOSDADO A.	1,186.00
E-42811	LUBATON, JULITO B.	(663.55)
E-63312	LUCENA, CROUMWELL A.	50.40
E-18635	LUCENA, ORLANDO G.	65.50
E-23612	LUCES, ADOR C.	(230.00)
E-72133	LUCES, DIONELO D.	(230.00)
E-44377	LUCES, EDGAR C.	(85.00)
E-89257	LUCES, JOB A.	1,721.28
E-74039	LUCES, ORLANDO C.	100.00
E-87912	LUGAO, DENNIS	100.00
E-41076	LUMACTOD, EPEFANIO D.	0.01
E-83062	LUMANGLAS, JOEL M.	(5,000.00)
E-45926	LUMANTAS, JR., ERIBERTO P.	10.00
E-81310	LUSADIO, BENJIE P.	200.00
E-11819	MA. COLL, GERONIMO III B.	(0.45)
E-44059	MAATA, JR., ALFREDO C.	106.79
E-40037	MABAIT, REYNALDO E.	364.00
E-91197	MABUHAY, MARIO A.	500.00
E-62731	MACABALES, JOFREY P.	100.00
E-42420	MACABAYAW, TALIO U.	238.50
E-73490	MACARAAN, GLICERIA D.	3,683.43
E-47759	MACARAAN, REDEMPTOR D.	17,000.00
E-19666	MACLI-ING, JR., LETO T.	(972.98)
E-63266	MADARCOS, CHITO E.	448.80
E-52515	MADRAGO, CELSO A.	(50.00)
E-82058	MAGATAO, JOSE E.	43.20
E-20222	MAGBANUA, GERRY D.	132.50
E-64750	MAGBANUA, JR., ENETITO T.	(100.00)
E-52582	MAGBANUA, SR., ENETITO A.	244.40
E-41351	MAGBULOGTONG, JUNIOLITO A.	345.00
E-42234	MAGDAYO, DONALD E.	1,679.56
E-41939	MAGLANGIT, VICTOR C.	71.51
E-78239	MAGLASANG, GREGORIO T.	335.25
E-45063	MAGLASANG, RENE A.	1,535.59
E-21903	MAGLASANG, VICTOR M.	(529.62)
E-26948	MAGLUNOB, REYNALDO SR. M.	(202.50)
E-09547	MAGNO, JR., PROYECTO R.	56.75
E-18031	MAGSAYO, LEONARDO M.	1,353.10
E-15512	MAGTIZA, RENATO E.	(156.10)
E-27367	MAHINAY, ROGELIO D.	(4,089.14)
E-17256	MALLORCA, EFREN L.	(1,233.00)
E-08541	MALUTAO, ANACLETO D.	1,640.50
E-57665	MALUTAO, JR., AMADO R.	(133.00)
E-00795	MANAT, ARNOLD S.	2,099.00
E-73296	MANDANAS, ROSAURO GLENN B.	50.00
E-40991	MANERO, HERNANI D.	26.50
E-44814	MANGANA, JADE A.	631.27
E-91456	MANGUBAT, FLORDELINO D.	2,768.07
E-22640	MANGUBAT, ROGER S.	18.13
E-46345	MANTALABA, EDWIN B.	(50.00)
E-43354	MANTE, RENE B.	273.75
E-43907	MAQUILING, MARIO Y.	36.00
E-40649	MARATAS, SABINIANO L.	(31.25)
E-01-019	MARCOS ESMOLO	286,886.12
E-19089	MARGEN, JR., RODOLFO I.	(444.93)

