



**SEMIRARA  
MINING  
CORPORATION**

**Strong Core. Solid Growth**

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## ABOUT THE COVER

### Strong Core. Solid Growth

On the cover, we show a close-up of coal seen underneath the ground with water ripples forming above the core in a cylindrical shape as if emanating from the coal as a symbolic representation of the theme “Strong Core. Solid Growth”, which in effect pertains to the Company’s main core of business – coal mining. The rippling effect symbolizes the chain effect that our product generates in the Company. “Strong Core. Solid Growth” conveys the Company’s steady growth for the year 2009, as it saw both our sales and income increase, with the latter more than double compared to the previous year. Likewise, it communicates the growth of last year’s export market and gives hint to one of the major highlights of 2009, particularly, the acquisition of the Calaca Power Plants in Batangas.

“Strong Core. Solid Growth” not only suggests the Company’s focus and commitment to steer itself to a sure progressive future but more so, aptly describes the Company’s redemption as the country’s undisputed leader in the coal mining industry and thus, firmly cementing its place both locally and internationally.



## MISSION / VISION

# Coal Towards an Energy-Sufficient Philippines

In its quest to promote the use of coal as a major energy source, Semirara Mining Corporation will endeavor to be the undisputed leader in the coal mining industry in the Philippines:

- Playing a vital role in the energy sector and working in harmony with the government to promote the use of coal
- Supplying its customers with quality coal that meets their stringent specification
- Providing reasonable economic returns to its investors and business partners
- Empowering its employees to prosper in a climate of integrity and excellence
- Working in partnership with its host communities to uplift their economic and social status while engaging in the judicious use and rational conservation of the country's natural resources





# MESSAGE TO THE STOCKHOLDERS

## Over the years, the dynamism of the coal mining business has taught your Company valuable lessons on resolving each challenge that came its way.

We strived hard to enrich our knowledge and persisted in strengthening our skills in coal mining operations to be able to adapt to the changing economic tides and transform the challenges that came our way into opportunities, giving more economic and social value to the business.

As the biggest open-pit coal miner in the country, historically producing more than 90% of total local production, we are practically the coal industry in the country. Having no one to compete with in the domestic front made marketing our product easier for us. This allowed us to channel instead our efforts to production efficiency and quality control enhancement to satisfy the requirements of our customers. However, the journey was not as smooth as we wanted it to be, but the challenging journey has been rewarding despite the obstacles we met along the way. More important are the learning experiences we gained as we discovered new techniques in improving our craft.

Finally, with years of experience under our belt, we feel that we have

successfully established ourselves as dependable coal miners. We have created a strong foundation in mining operations, fully utilizing our group's core competency in engineering to bring ourselves to this level.

The year 2009 was a culmination of a decade's worth of hard work and risk taking. It also signified the start of a new era for your Company – an era of business diversification and expansion which are tangible proofs of the fruits of our hard labor and endurance.

In 2009, we set new records for your Company. We were able to ramp up our capacity to 60.29 million bank cubic meters. We sold 4.46 million metric tons of coal, 51% of which were delivered to export markets. We acquired a number of mining equipment and have expanded our logistic support facilities to accommodate our continuous expansion which cost us around P2.8 billion. Despite our huge investment to achieve all these, we were still able to pay cash dividends of P6 per share – another historical high for your Company. And to top it all, despite the huge capital investment and cash dividend



payment, your Company's financial health remained robust, enabling it to consider a promising forward integration investment opportunity into the power generation business.

Having established a strong core business in coal mining, your Company is primed to step up to the next level – to ensure a steady, sustainable, and solid growth. A significant milestone in 2009 was the acquisition of the 2 x 300



*“Your Company is primed to step up to the next level – to ensure a steady, sustainable, and solid growth”*

MW Power Plants in Calaca, Batangas, historically a major customer of Semirara coal. This logical investment is not only a forward integration strategy, but an opportunistic foray into the promising power generation business. With this venture, we have made the next step in achieving our vision of “Coal Towards an Energy-Sufficient Philippines.”

All your Company’s achievements were attained through the concerted efforts of its stakeholders. In behalf of the management and staff of Semirara Mining Corporation, I would like to convey my heartfelt gratitude to the people of Semirara Island for welcoming us to their home and partnering with us in working for a sustainable growth and development for the island; to the local governments of the Municipality of Caluya and the Province of Antique for continuously supporting our operations; and to my fellow shareholders for their unwavering trust and confidence in our Company. I look forward to more rewarding years of partnership with you.

A handwritten signature in black ink, appearing to read "David M. Consunji".

DAVID M. CONSUNJI  
Chairman of the Board

# EXECUTIVE MANAGEMENT REPORT

## Production And Operations

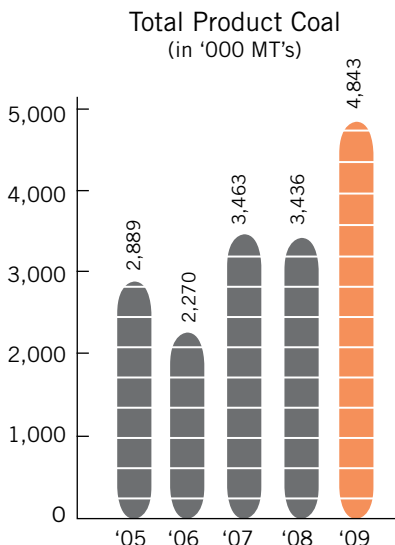
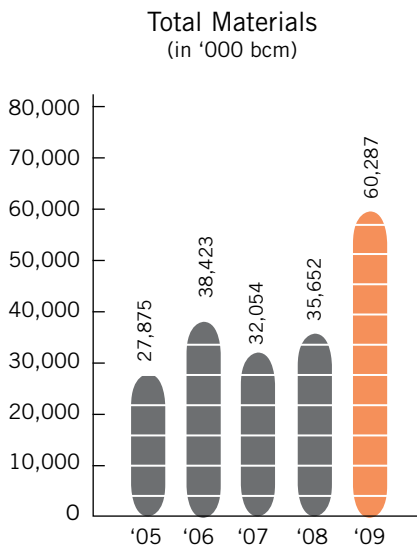
Demand for Semirara coal showed a significant increase in 2009. This rising demand prompted your Company to further augment its mining capacity and to reflect its old mining equipment to achieve high production targets to meet this increase in coal demand.

In order to match the continuous increase in demand for Semirara coal, your Company invested in additional 37 units of 100-tonner dump trucks, nine units excavators, and various support mining equipment. These raised excavation capacity by 69% with Total Material movement at 60,286,812 bank cubic meters (bcm), compared with 2008 material movement of 35,652,194 bcm. Meanwhile, waste material to coal ratio or strip ratio went up by 16% as operations

limited coal extraction to match contracted volume for deliveries. This standard operating strategy was strictly implemented to minimize coal quality dissipation due to spontaneous combustion. Coal production nevertheless posted a significant growth at 41% or 4,842,949 metric tons (MTs) from 3,436,057 MTs produced last year.

