COVER SHEET

CS201210314
SEC Registration Number

COAL ASIA HOLDINGS, INC.

(Company's Full Name)

3RD FLOOR JTKC CENTER, 2155
CHINO ROCES AVE,. MAKATI CITY

ANN MARGARET K. LORENZO

632-0905
Company Telephone Number

12	31			
Month	Day		Month	Day
Fiscal Year			Annual Meeting	

SEC FORM - I-ACGR
INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

Form Type

Secondary License Type, if applicable

Department Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be Accomplished by SEC Personnel Concerned

File Number

LCU

Document I.D.

Cashier

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SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended 31 December 2018

2. SEC Identification Number CS201210314

3. BIR Tax Identification No. 008-297-271-000

4. Exact name of issuer as specified in its charter

COAL ASIA HOLDINGS, INCORPORATED

5. Metro Manila, Philippines
Province, Country or other jurisdiction of incorporation or organization

6. ☐ (SEC Use Only)
Industry Classification Code:

7. 2ND Floor JTKC Center, 2155 Don Chino Roces, Makati City 1231
Address of principal office — Postal Code

8. (02) 632-0905
Issuer's telephone number, including area code

9. Not applicable
Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
Principle 1: The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.			
Recommendation 1.1			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	COMPLIANT	Provide information or link/reference to a document containing information on the following: 1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors Please refer to the following: • 2018 Annual Report (SEC Form 17-A), pp. 39-40 attached as Annex "A" • 2018 Definitive Information Statement (SEC Form 20-IS), pp.8-10 attached as Annex "B" 2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance Please refer to the Revised Manual on Corporate Governance – Part II Compliance System, B. Board of Directors pp. 2-4, attached as Annex "C"	
2. Board has an appropriate mix of competence and expertise.	COMPLIANT		
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	COMPLIANT		
Recommendation 1.2			

<table>
<tr>
<td>1. Board is composed of a majority of non-executive directors.</td>
<td>NON-COMPLIANT</td>
<td>Identify or provide link/reference to a document identifying the directors and the type of their directorships
<table>
<tr><th>Name</th><th>Type of Directorship</th></tr>
<tr><td>Harald R. Tomintz</td><td>Non-Executive</td></tr>
<tr><td>Johnson A. Sanhi, Jr.</td><td>Executive</td></tr>
<tr><td>Dexter Y. Tiu</td><td>Executive</td></tr>
<tr><td>Eric Y. Roxas</td><td>Non-Executive</td></tr>
<tr><td>Juan Kevin G. Belmonte</td><td>Independent</td></tr>
<tr><td>Aristides S. Armas</td><td>Independent</td></tr>
<tr><td>Arsenio M. Bartolome III</td><td>Independent</td></tr>
</table>
</td>
<td></td>
</tr>
<tr>
<td colspan="4">Recommendation 1.3</td>
</tr>
<tr>
<td>1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.</td>
<td>COMPLIANT</td>
<td>Provide link or reference to the company's Board Charter and Manual on Corporate Governance relating to its policy on training of directors.

Please refer to the following:

• Part VII. Duties and Responsibilities of Director, Item H of the Board of Directors Charter, attached as Annex "D"

• Part VIII Training Process of the Revised Manual on Corporate Governance for the policy on the training of directors, p. 31 attached as Annex "C"</td>
<td></td>
</tr>
</table>

2. Company has an orientation program for first time directors.	COMPLIANT	Provide information or link/reference to a document containing information on the orientation program and trainings of directors for the previous year, including the number of hours attended and topics covered. The present directors of the Company were re-elected; therefore, there are no first time directors. However in 2017, Mr. Bartolome was a first-time director. He was given an orientation to the business of the Company and furnished copies of the Company's Articles of Incorporation, By-laws and other relevant documents.	
3. Company has relevant annual continuing training for all directors.	NON-COMPLIANT		The Company has no annual in-house Corporate Governance training for its directors However, the Company regularly informs the directors of the schedule of SEC accredited Corporate Governance Training programs and assists them in the reservation of their slots.
Recommendation 1.4			

1. Board has a policy on board diversity.	COMPLIANT	Provide information on or link/reference to a document containing information on the company's board diversity policy. The Corporate Governance Committee evaluates the nominees for election as directors to ensure that there is diversity of experience and backgrounds. This is part of the duty of the Nomination Committee when they pre-screen and shortlist the nominees for election as directors. Please refer to the Revised Manual on Corporate Governance – Part II Compliance System, C. Board Committees pp. 14-16 and pp. 17-18 attached as Annex "C" Indicate gender composition of the board. The Board is composed of seven (7) male directors.	
Optional: Recommendation 1.4			

1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.	NON-COMPLIANT	Provide information on or link/reference to a document containing the company's policy and measureable objectives for implementing board diversity. Provide link or reference to a progress report in achieving its objectives.	The Company has a policy on board diversity but no explicit measurable objectives to implement such. While there are no explicit measurable objectives, the Company has been practicing nominating and electing Board of Directors from diverse background (i.e. field of practice and education).
Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	COMPLIANT	Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions. The Corporate Secretary is Atty. A. Bayani K. Tan, who is not a member of the Board of Directors of the Company. He is the Managing Partner of the law offices of Tan Venturanza Valdez and has held various directorship and trusteeship positions in several companies. For more information on Atty. Tan, please refer to p. 41 of the 2018 Annual Report attached as Annex "A" and the Revised Manual on Corporate Governance for his duties and functions attached as Annex "C"	
2. Corporate Secretary is a separate individual from the Compliance Officer.	COMPLIANT		

<table>
<tr><td>3. Corporate Secretary is not a member of the Board of Directors.</td><td>COMPLIANT</td><td></td><td></td></tr>
<tr><td>4. Corporate Secretary attends training/s on corporate governance.</td><td>COMPLIANT</td><td>Provide information or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered
<table>
<tr><th>Name</th><th>Date of Training</th><th>Program</th><th>Training Institution</th></tr>
<tr><td>Atty. A. Bayani K. Tan</td><td>08/08/18
4 hours</td><td>Advance Corporate Governance Training Program</td><td>Institute of Corporate Directors</td></tr>
</table></td><td></td></tr>
<tr><td colspan="4">Optional: Recommendation 1.5</td></tr>
</table>

1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.		Provide proof that corporate secretary distributed board meeting materials at least five business days before scheduled meeting	

Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	COMPLIANT	Provide information on or link/reference to a document containing information on the Compliance Officer, including his/her name, position, qualifications, duties and functions. The Compliance Officer is Ms. Rosanna T. Desiderio, who is not a member of the Board. She concurrently holds the position of Investor Relations Officer and Account Manager as well. Please refer to the Profile of the Compliance Officer Found in the 2018 Annual Report, p.41 attached as Annex "A" Her functions are set in the Company's Revised Manual on Corporate Governance – Part II Compliance System, A. Compliance Officer pp. 1-2 attached as Annex "C"	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	COMPLIANT		
3. Compliance Officer is not a member of the board.	COMPLIANT		
4. Compliance Officer attends training/s on corporate governance.	NON-COMPLIANT	Provide information on or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered.	The Compliance Officer continuously updates herself on the latest issuances and rules of the SEC and PSE.

Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.

Recommendation 2.1

1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	COMPLIANT	Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting) The Board conducts itself with utmost honesty and integrity in the discharge of its duties, functions and responsibilities to ensure a high standard of best practices for the Company, its stockholders and other stakeholders. Please refer to the Omnibus Secretary's Certificate attached as Annex "E"	
Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	COMPLIANT	Provide information or link/reference to a document containing information on how the directors performed this function (can include board resolutions, minutes of meeting) The Board reviews Management's proposal for the Company's business objectives and strategies, company policies and processes.	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	COMPLIANT	Indicate frequency of review of business objectives and strategy The Board of Directors actively oversees the business and strategic plans of the Company, the business and objective strategies regularly. Please refer to the Omnibus Secretary's Certificate attached as Annex "E"	
Supplement to Recommendation 2.2			

1. Board has a clearly defined and updated vision, mission and core values.	COMPLIANT	Indicate or provide link/reference to a document containing the company's vision, mission and core values. Please refer to the Company's Vision, Mission and Core Values: <u>http://www.coalasiaholdings.com/ourcompany.html</u> Indicate frequency of review of the vision, mission and core values. The Company periodically reviews the vision, mission and core values of the organization. The review, while not formally done, is incorporated during the Company's annual strategic planning for the coming year's plans and programs.	
2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	COMPLIANT	Provide information on or link/reference to a document containing information on the strategy execution process.	
		The Board reviews Management's proposal for the Company's business objectives and strategies, company policies and processes. Please refer to the Omnibus Secretary's Certificate attached as Annex "E"	

Recommendation 2.3

1. Board is headed by a competent and qualified Chairperson.	COMPLIANT	Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications The Chairman of the Board is Mr. Harald R. Tomintz. Please refer to the Profile of the Chairman of the Board found in the 2018 Annual Report, p.39 attached as Annex "A"	
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	COMPLIANT	Disclose and provide information or link/reference to a document containing information on the company's succession planning policies and programs and its implementation. The Company's senior officers work closely with the CEO/President and under the guidance of the Board of Directors to ensure that they are given ample training and experience in running the Company. This approach exposes the senior officers to the day-to-day demands of Company operations.	

2. Board adopts a policy on the retirement for directors and key officers.	NON-COMPLIANT		The Audit and Risk Committee is in the process of drafting a formal and transparent procedure for developing a policy for executive remuneration and fixing the remuneration packages for corporate officers and directors, and provide oversight over remuneration of senior management and key personnel to ensure that compensation levels are consistent with the Corporation's culture, strategy, and environment. The Committee also determines the amount of remuneration of directors and officers. The Committee ensures that their remuneration is sufficient to attract and retain personnel. The Management is currently drafting a retirement plan to be presented to the Compensation and Remuneration Committee.

Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	COMPLIANT	Provide information on or link/reference to a document containing information on the company's remuneration policy and its implementation, including the relationship between remuneration and performance. The Company's directors do not receive regular compensation for their services as they are seconded from Titan Mining and Energy Corporation. There are no other arrangements for compensation either by way of payments for committee participation or special assignments other than reasonable per diems. Although the Company does not have a formal or written policy on remuneration, the amount of remuneration and bonuses of the officers and employees are merit based and determined in accordance with their performance.	
2. Board adopts a policy specifying the relationship between remuneration and performance.	NON-COMPLIANT		
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	COMPLIANT		
Optional: Recommendation 2.5			

1. Board approves the remuneration of senior executives.		Provide proof of board approval.	
2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.		Provide information on or link/reference to a document containing measurable standards to align performance-based remuneration with the long-term interest of the company.	
Recommendation 2.6			

1. Board has a formal and transparent board nomination and election policy.	COMPLIANT	Provide information or reference to a document containing information on the company's nomination and election policy and process and its implementation, including the criteria used in selecting new directors, how the shortlisted candidates and how it encourages nominations from shareholders. Please refer to the Revised Manual on Corporate Governance –Part II. Compliance System, C. Board Committees, Nomination Committees, pp. 14-16 attached as Annex "C" Provide proof if minority shareholders have a right to nominate candidates to the board Please refer to the Revised Manual on Corporate Governance – Part IV. Shareholders' Rights and Protection of Minority Stockholders' Interests, pp. 28-29 attached as Annex "C"	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	COMPLIANT		
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	COMPLIANT		
4. Board nomination and election policy includes how the board shortlists candidates.	COMPLIANT	Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	NON-COMPLIANT		The Company strictly follows the Company's Nomination and Election Policies.

6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	COMPLIANT		
Optional: Recommendation to 2.6			
1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.		Identify the professional search firm used or other external sources of candidates.	
Recommendation 2.7			

1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	COMPLIANT	Provide information on or reference to a document containing the company's policy on related party transaction, including policy on review and approval of significant RPTs The Company adopts a policy of full disclosure with regard to related party transactions. All terms and conditions of related party transactions are reported to the Board of Directors to ensure that transactions with related parties are at terms equivalent to prevailing market rates and at arm's length basis. Please refer to the Revised Manual on Corporate Governance – Part II. Compliance System, C. Board Committees, Related Party Transaction Committee, pp. 20-21 attached as Annex "C"	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	NON-COMPLIANT	Identify transactions that were approved pursuant to the policy.	RPTS reported in the Annual Report have been approved prior to the implementation of the RPT policy. Nevertheless, all RPTs are disclosed to all the stakeholders through the Company disclosures to ensure that they are at arm's length.
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	COMPLIANT		

Supplement to Recommendations 2.7

1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered *de minimis* or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.	NON-COMPLIANT	Provide information on a materiality threshold for RPT disclosure and approval, if any. Provide information on RPT categories	Even though the threshold for disclosure and approval of RPTs has not been finalized by the Board, the Corporate Governance Committee takes into account, among others, the following in evaluating RPTs: (1) The related party's relationship to the Company and interest in the transaction (2) The material facts of the proposed RPT, including the proposed aggregate value of such transaction (3) The benefit to the company of the proposed RPT (4) The availability of other sources of comparable products or services (5) An assessment of whether the proposed RPT is on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances.

2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.	COMPLIANT	Provide information on voting system, if any. All shareholders are given the opportunity to vote at stockholders' meetings. It is the practice of the Corporation to disclose all its related-party transactions in its Annual Report, which in turn are approved by the shareholders. At the stockholders' meeting, all shareholders are given the chance to raise questions or concerns regarding the matters disclosed in the Annual Report. The shareholders' approval serves as the ratification of the related party transactions so disclosed.	
Recommendation 2.8			

1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	COMPLIANT	Provide information on or reference to a document containing the Board's policy and responsibility for approving the selection of management. The appointment of competent, professional, honest and highly-motivated management officers is one of the functions of the Board of Directors enumerated in the Revised Manual on Corporate Governance – Board of Directors. Please refer to the Revised Manual on Corporate Governance Part II Compliance System-B. Board of Directors, p. 4 attached as Annex "C" Identity of the Management team appointed Mr. Johnson A. Sanhi, Jr. - President and Chief Operating Officer Mr. Dexter Y. Tiu -Treasurer Atty. A. Bayani K. Tan - Corporate Secretary Mr. Rolando Domingo – Chief Financial Officer (OIC) Mr. Enrique C. Payawal -Vice President -Exploration Ms. Gizella Greta D.J. Gonzales - Senior Geologist Ms. Rosanna T. Desiderio - Account Manager/Investor Relations/Compliance Officer	

2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	COMPLIANT	Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management. The Company's senior officers work closely with the CEO/President and under the guidance of the Board of Directors to ensure that they are given ample training and experience in running the Company. This approach exposes the senior officers to the day-to-day demands of Company operations. Provide information on the assessment process and indicate frequency of assessment of performance. The Board periodically evaluates and monitors the implementation of its strategic policies, programs, business plans, operating budgets, including the Management's overall performance.	
Recommendation 2.9			
1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.	COMPLIANT	Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel. The Board is tasked to establish minimum internal control mechanisms for monitoring and overseeing management performance and to monitor the implementation of its strategic policies and programs, including the overall performance of management. The Board periodically assesses performance of both management and personnel. Please refer to Revised Manual on Corporate Governance, Part II. Compliance System, B. Board of Directors, pp. 4-5 attached as Annex "C"	

2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	COMPLIANT		
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	COMPLIANT	Provide information on or link/reference to a document showing the Board's responsibility for overseeing that an appropriate internal control system is in place and what is included in the internal control system One of the functions of the Board is to establish minimum internal control mechanisms for monitoring and overseeing management performance. The Audit and Risk Committee monitors and evaluates the adequacy and effectiveness of the Company's internal control system, including financial reporting control and information technology security, and ensure the integrity of the financial reports and protection of the assets of the Company for the benefit of all stockholders and other stakeholders. Please refer to the Revised Manual on Corporate Governance – II. Compliance System, C. Board Committees – Audit and Risk Committee, pp. 12-13 attached as Annex "C"	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	COMPLIANT		

3. Board approves the Internal Audit Charter.	NON-COMPLIANT	Provide reference or link to the company's Internal Audit Charter	The Corporate Governance Charter of the Company provides for the duties and responsibilities of the Internal Auditor.
Recommendation 2.11			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	COMPLIANT	Provide information on or link/reference to a document showing the Board's oversight responsibility on the establishment of a sound enterprise risk management framework and how the board was guided by the framework. Please refer to Revised Manual on Corporate Governance – II. Compliance System, C. Board Committee, Internal Auditor , pp. 25-27 attached as Annex "C"	
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	COMPLIANT	Provide proof of effectiveness of risk management strategies, if any. Risks and Risks Management Strategies are discussed in the Company's Annual Report. As of date, no instances disprove the effectiveness of the Risks Management Strategies and actions taken by the Company. Please refer to the Company's 2018 Annual Report attached as Annex "A"	
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	COMPLIANT	Provide link to the company's website where the Board Charter is disclosed. Please refer to Charter of the Board of Directors attached as Annex "D"	

2. Board Charter serves as a guide to the directors in the performance of their functions.	COMPLIANT		
3. Board Charter is publicly available and posted on the company's website.	NON-COMPLIANT		While the Board Charter is not presently on the website, the members of the Board are given a copy of the Board Charter and are oriented on their duties and functions upon assumption of their roles. Please refer to Charter of the Board of Directors attached as Annex "D"
Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	COMPLIANT	Provide information on or link/reference to a document showing company's insider trading policy. Please refer to the Company's Policies – Insider Trading attached as Annex "F" and on the company website http://www.coalasiaholdings.com/policies.html	
Optional: Principle 2			
1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.		Provide information on or link/reference to a document showing company's policy on granting loans to directors, if any.	

2. Company discloses the types of decision requiring board of directors' approval.		Indicate the types of decision requiring board of directors' approval and where there are disclosed.	
Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.			
Recommendation 3.1			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	COMPLIANT	Provide information or link/reference to a document containing information on all the board committees established by the company. Please refer to the Revised Manual on Corporate Governance – II. Compliance System, C. Board Committees, pp. 12-21 attached as Annex "C"	
Recommendation 3.2			

1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	COMPLIANT	Provide information or link/reference to a document containing information on the Audit Committee, including its functions. Please refer to the Revised Manual on Corporate Governance – II. Compliance System, C, Board Committees, Audit Committee, pp. 12-14 attached as Annex "C" Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor. Please refer to the Revised Manual on Corporate Governance – II. Compliance System, C. Board Committees, Audit Committee, p. 14 attached as Annex "C"	
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	COMPLIANT	Provide information or link/reference to a document containing information on the members of the Audit Committee, including their qualifications and type of directorship. The Audit and Risk Committee is composed of three non-executive directors, the majority of whom, including the Chairman, are independent. Mr. Armas- Chairman Mr. Bartolome – Member Mr. Roxas- Member Please refer to the 2018 Annual Report (SEC Form 17-A), pp. 39-40 attached as Annex "A"	

3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	COMPLIANT	Provide information or link/reference to a document containing information on the background, knowledge, skills, and/or experience of the members of the Audit Committee. Please refer to the 2018 Annual Report (SEC Form 17-A)pp. 39-40 attached as Annex "C"	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	COMPLIANT	Provide information or link/reference to a document containing information on the Chairman of the Audit Committee Please refer the 2018 Annual Report (SEC Form 17-A) pp. 39-40 attached as Annex "A"	
Supplement to Recommendation 3.2			
1. Audit Committee approves all non-audit services conducted by the external auditor.	COMPLIANT	Provide proof that the Audit Committee approved all non-audit services conducted by the external auditor. There are no non-audit services conducted by the External Auditor for the Company.	

2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	COMPLIANT	Provide proof that the Audit Committee conducted regular meetings and dialogues with the external audit team without anyone from management present. Prior the release of the Company's Financial Statements, the Audit and Risk Committee discusses with the External Auditor the Company's financial status, reviews and approves Interim and Annual Financial Statements and reviews the disposition of the recommendations in the External Auditor's Management Letter. The Audit and Risk Committee also performs oversight functions over the latter.	
Optional: Recommendation 3.2			
1. Audit Committee meet at least four times during the year.		Indicate the number of Audit Committee meetings during the year and provide proof	

2. Audit Committee approves the appointment and removal of the internal auditor.		Provide proof that the Audit Committee approved the appointment and removal of the internal auditor.	
Recommendation 3.3			

1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	COMPLIANT	Provide information or reference to a document containing information on the Corporate Governance Committee, including its functions Please refer to the Revised Manual on Corporate Governance – II. Compliance System, C. Board Committees, Corporate Governance Committee, pp. 17-18 attached as Annex "C" Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable. The Corporate Governance Committee is responsible to set in place a system for the assessment of the performance of the Board. Pursuant to this duty, the Committee shall provide the criteria and process to determine the performance of the Board, the individual directors, committees and Management. Such system should allow for a feedback mechanism from the shareholders. Likewise, the Revised Manual on Corporate Governance also enumerates the qualifications and disqualifications of directors.	

2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	COMPLIANT	Provide information or link/reference to a document containing information on the members of the Corporate Governance Committee, including their qualifications and type of directorship. All of the members of the Corporate Governance Committee are Independent Directors. Mr. Bartolome- Chairman Mr. Belmonte- Member Mr. Armas- Member Please refer to the 2018 Annual Report (SEC Form 17-A), pp. 39-40 attached as Annex "A"	
3. Chairman of the Corporate Governance Committee is an independent director.	COMPLIANT	Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance Committee. The Chairman of the Corporate Governance Committee, Mr. Bartolome, is an Independent Director. Please refer to the 2018 Annual Report (SEC Form 17-A), pp. 39-40 attached as Annex "A"	
Optional: Recommendation 3.3.			
1. Corporate Governance Committee meets at least twice during the year.		Indicate the number of Corporate Governance Committee meetings held during the year and provide proof thereof.	
Recommendation 3.4			

1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	NON-COMPLIANT	Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including its functions	Taking into consideration the size of the Company and the functions of the Board Risk Oversight Committee, the Board of Directors decided to merge the functions of the Board Risk Oversight Committee with the functions of the Audit and Risk Committee. The Chairman of the Audit and Risk Committee, Mr. Armas, is not the chairman of the Board or of any other committees of the Company.
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	COMPLIANT	Provide information or link/reference to a document containing information on the members of the BROC, including their qualifications and type of directorship The members of the Audit and Risk Committee perform the functions of the BROC. Please refer to 2018 Annual Report (SEC Form 17-A), pp. 39-40 attached as Annex "A"	
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	NON-COMPLIANT	Provide information or link/reference to a document containing information on the Chairman of the BROC	

4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	NON-COMPLIANT	Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROC.	Mr. Armas was previously the President of UCPB Leasing and Financing Corporation. He has 40 years of experience in banking and financing. He previously held executive positions in Citibank, BA Finance Corporation, UCPB Savings Bank, and United Coconut Planters Bank. He earned his Bachelor of Arts degree and Bachelor of Science degree in Commerce from the De La Salle University.
Recommendation 3.5			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	NON-COMPLIANT	Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions.	Taking into consideration the size of the Company and the functions of the Related Party Transactions Committee has been merged with the functions of the Audit and Risk Committee because the Company rarely enters into related party transactions.
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	NON-COMPLIANT	Provide information or link/reference to a document containing information on the members of the RPT Committee, including their qualifications and type of directorship.	
Recommendation 3.6			

1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	COMPLIANT	Provide information on or link/reference to the company's committee charters, containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes. Please refer to the Board Committee Charters attached as Annexes "G" to "J".	
2. Committee Charters provide standards for evaluating the performance of the Committees.	COMPLIANT		
3. Committee Charters were fully disclosed on the company's website.	NON-COMPLIANT	Provide link to company's website where the Committee Charters are disclosed.	While the Committee Charters are not disclosed on the website, the members of the committees are given a copy of the Committee Charter and are oriented on their roles as members of their respective committees.

Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.

Recommendation 4.1

1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	COMPLIANT	Provide information or link/reference to a document containing information on the process and procedure for tele/videoconferencing board and/or committee meetings. Please refer to the Board Committee Charters attached as Annexes "G" to "J" Provide information or link/reference to a document containing information on the attendance and participation of directors to Board, Committee and shareholders' meetings. There were two (2) meetings held in 2018, on 17 July 2018 and 07 August 2018. All the Members of the Board attended the meetings except Mr. Belmonte who was absent on 17 July 2018.	
2. The directors review meeting materials for all Board and Committee meetings.	COMPLIANT	It is the policy of the Company that the Board of Directors and Committee members are furnished a copy of the materials at least seven (7) days before the meeting.	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	COMPLIANT	Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors In the Board and Committee meetings, the directors are participative and ask the necessary questions or seek clarifications and explanations on the matters discussed therein. Please refer to the Omnibus Secretary's Certificate attached as Annex "E"	
Recommendation 4.2			

1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.	COMPLIANT	Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously. It is the Company's policy that the non-executive directors of the Board may concurrently serve as directors to a maximum of five (5) publicly-listed companies to ensure that they have sufficient time to fully prepare for meetings, challenge Management's proposals/views, and oversee the long-term strategy of the company. Please refer to the Revised Manual on Corporate Governance –Part II. Compliance System, B. Board of Directors, p. 3 attached as Annexes "C" Provide information or reference to a document containing information on the directorships of the company's directors in both listed and non-listed companies	
		Please refer the 2018 Annual Report (SEC Form 17-A), pp. 39-40 attached as Annex "A"	
Recommendation 4.3			

1. The directors notify the company's board before accepting a directorship in another company.	COMPLIANT	Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed. It is the Company's policy that a director must notify the Board before accepting a directorship in another publicly-listed company. Please refer to the Revised Manual on Corporate Governance –Part II. Compliance System, B. Board of Directors, p. 3 attached as Annex "A" In 2018, none of the members of the Board has notified the Company of any acceptance of new directorship positions in another company.	
Optional: Principle 4			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.			
2. Company schedules board of directors' meetings before the start of the financial year.			
3. Board of Directors meet at least six times during the year.		Indicate the number of board meetings during the year and provide proof	
4. Company requires as minimum quorum of at least 2/3 for board decisions.		Indicate the required minimum quorum for board decisions	

Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs

Recommendation 5.1

1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	COMPLIANT	Provide information or link/reference to a document containing information on the number of independent directors in the board Three out of the seven members of the Company's Board of Directors are Independent. Please refer to the 2018 Definitive Information Statement (SEC Form 20-IS), pp. 9-10 attached as Annex "B"	
Recommendation 5.2			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	COMPLIANT	Provide information or link/reference to a document containing information on the qualifications of the independent directors. Please refer to the Definitive Information Statement (SEC Form 20-IS), pp. 9-10 attached as Annex "B"	
Supplement to Recommendation 5.2			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	COMPLIANT	Provide link/reference to a document containing information that directors are not constrained to vote independently. Please refer to the Corporation's Bylaws, specifically Article III Section 5. Additional Requirements for Independent Directors http://www.coalasiaholdings.com/ourcompany.html	

Recommendation 5.3			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	COMPLIANT	Provide information or link/reference to a document showing the years IDs have served as such. Mr. Juan Kevin Belmonte and Mr. Aristides S. Armas have been independent directors of the Company since 2012. Meanwhile, Mr. Arsenio M. Bartolome III has been an independent director of the Company since 2017.	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	COMPLIANT	Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director. An independent director shall have a maximum cumulative term of nine (9) years, after which he is perpetually barred as such unless the Board provides meritorious justification, and the shareholders approve it during their annual meeting. At the end of the term of the independent director, he may qualify for nomination as a non-independent director. Please refer to the Revised Manual on Corporate Governance – II. Compliance System, B. Board of Directors, p. 10 attached as Annex "C"	
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.	COMPLIANT	Provide reference to the meritorious justification and proof of shareholders' approval during the annual shareholders' meeting. All Independent Directors have served for less than nine years.	
Recommendation 5.4			

1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	COMPLIANT	Identify the company's Chairman of the Board and Chief Executive Officer The Chairman of the Board is Mr. Harald R. Tomintz while the Chief Executive Officer is Mr. Johnson A. Sanhi Jr.	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	COMPLIANT	Provide information or link/reference to a document containing information on the roles and responsibilities of the Chairman of the Board and Chief Executive Officer. Please refer to the Revised Manual on Corporate Governance – Part II. Compliance System – Chief Executive Officer, pp. 22-23 attached as Annex "C" Identify the relationship of Chairman and CEO. The CEO, being the President of the Company, reports to the Chairman and the Board of Directors significant matters such as the performance of the Company.	
Recommendation 5.5			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	NON-COMPLIANT	Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any. Indicate if Chairman is independent. The Chairman is not an independent director.	In its organizational meeting, the Company shall endeavor to appoint a lead independent director.
Recommendation 5.6			

1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	COMPLIANT	Provide proof of abstention, if this was the case. There were no significant transactions discussed during Board meetings in which any director had material interest. Consequently, no abstention occurred during the period covered.	
Recommendation 5.7			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	NON-COMPLIANT	Provide proof and details of said meeting, if any. Provide information on the frequency and attendees of meetings.	Given that the Company is a holding corporation and thus, has limited operations, the Company does need separate periodic meetings without any executive present, at this time. The Audit and Risk Committee composed of 2 independent directors and 1 non-executive director, is primarily tasked to perform oversight functions.
2. The meetings are chaired by the lead independent director.	NON-COMPLIANT		
Optional: Principle 5			

1. None of the directors is a former CEO of the company in the past 2 years.	COMPLIANT	Provide name/s of company CEO for the past 2 years Mr. Johnson A. Sanhi, Jr. has been the Company's CEO for the past four years.	
Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.			
Recommendation 6.1			
1. Board conducts an annual self-assessment of its performance as a whole.	NON-COMPLIANT	Provide proof of self-assessments conducted for the whole board, the individual members, the Chairman and the Committees	To ensure transparency, the Board reports to the stockholders during the Annual Stockholders' Meeting the performance of the Company. The Company's performance is a good indication, not only of the performance of Management, but also the performance of the Company's Board.
2. The Chairman conducts a self-assessment of his performance.	NON-COMPLIANT		
3. The individual members conduct a self-assessment of their performance.	NON-COMPLIANT		
4. Each committee conducts a self-assessment of its performance.	NON-COMPLIANT		
5. Every three years, the assessments are supported by an external facilitator.	NON-COMPLIANT	Identify the external facilitator and provide proof of use of an external facilitator.	
Recommendation 6.2			

1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	COMPLIANT	Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders. The Revised Manual on Corporate Governance serves as the minimum criteria in determining the performance of the Board, individual directors and committees. The Corporate Governance Committee determines the criteria and process to evaluate the performance of the Board, the individual directors, committees and Management. Such system should allow for a feedback mechanism from the shareholders.	
2. The system allows for a feedback mechanism from the shareholders.	COMPLIANT	Please refer to the Revised Manual on Corporate Governance – Part II. Compliance System, B. Board of Directors – Corporate and Governance Committee, pp. 17-18 attached as Annex "C"	
Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.			
Recommendation 7.1			
1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	COMPLIANT	Provide information on or link/reference to the company's Code of Business Conduct and Ethics. Please refer to Code of Business Conduct and Ethics found on the company website: http://www.coalasiaholdings.com/businessconduct.html	

2. The Code is properly disseminated to the Board, senior management and employees.	COMPLIANT	Provide information on or discuss how the company disseminated the Code to its Board, senior management and employees. Directors, members of senior management and employees were furnished copies of the Company's Code of Business Conduct and Ethics upon assumption of their respective positions in the Company. It is also the Company's practice to issue company-wide memos if there are any amendments to the Code or new policies to be implemented.	
3. The Code is disclosed and made available to the public through the company website.	COMPLIANT	Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/ disclosed. Please refer to the Code of Business Conduct and Ethics found on the company website	
		http://www.coalasiaholdings.com/businessconduct.html	
Supplement to Recommendation 7.1			

1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	COMPLIANT	Provide information on or link/reference to a document containing information on the company's policy and procedure on curbing and penalizing bribery The Company desires to strengthen its integrity and the fight against corruption and related offenses. The Code of Business Conduct and Ethics sets forth the conditions and procedures for investigations of allegations of corruption, fraud and misconduct. Please refer to the Code of Business Conduct and Ethics found on the company website http://www.coalasiaholdings.com/businessconduct.html	
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	COMPLIANT	Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies. There were no reported violations of the Code of Business Conduct and Ethics in 2018.	
		The Company supports the reporting of ethics violations by establishing a mechanism where violations can be reported anonymously, either verbally or in writing, to the Compliance Officer, Human Resources Department or any member of the Audit and Risk Committee. Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance:	

2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	COMPLIANT	Directors, officers, employees, consultants, advisers, contractors, and suppliers acting on behalf of the company must adhere to the Code of Business Conduct and Ethics.	
Disclosure and Transparency			
Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.			
Recommendation 8.1			
1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	COMPLIANT	Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders Please refer to the Revised Manual on Corporate Governance – Part III. Reportorial or Disclosure System of Corporate Governance Policies, pp. 27-28 attached as Annex "C"	
Supplement to Recommendations 8.1			

<table>
<tr>
<td>1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.</td>
<td>NON-COMPLIANT</td>
<td>Indicate the number of days within which the consolidated and interim reports were published, distributed or made available from the end of the fiscal year and end of the reporting period, respectively.
The annual and quarterly reports are published within ninety (90) days and forty-five (45) days, respectively, from the end of the reporting period.
<table>
<tr><th></th><th>Publishing Date</th><th>No. of Days</th></tr>
<tr><td>2018 Annual Report</td><td>02 May 2019</td><td>121</td></tr>
<tr><td>Quarterly Report</td><td>08 May 2019</td><td>128</td></tr>
<tr><td>1st Qtr</td><td>4 May 2018</td><td>34</td></tr>
<tr><td>2nd Qtr</td><td>10 August 2018</td><td>41</td></tr>
<tr><td>3rd Qtr</td><td>23 October 2018</td><td>23</td></tr>
</table>
</td>
<td>The Company always endeavors to comply with the regulations of the Securities and Exchange Commission.</td>
</tr>
<tr>
<td></td>
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<td>Please refer to Company Disclosures :
http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=637</td>
<td></td>
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<tr>
<td>2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.</td>
<td>NON-COMPLIANT</td>
<td>Provide link or reference to the company's annual report where the following are disclosed:
1. principal risks to minority shareholders associated with the identity of the company's controlling shareholders;
2. cross-holdings among company affiliates; and
3. any imbalances between the controlling shareholders' voting power and overall equity position in the company.</td>
<td>The Company is compliant with regulations of the Securities and Exchange Commission and Philippine Stock Exchange as to the disclosures of its Annual and Quarterly Financial Reports.</td>
</tr>
<tr>
<td colspan="4">Recommendation 8.2</td>
</tr>
</table>

1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	COMPLIANT	Provide information on or link/reference to the company's policy requiring directors and officers to disclose their dealings in the company's share. All directors and officers shall disclose/report to the Company any dealings in its shares within three (3) business days. Please refer to the Revised Manual on Corporate Governance – Part III. Reportorial or Disclosure Systems of Corporate Governance Policies, p. 27 attached as Annex "C" Indicate actual dealings of directors involving the corporation's shares including their nature, number/percentage and date of transaction. The Company's Directors and Officers did not have any dealings in the Company's shares.	
2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.	COMPLIANT		
Supplement to Recommendation 8.2			

1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).	COMPLIANT	Provide information on or link/reference to the shareholdings of directors, management and top 100 shareholders. Please refer to the following: • Public Ownership Report http://edge.pse.com.ph/openDiscViewer.do?edge_no=47930f5cf0b54793efdfc15ec263a54d#sthash.zAEAJK5D.dpbs • List of Top 100 shareholders http://edge.pse.com.ph/openDiscViewer.do?edge_no=fae45450e4196d20efdfc15ec263a54d#sthash.dpbfJXz4.dpbs • Shareholdings of Directors and management are found in the 2018 Definitive Information Statement (Sec Form 20-IS), p. 7 attached as Annex "B"	
		Provide link or reference to the company's Conglomerate Map. Please refer to the Company's Conglomerate Map found on the company website: http://www.coalasiaholdings.com/ourcompany.html	
Recommendation 8.3			

1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	COMPLIANT	Provide link or reference to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended. Please refer to the profiles of the Members of the Board of Directors in the 2018 Annual Report (SEC Form 17-A), pp. 39-40 attached as Annex "A"	
2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	COMPLIANT	Provide link or reference to the key officers' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended. Please refer to the following: • Profiles of the Members of the Board and Key officers found in the 2018 Annual Report (SEC Form 17-A) pp. 39-41 attached as Annex "A" • Public Ownership Report ,http://edge.pse.com.ph/openDiscViewer.do?edge_no=47930f5cf0b54793efdfc15ec263a54d#sthash.zAEAJK5D.dpbs	
Recommendation 8.4			

1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	COMPLIANT	Disclose or provide link/reference to the company policy and practice for setting board remuneration Under the By-Laws of the Company, by resolution of the Board, each director shall receive a reasonable per diem allowance for his attendance at each meeting of the Board. As compensation, the Board shall receive and allocate an amount of not more than ten percent (10%) of the net income before income tax of the Company during the preceding year. Such compensation shall be determined and apportioned among the directors in such manner as the Board may deem proper, subject to the approval of the stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting of the stockholders. Please refer to the Company's Amended By-laws found on the company website: http://www.coalasiaholdings.com/ourcompany.html	
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	COMPLIANT	Disclose or provide link/reference to the company policy and practice for determining executive remuneration The Board of Directors aligns the remuneration of key officers and board members with the long-term interest of the Company. In determining compensation, the Board shall ensure that remuneration is commensurate to the responsibilities of the relevant officer and that the pay-out schedule is sensitive to risk outcomes over a multi-year horizon. Please refer to the Revised Manual on Corporate Governance – Part II. Compliance System, B. Board of Directors, p. 4 attached as Annex "C"	

3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	NON-COMPLIANT	Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.	The Company discloses the remuneration of the top executives on an aggregate basis.
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	COMPLIANT	Disclose or provide reference/link to company's RPT policies Please refer to the Related Party Transactions Policy found on the company website: http://www.coalasiaholdings.com/policies.html Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction. There has been no instance which required the abstention of a director by reason of conflict of interest.	