Code	Name	As of 31-Dec-06
E-43869	MARGIN, JOEL E.	1,864.00
E-42803	MARIBONG, ALBERTO C.	30,250.08
E-42005	MARTINEZ, ALFREDO C.	156.95
E-71897	MARTINEZ, DANTE O.	233.00
E-62049	MARTINEZ, FREDDIE O.	568.98
E-65269	MARTINEZ, JEFFRIE O.	681.46
E-96802	MARTINEZ, TERESITA	(4,794.12)
E-50970	MATEO, ERNIE M.	108.00
E-08265	MATIAS, CALIXTO R.	(352.50)
E-72907	MATOS, JUNJIE S.	164.00
E-41858	MAUNES, DIOSCORO M.	390.00
E-21954	MAYANG, EDGAR M.	1,537.61
E-44539	MAYORDOMO, NOEL T.	198.00
E-41289	MEJARES, FRANCISCO S.	(3,435.00)
E-21547	MEJICO, RUEL R.	(795.33)
E-85804	MENDEZA, NOEL S.	50.00
E-46442	MENDEZA, SALVADOR S.	616.30
E-42366	MENDEZA, SAMSON S.	(111.60)
E-48038	MENDOZA, DANTE T.	(50.00)
E-42617	MENDOZA, JR., ARMANDO E.	520.00
E-43370	MENOR, ENRICO T.	(511.25)
E-44040	MIERGO, ROGELIO O.	85.60
E-24406	MIGUEL, ALEX I.	1,550.33
E-24953	MINDO, ZOSIMO C.	359.96
E-40487	MIRANDA, DANILO G.	0.00
E-58262	MIRASOL, MANUEL C.	683.20
E-9209417	MISOLA, MANUEL	23,995.91
E-27057	MISUELA, HERMINIO JR. D.	100.00
E-91014	MOGOTE, ELY M.	273.00
E-88374	MOGOTE, IGNACIO M.	30.00
E-22470	MOGOTE, JOSEPH M.	3,495.60
E-85235	MOGOTE, ROY M.	18.72
E-41378	MOHAMETANO, GERONIMO L.	1,000.00
E-84832	MOLDE, PABLITO M.	100.00
E-15504	MOLDON, CANDELARIA T.	9,820.69
E-07331	MOLINA, RODANTE Q.	(91.38)
E-80810	MOLINO, JUNDY V.	50.00
E-62855	MONCANO, MARGIE S.	2,945.90
E-42358	MONCANO, MELCHOR A.	266.00
E-23450	MONDAY, DANILO L.	24.07
E-26115	MONDERO, GREGORIO A.	(48.00)
E-81485	MONDING, BETHUEL M.	1,188.00
E-40746	MONTE DE RAMOS, EGLARY A.	115.00
E-47341	MONTEDERAMOS, RICKY M.	10.00
E-45209	MOPIA, JOEY U.	513.27
E-25909	MOPIA, JOVEN D.	628.68
E-74276	MORALES, JONIFER G.	40.00
E-81086	MORANO, JOEJIE M.	637.19
E-26069	MORDENO, RAMIL P.	(823.75)
E-23574	MOSQUERA, MARCELO J.	600.00
E-47147	MOSURA, LIMUEL B.	(840.40)
E-79596	MOVIDA, JR., BERNARDINO M.	1,577.19
E-91510	MUNDING, ASER M.	610.00
E-20885	NABIONG, ERNESTO P.	318.02
E-44393	NACUA, ELIVER J.	73.53
E-90050	NADERA, EDWIN S.	740.20
E-19836	NARCISO, JORGE M.	610.00
E-05371	NATIVIDAD, LORETO D.	(571.65)
E-52256	NEPOMUCENO, GILBERTO C.	(159.20)
E-64289	NEPOMUCENO, RUFO C.	159.20
E-89699	NGALOT, FELIX G.	931.20
E-43400	NGOJO, TEODORO G.	(0.20)
E-03514	NICOLAS, ROSALINA A.	14,856.62
E-65196	NOGARISA, WILLY L.	453.00
E-43397	NOGARIZA, JR., WILLIAM L.	84.80
E-24325	NOGARIZA, WILLIAM O.	422.59
E-47252	NORELLA, JR., JOSE A.	384.35
E-42307	NOVAL, RICO D.	(2,074.22)
E-49999	NOVILLAS, NORBERTO R.	(481.00)
E-23760	NUEVA, JOHN J.	(19.99)
E-46620	OBEREZ, TEMOTEO A.	1,160.43
E-44164	OBLIGADO, GILBERT C.	(720.00)