Meanwhile, the relocation and construction of a new coal washing plant further enhanced coal transporting efficiency. This cost-efficient strategy maximized transport of clean coal through the conveying system for stockpiling and blending at the coal blending stockyard. Likewise, this allowed more clean coal storage flexibility for immediate shipment.

Another cost saving initiative was the installation of an Oxy/Acetylene plant for the industrial gases



requirements of operations. Oxygen and acetylene gases for laboratory use and repair of equipment and facilities are now readily available in the island.

Last year, exploration drilling at the eastern side of the Panian Mine yielded promising results with the discovery of a significant volume of additional coal deposit. This year, more exploratory and confirmatory drilling activities were done beyond the ultimate pit limit of the current mine.





## EXECUTIVE MANAGEMENT REPORT

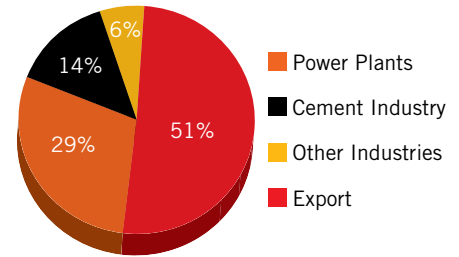
The Department of Environment and Natural Resources approved the amendment of the Company's Environmental Compliance Certificate increasing its annual coal production to 8 million MTs. Another significant development was the approval by the Department of Energy of the extension of the Coal Operating Contract until 2027. This confluence of events further encouraged the Company to enhance its exploration pursuits in Semirara Island to develop more mineable areas.

Favorable weather conditions during the year gave operations the opportunity to maximize mining activities, such that your Company was able to serve the growing demand and even posted a healthy ending inventory level of 763,577 MTs.

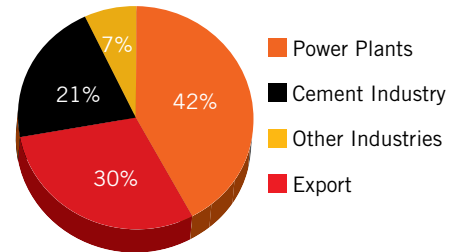
### Market

The global coal industry offers a vast potential for your Company to expand its market and grow its business. Over the years, the growing demand for coal worldwide gave your Company strong motivation to increase its capacity to create a niche in the export markets. Since it started exporting coal in 2007, export sales became the major growth driver for your Company. Additional investments for modernization of facilities and expansion of capacity demonstrated to be fruitful as your Company was able to prove its reliability as a new player in the export market. Given the vast untapped markets for coal, the challenge of your Company in 2009 evolved from establishing product acceptability to capacity expansion in order to meet increasing demand.

Market Mix 2009



Market Mix 2008



Another successful round of capacity expansion program during the year resulted to a 35% growth in sales volume from 3,313,251 MTs in 2008 to 4,464,027 MTs this year.

The slight 5% drop in local sales at 2,202,332 MTs from 2,320,502 MTs in 2008 was sufficiently compensated by export sales which more than doubled, reflecting a growth of 128% at 2,261,695 MTs from 992,749 MTs in 2008. Market share of export and local sales during the year was 51% and 49%, respectively. In 2008, export sales represented 30% of total volume sold or 22% based on peso sales as opposed to 51% and 36% in 2009, respectively. The rest represented sales to domestic market.

Sales to the Calaca power plants in Batangas recovered as it posted







a 43% growth from previous year's volume of 756,421 MTs to 1,082,094 MTs this year. However, total sales to the power industry declined by 10% from 1,453,144 MTs in 2008 to 1,301,776 MTs this year. The local power industry still accounted for a significant market share of 29%.

Similarly, sales to local cement industries showed a slight 3% drop from 2008 volume of 631,510 MTs to 615,164 MTs as few customers decreased their orders during the year. Nevertheless, your Company welcomed a positive development in 2009 when it was able to successfully secure a supply contract with a new customer who is a significant player in the cement industry. Cement plants accounted for 14% of your Company's market share.

Meanwhile, sales to other industries continued to grow during the year. A 21% increase was recorded from previous year's sales of 235,848 MTs to 285,392 MTs in 2009. Sales to other industries reflected a 6% market share.



Partnerships with new global coal traders pushed your Company's marketing efforts. With the help of these traders, your Company was able to penetrate new markets, including Thailand, Japan, and Taiwan. Meanwhile, it continued to deliver to India, China, and Hong Kong. With the expansion of its export markets, your Company's export sales had been steadily increasing over the years.

Composite FOB average price for the year remained healthy at PHP2,599.77 per MT, posting a 2% growth over last year's average price of PHP2,549.17 per MT.

## Finance

### A. Investment in Calaca, Batangas Power Plants

Historically, the 2 x 300 MW NPC-owned and operated power plants in

Calaca, Batangas (the Power Plant), has been the major customer of your Company. Before embarking on a market diversification strategy in 2000, the plants took up more than 90% of your Company's market share.

After a series of failed attempts to privatize the Power Plant, the Power Sector Assets and Liabilities Management Corporation (PSALM) conducted a negotiated bid of the Power Plant in early 2009. DMCI-HI, your Company's parent company, participated and was awarded as the winning bidder on 8 July 2009.

Under an Amendment, Accession and Assignment Agreement dated 2 December 2009 among PSALM, DMCI-HI and SEM-Calaca (a wholly-owned subsidiary of the Company), DMCI-HI, with

## EXECUTIVE MANAGEMENT REPORT

PSALM's consent, assigned its rights and obligations under the Asset Purchase Agreement (APA) and Land Lease Agreement (LLA) to SEM-Calaca. Under an Assignment Agreement dated 1 December 2009, DMCI-HI and SEM-Calaca agreed to an assignment cost of PHP54,343,156 for the APA and LLA. On 2 December 2009, SEM-Calaca paid PSALM PHP7,107,740,798 broken down as follows:

- a. PHP6.62 billion in peso equivalent using the exchange rate of PHP47.13 representing 40% down payment for US\$351.0 million purchase price of the Power Plant; and
- b. PHP0.49 billion in peso equivalent using the exchange rate of PHP47.20 representing payment for US\$10.39 million advance rental payment for the 25-year lease of the premises underlying the Power Plant and

for purchase orders for parts and services for the Power Plant.

Likewise, SEM-Calaca submitted to PSALM closing deliverables including two stand-by letters of credit representing the DP Security and the performance security on the LLA. Subsequent to the execution of the Amendment, Accession and Assignment Agreement, the control, possession, obligation to operate the Power Plant and the rights to its revenues were transferred to SEM-Calaca.

The 60% balance of the purchase price will be paid to PSALM via 14 equal semi-annual payments beginning 2 June 2010 with an interest rate of 12% per annum, compounded semi-annually. Under the APA, upon prior written notice to PSALM, and on the condition that SEM-Calaca is not in breach of any of its substantial obligations to PSALM under the

APA and LLA, SEM-Calaca may prepay any portion of the Deferred Payment any time. Subsequently, SEM-Calaca has fully settled the 40% balance of the bid cost on 5 March 2010 which was funded by a combination of internally generated cash and bridge loans availed from several banks.

