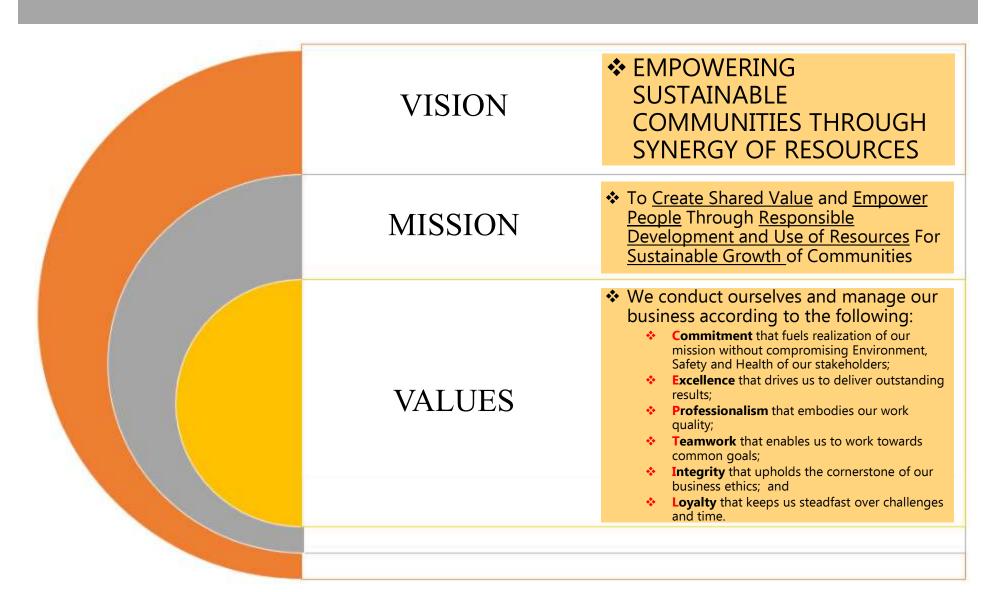


**COMPANY PROFILE** 

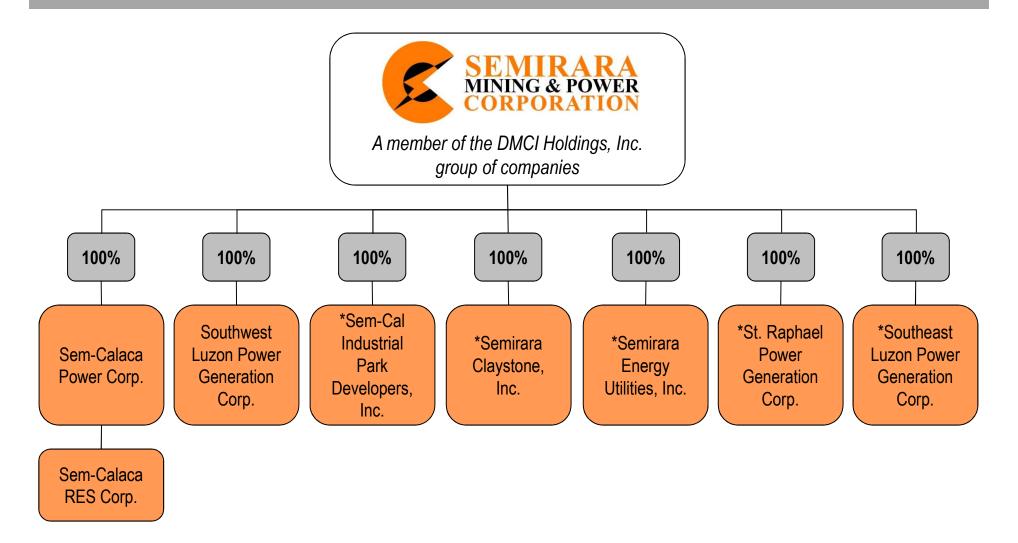
## VISION, MISSION AND VALUES





### ORGANIZATIONAL STRUCTURE





<sup>\*</sup> pre-operating

# MARKETS WE SERVE





### **INVESTMENT THESIS**



# The only vertically integrated coal-fired power plants in the Philippines

- operates the biggest coal mine in the country that accounts for 98% of the total domestic production
- low-cost power producer
- stable supply of coal fuel for power plants

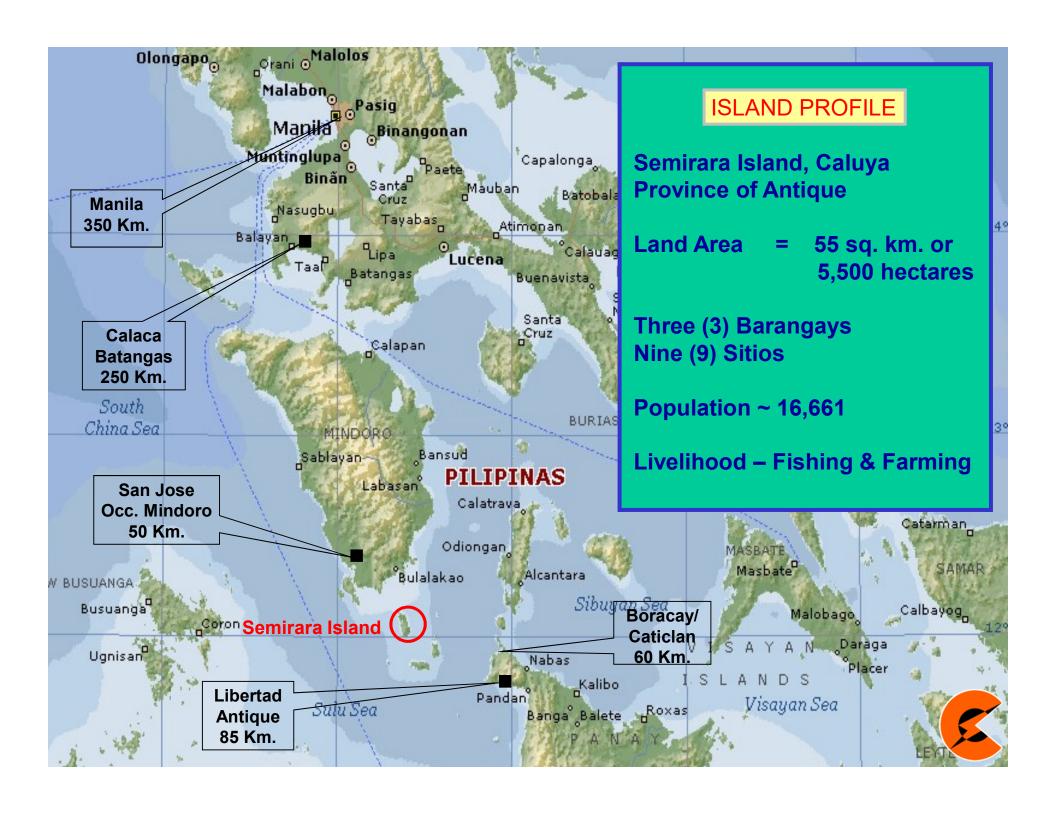
#### Low coal production cost

- controls the biggest deposit of open pit mineable coal assets in the country, with over 200 million tons of mineable reserves
- mining operations done inhouse
- exempt from all taxes except income tax and government royalties