Code	Name	As of 31-Dec-06
E-17795	OCEJA, EDMUNDO S.	(43.43)
E-41971	OGAO-OGAO, NICANOR B.	708.70
E-21571	OJERA, CYRIL V.	1,540.61
E-78096	OLAC, MARY JEZETTE S.	48.00
E-88358	OLARTE, ISRAEL	431.20
E-20915	OLAYVAR, PEDRO C.	300.00
E-82198	OLID, JONIE M.	2,717.35
E-83070	OLIVEROS, HECTOR L.	27,734.77
E-24023	OLIVEROS, HENRY L.	2,477.70
E-40002	OLIVEROS, JR., HERNANE L.	(949.72)
E-85006	OLJOL, WALTER H.	65.00
E-41069	OLLOSA, JOEMARI O.	431.20
E-47090	OMAC, ARNULD M.	1,650.14
E-52116	OMAN, JESSIE D.	(281.25)
E-40495	ONATE, JOSE C.	4,383.41
E-40509	ONATE, NICOLAS C.	534.77
E-48062	ONTOLAN, RODRIGO Q.	(1.31)
E-23825	ORBINO, ALLEN A.	1,394.55
E-90085	ORFANEL, ALEX G.	31.20
E-43834	OROZCO, JR., APARICIO P.	358.56
E-46108	ORTALIZ, RONNIE J.	50.00
E-40517	ORTIZ, ALFREDO E.	25.00
E-24570	ORTIZ, FELIPE B.	145.00
E-62197	ORTIZ, RUBENCIO P.	19,533.87
E-43427	OSORIO, JOEL G.	141.16
E-40304	OSORIO, JUANITO T.	(39.63)
E-25119	PACAYRA, NICOLAS C.	694.93
E-72818	PADOHINOG, RODRIGO M.	100.00
E-24287	PAGUIRIGAN, FAUSTINO A.	390.00
E-90565	PAGULAYAN, ENDALYN D.	2,904.50
E-51055	PALMA, FEDERICO M.	(137.26)
E-26476	PAMAN, JOEL C.	281.74
E-20869	PAMOTILLO, HENRY C.	649.85
E-46698	PANDO, JOSEPHUS S.	24.00
E-25402	PANES, JIMMY B.	335.01
E-80292	PANES, JR., RICAREDO B.	88.80
E-63975	PANGAN, JR., JOSE R.	25.00
E-23647	PANGANIBAN, NECTOR E.	(60.00)
E-80047	PANOSO, MAXIMO C.	(37.02)
E-23523	PANSACALA, ANTONIO S.	322.30
E-80586	PAO, RONALD A.	331.20
E-80233	PARADILLA, JULIO B.	124.40
E-40657	PARAGOSO, CARLITO R.	210.18
E-65382	PARCIA, JHONATHAN O.	(7,882.95)
E-40258	PARCIA, JR., JUSTO B.	16.40
E-64653	PARCIA, ROBERT JHUN L.	426.60
E-19038	PARCON, ERNESTO JR. T.	(36.90)
E-89923	PARDILLO, NICOLAS O.	689.20
E-26247	PARNONCILLON, JOEL D.	300.00
E-40525	PARRENO, FRANCISCO B.	42.50
E-9209433	PASCUAL, BERNARDO M.	(21,366.08)
E-42242	PASTERA, ROLANDO E.	4,655.75
E-90972	PATCHO, NARCISO G.	610.00
E-84883	PATINGAN, NORBERTO G.	320.14
E-42935	PATINO, REYNALDO M.	(5,000.00)
E-70033	PAUYON, SAMUEL R.	515.00
E-77933	PAYPON, JUBEN T.	60.00
E-14133	PAZ, CRISTOBAL M.	11,701.00
E-47562	PEDRAYA, FREDE P.	(334.90)
E-91146	PEDRES, RODOLFO T. JR	431.20
E-85022	PENETRANTE, FERNANDO V.	48.37
E-85324	PENOLA, NOEL G.	294.40
E-71390	PEREZ, JULIUS R.	1,455.00
E-88064	PEREZ, RONELIO	50.00
E-84646	PERREN, JR., ADELARDO T.	199.00
E-92746	PETAGRA, PATERNO T.	40.00
V-000312	PHIL. LONG DISTANCE TELEPHONE	1,091.97
E-00434	PILON, ENRICO A.	(3,130.00)
E-22489	PILONGO, RICO L.	171.48
E-22888	PINONGPONG, MARCELO A.	413.91
E-25135	PINTO, PRISCO T.	(2,381.85)
E-15296	PIONELO, ANTONIO B.	4,282.40