The acquisition of the Power Plant is a strategic move on the part of your Company to allow forward integration of its core business and secure its market share in the power industry. The investment posts rewarding opportunities because as a stand-alone investment, it is expected to provide fair return on investment.

### B. Sales and Profitability

High coal prices combined with healthy sales volume resulted to a historical high level of Coal Revenues at PHP11.60 billion, posting a 37% growth from 2008 Coal Revenues of PHP8.49 billion, inclusive of sales to Sem-Calaca Power Corp. Meanwhile, with the acquisition of the Power Plant in December, the consolidated revenue for 2009 amounted to PHP11.94





billion. Energy Sales from 2 December until 31 December 2009 amounted to PHP443.49 million.

Meanwhile, although your Company incurred higher fixed costs and shipping costs in 2009 as a result of intensified mining operations, mine rehabilitation and inflation, economies of scale brought down Cost of Coal Sold per MT by 2% from PHP1,964.21 in 2008 to PHP1,917.98 this year. Non-Cash Cost is at 11% and 17% of total Cost of Coal Sold in 2009 and 2008, respectively. The decline was due to full depreciation of major equipment, while a portion of new equipment purchases were subjected to sale and leaseback. At consolidated level, total Cost of Coal Sold, inclusive of Shipping, Hauling, and Shiploading costs amounted to PHP8.92 billion and PHP6.94 billion in 2009 and 2008, respectively. The recorded cost of Energy Sales of PHP440.47 million from the power business, brought total Cost of Sales in 2009 to PHP9.36 billion.

Gross Profit recorded an impressive growth of 67% from PHP1.55



billion last year to PHP2.58 billion this year. This is a result of higher income generation in the coal business, plus additional income on the new investment in the Power Plant.

The Company recorded a 58% increase in Operating Expenses from PHP458.93 million in 2008 to PHP723.92 million in the current year. Government share, which is a function of Net Coal Revenues is now beyond the minimum of 3% of growth revenue, accounting for 63% of the total expense. The balance is comprised of General and Administrative Expenses. In addition, the power business incurred Operating Expenses amounting to PHP25.66 million, resulting to a consolidated Operating Expenses of PHP749.58 million in 2009.

The bulk or 70% of the consolidated Finance Costs of PHP112.19 million is attributed mainly to the interest cost of the PSALM debt amounting to PHP78.76 million, plus other credit availments by the Power Plant. Meanwhile, the Company's Finance Costs significantly dropped by 67% from PHP101.24 million in 2008 to PHP33.44 million in 2009 due to the declining long-term loan balances and decelerated further by lower interest rates during the year.

Conversely, almost all of the recorded consolidated Finance Income of PHP52.75 million was generated by your Company, posting an income of PHP52.74 million. Since your Company used more cash in its purchase of equipment and acquisition of the Power Plant, cash available for placements and



## EXECUTIVE MANAGEMENT REPORT

other investments was significantly reduced. Hence, the current year's Finance Income dropped by 32% compared to 2008 level of PHP77.23 million.

Meanwhile, your Company recorded a significant amount of Foreign Exchange Losses at PHP152.25 million, 84% more than last year's losses of PHP82.78 million. This is due to higher Foreign Exchange rate at settlement date mostly of indent orders of parts and equipment against contract date. On the other hand, the power business recognized Foreign Exchange Gains totaling to PHP199.95 million mainly coming from unrealized forex gain resulting from the fluctuation of the PHP against the USD from PHP47.2 / USD1 at the time the power plant was acquired to PHP46.2 / USD1 as at yearend which correspondingly brought down the peso equivalent of the liability to PSALM on the 60% balance of the purchase price.

Furthermore, at the consolidated level, your Company recognized Equity in Net Losses of Associates amounting to PHP39.35 million, a sizeable jump from 2008 level of PHP1.77 million. This accounted for the losses incurred by its investments in DMCI Mining Corporation and DMCI Power Corporation at PHP21.99 million and PHP17.36 million, respectively.

On the contrary, your Company recorded Other Income of PHP91.77 million this year, 69% more than 2008 level of PHP54.44 million. This is mainly comprised of gains on equipment sale and recoveries from insurance claims. Additional PHP0.50 million was generated by the Power Plant, thus consolidated Other Income totaled to PHP92.27 million.

The resulting Net Income Before Tax posted an impressive 81% growth at PHP1.87 billion from PHP1.03 billion. Provision for Income

Tax fell by 73% at PHP63.29 million from PHP237.02 million in 2008. Your Company enjoyed the full-year effect of the Income Tax Holiday from its registration with the Board of Investments in 2008. Of the consolidated provision for income tax amounting to PHP63.29 million, PHP57.93 million represented derecognition of deferred tax asset.

Before elimination entries, your parent Company posted a Net Income After Tax of PHP1.79 billion from PHP796.40 million last year, while the Power Plant generated a Net Income After Tax of PHP63.19 million. Total consolidated Net Income After Tax was PHP1.81 billion, more than double at 127% increase from last year's level. Consolidated Earnings per Share correspondingly increased from PHP2.87 in 2008 to PHP6.52 this year.

### C. Financial Condition, Solvency and Liquidity

While your Company generated healthy cash levels during the year with increased income





generation from coal sales, most of the accumulated cash was used to finance its acquisition of the Power plant before the year ended. In addition, purchases of mining equipment amounting to PHP2.86 billion, debt repayment of PHP1.47 billion, and payment of cash dividends of PHP1.67 billion also used up substantial cash during the year. As a result, the Company's Cash and Cash Equivalents declined by 54% from PHP1.01 billion in 2008 to PHP464.94 million this year. Meanwhile, the Power Plant posted an ending cash balance of PHP16.98 million, thus consolidated Cash and Cash Equivalents closed at PHP481.92 million.

Your Company's Net Receivables also dropped by 46% from PHP1.78 billion in 2008 to PHP963.24 million in the current period. This is mainly due to the drop in Trade Receivables from local sales that was slightly offset by the increase in export sales receivables. Towards the end of the year, your Company sold more to the export markets which had shorter receivable turn-over rates. Export sales were covered by



irrevocable standby letters of credits in accordance with your Company's risk management policy. On the other hand, the power business booked Receivables amounting to PHP290.85 million, which is mainly comprised of Energy Sales. The resulting consolidated Net Receivables totaled to PHP1.25 billion, which is 23% of Total Current Assets.

Meanwhile, with more coal inventory at the stockpile as at the end of the period, cost of coal inventory correspondingly went up by 63% at PHP1.47 billion from 2008 level of PHP896.73 million. Also, spare parts and supplies went up by 8% from PHP486.49 million in 2008 to PHP527.64 million this year. This is explained by the increased number of mining equipment and on-going mine rehabilitation projects which required more spare parts

and materials. Your Company's Net Inventories reflected a 44% increase from PHP1.38 billion in 2008 to PHP1.99 billion as at the close of the current year. The Power Plant also booked total Inventories amounting to PHP1.01 billion. This is mainly comprised of spare parts and supplies. Consolidated Inventories is sizeable at PHP3.08 billion, representing 55% of Total Current Assets.