#### Strong engineering core competence

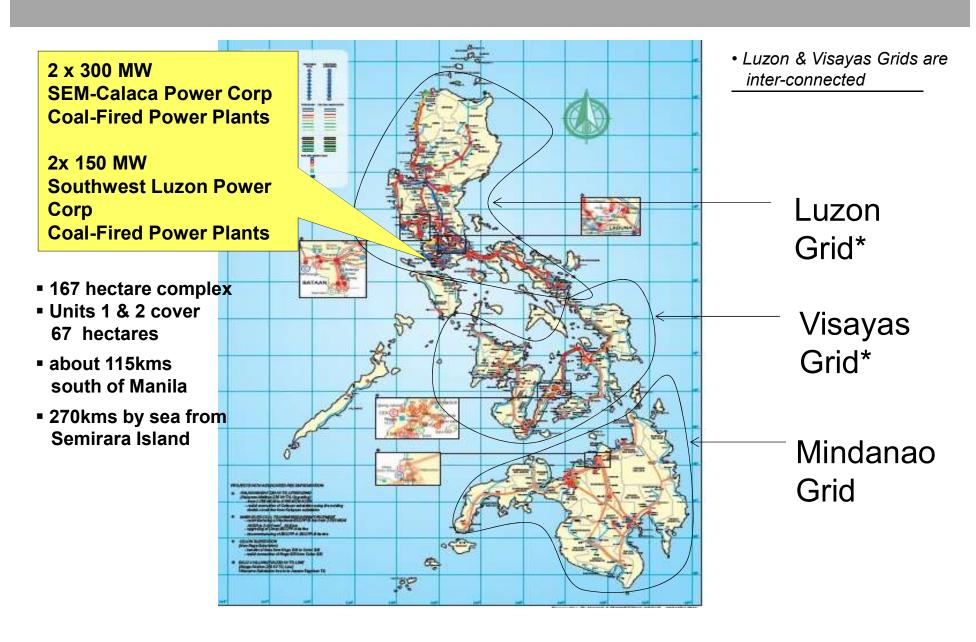
- established leading DMCI brand of engineering that provides innovative engineering solutions
- · experienced management team
- stable supply of local talent

- > sustainable robust long-term earnings
- >strong dividends
- >huge growth potential in power expansion



### CALACA PLANTS LOCATION







•	<u>1940</u>	Pres. Quezon through Proclamation # 649 declared the islands of Semirara, Sibay,
•		and Caluya of Antique as coal mining reservation
•	<u>1980</u>	Incorporated in the Philippines as a limited liability company
•	<u>1983</u>	Initial public offering, listing on the Philippines Stock Exchange
•	<u>1984</u>	Commercial production at the Unong mine commenced
•	1997	DMCI Holdings, Inc. (DMCI-HI) purchased 40% interest in Semirara
•	<u>1998</u>	Debt to equity conversion increased DMCI-HI's interest to 74%
		Installation of coal washing plant
•	<u>1999</u>	New management team installed by DMCI-HI
•	<u>1999-2000</u>	Unong mine depleted, operations commenced at Panian; Full shift from continuous to conventional mining system;
•	<u>2004</u>	Capital restructuring increased DMCI-HI's interest to 94.5%; Declared stock dividend of PHP225m, consisting of 225m common shares; Authorized capital increased to 1b shares
•	<u>2005</u>	International and Domestic Offering of 105.046m shares, comprising of 46.875m primary
		shares and 58.171m secondary offering, increased outstanding common shares to 296.875m; DMCI-HI's interest reduced to 60%
•	<b>2007</b>	Maiden voyage carrying 28.8K MTs of coal to Xiamen, China
		SEC's Top 20 PLCs for Corporate Governance
•	<u>2008</u>	Coal Operating Contract is extended up to 14 July 2027 BOI Registration as expanding coal producer ISO Certifications – ISO 9001:2000, ISO14001:2004, OHSAS 18001:2007 Exploratory drilling activities indicated substantial coal deposits

Silver Awardee for SEC's Top PLCs for Corporate Governance



•	2009	Acquisition of 2 x 300 MW Calaca power plants (Sem-Calaca Power Generation Corp.) Silver Awardee for SEC's Top PLCs for Corporate Governance
•	<u>2010</u>	Stock Rights Offering of 59.375m shares increased outstanding common shares to 356.25m
		Silver Awardee for SEC's Top PLCs for Corporate Governance
		Most Committed to a Strong Dividend Policy, Finance Asia Magazine's 10th Annual
		Best Managed Company's Poll
•	<u>2012</u>	Financial close of PHP 11.5 billion project debt facility to finance Phase 1 expansion Commence Phase I power expansion of 2x150 MW in Calaca (Southwest Luzon Power
		Generation Corp.)
	0040	BOI Registration of Narra Mine under non-pioneer status, maximum of 8 years
•	<u>2013</u>	2nd Runner Up, ASEAN Best Practices in Coal Projects – CSR category,
		2013 ASEAN Coal Energy Awards
		6 <sup>th</sup> among Most Committed to a Strong Dividend Policy, Finance Asia Magazine's
		13 <sup>th</sup> Annual Best Managed Company's Poll
		Among the top 10 finalists (out of 289 PLCs) in 2013 PSE Bell Awards for
		Corporate Governance
		Awarded 2 new mining areas (Mindoro and Mindanao)
		Incorporated 2 new corporations for power capacity expansion
•	<u>2014</u>	Issued 200% stock dividend
		4 <sup>th</sup> among Most Committed to a Strong Dividend Policy and
		9th Best Corporate Social Responsibility, Finance Asia Magazine's
		14 <sup>th</sup> Annual Best Managed Company's Poll



•	<u>2015</u>	Started commissioning of SLPGC's 2 x 150 MW Plants Among the top 50 publicly listed companies in the ASEAN Titanium Awardee for Excellence in Corporate Governance and Investor Relations, 2015 The Asset Corporate Awards Awarded Best Corporate Governance, 10 <sup>th</sup> Finance Asia's Best Philippine Companies Awarded 1 <sup>st</sup> Runner Up for Corporate Social Responsibility, ASEAN Energy Awards SCPC was awarded as Top 1 Corporate Tax Payer in the province of Batangas
•	<u>2016</u>	BOI Registration of Molave Mine under non-pioneer status, maximum of 10 years Amendment of ECC to increase mining capacity to maximum of 16 million tons Commercial operations of SLPGC 2 x 150 MW CFB plants Titanium Awardee for Excellence in Corporate Governance and Investor Relations, 2016 The Asset Corporate Awards Silver Awardee for Public Relations Tool (2014 IAR), Anvil Awards
•	<u>2017</u>	SLPGC received Certificate of Compliance from the Energy Regulatory Commission, allowing the plants to run at full capacity of 150 MW each Final turn-over of SLPGC plants on 5 July Gold Awardee for Public Relations Tool (2014 IAR), Anvil Awards Most Improved Investor Relations, Alpha Southeast Asia 7th Annual Institutional Investor Awards for Corporates



Investment in Sem-Calaca Power Generation Corp.



The 2 x 300 MW coal-fired power plants in Calaca, Batangas were acquired by the Company in 2 December 2009 for \$361.7 M



Investment in Southwest Luzon Power Generation Corp.



The 2 x 150 MW CFB coal-fired power plants were declared on commercial operations on 26 August 2016.