Code	Name	As of 31-Dec-06
E-86584	PITOGO, RENATO B.	5,894.31
E-61999	PLACIDO, ALFIE F.	(133.00)
E-75136	PLANCA, JAN RIEL L.	96.00
E-41157	PLANCA, ROMEO A.	687.67
E-81035	PLAZA, JR, MANUEL D.	3,548.31
E-76783	PLAZA, WILSON S.	100.00
E-44601	POLICARPIO, CHITO C.	574.00
E-01228	POLO, JOHNNY U.	107.50
E-45845	PONCE, BRIAN E.	557.65
E-44474	PONGCOL, RUCHIL M.	(5.00)
E-71684	PONIO, EFREN L.	36.01
E-23418	PORRAS, LEOVIGILDO A.	294.17
E-24201	PORRAS, LUCIANITO A.	447.13
E-42404	POSAS, JR., FRANCISCO N.	124.40
E-42277	POTAYRE, EDUARDO T.	1,476.00
E-23787	PRAGAT, ARCADIO B.	499.67
E-42315	PRESENTE, REMEGIO A.	727.50
E-40932	PUCOT, HELARIO E.	(500.00)
E-45179	QUIAMBAO, DEXTER Q.	(0.30)
E-46353	QUIDET, HERMIE T.	(32.40)
E-21849	QUINONES, JEREMIAS T.	(91.92)
E-45276	QUINSAY, SHERLITO R.	156.90
E-41742	QUIROGA, JR., GENARO G.	218.79
E-78697	QUISIDO, SHAUN IAN M.	0.02
E-42927	RABUYA, LEANDER R.	103.15
E-76856	RACHO, RICKY L.	165.00
E-85731	RAGO, ROMMEL M.	78.25
E-45187	RAMIREZ, RODEN L.	521.76
E-45853	RAMONAL, DAVIN MAR P.	(200.00)
E-6932142	RAMOS, MA. REBECCA T.	(150.00)
E-22225	RANA, HELCONIDO L.	127.50
E-21059	RANIN, RAYMUNDO G.	(8.26)
E-17132	RAYA, NOMATA A.	2,084.00
E-19062	RAYA, RANDY A.	(234.75)
E-23698	REASOL, SR., VIRGELIO B.	(1,852.72)
E-71420	REBUSTES, WILBERT M.	125.52
E-62448	REBUYAS, JONATHAN S.	104.14
E-11223	REDOBLADO, JR., ROMULO R.	1,758.04
E-19216	REDOBLADO, REY R.	989.10
E-24503	REDOBLE, HIPOLITO A.	0.88
E-84557	REMEGIO, RICO D.	(2,935.00)
E-20249	RENDAJE, CHARLITO P.	(250.00)
E-19151	RENDON, CYRIL T.	276.00
E-94374	REPOLLO, ROMMEL A.	500.00
E-87076	REQUIZO, IAN M.	24.00
E-47694	REROMA, ANSELMO D.	5,143.66
E-41491	RESERONI, EDGAR M.	1,271.42
E-82503	RESERONI, EDWIN M.	(1,304.00)
E-26077	RESPECIA, ARNEL C.	1,723.79
E-89850	RESTAURO, CARMELITO B.	788.73
E-24252	REYES, RICKY R.	199.93
E-74438	REYES, RUEL A.	251.25
E-64858	RICA, JOSE DARREL Q.	36.00
E-26107	RICA, WILFREDO R.	(93.00)
E-25097	RICARIO, ROBERTO C.	394.93
E-01015	RIVERO, GERONIMO R.	714.00
E-22705	ROBLE, SR, ALBERTO M.	(1,065.04)
E-51152	ROCA, ARYEL D.	1,175.37
E-88889	RODELAS, BARBIE M.	946.40
E-13901	ROMERO, EDGARDO V.	135.00
E-23736	RONDAEL, JR., NOEL P.	2,299.00
E-42463	RONQUILLO, JR., ANTONIO D.	(3,640.50)
E-70122	ROQUE, RODOLFO U.	3,509.63
E-40673	ROSALEJOS, JR., SOFRONIO N.	225.00
E-21490	ROSETE, WILBERTO J.	2,656.06
E-43680	ROSITE, REYNEL C.	26.17
E-77941	RUAYA, AGUSTIN G.	365.05
E-79804	RUAYA, ALBERTO P.	62.65
E-24880	RUAYA, DOMINGO P.	1,035.23
E-47902	RUBIATO, LODEGARIO T.	212.50
E-47546	RUBIO, ROLAN C.	172.00
E-47112	RUBION, CHARLIE S.	101.41