2. Company discloses material or significant RPTs reviewed and approved during the year.	NON-COMPLIANT	Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs: 1. name of the related counterparty; 2. relationship with the party; 3. transaction date; 4. type/nature of transaction; 5. amount or contract price; 6. terms of the transaction; 7. rationale for entering into the transaction; 8. the required approval (i.e., names of the board of directors approving, names and percentage of shareholders who approved) based on the company's policy; and 9. other terms and conditions	The Company adopts a policy of full disclosure with regard to related party transactions whereby all terms and conditions are disclosed. The aggregate ending balances of Related Party Transactions are disclosed in the Annual Report. While not all information enumerated in the previous column is disclosed, all required information is contained in the Annual Report.
Supplement to Recommendation 8.5			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	COMPLIANT	Indicate where and when directors disclose their interests in transactions or any other conflict of interests. To avoid potential conflict of interest or an appearance thereof, Directors are required to disclose in writing to Management any personal interest or possible gain in a transaction involving the Company. Please refer to the Conflicts of Interest Policy found on the company website: http://www.coalasiaholdings.com/policies.html	
Optional : Recommendation 8.5			

1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.		Provide link or reference where this is disclosed, if any	
Recommendation 8.6			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	COMPLIANT	Provide link or reference where this is disclosed The Company did not acquire or dispose any significant asset that could adversely affect the viability or the interest of its shareholders and other stakeholders.	
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	COMPLIANT	Identify independent party appointed to evaluate the fairness of the transaction price Disclose the rules and procedures for evaluating the fairness of the transaction price, if any. The Company did not acquire or dispose any significant asset that could adversely affect the viability or the interest of its shareholders and other stakeholders.	
Supplement to Recommendation 8.6			
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	COMPLIANT	Provide link or reference where these are disclosed. No shareholder agreements, voting trust agreements, confidentiality agreements and such other agreements that may impact on control, ownership and strategic direction of the Company were disclosed to the Company.	
Recommendation 8.7			

1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	COMPLIANT	Provide link to the company's website where the Manual on Corporate Governance is posted.	The Manual on Corporate Governance is posted on the company website , however its revised version is not unavailable at present. Although not posted on the website, all directors, officers, and employees are supplied a copy of the company's Revised Manual on Corporate Governance and are oriented on its provisions upon employment with the company.
2. Company's MCG is submitted to the SEC and PSE.	COMPLIANT		
3. Company's MCG is posted on its company website.	NON-COMPLIANT		
Supplement to Recommendation 8.7			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	COMPLIANT	Provide proof of submission. The Revised Manual on Corporate Governance was submitted to the SEC on 31 May 2017. Please see refer to Company disclosures: http://edge.pse.com.ph/openDiscViewer.do?edge_no=4709f8de9d5948f53318251c9257320d#sthash.2HKqksDh.dpbs	
Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:		Provide link or reference to the company's Annual Report containing the said information.	
a. Corporate Objectives			

b. Financial performance indicators			
c. Non-financial performance indicators			
d. Dividend Policy			
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors			
f. Attendance details of each director in all directors meetings held during the year			
g. Total remuneration of each member of the board of directors			
2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.		Provide link or reference to where this is contained in the Annual Report	
3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.		Provide link or reference to where this is contained in the Annual Report	
4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.		Provide link or reference to where this is contained in the Annual Report	

5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).company discloses in the Annual Report	COMPLIANT	Provide link or reference to where these are contained in the Annual Report See pp. 12-21 of the 2018 Annual Report (SEC Form 17-A) attached as Annex "A"	
Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.			
Recommendation 9.1			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	COMPLIANT	Provide information or link/reference to a document containing information on the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor. Please refer to the Revised Manual on Corporate Governance –Part II. Compliance System, B. Board Committees , Audit Committee pp. 12-14 attached as Annex "C"	
2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	COMPLIANT	Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor. The re-appointment of Reyes Tacandong and Co. was approved by 80.7% of the stockholders (3,202,714,798 shares) in the Annual Stockholders' Meeting last 07 August 2018. Please refer to the Minutes of the Company's Annual Stockholders' Meeting attached as Annex "K"	

3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	COMPLIANT	Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor. There was no change of external auditor from the previous year.	
Supplement to Recommendation 9.1			
1. Company has a policy of rotating the lead audit partner every five years.	COMPLIANT	Provide information on or link/reference to a document containing the policy of rotating the lead audit partner every five years. It is the Company's policy that its External Auditor should be rotated or changed every five (5) years or earlier, or the signing partner of the external auditing firm assigned to the Company, should be changed with the same frequency. Please refer to the Revised Manual on Corporate Governance –Part II Compliance System, Item 11. External Auditor, p. 25 attached as Annex "C"	
Recommendation 9.2			

1. Audit Committee Charter includes the Audit Committee's responsibility on: i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.	COMPLIANT	Provide link/reference to the company's Audit Committee Charter Please refer to the Audit Committee Charter attached as Annex "G"	
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	COMPLIANT	Provide link/reference to the company's Audit Committee Charter Please refer to the Audit Committee Charter attached as Annex "G"	
1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	COMPLIANT	Provide link/reference to the company's Audit Committee Charter Please refer to the Audit Committee Charter attached as Annex "G"	
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	COMPLIANT	Provide link/reference to the company's Audit Committee Charter Please refer to the Audit Committee Charter attached as Annex "G"	
Recommendation 9.3			

1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	COMPLIANT	Disclose the nature of non-audit services performed by the external auditor, if any. There are no non-audit services conducted by the External Auditor for the Company.	
2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	COMPLIANT	Provide link or reference to guidelines or policies on non-audit services. It is the responsibility of the Audit Committee to assess the integrity and independence of the external auditor, taking into consideration the relevant Philippine professional and regulatory requirements. The committee shall also review and monitor annually the external auditor's suitability and effectiveness. Please refer to the Revised Manual on Corporate Governance, Part. II Compliance System, C. Board Committees, Item 2. Audit Committee p. 14 attached as Annex "C"	
Supplement to Recommendation 9.3			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	COMPLIANT	Provide information on audit and non-audit fees paid. There are no non-audit services conducted by the External Auditor for the Company.	
Additional Recommendation to Principle 9			

1. Company's external auditor is duly accredited by the SEC under Group A category.	COMPLIANT	Provide information on company's external auditor, such as: 1. Name of the audit engagement partner; Emmanuel V. Clarino 2. Accreditation number; SEC Accreditation No. 1021-AR-2 Group A 3. Expiry date of accreditation: May 27, 2020; and 4. Name, address, contact number of the audit firm: Reyes Tacandong & Co. Citibank Tower 8741 Paseo de Roxas, Makati City 1226 Philippines Phone: +632 982 9100; Fax: +632 982 9111	
2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).	COMPLIANT	Provide information on the following: 1. Date it was subjected to SOAR inspection, if subjected – Not yet subjected to SOAR 2. Name of the Audit firm – Reyes Tacandong & Co. 3. Members of the engagement team inspected by the SEC– Not yet subjected to SOAR. While not yet subjected to SOAR, Reyes Tacandong & Co. is willing to be subjected to the SOAR program.	

Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.

Recommendation 10.1

1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	COMPLIANT	Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues. It is Company practice to disclose all key risks and risk-mitigating measures in its Annual Report, including those issues underpinning sustainability. The Company's risk involving the Mining Business, Risks related to Environmental Protection, Safe Mining Operations, and Social and Economic Development is included in the Company's Annual Report. Please refer to the 2018 Annual Report (SEC Form 17-A) attached as Annex "A"	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	NON-COMPLIANT	Provide link to Sustainability Report, if any. Disclose the standards used.	The Company's risk involving the Mining Business, Risks related to Environmental Protection, Safe Mining Operations, and Social and Economic Development are discussed in the Company's Annual Report. Please refer to the 2018 Annual Report (SEC Form 17-A) attached as Annex "A"

Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.			
Recommendation 11.1			
1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.	COMPLIANT	Disclose and identify the communication channels used by the company (i.e., website, Analyst's briefing, Media briefings /press conferences, Quarterly reporting, Current reporting, etc.). Provide links, if any. The existing official website is a cost-efficient channel of communication. Please refer to the Company Website: http://www.coalasiaholdings.com/index.html Company disclosures are also at the PSE Edge. http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=637	
Supplemental to Principle 11			
1. Company has a website disclosing up-to-date information on the following:	COMPLIANT	Provide link to company website. Please refer to Company's Website https://www.coalasiaholdings.com/index.html#	At present, the Company's website is undergoing preventive maintenance to ensure that access to financial statements/ reports, annual report, and minutes of ASM will be readily available to directors, officers, employees, other stakeholders, and the public. For the time-being,
a. Financial statements/reports (latest quarterly)	NON-COMPLIANT		
b. Materials provided in briefings to analysts and media	COMPLIANT		
c. Downloadable annual report	NON-COMPLIANT		
d. Notice of ASM and/or SSM	COMPLIANT		

e. Minutes of ASM and/or SSM	NON-COMPLIANT		these files are accessible through Company Disclosures at the PSE Edge http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=637
f. Company's Articles of Incorporation and By-Laws	COMPLIANT		
Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.	NON-COMPLIANT	Please refer to Company Website https://www.coalasiaholdings.com/index.html	At present, the Company's website is undergoing preventive maintenance to ensure compliance with the SEC prescribed website template.
Internal Control System and Risk Management Framework			
Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			
Recommendation 12.1			

1. Company has an adequate and effective internal control system in the conduct of its business.	NON-COMPLIANT	List quality service programs for the internal audit functions. Internal Audit provides full audit, general audit, spot audit, situational audit and follow-up audit. Indicate frequency of review of the internal control system. Review of the internal control system is done annually.	Because of the limited operations of the Company, the Board does not deem necessary to employ an Internal Auditor to perform Internal Audit functions. The Audit and Risk Committee is responsible for management oversight and risk recognition and assessment. When the circumstances of the Company have changed, the Board shall consider appointing one.

2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	COMPLIANT	Identify international framework used for Enterprise Risk Management Please refer to the Enterprise Risk Management Policy <u>http://www.coalasiaholdings.com/riskmanagement.html</u> Provide information or reference to a document containing information on: 1. Company's risk management procedures and processes 2. Key risks the company is currently facing 3. How the company manages the key risks Key risks are disclosed in the Company's Annual Report attached as Annex "A" Indicate frequency of review of the enterprise risk management framework.	
		The Audit and Risk Committee annually reviews the Company's approaches to risk management and recommends to the Board the changes or improvements to key elements of its processes and procedures. After submission of the Committee's recommendation, the Board then reviews the risk management system.	
Supplement to Recommendations 12.1			

1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.	COMPLIANT	Provide information on or link/reference to a document containing the company's compliance program covering compliance with laws and relevant regulations. The Company's Compliance System shall ensure that the corporate principles and best practices shall at all times be maintained for the attainment of the corporate goals and objectives. It also ensures that the Company is compliant with the Philippine law and relevant regulations of SEC and PSE. Please refer to Part II and Part VI of the Company's Revised Manual on Corporate Governance attached as Annex "C" Indicate frequency of review. The Corporation's enterprise-wide compliance program is done annually.	
Optional: Recommendation 12.1			
1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.		Provide information on IT governance process.	
Recommendation 12.2			

1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	NON-COMPLIANT	Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.	Due to the limited operations of the Company, the independent audit function of the Company is performed by the Audit and Risk Committee. The Committee can provide independent and objective advices since majority of its members are independent directors.

Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	NON-COMPLIANT	Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.	Given that the Company is a holding corporation and it has limited operations, the Board does not deem it necessary to appoint a Chief Audit Executive at this time. The Audit and Risk Committee currently oversees the internal audit function. Please refer to the Revised Manual on Corporate Governance – Part. II Compliance System, C. Board Committees, Item 12. Internal Auditor, pp. 25-27 attached as Annex "C"
2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.	NON-COMPLIANT		
3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	NON-COMPLIANT	Identify qualified independent executive or senior management personnel, if applicable.	
Recommendation 12.4			

1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	NON-COMPLIANT	Provide information on company's risk management function.	Given the limited operations of the Company, the Board does not deem it necessary to appoint a Risk Management Officer at this time. The functions of a Risk Management Officer are currently performed by the Audit and Risk Committee. The Committee annually reviews the Company's approaches to risk management and recommends to the Board the changes or improvements to key elements of its processes and procedures.

Supplement to Recommendation 12.4			
1. Company seeks external technical support in risk management when such competence is not available internally.	COMPLIANT	Identify source of external technical support, if any. The Company already has competent employees and does not need an external support in risk management.	

Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	NON-COMPLIANT	Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background.	Taking into consideration the current size of the Company, the Board does not deem it necessary to have a separate Board Risk and Oversight Committee at this time. Similarly, because of the limited operations of the Company, the Board also does not deem it necessary to appoint a Chief Risk Officer at this time. The functions of the Board and Risk Oversight Committee and the Chief Risk Officer are currently performed by the Audit and Risk Committee.
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	NON-COMPLIANT		

Additional Recommendation to Principle 12

1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	NON-COMPLIANT	Provide link to CEO and CAE's attestation	Given that the Company is a holding corporation and thus, has limited operations, the Board does not deem it necessary to appoint a Chief Audit Executive at this time. The Audit and Risk Committee currently oversees the internal audit function. Please refer to the Revised Manual on Corporate Governance – Part II. Compliance System, C. Board Committees, Item 12. Internal Auditor, pp. 25-27 attached as Annex "C"

Cultivating a Synergic Relationship with Shareholders			
Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
Recommendation 13.1			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	COMPLIANT	Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed. Please refer to Part IV Shareholders' Rights and Protection of Minority Stockholders' Interest of the Revised Manual on Corporate Governance, pp. 28-30 attached as Annex "C"	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	COMPLIANT	Provide link to company's website Please refer to Part IV Shareholder's Rights and Protection of Minority Stockholders' Interest of the Revised Manual on Corporate Governance, pp. 28-30 attached as Annex "C"	
Supplement to Recommendation 13.1			
1. Company's common share has one vote for one share.	COMPLIANT	Please refer to the Company's Amended By-laws: http://www.coalasiaholdings.com/ourcompany.html	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	COMPLIANT	Provide information on all classes of shares, including their voting rights if any. There is only one class of share- Common. All shareholders have equal rights. Please refer to the Company's Amended By-laws: http://www.coalasiaholdings.com/ourcompany.html	

3. Board has an effective, secure, and efficient voting system.	COMPLIANT	Provide link to voting procedure. Indicate if voting is by poll or show of hands. The Amended By-Laws of the Company allows other methods of voting other than through ballot. In practice, the same is done by the raising of hands or via viva voce. Please refer to the Company's Amended By-laws: http://www.coalasiaholdings.com/ourcompany.html	
4. Board has an effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.	COMPLIANT	Provide information on shareholder voting mechanisms such as supermajority or "majority of minority", if any. All shareholders, including minority shareholders, have the right to elect, remove and replace directors. With the use of cumulative voting, minority shareholders may vote together to secure a seat in the Board. Please refer to the Revised Manual on Corporate Governance, Part. IV Shareholders' Rights & Minority Stockholders' Interests, p. 28 attached as Annex "C"	
5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.	COMPLIANT	Provide information on how this was allowed by board (i.e., minutes of meeting, board resolution) Special meetings may be called by the Board of Directors, at its own instance, or at the written request of stockholders representing a majority of the outstanding capital stock. These special meetings may be called for any purpose and at any time. Please refer to the Corporation's Amended By-Laws. http://www.coalasiaholdings.com/ourcompany.html As of date, there has been no call for a shareholders' meeting initiated by a stockholder.	

6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	COMPLIANT	Provide information or link/reference to the policies on treatment of minority shareholders Please refer to Part IV Shareholders' Rights and Protection of Minority Stockholders' Interest of the Revised Manual on Corporate Governance, pp. 28-30 attached as Annex "C"	
7. Company has a transparent and specific dividend policy.	COMPLIANT	Provide information on or link/reference to the company's dividend Policy. The Company is compelled to declare dividends when its retained earnings shall be in excess of 100% of its paid up capital. For further information, please refer to Part IV Shareholders' Rights and Protection of Minority Stockholders' Interest (Right to Dividends) of the Revised <u>Manual on Corporate Governance, p. 29; attached as</u> Annex "C" Indicate if company declared dividends. If yes, indicate the number of days within which the dividends were paid after declaration. In case the company has offered scrip-dividends, indicate if the company paid the dividends within 60 days from declaration. The Company has not declared dividends since incorporation. Please refer to the Company's Annual Report attached as Annex "A"	
Optional: Recommendation 13.1			

1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.		Identify the independent party that counted/validated the votes at the ASM, if any.	
Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	COMPLIANT	Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out. Date of Annual Stockholders' Meeting: 7 August 2018 Date of sending out notice: 02 July 2018 (at least 28 days before the meeting) Date of sending Agenda: 16 July 2018 (at least 28 days before the meeting) Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting. The Agenda did not include approval or changes to remuneration. Provide link to the Agenda included in the company's Information Statement (SEC Form 20-IS) Please refer to the Definitive Information Statement (SEC Form 20-IS) attached as Annex "B" and/or at the PSE Edge Company Disclosures http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=637	
Supplemental to Recommendation 13.2			

1. Company's Notice of Annual Stockholders' Meeting contains the following information:	COMPLIANT	Provide link or reference to the company's notice of Annual Shareholders' Meeting Please refer to the following: • Company Disclosures – Notice of Annual or Special Stockholders' Meeting http://www.coalasiaholdings.com/noticestockholdersmeetings.html • Definitive Information Statement (SEC Form 20-IS) attached as Annex "B"	
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	COMPLIANT	Please refer to the following: • Company Disclosures – Notice of Annual or Special Stockholders' Meeting http://www.coalasiaholdings.com/noticestockholdersmeetings.html • Definitive Information Statement (SEC Form 20-IS) attached as Annex "B"	
b. Auditors seeking appointment/re-appointment	COMPLIANT	Please refer to the following: • Company Disclosures – Notice of Annual or Special Stockholders' Meeting http://www.coalasiaholdings.com/noticestockholdersmeetings.html • Definitive Information Statement (SEC Form 20-IS) attached as Annex "B"	

c. Proxy documents	COMPLIANT	Please refer to the Company's Definitive 20-IS which was attached to the Notice of Annual Stockholders' Meeting. Please refer to the following: • Company Disclosures – Notice of Annual or Special Stockholders' Meeting http://www.coalasiaholdings.com/noticestockholdersmeetings.html • Definitive Information Statement (SEC Form 20-IS) attached as Annex "B"	
1. Company provides rationale for the agenda items for the annual stockholders meeting	COMPLIANT	Provide link or reference to the rationale for the agenda items. Please refer to the following: • Company Disclosures – Notice of Annual or Special Stockholders' Meeting http://www.coalasiaholdings.com/noticestockholdersmeetings.html	
		• Definitive Information Statement (SEC Form 20-IS) attached as Annex "B"	
Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	COMPLIANT	Provide information or reference to a document containing information on all relevant questions raised and answers during the ASM and special meeting and the results of the vote taken during the most recent ASM/SSM. Questions and answers during the Annual Stockholders' Meeting are duly noted. Please refer to the Minutes of the Annual Stockholders' Meeting attached as Annex "K"	

<table>
<tr>
<td>2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.</td>
<td>COMPLIANT</td>
<td>Provide link to minutes of meeting in the company website.

Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes.

The following directors were re-elected to the Board during the Company's 2018 Annual Stockholders' Meeting held on 07 August 2018:
<table>
<tr><th></th><th>No. of Votes Received</th></tr>
<tr><td>Harald R. Tomintz</td><td>3,202,714,798</td></tr>
<tr><td>Johnson A. Sanhi Jr.</td><td>3,202,714,798</td></tr>
<tr><td>Dexter Y. Tiu</td><td>3,202,714,798</td></tr>
<tr><td>Eric Y. Roxas</td><td>3,202,714,798</td></tr>
<tr><td>Juan Kevin G. Belmonte (Independent Director)</td><td>3,202,714,798</td></tr>
<tr><td>Aristides S. Armas (Independent Director)</td><td>3,202,714,798</td></tr>
<tr><td>Arsenio M. Bartolome III (Independent Director)</td><td>3,202,714,798</td></tr>
</table>

Indicate also if the voting on resolutions was by poll.

After motion duly made and seconded, there being seven nominees and seven seats to be filled, the voting by ballot was dispensed with and the Corporate Secretary was directed to cast the votes in favor of the seven nominees, and the said nominees were deemed elected.

Include whether there was opportunity to ask question and the answers given, if any

Several shareholders asked the Board questions.

Please refer to the Minutes of the Annual Stockholders' Meeting attached as Annex "K"</td>
<td></td>
</tr>
</table>

Supplement to Recommendation 13.3			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	COMPLIANT	Indicate if the external auditor and other relevant individuals were present during the ASM and/or special meeting Representatives of Reyes Tacandong & Co, the Company's External Auditor and RCBC Stock and Transfer Department, the Company's Stock and Transfer Agent were present during the Annual Stockholders' Meeting held on 07 August 2018.	
Recommendation 13.4			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	COMPLIANT	Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes The Board has the obligation to establish and maintain an alternative dispute resolution system in the Company that can amicably settle conflicts or differences between the Company and its stockholders, and the Company and third parties, including regulatory authorities. Please refer to the Revised Manual on Corporate Governance-Part II. Compliance System, B. Board of Directors, Item 9 (u) p. 6 attached as Annex "C"	

2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	COMPLIANT	Provide link/reference to where it is found in the Manual on Corporate Governance The Board is responsible for formulating a clear policy on communicating or relating with the Company's stakeholders through an effective investor relations program. The Board is also responsible for establishing an alternative dispute resolution in the Company that can amicably settle conflicts or differences between the Company and its stockholders, the Company and third parties. Please refer to the Revised Manual on Corporate Governance-Part II. Compliance System, B. Board of Directors, Item 9 (u) p. 6 attached as Annex "C"	
Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	COMPLIANT	Disclose the contact details of the officer/office responsible for investor relations, such as: 1. Name of the person: Rosanna Desiderio 2. Telephone number: 3. (63 2) 813 8892-97 4. Fax Number: (63 2) 810 3536 5. Email address: rosanna.desiderio@titanmining.com Please refer to Investor Relations in the Company Website: http://www.coalasiaholdings.com/investorrelations.html	
2. IRO is present at every shareholder's meeting.	COMPLIANT	Indicate if the IRO was present during the ASM. The IRO was present during the Annual Shareholders' Meeting held on 07 August 2018.	

1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	COMPLIANT	Provide information on how anti-takeover measures or similar devices were avoided by the board, if any. There were no anti-takeover measures or similar devices that was proposed or implemented during the year.	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	NON-COMPLIANT	Indicate the company's public float. The Corporation's public float as of 31 December 2018, is 19.99%.	The Company is well above the current requirement of the Securities Exchange Commission and Philippine Stock Exchange of 10%.
Optional: Principle 13			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting	COMPLIANT	Disclose or provide link/reference to policies and practices to encourage shareholders' participation beyond ASM.	
		Please refer to the Revised Manual on Corporate Governance- Part IV. Shareholders' Rights and Protection of Minority Stockholders' Interests, A. Right to Active Participation, pp. 28-29 attached as Annex "C"	
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.	NON-COMPLIANT	Disclose the process and procedure for secure electronic voting in absentia, if any.	The Company recognizes the right of its stockholders to vote in person or by proxy.

Duties to Stakeholders

Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.

Recommendation 14.1

1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	COMPLIANT	Identify the company's shareholder and provide information or reference to a document containing information on the company's policies and programs for its stakeholders. Other than the shareholders, the Company's stakeholders are its customers, employees, suppliers, financiers, the government and its employees. Please refer to the Revised Manual on Corporate Governance, Part II Compliance System, B. Board of Directors for the Company's rule on the fair treatment and protection of its stakeholders and communication with the stakeholders, p. 5 attached as Annex "C"	
Recommendation 14.2			

1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	COMPLIANT	Identify policies and programs for the protection and fair treatment of company's stakeholders The Company's policy on the protection and fair treatment of its stakeholders, especially the minority stockholders' interest is discussed in the Revised Manual on Corporate Governance. Please refer to the Revised Manual on Corporate Governance – Part IV Shareholders' Rights and Protection of Minority Stockholders' Interest, pp. 28-30 attached as Annex "C"	
Recommendation 14.3			

1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	COMPLIANT	Provide the contact details (i.e., name of contact person, dedicated phone number or e-mail address, etc.) which stakeholders can use to voice their concerns and/or complaints for possible violation of their rights. 1. Rosanna Desiderio 2. (632)8138892 3. rosanna.desiderio@titanmining.com The Company ensures that the stakeholders can effectively communicate or relate to them and obtain redress for any violations of their rights through an effective Investor Relations Program. Please refer to the company website on how the stakeholders can contact the Company: http://www.coalasiaholdings.com/investorrelations.html Please refer to the Revised Manual on Corporate Governance, Part II Compliance System, B. Board of Directors attached as Annex "C"	
		Provide information on whistleblowing policy, practices and procedures for stakeholders Please refer to the Whistleblowing policy of the Company uploaded in the Company's website: http://www.coalasiaholdings.com/policies.htm l	

Supplement to Recommendation 14.3

1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.	COMPLIANT	Provide information on the alternative dispute resolution system established by the company. Conflicts are usually resolved through mediation between the parties. A mediator will be selected by the parties to facilitate communication and negotiation and to assist them in reaching a voluntary agreement regarding the issue involved. Failing such an amicable settlement, the Company would suggest that the issue be settled by arbitration in a neutral forum and preferable in accordance with the UNCITRAL rules.	
Additional Recommendations to Principle 14			
1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.	COMPLIANT	Disclose any requests for exemption by the company and the reason for the request. There was no request for exemption by the Company.	
2. Company respects intellectual property rights.	COMPLIANT	Provide specific instances, if any. There have been no instances that the Company needed to use a trademark and/or tradename other than their own tradename and/or trademark.	
Optional: Principle 14			

1. Company discloses its policies and practices that address customers' welfare	COMPLIANT	Identify policies, programs and practices that address customers' welfare or provide link/reference to a document containing the same. The Company works closely with clients to ensure their satisfaction with the quality of the coal they source from the Company. The Company also works closely with the community and local leaders of its mine sites to improve the area.	
2. Company discloses its policies and practices that address supplier/contractor selection procedures.	COMPLIANT	Identify policies, programs and practices that address supplier/contractor selection procedures or provide link/reference to a document containing the same. The Company ensures that any supplier or contractor engaged for services related to the mines have the financial and technical expertise and sufficient professional experience to carry out the service.	
Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.			
Recommendation 15.1			
1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	COMPLIANT	Provide information on or link/reference to company policies, programs and procedures that encourage employee participation. The Company provides orientation and training programs to its employees at the beginning of each project.	
Supplement to Recommendation 15.1			

1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	NON-COMPLIANT	Disclose if company has in place a merit-based performance incentive mechanism such as an employee stock option plan (ESOP) or any such scheme that awards and incentivizes employees, at the same time aligns their interests with those of the shareholders.	The Company takes into consideration both Company performance and individual performance of employees in determining bonus and incentives.
2. Company has policies and practices on health, safety and welfare of its employees.	COMPLIANT	Disclose and provide information on policies and practices on health, safety and welfare of employees. Include statistics and data, if any. The Company adopted the policies required under its Coal Operating Contracts, which contain guidelines on safety rules on underground and surface mine operations, health and sanitation facilities, etc.	
3. Company has policies and practices on training and development of its employees.	COMPLIANT	Disclose and provide information on policies and practices on training and development of employees. Include information on any training conducted or attended. At the beginning of each project, the Company conducts training programs to its employees. Employee training is also conducted in instances required by government regulatory bodies.	
Recommendation 15.2			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	COMPLIANT	Identify or provide link/reference to the company's policies, programs and practices on anti-corruption Please refer to the Company's Code of Business Conduct and Ethics found on the company website: http://www.coalasiaholdings.com/businessconduct.html	

2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	COMPLIANT	Identify how the board disseminated the policy and program to employees across the organization. Upon promulgation of the Company's policies, the Company issued a company-wide memo. Likewise, the Policies are made available in the Company's website. http://www.coalasiaholdings.com/businessconduct.html	
Supplement to Recommendation 15.2			

1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	COMPLIANT	Identify or provide link/reference to the company policy and procedures on penalizing employees involved in corrupt practices. Employees are encouraged to promptly report concerns about any illegal and unethical behavior. Reports can be made anonymously to the Company's Compliance Officer, Human Resource Department Head, or to any member of the Audit Committee. To enable the Company to verify and act on the report, employees are encouraged to make reports that contain as much information as possible, including the person involved, any witnesses, location of any other information that would assist in investigating the concerns, and any supporting documentation. All reports received are forwarded to the Risk and Audit Committee that will make the preliminary assessment of the issues raised. The Risk and Audit Committee will then determine whether there is justification for an investigation and how it should be handled, should one be necessary Prompt and appropriate corrective action will be taken in response to any finding of illegal and unethical behavior. If after the investigation, the Risk and Audit Committee concludes that disciplinary measures are necessary, it will recommend such measures to the Board of Directors. Include any finding of violations of the company policy. No violations reported to date.	
Recommendation 15.3			

1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	COMPLIANT	Disclose or provide link/reference to the company whistle-blowing policy and procedure for employees. Please refer to the Whistleblowing Policy http://www.coalasiaholdings.com/policies.html Indicate if the framework includes procedures to protect the employees from retaliation. Please refer to the Whistle blowing Policy. http://www.coalasiaholdings.com/policies.html Provide contact details to report any illegal or unethical behavior. 1. Rosanna Desiderio 2. (632)8138892 3. rosanna.desiderio@titanmining.com	
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	COMPLIANT	Whenever a report is made to the Compliance Officer, to the Human Resource Department Head, or to any member of the Audit Committee, anonymity and confidentiality consistent with conducting a thorough and fair investigation are prioritized. Since the Company values people who identify issues that need to be addressed, any form of retaliation is proscribed.	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	COMPLIANT	Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing. The Board has already approved a whistleblowing policy and a framework allowing reports of violations to be reported anonymously.	

Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.			
Recommendation 16.1			
1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	COMPLIANT	Provide information or reference to a document containing information on the company's community involvement and environment-related programs. The Company works closely with the community and the local government leaders of its mine sites to improve the area. In 2017, the Company conducted an *Adopt an Estero/Waterbody* program and an area development program (barangay road maintenance). The Company also aims to provide employment in the communities where its mine sites are located. The Company also listens to any concerns that the community has in relation to its mine sites.	
Optional: Principle 16			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development		Identify or provide link/reference to policies, programs and practices to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development.	
2. Company exerts effort to interact positively with the communities in which it operates		Identify or provide link/reference to policies, programs and practices to interact positively with the communities in which it operates.	

Pursuant to the requirement of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report is signed on behalf of the registrant, **COAL ASIA HOLDINGS INCORPORATED**, by the undersigned, thereunto duly authorized, in MAY 1 7 2019 on ____ May 2019.

SIGNATURES

HARALD R. TOMINTZ
Chairman of the Board

JOHNSON A. SANHI, JR.
President

JUAN KEVIN G. BELMONTE
Independent Director

ARISTIDES S. ARMAS
Independent Director

ARSENIO M. BARTOLOME III
Independent Director

ROSANNA T. DESIDERIO
Compliance Officer

A. BAYANI K. TAN
Corporate Secretary

SUBSCRIBED AND SWORN to before me this MAY 1 7 2019 2019 affiants exhibiting to me their competent evidence of identity as follows:

NAME	C.E.I/NO.	DATE OF ISSUE	PLACE OF ISSUE
HARALD R. TOMINTZ	TIN 123-069-383		
JOHNSON A. SANHI JR.	TIN 105-618-140		
JUAN KEVIN G. BELMONTE	TIN 102-881-718		
ARISTIDES S. ARMAS	TIN 105-802-254		
ARSENIO M. BARTOLOME III	TIN 110-179-356		
ROSANNA T. DESIDERIO	TIN 110-575-187		

PATRICIA ANN M. CRUZ
Notary Public for Cities of Pasig and San Juan
and in the Municipality of Pateros
Appointment No. 182 (2018-2019)
Commission Expires on December 31 2019
2704 East Tower, PSE Centre, Exchange Road
Ortigas Center, 1605 Pasig City
PTR No. 2843813/ 01 11.2019 / Mandaluyong
IBP LRN No. 016261 / 06.17 19 / Manila II
Roll of Attorneys No. 68370
MCLEC No. VI-0009727 / 07.03.18

Doc No. 499
Page No. 101
Book No. III
Series of 2019.

ANNEX A

COVER SHEET

CS20120314

SEC Registration Number

COAL ASIA HOLDINGS INCORPORATED

AND SUBSIDIARY

(Company's Full Name)

3F JTKC Center 2155 Chino Roces

Avenue, Makati City

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

Johnson A. Sanhi, Jr.