#### SEMIRARA RESOURCES



Coal and Other Reserves As of December 31, 2017

#### ► Coal

Remaining Resources ...... 288 million tons

Reserve ...... 206 million tons

▶ Other Minerals

Limestone ....... 1.2 Billion Mt

Clay..... 2.9 Million Mt

► In-house Drilling (2006-present)
743 Exploration & confirmatory drill holes

Seismic Reflection Survey(Ongoing around the Island)



<sup>\*</sup> PMRC-compliant

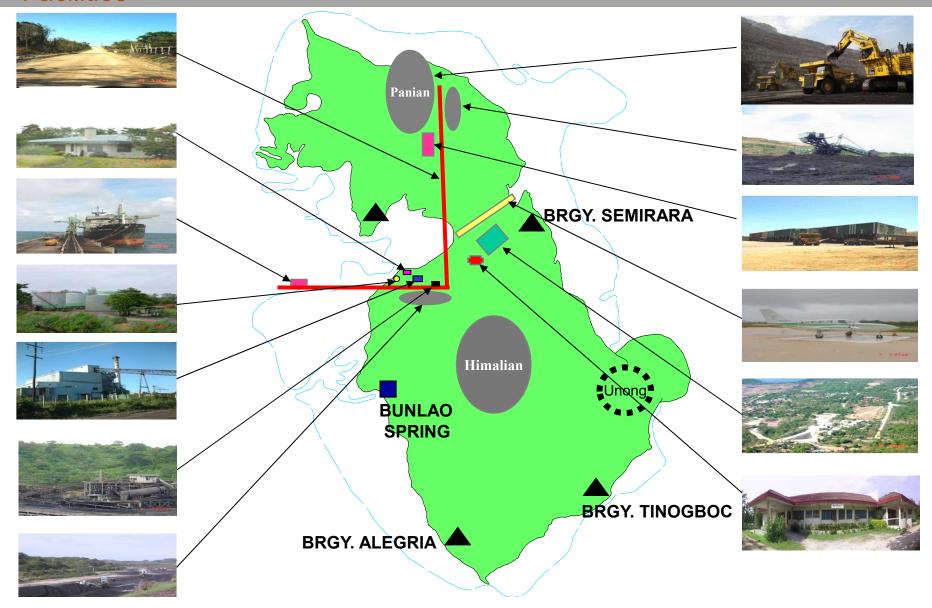
<sup>\*\*</sup> In-house estimate, under CP review for PMRC compliance

<sup>\*\*\*</sup> On-going re-assessment under PMRC

# SEMIRARA RESOURCES

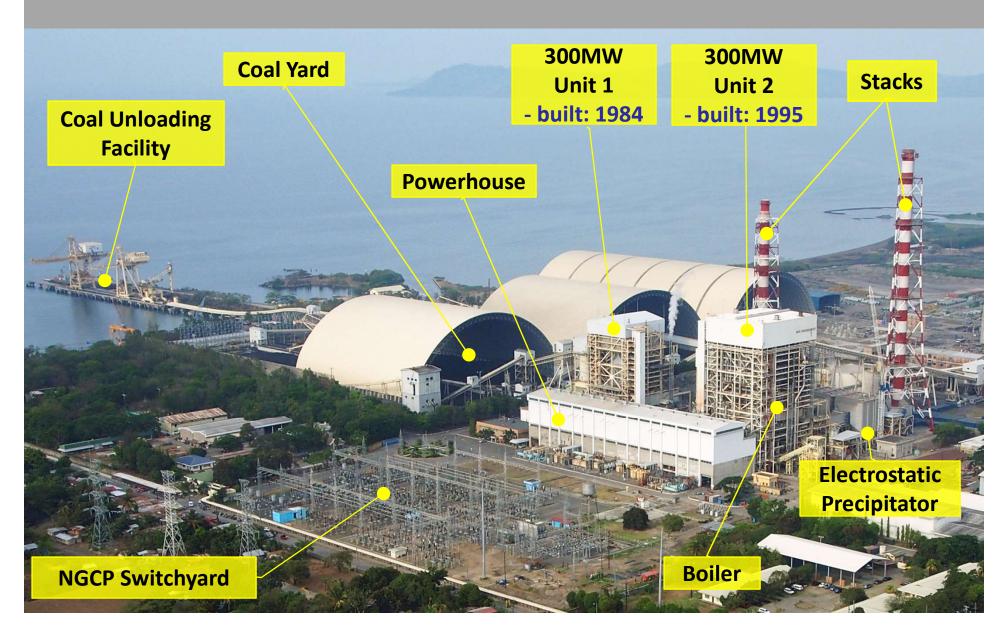


**Facilities** 



## **SEM-CALACA FACILITIES**





# **SEM-CALACA FACILITIES**



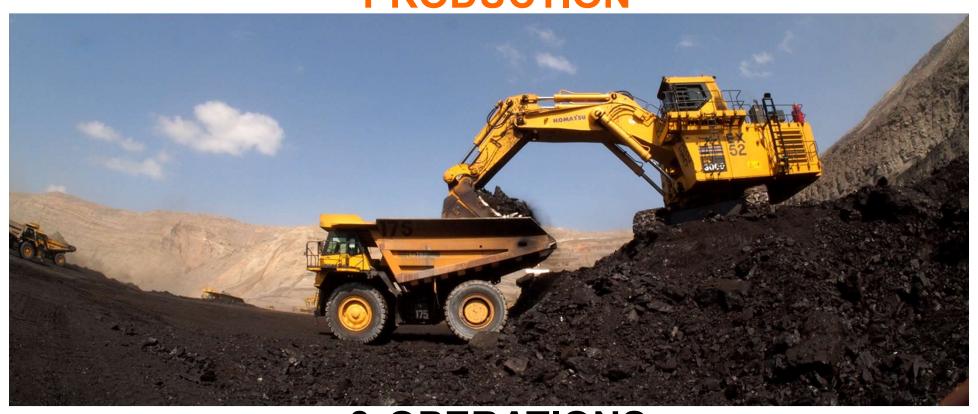


# SEM-CALACA OEM / EPC



EQUIPMENT	UNIT 1	UNIT 2		
Steam Generator	Foster Wheeler (FWEC), USA	Asea Brown Boveri/ Combustion Eng'g (ABB-CE), USA		
Steam Turbine	Toshiba, Japan	GEC-Alsthom, France		
Electric Generator	Toshiba, Japan	GEC-Alsthom, France		
Condenser	Toshiba, Japan	GEC-Alsthom, France		
EPC	Mitsui and Co., Japan	Mitsubishi, Japan		