Code	Name	As of 31-Dec-06
E-81760	RUIZ, RODULFO S.	(6,019.50)
E-16462	SABERON, EDILBERTO T.	(212.50)
E-72869	SABROSO, JODYBON E.	535.00
E-03352	SADURAL, JR., MAXIMO V.	77,116.50
E-65412	SADURAL, MICHAEL C.	(0.00)
E-26409	SAGAYNO, ALEX P.	560.13
E-46205	SAGUBAN, NESTOR R.	1,372.70
E-80071	SAJULGA, ROGER L.	(24.64)
E-26611	SALARDA, ELVIO S.	7,063.95
E-40266	SALAVARIA, BRUNO C.	(10,678.15)
E-19364	SALAVER, ANTHONY S.	560.00
E-81523	SALCEDO, EDGAR V.	180.00
E-85359	SALDON, RONIE O.	20.00
E-19208	SALDUA, NOEL I.	(6,990.00)
E-76023	SALGAN, SEMIE L.	1,996.88
E-77402	SALUBA, JOHNNY T.	1,315.40
E-78700	SALUDES, JOSELITO B.	(100.00)
E-62847	SALUDES, MARY LUZ C.	137.40
E-23477	SALVADOR, CRESINTE B.	2,479.91
E-82464	SALVILLA, RENANTE	124.68
E-82465	SALVILLA, RENANTE P.	106.63
E-81442	SALVILLA, ROLAN P.	172.80
E-24376	SAMILLANO, JR., EULOGIO Z.	117.50
E-41416	SAMILLANO, JUNIE M.	65.30
E-47473	SAMPAY, NONIE O.	19,196.95
E-7320302	SAMSIN, MELINDA F.	1,254,324.54
E-93009	SAN JOSE, PERCIVAL A. JR.	165.00
E-62383	SAN JUAN, NOEL O.	(190.00)
E-0080128	SAN JUAN, SALVADOR	51.98
E-27308	SAN PEDRO, GEORGE G.	8,500.00
E-85472	SAN PEDRO, JAIME L.	(0.00)
E-73636	SANCHEZ, JONATHAN	318.02
E-89877	SANCHEZ, ORLANDO N.	122.40
E-42390	SANCHEZ, WILLIAM E.	929.30
E-41483	SANG-AN, PATRICIO P.	308.31
E-24856	SANOY, AMIHAN P.	179.00
E-40797	SANTANDER, JR., WENCESLAO O.	(4,643.50)
E-12696	SANTILLAN, NOLI B.	19,977.50
E-43443	SANTOME, DANNY S.	1,381.00
E-43435	SANTOS, GERONIMO G.	525.00
E-91499	SAPIGA, TERESITO M.	410.40
E-23469	SARDIDO, JR., ALFREDO G.	(27.00)
E-13196	SARDINA, FLORIBEL O.	(293.15)
E-44717	SARMIENTO, JR., FRANKLIN S.	252.44
E-10529	SAULONG, JESSICA T.	18,280.24
E-70564	SAVARE, FRANCISCO S.	(165.00)
E-49352	SAYRE, CHARLIE D.	1,085.96
E-78220	SEGOVIA, ARIEL M.	100.00
E-23442	SEGUNDO, ARCE S.	2,543.86
E-15415	SELGA, FLORANTE D.	(0.16)
E-80985	SELGA, GEORGE E.	112.80
E-47163	SELISANA, ALAN C.	93.05
E-47961	SELISANA, WILLIAM C.	55.00
E-64378	SENEPETE, ROSELLER E.	2,232.65
E-83003	SENILLO, RODELO P.	100.00
E-43451	SEPARIS, ALEX R.	265.00
E-47899	SERNANDE, MARCIAL Q.	170.40
E-25313	SERRA, ROMULO A.	(1.53)
E-71250	SETIT, ANTONIO G.	(31.25)
E-72370	SEVILLEN, REYNEN N.	(378.32)
E-40835	SEVILLEN, RODOLFO C.	233.00
E-16020	SIA, HERMINIGILDO M.	(500.01)
E-9213279	SIAPCO, MONICAR C.	368.89
E-44946	SIBLET, CLIFORD F.	(148.34)
E-17124	SILVERIO, ANECITO D.	606.79
E-0093532	SILVESTER, STEWART ALLEN	15,000.00
E-45500	SININING, SR., EDWIN M.	(10.30)
E-04588	SINO, PAQUITO N.	(97.50)
E-24031	SINONDAY, NARDO P.	57.23
E-14753	SIOCO, NORMAN B.	712.75
E-42471	SIONOMIO, PATRICIO A.	(284.59)
E-90182	SIVILLINO, NOEL G.	1,113.40