The 59% increase in your Company's Other Current Assets from PHP323.73 million in 2008 to PHP515.62 million this year is mainly due to the recording of prepaid income tax amounting to PHP149.44 million and increase in advances to suppliers by PHP85.34 million. Meanwhile, Other Current Assets of PHP19.34 million of the Power Plant represented withholding taxes amounting to P13.10 million. Consolidated Other Current Assets

represented 13.62% of Total Current Assets at PHP759.89 million.

Given the movements of the foregoing accounts, your Company's Total Current Assets dropped by 6.5% at PHP4.21 billion from PHP4.50 billion in 2008. However, with the Power Plant's Total Current Assets of PHP1.64 billion, consolidated amount of PHP5.58 billion posted a 24% increase from last year's level.

On the other hand, the Company's Total Non-Current Assets grew by 515% at PHP9.69 billion from 2008 level of PHP1.61 billion. This is mainly caused by the surge in Total Investments from PHP223.23 million to PHP7.40 billion this year as a result of the acquisition of the Power Plant. Furthermore, Net Property, Plant and Equipment (PPE) doubled from PHP1.11

billion in 2008 to PHP2.21 billion this year with the purchase of new mining equipment for capacity expansion. Finally, Other Non-Current Assets posted an 86% decrease from PHP283.75 million to PHP39.97 million this year since security deposits for its operating lease transactions amounting to PHP270.75 million will already be realizable next year. As a result, consolidated Total Non-Current Assets amounted to PHP18.25 billion.

Total consolidated Assets closed at PHP23.83 billion, PHP15.70 billion of which accounted for the Power Plant's Total Assets. Your Company's Total Assets in 2008 stood at P6.11 billion.

With the expansion of its business and investments, your Company's Total Liabilities correspondingly

rose by 125% at PHP4.07 billion from PHP1.81 billion in 2008. Furthermore, consolidated Total Liabilities closed at P13.98 billion.

Your Company's Total Current Liabilities of PHP3.53 billion increased by 116% from PHP1.64 billion in 2008. The bulk of this year's Current Liabilities is comprised of Trade and Other Payables amounting to PHP2.55 billion, or representing 72% of Total Current Liabilities. Trade and Other Payables accounted for Trade Payables, Payables to Related Parties, Accrued Expenses, and Payable to the Department of Energy and other government units. Availment of additional credit facilities increased Current Portion of Long Term Debt by 151% from 2008 level of PHP389.23 million to PHP977.90 million. Meanwhile, relative to its investment in the Power Plant, your Company recorded another PHP2.03 billion Current Liabilities, resulting to a consolidated Total Current Liabilities of PHP5.52 billion.

Similarly, the Company's Non-Current Liabilities totaled to PHP537.98 million, 209% more





than 2008 level of PHP173.89 million. Bulk of this is Long-Term Debt – net of current portion amounting to PHP474.36 million or 88% of Total Non-Current Liabilities. This account increased with the booking of loan amounting to USD10M to finance equipment purchase. Consolidated Total Non-Current Liabilities surged to PHP8.46 billion as the Power Plant recognized its liability to PSALM representing 60% of the purchase price which will be amortized in 7 years.

Total Equity of your Company was beefed up with the recording of Deposit for Future Subscription amounting to PHP5.40 billion. This represented deposits made by DMCI-HI and Dacon Corporation for subscription of additional shares of stocks for the stock rights offering planned by your Company to strengthen its equity base to match its sizeable investment in the Power Plant, with provision for oversubscription of the commitment of the two companies to take all shares unsubscribed by the public. After dividend payout amounting to PHP1.65 billion and recording of additional Retained Earnings from your Company's Income for the year amounting to PHP1.75 billion and the Power Plant's Net Income generation of PHP62.93 million, net of eliminating entries, the consolidated Equity, net of Cost of Shares Held in Treasury, closed at PHP9.84 billion, 129% more than Total Equity in 2008 of PHP4.30 billion.

In the current year, your Company's Current Ratio closed at 1.19:1, while consolidated Current Ratio stood at 1.01:1. Current Ratio was healthier in 2008 at 2.75:1. The deterioration in this ratio is mainly due to the availment of more short-term debts to bridge finance the investment in the Power Plant and use of internally generated cash to fund the acquisition of the power assets from PSALM.

Meanwhile, prior to consolidation, your Company maintained last year's Debt-to-Equity ratio of 0.41:1. However, consolidated balance sheets reflected a Debt-to-Equity ratio 1.42:1.

### Strong Core. Solid Growth

The different challenges from past years' operations guided your Company to implement programs and activities to address these learning experiences. The year 2009 was a fruitful year for your Company as it was able to take advantage of the opportunities that it was presented with.

After resiliently facing the storms in the past, your Company is now enjoying the fruits of a strengthened core business – coal mining. It was able to timely deploy new mining equipment to meet the growing demand with increased capacity. It was able to successfully solve logistic issues to ensure efficiency in operations. Finally, it was able to carve a dependable niche in

both local and export markets that guarantees business sustainability.

Meanwhile, your Company's robust financial returns allowed it to finance strategic investments to further promote growth and value creation for its stakeholders. The acquisition of the 2 x 300 MW power plants in Calaca, Batangas toward the end of the year not only secures its coal supply contract with the Power Plant, but promises huge earning potentials as well.

With its determination to continuously improve its operations over the years, your Company has established a strong core. Taking advantage of its solid coal mining business and sound investment opportunities available, your Company is poised to record a steady and solid growth in the years to come.

  
ISIDRO A. CONSUNJI  
Vice-Chairman, CEO

  
VICTOR A. CONSUNJI  
President, COO

# SEM-CALACA POWER CORPORATION

With the end-view of protecting and securing the captive market of its coal mining investment, DMCI Holdings Co. (DMCI-HI), the Company's Parent Company, participated in the privatization of the 2 x 300 MW Batangas Coal-Fired Thermal Power Plant (Power Plant), which was conducted and handled by the Power Sector Assets and Liabilities Management Power Corporation (PSALM).

After complying with all the documentary requirements imposed by PSALM, DMCI-HI was declared by the former as the highest bidder last 8 July 2009 for the sale of the Power Plant with the following offer bid:

Particulars	in US\$
Purchase Price	351,000,000.00
Purchase Orders	7,200,000.00
Rent (25-yrs)	3,190,000.00
Option Price	319,000.00
<b>Total Offer Bid</b>	<b>361,709,000.00</b>

Last 2 December 2009, the Asset Purchase Agreement (APA) and the Land Lease Agreement (LLA) between DMCI-HI and PSALM was successfully closed. Simultaneously, an Accession and Assignment Agreement was executed and signed between DMCI-HI, PSALM and SEM-CALACA Power Corporation (SCPC), which formalizes PSALM's consent to DMCI-HI's assignment of the APA and LLA to SCPC.