(Contact Person)

818-6772

(Company Telephone Number)

12 31

Month *Day*

(Fiscal Year)

17-A

(Form Type)

04 30

Month *Day*

(Annual Meeting)

(Secondary License Type, If Applicable)

CFD

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

28

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

COAL ASIA HOLDINGS INCORPORATED

SEC FORM 17-A

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

1. For the calendar period ended **December 31, 2018**

2. Commission identification number **CS 201210314**

3. BIR TIN: **008-297-271-000**

4. Exact name of issuer as specified in its charter **COAL ASIA HOLDINGS INCORPORATED**

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

6. Industry Classification Code: ☐ (SEC Use Only)

7. Address of issuer's principal office Postal Code: **1231**

3RD Floor JTKC Center, 2155 Don Chino Roces Ave., Makati City

8. Issuer's telephone number, including area code **(02) 818-6772**

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

N.A.

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

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common	**4,000,000,004**

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

Yes [✓] No [ ]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

Philippine Stock Exchange - **Common Shares**

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [x] No [ ]

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

Yes [x] No [ ]

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

As of December 31, 2018: P240 Million

The aggregate market value of the voting shares held by non-affiliates as of December 31, 2018 was determined by multiplying the number of shares held by the public by the closing share price on 28 December 2018 of P 0.30.

PART I - BUSINESS AND GENERAL INFORMATION

ITEM 1: BUSINESS

(1) BUSINESS DEVELOPMENT

Business Development

Coal Asia Holdings Incorporated ("COAL") was organized and registered with the Securities and Exchange Commission (SEC) on June 11, 2012 primarily to engage in the business of a holding company; to buy and hold shares, either by subscribing to the unissued shares of the capital stock in the public or private offerings or by purchasing the shares of other stockholders by way of assignment in private sale; to invest in the stock or pledge, chattel mortgage or assignment; to sell, dispose, assign, pledge, or convey any or all of its shareholdings in other companies in favor of qualified persons by way of a private sale, assignment or other forms of private conveyance, all in accordance with the Corporation Code, the Securities Act and other applicable laws and regulations.

On May 28, 2012, COAL executed a Deed of Assignment with the shareholders of Titan Mining Energy Corporation (TMEC), which owns Coal Operating Contracts (COC #159) in Davao Oriental and (COC # 166 and 167) in Zamboanga Sibugay.

Currently, COAL has 100% equity interest in Titan Mining and Energy Corporation.

On June 26, 2012, the Company's Board of Directors and shareholders, through a majority vote in due course, approved of an initial public offering (IPO) as part of the Company's thrust to augment its capital funding for the ongoing site development, initial large scale operation and further explorations in the sites.

On September 14, 2012, the Philippine Stock Exchange, Inc. (PSE) approved the application of the Company for the initial listing of the 4,000,000,004 common shares with the par value of P 1.00 per share.

On October 8, 2012, the Securities and Exchange Commission issued to the Company the certificate of permit to offer securities for sale. This certifies that the shares of the Company have been registered and licensed for listing by way of introduction and by then sold or offered for sale in the Philippines.

The shares of COAL were listed with the Philippine Stock Exchange (PSE) on October 23, 2012.

Business Consolidation

Subsidiary

Titan Mining and Energy Corporation

TMEC was incorporated with the SEC on November 11, 2008. It was originally incorporated as "Titan Exploration and Development Corporation" ("TEDC"). The change in trade name was effected to reflect the TMEC's transition from exploration to actual commercial operation. This amendment was approved by the SEC on December 23, 2009. TMEC is involved in a coal mining and energy related business.

TMEC originally had three (3) COCs in Mindanao, Philippines, namely COC # 159 in Davao Oriental, COC # 166 and COC # 167 in Zamboanga Sibugay. All COCs have completed their exploration phases.

159

In 2016, preliminary mine development activities have commenced at the Davao Oriental Project. Bulk samples were collected and subjected to test firing and coal analysis.
On April 10, 2018, TMEC submitted its Amended Geologic Report for Sagasa which the DOE validated on August 30, 2018.

The Department of Energy (DOE) has completed its validation of TMEC's coal resource estimate for the Davao Project.

In support of the company's request for COC conversion, an Environmental Compliance Certificate (ECC) for the Davao Project was granted to TMEC by the DENR-EMB on May 16, 2014.

TMEC submitted a 10-year work program to the DOE on October 21, 2014. On October 2017, an amended ten (10) year work program with Feasibility Study was again submitted to the DOE, covering only Macopa and Sagasa since both areas were covered by titled properties. Further amendments were incorporated in its submission last December 21, 2018.

TMEC acquired its Certification Precondition (CP) for Exploration from the NCIP last December 14, 2018. Preparations for the conduct of the Free and Prior Informed Consent (FPIC) for the Certification Precondition for Development and Production are ongoing.

The company is still awaiting the conversion of the COC in Davao Oriental from exploration to development and production from the DOE.

On August 22, 2018, an application for Certification for Energy Projects of National Significance (CEPNS) was submitted to the DOE to hopefully facilitate the acquisition of required permits for the project.

A Permit to Sell 2,500 MT of incidental coal production was issued to TMEC by the DOE on December 10, 2014 which was subsequently amended from 2,500 MT to 3,200 MT on March 26, 2015. Subsequent Permits to Sell (PTS) for 1,000MT (July 16, 2015), 1,500 MT (April 11, 2016), and 2,300 MT (September 23, 2016) for a total of 8,000MT was granted.

166

TMEC has submitted to the DOE its report on the results of exploration for the Zamboanga Sibugay Project, the results of which have been confirmed and validated by the DOE on August 7, 2015. A Five-Year Work Program with Feasibility Study was submitted to the DOE on February 26, 2016 to determine the economic viability of developing the Zamboanga Sibugay Project. After the DOE's initial review, TMEC submitted the amended Five-Year Work Program with Feasibility Study to the DOE on August 2016. Additional comments were provided by the DOE in their letter to TMEC dated November 2016 which was subsequently addressed by TMEC on March 31, 2017. TMEC again resubmitted the amended Five-Year Work Program with Feasibility Study to the DOE on September 20, 2018 incorporating the DOE's recommended changes in the ventilation, mine design and costing.

Coal Operating Contracts

The Davao Oriental and Zamboanga-Sibugay Projects are covered by approved COCs with the Government through the Department of Energy ("DOE").

159

The Davao Oriental Project encompasses seven (7) adjoining 1,000-hectare Coal Blocks for a total area of 7,000-hectares and is covered by COC#159, which was awarded by the DOE to TMEC, then called TEDC, on September 16, 2009. This contract covers an Exploration Phase of two (2) years, which may be extended for another period of two (2) years, and a Development/Production Phase of 32 years. This COC's Exploration Phase was renewed by the DOE for another period of two (2) years, commencing from September 16, 2011 and ended on September 15, 2013.

On April 10, 2018, TMEC submitted its Amended Geologic Report for Sagasa which the DOE validated on August 30, 2018.

The Department of Energy has completed its validation of TMEC's coal resource estimate for the Davao Project.
Preliminary mine development activities however, have commenced at the Davao Oriental Project. Activities include property acquisition, road widening (mine and camp road), infrastructure construction (clinic, corehouse/interim camp office expansion, temporary jetty), camp electrification, coal laboratory sample analyses and overburden pre-stripping. Bulk samples were collected and subjected to test firing and coal analysis.

In support of the company's request for COC conversion, an Environmental Compliance Certificate (ECC) for the Davao Project was granted to TMEC by the DENR-EMB on May 16, 2014.

TMEC also submitted a 10-year work program to the DOE on October 21, 2014. On October 2017, an amended ten (10) year work program with Feasibility Study was again submitted to the DOE, covering only Macopa and Sagasa since both areas were covered by titled properties. Further amendments were incorporated in its submission last December 21, 2018.

TMEC acquired its Certification Precondition for Exploration from the NCIP last December 14, 2018. Preparations for the conduct of the Free and Prior Informed Consent (FPIC) for the Certification Precondition for Development and Production are on going.The company is still awaiting the conversion of the COC from exploration to development and production.

On August 22, 2018, an application for Certification for Energy Projects of National Significance (CEPNS) was submitted to the DOE to hopefully facilitate the acquisition of required permits for the project.

A Permit to Sell 2,500 MT of incidental coal production was issued to TMEC by the DOE on December 10, 2014 which was subsequently amended from 2,500 MT to 3,200 MT on March 26, 2015. Subsequent Permits to sell (PTS) for 1,000MT (July 16, 2015), 1,500 MT (April 11, 2016), and 2,300 MT (September 23, 2016) for a total of 8,000MT was granted.

166

The Zamboanga Project encompasses four (4) adjoining 1,000-hectare Coal Blocks for a total area of 4,000-hectares and is covered by COC#166, which was awarded by the DOE to TMEC, then called TEDC, on November 18, 2009. These contracts cover an Exploration Phase of two (2) years, which may be extended for another period of two (2) years, and a Development/Production Phase of 32 years. The Exploration Phase of COC#166 was renewed by the DOE for another period of two (2) years, commencing from November 18, 2011 and expiring on November 17, 2013. Subsequently, the Zamboanga Sibugay Project has completed its subsurface exploration activities and has a Measured &Indicative Resource (M&I) of 0.5 MMT. On May 13, 2014, TMEC has submitted to the DOE its report on the results of exploration for the Zamboanga Sibugay Project, the results of which have been confirmed and validated by the DOE on August 7, 2015. A Five-Year Work Program with Feasibility Study was submitted to the DOE on February 26, 2016 to determine the economic viability of developing the Zamboanga Sibugay Project. After the DOE's initial review, TMEC submitted the amended Five-Year Work Program with Feasibility Study to the DOE on August 2016. Additional comments were provided by the DOE in their letter to TMEC dated November 2016 which was subsequently addressed by TMEC on March 31, 2017. TMEC again resubmitted the amended Five-Year Work Program with Feasibility Study to the DOE on September 20, 2018 incorporating the DOE's recommended changes in the ventilation, mine design and costing.

Competitive Strengths

Coal Resources & Reserves

Davao Oriental Project

Ms. Gizella G. D.J. Gonzales, under the supervision of Mr. Enrique C. Payawal, TMEC's in-house CP-Geologist and Vice President for Exploration, determined TMEC to have 3 MMT of M & I Resource based on her Geologic Report dated November 2013. An additional M&I Resource of 1.9 MMT was also determined for Sagasa area east of Macopa.

PMRC Coal Resource	
Area	**M&I (MMT)**
Macopa&Bactinan	3 MMT
Sagasa	1.9 MMT
Total M&I	4.9 MMT

TMEC, using DOE Coal Resource Classification parameters,has an In-situ reserve of 3 MMT for Macopa/Bactinan and 1.5 MMT for Sagasa. Of the In-situ reserve of 3.0 MMT for Macopa and Bactinan, a five (5) year Surface Mining Plan involving 1 MMT was initially prepared by Engr. Raul Fellizar in January 2014. Engr. Fellizar further modeled an eight (8) year mine life considering 2.1 MMT of the reserves which has a net present value of P 911 billion and found the project to be feasible at a discount rate of 10% per annum. On October, 2014, a ten (10) year Surface Mining Plan considering 1.8 MMT of the reserves was prepared by Engr. Raul A. Fellizar as required by the DOE. Engr. Raul A. Fellizar is an independent consulting mining engineer with PRC Registration No. 1668.

DOE Coal Reserve (In Situ)

Area	In Situ (MMT)
Macopa & Bactinan	3 MMT
Sagasa	1.5 MMT
Total (In Situ)	4.5 MMT

Area	5-Year Surface Mining Plan	10 Year Surface Mining Plan
Macopa & Bactinan	1 MMT	1.8 MMT
Sagasa		

Davao Oriental Project Coal Quality 10 Year Work Plan Values	
Strip Ratio	10.47 BCM/MT
Stage	Pre-Development
Heating Value	8,290 BTU/lb
Ash Content	21.65%
Sulfur Content	1.88%

A Ten (10) Year Work Program with Financial Feasibility Report was submitted to the DOE in October 2014 for the Davao Oriental Project. Two (2) to three (3) coal seams were observed within the coal basin of COC#159. In Bactinan, Seam A has a coal thickness ranging from 0.50 to 3.05 meters as identified in twenty-two (22) cored holes and two (2) coal outcrops. Seam B coal thickness varies from 0.50 to 3.88 meters and has been located in two (2) outcrops and fourteen (14) cored holes. The dip angles of the coal seams vary from 20° to 30°.

Bactinan	**Coal Thickness**	**Where Identified**
A	0.50 - 3.05 m	22 drillholes and 2 coal outcrops
B	0.50 - 3.88 m	14 drillholes and 2 coal outcrops

Three coal seams were identified based on coal outcrops and drill intercepts in Macopa. Seam A has a coal thickness ranging from 0.50 to 4.57 meters. Seam B coal thickness varies from 0.50- to 3.40 meters. Seam C thickness is 0.10 meters. The dip angles of the coal seams also vary from 20° to 30°. The seams occur in a syncline with axis trending west northwest (WNW) and plunging approximately 1^0 to the East Southeast (ESE).

Macopa	Coal Thickness
A	0.50-4.57 m
B	0.50-3.40 m
C	0.10 m

Six (6) coal seams were interpreted based on coal outcrops and drill intercepts at Sagasa. Seam A, the bottom most seam, has a coal thickness ranging from 0.15 to 0.85 meters. Seam B coal thickness varies from 0.12 to 2.63 meters. Seam C coal thickness varies from 0.05 to 1.34 meters. Seam D coal thickness varies from 0.09 to 2.40 meters. Seam E coal thickness varies from 0.10 to 2.64 meters. The topmost seam, Seam F coal thickness ranges from 0.05 to 1.80 meters. The dip angles of the coal seams also vary from 30° to 45°. The seams occur in a monocline striking Northwest (NW) and dips to the North East (NE).

Sagasa	Coal Thickness
A	0.15-0.85 m
B	0.12-2.63 m
C	0.05 - 1.34 m
D	0.09 -2.40 m
E	0.10 -2.64 m
F	0.05 - 1.80 m

The average heating value for the Macopa, Bactinan and Sagasa coal seams is 8,290 BTU/lb.

On October 2017, an amended Ten (10) Year Work Program with Feasibility Study was again submitted by TMEC to the DOE, this time covering only both the Macopa and Sagasa areas since both areas are covered by titled properties. Further amendments were incorporated in its submission last December 21, 2018.

TMEC acquired its Certification Precondition for Exploration from the NCIP last December 14, 2018. Preparations or the conduct of the Free and Prior Informed Consent (FPIC) for the Certification Precondition for Development and Production are on going.

Zamboanga Sibugay Project

After drilling sixteen (16) holes with a total length of 3,367.8 meters, with trench and exploration adit length of 222.64 meters, TMEC estimated the M&I Resources for the Zamboanga Sibugay Project to be 0.5 MMT. On May 13, 2014, TMEC has submitted to the DOE its report on the results of exploration for the Zamboanga Sibugay Project, the results of which have been confirmed and validated by the DOE on August 7, 2015. A Five-Year Work Program with Feasibility Study was submitted to the DOE on February 26, 2016 to determine the economic viability of developing the Zamboanga Sibugay Project. After the DOE's initial review, TMEC submitted the amended Five-Year Work Program with Feasibility Study to the DOE on August, 2016. Additional comments were provided by the DOE in their letter to TMEC dated November 2016 which was subsequently addressed by TMEC on March 31, 2017. TMEC again resubmitted the amended Five-Year Work Program with Feasibility Study to the DOE on September 20, 2018 incorporating the DOE's recommended changes in the ventilation, mine design and costing The development and production phase conversion of the COC shall follow thereafter.

The Geologic Report –Zamboanga Sibugay Project shows the following values:

Zamboanga Sibugay Project Coal Quality **COC # 166**	
Stage	Resource Development
Heating Value	10,456 BTU/lb
Ash Content	26.26%
Sulfur Content	0.49%

Seven (7) coal outcrops, three (3) adits and 5 cored holes were analyzed within the coal basin at COC#166. The average heating value of the sample taken from the coal outcrops is 10,456 BTU/lb, with an average total sulfur content of 0.49% and ash content of 26.26%.

The Company believes that relative to its domestic competitors, it has the advantage of having better quality thermal coal, particularly from its Zamboanga Sibugay site, which can be sold in its raw form.

Ideal Location for Mining

TMEC's exploration camps are accessible via the municipalities' major thoroughfares and smaller in-roads. They are also located near seaports, which will be critical during the production phase.

TMEC has cordial relations with the local government units ("LGUs") in its operating areas. Furthermore, small-scale mining operators are present and prevalent in other municipalities of Zamboanga-Sibugay, which allowed TMEC to secure the Governor-, Mayor-, and Barangay-level permits in addition to the approvals from the DENR-Environment and Management Bureau for the Certificate of Non-Coverage and the National Commission on Indigenous Peoples ("NCIP") for the Certificate of Non-Overlap. The same holds true for the Municipality of Manay, Davao Oriental through its acquisition of its Environmental Compliance Certificate (ECC) on May 16, 2014 and a signed Memorandum of Agreement ("MOA") with the Mandaya Tribe facilitated by the NCIP last July 19, 2012 for its Exploration Phase. TMEC acquired its Certification Precondition for Exploration from the NCIP last December 14, 2018. Preparations for the conduct of the Free and Prior Informed Consent (FPIC) for the Certification Precondition for Development and Production are on going.The peace and order situation in the TMEC's area of operation is relatively quiet and conducive to business. There have been no recorded attacks on TMEC's mine sites in Davao Oriental and Zamboanga Sibugay. The Davao Oriental Project site is, in fact, less than one (1) kilometer away from a military detachment.

The lack of power capacity in Mindanao has also prompted the Government to push for the construction of power plants to augment the power requirement of the Mindanao power grid. As one of the coal mining companies in the area, TMEC has established a key position by initiating discussions with the DOE and other power companies that plan to expand operations in Mindanao for long-term supply agreements. TMEC also plans to supply steam coal for cement plants, canneries, and manufacturing plants in Mindanao that have converted their diesel-powered plants into coal-powered plants to mitigate costs.

Experienced Technical Management and Staff

TMEC's technical management and staff have a combined 156-years' worth of work experience in the exploration and mining industry. The team consists of a CP-Geologist accredited by the Geological Society of the Philippines-Philippine Mineral Reporting Code (GSP—PMRC), a Senior Geologist, all duly licensed by the Professional Regulatory Commission, one (1) Junior Geologist, and two (2) Mining and Geology Consultants.

Experienced Executive Management

The Company's leadership team is composed of senior and experience executives with notable successes in the mining, hotel and resorts field, financial services sector, manufacturing base and real estate industries. These executives and managers have a history of successfully pioneering, building, establishing, and growing start-up companies from inception to fruition.

Business Plan

Exploration Work

Davao Oriental Project

Initial surface geologic mapping in COC#159 in Manay, Davao Oriental delineated ten (10) coal-bearing paralic basins with a Potential Deposit of 69 MMT. Preliminary sub-surface exploration via diamond drilling (22 cored drill holes) of two (2) of the ten (10) identified targets in June 2012 delineated a total M&I Resources of 7.1 MMT and Inferred Resource of 5.6 MMT and 7.0 MMT of Proved and Probable Reserves over a 214-hectare block using 28,000MT coal yield per hectare as determined during the preparation of the Pre-Feasibility Study covering the drilled areas of the two (2) paralic basins.

The next phase of subsurface exploration that covered the extent of the three (3) paralic basins in Barangay Bactinan Old Macopa and Sagasa located east of Macopa, was completed in 2013. For Macopa and Bactinan, a total of ninety-three (93) diamond drill holes were cored resulting to an M&I Resource of 3 MMT with an average calorific value of 8,258 Btu/lb. For Sagasa, 22 cored holes were drilled resulting to an M&I Resource of 1.9 MMT.

Based on the DOE's conversion standard of resource to reserve, the project has a reserve of 3 MMT with a possible additional 1.5 MMT from Sagasa, east of Macopa. These coal basins represent three (3) of the ten (10) coal basins in the area which has a Potential Deposit of 69 MMT.

The Department of Energy has completed its validation of TMEC's coal resource estimate for the Davao Project on March 16, 2014 and August 30, 2018.

Preliminary mine development activities however, have commenced at the Davao Oriental Project. Activities include property acquisition, road widening (mine and camp road), infrastructure construction (clinic, corehouse/interim camp office expansion, temporary jetty), camp electrification, coal laboratory sample analyses and overburden pre-stripping. Bulk sampling was also conducted for test firing coal analysis.

The company has requested for the conversion of the COC from exploration to development and production.

On August 22, 2018, an application for Certification for Energy Projects of National Significance (CEPNS) was submitted to the DOE.

In support of the company's request for COC conversion, an Environmental Compliance Certificate (ECC) for the Davao Project was granted to TMEC by the DENR-EMB on May 16, 2014. TMEC also submitted a 10-year work program to the DOE on October 21, 2014. On October 2017, an amended Ten (10) Year Work Program with Feasibility Study was again submitted by TMEC to the DOE, this time covering only both the Macopa and Sagasa areas since both areas are covered by titled properties. Further amendments were incorporated in its submission last December 21, 2018.

TMEC acquired its Certification Precondition for Exploration from the NCIP last December 14, 2018. Preparations for the conduct of the Free and Prior Informed Consent (FPIC) for the Certification Precondition for Development and Production are on going.

The company is still awaiting the conversion of the COC from exploration to development and production.

A Permit to Sell 2,500 MT of incidental coal production was issued to TMEC by the DOE on December 10, 2014 which was subsequently amended from 2,500 MT to 3,200 MT on March 26, 2015. Subsequent Permits to sell (PTS) for 1,000MT (July 16, 2015), 1,500 MT (April 11, 2016), and 2,300 MT (September 23, 2016) for a total of 8,000MT was granted.

Zamboanga Sibugay Project

On May 13, 2014, TMEC has submitted to the DOE its report on the results of exploration for the Zamboanga Sibugay Project, the results of which have been confirmed and validated by the DOE on August 7, 2015. A Five-Year Work Program with Feasibility Study was submitted to the DOE on February 26, 2016 to determine the economic viability of developing the Zamboanga Sibugay Project. After the DOE's initial review, TMEC submitted the amended Five-Year Work Program with Feasibility Study to the DOE on August, 2016. Additional comments were provided by the DOE in their letter to TMEC dated November 2016 which was subsequently addressed by TMEC on March 31, 2017 TMEC again resubmitted the amended Five-Year Work Program with Feasibility Study to the DOE on September 20, 2018 incorporating the DOE's recommended changes in the ventilation, mine design and costing.

Development Plan

The development plan involves all the activities required for the preparation and entry into the coal reserves, extraction, transport, handling and shipment of the coal products and other auxiliary requisites and requirements. These activities will also include building mine access infrastructure, port facilities, stockyard facilities, a POL stock farm, blasting operation facilities, campsite facilities, supplemental infrastructure for power and water, in-house laboratory and testing, coal preparation, and beneficiation and treatment plants and facilities. The development plan also involves activities relating to the acquisition of necessary equipment, human resource staffing, securing requisite governmental and non-governmental organizations' certifications and approvals, as well as environmental protection compliance.

The development plan also calls for identifying key customers and markets for the eventual coal production output.

Preliminary mine development activities however, have commenced at the Davao Oriental Project. Activities include property acquisition, road widening (mine and camp road), infrastructure construction (clinic, corehouse/interim camp office expansion, temporary jetty), camp electrification, coal laboratory sample analyses and overburden pre-stripping. Bulk sampling was also conducted for test firing coal analysis.

Mining Plan and Layout

The feasibility study states that coal deposits from the Davao Oriental Project will be extracted mainly through open-pit mining, and eventually moving into underground mining. The coal deposits of the Zamboanga-Sibugay Project, on the other hand, will be extracted through underground mining right from the initial stages of extraction.

The characteristics, mode of occurrence, and depth of burial of the coal deposits necessitate the extraction be undertaken in three (3) progressive stages, namely; (a) initial surface extraction (b) intermediate near surface and shallow underground extraction, and (c) final deep underground extraction.

The mine layout will be entirely based on surface operation. Surface extraction would be a series of tracts 100-meters in length measured along the outcrops and about 50-meters in width down slope to dip of coal. Tracts are opened one at a time, progressive and contiguous fashion to minimize surface disturbance footprint. Each exploited tract is reclaimed by backfill of stripped open-burden on completion of shallow underground operation. Refilled cavity is restored. Pre-determined access and vent ways to deep underground operations are preserved. Each tract when opened is service by entry and exit ramps. The main haulage route is a re-conditioned barangay feeder access road.

On March 2014, a bulk sampling pit was dug exposing the coal at Macopa to find out the bulk coal quality in the area. The stockpiled incidental coal formed part of the 8,000 MT of coal Permit to Sell/Transport incidental coal requested from the DOE.

Production and Operational Parameters

The following initial operating parameters are planned for the area covered by the Feasibility Study for the Davao Oriental Project submitted last December 21, 2018 to the DOE.

Production and Operational Parameters	
Total Mineable Reserves for Macopa and Sagasa (by Open Pit Extraction)	1.2 MMT
Mine Life	9 years
Annual Production	148,000 MT
Monthly Production	12,300 MT

Marketing Plan

The company has developed a marketing strategy and marketing plan based on its geographic location, competitive strengths, and the industries it primarily hopes to serve.

The mines are located in Mindanao Island, whose growth and development is crippled by, among others, a power crisis. This has resulted in regular, rotating power outages causing hefty losses to industries and businesses situated therein, not to mention inconvenience to its populace. The same situation holds true for its neighboring group of islands to the north, the Visayas. To remedy this situation, the government has put in place incentives for private firms setting up power plants in Visayas and Mindanao. With the advent of new technologies that are environmentally-sound, many of these power plants that have been set up or are still to be put up are coal-fired power plants.

Based on information obtained from the DOE, by 2017 the total projected coal demand in Visayas and Mindanao is estimated at 13.5 Million Metric Tons Per Annum (MMTPA). Of this total, demand from coal-fired power plants accounts for about 64%. On the other hand, from a geographic standpoint, demand from Mindanao accounts for about 57% of the combined total for Visayas and Mindanao. Aside from serving the requirements of power plants, the Company also plans to serve cement manufacturers which account for about 35% of the total projected coal demand by 2017. Lastly, the Company also plans to serve Canneries located in General Santos City, which account for more than 1% of total projected demand by 2017.

The new market potential in Mindanao, in particular, is a prime motivator for continued exploration in the areas covered by the Company's COCs. Again based on 2017 projections, at full production capacity the Company can only serve around 7% of market demand in that area, with the remaining 93% coming mainly from imports and also from other local coal miners such as Semirara, etc.

Management Plan

Last year's management plan was to proceed with the Macopa-Sagasa Development Work Program and Feasibility for its Davao Coal Project in connection with the signed Fuel Supply and Transport Agreement (FSTA) with Sarangani Energy Corporation dated April 6, 2017 with initial delivery dated scheduled on November 2, 2018. However, this plan did not push through because the Company was not able to obtain from the Department of Energy, the conversion of COC from Exploration to Development/production phase and the related approval from NCIP.

This year, the company will continue to coordinate with the Department of Energy (DOE) and the National Commission on Indigenous Peoples (NCIP) to secure the Coal Operating Contract (COC) conversion and the Certification Precondition for the Development and Production (CP-D/P), respectively. Moreover, it will comply with the reportorial, documentary and permitting requirements in accordance with the Company's Coal Operating Contract, Environmental Compliance Certificate (ECC), and Local Government (LGU) related laws and ordinances as applicable. Management estimated eighteen (18) months for the conversion to development/production stage after pursuing close coordination with NCIP and DOE. It is estimated that Php 23Million will be incurred to take care of the various expenses including administrative and other maintenance expense. After the acquisition of the required conversion permits and the required equipment, it will take around six (6) months, more or less, for the company to produce the saleable coal. The amount needed to meet the initial start up cost and sustaining costs is estimated to be Php500 million; consisting of mining equipment (Php 107M), infrastructures and facilities (Php 55M) and in-pit drilling and supplemental exploration (Php 91M) and the balance as working capital to sustain its operation.

Aside from the maintenance of the physical assets of the Company, it will also continue the transferring of lot titles from the Old Macopa sellers to the Company.

Corporate Social Responsibility (CSR) activities such as road rehabilitation and maintenance will still be conducted upon request of the concerned LGU.

In the Interim, the Company has initiated negotiations involving possible rent/ leasing of its heavy equipment while waiting for the issuance of the above-mentioned NCIP CP-D/P and DOE conversion.

Key affiliates in the Mining and Energy Industry

COAL's key affiliates in the mining and energy industry are presented below. These companies are considered related parties because they have certain common shareholders with COAL.

Pacifico Sul Mineracao Corporation

Pacifico Sul Mineracao Corporation is an affiliate of TMEC that owns mining rights to 6-iron ore, nickel, and chromite areas in the provinces of Aurora, Nueva Ecija, Zambales, Zamboanga del Sur, and Zamboanga Sibugay spanning a total of almost 32,000 hectares.

Colossal Petroleum Corporation

Colossal Petroleum Corporation is an affiliate of TMEC. It was established for potential investments in oil, gas, petroleum, acids and chemicals, other geothermal natural resources and mining projects.

Risks Related to the Company and its Subsidiary

Risks Inherent in the Mining Business

There are numerous hazards and risks normally encountered in the mining business. These include, but are not limited to geological structures not clearly manifested on the ground surface, unfavorable weather conditions, flooding, and other occurrences that may arise out of the drilling and removal of material. Any such occurrence may cause damage to mines, life, property, the environment, as well as legal liability. Although proper safety measures will be implemented, theses safety measures will not cancel out the above–mentioned risks.

The location and establishment of mineral resources, ore, reserves, mine construction, ore extraction, and metallurgical development will require major expenditures. It is often difficult to ensure that these investments will result in meaningful returns.

The Company, through its subsidiary, has undertaken extensive research and exploratory work on its COC areas that improve its chances for success. Furthermore, the Company's technical team has a combined 156 years' experience in exploration and development of mines with the top mining companies both in the Philippines and abroad. These key technical personnel were hired to improve the Company's success in the mining business.

Risks Related to Exploration and Future Coal Reserves

The company is subject to exploration risk. If the Company fails to explore, acquire and develop coal resources, the Company's coal reserves will decline and will not be able to sustain its business. There is no assurance that the resources will be economically viable. The success of the Company's business is dependent upon its successful exploration and conversation of coal resources to coal reserves.

Converting the coal resources to coal reserves will take time and additional investment. The Company continuously undertakes additional and confirmatory drilling activities within its COC areas, which will remove uncertainty as to its economic viability and improve on its existing mine development plans.

Risks Related to the Estimation of Coal Resources and Reserves and the Valuation of Coal Reserves.

There are many factors involved in the process of estimating coal resources, some of which are beyond the Company's control. The company cannot ascertain that measured indicated, and/or inferred tonnage and grades will be accurately achieved, or that the level of recovery will be realized.

The company bases the estimation of the coal resources in COC #159 on the PMRC-compliant technical report generated on June 2013 by Mr. Enrique C. Payawal incorporating the recently concluded exploration drilling campaign at the Davao Oriental Project. Said report was revised three months after to include a section on reserve estimate in conformance with the Department of Energy's standard of Coal Reserves Classification. The final report authored by Ms. Gizella Gonzales, under the supervision of Mr. Enrique C. Payawal was submitted to the DOE on December 2013. The report stated that the project has an M&I of 3 MMT with an average calorific value of 8,258 Btu/lb for Bactinan and Macopa with a remaining Potential Deposit of 69 MMT considering the undrilled carbonaceous mudstone areas of the 7,000 hectare COC. Further drilling at Sagasa further determined an additional M&I resource of 1.9 MMT.

Reserves in the area following the DOE's Reserve Classification resulted to 3 MMT for Macopa and Bactinan and 1.5 MMT for Sagasa.

The Department of Energy has completed its validation of TMEC's coal resource estimate for the Davao Project (Macopa and Bactinan) on March 16, 2014 and (Sagasa) on August 30, 2018.

TMEC submitted a 10-year work program to the DOE on October 21, 2014. On October 2017, an amended Ten (10) Year Work Program with Feasibility Study was again submitted by TMEC to the DOE, this time covering only both the Macopa and Sagasa areas since both areas are covered by titled properties. Further amendments were incorporated in its submission last December 21, 2018.
The Department of Energy has likewise completed its validation of TMEC's coal resource estimate for the Zamboanga Sibugay Project on August 7, 2015. A Five-Year Work Program with Feasibility Study was submitted to the DOE on February 26, 2016 to determine the economic viability of developing the Zamboanga Sibugay Project. After the DOE's initial review, TMEC submitted the amended Five-Year Work Program with Feasibility Study to the DOE on August, 2016. Additional comments were provided by the DOE in their letter to TMEC dated November 2016 which was subsequently addressed by TMEC on March 31, 2017. TMEC again resubmitted the amended Five-Year Work Program with Feasibility Study to the DOE on September 20, 2018 incorporating the DOE's recommended changes in the ventilation, mine design and costing.

Risks Related to Drilling and Mining Equipment

The company' sole subsidiary, TMEC, has and will continue to engage the service of an external diamond drilling contractor to mitigate the risks that may be encountered during drilling activities. Despite outsourcing the work to an experienced drilling company, there is no assurance that the operating company can minimize errors or discrepancies in core recovery. However, these risks are mitigated by engaging drilling contractors with sufficient fleet of drilling equipment and manpower pool. Contracted drilling companies are likewise penalized for not attaining required standard core recoveries.

A significant investment will be made by TMEC in major mining equipment once it goes into mine development and production. There is no guarantee that this equipment will not suffer breakdowns, defected and obsolescence or loss: thus causing a delay in the Company's operations. TMEC intends to cover all its equipment with adequate insurance and sufficient stock of replacement parts. Minor mining equipment will be rented, so the risk will be transferred to the minor mining equipment contractor.

Risks Related to Customer Demand

The coal that will be produced from TMEC's Davao Oriental and Zamboanga-Sibugay Projects is intended to be sold to coal-fired power plants, cement plants, tuna canneries, and other industrial users of coal in both the Philippines and other countries. If the aforementioned potential buyers of TMEC's coal decide to purchase coal from other sources, then TMEC may have no alternative customers. This may have an adverse impact on the revenues of the Company.

The Company believes that, based on results gathered from coal samples from both Davao Oriental and Zamboanga-Sibugay, the quality of its subsidiary's coal is comparable, if not superior, to that of other potential sources of coal both in the Philippines and other neighboring Asian countries.

Risks Related to Coal Price

The viability of the company's and its subsidiary's business is highly dependent on the price of coal, the sale of which is the primary source of TMEC's revenues. As a globally traded commodity, the price of coal can be quite volatile and its price as affected by numerous factors, including demand from customers, changes in domestics and international coal supply conditions, the price of alternative fuels, among many other factors. Furthermore, a substantial and extended decline in the price of coal will reduce TMEC's earnings potential.

Risks Related to Foreign Exchange

TMEC intends to export a portion of its coal production to take advantage of higher prices for better quality coal in other markets. As such, a part of the Company's revenue may be subject to fluctuations between its base currency, the Philippine Peso, and the buyer's base currency. Such fluctuations may negatively affect the Company's margins. To protect against such risks, TMEC will endeavor to include in its export sales contracts hedging provisions to protect against significant adverse movement in foreign exchange rates.