Code	Name	As of 31-Dec-06
V-000377	SMART COMMUNICATIONS, INC.	6,923.93
E-79944	SOBERANO, RONNIE R.	1,859.34
E-46892	SOBRIO, JOJO B.	20,000.00
E-17779	SOGUILON, PLARIDEL G.	1,080.55
E-85782	SOJOR, LEONARDO T.	12.00
E-43494	SOLARES, SIMPLICIO C.	32.50
E-84083	SOLAYAO, ALFREDO	(1,000.00)
E-44172	SOLIDIA, ERIC T.	36.00
E-40940	SOLIDIA, KHRISANTO B.	64.06
E-40029	SOLIDIA, SANTOS U.	(221.89)
E-72095	SOLIS, BELMOR D.	(100.00)
E-41769	SOLIS, LONNELL D.	(218.00)
E-05959	SOLOMON, GILDO P.	544.15
E-43486	SONER, FERNAN V.	358.40
E-47287	SORNITO, ANTONIO S.	455.44
E-81833	SORONGON, RODRIGO D.	165.00
E-84395	SUAN, INOCENCIO G.	165.00
E-19496	SUAREZ, SR., FRED T.	(75.01)
E-42587	SUBA-AN, JR., ALFREDO G.	749.10
E-00698	SUDARIA, DAMIAN M.	(153.88)
E-15784	SUFICIENCIA, WENCESLAO T.	3,890.25
E-12572	SUMALDE, LEONARDO D.	(127.79)
E-64955	SUPAPO, LEODY D.	(50.00)
E-72303	TABANGAY, ALI II	590.37
E-06076	TABARRA, NOEL O.	(190.76)
E-72443	TABARRA, RUNNY L.	50.00
E-59021	TABARRA, SR., ARIEL O.	(50.00)
E-20710	TABOR, JUNALINA S.	10,393.53
E-79456	TABUJARA, EDMEL T.	(3,346.50)
E-04936	TABUJARA, FRED Q.	170.00
E-41548	TACTICA, JOSIE V.	222,496.98
E-43508	TADEO, ELMER M.	110.65
E-81337	TADEO, RUBEN M.	127.20
E-14354	TAGANILE, JR., RAFAEL S.	(650.00)
E-46841	TAHADLANGIT, EDWIN T.	(132.20)
E-43516	TAHADLANGIT, ERWIN T.	(243.80)
E-76716	TALACTAC, MAYIE T.	15.50
E-81841	TALAMO, MARIANO C.	1,750.00
E-24538	TALARO, GENEROSO A.	(115.00)
E-72877	TALARO, JOEFIL L.	1,160.00
E-25372	TALEON, PRIMO G.	15,288.70
E-42021	TALURONG, ARIEL A.	30.00
E-19070	TAMAYO, TERESO D.	2,047.87
E-91162	TAMBA, LAURO L.	520.00
E-15636	TAMPUS, DANILO S.	3,037.00
E-27286	TAN, ERNESTO A.	273.40
E-45918	TAN, ERNESTO C.	(165.00)
E-72834	TANA, STEVEN S.	168.59
E-82481	TANANGONAN, ROBERTO M.	(31.25)
E-47988	TANARE, NICKIELOU B.	195.00
E-42773	TANGUMAN, ARMANDO T.	330.00
E-80101	TANTAN, ALBERTO S.	(24.61)
E-43605	TAUSA, JR., VICENTE R.	73.70
E-20281	TAYO, JE-AR V.	6,493.43
E-45160	TECSON, HERLITO A.	449.88
E-48100	TECSON, MA. ARMELA V.	(113.25)
E-89214	TEMPLA, VOLTAIRE C.	50.00
E-07161	TENERIFE, JR., WILFREDO A.	(80.00)
E-00248	TENERIFE, SR., ROLLY A.	32.50
E-20966	TERANA, ALFREDO R.	133.00
E-77739	TIGUSAN, LONCIO L.	192.00
E-47503	TOBIAS, JERRY P.	(5.70)
E-84352	TOLEDO, GLENN D.	100.00
E-45675	TOLENTINO, JOEL L.	(314.00)
E-71722	TOLENTINO, LEILA L.	2,696.76
E-25003	TOLENTINO, ROMEO L.	671.46
E-40533	TOQUERO, ROGER S.	1,290.00
E-65072	TORREMOCHA, RALLY R.	162.05
E-43524	TORREMOCHA, RENANTE R.	32.40
E-46701	TORRES, MERVIN G.	162.00
E-92649	TORRES, RAGENE R.	64.80
E-84611	TRIPOLI, ROGELIO G.	(984.15)