On the same day, PSALM and SCPC executed and signed a

Memorandum of Agreement agreeing among others:

- 1) the reduction of the power plant's purchase price the amount of PHP288.39 million representing parts identified as required to achieve 350-MW capability of the Power Plant; and
- 2) the reduction of the 60% deferred balance in the amount of PHP247.55 million representing the unawarded Purchase Orders which is part of the Power Plant's bid price.

Compared to the acquisition costs of other privatized NPC generating assets, the Power Plant

is considered as one of the cheapest asset privatization transactions executed. The table below shows the acquisition cost of major power plants in the Luzon and Visayas grids privatized by PSALM.

The acquisition of the Power Plant is both a defensive and an opportunistic investment for Semirara Mining Corporation (the Company). It is a defensive investment as the acquisition will protect the Company's coal supply contract with the Power Plant.

The investment is opportunistic because as a stand-alone investment, it is expected to provide a fair return on investment and add value to the

Power Plant	Capacity (MW)	Location	Winning Bidder	Acquisition Cost	\$/MW (in million \$)
Pantabangan-Masiway Hydroelectric Power Plant	112	Nueva Ecija	First Gen Hydro-power Corp.	\$129 million	1.15
Magat Hydro-electric Power Plant	360	Isabela	SN Aboitiz Power Corp.	\$530 million	1.47
Masinloc Coal-Fired Thermal Power Plant	600	Zambales	Masinloc-Power Partners Co. Ltd.	\$930 million	1.55
Ambuklao-Binga Hydroelectric Power Complex	175	Benguet	SN Aboitiz Power Hydro Inc.	\$325 million	1.86
Tiwi-MakBan	748	Albay, Laguna/Batangas	AP Renewables Inc.	\$447 million	0.60
<b>Batangas (Calaca) Coal-Fired Thermal Power Plant</b>	<b>600</b>	<b>Calaca, Batangas</b>	<b>DMCI Holdings, Inc</b>	<b>\$362 million</b>	<b>0.60</b>
Limay Combined-Cycle Power Plant	620	Bataan	San Miguel Energy Corp.	\$13.5 million	0.02
Palinpinon-Tongonan Geothermal Power Plants	305	Negros Oriental, Leyte	Green Core Geothermal Inc.	\$220 million	

*Acquisition costs of major power plants in Luzon and Visayas  
Source: PSALM*

returns generated by the Company from its coal mining operations.

In addition, SCPC's acquisition of the Power Plant is consistent with the Company's synergistic investment strategy, being a forward integration of its coal mining operations. The infrastructure and construction businesses of the Company's parent company DMCI-HI could provide the necessary technical expertise needed in the repair, maintenance and rehabilitation of the Power Plant, while the Company's coal mining business will provide all the local coal requirements of the Power Plant.

The Power Plant's acquisition is in line with the Company's strategy to:

- 1) achieve forward integration from coal mining to power generation;
- 2) assure continuing off-take of SCC's coal by the Power Plant, a major domestic customer; and
- 3) increase coal production, thereby reducing production costs as a result of production economies of scale, by ensuring continuing off-take by a major customer such as the Power Plant.

The Power Plant was designed to have a total installed capacity of 600MW or 300 MW per generator unit. Units 1 and 2 each have a normal operating availability of 7,000 hours per year. However, due to factors that are mostly attributable to the relatively old age of the Power Plant and inadequate maintenance prior to privatization,



generating capacity and operating availability (in terms of running hours) are far from ideal.

Based on 2008 data provided by NPC, the Power Plant has operating characteristics as outlined in the following table.

	Unit 1	Unit 2
Maximum Generating Capacity	165 MW	200 MW
Operating Availability (per year)	3,679 Hrs.	2,536 Hrs.

*Operating characteristics of the Power Plant (2008)*

The subpar performance of the Power Plant is caused by the need to rehabilitate or upgrade certain components of the Power Plant. In order to improve the Power Plant's operating performance during the first two years of operation after turnover, SEM-Calaca will undertake a combination of minor repairs, running repairs, major rehabilitation and possible replacement of components of the Power Plant. The efforts of

the repairs, rehabilitation and replacement will be concentrated on the identified areas causing unscheduled shut-downs and inefficient operations of the Power Plant.

Ultimately, the SEM-Calaca intends to achieve the following rehabilitation objectives:

- a) Prevent further Power Plant deterioration and stabilize operating conditions; and
- b) Restore the different systems of the Power Plant to perform as close to the original condition and capacity of the Power Plant.

Once these objectives are achieved, the Power Plant's operating characteristics are expected to improve significantly. The realization of the rehabilitation objectives will provide an opportunity to sell additional electricity, which will translate to additional revenue and enhanced profitability for SEM-Calaca.



# CORPORATE GOVERNANCE

**Semirara Mining Corporation** is committed to the principles and leading practices of good corporate governance that promote higher standards of accountability and transparency, provide effective oversight of the Company's business, and enhance shareholder value. The Board of Directors and Management support this continuing commitment in the performance of their fiduciary responsibilities and day-to-day operations.

## The Board

The Board of Directors (Board) is responsible for the overall corporate governance of the Company. It establishes key policies, provides strategic guidelines and ensures adequate control mechanisms are in place to manage and conduct the affairs of the Company. The Board's other mission is to maintain a sense of responsibility to the Company's customers, employees, suppliers and the communities in which it operates.

The full Board consists of eleven (11) Directors, including two (2) Independent Directors, with qualifications and such numbering in compliance with the Philippine regulatory requirement for publicly-listed companies.

The roles of the Chairman and Chief Executive Officer (CEO) are made separate to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. The Chairman oversees and leads the Board on behalf of the shareholders, while the CEO

implements the key strategies set by the Board. The Vice Chairman concurrently holds the position of CEO.

## Board Performance

The Board had eight (8) meetings including its organizational meeting, and one (1) stockholders' meeting in 2009. Board meetings are open and candid with independent views given due consideration. The Independent Directors bring an objective mindset during Board deliberations.

## Board Committees

The Board established three (3) Committees in aid of good governance to support its fiduciary functions and to achieve effective checks and balances. The Committees are guided by Board-approved Charters in the discharge of their roles and oversight responsibilities. The Board Committees annually assess the effectiveness of their Charters, and recommend any proposed changes to the Board for approval. The Corporate Secretary, Good Governance Officer and Legal unit provide full support to the good governance committees.



## Nomination and Election Committee

The Nomination and Election Committee is comprised of three (3) Members of the Board, two of whom are Independent Directors. The Committee's main function is to review, recommend and promulgate guidelines involving the nomination process and criteria for the Board of Directors as stated in the Amended By-Laws, Amended Manual on Corporate Governance and pertinent SEC rules.



## CORPORATE GOVERNANCE

In 2009, the Committee had two (2) meetings attended by all Members. It reviewed the qualifications of Board nominees for directorship ensuring they meet the requisite qualifications and endorsed the final list of nominees for election. It recommended, and the Board approved, an Executive Succession Plan Policy and a Board performance evaluation system involving full board self-assessment and individual director peer evaluation. It oversees the Board performance evaluation process and provides the results thereof to the Board, including private feedback to individual directors for affirmation and/or enhancement of performance.