Risks Related to Domestics and International Competition

The Company faces completion from both local and foreign coal mining companies. In 2011, about 77.00% of local coal consumption locally was met by coal importations. Historically, the Philippines have imported coal primarily from Indonesia, Australia and China. Among local producers of coal, Semirara Mining Corp. ("SCC"), a listed company, is the country's largest producer and the acknowledged market leader, accounting for about 94.00% of total domestic coal production in 2011. As a result of SCC's dominant position in the market, it enjoys significant advantages over a new entrant in the market such as the Company.

The Company will also face competition from other domestic's coal producers including new coal producers who have or are in the process of acquiring rights to or operating other coal deposits in the country. As indicated in the section "The Philippine Coal Market", the DOE estimates that the country has a total of approximately 435.0 MMT of in situ coal reserves dispersed over various provinces in the country as of December 31, 2010. Coal mining operations in these previously untapped sites will increase coal availability and may have an effect on domestic coal prices. In addition, the proximity of some of these new coal-mining sites to the Company's target customers may create delivery and

The Company believes it has the advantage of having better quality thermal coal, particularly from its Zamboanga-Sibugay site, and proximity of both sites to new coal plants being set-up in Mindanao. Against other prospective competitors, the Company has already made significant progress on exploration and drilling activities and expects that its coal reserves and projected production levels will result to certain scale advantages.

Risks Related to Limited Operating History and Track Record

The company was incorporated on June 11, 2012 and has had limited operations.

TMEC, the Company's only operating subsidiary, was incorporated in November 11, 2008. TMEC spent its first few years of operations on the acquisition and exploration of its COCs. TMEC acquired COC #159 on September 16, 2009 and COC #166 on November 18, 2009 under the Philippine Energy Contracting Round (PECR) of 2009.

TMEC commenced surface investigation exploration on COC #159 during two periods: from October to November 2009 and May to June 2010, which resulted in the identified of coal exposures/outcrops. Trenches were dug along major coal exposures and estimates were set resulting in an initial report on estimated Potential Deposit of 53MMT in June 2010. A second surface investigation conducted by Mr. Arturo A. Ona, an independent consulting geologist, under NI-43101 from Nevada, USA on June 2011 on the mudstone "islands" gave a figure of about 68 MMT tons of coal. An initial 10 probes/exploratory DDH programmed for Bactinan and Old Macopa areas with mudstone units (two (2) out of 13 mudstone potential coal bearing areas) were initiated in late November 2010. A second drilling program was undertaken in August 2011where nine (9) holes were drilled with seven (7) holes intercepting coal seams at depth. In April 2012, Mr. Enrique C. Payawal, TMEC's Vice President for Exploration and an accredited Competent Person-Geologist, conducted a field geological investigation to determine the resources in COC #159. The results of the investigation were collated and reported through an Internal Geological Report. The report provides that out of 72.0 MMT Potential Deposit identified during the surface exploration (mapping), the results of the diamond drilling (subsurface exploration) provide TMEC to have estimated M&I Resources of 7.1 MMT and Inferred Resources of 5.6 MMT. The remaining Potential Deposit for the Davao Oriental Project is 59.3 MMT. A Pre-Feasibility Study was completed in June 2012 by an independent consulting mining engineer, Engr. Rafael R. Baladad on a combined 214-hectare block from Bactinan and Old Macopa identifying total Probable and Proved Reserves of 7 MMT.

A PMRC-compliant technical report was generated on June 2013 by Mr. Enrique C. Payawal incorporating the recently concluded exploration drilling campaign at the Davao Oriental Project. Said report was revised three months after to include a section on reserve estimate in conformance with the

Department of Energy's standard of Coal Reserves Classification. The final report authored by Ms. Gizella Gonzales under the supervision of Mr. Enrique C. Payawal was submitted to the DOE on December 2013. The report stated that the project has an M&I of 3 MMT with an average calorific value of 8,258 Btu/lb for Bactinan and Macopa with a Potential Deposit of 69 MMT. It also mentioned the on–going diamond drilling activity conducted at Sagasa, located southeast of Macopa. The M&I resource for Sagasa was determined to be 1.9 MMT.

A five (5) year work program with financial feasibility for the project was prepared on July 2013 authored by Engr. Raul A. Fellizar, an independent consulting mining engineer.

Both reports were submitted to the DOE in support of TMEC's request to convert COC # 159 from exploration phase to development and production phase.

The Department of Energy has completed its validation of TMEC's coal resource estimate for the Davao Project on March 16, 2014 and August 30, 2018.

In support of the company's request for COC conversion, an Environmental Compliance Certificate (ECC) for the Davao Project was granted to TMEC by the DENR-EMB on May 16, 2014.

TMEC also submitted a 10-year work program to the DOE on October 21, 2014. On October 2017, an amended Ten (10) Year Work Program with Feasibility Study was again submitted by TMEC to the DOE, this time covering only both the Macopa and Sagasa areas since both areas are covered by titled properties. Further amendments were incorporated in its submission last December 21, 2018.

TMEC acquired its Certification Precondition for Exploration from the NCIP last December 14, 2018. Preparations for the conduct of the Free and Prior Informed Consent (FPIC) for the Certification Precondition for Development and Production are on going.

Preliminary mine development activities however, have commenced at the Davao Oriental Project. Activities include property acquisition, road widening (mine and camp road), infrastructure construction (clinic, corehouse/interim camp office expansion, temporary jetty), camp electrification, coal laboratory sample analyses and overburden pre-stripping. Bulk sampling was also conducted for test firing coal analysis.

On August 22, 2018, an application for Certification for Energy Projects of National Significance (CEPNS) was submitted to the DOE to hopefully facilitate the acquisition of required permits for the project.

As of December 2018, TMEC is in the process of obtaining said conversion from the DOE.

In April 2012, Ms. Gizella Greta D.J. Gonzales, TMEC's Senior Geologist, conducted a field geological investigation to determine the resources in COC #166 and COC #167. The results of the investigation were collated and reported through an Internal Geologic Report. This report was reviewed and verified by Mr. Enrique C. Payawal. The report provides that out of the 51.1 MMT Potential Deposit identified during the surface exploration (mapping), the results of the diamond drilling (subsurface exploration) provide TMEC to have estimated M&I Resources of 1.2 MMT and Inferred Resources of 2.3 MMT. The remaining Potential Deposit for the Zamboanga-Sibugay Project is 47.6 MMT.

In April 2014, A final technical report was generated for COC # 166 wherein it was determined that the M&I for COC # 166 is 0.5 MMT.

On May 13, 2014, TMEC submitted to the DOE its report on the results of exploration for the Zamboanga Sibugay Project, the results of which have been confirmed and validated by the DOE on August 7, 2015. A Five-Year Work Program with Feasibility Study was submitted to the DOE on February 26, 2016 to determine the economic viability of developing the Zamboanga Sibugay Project. After the DOE's initial review, TMEC submitted the amended Five-Year Work Program with Feasibility Study to the DOE on August, 2016. Additional comments were provided by the DOE in their letter to TMEC dated November 2016 which was subsequently addressed by TMEC on March 31, 2017. TMEC again resubmitted the amended Five-Year Work Program with Feasibility Study to the

DOE on September 20, 2018 incorporating the DOE's recommended changes in the ventilation, mine design and costing.

The development and production phase conversion of the COC shall follow thereafter. Notwithstanding the limited operating history and track record, the management of the Company and TMEC believe that its organization, business systems and process, have been built up substantially to the level adequate for full-scale coal mining operations.

In addition, the Company's management and technical team have a combined 156 years' experience in exploration and development of mining companies with the top mining companies both in the Philippines and in other countries. In addition, the Company's Board of Directors has an established record in starting-up companies and developing these companies to a strong position in their respective market segments.

Risks Related to Reliance on Key Personnel

The success of TMEC depends upon, among other factors, the retention of its key personnel as well as its ability to attract and retain a strong management team. The Company believes there is significant demand for TMEC's skilled professionals not only locally but also from companies outside of the Philippines, particularly companies operating in Asia. The inability of TMEC to hire and retain qualified personnel could impair its ability to undertake the exploration and mine development of its two sites. This may cause TMEC to incur additional costs by having to engage third parties to perform these activities.

Risks Related to Labor Matters

TMEC is naturally exposed to the risk of industrial or labor disputes. At present, 9 of the rank and file employees are regular and 2 are probationary. Furthermore, once TMEC starts production, it will need to employ more workers.

At present, TMEC's labor force in all locations is not unionized; hence the risk of work stoppage due to strikes or similar concerted action is mitigated. The Company complies with all the labor laws, rules, and regulations, thus avoiding any significant dispute with its workers. The Company's management believes that current relations between the Company and its employees are generally good. None of the employees is under any collective bargaining agreement. The Company has not experienced any work stoppage or strike since it started operations.

Risks Related Philippine Laws and Regulations

The business of TMEC is subject to various Philippine Laws and regulations. The DOE is mandated by RA 7638 (Department of Energy Act of 1992) to prepare, integrate, coordinate, supervise and control all plans, programs, projects and activities of the Government relative to energy exploration, development, utilization, distribution and conservation.

On July 6, 2012, President Benigno S. Aquino III issued E.O. 79 entitled "Institutionalizing and Implementing Reforms in the Philippine Mining Sector Providing Policies and Guidelines to Ensure Environmental Protection and Responsible Mining in the Utilization of Mineral Resources' E.O. 79 pertains to the mining sector but it does not cover coal mining as the latter is covered under RA 7492, or the Philippine Mining Act of 1995.

The listing of COAL shares was approved with the submission of a Philippine Mineral Reporting Code (PMRC)-compliant technical report by a Competent Person (CP)-Geologist that indicated the coal resources of COAL's Coal Operating Contracts. Thereafter, the PSE required COAL to also submit a PMRC-compliant technical report by a CP-Mining Engineer, to be submitted to the PSE not later than 31 December 2012.

COAL attempted to submit said report to the PSE, but circumstances beyond its control resulted in further delays and penalties.

On September 30, 2015, Engr. Rufino B. Bomasang, the lone CP-Mining Engineer for coal in the Philippines, submitted to the PSE a PMRC-compliant Technical Report entitled "Final Report on the Economic Assessment of the COC#159 Davao Coal Project."
There is risk those government regulators, both at the national and local levels, may implement more stringent policies and/or regulations that will make it more difficult or more costly for TMEC to operate its business.

The Company and TMEC have no control over these events. However, TMEC has put into place a compliance team that focuses on ensuring TMEC's adherence to laws, rules, and regulations that are in practice.

Risks Related to Taxation

The Philippines currently has tax systems that encourage investment in coal mining operations to address the wide demand between local demand and supply. The current COC system gives the following incentives to contractors:

- Exemption from all taxes except income tax;
- Exemption from payment of tariff duties and compensation tax on importation of machinery / equipment / spare parts / materials required for coal operations;
- Allow entry of alien technical personnel;
- The right of ingress to and egress from the COC area; and
- Recovery of operating expense

TMEC registered with the Board of Investment under the Omnibus Investment Code of 1987 for the exploration and development of indigenous thermal coal in Davao Oriental and Zamboanga-Sibugay as a new producer of coal under the 2012 Investment Priorities Plan. There is no guarantee, however, that the existing tax regime will remain, and that no changes will be implemented that will be adheres to the Company's operations.

The industry, however, maintains a liaison within the legitimate branch of the Government, which helps ensure that coal-mining operations will continue to enjoy a fair tax environment in the years to come.

Risks Related to Company's COCs

Risks Related to Expiration of COCs

Substantially all of the Company's assets and revenues are derived from TMEC's COCs and rights under the COCs issued by the DOE, which give TMEC exclusive rights to conduct exploration, development and coal-mining operations on the areas designated by these COCs. These COCs contain respective terms, and allow maximum extension periods subject to the application of extension before the COC's expiration date.

While the term extension of a COC is provided for, any extension is ultimately at the discretion of the DOE and at the satisfaction on the DOE that has been substantial accomplishment of the commitments as stipulated in the DOE approved work program. There can be no assurance that the DOE will extend the term of these COCs upon their respective expiration. The DOE may also impose new terms and conditions during this extension that may not be acceptance to the Company.

The table ensuing sets forth the original expiration dates and the maximum extension periods for the COCs covering the Davao Oriental and Zamboanga-Sibugay Projects:

Table 1: Summary of Coal Operating Contracts of TMEC

COC	Coal Block Nos.	Applicant	Date Awarded	Original Expiration Date	Max. Extension	Remarks
Davao Oriental Coal Operating Contract						
159	CB-136 CB-137 CB-176 CB-177 CB-188 CB-217 CB-218	TMEC	16-Sep-09	15-Sep-11 (2 years Exploration)	September 15, 2013) 2 years Extension)	Submitted Geologic Report, 5 and 10 yr mining plan, ECC, Permit to Sell incidental Coal Production from DOE; Amended 10Year Work Program and Feasibility Study covering Macopa and Sagasa submitted on October 2017 and December 2018. NCIP CP for Exploration acquired last December 14, 2018; ; preparations for FPIC for CP Development and Production on going.
Zamboanga-Sibugay Coal Operating Contracts						
166	CB-280 CB-320 CB-241 CB-281	TMEC	18-Nov-09	November 17, 2011 (2years Exploration)	November 17, 2013 (2 years Extension)	Submitted Geologic Report, DOE review and validation completed; 5 Year Work Program with Feasibility Study Submitted to DOE February 26, 2016; submitted amended Study on August 2016 after initial review. Additional amendments submitted by TMEC on March 31, 2017 and September 20, 2018. NCIP CNO acquired.

Any inability or failure on the part of TMEC or the Company to meet their respective obligations, or comply with the terms and conditions under any of the COCs may constitute a material breach thereof and could lead to the cancellation or termination of such COC. A cancellation or termination of any COC pertaining to the Davao Oriental and Zamboanga-Sibugay Projects will adversely affect the business, financial condition and results of operations of the Company.

TMEC is in the process of fulfilling its obligations with regard to the COCs and satisfying the terms and conditions of the COCs, including the requirements of the DOE in connection therewith. For the Davao Oriental Project, as a pre-requisite to enter the development and productivity phase, TMEC has completed the Feasibility Study. In addition, its coal resources have also been validated by the DOE. For the Zamboanga-Sibugay Project, TMEC will conduct the Feasibility Study since the DOE has completed its review of TMEC's exploration results last August 7, 2015 to be able to enter the development and production phase.

TMEC plans to enter the development and production phase as soon as the DOE converts the COC to Development &Production phase for the Davao Oriental Project. COAL intends to use its IPO proceeds to fully fund TMEC's planned exploration, development, and production in the Davao Oriental Project and use a portion of it to partially fund its planned exploration in the Zamboanga-Sibugay Project. If TMEC suddenly cannot proceed to the development/production phase for some unexpected reason, the Company's long term business performance and eventually, its viability will be at risk. To address the risk, TMEC continuous to fulfill and comply with, and even exceed the conditions that the DOE set forth in the COCs it granted to TMEC. These conditions include the conduction and completion of exploration work commitment and financial investments in the coal projects. Thus with the proceeds coming from the IPO and the Company's good standing with the DOE as regards its COCs. The Company is confident that it will be able to secure the COC for the development/production stage for the Davao Oriental Project.

Risks Related to Environmental Protection, Safe Mining Operations, and Social and Economic Development

TMEC's COCs not only grant it rights over certain coal-mining assets but also prescribe guidelines for coal-mining operations among which includes rules with respect to environmental protection, safe mining operation, and social and economic development of the surrounding areas. These guidelines include safety rules for underground and surface mine operations covering requirements for exit, escape ways, submission of mine maps, ventilation, allowable limits of toxic and explosive gases, control of coal dust, ground support, rescue organization for emergency situations, fire protection, handling of explosives, health and sanitation facilities and other miscellaneous safety rules, air, water, hazardous materials and waste management, and the rehabilitation of mine sites. In addition, TMEC is required to conduct an environmental impact study prior to start of development and production pursuant to securing an environmental compliance certificate ("ECC") from the Department of Environment and Natural Resources ("DENR"). Nonetheless, in support of the company's request for COC conversion, an Environmental Compliance Certificate (ECC) for the Davao Project was granted to TMEC by the DENR-EMB on May 16, 2014. There is also the possibility that existing laws and regulations may be amended or new laws may be enacted in the future.

Risk Related to Third Party Claim on Specified Areas Defined in COCs

Under the terms of its COCs, TMEC was appointed and constituted as the exclusive party that will conduct the coal operations over the specified areas defined in such COCs. There is, however, no assurance that other parties will not claim mining rights adverse to TMEC over such designated areas or that the Company will be able to successfully defend its right to conduct coal operations over such areas against any such adverse claims.

Risk Related to the Philippines

Risks Related to Political or Social Instability in the Philippines

The Philippines has from time to time experienced political and military instability. In the last few years, there has been political instability in the Philippines, including public and military protests arising from alleged misconduct by the former administration. No assurance can be given that the political environment in the Philippines will stabilize and any political or social instability in the future could result in inconsistent or sudden changes in regulations and policies that affect the Company or its partners, which could have an adverse effect on the Company's business, results of operations and financial condition.

Risks Related to Terrorist and Insurgent Groups' Activities in the Philippines

The island of Mindanao has had a long history of terrorist activities and insurgency in certain isolated areas instigated by groups such as or connected to the Moro Islamic Liberation Front, Abu Sayyaf, and the New People's Army. There have been attacks by the New People's Army on mining company facilities of Xstrata's Sagittarius Mines Inc. (SMI) and of firms associated with the mining company in the hinterlands of Davao del Sur, South Cotabato, and Sultan Kudarat, and couple of small mining companies in the Compostela Valley. There is no guarantee that such attacks will not occur in the Company's subject areas in Davao Oriental and Zamboanga-Sibugay.

The Company, through TMEC, has maintained excellent relationships with the host communities of its two coal projects through an active Corporate Social Responsibility program, which have included the replanting of trees that may have been uprooted in the building of access road and the construction of church in Zamboanga-Sibugay. As of the date of this Prospectus, there have been no attacks or threats of attacks received by the Company at its mining sites in either Davao Oriental or Zamboanga-Sibugay.

Risk Related to Anti-Mining Groups

There is high anti-mining sentiment in the Philippines, brought mainly by the country's past and highly-publicized episodes of community destruction and environmental degradation resulting from mining operations. This is especially true in less developed regions, where there are anti-mining advocacies of groups such as LGUs, non-governmental organizations and environmental groups, communist separatists and other militant groups, and even the Catholic Church. The methods may vary, from peaceful protests to local bans on mining operations. There have also been sporadic acts of violence, including destroying equipment and inflicting bodily harm.

As a result of these factors, the Philippines has become a high-risk, high-reward environment for mining operations. In developed countries, where many of the large international mining outfits operate, profit margins are often slimmer but this lower profitability is made up for by greater stability.

TMEC has good relationships with the respective LGUs in Davao Oriental and Zamboanga-Sibugay. Furthermore, TMEC has maintained excellent relationships with the host communities of its two coal projects through an active Corporate Social Responsibility program, which have included the replanting of trees that may have been uprooted in the building of the access road, donation of an ambulance in Davao Oriental and the construction of a church in Zamboanga-Sibugay. As of the date of this Report, there have been no attacks or threats attack received by the Company at its mining sites in either Davao Oriental or Zamboanga-Sibugay. In Davao Oriental, TMEC also had good rapport with the local indigenous people, having entered into a MOA with the NCIP on July 19, 2012 and the issuance of the Certification Precondition for Exploration on December 14, 2018.

Risk Related to Occurrence of Natural Catastrophes or Blackouts

The Philippines has experienced a number of major natural catastrophes in recent years including typhoons, floods, volcanic eruptions, earthquakes, mudslides, and droughts. Natural catastrophes may disrupt the Company's ability to deliver its services and impair the economic conditions in the affected areas, as well as the overall Philippine economy. The Philippines has also experienced power outages from power generation shortages and transmission problems, and from disruptions such as typhoons, storm surges and floods. These types of events may materially disrupt and adversely affect the Company's business and operations. The Company cannot assure prospective investors that the insurance coverage the Company maintains will adequately compensate it for all damages and economic losses resulting from natural catastrophes or blackouts, including possible business interruptions.

Risk Related to Foreign Exchange Controls

Currently, the Philippines has liberal foreign exchange controls. The BSP has statutory authority, with the approval of the President of the Philippines, during a foreign exchange crisis or in times of national emergency, to:

- Suspend temporarily or restrict sales of foreign exchange;
- Require licensing of foreign exchange transactions; or
- Require the delivery of foreign exchange to the BSP or its designee banks for the issuance and guarantee of foreign currency-denominated borrowings.

Risks Related to the Shares

Risks Related to Market Volatility

The market price of securities fluctuates, and it is impossible to predict whether the price of such securities will rise or fall. An individual security may experience upward and downward movements, and may even lose its entire value. There is an inherent risk that losses may be incurred rather than profits made as a result of buying and selling securities. There may also be a substantial difference between the buying price and selling price of each security.

Historical price performance is not a guide for future price performance and there may be a big difference between the purchase price of the securities and the eventual price at which these securities are sold. The market price of the Offer Shares will be influenced by, among other factors, the Company's financial position, results of operations, and overall stock market conditions, as well as Philippine economic, political and other factors.

(2) BUSINESS OF ISSUER

Products

COAL is an investment holding company primarily engaged in the business of investing in coal and other related energy through its subsidiary, Titan Mining and Energy Corporation;

TMEC is engaged in coal exploration and the extraction, processing and trade of coal and other energy related products.

Distribution of Products

Coal from incidental outcrops and small scale operators were primarily sold to local customers such as local canneries and food manufacturing companies.

Competition

The Company directly competes with other coal mining companies in the Philippines. A list of these other coal-mining companies is presented in the following tables on existing COC holders (as of June, 2017).

Table 2: Coal Operating Contract (COC) holders

COC No.	NAME OF COMPANY	LOCATION OF CONTRACT AREA
5,189,190	**Semirara Mining Corporation**	Semirara Island, Caluya, Antique; Bulalacao, Oriental Mindoro; Maitum and Kiamba, Sarangani
13	**Ibalong Resources & Development Corporation**	Mantalongon, Dalaguete, Cebu

9	**Adlaon Energy Development Corporation**	Brgy. Santicon, Bala-as, Maloray & Manlapay, Municipalities of Dalaguete & Argao, Cebu
83	**Benguet Corporation**	Lianga, Marihatag & San Miguel, Surigao del Sur
68,77,78	**Filipinas (Prefab) Systems , Inc.**	Bulalacao, Mindoro Oriental, Payao, Zamboanga Sibugay,
93	**A Blackstone Energy Corporation**	Lalat, Zamboanga Sibugay
116, 123	**D. M. Wenceslao and Associates , Inc.**	Baculod, Gattaran and Iguig, Cagayan
127	**Smart Mining and Resources Development Corporation (SMRDC)**	Bislig, Surigao del Sur
41, 122, 184,185,186	**PNOC-Exploration Corporation**	Buug, Imelda, Payao, Malangas , Zamboanga Sibugay, Cauayan, Isabela, Trento, Agusan del Sur and Lingig, Surigao del Sur
104,137	**BatanCoal Resources Corporation**	Liguan, Batan Island, Rapu-Rapu, Albay,
125, 153	**Lima Coal Development Corporation**	Batan Island, Rapu-Rapu, Albay, Bacon and Gubat, Sorsogon
126	**Daguma Agro Minerals Inc.**	South Cotabato and Sultan Kudarat
128, 129	**SAMAJU Corporation**	Bilbao, Batan Island, Rapu-Rapu, Albay, Bagaobawan, Batan Island, Rapu-Rapu, Albay
130	**Grace Coal Mining & Development Corporation**	Diplahan and Buug, Zamboanga Sibugay
131	**Forum Cebu Coal Corporation**	Dalaguete, Cebu
132	**First Asian Resource Mining Corp.**	Balamban, Cebu
134	**Sultan Energy Phils. Corporation**	Sultan Kudarat, South Cotabato
136,179,180	**SKI Energy Resources , Inc.**	Carmen,Asturias and Catmon, Cebu; Alpaco, Naga, Cebu
135	**SKI Construction Group, Inc.**	Cahumayan, Portland & Dungga, Danao City, Cebu
187	**SKI Mining Corp.**	Trento, Agusan del Sur
138	**Bonanza Energy Resources , Inc.**	Maitum, Sarangani Province and Ned, Lake Sebu, South Cotabato
142	**Visayas Multi-Minerals Mining and Trading**	Toledo City, Cebu

	Corporation	
145	**Great Wall Mining and Power Corporation**	San Miguel & Tandag, Surigao del Sur
148	**Abacus Coal Exploration and Development Corp.**	Tandag, Surigao del Sur
149	**IL Rey'c Coal Mining Exploration Corp.**	Danao City, Cebu
151	**Guidance Management Corp.**	Calatrava, Negros Occidental
154	**DMC-Construction Equipment Resources , Inc.**	Bagumbayan, Sultan Kudarat
162	**ASK Mining & Exploration Corp.**	Cagwait-Marihatag, Surigao del Sur
165	**3Kings Sunrise Mining Corp.**	Carmen, Cebu
169,174,175	**Blackgem Resources & Energy Inc.**	Tarragona, Davao Oriental; Batan Island, Rapu-rapu, Albay; Cateel and Baganga, Davao Oriental
170	**Dell Equipment & Cons truction Corp.**	Sarangani & South Cotabato
171	**Cedaphil Mining Corp.**	Toledo City, Cebu
172	**Core 8 Mining Corp.**	Toledo City, Cebu
173	**BBB Mining and Energy Corp.**	Asturias, Carmen, Danao, Cebu
181	**Timberwolves Resources , Inc.**	Guigaquit, Surigao del Norte
182,200,202	**Altura Mining Philippines , Inc.**	Bagamanoc, Caramoran and Panganiban, Catanduanes; Rapu-Rapu, Albay; Bislig, Surigao del Sur
183	**Blackstone Mineral Resources , Inc.**	Naga, Zamboanga Sibugay
188	**Mega Philippines , Inc.**	Lake Sebu, South Cotabato; Palimbang, Sultan Kudarat; and Maitum, Sarangani
191	**South Davao Development Corp., Inc.**	San Jose and Magsaysay, Occidental Mindoro
192,201,203	**Empire Asia Mining Corporation**	Bislig and Lingig, Surigao del Sur; Kitcharao, Agusan del Norte; Bislig, Surigao del Sur & Trento, Agusan del Sur

193	**Coal Black Mining Corporation**	Tandag and Tago, Surigao del Sur
194, 195, 198,199	**Sahi Mining (SMC)**	Butuan City, Agusan del Norte and Sibagat Agusan del Sur; Godod, Zamboanga Del Norte & Kabasalan, Zamboanga Sibugay
196, 197	**Philsaga Mining Corporation**	Bunawan and Trento, Agusan del Sur
176	**Yolo Mining Resources, Inc. (Formerly Goodyield Resources Development, Inc.)**	Trento, Agusan del Sur and Boston, Davao Oriental

The largest coal mining company in the Philippines, based on production output, is Semirara Mining Corporation that accounted for more than 94% of total production in the Philippines of 7.3 MMT in 2011. Currently, Semirara has an existing coal supply contract with Semirara Calaca Power Corporation. The potential requirement of the Calaca plant is approximately 1.5 to 2.0 MMT. In March 2003, the National Power Corporation tested Semirara coal for its Masinloc plant, while deliveries were made to Sual and Pagbilao Power Plants in 2004 and 2005. These plants have potential demand of 600,000 to 800,000 MT of Semirara coal per annum.

Aside from Semirara, most other coal mining companies are in various stages of the Exploration Phase or the Development / Production Phase. These companies produce small volume of coal either as incidental production derived from exploratory adits or as output of small scale permittees operating under the supervision of the holder of the COC whose tenements encompass the area of small-scale permittees.

Most of the output of coal mining companies is used as fuel to feed boilers used by industries in power generation, cement, and food. It is often critical that the coal mined or produced is of lower ash content to ensure efficient heat generation.

As a strategy, some coal mining companies have also entered the power generation business to find ready markets for their coal output.

Most coal mining companies will also look for the end-markets near their mine sites to reduce logistics cost for the transport and delivery of the product.

The Company believes it has the advantage of having better quality thermal coal, particularly from its Zamboanga-Sibugay site, and proximity of both sides to new coal plants being set-up in Mindanao. Against other prospective competitors, the Company has already made significant progress on exploration and drilling activities and expects that its coal reserves and projected production levels will result to certain scale advantage.

Expenses on Development Activities

As of 31 December 2018, TMEC has spent P 585.8 Million on exploration and development activities.

Costs and Effects of Compliance with Environmental Laws

TMEC is required to conduct an environmental impact study prior to the start of development and production. In November 2012, TMEC contracted the services of Lichel Technologies, Inc. to do the environmental impact study of its coal mining project in Davao Oriental. A comprehensive ECC application was filed with the DENR already and released on May 16, 2014.

Employees

The present manpower complement, as well as the projected manpower complement for the next 12 months, is as follows:

	2018	Next 12 months (pending conversion of COC)
Administration and Accounting	7	1
Exploration and Development		
Regular	9	7
Contractual	0	0

There is no collective bargaining agreement in effect between management and the employees.

Transaction with and/or Dependence of Related Parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or significant influence.
TMEC has transactions with related parties, Pacifico Sul Mineracao Corporation pertaining to working capital purposes. These advances are unsecured, non-interest bearing and generally settled in cash and payable on demand.

TMEC also leases office space from JTKC Equities. Dexter Y. Tiu of both TMEC and COAL and a major stockholder of COAL, and Alexander Y. Tiu, a major stockholder of COAL, are also stockholders of JTKC Equities, Inc.

The aforementioned companies and TMEC are related parties under common ownership with certain stockholders of COAL.

TMEC has no other transactions with other parties that the Company or its related parties have relationship that enables the parties to negotiate terms of material transactions that may not be available from other, more clearly independent, parties on an arm's length basis.

Government Approvals on Products and Services

TMEC secured permits and licenses from the Philippine Government for their exploration activities. There is no extraordinary government approvals needed for TMEC'S present business activities. TMEC also does not foresee any effect of existing or probable government regulations on its business. It is important to note that the recently issued Executive Order No. 79 series of 2012 of the mining sector does not cover coal mining. Coal Mining is covered under Presidential Decree No.972, or the Coal Development Act, while E.O.79 pertains to mining activities under Republic Act No. 7492, or the Philippine Mining Act of 1995.

Environmental Laws

TMEC's COCs not only grants it rights over certain coal-mining assets but also prescribes guidelines for coal-mining operations among which include rules with respect to environmental protection, safe mining operations, and social and economic development of the surrounding areas. These guidelines include safety rules for underground and surface mine operations covering requirements for exit, escape ways, submission of mine maps, ventilation, allowable limit of toxic and explosive gases, control of coal dust, ground support, rescue organization for emergency situations, fire protection, handling of explosives, health and sanitation facilities and other miscellaneous safety rules, air, water, hazardous materials and waste management, and the rehabilitation of mine sites. In addition, TMEC is required to conduct an environmental impact study prior to start of development and production pursuant to securing an ECC from the DENR. There is also the possibility that existing laws and regulations may be amended or new laws may be enacted in the future.

TMEC has been issued Certificates of Non-Coverage by the Environmental Management Bureau for its COCs#159 and# 166. An Environmental Compliance Certificate (ECC) was granted to TMEC for COC# 159 on May 16, 2014.

ITEM 2: PROPERTIES

The mine sites under COC #159 are located in the Municipality of Manay, Davao Oriental, while mine sites under COCs #166 are located in the Municipality of Diplahan and Buug, Province of Zamboanga-Sibugay. Infrastructure such as living quarters, coal quality laboratory, road network (camp road and camp to pit) and pier facilities are some of the improvements made by the TMEC on the mine sites. Properties of TMEC in the mine sites are primarily composed of the following: Drilling Equipment, Survey Equipment, Testing Equipment, Transpiration Equipment, and Office Furniture and Equipment.

TMEC also leases office space from its affiliate, JTKC Equities, Inc. which commenced in 2010 and renewable upon mutual consent of both parties. In 2017, the Group renewed the lease agreement with lesser area.

All properties are free of any liens and encumbrances.

ITEM 3: LEGAL PROCEEDINGS

As a result of the delay in the delivery of the facilities of the Universal Leisure Club, Inc., some of its members initiated a Complaint for Estafa (I.S. No. 08K-19713) against ULC, the Universal Rightfield Property Holdings, Inc. and the Universal Leisure Corp., as well as their respective officers and directors, including their former Corporate Secretary, Atty. A. Bayani K. Tan, the incumbent Corporate Secretary of the Corporation. The Complaint was submitted for resolution in 2009 and was acted upon and dismissed by the City Prosecutor of Manila (OCP) only on March 18, 2013. Complainants belatedly filed motion for reconsideration for which reason, among others, the OCP denied motion on June 16, 2014. A Petition for Review dated March 31, 2014 was filed by the Complainant before the Department of Justice (DOJ). On August 7, 2014, Atty. Tan filed his Comment to the said Petition. In a Resolution dated April 17, 2015, the Petition for Review was denied and the DOJ dismissed the complaint for Estafa.

Aside from the foregoing, to the best of the Company's knowledge, there are no occurrences of any of the following events that are material to an evaluation of the ability or integrity of any director, any nominee for election as director or executive officer of the Company in the past five years and as of date:

- any bankruptcy petition filed by or against any business of which the incumbents directors or senior management of the Company was a general partner or executive officer, either at the time of the bankruptcy or within five years prior to that time;
- any conviction by final judgment in a criminal proceeding, domestic or foreign, pending against any of the incumbent directors or senior management of the company;
- any order, judgment, or decree, not subsequent reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any of the incumbent directors or senior management of the Company in any type of business, securities, commodities or banking activities; and
- any finding by documents or foreign court of competent jurisdiction (in civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or said regulatory organization, that any of the incumbent Directors or senior management of the Company has violated a securities or commodities law, and the judgment has not been reversed, suspended or vacated.

ITEM 4: SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters during the fourth quarter of the fiscal year covered by this report that were submitted to a vote of security holders.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

ITEM 5: Market for Issuer's Common Equity and Related Stockholders Matters

Market Information

The Company's common equity is listed and traded on the Philippines Stock Exchange on October 23, 2012. The trading prices of the Corporation's shares at the PSE for the last trading day of each quarter for year 2018 are as follows:

Quarter	High	Low	Close
1Q 2018	.325	.310	.325
2Q 2018	.300	.290	.300
3Q 2018	.300	.295	.295
4Q 2018	.300	.290	.300

Holders of Common Equity

As of December 31, 2018, the Company had 28 (Twenty-Eight) stockholders as per its stock and transfer agent, RCBC-Stock and Transfer Agent. The list of shareholders reported by the Stock and Transfer Agent were as follows:

	Name of Stockholders	No. of shares	Percentage
1	PCD NOMINEE CORPORATION (FILIPINO)	783,094,873	19.58%
2	STERLING BANK OF ASIA - TRUST GROUP FAO DEXTER Y. TIU	640,000,000	16.00%
3	STERLING BANK OF ASIA - TRUST GROUP FAO ALEXANDER Y. TIU	640,000,000	16.00%
4	STERLING BANK OF ASIA - TRUST GROUP FAO GERTIM G. CHUAHIONG	640,000,000	16.00%
5	STERLING BANK OF ASIA - TRUST GROUP FAO ERIC Y. ROXAS	640,000,000	16.00%
6	STERLING BANK OF ASIA - TRUST GROUP FAO JTKC EQUITIES, INC.	640,000,000	16.00%
7	PCD NOMINEE CORPORATION (FOREIGN)	10,178,010	0.25%
8	YAN, LUCIO W. YAN &/OR CLARA Y.	4,000,000	0.10%
9	WILLIAM RAGOS ENRILE II	1,200,000	0.03%
10	QUIBIN, ALEXANDER C.	570,000	0.01%
11	TACUB, PACIFICO B.	400,000	0.01%
12	SUCALDITO, ENRIQUE L.	100,000	0.00%
13	ENRILE, WILLIAM ENRILE &/OR NELY ENRILE &/OR	100,000	0.00%
14	MARANA, MIGUEL D. MARANA OR CENON BIENVENIDO	95,000	0.00%
15	ROSELLER A. MENDOZA	65,000	0.00%
16	COMIA JR., JUAN D.	50,000	0.00%
17	MARANA, CENON BIENVENIDO D. MARANA &/OR MIGU	40,000	0.00%
18	PUNO, CHRISTOPHER	30,000	0.00%
19	PUNO, ORPHA C.	22,000	0.00%
20	ASUNCION, ALEXANDER G.	15,000	0.00%
21	MOLANO, ROMEO B.	15,000	0.00%
22	BARTHOLOMEW DYBUNCIO YOUNG	10,000	0.00%

23	OSCAR M. RAYOS DEL SOL	10,000	0.00%
24	MARIANO, MARIA ANA B.	2,000	0.00%
25	LIMGENCO, DONDI RON R.	1,111	0.00%
26	BES, RONALD S.	1,000	0.00%
27	GILI JR, GUILLERMO F.	1,000	0.00%
28	FALCOTELO, MATTHEW HENRI H.	10	0.00%
		4,000,000,004	**100.00%**

As of December 31, 2018, 10,178,010 common shares are held by non-Filipinos, placing the foreign ownership level of the Corporation at 0.25%. This is significantly below the foreign ownership limit of 40%.