Code	Name	As of 31-Dec-06
E-05878	TUAGAN, JAMES C.	(196.00)
E-44024	TUAREZ, BRENDO A.	184.91
E-88382	TUGADE, SHERWIN	431.20
E-45705	TURDA, ROVIRICK A.	368.17
E-22004	TUTOR, JAIME D.	(583.56)
E-40738	UDANI, MAXIMO U.	521.88
E-45721	UGMAD, ABEL MARCEL J.	(11.81)
E-40320	ULAO, ELVIS M.	2,257.73
E-64629	UMAGAP, REYNALDO C.	2,080.00
E-40177	UMAGAP, SR., JONY C.	3,708.01
E-17345	URBINO, NOLI H.	(1,365.00)
E-96768	URIBE, CRISOSTOMO	10,800.00
E-42285	UROT, BERLINDO N.	266.00
E-78794	VALDEHUEZA, SR., FELIX L.	100.00
E-64017	VALDEMAR, ALMAR G.	4,756.43
E-25127	VALDEMAR, JOSE LEO S.	6,888.82
E-40185	VALDEVIESO, MARIO B.	95.32
E-24678	VALENCIA, JAIME S.	499.67
E-9210214	VALENZUELA, EDGARDO C.	7,740.00
E-21768	VALENZUELA, MILMAR A.	465.63
E-27219	VARGAS, ROMEO C.	(100.00)
E-16055	VASQUEZ, MARIO T.	1,354.65
E-25216	VELASCO, GIL L.	1,241.81
E-24554	VELASCO, SR., JOEL S.	431.46
E-41629	VENIDA, RALPH B.	1,176.91
E-11967	VERDEJO, REYNALDO A.	(45.33)
E-00230	VERDEJO, REYNALDO T.	(308.88)
E-19690	VICENTE, JR., ADOLFO E.	(350.00)
E-41025	VICTOR, ALVIN T.	221.52
E-24821	VICTOR, PRESERVANDO A.	696.08
E-97840	VIDAL, JR., FRANCISCO A.	623.11
E-24147	VILAS, BERNARD G.	(525.00)
E-42013	VILLABITO, DIOMEDES T.	604.50
E-44202	VILLAFLORES, MAGNO B.	(4,523.00)
E-44318	VILLALOBOS, ARMANDO M.	8,061.96
E-40541	VILLAMOR, VINANCIO C.	271.07
E-65501	VILLANUEVA, V, ANTONIO D.	5,589.58
E-79332	VILLANUEVA, ZALDY S.	2,425.87
E-92851	VILLAPAÑA, ROWELL S.	232.80
E-43559	VILLAR, EDGAR J.	2,015.00
E-46965	VILLAR, RONIE C.	1,664.20
E-61921	VILLARAM, ROY E.	136.00
E-65110	VILLAREAL, KENT T.	(14.00)
E-94641	VILLARES, MARK GIL B.	50.00
E-75418	VILLARIN, GUELMAR B.	100.00
E-40681	VILLASENOR, ROMY V.	0.08
E-82287	VILLASIS, JR., ROGELIO B.	(235.00)
E-80020	VILLEGAS, ARIEL S.	253.50
E-40843	VINEGAS, RONNIE S.	21,385.18
E-24996	VOTACION, LEOVIGILDO A.	957.50
E-9213627	YAMBOT, RAQUEL	(37,289.00)
E-91375	YBANEZ, WILLY A. JR.	672.40
E-79154	YDULZORA, JR., REMEGIO G.	16.80
E-02321	YSUG, DANILO A.	19,851.50
E-57592	YSUG, DELVIN S.	14,888.80
E-72435	YSUG, EDMUND B.	115.00
E-10731	YSUG, SR., EDDIE A.	(154.55)
E-22209	YU, CHRISTIAN S.	1,590.50
E-45322	ZABANAL, RAMON T.	477.46
E-48089	ZAPATA, LEVY A.	(945.00)
E-07803	ZAPATA, PRESBITERO M.	165.00
E-45764	ZATE, ZAIDE B.	(236.50)
O-IAC	ISIDRO A. CONSUNJI	(10,000.00)
O-JAC	JORGE A. CONSUNJI	3,246.63
O-NDD	NESTOR D. DADIVAS	442,704.33
O-VAC	VICTOR A. CONSUNJI	(20,000.00)
Grand Total		138,288.62