The Committee Chairman has consistently attended the Annual Stockholders' Meetings in the past two years to give shareholders an opportunity to address the Committee.

### Compensation and Remuneration Committee

The Compensation and Remuneration Committee is comprised of three (3) Members of the Board, one of whom is an Independent Director. The Committee's main function is to establish a formal and transparent procedure for developing a remuneration policy for Directors, officers and key employees consistent with the Company's culture, strategy and control environment. It also requires Directors and Officers to declare under penalty of perjury all their existing business interests or shareholdings that may directly or indirectly cause conflict of interest in the performance of their duties.

Good Governance Committees and Officers	
<b>Nomination and Election Committee</b> <b>Isidro A. Consunji</b> <i>Committee Chair</i> <b>Victor C. Macalincag</b> <i>Independent Director</i> <b>Federico E. Puno</b> <i>Independent Director</i>	<b>Compensation and Remuneration Committee</b> <b>Ma. Cristina C. Gotianun</b> <i>Committee Chair</i> <b>Victor C. Macalincag</b> <i>Independent Director</i> <b>Herbert M. Consunji</b>
<b>Audit Committee</b> <b>Victor C. Macalincag</b> <i>Committee Chair,</i> <i>Independent Director</i> <b>Federico E. Puno</b> <i>Independent Director</i> <b>Victor A. Consunji</b>	<b>Compliance Officer and Compliance Committee</b> <b>Ma. Cristina C. Gotianun,</b> <i>Compliance Officer, Committee Chair</i> <b>Atty. John R. Sadullo</b> <b>Junalina S. Tabor</b>
	<b>Good Governance Officer</b> <b>Nena D. Arenas</b>

In 2009, the Committee had one (1) meeting attended by all Members. It reviewed and discussed the overall Director and Executive remuneration and benefits frameworks, results of the Board's evaluation of the CEO's performance based on Board-approved financial and non-financial measures on key result areas, as well as provided private feedback of the evaluation results to the CEO. It also assisted and reviewed the compensation-related disclosures of Directors and Executives in the Company's annual and related reports to be in accordance with regulatory requirements and reporting standards.

The Committee Chairman has consistently attended the Annual Stockholders' Meetings of the Company's shareholders in the past two years.

### Audit Committee

The Audit Committee is comprised of three (3) Members of the Board, two of whom are Independent Directors. The Committee's main function is

to assist the Board in fulfilling its oversight responsibilities of financial reporting, external audit performance, internal audit performance, internal control and risk management processes as well as compliance in reporting, legal and regulatory requirements.

The Committee is chaired by an Independent Director. Its Members possess the requisite levels of financial and accounting competencies, experience and other qualification requirements set by the SEC, as well as having an adequate understanding of the Company's mining business and related industries.

Committee Meetings are scheduled at appropriate points to address matters on a timely basis. Written agenda and materials are distributed in advance to allow for meaningful review and full discussion during meetings. Minutes of the Committee meetings are circulated to all Board Directors.

In 2009, the Committee had ten (10) meetings attended by all Members, except in May, August and September



2009 when meetings were held with a quorum of two Members. The Compliance Officer, Compliance Committee, and management officers of the finance, legal and internal audit units are regularly invited to Committee meetings to discuss updates in financial performance, regulatory developments and compliance matters.

The Committee also reviewed and discussed with Management the Company's budget, strategic risk management issues, investments in subsidiaries, conflict-of-interest, taxation, equity issues, market and industry developments. A summary of the Committee's significant activities during the year are discussed in a separate Audit Committee Report to the Board of Directors section.

The Internal Audit functionally reports directly and has unrestricted access to the Audit Committee. It provides Management and the Audit Committee with independent and objective assurance and advisory services of the Company's business processes, controls and risk management practices. It is guided by a Board-approved Internal Audit Charter and adopts a risk-based approach in accordance with International Auditing Standards.

The Committee Chairman has consistently attended the Annual Stockholders' Meetings of the Company's shareholders in the past two years.

### **Compliance**

Ma. Cristina C. Gotianun, Vice President-Administration, is appointed

by the Board as Compliance Officer designated to ensure adherence to corporate governance principles and best practices, as well as compliance to the Company's Amended Manual on Corporate Governance. The Company subsequently amended its Manual on Corporate Governance to align with SEC's Revised Code of Corporate Governance.

The Compliance Committee shares in the responsibility of ensuring compliance with the Company's regulatory requirements. It is chaired by the Compliance Officer and is comprised of three (3) Members who are executive officers tasked with compliance covering SEC, PSE, accounting and reporting standards, environmental, health and safety matters aligned to their functional scope of work responsibilities.

The Compliance Committee regularly reports to the Audit Committee for assurance reporting. Continuous monitoring of regulatory developments and compliance matters, including environmental, safety and governance issues assure the Board of effective management and strategic sustainability of these concerns.

### **SEC and PSE**

The Company complies with the disclosure and reportorial requirements of the SEC and Philippine Stock Exchange (PSE). It is also compliant with the reporting of transactions involving any acquisition or disposal of the Company's shares by its Directors within the prescribed reporting period.

### **Environment**

Environmental stewardship and social responsibility are core values of the Company. The Philippine coal industry is subject to stringent regulations of the Philippine government's Department of Environment and Natural Resources (DENR). The Company is compliant with the conditionalities of its Environmental Compliance Certificate issued by the DENR relative to the development and opening of its Panian coal mine, and the closing and rehabilitation of its old mine. A Multi-Partite Monitoring Team (MMT) comprised of various government sector representatives and surrounding stakeholders, oversees the Company's compliance with the ECC conditions and all other applicable laws, rules and regulations. Consequently, the MMT issues a Compliance Monitoring and Verification Report on a quarterly basis.

### **Safety**

Safety is a core value of the Company. It defines the Company's culture as a responsible energy company. The Company adopts the Australian standards and best practices in open-pit coal mining operation. It strictly adheres to safety procedures, health and safety standards and worker education and training which have resulted to reduced accidents and injury events. The Company is compliant with the regulatory and reporting requirements of various Philippine government agencies tasked to oversee health and safety, among others.

## CORPORATE GOVERNANCE

### Enterprise Risk Management

The Board sets the tone and establishes the risk appetite level for the Company's Enterprise Risk Management (ERM) framework which provides reasonable assurance that risks are identified, assessed, managed, monitored and reported in a timely manner. It reviews and agrees on risk strategies for managing these risks.

The Audit Committee assists the Board in its risk management oversight that policies are followed, limits are respected and controls are put in place. The Internal Audit plays a significant role in the ERM through its continual monitoring and reporting of risk management practices. Functional unit heads as risk owners undertake a full assessment process to identify and quantify the risks inherent to and facing their respective business functions, assessing the adequacy of the prevention, monitoring and mitigation measures in addressing such risks. Results of the risk reviews are reported to the Audit Committee and thereafter to the Board.

In 2009, ERM initiatives involved enhancement and updating of control procedures, department policies and manuals, approval authorities and limits.