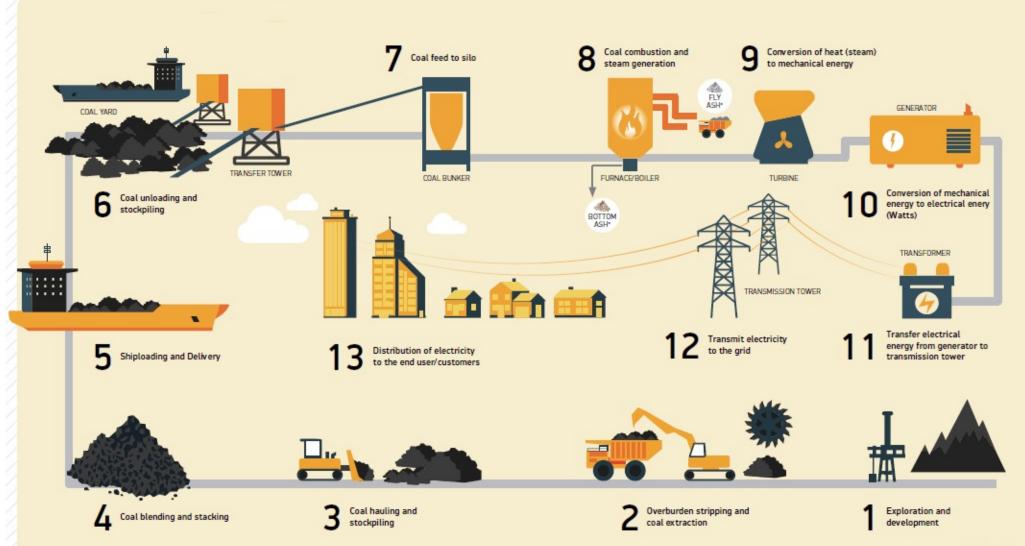
## **PRODUCTION**



& OPERATIONS

# PRODUCTION PROCESS FLOW





# **COAL SPECIFICATIONS**



PARAMETER	TYPICAL			
Gross Calorific Value, Btu/lb (Air Dried)	8,700	a=	10,000	
Gross Calorific Value, Btu/lb (As Received)	7,300	a=	9,000	
Proximate Analysis		a		
Ash %	6	a <b>=</b>	17	
Fixed Carbon %	33	a=	44	
Volatile Combustible Matter	34	8 -	40	
Total Sulfur, % (Air Dried, ASTM D2015)	0.20	81-	1.00	
Total Moisture, % (As Received)	21	N-	29	
Residual Moisture, % (Air Dried)	8	N-	18	
Hardgrove Grindability Index	40	N-	50	
Size, mm	50	8-	200	

# **COAL MINING EQUIPMENT**



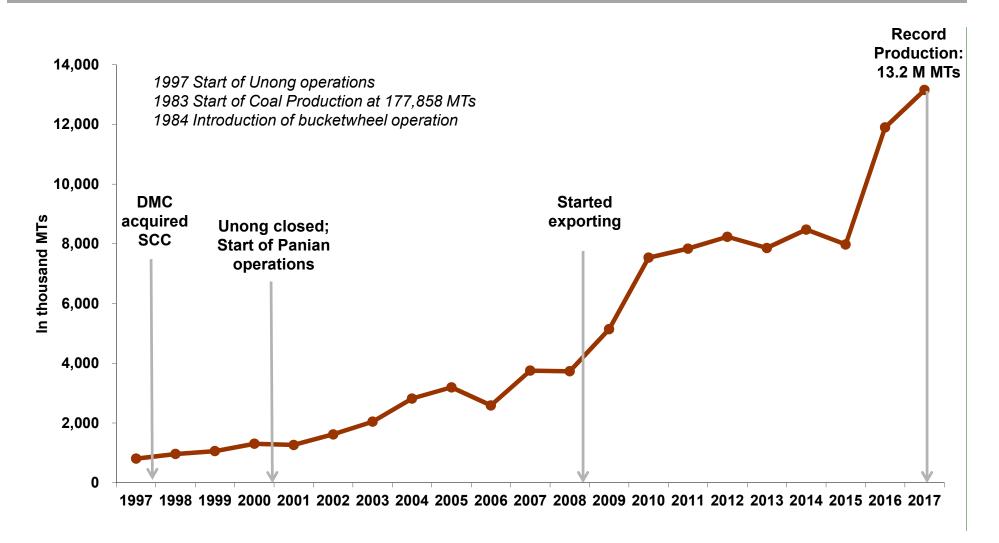
Capacity

FOUIDMENT	# OF UNITS								
EQUIPMENT	2009	2010	2011	2012	2013	2014	2015	2016	2017
LOADING									
16 m <sup>3</sup> Excavators	7	7	8	16	2	4	4	4	7
15 m <sup>3</sup> Excavators	2	5	5	5	8	8	9	9	12
12 m <sup>3</sup> Excavators	4	4	4	4	8	8	11	15	15
7 m <sup>3</sup> Excavators	4	2	2	2	2	1	1	1	1
TOTAL	17	18	19	27	20	21	25	29	35
HAULING									5
100-tonne Dump Trucks	102	121	121	120	107	120	112	141	175
- CURRORT									: 1
SUPPORT							4 7		
Dozers (Crawler/Wheel)	19	29	26	25	25	25	21	23	25
Motor Graders	6	6	6	6	5	5	6	7	7
Water Trucks	4	6	6	7	4	4	4	5	9
Small Power Shovels	10	12	15	12	14	14	10	11	12
Crusher	2	2	-	-	-		1 5 77	-	
Crane			2	2	4	4	4	5	5
Lube Trucks								4	4
Small Backhoe								1	
Drilling Machine / Eqpt			1	21	21	20	26	26	23
Drilling Machine / Eqpt							1	1	
TOTAL	41	55	55	<b>52</b>	<b>52</b>	<b>52</b>	46	<b>57</b>	85
FLEET CAPACITY (M bcm)	62	80	85	80	82	82	88	130	150

## HISTORICAL COAL PRODUCTION



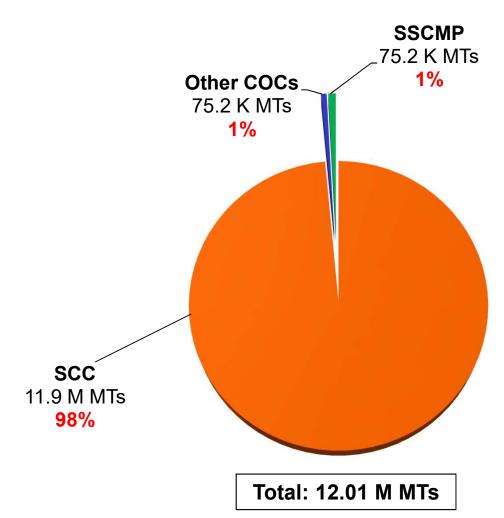
#### **Unong and Panian Annual Coal Production**



# 2016 PHILIPPINE ROM COAL PRODUCTION



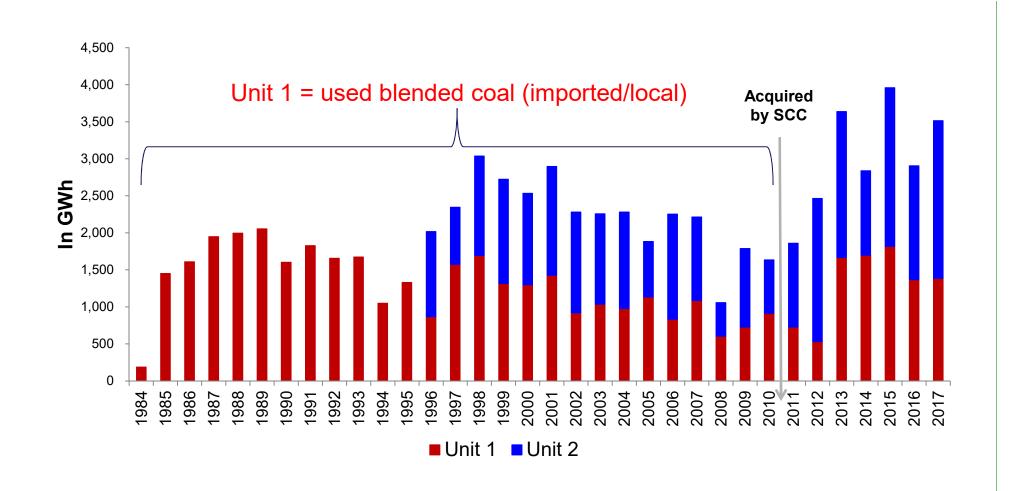
In metric tons



Source: DOE

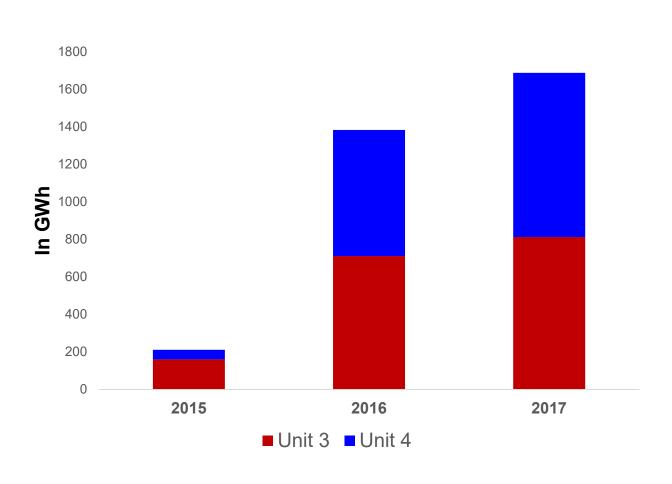
# SCPC HISTORICAL GROSS ENERGY GENERATION