Dividends

The Company has not declared any kind of dividend to its shareholders since its incorporation.

Recent Issuance of Securities Constituting an Exempt Transaction

For the year ended December 31, 2018, we have not issued any securities constituting an exempt transaction.

ITEM 6: MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

Plan of Operation

Last year's management plan was to proceed with the Macopa-Sagasa Development Work Program and Feasibility for its Davao Coal Project in connection with the signed Fuel Supply and Transport Agreement (FSTA) with Sarangani Energy Corporation dated April 6, 2017 with initial delivery dated scheduled on November 2, 2018. However, this plan did not push through because the Company was not able to obtain from the Department of Energy, the conversion of COC from Exploration to Development/production phase and the related approval from NCIP.

This year, the company will continue to coordinate with the Department of Energy (DOE) and the National Commission on Indigenous Peoples (NCIP) to secure the Coal Operating Contract (COC) conversion and the Certification Precondition for the Development and Production (CP-D/P), respectively. Moreover, it will comply with the reportorial, documentary and permitting requirements in accordance with the Company's Coal Operating Contract, Environmental Compliance Certificate (ECC), and Local Government (LGU) related laws and ordinances as applicable. Management estimated eighteen (18) months for the conversion to development/production stage after pursuing close coordination with NCIP and DOE. It is estimated that Php 23Million will be incurred to take care of the various expenses including administrative and other maintenance expense. After the acquisition of the required conversion permits and the required equipment, it will take around six (6) months, more or less, for the company to produce the saleable coal. The amount needed to meet the initial start up cost and sustaining costs is estimated to be Php500 million; consisting of mining equipment (Php 107M), infrastructures and facilities (Php 55M) and in-pit drilling and supplemental exploration (Php 91M) and the balance as working capital to sustain its operation.

Aside from the maintenance of the physical assets of the Company, it will also continue the transferring of lot titles from the Old Macopa sellers to the Company.

Corporate Social Responsibility (CSR) activities such as road rehabilitation and maintenance will still be conducted upon request of the concerned LGU.

In the Interim, the Company has initiated negotiations involving possible rent/ leasing of its heavy equipment while waiting for the issuance of the above-mentioned NCIP CP-D/P and DOE conversion.

The following tables present the summary financial Statements and Independent Auditor's Report for the ended December 31, 2018, 2017 and 2016.

COAL's Summary Audited Consolidated Financial Information			
as at			
	2018	2017	2016
	(One year)	(One year)	(One year)
Amounts are in Php			
Consolidated Statement of Comprehensive Income			
Sales	-	-	-
Cost of Sales	-	-	-
Gross Profit	-	-	-
General and Administrative Expenses	-10,643,404	-9,907,962	-20,921,125
Operating Income	-10,643,404	-9,907,962	-20,921,125
Other Income	-	884,366	6,087,472
Interest Income	688,927	295,135	745,832
Finance Cost	-123,348	-999,139	-1,898,675
Income (loss) before income tax	-10,077,825	-9,727,600	-15,986,496
Net Income (loss)	-8,307,764	-7,976,615	-13,967,727
Consolidated Statement of Financial Position			
Assets			
Cash and cash equivalents	10,619,011	30,954,930	6,906,425
Funds held in escrow	654,840	5,628,653	37,869,019
Advances to Affiliates	1,464,711	1,555,438	1,646,248
Prepayments and other current assets	192,748	4,749,308	1,125,182
Total Current Assets	**12,931,310**	**42,888,329**	**47,546,874**
Exploration and evaluation assets	585,755,321	534,956,340	480,756,581
Property, plant and equipment -net	187,025,922	222,560,983	261,324,664
Coal Reserves	3,131,596,101	3,131,596,101	3,131,596,101
Deferred Tax Asset	14,311,621	12,541,560	10,772,888
Other Noncurrent Asset	1,051,370	2,719,464	2,693,122
Total Non-Current Assets	**3,919,740,335**	**3,904,374,448**	**3,887,143,356**
TOTAL ASSETS	**3,932,671,645**	**3,947,262,777**	**3,934,690,230**
Liabilities and Equity			
Trade and other payables	8,556,596	9,713,412	8,996,848
Advances from related parties	30,025,377	30,025,377	25,820
Current portion of loans payable	-	5,629,445	10,581,920
Income tax payable	-	17,687	121,749
Total Current Liabilities	**38,581,973**	**45,385,921**	**19,726,337**
Loan Payable-net of current portion	-	-	5,629,445
Retirement benefit liability	4,740,222	4,219,642	3,700,619
Total Non-Current Liability	**4,740,222**	**4,219,642**	**9,330,064**
Capital Stock	4,000,000,004	4,000,000,004	4,000,000,004
Deficit	-110,815,870	-102,508,106	-94,531,491
Other Comprehensive loss	165,316	165,316	165,316
Stockholders' Equity	**3,889,349,450**	**3,897,657,214**	**3,905,633,829**
TOTAL LIABILITIES AND EQUITY	**3,932,671,645**	**3,947,262,777**	**3,934,690,230**
Key Indicators			
Gross Profit Margin (%)	-	-	-
Net Income (loss) Margin (%)	-	-	-
Return on Asset (%)	-	-	-
Return on Equity(%)	-	-	-
Current Ratio(x)	0.34:1.00	0.94:1.00	2.41:1.00
Total Liabilities to Equity (x)	.01:1.00	.01:1.00	.01:1.00
Earnings Per Share (Basic) (Php 0.0000)	-0.0021	-0.0020	-0.0035
Book Value Per Share (Php 0.0000)	0.97234	0.9744	0.9764

A. Comprehensive Income for the year ended December 31, 2018 vs. Comprehensive Income for the year ended December 31, 2017 vs. Comprehensive Income for the year ended December 31, 2016

Sales

There were no sales for 2018, 2017 and 2016. TMEC focused on exploration of its COC areas and is awaiting conversion to development and production from the Department of Energy.

As at December 31, 2018, the Group has two Coal Operating Contracts (COC) located in Davao Oriental (COC No. 159) and Zamboanga Sibugay (COC No. 166). The Group has applied for a change in status of the COCs from exploration and evaluation stage to development and production stage.

General and Administrative Expenses

General and administrative expenses amounted to P10.64M, due mainly to personnel costs, professional fees, communication expense and taxes and licenses.

Interest Expense

In 2015, the Group entered into a credit facility agreement with UCPB Leasing and Finance Corporation granting the Company with a credit line amounting to P30.3M to refinance the acquisition of various trucks and heavy equipment purchased in 2014 amounting to P30.3M. It bears an annual interest rate of 9%. On August 31, 2018, the Company fully paid its loans payable. Interest expense amount to P0.1M, P1.0M, P1.9M in 2018, 2017 and 2016, respectively.

Interest Income

Interest income which came from interest earned from bank deposits, cash equivalents, restricted cash and funds held in escrow was P0.7M, P0.3M and P0.7M in 2018, 2017 and 2016, respectively.

Other Income

In 2017 and 2016, the DOE granted various PTS for incidentally produced coal within TMEC's COC No. 159 area. Gain on sale of incidental coal amounted to nil, P.9M and P6.1M in 2018, 2017 and 2016, respectively.

Net Income

As a result of the foregoing, The Group realized net loss of P8.3M, P8.0M, P14.0M in 2018, 2017 and 2016, respectively.

B. Consolidated Statement of Financial Position

December 31, 2018 vs. December 31, 2017

Cash and Cash Equivalent

Cash and cash equivalents decreased by P20.34M or 66%, to P10.6M as of December 31, 2018 from P31.0M as of December 31, 2017 was due mainly on additional exploration assets, rehabilitation of access roads, repayment of loan and other working capital expenses.

Advances to Affiliates

These were advances to related parties under common control for working capital purposes. These are unsecured, non-interest bearing, and generally settled in cash and payable upon demand. The balance as of December 31, 2018 was P1.5M.

Funds held in escrow

This pertains to the proceeds of IPO which are kept separate and distinct from all other funds in the custody of the Custodian Bank. Net withdrawals of principal from the fund held in escrow amounted to P32.5M and P5.0M in 2018 and 2017, respectively.

Prepayments and Other Current Assets

Prepayments and other current assets decreased by P4.6M or 96%, to P0.2M as of December 31, 2018 from P4.7M as of December 31, 2017, mainly due to collection of advances made to officers.

Exploration and Evaluation Assets

Exploration and Evaluation Assets were increased by P50.8M or 9% as of December 31, 2018. The increase was brought by the capitalization of the costs incurred in the exploration and pre-development of the mining properties in Davao Oriental such as personnel costs, professional, utilities, depreciation and others.

Property, Plant and Equipment

Property, Plant and Equipment were decreased by P35.5M or 16% due to depreciation incurred during the year. P7.7M land improvement cost incurred during the year.

Coal Reserves

Coal Reserves still amounted to P3.13 billion as of December 31, 2018. This represents the fair value of the coal reserve acquired as a result of the business combination. Based on the review of the recoverable amount of the Group's nonfinancial assets, management determined that there are no impairment losses in property and equipment.

Deferred Tax Assets

Deferred tax assets were increased by P1.8M or 14%, to P14.3M as of December 31, 2018 from P12.5M as of December 31, 2018 due to adjustment to provision for deferred tax.

Other Noncurrent Asset

Restricted cash includes cash bond required by the NCIP upon the application of the Group's permit to proceed with its development phase for COC No. 159 and cash in bank set aside to settle obligations arising from a certain court case. During 2018, the National Labor Relations Commission released motion to issue order of release of the garnished deposit to execute the judgement award amounting to P1.8M.

Trade and Other Payables

Trade and other payables decreased by 1.2M, to P8.6M as of December 31, 2018 from P9.7M as of December 31, 2017.

Advances from Related Parties

These advances are unsecured, non-interest bearing, and generally settled in cash and payable upon demand. The advances of the Parent Company to TMEC amounting to P563.6M and P537.4M as at December 31, 2018 and 2017, respectively, were eliminated during consolidation.

Loan Payable

In 2015, the Group entered into a credit facility agreement with UCPB Leasing and Finance Corporation granting the Company with a credit line amounting to P 30.3M to refinance the acquisition of various trucks and heavy equipment purchased in 2014 amounting to P 30.3M. As at December 31, 2015, the Company has fully utilized the credit facility.

The loan is payable in five years, in 60 monthly installment starting May 30, 2015, the month after the first drawdown. It bears an annual interest rate of 9%.

On August 31, 2018, the Company fully paid its loan payable.

Retirement Benefit Liability

Retirement Benefit Liability amounted to P4.7M of December 31, 2018. This is the latest actuarial valuation prepared by an independent actuary using the projected credit unit method.

Deficit

Deficit amounted to P110.8M as of end December 31, 2017. Deficit increased because of increased expenses and no sales during the year.

December 31, 2017 vs. December 31, 2016

Cash and Cash Equivalent

Cash and cash equivalents increased by P24.05M, to P30.95M as of December 31, 2017 from P6.91M as of December 31, 2016. During the year, stockholder advanced the amount of P30M for the working capital of the Group.

Advances to Affiliates

These were advances to related parties under common control for working capital purposes. These are unsecured, non-interest bearing, and generally settled in cash and payable upon demand. The balance as of December 2017 was P1.56M.

Funds held in escrow

This pertains to the proceeds of IPO which are kept separate and distinct from all other funds in the custody of the Custodian Bank. Net withdrawals of principal from the fund held in escrow amounted to P32.5M and P50.0M in 2017 and 2016, respectively.

Prepayments and Other Current Assets

Prepayments and other current assets increased by P3.62M, to P4.75M as of December 31, 2017 from P1.13M as of December 31, 2016, mainly due to receivable from an officer pertains to the cash held by an officer for safekeeping.

Exploration and Evaluation Assets

Exploration and Evaluation Assets were increased by P54.20M (11.27%) as of December 31, 2017. The increase was brought by the capitalization of the costs incurred in the exploration and pre-development of the mining properties in Davao Oriental such as personnel costs, professional, utilities, depreciation and others.

Property, Plant and Equipment

Property, Plant and Equipment were decreased by P38.76M (14.83%) due to depreciation incurred during the year. No additional purchase made during the year.

Coal Reserves

Coal Reserves still amounted to P3.13 billion as of December 31, 2015. This represents the fair value of the coal reserve acquired as a result of the business combination.

Deferred Tax Assets

Deferred tax assets were increased by P1.77M (16.42%), to P12.54M as of December 31, 2017 from P10.77M as of December 31, 2016.

Other Noncurrent Asset

Restricted cash includes cash bond required by the NCIP upon the application of the Group's permit to proceed with its development phase for COC No. 159 and cash in bank set aside to settle obligations arising from a certain court case.

Trade and Other Payables

Trade and other payables increased by P.72M (7.96%), to P9.71M as of December 31, 2017 from P9.00M as of December 31, 2016.

Advances from Related Parties

These advances are unsecured, non-interest bearing, and generally settled in cash and payable upon demand. The advances of the Parent Company to TMEC amounting to P536.5M and P508.3M as at December 31, 2017 and 2016, respectively, were eliminated during consolidation.

Loan Payable

In 2015, the Group entered into a credit facility agreement with UCPB Leasing and Finance Corporation granting the Company with a credit line amounting to P 30.3M to refinance the acquisition of various trucks and heavy equipment purchased in 2014 amounting to P 30.3M. As at December 31, 2015, the Company has fully utilized the credit facility.

The loan is payable in five years, in 60 monthly installment starting May 30, 2015, the month after the first drawdown. It bears an annual interest rate of 9%. As at December 31, 2017, the loan payable amounted to P5.63 which will be due within 12 months after the year-end. The outstanding amount of these borrowings decreased by P10.58M (65.27%) from P16.21 as of December 31, 2017 due to scheduled principal repayments on term loans.

Retirement Benefit Liability

Retirement Benefit Liability amounted to P4.22M of December 31, 2017. This is the latest actuarial valuation prepared by an independent actuary using the projected credit unit method.

Deficit

Deficit amounted to P102:51M as of end December 2017. Deficit increased because of increased expenses and minimal sale of incidental production during the year.

December 31, 2016 vs. December 31, 2015

Cash and Cash Equivalent

Cash and cash equivalents decreased by P2.89M(29%), to P6.91M as of December 31, 2016 form P9.80M as of December 31, 2016, due mainly to capital expenditure incurred in exploration and evaluation assets.

Advances to Affiliates

These were advances to related parties under common control for working capital purposes. These are unsecured, non-interest bearing, and generally settled in cash and payable upon demand. The balance as of December 2016 was P.66M.

Funds held in escrow

This pertains to the proceeds of IPO which are kept separate and distinct from all other funds in the custody of the Custodian Bank. Net withdrawals of principal from the fund held in escrow amounted to P50.0M and P47.0M in 2016 and 2015, respectively.

Prepayments and Other Current Assets

Prepayments and other current assets increased by P2.78M (137%), to P4.81M as of December 31, 2016 from P2.03M as of December 31, 2015, mainly due to Receivables from sale of incidental coal are generally due and demandable and in accordance with the Permits to Transport and Sell (PTS) issued by the DOE and additional Restricted cash set aside to settle obligations arising from a certain court case.

Exploration and Evaluation Assets

Exploration and Evaluation Assets were increased by P66.91M (16%) as of December 31, 2016. The increase was brought by the capitalization of the costs incurred in the exploration and pre-development of the mining properties in Davao Oriental such as personnel costs, professional, utilities, depreciation and others.

Property, Plant and Equipment

Property, Plant and Equipment were decreased by P44.29M (15%) due to depreciation incurred during the year.

Intangible Assets

Computer software for exploration was decreased due to amortization of such.

Coal Reserves

Coal Reserves still amounted to P3.13 billion as of December 31, 2015. This represents the fair value of the coal reserve acquired as a result of the business combination.

Deferred Tax Assets

Deferred tax assets were increased by P2.23M (26%), to P10.77M as of December 31, 2016 from P8.54M as of December 31, 2015.

Trade and Other Payables

Trade and Other Payables decreased by P1.69M (16%), to P9.0M as of December 31, 2016 from P10.69M as of December 31, 2016, due mainly to the Final payment of certain supplier of the Group.

Advances from Related Parties

These advances are unsecured, non-interest bearing, and generally settled in cash and payable upon demand. The advances of the Parent Company to TMEC amounting to P508.3M and P461.2M as at December 31, 2016 and 2015, respectively, were eliminated during consolidation.

Loan Payable

In 2015, the Group entered into a credit facility agreement with UCPB Leasing and Finance Corporation granting the Company with a credit line amounting to P 30.3M to refinance the acquisition of various trucks and heavy equipment purchased in 2014 amounting to P 30.3M. As at December 31, 2015, the Company has fully utilized the credit facility.

The loan is payable in five years, in 60 monthly installment starting May 30, 2015, the month after the first drawdown. It bears an annual interest rate of 9%. As at December 31, 2016, the loan payable amounted to P16.21M of which P10.58M will be due within 12 months after the year-end. The outstanding amount of these borrowings decreased by P8.63M (35%) from P24.84 as of December 31, 2015 due to scheduled principal repayments on term loans.

Retirement Benefit Liability

Retirement Benefit Liability amounted to P3.70M of December 31, 2016. This is the latest actuarial valuation prepared by an independent actuary using the projected credit unit method.

Deficit

Deficit amounted to P94.53 M as of end December 2016. Deficit increased because of increased expenses and minimal sale of incidental production during the year.

Notes on the COAL's Financial Information

Coal Reserves

The Parent Company acquired TMEC in 2012 in exchange for Parent Company's common shares valued at P3,200.0 million. The Parent Company recognized the portion of consideration amounting to P3,131.6 million as coal reserves.

In 2018 and 2017, the Group carried out a review of the recoverable amount of its coal reserves, exploration and evaluation assets, property and equipment, and intangible assets. The impairment test is based on value in use calculations using discounted cash flow approach from the Group's operations.

The key assumptions used to determine the value in use of the nonfinancial assets are as follows:

	2018	2017
Coal price	**$58/MT**	$55/MT
Foreign exchange rate	**P54.00:$1**	P49.93:$1
Discount rate	**15.50%**	12.60%
Estimated coal	**17.3 MMT**	17.3 MMT

The cash flow projections are based on the most recent feasibility study approved by the senior management and submitted to the DOE. The values assigned to each key assumption are estimated with reference to recent external market information.

Average forecast period for COC No. 159 and COC No. 166 is at 9 years and 5 years, respectively. The average forecast period for COC No. 159 is greater than 5 years as the management can reliably estimate the cash flow for the entire duration. The terminal value was computed based on a zero- growth assumption for forecasts beyond the average forecast period.

Based on the impairment test performed, management assessed that the recoverable amounts of the coal reserves and other nonfinancial assets exceed its carrying amount. Management also believes that no reasonably possible change in any of the key assumptions would cause the carrying amounts of the nonfinancial assets to materially exceed their respective recoverable amounts.

In 2012, the Group obtained an independent valuation report to estimate the value of TMEC's coal reserves in accordance with the PSE Guidelines for Fairness Opinions and Valuation Reports. The valuation was determined using the discounted cash flow approach based on assumptions and information secured from the Competent Persons Reports on the Davao Oriental and Zamboanga Sibugay Projects and available market information.

The independent valuation determined the value of the Group's coal reserves at P12.5 billion.

Exploration and Evaluation Asset

Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of the coal resource.

Exploration and evaluation activity includes:

- Gathering exploration data through geological studies;
- Exploratory drilling and sampling; and
- Evaluating the technical feasibility and commercial viability of extracting the coal resource.

The account "Exploration and evaluation asset" is carried at cost less accumulated impairment losses.

Exploration and evaluation asset is no longer classified as such when the technical feasibility and commercial viability of extracting the coal reserve are demonstrable. Exploration and evaluation asset is assessed for impairment, and any impairment loss recognized, before reclassification.

The assets, liabilities, income and expense and operating and investing cash flows as at and for the year ended December 31,2017 from the exploration for and evaluation of coal resources are as follows:

	2018	2017
Total assets	**P793,020,036**	P779,291,804
Total liabilities	**576,142,181**	556,550,346
Other income (from incidental sales)	**–**	884,366
Expenses	**7,817,330**	6,742,828
Net cash used in operating activities	**(2,653,867)**	(8,887,919)
Net cash used in investing activities	**(14,929,778)**	(15,267,743)
Net cash provided by financing activities	**20,570,555**	18,553,633

Exploration and evaluation asset pertain to costs incurred for the exploration and evaluation of the mining property situated in the province of Davao Oriental and Zamboanga Sibugay, Philippines.

COC #159and COC #166 provide a certain minimum work expenditure obligation covered by the work program of exploration phase.

The recovery of the exploration and evaluation asset is dependent upon the success of future exploration and evaluation activities and events.

Movements of this account are as follows:

	2018
Balance at beginning of year	P534,956,340
Additions for the year	50,798,981
Cost at the end of year	P585,755,321

No impairment loss was recognized in 2018.

The Group obtained an independent valuation report using the discounted cash flow approach to estimate the value of the coal reserves. The expected net present value of the coal reserve is estimated at P12.5 billion.

The Group obtained an enterprise report dated March 15, 2013 to estimate the enterprise value of COC 159, Coal Blocks Nos. 217 (Macopa) and 136 (Bactinan). Discounted cash flow approach was used in the valuation of the coal reserve of COC 159, Coal blocks Nos. 217 (Macopa) and 136 (Bactinan) is estimated at P4.1 billion.

Impairment of Nonfinancial Assets

The nonfinancial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists and where the carrying amount exceeds its estimated recoverable amounts, the asset or cash- generating unit is written down to its recoverable amount. The estimated recoverable amount of the asset is the higher of an asset's fair value less cost of disposal or value in use. In assessing value in use, the estimated future cash flows are discounted to present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the consolidated statement of comprehensive income.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. However, that increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such reversal, the depreciation and amortization charge is adjusted in future years to allocate the asset's revised carrying amount, on a systematic basis over its remaining useful life.

Exploration and Evaluation Assets. Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. One or more of the following facts and circumstances indicate that exploration and evaluation assets require impairment test:

a. the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future and is not expected to be renewed.

b. substantive expenditure on further exploration for and evaluation of coal reserves in the specific area is neither budgeted nor planned.

c. exploration for and evaluation of coal reserves in the specific area have not led to the discovery of commercially viable qualities of coal reserves and the entity has decided to discontinue such activities in the specific area.

d. sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Revenue Recognition of Sale of Coal

Revenue is recognized to the extent that the revenue can be reliably measured, it is probable that the economic benefits will flow to the Group, and the costs incurred or to be incurred can be measured reliably. In addition, the following specific recognition criteria must also be met before revenue is recognized.

Specifically, revenue from coal sales is recognized when the goods are delivered, the title to the goods has passed to the buyer and the amount of revenue can be measured reasonably.

Other Financial Information

As of and for period ended December 31, 2017:

- No material changes on COAL's financial position (changes of 5.00% or more) can be computed as the Company has only been incorporated on June 11, 2012.
- COAL is not aware of any known trends, or any known demands, commitments, events, or uncertainties that will result in or that are reasonably likely to result in COAL's liquidity increasing or decreasing in any material way.
- It is not aware of any event that would trigger direct or contingent financial obligation that is material to COAL, including any default or acceleration of an obligation.
- All material off-balance sheet transactions, arrangements, obligations and other relationships of COAL with unconsolidated entities or other persons created during the period were considered.
- There were no known trends, events, or uncertainties on net revenues or income from continuing operations.
  Coal Asia Holdings Incorporated
- COAL is not aware of any significant elements of income and loss that did not arise from COAL's continuing operations.
- COAL is not aware of any seasonal aspects that had a material effect on the financial condition or results of operations.
- COAL is not aware of any seasonal aspects that had a material effect on the financial condition or results of operations.

ITEM 7: FINANCIAL STATEMENTS

Please refer to the attached audited consolidated financial statements of the Company as at and for the year Ended December 31, 2017 and 2016, which have been prepared in accordance with Philippine Financial Reporting Standards, as audited by Reyes Tacandong & Co.

The Company was incorporated on June 11, 2012. Since the audit of Reyes Tacandong & Co., there has been no change in auditor and there has been no disagreement on accounting and financial disclosures.

The aggregate fees for each of last two (2) fiscal years for professional services rendered by the external auditors are as follows:

	2017	2016
Audit Fee	P565,000	P485,000
other fees	-	-
TOTAL	P565,000	P485,000

It is the policy of the Company that services to be rendered by independent auditors, as well as the corresponding fees thereof, must first be reviewed by the Audit and Risk Committee (the members of said Committee being composed of Messrs. Aristides S. Armas (Chairman), Arsenio M. Bartolome III, and Eric Y. Roxas) prior to said report being endorsed to the Board of Directors for approval.

ITEM 8: CHANGES IN AND DISAGREEMENT WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Reyes Tacandong & Co. was appointed as external auditor for the year ended December 31, 2018.

There was no disagreement with the external auditor on any matter pertaining to accounting and financial disclosure.

PART III – CONTROL AND COMPENSATION INFORMATION

ITEM 9: DIRECTORS AND EXECUTIVE OFFICERS

The Company's Board of Directors is responsible for the overall management of the business and assets of the Company. The Board of Directors is composed of seven (7) members, each of whom serves for a term of one (one) year until his /her successor is duly elected and qualified.

Board of Directors

The following are the incumbent members of the Board of Directors of the Company:

Name	Position with the Company	Date of First Election/Last Election
Harald R. Tomintz	Director and Chairman	July 2012/07 August 2018
Johnson A. Sanhi, Jr.	Director, President and Chief Operating Officer	21 July 2014/07 August 2018
Dexter Y. Tiu	Director and Treasurer	June 2012/07 August 2018
Eric Y. Roxas	Director	June 2012/07 August 2018
Juan Kevin G. Belmonte	Independent Director	July 2012/07 August 2018
Aristides Armas	Independent Director	July 2012/07 August 2018
Arsenio M. Bartolome III	Independent Director	August 2017/07 August 2018

Harald R. Tomintz, 66, Austrian, Chairman of the Board

Harald R. Tomintz is the Chairman of the Company. Mr. Tomintz is also the President of Rekom Manila Corporation and a Board Supervisor of Zhangzhou Stronghold Steelworks Corporation, in addition, since 2015 he also serves in the Board of Directors of Philippine Power and Development Corporation. His past positions include being the President of VATECH Phils., Inc. (2002-2004), member of the Executive Committee, Director of Semirara Coal Corporation (1992-1997), and Director of Ferrochrome Philippines (1992-1995). He holds a degree in Mechanical Engineering from BULME in Graz-Goesting and SZA Vienna, Austria.

Johnson A. Sanhi, Jr., 54, Filipino, President & Chief Operating Officer

Johnson A. Sanhi, Jr. has been with TMEC from 2010 to present. He was previously VP-Operations of Stronghold Steel Corporation. He was former Vice President and Plant Manager at Cathay Pacific Steel Corporation where he worked for 23 years. He has earned Masteral units in Chemical Engineering from the University of the Philippines Diliman. He obtained his Bachelor of Science degree in Chemical Engineering from De La Salle University.

Dexter Y. Tiu, 47, Filipino, Director and Treasurer

Dexter Y. Tiu, Filipino, is the Treasurer and a Director of the Company. Mr. Tiu is the Chairman and CEO of Pure Energy Holdings Corporation and the President and CEO of Philippine Power Development & Co. He is both Director and Treasurer of Titan Mining & Energy Corporation. He is also a director of JTKC Equities, Inc. and Star Equities, Inc. He also serves as Vice Chairman of Zhangzhou Stronghold Steelworks Corporation based in Xiamen, China. He holds a Bachelor of Science degree in Mechanical Engineering from De La Salle University.

Eric Y. Roxas, 56, Filipino, Director

Eric Y. Roxas is an incorporator and Director of the Company. Mr. Roxas is also a Director and Corporate Secretary of Pure Energy Holdings Corporation. Concurrently, he is the President of Husky Trading Corp., Supra Finishings Corporation, Philippine Welding Technology Skills & Services Center, Inc., and Husky Calibration Specialists, Inc. He is also a Director and Treasurer of Eagle Equities, Inc. He holds a Bachelor of Science degree in Industrial Engineering from De La Salle University.

Juan Kevin G. Belmonte, 55, Filipino, Independent Director

Juan Kevin G. Belmonte is an Independent Director of the Corporation. He is also currently the President and CEO of Philstar.com, a director of People Asia, and Vice Chairman of Nuvoland Philippines. He is also a director of Philstar Daily, Inc., IPVG Corporation, IP E-Games Corporation, EEI Corporation, and the Development Bank of the Philippines. He is also the current Chairman and immediate past President of the Cactus and Succulent Society of the Philippines. He was a former manager and partner of Arthur Andersen & Co. – SGV & Co., and senior consultant and manager of Andersen Consulting in Chicago, USA, and past director of Bantay Kalikasan and ABS-CBN Foundation Initiative. He holds a Master of Management degree from the J.L. Kellogg Graduate School of Management, Northwestern University and has a Bachelor of Arts degree in Economics from Ateneo de Manila University.

Aristides S. Armas, 74, Filipino, Independent Director

Aristides S. Armas is the President of Asia United Leasing & Finance Corporation and Asia United Fleet Management Services, Inc. He was previously the President of UCPB Leasing and Financing Corporation. He has 40 years of experience in banking and financing. He previously held executive positions in Citibank, BA Finance Corporation, UCPB Savings Bank, and United Coconut Planters Bank. He earned his Bachelor of Arts degree and Bachelor of Science degree in Commerce from the De La Salle University.

Arsenio M. Bartolome III, 78, Filipino, Independent Director

Arsenio M. Bartolome III is the Chairman and President of Amber Properties, Inc. Mr. Bartolome is likewise an independent director in I-Remit, Inc. He previously held several positions in the public sector, namely North Luzon Railway Corporation (Chairman and President), Philippine National Bank (President and Chief Executive Officer), Bases Conversion and Development Authority (First Chairman and President), Century Bank, Los Angeles, California (Chairman), PNB International Finance, Hong Kong (Chairman) and PNB Europe (Chairman). He also previously held positions in the following private sector institutions: Urban Bank (Chairman and President), H&Q Philippine Ventures, Inc. (Chairman), First Philippine Fund, New York City (Chairman), Rizal Commercial Banking Corporation (Treasurer and Senior Vice President), Multinational Investment Bancorporation (General Manager), Citibank, Manila (Head, Treasury Group), Bancom Development Corporation (Head, Money Market Department) and Wells Farfo Bank, San Francisco, California (Negotiator, International Banking). Mr. Bartolome also served as President of the following professional associations: Management Association of the Philippines, Financial Executives of the Philippines, Asian Pacific Bankers Club, Development Bankers Association of the Philippines, and Money Market Association of the Philippines. He was also previously a director of Bankers Association of the Philippines and Philippine Chamber of Commerce and Industry, as well as governor of the Makati Stock Exchange. Mr. Bartolome has a degree in Business Administration from the University of the East (Manila). He also took up an Advanced Banking Program from American Institute of Banking (San Francisco Chapter) and a Top Management Program from the Asian Institute of Management (Manila).

Executive Officers

Harald R. Tomintz, Austrian, Chairman of the Board

Johnson A. Sanhi, Jr., Filipino, President & Chief Operating Officer

Dexter Y. Tiu, Filipino, Director and Treasurer

Please refer the discussion on the Board of Directors above for the profiles of Messrs. Tomintz, Sanhi, and Tiu.

Rolando P. Domingo, 49, Filipino, Chief Financial Officer – OIC

Rolando P. Domingo is the Chief Financial Officer of the Company. He was a banker for 20 years, holding VP Controller and other key positions at BPI Family Bank, Asian Bank, and BSA. He has over 25 years' experience in real estate as SVP-Controller for the St. Francis Square Group, and is well versed in SEC and BIR regulatory, financial and tax matters. He is both a licensed Certified Public Accountant and an Attorney at Law. He obtained his BSC – Major in Accounting in 1969, and his LLB – Bachelor of Laws in 1992, from Far Eastern University.

Enrique C. Payawal, 74, Filipino, Vice President-Exploration

Enrique C. Payawal is an Exploration and Mine Geologist with over 40 years of experience in both metal and non-metal deposits. He is a licensed practicing geologist from December 1968 to present and an accredited Competent Person by the Geological Society of the Philippines in accordance with the Philippine Mineral Reporting Code (PMRC) in regards to reporting of Exploration Results and Mineral Resources from June 2009 to present.

Gizella Greta D.J. Gonzales, 43, Filipino, Senior Geologist

Gizella Greta D.J. Gonzales is an Exploration Geographic Information System (GIS)/ Database Manager with over ten (10) years' work experience in gold, copper, coal, and nickel and iron deposits. She is a licensed practicing geologist since 2000. She holds a Bachelor of Science degree in Geology and completed units for Masters in Remote Sensing and GIS from the University of the Philippines. She also passed the PhilSAT and is currently preparing for law proper.

A. Bayani K. Tan, 63, Filipino, Corporate Secretary

A. Bayani K. Tan is the Corporate Secretary of the Corporation. He is also a Director, Corporate Secretary or both of the following reporting and/or listed companies: Belle Corporation (since May 1994, Publicly Listed), , Discovery World Corporation (since March 2013, Publicly-Listed), First Abacus Financial Holdings Corp. (since May 1994, Publicly Listed), I-Remit, Inc. (since May 2007, Publicly-Listed), Pacific Online Systems Corporation (since May 2007, Publicly-Listed), Philequity Balanced Fund, Inc. (since March 2010), Philequity Dividend Yield Fund, Inc. (since January 2013), Philequity Dollar Income Fund, Inc. (since March 1999), Philequity Fund, Inc. (since June 1997), Philequity Peso Bond Fund, Inc. (since June 2000), Philequity PSE Index Fund, Inc. (since February 1999), Premium Leisure Corporation (since December 1993, Publicly-Listed), Sterling Bank of Asia, Inc. (since December 2006), TKC Metals Corporation (since February 2007, Publicly-Listed), Tagaytay Highlands International Golf Club, Inc. (since November 1993), Tagaytay Highlands Community Condominium Ass., Inc. (since August 1995), The Spa and Lodge (since December 1999) and Vantage Equities, Inc. (since January 1993, Publicly-Listed). Mr. Tan is the Managing Partner of the law offices of Tan Venturanza Valdez (since it was established in 1988), Managing Director/President of Shamrock Development Corporation (since May 1988), Director of Destiny Lend Fund, Inc. (since December 2005), Pascual Laboratories, Inc. (since March 2014), and Pure Energy Holdings Corporation (since October 2016), President of Catarman Chamber Elementary School Foundation, Inc. (since August 2012), Managing Trustee of SCTan Foundation, Inc. (since 1986), Trustee and Treasurer of Rebisco Foundation, Inc. (since April 2013) and Trustee and Corporate Secretary of St. Scholastica's Hospital, Inc. (since February 2011).