The Company's financial risk management objectives and policies to effectively manage its financial assets and liabilities are discussed in Note 28 of the Notes to Consolidated Financial Statements.

### Good Governance Program

The Company's good governance initiatives aim to foster a culture of compliance, performance, transparency and accountability within the organization and to enhance shareholder value.

### Board and CEO Performance Review

The Company adopts best practices of good corporate governance for its Board performance evaluation processes which include scorecard measures, full Board self-assessment and peer director evaluation. The Board annually conducts a formal review of the CEO's performance based on Board-approved key result areas and defined non-financial measures.

The Board Committees annually conduct a review of the effectiveness of the Committees' performance using self-assessment questionnaires benchmarked against best practices, raise and discuss recommended steps for future action. Moreover, the Audit Committee solicits feedback from Executive Management to affirm and/or improve its Committee performance.

### Code of Conduct

Semirara Mining Corporation has adopted Codes of Conduct for Directors & Executive Officers, and Employees (Codes) to affirm the Company's standards of professional and ethical business conduct, workplace safety and environmental responsibilities. The Codes promote fair dealings with the Company's customers, service providers, suppliers, and other stakeholders. Directors,

Officers and Employees are required to annually certify compliance with the Codes.

### Fraud and Ethics Response Policy

This Policy reinforces the Company's commitment and determination to maintain a culture of integrity and an opposition to fraud and corruption. It sets out the ways in which employees and other stakeholders can voice their concerns and how the Company will deal with such issues.

### Insider Trading Policy

Directors, Officers and employees are required to abide by the Company's prescribed restrictions and no-trading periods of its shares of stock in the market. They are also required to subsequently report their trades of the Company's shares for eventual compliance reporting to SEC and PSE and/or monitoring.

### Executive Succession Plan Policy

This Policy is a statement of commitment involving assessment of leadership needs and preparation for an eventual permanent leadership change to ensure the stability and accountability of the Company to its stakeholders. It also outlines succession procedures including the process of appointment and time frame in case of an interim leadership.

### Good Governance Guidelines for Board Directors

The Board formalized and approved good governance guidelines for its Directors regarding tenure, service on other company boards and conflict of interest, among others.

## Governance Training and Continuing Education

The Board Directors, Officers and key Legal staff have participated in training on Corporate Governance and relevant governance topics. Directors are periodically provided reading materials on subjects relevant to their duties as part of their continuing education. They are encouraged to visit the Company's mine sites to gain a closer understanding of the current business operations and ongoing community projects.

In 2009, the Board Directors conducted a self-assessment of their skills and expertise, and identified training areas of interest which shall enhance their qualifications and effectiveness as Directors.

As part of its continuing advocacy for good governance principles, the Company has participated in the Organization for Economic Co-operation and Development's 2009 Asian Roundtable on Corporate Governance and the Institute of Corporate Directors' initiatives on governance forums and working sessions.

## Recognition

The Company was a silver awardee and ranked among the Top 15 Publicly-Listed Companies in the 2008 "Corporate Governance Scorecard for Publicly-Listed Companies in the Philippines", a partnership project between the Institute of Corporate Directors, SEC, Philippine Stock Exchange and Ateneo Law School. The Scorecard project adopts the East Asian



Template as part of a regional effort to improve corporate governance in East Asia. Likewise, the Company was among the Top 20 Philippine Listed Companies given due recognition in the same project in 2007. These achievements affirm the Company's significant and continuing progress in its overall corporate governance framework through the adoption of global best practices promoting higher standards of performance, transparency and accountability to all stakeholders.

The Company's coal mining activity is in its second year of certification as conforming to ISO 9001:2000, 14001:2004 and OHSAS 18001:2007 Standards on Quality Management System, Environmental Management System and Health and Safety Management System, respectively.

## Shareholder Rights And Relations

Semirara Mining Corporation promotes a good governance culture

of transparency and equal respect of shareholders rights embodied in its Amended Manual on Corporate Governance. It maintains a share structure that gives all shares equal voting rights.

To sustain investor confidence, the Company maintains a policy of open and constant communication and disclosure of its activities, subject to insider information guidelines. It engages in conference calls and/or meets with institutional and prospective investors, analysts and the financial community, as appropriate. Corporate information is communicated to shareholders by timely and adequate disclosures to the SEC and Philippine Stock Exchange.

## Website

The Company's organization structure, performance and significant corporate information, including disclosures may be viewed at the Company's website, [www.semiraramining.com](http://www.semiraramining.com).



# CORPORATE SOCIAL RESPONSIBILITY

Over the years, **Semirara Mining Corporation** has been in the forefront of developing its host community in Semirara Island to become self-sufficient and achieve sustainable growth and development.

As a tribute to the gracious people of the island who wholeheartedly welcome the Company as their partner for progress, a special team was created to plan and implement a comprehensive CSR program for the community. The banner program, the FIVE Es – Electrification, Education, Employment, Economics and Environment has been continuously enhanced, being the five major focal points of the Company's CSR activities.

## Electrification

As a player in the energy sector, the Company recognizes the importance of electrification as a vital component in promoting economic growth and development. Hence, one of the major CSR projects of the Company is energizing the whole island of Semirara by partnering with the local electric cooperative. This ambitious project brought the small island community just a mouse click away to get connected to the rest of the world. Moreover, this prompted the rise in number of small and medium scale businesses and other livelihood activities in the island.

In 2009, total power consumption increase by 21% or 952,067kwhr

from 786,485kwhr in the previous year. As of 2009, 92% of the total 2,700 target households in the island were already energized. The goal of the Company is to totally energize the whole island. Aside from fully subsidizing the electrical infrastructure in the island, the Company also subsidizes the cost of electricity. From 1999 to 2009, total consumption of the community was recorded at 28,009,222 kilowatts.

## Education

To ensure sustainability of the Company's objective of bringing forth progress in the island of Semirara, it acknowledges the need to provide quality education to the next generations. The Company has been actively exploring latest teaching and learning innovation and techniques available to improve the quality of the educational system in the island for all elementary and secondary schools, both private and public.

Over the years, the Company has been very supportive in providing the infrastructure requirements of all the schools in the island, such as school buildings, gymnasiums, and other school facilities. It provided for the upgrading of facilities of



the schools, such as computers, laboratories, libraries, tables and chairs, and air-conditioning units.

Finally, the PHP35 million Applied Academic for Excellence (Apex) program designed by Southeast Asian Ministers of Education Organization Regional Centre For Educational Innovation and Technology (Seameo Innotech), which promotes an innovative teaching technique that enhances the learning process through





## CORPORATE SOCIAL RESPONSIBILITY

active student participation, was completed.

### Employment

The Company is the single biggest employer in the island. As it expands its capacity and operations, more jobs are generated. Given the nature of its operations, there is a high requirement for skilled and technical workers. The Company sees this as an opportunity to generate more employment for the people in the island. As of yearend 2009, total direct manpower is 2,043 as against 1,649 in 2008.