# SLPGC HISTORICAL GROSS ENERGY GENERATION





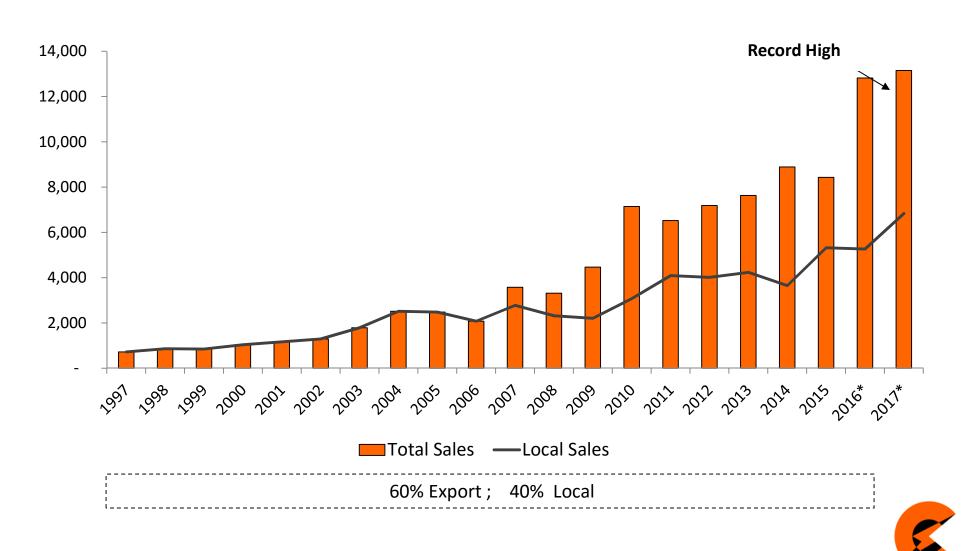
### **SALES**

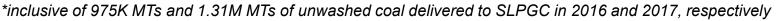


**& MARKETING** 

#### **COAL SALES VOLUME**

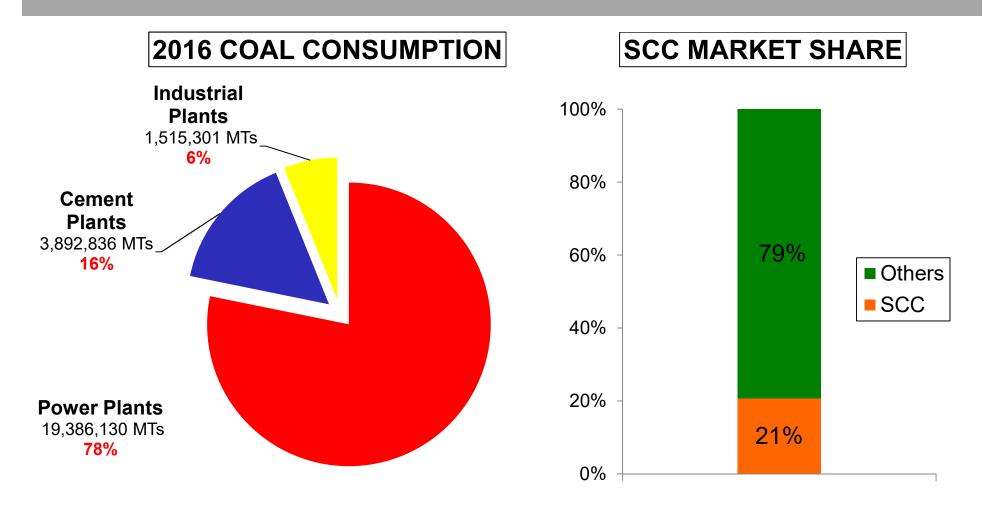
In '000 MTs





### SCC PHILIPPINE MARKET SHARE





Total Local Consumption: 24.79 M MTs

Source: DOE

# EXISTING COAL-FIRED POWER PLANTS



2 x647 MW Sual Coal- Fired Power Plant, Pangasinan (TeaM Energy)

2 x 315 MW Masinloc Coal-Fired Power Plant, Pangasinan (AES)

50 MW CFB APEC Coal-Fired Power Plant, Pampanga (TIPCO)

2 x 300 MW CFB Mariveles Coal-Fired Power Plant, Bataan (GN Power) 2012)

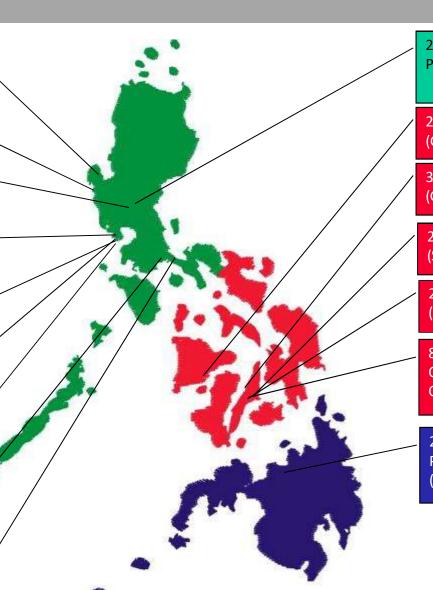
70 MW Petron Coal-Fired Power Plant, Limay Bataan

2 x 300 MW Batangas Coal-Power Plant, (SEM-Calaca/DMCI Group)

2 x 150 MW Batangas Coal-Power Plant, (SLPGC/DMCI Group)

456 MW QPPL Coal-Fired Power Plant, (Quezon Power)

2x382 MW Pagbilao Coal-Fired Power Plant, Quezon (TeaM Energy)



25 MW CBUPPC Coal-Fired Power Plant, Bulacan (UPPC)

2x82 MW CFBPEDC, Iloilo (Global Business Power Corp.)

3x82 MW CBCEDC, Cebu (Global Business Power Corp.)

2 x50 MW CBCTPP, Cebu (Salcon Power Corp.)

2 x 100 MW ŒKSPC, Cebu (KEPCO-Salcon)

89 MW Toledo Power Corp., Cebu (Global Business Power Corp.)

2 x105 MW Mindanao Coal-Fired Power Plant, Misamis Oriental (STEAG)

#### 2016 GROSS POWER GENERATION



In GWh (As of 27 March 2017)

SOURCE	2015	%	2016	%	
Coal	36,686	45%	43,303	48%	
Oil-based	5,886	7%	5,661	6%	
Nat Gas	18,878	23%	19,854	22%	
Geothermal	11,044	13%	11,070	12%	
Hydro	8,665	11%	8,111	9%	
Wind	748	1%	975	1%	
Solar	139	0%	1,097	1%	
Biomass	367	0%	726	1%	
TOTAL	82,413	100%	90,798	100%	

Source: DOE

48% of Philippine power supply is generated by coal-fired plants in 2016. The share is expected to increase, as 70% of nearly 5,000 MW of new power plants being built in PH until 2020 are coal-fired.