Mr. Tan holds a Master of Laws degree from New York University (Class of 1988) and earned his Bachelor of Laws degree from the University of the Philippines (Class of 1980) where he was a member of the Order of the Purple Feather (U.P. College of Law Honor Society) and ranked ninth in his class. Mr. Tan passed the bar examinations in 1981 where he placed sixth. He has a Bachelor of Arts major in Political Science degree from the San Beda College (Class of 1976) from where he graduated Class Valedictorian and was awarded the medal for Academic Excellence.

Ann Margaret K. Lorenzo, 30, Filipino, Assistant Corporate Secretary

Ann Margaret K. Lorenzo is the Assistant Corporate Secretary of the Company. She concurrently serves as Assistant Corporate Secretary of the following listed firms: Asia United Bank Corporation, Crown Asia Chemicals Corporation and Vantage Equities, Inc. She is likewise the Corporate Secretary of TKC Metals Corporation. She also serves as Assistant Corporate Secretary of the following reporting companies: Philequity PSE Index Fund, Inc., Philequity Fund, Inc., Philequity Peso Bond Fund, Inc., Philequity Dollar Income Fund, Inc., and Philequity Dividend Yield Fund, Inc. She is also the Assistant Corporate Secretary of the following private companies: Philequity Strategic Growth Fund, Inc., Philequity Balanced Fund, Inc., Philequity Resources Fund, Inc., Philequity Foreign Currency Fixed Income Fund, Inc., Aldex Realty Corporation, Oakridge Properties, Inc., Palm Concepcion Power Corporation, Peakpower Energy, Inc., Peakpower Soccsargen, Inc., Peakpower San Francisco, Inc., Etruscan Resources Philippines, Inc., and Tao Mohin Resources Corporation. She is also the Corporate Secretary of Athena Ventures, Inc., Galileo Software Services, Inc. and GGO Realty Holdings, Inc. Ms. Lorenzo is currently an Associate at Tan Venturanza Valdez. She holds a Juris Doctor and a Bachelor of Arts Degree in English Studies, cum laude, both from the University of the Philippines, obtained in 2010 and 2014, respectively. She was admitted to the Philippine Bar in April 2015.

Rosanna T. Desiderio, 53, Filipino, Chief Information Officer and Acting Chief Compliance Officer

Rosanna T. Desiderio has been with the Company since its incorporation. She is concurrently the Accounting Manager of TMEC, COAL's wholly owned subsidiary. She is a Certified Public Accountant since 1985. She holds a Bachelor of Science degree in Accountancy from the Polytechnic University of the Philippines.

Principal Officers

Name	Nationality	Present Position	Period of Service in the Company
Harald R. Tomintz	Austrian	Chairman of the Board	July 2012-present
Johnson A. Sanhi, Jr.	Filipino	President & COO	July 21, 2014-present
Rolando P. Domingo		Chief Financial Officer	June 2018-present
Dexter Y. Tiu	Filipino	Treasurer	June 11, 2012-present
A. Bayani K. Tan	Filipino	Corporate Secretary	August 1, 2017 - present
Ann Margaret K. Lorenzo	Filipino	Assistant Corporate Secretary	March 23, 2017 - present
Rosanna T. Desiderio	Filipino	Chief Information Officer/ Compliance Officer	June 11, 2012-present

Significant Employees

No single person is expected to contribute more significant than others do the business since the Company considers the collective efforts of all its employees as instrumental to the overall success of the Company's performance. Other than standard employment contacts, there are no arrangements with non-executive employees that will assure the continued stay of these employees with the Company.

Family Relations

Mr. Dexter Y. Tiu and Alexander Y. Tiu, who are both major shareholders of the Company, are siblings. There are no other family relationships known to the Company other than the ones disclosed.

Involvement in Legal Proceedings

As a result of the delay in the delivery of the facilities of the Universal Leisure Club, Inc., some of its members initiated a Complaint for Estafa (I.S. No. 08K-19713) against ULC, the Universal Rightfield Property Holdings, Inc. and the Universal Leisure Corp., as well as their respective officers and directors, including their former Corporate Secretary, Atty. A. Bayani K. Tan, an incumbent Director of the Corporation. The Complaint was submitted for resolution in 2009 and was acted upon and dismissed by the City Prosecutor of Manila (OCP) only on March 18, 2013. Complainants belatedly filed motion for reconsideration for which reason, among others, the OCP denied motion on June 16, 2014. A Petition for Review dated March 31, 2014 was filed by the Complainant before the Department of Justice (DOJ). On August 7, 2014, Atty. Tan filed his Comment to the said Petition. In a Resolution dated April 17, 2015, the Petition for Review was denied and the DOJ dismissed the complaint for Estafa.

Except as otherwise discussed above and to the best of the Company's knowledge, there has been no occurrence during the past five (5) years of any of the following events that are material to an evaluation of the ability or integrity of any director, any nominee for election as director, executive officer, underwriter, or controlling person of the Company:

- any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer, either at the time of the bankruptcy or within two (2) years prior to that time;
- any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and
- being found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended or vacated.

ITEM 10: EXECUTIVE COMPENSATION

COAL's directors and executive officers do not receive regular compensation for their services as they are seconded from TMEC.

The following table shows the aggregate compensation received by the directors and officers of the Company for calendar years 2018, 2017 and 2016 as well as the estimated aggregate compensation for calendar year 2019.

Name and Principal Position	Year	Salary	Bonus	Other Annual Compensation
Johnson A. Sanhi, Jr. *President & COO*				
Enrique C. Payawal Vice President – *Exploration and Mining*				
Gizella Greta DJ Gonzales *Senior Geologist*				
Total for the Executive Officers as a group	2018	₱5,070,000.00		
	2017	₱6,259,708		
	2016	₱7,450,957		
Total for the Executive Officers & Directors as a group	2018	₱5,070,000.00		
	2017	₱6,289,708		
	2016	₱7,485,9588		

For 2019, the estimated aggregate compensation paid to all officers and directions as a group amount to ₱4,450,000.

Compensation of Directors

Under the By-Laws, by resolution of the Board, each director shall receive a reasonable per diem allowance for his attendance at each meeting of the Board. As compensation, the Board shall receive and allocate an amount of not more than 10% of the net income before income tax of the corporation during the preceding year. Such compensation shall be determined and appropriated among the directors in such manner, as the Board may deem proper, subject to the approval of stockholders representing at least a majority of the outstanding capital stock at a regular of special meeting of the stockholders.

Standard Arrangements and other Arrangements

As of the date of this Annual Report, the Company has no existing arrangements with members of the Board of Directors, executive officers and employees.

Employment Contracts, Termination of Employment, Change in Control of Arrangements

There are no special employment contracts between the Company and its executive officers. Furthermore, there are no special retirement plans for executives.

There is also no arrangement for compensation to be received from the Company.

Warrants and Options Outstanding

There are no outstanding warrants or options held by directors and officers nor are there any adjustments in the exercise price of said warrants or options.

ITEM 11: SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Security Ownership of Certain Record and Beneficial Owners

The following persons or group are known to the Company as directly or indirectly the record or beneficial owners of more than five percent (5%) of the Company's voting securities as of 31 December 2018:

Title of Class	Name and Address of Record Owner and Relationship with issuer	Name and Address of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent
Common	PCD Nominee Corporation[1] G/F Makati Stock Exchange 6767 Ayala Avenue, Makati City	*(see footnote)*	Filipino	783,045,873	19.58%
Common	Sterling Bank of Asia – Trust Group Sterling Bank Corporate Center	Dexter Y. Tiu Eric Y. Roxas Alexander Y. Tiu Gertim G. Chuahiong JTKC Equities, Inc.	Filipino	3,200,000,000	80.00%

PCD Nominee Corporation ("PCDNC") is a wholly-owned subsidiary of Philippine Central Depository, Inc. ("PCD"). The beneficial owners of such shares registered under the name of PCDNC are PCD's participants who hold the shares in their own behalf or in behalf of their clients. The PCD is prohibited from voting these shares; instead the participants have the power to decide how the PCD shares in COAL are to be voted.

Apart from the foregoing, there are no other persons holding more than 5% of the Company's outstanding capital stock.

Security Ownership of Management

The following table shows the shares beneficially owned by the directors and executive officers of the Company as of 31 December 2018:

Title of Class	Name and Citizenship	Amount and nature of beneficial ownership		Percent of Class
Common	Harald R. Tomintz (Austrian)	1,000	Direct	0.00
Common	Dexter Y. Tiu (Filipino)	640,000,000	Direct	16.00
Common	Johnson A. Sanhi, Jr. (Filipino)	1,000	Direct	0.00
Common	Eric Y. Roxas (Filipino)	640,200,000	Direct	16.005
Common	Arsenio M. Bartolome III (Filipino)	1	Direct	0.00
Common	Juan Kevin G. Belmonte (Filipino)	1	Direct	0.00
Common	Aristides Armas (Filipino)	201	Direct	0.00
Common	A. Bayani K. Tan (Filipino)	200,001	Direct	0.05
Common	Rosanna Desiderio (Filipino)	1	Direct	0.00
Common	All directors and executive officers as a group	1,280,402,205		32.01

ITEM 12: CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Transactions with and/or Dependence on Related Parties

The Company has no other transactions with other parties (outside the definition of "related parties ") that the Company or its related parties have relationship that enables the parties to negotiate terms of material transactions that may not be available from other, more clearly dependent, parties on arm's length basis, other than the following:

- TMEC has transactions with related parties, Pacifico Sul Mineracao Corporation and Colossal Petroleum Corporation, pertaining to working capital purposes. These advances are unsecured, non-interest bearing and generally settled in cash and payable on demand.
- TMEC also leases office space from JTKC Equities, Inc.. Dexter Y. Tiu, a director of both TMEC and COAL and a major stockholder of COAL, and Alexander Y. Tiu, a major stockholder of COAL, are also stockholders of JTKC Equities, Inc.

PART IV - CORPORATE GOVERNANCE

ITEM 13: CORPORATE GOVERNANCE

The Company's Revised Corporate Governance Manual (the "Manual") was approved by the Board of Directors on May 30, 2017, in compliance with SEC Memorandum Circular No. 19, series of 2016. The Manual is a supplement to the Company's By-Laws.

Other portions of this Corporate Governance Section have been deleted pursuant to SEC Memorandum Circular No. 5, Series of 2013. The Integrated Annual Corporate Governance of the Corporation will be submitted to the SEC and PSE on or before May 30, 2019.

PART V - EXHIBITS AND SCHEDULES

ITEM 14: EXHIBITS AND REPORTS ON SEC FORM 17-C

Exhibits

Please refer to the attached audited consolidated financial statements of the Company as at and for the year ended December 31, 2018, which have been prepared in accordance with Philippine Financial Reporting Standards, as audited by Reyes, Tacandong & Co.

Reports on SEC Form 17-C

The Company filed the following reports on 17-C for the calendar year 2018:

Date of event reported	Subject Matter
June 14, 2018	Setting of Annual Stockholders' Meeting
August 7, 2018	Results of Annual Stockholders' Meeting and Organizational Meeting of the Board of Directors

Coal Asia Holdings Incorporated
Utilization of IPO Proceeds
As of December 31, 2018

Net Proceeds		726,868,750
Add: Accumulated Interest Income, December 31, 2018		13,948,916
		740,817,666
Less: Disbursements		(740,162,826)
Balance as of December 31, 2018		**654,840**
Details of Disbursements		
1)	**Working Capital** Q4 2012	126,868,750
2)	**Davao Oriental Project**	
	Exploration Work	168,764,566
	Mine Development Cost	392,246,132
3)	**Zamboanga Sibugay Project**	
	Exploration Work	52,283,378
		740,162,826

By:

JOHNSON A. SANHI JR.
President/Chief Operating Officer
April 10, 2019

ROLANDO P. DOMINGO
Chief Financial Officer
April 10, 2019

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of PASIG CITY on APR 3 0 2019, 20__.

By:

HARALD R. TOMINTZ
Chairman of the Board

JOHNSON A. SANHI JR.
Chief Operating Officer

ROLANDO P. DOMINGO
Chief Financial Officer

ANN MARGARET K. LORENZO
Assistant Corporate Secretary

SUBSCRIBED AND SWORN to before me this _____ day of APR 3 0 2019 20__ affiant(s) exhibiting to me his/their Tax Identification Number, as follows:

NAMES	**TAX IDENTIFICATION NUMBER**
HARALD R. TOMINTZ	123-069-283-000
JOHNSON A. SANHI JR.	105-618-140-000
ROLANDO P. DOMINGO	105-777-482-000
ANN MARGARET K. LORENZO	274-323-370-000

Doc. No. 216;
Page No. 47;
Book No. II;
Series of 20__

PATRICIA ANN M. CRUZ
Notary Public for Cities of Pasig and San Juan
and in the Municipality of Pateros
Notary Public
Appointment No. 182 (2018-2019)
Commission Expires on December 31, 2019
2704 East Tower, PSE Centre, Exchange Road
Ortigas Center, 1605 Pasig City
PTR No. 2843613 / 01.11.2019 / Mandaluyong
IBP LRN No. 018261 / 06.17.19 / Manila II
Roll of Attorneys No. 68370
MCLE No. VI-0009727 / 07.03.18

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COVER SHEET

ANNEX B

CS201210314
SEC Registration Number

COAL ASIA HOLDINGS, INC.

(Company's Full Name)

3RD FLOOR JTKC CENTER, 2155
CHINO ROCES AVE,. MAKATI CITY

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

ANN MARGARET K. LORENZO

632-0905
Company Telephone Number

12 31
Month Day
Fiscal Year

Month Day
Annual Meeting

Definitive 20-IS
Form Type

Secondary License Type, if applicable

Department Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be Accomplished by SEC Personnel Concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

Coal Asia Holdings
Reliable energy resources through responsible mining

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

TO: ALL STOCKHOLDERS

NOTICE is hereby given that the annual meeting of the stockholders of **COAL ASIA HOLDINGS, INCORPORATED** will be held on Tuesday, 7 August 2018, at 9:00 in the morning, at the Cervantes Function Room, Discovery Primea, 6749 Ayala Avenue, Makati City 1226, to consider the following:

AGENDA

1) Call to Order
2) Proof of Notice of Meeting
3) Certification of Quorum
4) Approval of the Minutes of the Previous Annual Stockholders' Meeting
5) Approval of 2017 Operations and Results
6) Ratification of All Acts of the Board of Directors and Officers
7) Election of Directors
8) Appointment of External Auditor
9) Other Matters
10) Adjournment

Attached are the rationale for the above agenda items for reference.

In accordance with the rules of the Philippine Stock Exchange, the close of business on **2 July 2018** has been fixed as the record date for the determination of the stockholders entitled to notice of, and vote at, said meeting and any adjournment thereof.

Registration for those who are personally attending the meeting will start at 8:00 in the morning and end promptly at 9:00 a.m. All stockholders who will not, are unable, or do not expect to attend the meeting in person are encouraged to fill out, date, sign and send a proxy to the Corporation's principal office. All proxies should be received by the Corporation on or before Friday, **27 July 2018**. Proxies submitted shall be validated by a Committee of Inspectors on **30 July 2018** at 10:00 in the morning at the Corporation's principal office. For corporate stockholders, the proxies should be accompanied by a Secretary's Certification on the appointment of the corporation's authorized signatory.

To avoid any inconvenience in registering your attendance at the meeting, you or your proxy is requested to bring identification paper(s) containing a photograph and signature, e.g. passport or driver's license.

Makati City, Metro Manila.

ANN MARGARET K. LORENZO
Assistant Corporate Secretary

RATIONALE FOR AGENDA ITEMS

Agenda Item No. 4. **Approval of the Minutes of the Previous Meeting of Stockholders held on 1 August 2017**

Copies of the Minutes of the 1 August 2017 Annual Stockholders' Meeting is posted in the Company's website and will be made available during the ASM. Stockholders will be asked to approve the Minutes of the 2017 Annual Stockholders' Meeting, as recommended by the Board of Directors.

Agenda Item No. 5. **Approval of 2017 Operations and Results**

A report on the highlights of the performance of the Corporation for the year ended 31 December 2017 will be presented to the stockholders. The same was reviewed by the Audit Committee and the Board of Directors, and have been audited by the external auditors who declared an unqualified opinion on the Audited Financial Statements (AFS). A summary of the 2017 AFS shall also be presented to the stockholders. Stockholders, after identifying themselves, will be given an opportunity to raise questions regarding the report on the operations and results of the Corporation.

Agenda Item No. 6. **Ratification of all Acts of the Board of Directors and Management from the date of the last Annual Stockholders' Meeting to the date of this meeting**

All actions, proceedings and contracts entered into, as well as resolutions made and adopted by the Board of Directors and of Management from the date of the last Stockholders' Meeting held on 1 August 2017 to the date of this meeting shall be presented for confirmation, approval, and ratification.

Agenda Item No. 7. **Election of Directors for 2018 to 2019**

The incumbent members of the Board of Directors, as reviewed, qualified and recommended by the Corporate Governance Committee, have been nominated for re-election. Their proven expertise and qualifications based on current regulatory standards and the Corporation's own norms will help sustain the Company's solid performance that will result to its stockholders' benefit. The profiles of the Directors are further detailed in the Corporation's Information Statement. If elected, they shall serve as such from 7 August 2018 until their successors shall have been duly elected and qualified.

Agenda Item No. 8. **Appointment of External Auditors**

The Audit Committee has pre-screened and recommended, and the Board has endorsed for consideration of the stockholders, to re-appoint Reyes Tacandong & Co. as the Corporation's External Auditor for 2018-2019. Reyes Tacandong & Co.is one of the leading auditing firms in the country and is duly accredited by the Securities and Exchange Commission. The stockholders will also be requested to delegate to the Board the authority to approve the appropriate audit fee for 2018.

PROXY FORM

The undersigned stockholder of Coal Asia Holdings, Incorporated (the "Company") hereby appoints ________________ , ______ or in his absence, the Chairman of the meeting, as attorney and proxy, with power of substitution, to represent and vote all shares registered in his/her/its name as proxy of the undersigned stockholder, at the Annual Meeting of Stockholders of the Company on 7 August 2018 and at any of the adjournments thereof for the purpose of acting on the following matters:

1. Election of Directors.
____ 1.1. Vote for all nominees listed below:
1.1.1. Harald R. Tomintz
1.1.2. Eric Y. Roxas
1.1.3. Johnson A. Sardhi, Jr.
1.1.4. Dexter Y. Tiu
1.1.5 Aristides Armas (Independent Director)
1.1.6. Juan Kevin G. Belmonte (Independent Director)
1.1.7. Arsenio M. Bartolome III (Independent Director)

____ 1.2. Withhold authority for all nominees listed above
____ 1.3. Withhold authority to vote for the nominees listed below:

________________ ________________
________________ ________________
________________ ________________

2. Approval of minutes of previous Annual Stockholders' Meeting.
Yes No Abstain

3. Approval of 2017 Annual Report.
___ Yes ___ No ___ Abstain

4. Ratification of all acts and resolutions of the Board of Directors and Management from date of last Stockholders' Meeting to 7 August 2018.
___ Yes ___ No ___ Abstain

5. Election of Reyes Tacandong & Co. as external auditor.
Yes No Abstain

6. At their discretion, the proxies named above are authorized to vote upon such other matters as may be properly come before the meeting.

Yes ___ No ___ Abstain

Printed Name of Stockholder

____
Signature of Stockholder /
Authorized Signatory

____
Date

THIS PROXY FORM SHOULD BE RECEIVED BY THE CORPORATE SECRETARY BEFORE THE DATE SET FOR THE ANNUAL MEETING, AS PROVIDED IN THE BY-LAWS.

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS

Information Statement Pursuant to Section 20
of the Securities Regulation Code

SECURITIES AND EXCHANGE COMMISSION
JUL 16 2018
MARKET REGULATION DEPT.
BY:
TIME:

1. Check the appropriate box

   [ ] Preliminary Information Statement
   [✓] Definitive Information Statement

2. Name of Registrant as specified in its charter:
   COAL ASIA HOLDINGS, INCORPORATED

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

4. SEC Identification Number: **CS201210314**

5. BIR Tax Identification Number: **008-297-271-000**

6. Address of principal office: **3rd Floor JTKC Center, 2155 Don Chino Roces Avenue**
   Makati City

7. Registrant's telephone number, including area code: **(632) 818-6772**

8. Date, time, and place of the meeting of security holders:

   Date : **7 August 2018 (Tuesday)**
   Time : **9:00 in the morning**
   Venue : **Cervantes Function Room, Discovery Primea,**
   6749 Ayala Avenue, Makati City 1226

9. Approximate date on which the Information Statement is to be sent or given to security holders: **16 July 2018**.

10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock, ₱1.00 par value	**4,000,000,004 (as of 30 June 2018)**

11. Are any or all of Registrant's securities listed on a Stock Exchange?

    Yes [√] No [ ]

    If so disclose name of the Exchange : **The Philippine Stock Exchange, Inc.**
    Class of securities listed : **Common Shares**

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY.

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, time and place of meeting of security holders.

(a) Date, time and place of meeting:

Date	**7 August 2018** (Tuesday)
Time	**9:00 AM**
Place	**Cervantes Room, Discovery Primea** **6749 Ayala Avenue, Makati City 1226**

The approximate date on which the Information Statement will be sent or given to security holders is on 16 July 2018.

(b) The complete mailing address of the principal office of Coal Asia Holdings, Incorporated ("the Company") is at **3rd Floor, JTKC Center, 2155 Don Chino Roces Ave., Makati City.**

Item 2. Dissenters' Right of Appraisal

Sections 42 and 81 of the Corporation Code provide for a shareholder's exercise of the right of appraisal (defined as the right of any stockholder to dissent and demand payment of the fair value of his shares). The instances where the right of appraisal may be exercised are as follows:

1. In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those outstanding shares of any class, or of extending or shortening the term of corporate existence;
2. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the Company's property and assets;
3. In case the Company decides to invest its funds in another corporation or business outside of its primary purpose; and
4. In case of merger or consolidation.

There are no items in the agenda that may give rise to a dissenting shareholder's exercise of the right of appraisal.

Section 82 of the Corporation Code provides for the appropriate procedure for the exercise of the right of appraisal, viz:

> The appraisal right may be exercised by any stockholder who shall have voted against the proposed corporate action, by making a written demand on the corporation within thirty (30) days after the date on which the vote was taken for payment of the fair value of his shares: Provided, that the failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented or affected, the corporation shall pay to such stockholder, upon surrender of the certificate(s) of stock representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If within a period of sixty (60) days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the corporation and the third by the two thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after such award is made: Provided, that no payment shall be made to any dissenting stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment; and Provided, further, that upon payment by the corporation of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the corporation.

Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

(a) No person who has been a director or officer or any nominee for election as director of the Company or associate of such person has substantial interest, direct or indirect, in any matter to be acted upon.

(b) The Company is not aware of any director or security holder who intends to oppose any action to be taken by the Company during the stockholders' meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

(a) As of 30 June 2018, the Company has 4,000,000,004 common shares outstanding and each share is entitled to one vote. 8,401,010 (or 0.21%) of the outstanding common shares of the Company were held by non-Filipinos as of 30 June 2018.

(b) The record date with respect to the determination of the stockholders entitled to notice of and vote at the Annual Stockholders' Meeting is **2 July 2018**.

(c) Security ownership of certain record and beneficial owners and management.

(1) Security Ownership of Certain Record and Beneficial Owners

The following persons or group are known to the Company as directly or indirectly the record or beneficial owners of more than five percent (5%) of the Company's voting securities as of 30 June 2018.

Title of Class	Name and Address of Record Owner and Relationship with Issuer	Name and Address of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent
Common	PCD Nominee Corporation[1] G/F Makati Stock Exchange 6767 Ayala Avenue, Makati City	*(see footnote)*	Filipino	793,272,883	19.62%
Common	Sterling Bank of Asia – Trust Group Sterling Bank Corporate Center 1500 San Juan City	Dexter Y. Tiu JTKC Equities Inc. Eric Y. Roxas Gertin Chuahiong	Filipino	3,200,000,000	80%

Name	Position with the Company	Date of First Election/Last Election
Harald R. Tomintz	Director and Chairman	July 2012/1 August 2017
Johnson A. Sanhi, Jr.	Director, President and Chief Operating Officer	21 July 2014/1 August 2017
Dexter Y. Tiu	Director and Treasurer	June 2012/1 August 2017
Eric Y. Roxas	Director	June 2012/1 August 2017
Arsenio Bartolome III	Independent Director	August 2017 /1 August 2017
Juan Kevin G. Belmonte	Independent Director	July 2012/1 August 2017
Aristides Armas	Independent Director	July 2012/1 August 2017
A. Bayani K. Tan	Corporate Secretary	August 2017 /1 August 2017
Rolando P. Domingo	Chief Financial Officer	August 2017/1 August 2017
Enrique C. Payawal	Vice President-Exploration	July 2012/1 August 2017
Gizella Greta D. J. Gonzales	Senior Geologist	July 2012/1 August 2017
Ana Margaret K. Lorenzo	Assistant Corporate Secretary	March 2017/1 August 2017
Rosanna T. Desiderio	Accounting Manager and Corporate Information Officer/Compliance Officer	July 2012/1 August 2017

Board of Directors

The present members of the Board of Directors ("BOD") were elected during the stockholders' meeting held on 1 August 2017. The term of the current members of the BOD shall be until the next stockholders' meeting, or on 7 August 2018.

The Corporate Governance Committee is composed of its Chairman, Mr. Arsenio M. Bartolome III, and two members, Messrs. Aristides S. Armas and Juan Kevin G. Belmonte. In accordance with the Securities Regulation Code and its Implementing Rules and Regulations, the Corporate Governance Committee met on 27 March 2018 and nominated Messrs. Tomintz, Sanhi, Tiu, Roxas, Belmonte, Armas and Bartolome for election to the Board.

The business experience for at least the last five (5) years of the Company's candidates for election as Directors, as well as the Executive Officers, are as follows:

Harald R. Tomintz, 65, Austrian, Chairman of the Board

Harald R. Tomintz is the Chairman of the Company. Mr. Tomintz is also the President of Rekom Manila Corporation and a Board Supervisor of Zhangzhou Stronghold Steelworks Corporation, in addition, since 2015 he also serves in the Board of Directors of Philippine Power and Development Corporation. His past positions include being the President of VATECH Phils., Inc. (2002-2004), member of the Executive Committee, Director of Semirara Coal Corporation (1992-1997), and Director of Ferrochrome Philippines (1992-1995). He holds a degree in Mechanical Engineering from BULME in Graz-Goesting and SZA Vienna, Austria.

Johnson A. Sanhi, Jr., 53, Filipino, President & Chief Operating Officer

Johnson A. Sanhi, Jr., 53, has been with TMEC from 2010 to present. He was previously VP-Operations of Stronghold Steel Corporation. He was former Vice President and Plant

Manager at Cathay Pacific Steel Corporation where he worked for 23 years. He has earned Masteral units in Chemical Engineering from the University of the Philippines Diliman. He obtained his Bachelor of Science degree in Chemical Engineering from De La Salle University.

Dexter Y. Tiu, 46, Filipino, Director and Treasurer

Dexter Y. Tiu, Filipino, 46, is the Treasurer and a Director of the Company. Mr. Tiu is the Chairman and CEO of Pure Energy Holdings Corporation and the President and CEO of Philippine Power Development & Co. He is both Director and Treasurer of Tilan Mining & Energy Corporation. He is also a director of JTKC Equities, Inc. and Star Equities, Inc. He also serves as Vice Chairman of Zhangzhou Stronghold Steelworks Corporation based in Xiamen, China. He holds a Bachelor of Science degree in Mechanical Engineering from De La Salle University.

Eric Y. Roxas, 55, Filipino, Director, Corporate Secretary

Eric Y. Roxas is an incorporator and Director of the Company. Mr. Roxas is also a Director and Corporate Secretary of Pure Energy Holdings Corporation. Concurrently, he is the President of Husky Trading Corp., Supra Finishings Corporation, Philippine Welding Technology Skills & Services Center, Inc., and Husky Calibration Specialists, Inc. He is also a Director and Treasurer of Eagle Equities, Inc. He holds a Bachelor of Science degree in Industrial Engineering from De La Salle University.

Independent Directors

Pursuant to the requirements of Section 38 of the SRC, the Company's Board of Directors and stockholders approved the amendment of the Company's By-Laws adopting the requirement on the nomination and election of independent directors on 18 June 2012. The Amended By-Laws was approved by the SEC on 22 June 2012.

During its meeting on 27 March 2018, the Corporate Governance Committee endorsed the nominations in favor of Mr. Juan Kevin Belmonte (made by Mr. Dexter Tiu), Mr. Aristides Armas (made by Mr. Johnson Sanhi, Jr.) and Mr. Arsenio Bartolome III (made by Mr. A. Bayani K. Tan). Except as fellow stockholders of the Corporation, the nominees for independent director are not related to the persons nominating them.

The nomination, pre-screening and election of independent directors were made in compliance with the requirements of the Code of Corporate Governance and the Securities and Exchange Commission's Guidelines on the Nomination and Election of Independent Directors which have been adopted and made part of the Corporation's By-Laws.

Juan Kevin G. Belmonte, 54, Filipino, Independent Director

Juan Kevin G. Belmonte is an Independent Director of the Corporation. He is also currently the President and CEO of Philstar.com, a director of People Asia, and Vice Chairman of Nuvoland Philippines. He is also a director of Philstar Daily, Inc., IPVG Corporation, IP E-Games Corporation, EEI Corporation, and the Development Bank of the Philippines. He is also the current Chairman and immediate past President of the Cactus and Succulent Society of the Philippines. He was a former manager and partner of Arthur Andersen & Co. – SGV & Co., and senior consultant and manager of Andersen Consulting in Chicago, USA, and past director of Bantay Kalikasan and ABS-CBN Foundation Initiative. He holds a Master of Management degree from the J.L. Kellogg Graduate School of Management, Northwestern University and has a Bachelor of Arts degree in Economics from Ateneo de Manila University.

Aristides S. Armas, 73, Filipino, Independent Director

Aristides S. Armas is the President of Asia United Leasing & Finance Corporation and Asia United Fleet Management Services, Inc. He was previously the President of UCPB Leasing and Financing Corporation. He has 40 years of experience in banking and financing. He previously held executive positions in Citibank, BA Finance Corporation, UCPB Savings Bank, and United Coconut Planters Bank. He earned his Bachelor of Arts degree and Bachelor of Science degree in Commerce from the De La Salle University.

Arsenio M. Bartolome III, 77, Filipino, Independent Director

Arsenio M. Bartolome III is the Chairman and President of Amber Properties, Inc. He previously held several positions in the public sector, namely North Luzon Railway Corporation (Chairman and President), Philippine National Bank (President and Chief Executive Officer), Bases Conversion and Development Authority (First Chairman and President), Century Bank, Los Angeles, California (Chairman), PNB International Finance, Hong Kong (Chairman) and PNB Europe (Chairman). He also previously held positions in the following private sector institutions: Urban Bank (Chairman and President), H&Q Philippine Ventures, Inc. (Chairman), First Philippine Fund, New York City (Chairman), Rizal Commercial Banking Corporation (Treasurer and Senior Vice President), Multinational Investment Bancorporation (General Manager), Citibank, Manila (Head, Treasury Group), Bancom Development Corporation (Head, Money Market Department) and Wells Farfo Bank, San Francisco, California (Negotiator, International Banking). Mr. Bartolome also served as President of the following professional associations: Management Association of the Philippines, Financial Executives of the Philippines, Asian Pacific Bankers Club, Development Bankers Association of the Philippines, and Money Market Association of the Philippines. He was also previously a director of Bankers Association of the Philippines and Philippine Chamber of Commerce and Industry, as well as governor of the Makati Stock Exchange. Mr. Bartolome has a degree in Business Administration from the University of the East (Manila). He also took up an Advanced Banking Program from American Institute of Banking (San Francisco Chapter) and a Top Management Program from the Asian Institute of Management (Manila).

Principal Officers

Harald R. Tomintz, 65, Austrian, Chairman of the Board

Johnson A. Sanhi, Jr., 53, Filipino, President & Chief Operating Officer

Dexter E. Tiu, 46, Filipino, Director and Treasurer

Eric Y. Roxas, 55, Filipino, Director

Rolando P. Domingo, 48, Filipino, Chief Financial Officer - OIC

Rolando P. Domingo is the Chief Financial Officer of the Company. He was a banker for 20 years, holding VP Controller and other key positions at BPI Family Bank, Asian Bank, and BSA. He has over 25 years' experience in real estate as SVP-Controller for the St. Francis Square Group, and is well versed in SEC and BIR regulatory, financial and tax matters. He is both a licensed Certified Public Accountant and an Attorney at Law. He obtained his BSC - Major in Accounting in 1969, and his LLB – Bachelor of Laws in 1992, from Far Eastern University.

Aristides S. Armas, 73, Filipino, Independent Director

Aristides S. Armas is the President of Asia United Leasing & Finance Corporation and Asia United Fleet Management Services, Inc. He was previously the President of UCPB Leasing and Financing Corporation. He has 40 years of experience in banking and financing. He previously held executive positions in Citibank, BA Finance Corporation, UCPB Savings Bank, and United Coconut Planters Bank. He earned his Bachelor of Arts degree and Bachelor of Science degree in Commerce from the De La Salle University.

Arsenio M. Bartolome III, 77, Filipino, Independent Director

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<u>Principal Officers</u>

Harald R. Tamintz, 65, Austrian, Chairman of the Board

Johnson A. Sanhi, Jr., 53, Filipino, President & Chief Operating Officer

Dexter E. Tiu, 46, Filipino, Director and Treasurer

Eric Y. Roxas, 55, Filipino, Director

Rolando P. Domingo, 48, Filipino, Chief Financial Officer – OIC

Rolando P. Domingo is the Chief Financial Officer of the Company. He was a banker for 20 years, holding VP Controller and other key positions at BPI Family Bank, Asian Bank, and BSA. He has over 25 years' experience in real estate as SVP-Controller for the St. Francis Square Group, and is well versed in SEC and BIR regulatory, financial and tax matters. He is both a licensed Certified Public Accountant and an Attorney at Law. He obtained his BSC – Major in Accounting in 1969, and his LLB – Bachelor of Laws in 1992, from Far Eastern University.

Enrique C. Payawal, 73, Filipino, Vice President-Exploration

Enrique C. Payawal is an Exploration and Mine Geologist with over 40 years of experience in both metal and non-metal deposits. He is a licensed practicing geologist from December 1968 to present and an accredited Competent Person by the Geological Society of the Philippines in accordance with the Philippine Mineral Reporting Code (PMRC) in regards to reporting of Exploration Results and Mineral Resources from June 2009 to present.