SEMIRARA MINING CORPORATION
DECEMBER 31, 2006

SCHEDULE E: INTANGIBLE ASSETS – OTHER ASSETS (IN PHP)

DESCRIPTION	BEGINNING BALANCE	ADDITIONS (DEDUCTIONS) TO COST	CHARGED TO COST & EXPENSES	CHARGED TO OTHER ACCOUNTS	OTHER ADDITIONS/ (DEDUCTIONS)	ENDING BALANCE
SOFTWARE – NOT INTEGRAL TO THE COMPUTER HARDWARE	1,445,336	2,814,614	-	-	-	4,259,950
LESS: ACCUM AMORT.	412,738	440,293	-	-	-	853,031
NET BOOK VALUE	1,032,598	2,374,321	-	-	-	3,406,919

SEMIRARA MINING CORPORATION
DECEMBER 31, 2006

SCHEDULE F: LONG TERM DEBT (IN PHP)

TYPE OF ISSUE AND TYPE OF OBLIGATION	AMOUNT	CURRENT PORTION	LONG TERM PORTION
BANK LOANS			
HYPO-UND VEREINSBANK	510,135,721	148,446,773	361,688,948
MIZUHO BANK	306,500,951	76,625,237	229,875,714
PCI LEASING	179,808,365	58,321,548	121,486,817
SUBTOTAL	996,445,036	283,393,558	713,051,478
ACCEPTANCES & TRUST RECEIPTS			
EQUITABLE PCI BANK	227,052,242	227,047,182	5,060
EXPORT & INDUSTRY BANK	97,626,223	97,626,223	-
RCBC	164,295,270	164,295,270	-
EAST WEST BANK	194,755,099	194,755,099	-
SUBTOTAL	683,728,834	683,723,774	5,060
NOTES PAYABLE – SUPPLIERS			
MAXIMA EQUIPMENT	6,437,950	6,437,950	-
TEREX EQUIPMENT	2,455,463	2,455,463	-
SUBTOTAL	8,893,412	8,893,412	-
TOTAL LONG TERM DEBT	1,689,067,284	976,010,745	713,056,539

SEMIRARA MINING CORPORATION
DECEMBER 31, 2006

SCHEDULE I: CAPITAL STOCK

TITLE OF ISSUE	AUTHORIZED	ISSUED & OUTSTANDING	HELD BY RELATED PARTIES	DIRECTORS, OFFICERS, EMPLOYEES	OTHERS	TOTAL
COMMON STOCK	1,000,000,000	277,572,800	161,855,660	189,440	134,829,900	296,875,000*
PREFERRED STOCK	-	-	-	-	-	-

*Total Common Stock includes 19,302,200 Treasury Shares