# INSTALLED CAPACITY & DEPENDABLE CAPACITY



In MW (As of 27 March 2017)

Fuel Type	Installed Capacity			Dep	endable Ca	Total		
Fuel Type	Luzon	Visayas	Mindanao***	Luzon	Visayas	Mindanao	Installed	Dependable
Coal	5,294	1,054	1,070	4,970	1,050	959	7,418	6,979
Natural Gas	3,430	1	0	3,291	0	0	3,431	3,291
Oil-Based	2,133	655	828	1,655	434	733	3,616	2,822
Renewable Energy	4,120	1,574	1,264	3,684	1,329	993	6,958	6,06
Geothermal	843	965	108	777	813	100	1,916	1,690
Hydro	2,537	20	1,061	2,323	18	840	3,618	3,181
Biomass, Solar, Wind	740	590	95	584	498	53	1,425	1,135
Total Capacity	14,977	3,284	3,162	13,600	2,813	2,684	21,423	19,097

Source: DOE

#### **FINANCIAL**

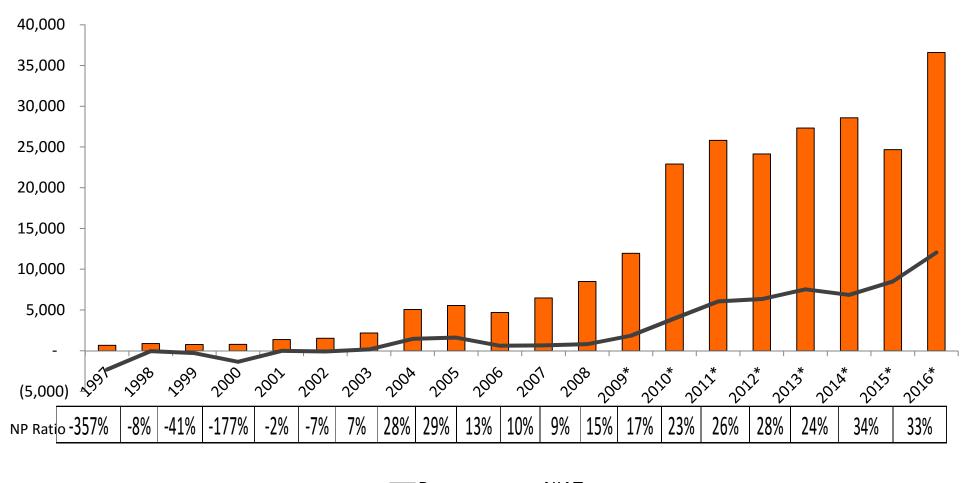


**HIGHLIGHTS** 

# CONSOLIDATED REVENUES AND NIAT



In Million Pesos

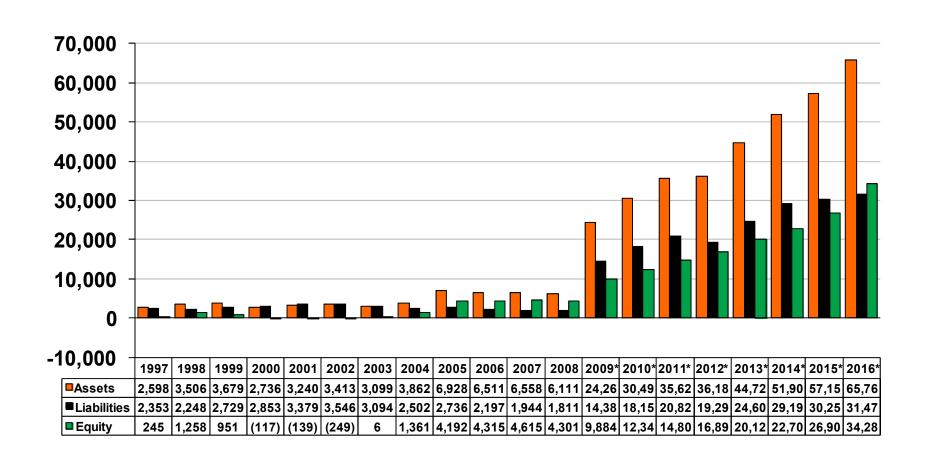


Revenues —NIAT

## **BALANCE SHEET**

In Million Pesos

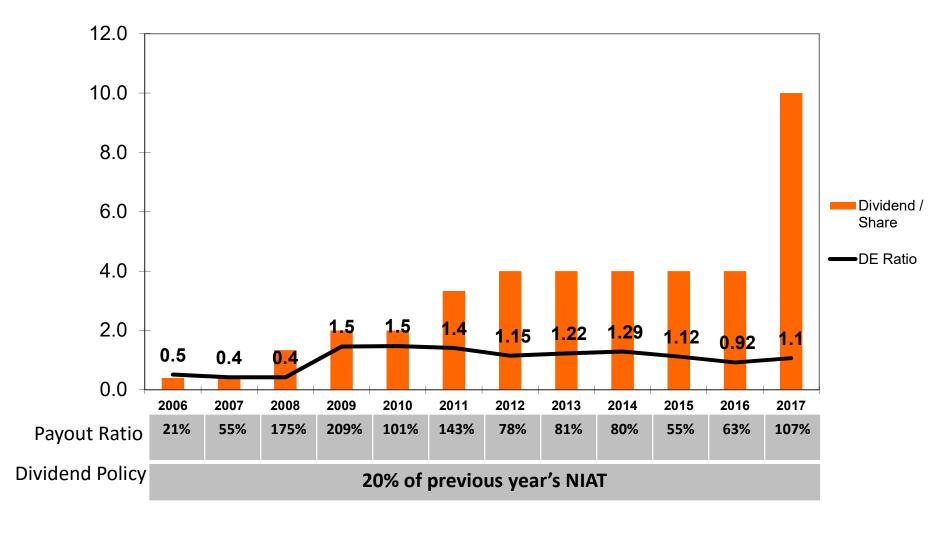




<sup>\*</sup>Consolidated

#### HISTORICAL DIVIDENDS



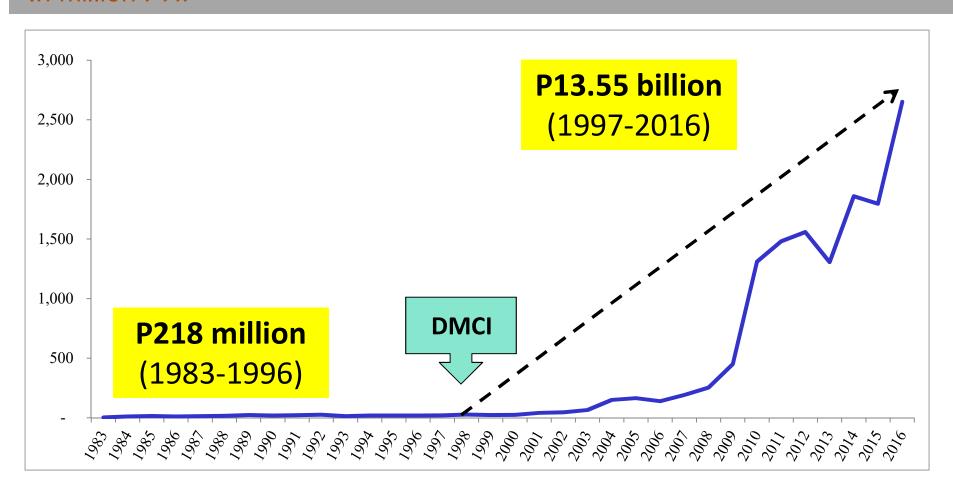


<sup>\*</sup> restated to 2014 post-stock dividend outstanding shares

#### **GOVERNMENT ROYALTIES**



#### In million PHP



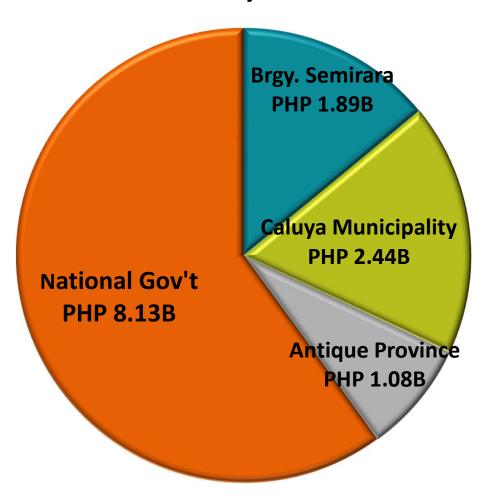
Royalties paid to the government since the DMCI group bought into the company and took over management and operations totaled to PHP13.55 billion as of 2016.

### **GOVERNMENT ROYALTIES**



In million PHP

1997-2016 Gov't Royalties: PHP13.55B



### 2015 GOV'T COLLECTION FROM ENERGY RESOURCES



In thousand PHP

Region	Collection	40% LGU share
CAR	966.18	386.47
RO I	12,766.63	5,106.65
RO IV-A	47,082.04	18,832.82
RO V	51,782.59	20,713.04
RO VI	1,812,099.52	724,839.81
RO VII	83,877.65	33,551.06
RO VIII	123,030.33	49,212.13
RO IX	791.80	316.72
RO X	297.80	119.12
RO XI	4,083.25	1,633.30
RO XII	17,278.23	6,911.29