Gizella Greta D.J. Gonzales, 42, Filipino, Senior Geologist

Gizella Greta D.J. Gonzales is an Exploration Geographic Information System (GIS)/ Database Manager with over ten (10) years' work experience in gold, copper, coal, and nickel and iron deposits. She is a licensed practicing geologist since 2000. She holds a Bachelor of Science degree in Geology and completed units for Masters in Remote Sensing and GIS from the University of the Philippines. She also passed the PhilSAT and is currently preparing for law proper.

A. Bayani K. Tan, 63, Filipino, Corporate Secretary

A. Bayani K. Tan is the Corporate Secretary of the Corporation. He is also a Director, Corporate Secretary or both of the following reporting and/or listed companies: Belle Corporation (since May 1994, Publicly Listed), , Discovery World Corporation (since March 2013, Publicly-Listed), First Abacus Financial Holdings Corp. (since May 1994, Publicly Listed), I-Remit, Inc. (since May 2007, Publicly-Listed), Pacific Online Systems Corporation (since May 2007, Publicly-Listed), Philequity Balanced Fund, Inc. (since March 2010), Philequity Dividend Yield Fund, Inc. (since January 2013), Philequity Dollar Income Fund, Inc. (since March 1999), Philequity Fund, Inc. (since June 1997), Philequity Peso Bond Fund, Inc. (since June 2000), Philequity PSE Index Fund, Inc. (since February 1999), Premium Leisure Corporation (since December 1993, Publicly-Listed), Sterling Bank of Asia, Inc. (since December 2006), TKC Metals Corporation (since February 2007, Publicly-Listed), Tagaytay Highlands International Golf Club, Inc. (since November 1993), Tagaytay Highlands Community Condominium Ass., Inc. (since August 1995), The Spa and Lodge (since December 1999) and Vantage Equities, Inc. (since January 1993, Publicly-Listed). Mr. Tan is the Managing Partner of the law offices of Tan Venturanza Valdez (since it was established in 1988), Managing Director/President of Shamrock Development Corporation (since May 1988), Director of Destiny LendFund, Inc. (since December 2005), Pascual Laboratories, Inc. (since March 2014), and Pure Energy Holdings Corporation (since October 2016), President of Catarman Chamber Elementary School Foundation, Inc. (since August 2012), Managing Trustee of SCTan Foundation, Inc. (since 1986), Trustee and Treasurer of Rebisco Foundation, Inc. (since April 2013) and Trustee and Corporate Secretary of St. Scholastica's Hospital, Inc. (since February 2011).

Mr. Tan holds a Master of Laws degree from New York University (Class of 1988) and earned his Bachelor of Laws degree from the University of the Philippines (Class of 1980) where he was a member of the Order of the Purple Feather (U.P. College of Law Honor Society) and ranked ninth in his class. Mr. Tan passed the bar examinations in 1981 where he placed sixth. He has a Bachelor of Arts major in Political Science degree from the San Beda College (Class of 1976) from where he graduated Class Valedictorian and was awarded the medal for Academic Excellence.

Ann Margaret K. Lorenzo, 29, Filipino, Assistant Corporate Secretary

Ann Margaret K. Lorenzo is the Assistant Corporate Secretary of the Company. She concurrently serves as Assistant Corporate Secretary of the following listed firms: I-Remit, Inc., TKC Metals Corporation, Crown Asia Chemicals Corporation and Vantage Equities, Inc.

She also serves as Assistant Corporate Secretary of the following reporting companies: Philequity PSE Index Fund, Inc., Philequity Fund, Inc., Philequity Peso Bond Fund, Inc., Philequity Dollar Income Fund, Inc., and Philequity Dividend Yield Fund, Inc. She is also the Assistant Corporate Secretary of the following private companies: Philequity Strategic Growth Fund, Inc., Philequity Balanced Fund, Inc., Philequity Resources Fund, Inc., Philequity Foreign Currency Fixed Income Fund, Inc., Aldex Realty Corporation, Oakridge Properties, Inc., Palm Concepcion Power Corporation, Peakpower Energy, Inc., Peakpower Soccsargen, Inc., Peakpower San Francisco, Inc., Etruscan Resources Philippines, Inc., and Tao Mohin Resources Corporation. She is also the Corporate Secretary of Athena Ventures, Inc., TGTI Services, Inc., Galileo Software Services, Inc. and GGO Realty Holdings, Inc. Ms. Lorenzo is currently an Associate at Tan Venturanza Valdez. She holds a Juris Doctor and a Bachelor of Arts Degree in English Studies, cum laude, both from the University of the Philippines, obtained in 2010 and 2014, respectively. She was admitted to the Philippine Bar in April 2015.

Rosanna T. Desiderio, 52, Filipino, Chief Information Officer and Acting Chief Compliance Officer

Rosanna T. Desiderio has been with the Company since its incorporation. She is concurrently the Accounting Manager of TMEC, COAL's wholly owned subsidiary. She is a Certified Public Accountant since 1985. She holds a Bachelor of Science degree in Accountancy from the Polytechnic University of the Philippines.

Family Relationships

Mr. Dexter Y. Tiu and Alexander Y. Tiu, who are both major shareholders of the Company, are siblings. There are no other family relationships known to the Company other than the ones disclosed.

Significant Employees

No single person is expected to contribute more significantly than others do to the business since the Company considers the collective efforts of all its employees as instrumental to the overall success of the Company's performance. Other than standard employment contracts, there are no arrangements with non-executive employees that will assure the continued stay of these employees with the Company.

Involvement in Certain Legal Proceedings

Atty. A. Bayani K. Tan. As a result of the delay in the delivery of the facilities of the Universal Leisure Club, Inc. (ULCI), some of its members initiated a Complaint for Estafa (I.S. No. 08K-19713) against ULCI, the Universal Rightfield Property Holdings, Inc. and the Universal Leisure Corp., as well as their respective officers and directors, including their former Corporate Secretary, Atty. A. Bayani K. Tan. The Complaint was submitted for resolution in 2009 and was acted upon and dismissed by the City Prosecutor of Manila (OCP) only on March 18, 2013. Complainants belatedly filed motion for reconsideration for which reason, among others, the OCP denied motion on June 16, 2014. A Petition for Review dated March 31, 2014 was filed by the Complainant before the Department of Justice (DOJ). On August 7, 2014, Atty. Tan filed his Comment to the said Petition. In a Resolution dated April 17, 2015, the Petition for Review was denied and the DOJ dismissed the complaint for Estafa.

As of the date of this report, to the best of the Company's knowledge, other than as disclosed above, there has been no occurrence of any of the following events that are material to an evaluation of the ability or integrity of any Director, any nominee for election as director or executive officer of the Company:

- any bankruptcy petition filed by or against any business of which the incumbent directors or senior management of the Company was a general partner or executive officer, either at the time of the bankruptcy or within five years prior to that time;

- any conviction by final judgment in a criminal proceeding, domestic or foreign, pending against any of the incumbent directors or senior management of the Company;

- any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any of the incumbent directors or senior management of the Company in any type of business, securities, commodities or banking activities; and

- any finding by domestic or foreign court of competent jurisdiction (in civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or said regulatory organization, that any of the incumbent Directors or senior management of the Company has violated a securities or commodities law, and the judgment has not been reversed, suspended or vacated.

Certain Relationships and Related Transactions

Transactions with and/or Dependence on Related Parties

The Company has no other transactions with other parties (outside the definition of "related parties") that the Company or its related parties have relationship that enables the parties to negotiate terms of material transactions that may not be available from other, more clearly dependent, parties on arm's length basis, other than the following:

- TMEC has transactions with related parties, Pacifico Sul Mineracao Corporation and Colossal Petroleum Corporation, pertaining to working capital purposes. These advances are unsecured, non-interest bearing and generally settled in cash and payable on demand.

- TMEC also leases office space from JTKC Equities, Inc. The lease agreement shall be effective until 2018. Dexter Y. Tiu, a director of both TMEC and COAL and a major stockholder of COAL, and Alexander Y. Tiu, a major stockholder of COAL, are also stockholders of JTKC Equities, Inc.

Disagreement with Director

No director has resigned nor declined to stand for re-election to the Board of Directors since the date of the last annual meeting of stockholders because of a disagreement with the Company regarding the latter's operations, policies, or practices.

Item 6. Compensation of Directors and Executive Officers

COAL's directors do not receive regular compensation for their services. Executive officers also do not receive regular compensation from COAL as they are seconded from TMEC.

The following table shows the aggregate compensation received by the directors and officers of the Company for calendar years 2015, 2016, and 2017, as well as the estimated aggregate compensation for calendar year 2018.

Name and Principal Position	Year	Salary	Bonus	Other Annual Compensation
Harald R. Tomintz *Chairman*				
Johnson A. Sanhi, Jr. *President & COO*				
Victor J. Lee *CFO*				
Enrique C. Payawal Vice President - *Exploration and Mining*				
Gizella Greta DJ Gonzales *Senior Geologist*				
Arnold Manat *Mining Engineer*				
Total for the Executive Officers as a group	2018 *estimate only	₱1,071,000		
	2017	₱6,140,958		
	2016	₱6,140,958		
	2015	₱8,250,522		
Total for the Executive Officers & Directors as a group	2018 *estimate only	₱2,371,000		
	2017	₱7,485,958		
	2016	₱7,485,958		
	2015	₱8,260,522		

For 2018, the estimated aggregate compensation to be paid to all officers and directors as a group amount to ₱2,371,000.

Compensation of Directors

Under the By-Laws, by resolution of the Board, each director shall receive a reasonable per diem allowance of ₱5,000.00 for his attendance at each meeting of the Board. As compensation, the Board shall receive and allocate an amount of not more than 10% of the net income before income tax of the corporation during the preceding year. Such compensation shall be determined and appropriated among the directors in such manner, as the Board may deem proper, subject to the approval of stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting of the stockholders.

Standard Arrangements and other Arrangements

As of the date of this information Statement, the Company has no existing arrangements with members of the Board of Directors, executive officers and employees.

Employment Contracts and Termination of Employment and Change-in-Control Arrangements

There are no existing employment contracts with executive officers. Furthermore, there are no special retirement plans for executive officers. There is also no arrangement for compensation to be received from the Company in the event of a change in control of the Company.

Warrants and Options Outstanding

There are no outstanding warrants or options held by directors and officers nor are there any adjustments in the exercise price of said warrants or options.

Item 7. Independent Public Accountants

Representatives of the principal accountant (Reyes Tacandong & Co.), the Company's external auditors for the most recently completed fiscal year are expected to be present at the Annual Meeting to respond to appropriate questions and will be given the opportunity to make a statement if they so desire.

Details on the selected/recommended principal accountant and partner-in-charge for the ensuing year are as follows:

EMMANUEL V. CLARINO
Partner
CPA Certificate No. 27455
Tax Identification No. 102-084-004-000
BOA Accreditation No. 4782; Valid until December 31, 2018
SEC Accreditation No. 1021-AR-2 Group A; Valid until March 27, 2020
BIR Accreditation No. 08-005144-005-2017; Valid until January 13, 2020
PTR No. 6607954 issued January 3, 2018, Makati City

Reyes Tacandong & Co. audited the Company's statement of financial position as at 31 December 2017, and the statement of comprehensive income, statement of changes in stockholders' equity and statement of cash flows for the year ended 31 December 2017 and a summary of significant accounting policies and other explanatory notes. Their responsibility is to express an opinion on these financial statements based on their audit. The audits were conducted in accordance with Philippine Standards on Auditing. The partner who handled the Company's external audit was Ms. Carolina P. Angeles.

The Company was incorporated on June 11, 2012. Since the appointment of Reyes Tacandong & Co., there has been no change in auditor and there has been no disagreement on accounting and financial disclosures.

In compliance with SRC Rule 68 3 (b) (iv), the assignment of Reyes, Tacandong & Co.'s managing partner shall not exceed five (5) years.

The aggregate fees for each of the last three (3) fiscal years for professional services rendered by the external auditors are as follows:

	2017	2016	2015
Audit Fee	P485,000	P550,000	P525,000
Tax Fees	-	-	-
Other Fees	-	-	-
TOTAL	P485,000	P550,000	P525,000

Professional fees paid to the external auditor are purely audit engagement fees. The external auditor was not engaged for professional services for tax accounting, compliance, advice, planning and any other form of tax services.

It is the policy of the Company that services to be rendered by independent auditors, as well as the corresponding fees thereof, must first be reviewed by the Audit and Risk Committee (the members of said Committee being composed of Mr. Aristides S. Armas (Chairman), Mr. Arsenio M. Bartolome III, and Eric Y. Roxas) prior to said report being endorsed to the Board of Directors for approval.

Pursuant to the requirement on Rotation of External Auditors under SEC Memorandum Circular No. 8 Series of 2003, the registrant will recommend the accounting firm of Reyes Tacandong & Co. for reappointment at the scheduled annual meeting.

C. ISSUANCE AND EXCHANGE OF SECURITIES

There are no matters to be taken up during the Annual Stockholders' Meeting relating to the matters covered by Items 9 to 14.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

The Company will seek the approval by the stockholders of the Minutes of the Annual Stockholders Meeting held on 1 August 2017, during which the following were taken up: (1) Call to Order, (2) Certification of Notice and Quorum (3) Approval of the Minutes of the previous stockholders' meeting, (4) President's Report and Presentation of Audited Financial Statements, (5) Ratification of All Acts of the Board of Directors and Officers, (6) Election of Directors, (7) Appointment of Reyes Tacandong & Co. as External Auditors, (8) Other Matters, and (9) Adjournment.

The Company will also seek approval by the stockholders of the 2017 Operations and Results contained and discussed in the annual report attached and made part of this Information Statement. Approval of the reports will constitute approval and ratification of the acts of management and of the Board of Directors for the past year.

Item 16. Matters Not Required to be Submitted

No action is to be taken with respect to any matter which is not required to be submitted to a vote of security holders.

Item 18. Other Proposed Action

The following are to be proposed for approval during the stockholders' meeting:

1. 2017 Operations and Results;
2. Ratification of all Acts of the Board of Directors and Officers;
3. Election of Directors for 2018-2019;
4. Appointment of Reyes Tacandong & Co. as External Auditors; and
5. Other Matters.

The items covered with respect to the ratification of the acts of the Board of Directors and officers for the past year up to the date of the meeting are those items entered into in the ordinary course of business, with those of significance having been covered by appropriate disclosures such as:

1. Membership in the relevant board committees;
2. Appointment of principal officers at the Organizational Board Meeting; and
3. Approval of Financial Reports.

Management reports which summarize the acts of management for the year 2017 are included in the Company's Annual Report to be sent to the stockholders together with this Information Statement and shall be submitted for approval by the stockholders at the meeting. Accordingly, approval of the Annual Report will constitute approval and ratification of the acts of Management stated in the Management Report during the period covered thereby.

Item 19. Voting Procedures

(a) For purposes of the Annual Stockholders' Meeting on 7 August 2018, the Corporate Secretary and/or his representative together with the Audit Partner of the External Auditor and/or his representative have been designated as inspectors tasked to oversee the counting of votes.

(b) Stockholders may vote at all meetings either in person or by proxy duly given in writing in favor of any person of their confidence and each stockholder shall be entitled to one vote for each share of stock standing in his name in the books of the corporation.

(c) The Chairman shall announce each proposal on the floor, which shall be voted on separately.

- In the absence of any objection from the floor, the Chairman shall instruct the Corporate Secretary to record a unanimous vote of approval.
- If there is an objection, the Chairman will call for a division of the house and the votes of the shareholders present in person or by proxy shall be counted by hand.

(d) Matters to be taken up in the Annual Stockholders' Meeting shall need the approval of stockholders of the corporation representing majority of the outstanding capital stock of the corporation. The Chairman shall announce the result of the voting.

Omitted Items

Items 8, 9, 10, 11, 12, 13, 14 and 17 are not responded to in this report, the Company having no intention to take any action with respect to the information required therein.

SIGNATURES

After reasonable inquiry and to the best of our knowledge and belief, I hereby certify that the information set forth in this report is true, complete and correct.

JUL 16 2018

This report is signed in the City of Makati, Metro Manila on ____ July 2018.

ISSUER: COAL ASIA HOLDINGS, INCORPORATED

HARALD R. TOMINTZ
Chairman

PART 1 - BUSINESS AND GENERAL INFORMATION

ITEM 1: BUSINESS

(1) BUSINESS DEVELOPMENT

Business Development

Coal Asia Holdings Incorporated ("COAL") was organized and registered with the Securities and Exchange Commission (SEC) on June 11, 2012 primarily to engage in the business of a holding company; to buy and hold shares, either by subscribing to the unissued shares of the capital stock in the public or private offerings or by purchasing the shares of other stockholders by way of assignment in private sale; to invest in the stock or pledge, chattel mortgage or assignment; to sell, dispose, assign, pledge, or convey any or all of its shareholdings in other companies in favor of qualified persons by way of a private sale, assignment or other forms of private conveyance, all in accordance with the Corporation Code, the Securities Act and other applicable laws and regulations.

On May 28, 2012, COAL executed a Deed of Assignment with the shareholders of Titan Mining Energy Corporation (TMEC), which owns Coal Operating Contracts (COC #159) in Davao Oriental and (COC # 166 and 167) in Zamboanga Sibugay.

Currently, COAL has 100% equity interest in Titan Mining and Energy Corporation.

On June 26, 2012, the Company's Board of Directors and shareholders, through a majority vote in due course, approved of an initial public offering (IPO) as part of the Company's thrust to augment its capital funding for the ongoing site development, initial large scale operation and further explorations in the sites.

On September 14, 2012, the Philippine Stock Exchange, Inc. (PSE) approved the application of the Company for the initial listing of the 4,000,000,004 common shares with the par value of P 1.00 per share.

On October 8, 2012, the Securities and Exchange Commission issued to the Company the certificate of permit to offer securities for sale. This certifies that the shares of the Company have been registered and licensed for listing by way of introduction and by then sold or offered for sale in the Philippines.

The shares of COAL were listed with the Philippine Stock Exchange (PSE) on October 23, 2012.

Business Consolidation

Subsidiary

Titan Mining and Energy Corporation

TMEC was incorporated with the SEC on November 11, 2008. It was originally incorporated as "Titan Exploration and Development Corporation" ("TEDC"). The change in trade name was effected to reflect the TMEC's transition from exploration to actual commercial operation. This amendment was approved by the SEC on December 23, 2009. TMEC is involved in a coal mining and energy related business.

TMEC originally had three (3) COCs in Mindanao, Philippines, namely COC # 159 in Davao Oriental, COC # 166 and COC # 167 in Zamboanga Sibugay. All COCs have completed their exploration phases.

In 2016, preliminary mine development activities have commenced at the Davao Oriental Project. Bulk sampling was also conducted for test firing coal analysis.

The Department of Energy has completed its validation of TMEC's coal resource estimate for the Davao Project.

In support of the company's request for COC conversion, an Environmental Compliance Certificate (ECC) for the Davao Project was granted to TMEC by the DENR-EMB on May 16, 2014. In addition, TMEC submitted a 10-year work program to the DOE on October 21, 2014.

The company is still awaiting the conversion of the COC in Davao Oriental from exploration to development and production from the DOE.

A Permit to Sell 2,500 MT of incidental coal production was issued to TMEC by the DOE on December 10, 2014 which was subsequently amended from 2,500 MT to 3,200 MT on March 26, 2015. Subsequent Permits to sell (PTS) for 1,000MT (July 16, 2015), 1,500 MT (April 11, 2016), and 2,300 MT (September 23, 2016) for a total of 8,000MT was granted.

TMEC has submitted to the DOE its report on the results of exploration for the Zamboanga Sibugay Project, the results of which have been confirmed and validated by the DOE on August 7, 2015. A Five-Year Work Program with Feasibility Study was submitted to the DOE on February 26, 2016 to determine the economic viability of developing the Zamboanga Sibugay Project. After the DOE's initial review, TMEC submitted the amended Five-Year Work Program with Feasibility Study to the DOE on August, 2016.

Coal Operating Contracts

The Davao Oriental and Zamboanga-Sibugay Projects are covered by approved COCs with the Government through the Department of Energy ("DOE").

The Davao Oriental Project encompasses seven (7) adjoining 1,000-hectare Coal Blocks for a total area of 7,000-hectares and is covered by COC#159, which was awarded by the DOE to TMEC, then called TEDC, on September 16, 2009. This contract covers an Exploration Phase of two (2) years, which may be extended for another period of two (2) years, and a Development/Production Phase of 32 years. This COC's Exploration Phase was renewed by the DOE for another period of two (2) years, commencing from September 16, 2011 and expired on September 15, 2013.

The Department of Energy has completed its validation of TMEC's coal resource estimate for the Davao Project.

Preliminary mine development activities however, have commenced at the Davao Oriental Project. Activities include property acquisition, road widening (mine and camp road), infrastructure construction (clinic, corehouse/interim camp office expansion, temporary jetty), camp electrification, coal laboratory sample analyses and overburden pre-stripping. Bulk sampling was also conducted for test firing coal analysis.

In support of the company's request for COC conversion, an Environmental Compliance Certificate (ECC) for the Davao Project was granted to TMEC by the DENR-EMB on May 16, 2014. TMEC also submitted a 10-year work program to the DOE on October 21, 2014.

The company is still awaiting the conversion of the COC from exploration to development and production.

A Permit to Sell 2,500 MT of incidental coal production was issued to TMEC by the DOE on December 10, 2014 which was subsequently amended from 2,500 MT to 3,200 MT on March 26, 2015. Subsequent Permits to sell (PTS) for 1,000MT (July 16, 2015), 1,500 MT (April 11, 2016), and 2,300 MT (September 23, 2016) for a total of 8,000MT was granted.

The Zamboanga Project encompasses six (6) adjoining 1,000-hectare Coal Blocks for a total area of 6,000-hectares and is covered by COC#166 and COC#167, which were awarded by the DOE to TMEC, then called TEDC, on November 18, 2009. These contracts cover an Exploration Phase of two (2) years, which may be extended for another period of two (2) years, and a Development/Production Phase of 32 years. The Exploration Phase of COC#166 was renewed by the DOE for another period of two (2) years, commencing from November 18, 2011 and expiring on November 17, 2013. Subsequently, the Zamboanga Sibugay Project has completed its subsurface exploration activities and has a Measured &Indicative Resource (M&I) of 0.5 MMT. On May 13, 2014, TMEC has submitted to the DOE its report on the results of exploration for the Zamboanga Sibugay Project, the results of which have been confirmed and validated by the DOE on August 7, 2015. A Five-Year Work Program with Feasibility Study was submitted to the DOE on February 26, 2016 to determine the economic viability of developing the Zamboanga Sibugay Project. After the DOE's initial review, TMEC submitted the amended Five-Year Work Program with Feasibility Study to the DOE on August, 2016.

Competitive Strengths

Coal Resources & Reserves

Davao Oriental Project

Ms. Gizella G. D.J. Gonzales, under the supervision of Mr. Enrique C. Payawal, TMEC's in-house CP-Geologist and Vice President for Exploration, determined TMEC to have 3 MMT of M & I Resource based on her Geologic Report dated November 2013. An additional M&I Resource of 1.9 MMT was also determined for Sagasa area east of Macopa.

Coal Resource	
Area	**M&I (MMT)**
Macopa & Bactinan	3 MMT
Sagasa	1.9 MMT
Total M&I	4.9 MMT

TMEC has an In-situ reserve of 3 MMT for Macopa/Bactinan and 1.5 MMT for Sagasa. Of the In-situ reserve of 3.0 MMT for Macopa and Bactinan, a five (5) year Surface Mining Plan involving 1 MMT was initially prepared by Engr. Raul Fellizar in January 2014. Engr. Fellizar further modeled an eight (8) year mine life considering 2.1 MMT of the reserves which has a net present value of ₱ 9.1 billion and found the project to be feasible at a discount rate of 10% per annum. On October, 2014, a ten (10) year Surface Mining Plan considering 1.8 MMT of the reserves was prepared by Engr. Raul A. Fellizar as required by the DOE. Engr. Raul A. Fellizar is an independent consulting mining engineer with PRC Registration No. 1668.

Coal Reserve (In Situ)

Area	In Situ (MMT)
Macopa & Bactinan	3 MMT
Sagasa	1.5 MMT
Total (In Situ)	4.5 MMT

Area	5-Year Surface Mining Plan	10 Year Surface Mining Plan
Macopa & Bactinan	1 MMT	1.8 MMT
Sagasa		

Davao Oriental Project Coal Quality 10 Year Work Plan Values	
Strip Ratio	10.47 BCM/MT
Stage	Pre-Development
Heating Value	8,290 BTU/lb
Ash Content	21.65%
Sulfur Content	1.88%

A Ten (10) Year Work Program with Financial Feasibility Report was submitted to the DOE in October 2014 for the Davao Oriental Project. Two (2) to three (3) coal seams were observed within the coal basin of COC#159. In Bactinan, Seam A has a coal thickness ranging from 0.50 to 3.05 meters as identified in twenty-two (22) cored holes and two (2) coal outcrops. Seam B coal thickness varies from 0.50 to 3.88 meters and has been located in two (2) outcrops and fourteen (14) cored holes. The dip angles of the coal seams vary from 20° to 30°.

Bactinan	Coal Thickness	Where Identified
A	0.50 - 3.05 m	22 drillholes and 2 coal outcrops
B	0.50 - 3.88 m	14 drillholes and 2 coal outcrops

Three coal seams were identified based on coal outcrops and drill intercepts in Macopa. Seam A has a coal thickness ranging from 0.50 to 4.57 meters. Seam B coal thickness varies from 0.50- to 3.40 meters. Seam C thickness is 0.10 meters. The dip angles of the coal seams also vary from 20° to 30°. The seams occur in a syncline with axis trending west northwest (WNW) and plunging approximately 1° to the East Southeast (ESE).

Macopa	Coal Thickness
A	0.50-4.57 m
B	0.50-3.40 m
C	0.10 m

Six (6) coal seams were interpreted based on coal outcrops and drill intercepts at Sagasa. Seam A, the bottom most seam, has a coal thickness ranging from 0.15 to 0.85 meters. Seam B coal thickness varies from 0.12 to 2.63 meters. Seam C coal thickness varies from 0.05 to 1.34 meters. Seam D coal thickness varies from 0.09 to 2.40 meters. Seam E coal thickness varies from 0.10 to 2.64 meters. The topmost seam, Seam F coal thickness ranges from 0.05 to 1.80 meters. The dip angles of the coal seams also vary from 30° to 45°. The seams occur in a monocline striking Northwest (NW) and dips to the North East (NE).

Sagasa	Coal Thickness
A	0.15-0.85 m
B	0.12-2.63 m
C	0.05 - 1.34 m
D	0.09 -2.40 m
E	0.10 -2.64 m
F	0.05 - 1.80 m

The average heating value for the Macopa, Bactinan and Sagasa coal seams is 8,290 BTU/lb.

On October 2017, an amended Ten (10) Year Work Program with Feasibility Study was again submitted by TMEC to the DOE, this time covering only both the Macopa and Sagasa areas since both areas are covered by titled properties.

Zamboanga Sibugay Project

After drilling sixteen (16) holes with a total length of 3,367.8 meters, with trench and exploration adit length of 222.64 meters, TMEC estimated the M&I Resources for the Zamboanga Sibugay Project to be 0.5 MMT. On May 13, 2014, TMEC has submitted to the DOE its report on the results of exploration for the Zamboanga Sibugay Project, the results of which have been confirmed and validated by the DOE on August 7, 2015. The company will conduct a Feasibility Study to determine the economic viability of developing the Zamboanga Sibugay Project. The development and production phase conversion of the COC shall follow thereafter.

The Geologic Report Zamboanga Sibugay Project shows the following values:

Zamboanga Sibugay Project Coal Quality COC # 166	
Stage	Resource Development
Heating Value	10,456 BTU/lb
Ash Content	26.26%
Sulfur Content	0.49%

Seven (7) coal outcrops, three (3) adits and 5 cored holes were analyzed within the coal basin at COC#166. The average heating value of the sample taken from the coal outcrops is 10,456 BTU/lb, with an average total sulfur content of 0.49% and ash content of 26.26%.

The Company believes that relative to its domestic competitors, it has the advantage of having better quality thermal coal, particularly from its Zamboanga Sibugay site, which can be sold in its raw form.

Ideal Location for Mining

TMEC's exploration camps are accessible via the municipalities' major thoroughfares and smaller in-roads. They are also located near seaports, which will be critical during the production phase.

TMEC has cordial relations with the local government units ("LGUs") in its operating areas. Furthermore, small-scale mining operators are present and prevalent in other municipalities of Zamboanga-Sibugay, which allowed TMEC to secure the Governor-, Mayor-, and Barangay-level permits in addition to the approvals from the DENR-Mine and Geosciences Bureau for the Certificate of Non-Coverage and the National Commission on Indigenous Person ("NCIP") for the Certificate of

Non-Overlap. The same holds true for the Municipality of Manay, Davao Oriental which signed a Memorandum of Agreement ("MOA") with the NCIP last July 19, 2012.

The peace and order situation in the TMEC's area of operation is relatively quiet and conducive to business. There have been no recorded attacks on TMEC's mine sites in Davao Oriental and Zamboanga Sibugay. The Davao Oriental Project site is, in fact, less than one (1) kilometer away from a military detachment.

The lack of power capacity in Mindanao has also prompted the Government to push for the construction of power plants to augment the power requirement of the Mindanao power grid. As one of the coal mining companies in the area, TMEC has established a key position by initiating discussions with the DOE and other power companies that plan to expand operations in Mindanao for long-term supply agreements. TMEC also plans to supply steam coal for cement plants, canneries, and manufacturing plants in Mindanao that have converted their diesel-powered plants into coal-powered plants to mitigate costs.

Experienced Technical Management and Staff

TMEC's technical management and staff have a combined 156-years' worth of work experience in the exploration and mining industry. The team consists of a CP-Geologist accredited by the Geological Society of the Philippines-Philippine Mineral Reporting Code (GSP—PMRC), a Senior Geologist, a Mining Engineer, 2 Chemists, all duly licensed by the Professional Regulatory Commission, three (3) Junior Geologists, and two (2) Mining and Geology Consultants.

Experienced Executive Management

The Company's leadership team is composed of senior and experience executives with notable successes in the mining, hotel and resorts field, financial services sector, manufacturing base and real estate industries. These executives and managers have a history of successfully pioneering, building, establishing, and growing start-up companies from inception to fruition.

Business Plan

Exploration Work

Davao Oriental Project

Initial surface geologic mapping in COC#159 in Manay, Davao Oriental delineated ten (10) coal-bearing paralic basins with a Potential Deposit of 69 MMT. Preliminary sub-surface exploration via diamond drilling (22 cored drill holes) of two (2) of the ten (10) identified targets in June 2012 delineated a total M&I Resources of 7.1 MMT and Inferred Resource of 5.6 MMT and 7.0 MMT of Proved and Probable Reserves over a 214-hectare block using 28,000MT coal yield per hectare as determined during the preparation of the Pre-Feasibility Study covering the drilled areas of the two (2) paralic basins.

The next phase of subsurface exploration that covered the extent of the three (3) paralic basins in Barangay Bactinan Old Macopa and Sagasa located east of Macopa, was completed in 2013. For Macopa and Bactinan, a total of ninety-three (93) diamond drill holes were cored resulting to an M&I Resource of 3 MMT with an average calorific value of 8,258 Btu/lb. For Sagasa, 22 cored holes were drilled resulting to an M&I Resource of 1.9 MMT.

Based on the DOE's conversion standard of resource to reserve, the project has a reserve of 3 MMT with a possible additional 1.5 MMT from Sagasa, east of Macopa. These coal basins represent three (3) of the ten (10) coal basins in the area which has a Potential Deposit of 69 MMT.

The Department of Energy has completed its validation of TMEC's coal resource estimate for the Davao Project on March 16, 2014.

Preliminary mine development activities however, have commenced at the Davao Oriental Project. Activities include property acquisition, road widening (mine and camp road), infrastructure construction (clinic, corehouse/interim camp office expansion, temporary jetty), camp electrification, coal laboratory sample analyses and overburden pre-stripping. Bulk sampling was also conducted for test firing coal analysis.

The company has requested for the conversion of the COC from exploration to development and production.

In support of the company's request for COC conversion, an Environmental Compliance Certificate (ECC) for the Davao Project was granted to TMEC by the DENR-EMB on May 16, 2014. TMEC also submitted a 10-year work program to the DOE on October 21, 2014.

The company is still awaiting the conversion of the COC from exploration to development and production.

A Permit to Sell 2,500 MT of incidental coal production was issued to TMEC by the DOE on December 10, 2014 which was subsequently amended from 2,500 MT to 3,200 MT on March 26, 2015. Subsequent Permits to sell (PTS) for 1,000MT (July 16, 2015), 1,500 MT (April 11, 2016), and 2,300 MT (September 23, 2016) for a total of 8,000MT was granted.

Zamboanga Sibugay Project

On May 13, 2014, TMEC has submitted to the DOE its report on the results of exploration for the Zamboanga Sibugay Project, the results of which have been confirmed and validated by the DOE on August 7, 2015. A Five-Year Work Program with Feasibility Study was submitted to the DOE on February 26, 2016 to determine the economic viability of developing the Zamboanga Sibugay Project. After the DOE's initial review, TMEC submitted the amended Five-Year Work Program with Feasibility Study to the DOE on August 2016. Additional comments were provided by the DOE in their letter to TMEC dated November 2016 which was subsequently addressed by TMEC on March 31, 2017.

Development Plan

The development plan involves all the activities required for the preparation and entry into the coal reserves, extraction, transport, handling and shipment of the coal products and other auxiliary requisites and requirements.

These activities will also include building mine access infrastructure, port facilities, stockyard facilities, a POL stock farm, blasting operation facilities, campsite facilities, supplemental infrastructure for power and water, in-house laboratory and testing, coal preparation, and beneficiation and treatment plants and facilities. The development plan also involves activities relating to the acquisition of necessary equipment, human resource staffing, securing requisite governmental and non-governmental organizations' certifications and approvals, as well as environmental protection compliance.

The development plan also calls for identifying key customers and markets for the eventual coal production output.

Preliminary mine development activities however, have commenced at the Davao Oriental Project. Activities include property acquisition, road widening (mine and camp road), infrastructure construction (clinic, corehouse/interim camp office expansion, temporary jetty), camp electrification, coal laboratory sample analyses and overburden pre-stripping. Bulk sampling was also conducted for test firing coal analysis.

Mining Plan and Layout

The feasibility study states that coal deposits from the Davao Oriental Project will be extracted mainly through open-pit mining, and eventually moving into underground mining. The coal deposits of the Zamboanga-Sibugay Project, on the other hand, will be extracted through underground mining right from the initial stages of extraction.

The characteristics, mode of occurrence, and depth of burial of the coal deposits necessitate the extraction be undertaken in three (3) progressive stages, namely: (a) initial surface extraction (b) intermediate near surface and shallow underground extraction, and (c) final deep underground extraction.

The mine layout will be entirely based on surface operation. Surface extraction would be a series of tracts 100-meters in length measured along the outcrops and about 50-meters in width down slope to dip of coal. Tracts are opened one at a time, progressive and contiguous fashion to minimize surface disturbance footprint. Each exploited tract is reclaimed by backfill of stripped open-burden on completion of shallow underground operation. Refilled cavity is restored. Pre-determined access and vent ways to deep underground operations are preserved. Each tract when opened is service by entry and exit ramps. The main haulage route is a re-conditioned barangay feeder access road.