The increasing manpower requirement of the Company gave birth to the Semirara Training Center, Inc. in 2006. This program, which is accredited by the Technical Education and Skills Development Authority (TESDA), provides vocational skills training courses through on-the-job trainings. This program targets the out-of-school

youths in the island. Most of the graduates were employed by the Company, while some were absorbed by affiliate Companies in other areas of the country or offered employment abroad. Moreover, the Company also launched a 15-day non-formal and hands-on training courses on plumbing, masonry, building wiring, and rough carpentry. After completing the short-term training program, participants were hired for the construction of 500 housing units for the Company's employees.

Meanwhile, in line with the Company's objective to promote and improve employee welfare, the Company implemented continuing training and development programs for its employees for skills upgrade and continuing education. Moreover, the Company continues to provide employees health care, housing benefits, and free education for dependents, among other benefits.

### Economics

The Company also takes an active role in providing livelihood opportunities to provide employment to the rest of the community members, with the objective of creating a balanced economy in the island.

The three major livelihood programs of the Company, namely: fishing, farming, and livestock production, aim to provide means of employment to the residents. These also endeavor to achieve food security for all the people in the island.

To create synergism among fisher folks and enhance their earnings potential, the Company helped them organized into cooperatives and associations. Full support is also extended by the Company in providing trainings and seminars to the members such as Values Formation and Leadership Training for newly organized fishing associations. To give them a head start, the Company helped finance construction of fishing vessels, complete with fishing gears. Also, to support their operations, the Company put up an ice plant to make blocks of ice available in the island, giving them the opportunity to bring their catch to the mainland for higher economic returns.

Meanwhile, farmers are also encouraged to organize themselves into cooperatives or associations, similar to the fishermen. The Company supports the farmers





by introducing latest farming technologies, like the Integrated Pest Management (IPM) program and use of humic acid for fertilizers. It also provided farming implements to improve efficiency, and consequently bring up production.

The Company enhanced livestock production in the island by distributing purebred livestock to different areas in the island for breeding purposes.

Other livelihood programs continuously supported and monitored by the Company include cultivation of vegetable gardens, pottery, mariculture and aquaculture projects, and dressmaking program, among others.

Finally, to evaluate the impact of the different livelihood programs implemented by the Company to the island's economy, a monitoring system was set up to determine the poverty level of the island. Surveys are regularly conducted to identify the indigents in the community and to determine the appropriate livelihood intervention that could help them improve their living conditions.

## Environmental Protection And Conservation

The Company takes a holistic approach in implementing environmental protection and conservation programs. The three major programs focus on



inland reforestation, mangrove reforestation, and flora and fauna protection.

The goal of the Company is to plant a million trees within the whole island of Semirara by 2012. The Company is currently in the process of conducting a re-inventory of trees according to major tree species. Moreover, seedlings are cultivated and nurtured in different nurseries located all over the island.

Meanwhile, the Company aims to plant mangroves covering 250 hectares along the coastlines of the island by 2012. As of 2009, 205.5 hectares were already planted and maintained. This project endeavors to protect and expand the breeding grounds of marine resources.

A key activity in flora and fauna protection is the culture of giant clams. The Company maintains a sanctuary that protects 1,180 pieces of giant clams of different species.

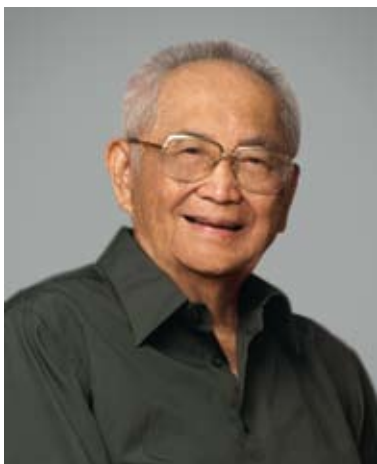
## Other Projects

Other CSR programs of the Company include health seminars for prevention of diseases and epidemics like dengue, fire safety and emergency preparedness seminar, and values formation and leadership trainings.

Moreover, the one-year training program for Barangay Health Workers conducted by doctors from the University of the Philippines – Philippine General Hospital (UP PGH) culminated in 2009 with 90 successful trainees completing the course. This program aims to improve the skills of local health workers in providing primary health care to residents.

Finally, the Company continues to provide different summer programs and workshops to the youth to develop budding talents and enhance social skills.

# BOARD OF DIRECTORS



**DAVID M. CONSUNJI**  
Chairman of the Board



**ISIDRO A. CONSUNJI**  
Vice Chairman of the Board  
Chief Executive Officer  
Chairman-Nomination and  
Election Committee



**VICTOR A. CONSUNJI**  
President and Chief Operating Officer  
Member-Audit Committee



**JORGE A. CONSUNJI**  
Director



**HERBERT M. CONSUNJI**  
Director  
Member-Compensation and  
Remuneration Committee



**CESAR A. BUENAVENTURA**  
Director



**MA. CRISTINA C. GOTIANUN**

Vice President-Administration  
Chairman-Compensation and  
Remuneration Committee  
Compliance Officer



**MA. EDWINA C. LAPERAL**

Director



**GEORGE G. SAN PEDRO**

Vice President for Operations  
Resident Manager



**VICTOR C. MACALINCAG**

Independent Director  
Chairman-Audit Committee  
Member-Nomination and  
Election Committee  
Member-Compensation and  
Remuneration Committee



**FEDERICO E. PUNO**

Independent Director  
Member-Audit Committee  
Member-Nomination and  
Election Committee



## OTHER KEY OFFICERS

### FINANCE

**NESTOR D. DADIVAS**  
Chief Finance Officer

**JUNALINA S. TABOR**  
OIC-Chief Finance Officer

**ANTONIO R. DELOS SANTOS**  
Treasury Officer

**SHARADE E. PADILLA**  
Investor Relations and Business  
Development Officer

**LEANDRO D. COSTALES**  
Accounting Manager

**GOOD GOVERNANCE**  
**NENA D. ARENAS**  
Officer

**HUMAN RESOURCES &  
ADMINISTRATION**  
**MARY ANNE L. TRIPON \***  
Manager

### INFORMATION & COMMUNICATIONS TECHNOLOGY

**TERESITA B. ALVAREZ**  
Manager

### INTERNAL AUDIT

**EMELYN B. JAVILINAR**  
Manager

### LEGAL

**ATTY. JOHN R. SADULLO**  
Corporate Secretary and Counsel

### MARKETING

**FRANCISCO B. ARAGON**  
Consultant

**CESAR T. VILLANUEVA**  
Manager

### MINESITE

**RUBEN P. LOZADA**  
Asst. Resident Manager - Operations

**JUNIPER A. BARROQUILLO**  
Administration Division Manager

**VICENTE CAESAR V. MALIG**  
Organizational Development Manager

### PROCUREMENT & LOGISTICS

**JAIME B. GARCIA**  
Vice President

### SPECIAL PROJECTS

**GEORGE B. BAQUIRAN**  
Vice President

*\* As Of March 1, 2010*

## SHAREHOLDER AND INVESTOR INQUIRIES

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