RO XIII	4,138.57	1,655.43
Total	2,158,194.58*	863,277.83

SCC 2015
Government
Royalties payment:

P1.796 Billion

83% of total royalty collections by the government

Source: http://www.gov.ph/2016/06/15/lgus-shares-national-wealth/

<sup>\*</sup>proceeds from petroleum, coal, geothermal, hydrothermal, and wind resources

### **OPPORTUNITIES**



		Current Market	Market Share	Market Growth	Opportunities
	Coal	Annual Production: 12 M MTs 2016 Annual Domestic Consumption: 24.79 M MTs	98% in production 21% in consumption	9% annual growth rate in domestic coal consumption	➤SCC's ECC allows maximum production of 16 M MTs ➤SCC's coal qualities are acceptable to new coal-fired plants ➤Expansion in power creates a captured market for coal
	Power	National Installed Capacity at 21.42 GW and Dependable Capacity at 19.10 GW	900 MW or 14% of coal- fired power plants	5% annual demand growth expected	<ul> <li>➤SCC has the ECC to expand its power business to up to 1,150 MW.</li> <li>➤As the only integrated operator of coal-fired power plants, SCC is the lowest cost producer, thereby making it competitive in a tight market.</li> </ul>

## CSR RE-DEFINED from 5Es\* to PEOPLE-CENTERED DEVELOPMENT







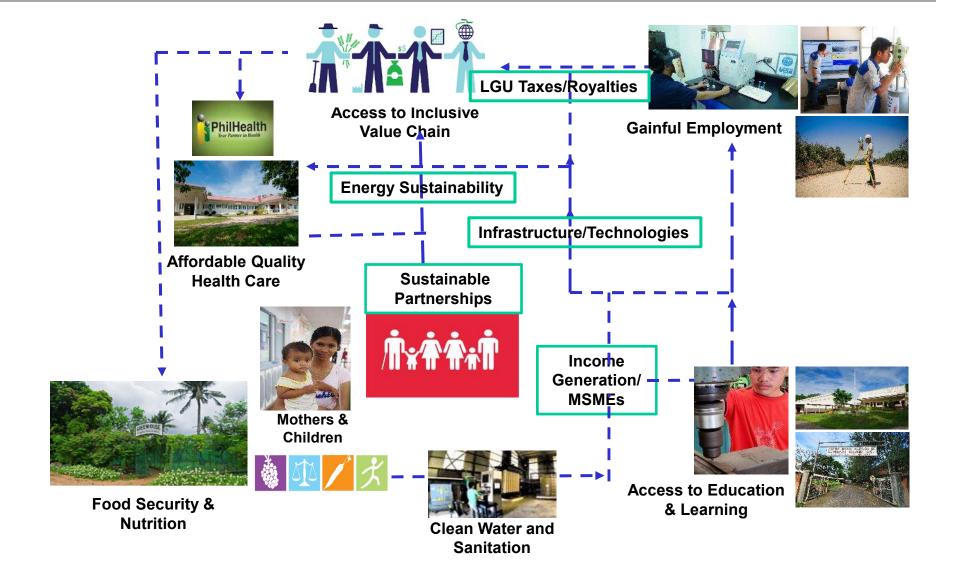
#### **CSR GOAL**



- ☐ ECONOMIC : VALUE ADDED
- **□** BRAND VALUE
- ☐ REPUTATIONAL VALUE
- ☐ SOCIETAL VALUE

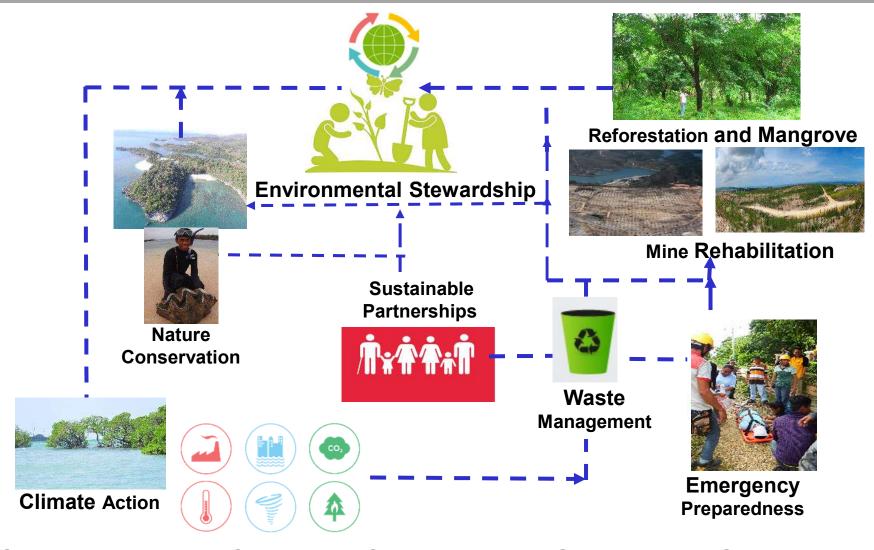
## SOCIAL DEVELOPMENT/ ECONOMIC: VALUE ADDED





#### **ENVIRONMENTAL STEWARDSHIP**





**COMMITMENT TO ENVIRONMENTAL STEWARDSHIP** 







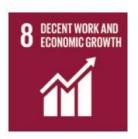
































Our corporate sustainability and social programs and initiatives are, and will continue to be aligned to the United Nations' 17 Sustainable Development Goals (SDGs) in close collaboration with the LGU.





Our presence in our host communities created broader and significant economic contributions by generating employment opportunities to local residents. Our mining and power operations open up new markets for local suppliers. In Barangay Semirara where our Company operates, poverty incidence is significantly lower at 5.79% per latest 2015 data from the Municipality of Caluya

- Continued support of livelihood programs of local fisherfolk.
- Over Php1 billion mining royalty payments remitted to local government units in 2016.



Through partnerships with Barangay Health Workers and non-profit organizations, we mounted feeding programs to local barangays and public schools.

Our Company continues to support deep-sea fishing operations of the fishing association in Semirara Island, which the company helped organize years ago.

In 2016, we reached out to six (6) barangays and two (2) schools, feeding over 500 people.

We donated vegetable seedlings, garden soil, and other planting tools in support of DepEd's Gulayan sa Paaralan Program, a school-based feeding program.



Our Company's health facility hospital in Semirara Island provides access to essential health services to our workforce and the communities in the municipality of Caluya.

- Holistic health programs for our employees covers most aspects of medical provisions, and wellness initiatives.
- Free dinic and medical missions to communities.
- Basic Life Support Training given to all employees.
- Participation in voluntary blood donation projects for our host communities' hospitals and parish.
- Medical training support given by Company's medical personnel to employees and island residents.



- Strategic partnership with Semirara Training Center, Inc., a vocational facility established by the Company, that aims to train its local residents geared to build sustainable and competent skills-based assets.
- Teacher training workshops to help improve the English proficiency of the communities' educators.
- In partnership with the Department of Education, Culture and Sports, our total number of classrooms donated as of 2016 already reached 203. These were all located in our host communities to address shortage in classrooms.





Our employment policies do not tolerate discrimination and harassment on the basis of gender, race, skin color, religion, age, or disability. Any form of harassment, whether in the workplace or outside work hours, is strictly prohibited.

In 2016, the total women in our workforce increased to 9% from 2015's 7%.

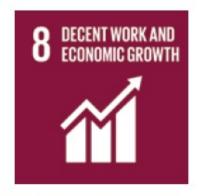


- Our own composting facility converts biodegradable waste collected from the company housing area and offices, as well as biodegradable waste generated from reforestation activities.
- Our ongoing construction of a water desalination plant aims to secure water resource and provide access to safe and affordable drinking water to employees and residents of Semirara Island.
- Clean-up drives along the coastlines of Barangays Baclaran, San Rafael, and Sampaga of the Municipality of Calaca, Batangas
- Adopt-A-River project for Kaong and Dacanlao rivers



We continue to provide Semirara Island's communities with an affordable and stable supply of energy. Our electricity rates are the cheapest nationwide, at least Php 3 lower than the country's highest electricity rate.

We worked for the installation of solar-powered LED streetlights along the roads of Barangays Baclaran and Dacanlao in Calaca, Batangas. This was funded from the benefits to host communities of Php0.01 per kwhr of energy sold by power generators (DOE ER 1-94).



Our commitment to high-value employment resulted in a 4,427 strong total workforce nationwide.

Our Company remains as the single biggest employer in Semirara Island, with the mine site workforce amounting to nearly 20% of the island's population.

Mine site payroll amounted to Php1.29B in 2016, or 44% increase from 2015's Php895.85 million.





SMPC is the country's only vertically integrated coal energy enterprise.

The new investment in Power uses Circulating Fluidized Bed (CFB) technology or clean coal technology designed with lower SOx and NOx emissions.

The bottom ash disposal was converted from wet to dry system. Some of the dry bottom was donated as substitute for sand in manufacture of concrete hollow blocks (CHB).



We have made significant strides towards lifting people out of poverty. Through our poverty alleviation efforts and mining royalty payments, we helped elevate Caluya from being a fourth class municipality in 2004 to a first-class municipality in 2007 and maintained this status to present.



Semirara Island and its neighboring townships are the primary beneficiaries from our concerted sustainability efforts. We strive to mitigate the effects of our business operations, and we continually push for our host communities' self sufficiency in close partnership with the local government units to align the Company's sustainable development and management programs and initiatives with the Barangay Development Plans.



- Constant monitoring and assessment for the continual improvement of our operational systems, streamline our processes, mitigate risks, and promote corporate responsibility and good governance.
- Our Company continues to be in conformance with international standards — ISO 19001, ISO 14001 and OHSAS certifications.





- Besides inland reforestation and mine rehabilitation, we protect naturally-grown mangroves and expand the areas through our mangrove plantation initiatives. Mangroves yield higher carbon sequestration over time compared to other tree species.
- Our Environmental Management System and procedures are in conformance with international standards and aim to mitigate the significant negative impact of our operations.
- We commit to implement our medium- and long-term carbon sequestration programs to mitigate the negative environmental impacts of our operations.



- The Semirara Marine Hatchery and Laboratory was created to help propagate endangered sea life, as well as restore and rehabilitate marine life in and around Semirara Island.
- Successful propagation of endangered giant clam species, the Tridacna gigas.
- Flourishing marine life at the site of the hatchery and laboratory.
- Ongoing reef rehabilitation through coral fragments and sea grasses transplantation.
- Initiated and supported a marine biological survey in Semirara Island which consequently led to the engagement of LGUs and communities to establish another Marine Protected Area in Barangay Tinogboc, among others.



- Our reforestation and rehabilitation efforts are not limited to the areas affected by our mining operation; we also provide enrichment for areas with sparse vegetation around it. To date, we have planted 4,669,535 trees, shrubs and plants all over Semirara Island.
- Continuing inland reforestation and mangrove reforestation projects.
- 11% of the total island area has now been reforested by the Company.
- Different species of grass and ornamental plants were planted around the island to prevent soil erosion.



Full commitment and adherence to our Code of Conduct and strong corporate governance give us sound and uncompromising stance on ethics, justice and human rights.

We promote the use of alternative dispute resolution (ADR) options and processes in the settlement of conflicts or issues, if any, with our various stakeholders.

We conduct public consultation and negotiate concessions with land occupants affected by our mining activities.

We provide relocation areas for the displaced community with consideration, including ready housing and resources to support their livelihood. SMPC continues to engage in dialogues with the affected residents for resolution of the issues.





#### Multi-stakeholder partnerships

- We work in close partnership with the Department of Energy and Department of Environmental and Natural Resources
  with respect to our coal mining operations and power generation activities for the achievement of energy sufficiency at
  least cost of energy, and in the protection of the environment and well-being of our direct host communities.
- Over the years, we have partnered with the local government units, community organizations, other regulators and sectoral stakeholder groups, to identify social needs and existing resources through which we can deliver community projects and achieve actionable targets and goals for sustainable development

#### Technology

We collaborated with private entities and provided resources to enable and support access to internet, information and communications technology, science and banking services for our host community in Semirara Island, despite its isolation and distance from key economic areas. This supports the global and national plans to enhance knowledge and capacity-building in developing countries.

# END OF PRESENTATION

Thank you!

#### DISCLAIMER



- •Semirara Mining and Power Corporation (the "Company") and its advisors assumes no responsibility or liability regarding actions or decision that may be taken regarding any information resulting from unintentional errors or omissions contained in this document.
- •In addition, this document contains financial information and results of operation, and may also contain certain projections, plans, strategies, and objectives of the Company, that are not statements of historical fact which would be treated as forward looking statements within the meaning of applicable law. Forward looking statements are subject to risks and uncertainties that may cause actual events and the Company's future results to be materially different than expected or indicated by such statements. No assurance can be given that the results anticipated by the Company, or indicated by any such forward looking statements, will be achieved.
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