On March 2014, a bulk sampling pit was dug exposing the coal at Macopa to find out the bulk coal quality in the area. The stockpiled incidental coal formed part of the 8,000 MT of coal Permit to Sell/Transport incidental coal requested from the DOE.

Production and Operational Parameters

The following initial operating parameters are planned for the area covered by the Feasibility Study for the Davao Oriental Project.

Production and Operational Parameters	
Total Coal Reserves	3 MMT
Mine Life	10 years
Annual Production	240,000 MT (average)
Monthly Production	20,000 MT average

Marketing Plan

The company has developed a marketing strategy and marketing plan based on its geographic location, competitive strengths, and the industries it primarily hopes to serve.

The mines are located in Mindanao Island, whose growth and development is crippled by, among others, a power crisis. This has resulted in regular, rotating power outages causing hefty losses to industries and businesses situated therein, not to mention inconvenience to its populace. The same situation holds true for its neighboring group of islands to the north, the Visayas. To remedy this situation, the government has put in place incentives for private firms setting up power plants in Visayas and Mindanao. With the advent of new technologies that are environmentally-sound, many of these power plants that have been set up or are still to be put up are coal-fired power plants.

Based on information obtained from the DOE, by 2017 the total projected coal demand in Visayas and Mindanao is estimated at 13.5 Million Metric Tons Per Annum (MMTPA). Of this total, demand from coal-fired power plants accounts for about 64%. On the other hand, from a geographic standpoint, demand from Mindanao accounts for about 57% of the combined total for Visayas and Mindanao. Aside from serving the requirements of power plants, the Company also plans to serve cement manufacturers which account for about 35% of the total projected coal demand by 2017. Lastly, the Company also plans to serve Canneries located in General Santos City, which account for more than 1% of total projected demand by 2017.

The new market potential in Mindanao, in particular, is a prime motivator for continued exploration in the areas covered by the Company's COCs. Again based on 2017 projections, at full production capacity the Company can only serve around 7% of market demand in that area, with the remaining 93% coming mainly from imports and also from other local coal miners such as Semirara, etc.

Management Plan

In the last stockholder's meeting on August 1, 2017, the Board reported that Titan Mining and Energy Corporation (TMEC) has signed a Fuel Supply and Transport Agreement (FSTA) with Sarangani Energy Corporation (SEC) on April 6, 2017. The FSTA's duration is for ten (10) years with operation tonnage at 132,000 metric tons per year with initial delivery date scheduled on November 2, 2018 and in shipment term of 10,000-12,000 MT barges.

TMEC prepared the Macopa-Sagasa Development Work Program & Feasibility for its Davao Coal Project and submitted the same to the Department of Energy. This Project is expected to produce coal of about 150,000 MT/year at an all-in sustaining cost of ₱ 1,955/MT.

The Project Valuation Summary (Base Case) of this Davao Coal Project follows:

PARTICULARS	AMOUNT (In ₱ million)
Gross Revenues	3,175
Operating Costs	1,400
Operating Margin	1,775
Income Tax	377
Operating Cash Flow	1,398
Initial Capital	300
Sustaining Capital	179
Total Capital	479
Free Cash Flow	919
Net Present Value at 12% Hurdle Rate	262
Internal Rate of Return (IRR)	25%
Payback from First Production	4 years
All-in Sustaining Costs	₱ 1955/MT
Present Price (USD 48.72x 52	₱ 2,533/MT

To finance the MACOPA-SAGASA Project, TMEC will need approximately ₱ 500M in initial funding. The 253M of this will be needed to finance additional capital/debt to start and sustain its operation, consisting of mining equipment (₱ 107M), infrastructures and facilities (₱ 55M) and in-pit drilling and supplemental exploration (₱ 91M) and the balance as working capital to sustain its operation. Although the feasibility made is based on 100% equity, the Company will apply for project finance loan with at least three universal banks that caters into this type of loan requirement. The project financing to be applied will be for a term of 7 years with 2 years grace period in principal payment at the prevailing loan interest rates at the time of initial drawdown and fixed for the entire term of the loan and payable in quarterly installments. As security for the payment of the loan, TMEC will offer land under its name, titled land under process and heavy equipment used in mining. We anticipate project financing approval based on 75:25 debt equity ratio, 75% coming from bank loans and 25% from equity. The development of the coal deposit of TMEC Davao Coal Project is timely with these prospective consumers

KEY AFFILIATES IN THE MINING AND ENERGY INDUSTRY

COAL's key affiliates in the mining and energy industry are presented below. These companies are considered related parties because they have the same certain common shareholders with COAL.

Pacifico Sul Mineracao Corporation

Pacifico Sul Mineracao Corporation is an affiliate of TMEC that owns mining rights to 6-iron ore, nickel, and chromite areas in the provinces of Aurora, Nueva Ecija, Zambales, Zamboanga del Sur, and Zamboanga Sibugay spanning a total of almost 32,000 hectares.

Colossal Petroleum Corporation

Colossal Petroleum Corporation is an affiliate of TMEC. It was established for potential investments in oil, gas, petroleum, acids and chemicals, other geothermal natural resources and mining projects.

Risks Related to the Company and its Subsidiary

Risks Inherent in the Mining Business

There are numerous hazards and risks normally encountered in the mining business. These include, but are not limited to geological structures not clearly manifested on the ground surface, unfavorable weather conditions, flooding, and other occurrences that may arise out of the drilling and removal of material. Any such occurrence may cause damage to mines, life, property, the environment, as well as legal liability. Although proper safety measures will be implemented, theses safety measures will not cancel out the above mentioned risks.

The location and establishment of mineral resources, ore, reserves, mine construction, ore extraction, and metallurgical development will require major expenditures. It is often difficult to ensure that these investments will result in meaningful returns.

The Company, through its subsidiary, has undertaken extensive research and exploratory work on its COC areas that improve its chances for success. Furthermore, the Company's technical team has a combined 156 years' experience in exploration and development of mines with the top mining companies both in the Philippines and abroad. These key technical personnel were hired to improve the Company's success in the mining business.

Risks Related to Exploration and Future Coal Reserves

The company is subject to exploration risk. If the Company fails to explore, acquire and develop coal resources, the Company's coal reserves will decline and will not be able to sustain its business. There is no assurance that the resources will be economically viable. The success of the Company's business is dependent upon its successful exploration and conversation of coal resources to coal reserves.

Converting the coal resources to coal reserves will take time and additional investment. The Company continuously undertakes additional and confirmatory drilling activities within its

COC areas, which will remove uncertainty as to its economic viability and improve on its existing mine development plans.

Risks Related to the Estimation of Coal Resources and Reserves and the Valuation of Coal Reserves

There are many factors involved in the process of estimating coal resources, some of which are beyond the Company's control. The company cannot ascertain that measured indicated, and/or inferred tonnage and grades will be accurately achieved, or that the level of recovery will be realized.

The company bases the estimation of the coal resources in COC #159 on the PMRC-compliant technical report generated on June 2013 by Mr. Enrique C. Payawal incorporating the recently concluded exploration drilling campaign at the Davao Oriental Project. Said report was revised three months after to include a section on reserve estimate in conformance with the Department of Energy's standard of Coal Reserves Classification. The final report authored by Ms. Gizella Gonzales, under the supervision of Mr. Enrique C. Payawal was submitted to the DOE on December 2013. The report stated that the project has an M&I of 3 MMT with an average calorific value of 8,258 Btu/lb for Bactinan and Macopa with a remaining Potential Deposit of 69 MMT considering the undrilled carbonaceous mudstone areas of the 7,000 hectare COC. Further drilling at Sagasa further determined an additional M&I resource of 1.9 MMT.

Reserves in the area following the DOE's Reserve Classification resulted to 3 MMT for Macopa and Bactinan and 1.5 MMT for Sagasa.

The Department of Energy has completed its validation of TMEC's coal resource estimate for the Davao Project (Macopa and Bactinan) on March 16, 2014.

TMEC submitted a 10-year work program to the DOE on October 21, 2014. On October 2017, an amended Ten (10) Year Work Program with Feasibility Study was again submitted by TMEC to the DOE, this time covering only both the Macopa and Sagasa areas since both areas are covered by titled properties.

The Department of Energy has likewise completed its validation of TMEC's coal resource estimate for the Zamboanga Sibugay Project on August 7, 2015. A Five-Year Work Program with Feasibility Study was submitted to the DOE on February 26, 2016 to determine the economic viability of developing the Zamboanga Sibugay Project. After the DOE's initial review, TMEC submitted the amended Five-Year Work Program with Feasibility Study to the DOE on August 2016. Additional comments were provided by the DOE in their letter to TMEC dated November 2016 which was subsequently addressed by TMEC on March 31, 2017.

Risks Related to Drilling and Mining Equipment

The company's sole subsidiary, TMEC, has and will continue to engage the service of an external diamond drilling contractor to mitigate the risks that may be encountered during drilling activities. Despite outsourcing the work to an experienced drilling company, there is no assurance that the operating company can minimize errors or discrepancies in core recovery. However, these risks are mitigated by engaging drilling contractors with sufficient fleet of drilling equipment and manpower pool. Contracted drilling companies are likewise penalized for not attaining required standard core recoveries.

A significant investment will be made by TMEC in major mining equipment once it goes into mine development and production. There is no guarantee that this equipment will not suffer breakdowns, defected and obsolescence or loss; thus causing a delay in the Company's operations. TMEC intends to cover all its equipment with adequate insurance and sufficient stock of replacement parts. Minor mining equipment will be rented, so the risk will be transferred to the minor mining equipment contractor.

Risks Related to Customer Demand

The coal that will be produced from TMEC's Davao Oriental and Zamboanga-Sibugay Projects is intended to be sold to coal-fired power plants, cement plants, tuna canneries, and other industrial users of coal in both the Philippines and other countries. If the aforementioned potential buyers of TMEC's coal decide to purchase coal from other sources, then TMEC may have no alternative customers. This may have an adverse impact on the revenues of the Company.

The Company believes that, based on results gathered from coal samples from both Davao Oriental and Zamboanga-Sibugay, the quality of its subsidiary's coal is comparable, if not superior, to that of other potential sources of coal both in the Philippines and other neighboring Asian countries.

Risks Related to Coal Price

The viability of the company's and its subsidiary's business is highly dependent on the price of coal, the sale of which is the primary source of TMEC's revenues. As a globally traded commodity, the price of coal can be quite volatile and its price as affected by numerous factors, including demand from customers, changes in domestics and international coal supply conditions, the price of alternative fuels, among many other factors. Furthermore, a substantial and extended decline in the price of coal will reduce TMEC's earnings potential.

Risks Related to Foreign Exchange

TMEC intends to export a portion of its coal production to take advantage of higher prices for better quality coal in other markets. As such, a part of the Company's revenue may be subject to fluctuations between its base currency, the Philippine Peso, and the buyer's base currency. Such fluctuations may negatively affect the Company's margins. To protect against such risks, TMEC will endeavor to include in its export sales contracts hedging provisions to protect against significant adverse movement in foreign exchange rates.

Risks Related to Domestics and International Competition

The Company faces completion from both local and foreign coal mining companies. In 2011, about 77.00% of local coal consumption locally was met by coal importations. Historically, the Philippines have imported coal primarily from Indonesia, Australia and China. Among local producers of coal, Semirara Mining Corp. ("SCC"), a listed company, is the country's largest producer and the acknowledged market leader, accounting for about 94.00% of total domestic coal production in 2011. As a result of SCC's dominant position in the market, it enjoys significant advantages over a new entrant in the market such as the Company.

The Company will also face competition from other domestic's coal producers including new coal producers who have or are in the process of acquiring rights to or operating other coal deposits in the country. As indicated in the section "The Philippine Coal Market", the DOE estimates that the country has a total of approximately 435.0 MMT of in situ coal reserves dispersed over various provinces in the country as of December 31, 2010. Coal mining operations in these previously untapped sites will increase coal availability and may have an effect on domestic coal prices. In addition, the proximity of some of these new coal-mining sites to the Company's target customers may create delivery and the Company believes it has the advantage of having better quality thermal coal, particularly from its Zamboanga-Sibugay site, and proximity of both sites to new coal plants being set-up in Mindanao. Against other prospective competitors, the Company has already made significant progress on exploration and drilling activities and expects that its coal reserves and projected production levels will result to certain scale advantages.

Risks Related to Limited Operating History and Track Record

The company was incorporated on June 11, 2012 and has had limited operations.

TMEC, the Company's only operating subsidiary, was incorporated in November 11, 2008. TMEC spent its first few years of operations on the acquisition and exploration of its COCs. TMEC acquired COC #159 on September 16, 2009 and COC #165 on November 18, 2009 under the Philippine Energy Contracting Round (PECR) of 2009.

TMEC commenced surface investigation exploration on COC #159 during two periods: from October to November 2009 and May to June 2010, which resulted in the identified of coal exposures/outcrops. Trenches were dug along major coal exposures and estimates were set resulting in an initial report on estimated Potential Deposit of 53MMT in June 2010. A second surface investigation conducted by Mr. Arturo A. Ona, an independent consulting geologist, under NI-43101 from Nevada, USA on June 2011 on the mudstone "islands" gave a figure of about 68 MMT tons of coal. An initial 10 probes/exploratory DDH programmed for Bactinan and Old Macopa areas with mudstone units (two (2) out of 13 mudstone potential coal bearing areas) were initiated in late November 2010. A second drilling program was undertaken in August 2011 where nine (9) holes were drilled with seven (7) holes intercepting coal seams at depth. In April 2012, Mr. Enrique C. Payawal, TMEC's Vice President for Exploration and an accredited Competent Person-Geologist, conducted a field geological investigation to determine the resources in COC #159. The results of the investigation were collated and reported through an Internal Geological Report. The report provides that out of 72.0 MMT Potential Deposit identified during the surface exploration (mapping), the results of the diamond drilling (subsurface exploration) provide TMEC to have estimated M&I Resources of 7.1 MMT and Inferred Resources of 5.6 MMT. The remaining Potential Deposit for the Davao Oriental Project is 59.3 MMT. A Pre-Feasibility Study was completed in June 2012 by an independent consulting mining engineer, Engr. Rafael R. Baladad on a combined 214-hectare block from Bactinan and Old Macopa identifying total Probable and Proved Reserves of 7 MMT.

A PMRC-compliant technical report was generated on June 2013 by Mr. Enrique C. Payawal incorporating the recently concluded exploration drilling campaign at the Davao Oriental Project. Said report was revised three months after to include a section on reserve estimate in conformance with the Department of Energy's standard of Coal Reserves Classification. The final report authored by Ms. Gizella Gonzales under the supervision of Mr. Enrique C. Payawal was submitted to the DOE on December 2013. The report stated that the project has an M&I of 3 MMT with an average calorific value of 8,258 Btu/lb for Bactinan and Macopa with a Potential Deposit of 69 MMT. It also mentioned the on-going diamond drilling activity conducted at Sagasa, located southeast of Macopa. The M&I resource for Sagasa was determined to be 1.9 MMT.

A five (5) year work program with financial feasibility for the project was prepared on July 2013 authored by Engr. Raul A. Fellizar, an independent consulting mining engineer.

Both reports were submitted to the DOE in support of TMEC's request to convert COC # 159 from exploration phase to development and production phase. In 2013, preliminary mine development activities have commenced at the Davao Oriental Project. Activities include property acquisition, road widening (mine and mine camp road) infrastructure construction, camp electrification and coal laboratory commissioning. Bulk sampling was also conducted for test firing coal analysis.

The Department of Energy has completed its validation of TMEC's coal resource estimate for the Davao Project on March 16, 2014.

In support of the company's request for COC conversion, an Environmental Compliance Certificate (ECC) for the Davao Project was granted to TMEC by the DENR-EMB on May 16, 2014. TMEC also submitted a 10-year work program to the DOE on October 21, 2014. On October 2017, an amended Ten (10) Year Work Program with Feasibility Study was again submitted by TMEC to the DOE, this time covering only both the Macopa and Sagasa areas since both areas are covered by titled properties.

As of December 2017, TMEC is in the process of obtaining said conversion from the DOE.

In April 2012, Ms. Gizelia Greta D.J. Gonzales, TMEC's Senior Geologist, conducted a field geological investigation to determine the resources in COC #166 and COC #167. The results of the investigation were collated and reported through an Internal Geologic Report. This report was reviewed and verified by Mr. Enrique C. Payawal. The report provides that out of the 51.1 MMT Potential Deposit identified during the surface exploration (mapping), the results of the diamond drilling (subsurface exploration) provide TMEC to have estimated M&I Resources of 1.2 MMT and Inferred Resources of 2.3 MMT. The remaining Potential Deposit for the Zamboanga-Sibugay Project is 47.6 MMT.

In April 2014, a final technical report was generated for COC # 166 wherein it was determined that the M&I for COC # 166 is 0.5 MMT.

On May 13, 2014, TMEC submitted to the DOE its report on the results of exploration for the Zamboanga Sibugay Project, the results of which have been confirmed and validated by the DOE on August 7, 2015. A Five-Year Work Program with Feasibility Study was submitted to the DOE on February 26, 2016 to determine the economic viability of developing the Zamboanga Sibugay Project. After the DOE's initial review, TMEC submitted the amended Five-Year Work Program with Feasibility Study to the DOE on August 2016. Additional comments were provided by the DOE in their letter to TMEC dated November 2016 which was subsequently addressed by TMEC on March 31, 2017.

The development and production phase conversion of the COC shall follow thereafter. Notwithstanding the limited operating history and track record, the management of the Company and TMEC believe that its organization, business systems and process, have been built up substantially to the level adequate for full-scale coal mining operations.

In addition, the Company's management and technical team have a combined 156 years' experience in exploration and development of mining companies with the top mining companies both in the Philippines and in other countries. In addition, the Company's Board of Directors has an established record in starting-up companies and developing these companies to a strong position in their respective market segments.

Risks Related to Reliance on Key Personnel

The success of TMEC depends upon, among other factors, the retention of its key personnel as well as its ability to attract and retain a strong management team. The Company believes there is significant demand for TMEC's skilled professionals not only locally but also from companies outside of the Philippines, particularly companies operating in Asia. The inability of TMEC to hire and retain qualified personnel could impair its ability to undertake the exploration and mine development of its two sites. This may cause TMEC to incur additional costs by having to engage third parties to perform these activities.

Risks Related to Labor Matters

TMEC is naturally exposed to the risk of industrial or labor disputes. At present, 20 of the rank and file employees are regular and 22 are probationary. Furthermore, once TMEC starts production, it will need to employ more workers.

At present, TMEC's labor force in all locations is not unionized; hence the risk of work stoppage due to strikes or similar concerted action is mitigated. The Company complies with all the labor laws, rules, and regulations, thus avoiding any significant dispute with its workers. The Company's management believes that current relations between the Company and its employees are generally good. None of the employees is under any collective bargaining agreement. The Company has not experienced any work stoppage or strike since it started operations.

Risks Related Philippine Laws and Regulations

The business of TMEC is subject to various Philippines Laws and regulations. The DOE is mandated by RA 7638 (Department of Energy Act of 1992) to prepare, integrate, coordinate, supervise and control all plans, programs, projects and activities of the Government relative to energy exploration, development, utilization, distribution and conservation.

On July 6, 2012, President Benigno S. Aquino III issued E.O. 79 entitled "Institutionalizing and Implementing Reforms in the Philippine Mining Sector Providing Policies and Guidelines to Ensure Environmental Protection and Responsible Mining in the Utilization of Mineral Resources' E.O. 79 pertains to the mining sector but it does not cover coal mining as the latter is covered under RA 7492, or the Philippine Mining Act of 1995.

The listing of COAL shares was approved with the submission of a Philippine Mineral Reporting Code (PMRC)-compliant technical report by a Competent Person (CP)-Geologist that indicated the coal resources of COAL's Coal Operating Contracts. Thereafter, the PSE required COAL to also submit a PMRC-compliant technical report by a CP-Mining Engineer, to be submitted to the PSE not later than 31 December 2013.

COAL attempted to submit said report to the PSE, but circumstances beyond its control resulted in further delays and penalties.

On September 30, 2015, Engr. Rufino B. Bomasang, the lone CP-Mining Engineer for coal in the Philippines, submitted to the PSE a PMRC-compliant Technical Report entitled "Final Report on the Economic Assessment of the COC#159 Davao Coal Project."

There is risk those government regulators, both at the national and local levels, may implement more stringent policies and/or regulations that will make it more difficult or more costly for TMEC to operate its business.

The Company and TMEC have no control over these events. However, TMEC has put into place a compliance team that focuses on ensuring TMEC's adherence to laws, rules, and regulations that are in practice.

Risks Related to Taxation

The Philippines currently has tax systems that encourage investment in coal mining operations to address the wide demand between local demand and supply. The current COC system gives the following incentives to contractors:

- Exemption from all taxes except income tax;
- Exemption from payment of tariff duties and compensation tax on importation of machinery / equipment / spare parts / materials required for coal operations;
- Allow entry of alien technical personnel;
- The right of ingress to and egress from the COC area; and
- Recovery of operating expense

TMEC registered with the Board of Investment under the Omnibus Investment Code of 1987 for the exploration and development of indigenous thermal coal in Davao Oriental and Zamboanga-Sibugay as a new producer of coal under the 2012 Investment Priorities Plan. There is no guarantee, however, that the existing tax regime will remain, and that no changes will be implemented that will be adheres to the Company's operations.

The industry, however, maintains a liaison within the legitimate branch of the Government, which helps ensure that coal-mining operations will continue to enjoy a fair tax environment in the years to come.

Risks Related to Company's COCs

Risks Related to Expiration of COCs

Substantially all of the Company's assets and revenues are derived from TMEC's COCs and rights under the COCs issued by the DOE, which give TMEC exclusive rights to conduct exploration, development and coal-mining operations on the areas designated by these COCs. These COCs contain respective terms, and allow maximum extension periods subject to the application of extension before the COC's expiration date.

While the term extension of a COC is provided for, any extension is ultimately at the discretion of the DOE and at the satisfaction on the DOE that has been substancial accomplishment of the commitments as stipulated in the DOE approved work program. There can be no assurance that the DOE will extend the term of these COCs upon their respective expiration. The DOE may also impose new terms and conditions during this extension that may not be acceptance to the Company.

The table ensuing sets forth the original expiration dates and the maximum extension periods for the COCs covering the Davao Oriental and Zamboanga-Sibugay Projects:

Table 1: Summary of Coal Operating Contracts of TMEC

COC	Coal Block Nos.	Applicant	Date Awarded	Original Expiration Date	Max. Extension	Remarks
Davao Oriental Coal Operating Contract						
159	CB-136 CB-137 CB-176 CB-177 CB-188 CB-217 CB-218	TMEC	16-Sep-09	15-Sep-11 (2 years Exploration)	September 15, 2013 (2 years Extension)	Submitted Geologic Report, 5 and 10 yr. mining plan, ECC, Permit to Sell incidental Coal Production from DOE; Amended 10Year Work Program and Feasibility Study covering Macopa and Sagasa submitted October 2017. awaiting CNO
Zamboanga-Sibugay Coal Operating Contracts						
166	CB-280 CB-320 CB-241 CB-281	TMEC	18-Nov-09	November 17, 2011 (2years Exploration)	November 17, 2013 (2 years Extension)	Submitted Geologic Report, DOE review and validation completed; 5 Year Work Program with Feasibility Study Submitted to DOE February 26, 2016; submitted amended Study on August 2016 after initial review. Additional amendments submitted by TMEC on March 31, 2017

Any inability or failure on the part of TMEC or the Company to meet their respective obligations, or comply with the terms and conditions under any of the COCs may constitute a material breach thereof and could lead to the cancellation or termination of such COC. A cancellation or termination of any COC pertaining to the Davao Oriental and Zamboanga-Sibugay Projects will adversely affect the business, financial condition and results of operations of the Company.

TMEC is in the process of fulfilling its obligations with regard to the COCs and satisfying the terms and conditions of the COCs, including the requirements of the DOE in connection therewith. For the Davao Oriental Project, as a pre-requisite to enter the development and productivity phase, TMEC has completed the Feasibility Study. In addition, its coal resources have also been validated by the DOE. For the Zamboanga-Sibugay Project, TMEC will conduct the Feasibility Study since the DOE has completed its review of TMEC's exploration results last August 7, 2015 to be able to enter the development and production phase.

TMEC plans to enter the development and production phase as soon as the DOE converts the COC to Development &Production phase for the Davao Oriental Project. COAL intends to use its IPO proceeds to fully fund TMEC's planned exploration, development, and production in the Davao Oriental Project and use a portion of it to partially fund its planned exploration in the Zamboanga-Sibugay Project. If TMEC suddenly cannot proceed to the development/production phase for some unexpected reason, the Company's long term business performance and eventually, its viability will be at risk. To address the risk, TMEC continuous to fulfill and comply with, and even exceed the conditions that the DOE set forth in the COCs it granted to TMEC. These conditions include the conduction and completion of exploration work commitment and financial investments in the coal projects. Thus with the proceeds coming from the IPO and the Company's good standing with the DOE as regards its COCs, The Company is confident that it will be able to secure the COC for the development/production stage for the Davao Oriental Project.

Risks Related to Environmental Protection, Safe Mining Operations, and Social and Economic Development

TMEC's COCs not only grant it rights over certain coal-mining assets but also prescribe guidelines for coal-mining operations among which includes rules with respect to environmental protection, safe mining operation, and social and economic development of the surrounding areas. These guidelines include safety rules for underground and surface mine operations covering requirements for exit, escape ways, submission of mine maps, ventilation, allowable limits of toxic and explosive gases, control of coal dust, ground support, rescue organization for emergency situations, fire protection, handling of explosives, health and sanitation facilities and other miscellaneous safety rules, air, water, hazardous materials and waste management, and the rehabilitation of mine sites. In addition, TMEC is required to conduct an environmental impact study prior to start of development and production pursuant to securing an environmental compliance certificate ("ECC") from the Department of Environment and Natural Resources ("DENR"). Nonetheless, in support of the company's request for COC conversion, an Environmental Compliance Certificate (ECC) for the Davao Project was granted to TMEC by the DENR-EMB on May 16, 2014. There is also the possibility that existing laws and regulations may be amended or new laws may be enacted in the future.

Risk Related to Third Party Claim on Specified Areas Defined in COCs

Under the terms of its COCs, TMEC was appointed and constituted as the exclusive party that will conduct the coal operations over the specified areas defined in such COCs. There is, however, no assurance that other parties will not claim mining rights adverse to TMEC over such designated areas or that the Company will be able to successfully defend its right to conduct coal operations over such areas against any such adverse claims.

Risk Related to the Philippines

Risks Related to Political or Social Instability in the Philippines

The Philippines has from time to time experienced political and military instability. In the last few years, there has been political instability in the Philippines, including public and military protests arising from alleged misconduct by the former administration. No assurance can be given that the political environment in the Philippines will stabilize and any political or social instability in the future could result in inconsistent or sudden changes in regulations and policies that affect the Company or its partners, which could have an adverse effect on the Company's business, results of operations and financial condition.

Risks Related to Terrorist and Insurgent Groups' Activities in the Philippines

The island of Mindanao has had a long history of terrorist activities and insurgency in certain isolated areas instigated by groups such as or connected to the Moro Islamic Liberation Front, Abu Sayyaf, and the New People's Army. There have been attacks by the New People's Army on mining company facilities of Xstrata's Sagittarius Mines Inc. (SMI) and of firms associated with the mining company in the hinterlands of Davao del Sur, South Cotabato, and Sultan Kudarat, and couple of small mining companies in the Compostella Valley. There is no guarantee that such attacks will not occur in the Company's subject areas in Davao Oriental and Zamboanga-Sibugay.

The Company, through TMEC, has maintained excellent relationships with the host communities of its two coal projects through an active Corporate Social Responsibility program, which have included the replanting of trees that may have been uprooted in the building of access road and the construction of church in Zamboanga-Sibugay. As of the date of this Prospectus, there have been no attacks or threats of attacks received by the Company at its mining sites in either Davao Oriental or Zamboanga-Sibugay.

Risk Related to Anti-Mining Groups

There is high anti-mining sentiment in the Philippines, brought mainly by the country's past and highly-publicized episodes of community destruction and environmental degradation resulting from mining operations. This is especially true in less developed regions, where there are anti-mining advocacies of groups such as LGUs, non-governmental organizations and environmental groups, communist separatists and other militant groups, and even the Catholic Church. The methods may vary, from peaceful protests to local bans on mining operations. There have also been sporadic acts of violence, including destroying equipment and inflicting bodily harm.

As a result of these factors, the Philippines has become a high-risk, high-reward environment for mining operations. In developed countries, where many of the large international mining outfits operate, profit margins are often slimmer but this lower profitability is made up for by greater stability.

TMEC has good relationships with the respective LGUs in Davao Oriental and Zamboanga-Sibugay. Furthermore, TMEC has maintained excellent relationships with the host communities of its two coal projects through an active Corporate Social Responsibility program, which have included the replanting of trees that may have been uprooted in the building of the access road, donation of an ambulance in Davao Oriental and the construction of a church in Zamboanga-Sibugay. As of the date of this Prospectus, there have been no attacks or threats attack received by the Company at its mining sites in either Davao Oriental or Zamboanga-Sibugay. In Davao Oriental, TMEC also had good rapport with the local indigenous people, having entered into a MOA with the NCIP on July 19, 2012.

Risk Related to Occurrence of Natural Catastrophes or Blackouts

The Philippines has experienced a number of major natural catastrophes in recent years including typhoons, floods, volcanic eruptions, earthquakes, mudslides, and droughts. Natural catastrophes may disrupt the Company's ability to deliver its services and impair the economic conditions in the affected areas, as well as the overall Philippine economy. The Philippines has also experienced power outages from power generation shortages and transmission problems, and from disruptions such as typhoons, storm surges and floods. These types of events may materially disrupt and adversely affect the Company's business and operations. The Company cannot assure prospective investors that the insurance coverage the Company maintains will adequately compensate it for all damages and economic losses resulting from natural catastrophes or blackouts, including possible business interruptions.

Risk Related to Foreign Exchange Controls

Currently, the Philippines has liberal foreign exchange controls. The BSP has statutory authority, with the approval of the President of the Philippines, during a foreign exchange crisis or in times of national emergency, to:

- Suspend temporarily or restrict sales of foreign exchange;
- Require licensing of foreign exchange transactions; or
- Require the delivery of foreign exchange to the BSP or its designee banks for the issuance and guarantee of foreign currency-denominated borrowings.

Risks Related to the Shares

Risks Related to Market Volatility

The market price of securities fluctuates, and it is impossible to predict whether the price of such securities will rise or fall. An individual security may experience upward and downward movements, and may even lose its entire value. There is an inherent risk that losses may be incurred rather than profits made as a result of buying and selling securities. There may also be a substantial difference between the buying price and selling price of each security.

Historical price performance is not a guide for future price performance and there may be a big difference between the purchase price of the securities and the eventual price at which these securities are sold. The market price of the Offer Shares will be influenced by, among other factors, the Company's financial position, results of operations, and overall stock market conditions, as well as Philippine economic, political and other factors.

(B) Description of Property.

The Company does not own any significant property. All real estate, plant or equipment used by the Company are leased.

(C) Legal Proceedings.

To the best of the Company's knowledge, there are no occurrences of any of the following events that are material to an evaluation of the ability or integrity of any nominee for election as director or executive officer of the Company in the past five years and as of date:

- any bankruptcy petition filed by or against any business of which the incumbent directors or senior management of the Company was a general partner or executive officer, either at the time of the bankruptcy or within five years prior to that time;

- any conviction by final judgment in a criminal proceeding, domestic or foreign, pending against any of the incumbent directors or senior management of the Company;

- any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any of the incumbent directors or senior management of the Company in any type of business, securities, commodities or banking activities; and

- any finding by domestic or foreign court of competent jurisdiction (in civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or said regulatory organization, that any of the incumbent Directors or senior management of the Company has violated a securities or commodities law, and the judgment has not been reversed, suspended or vacated.

PART II - SECURITIES OF THE REGISTRANT

(1) Market Price of and Dividends on Registrant's Common Equity and Related Stockholder Matters

The Company's common equity is listed and traded on the Philippines Stock Exchange on October 23, 2012.

The trading prices at the PSE for the year 2017:

Quarter	High	Low	Close
1Q 2017	.55	.40	.40
2Q 2017	.48	.38	.39
3Q 2017	.40	.37	.39
4Q 2017	.39	.30	.31

The trading prices at the PSE for the year 2016:

Quarter	High	Low	Close
1Q 2016	.48	.47	.48
2Q 2016	.49	.48	.48
3Q 2016	.41	.40	.40
4Q 2016	.47	.45	.45

The trading prices at the PSE for the 4th quarter of 2017 are as follows:

	High	Low
Quarter Ended 31 December 2017	.39	.31
4th Quarter		

The trading prices at the PSE for the 1st quarter of 2018 are as follows:

	High	Low
Quarter Ended 31 March 2018	.365	.30
1st Quarter		

As of the latest practicable trading date (as of 10 July 2018), the price of the company's securities was at ₱0.30.

(2) Holders

As of 30 June 2018, the Company had 28 (Twenty-Eight) stockholders as per its stock and transfer agent, RCBC-Stock and Transfer Agent. The list of shareholders reported by the Stock and Transfer Agent were as follows:

	Name of Stockholders	No. of shares	Percentage
1	PCD NOMINEE CORP. (F)	784,871,873	19.62%
2	STERLING BANK OF ASIA - TRUST GROUP	640,000,000	16.00%
3	STERLING BANK OF ASIA - TRUST GROUP	640,000,000	16.00%
4	STERLING BANK OF ASIA - TRUST GROUP	640,000,000	16.00%
5	STERLING BANK OF ASIA - TRUST GROUP	640,000,000	16.00%
6	STERLING BANK OF ASIA - TRUST GROUP	640,000,000	16.00%
7	PCD NOMINEE CORP. (NF)	8,401,010	0.21%
8	YAN, LUCIO W. YAN &/OR CLARA Y.	4,000,000	0.10%
9	WILLIAM RAGOS ENRILE II	1,200,000	0.03%
10	QUIBIN, ALEXANDER C.	570,000	0.01%
11	TACUB, PACIFICO B.	400,000	0.01%
12	SUCALDITO, ENRIQUE L.	100,000	0.00%
13	ENRILE, WILLIAM ENRILE &/OR NELY ENRILE &/OR	100,000	0.00%
14	MARANA, MIGUEL D. MARANA &/OR CENON BIENVENIDO	95,000	0.00%
15	ROSELLER A. MENDOZA	65,000	0.00%
16	COMIA JR., JUAN D.	50,000	0.00%
17	MARANA, CENON BIENVENIDO D. MARANA &/OR MIGU	40,000	0.00%
18	PUNO, CHRISTOPHER	30,000	0.00%
19	PUNO, ORPHA C.	22,000	0.00%
20	ASUNCION, ALEXANDER G.	15,000	0.00%
21	MOLANO, ROMEO B.	15,000	0.00%
22	BARTHOLOMEW DYBUNCIO YOUNG	10,000	0.00%
23	OSCAR M. RAYOS DEL SOL	10,000	0.00%

24	MARIANO, MARIA ANA B.	2,000	0.00%
25	LIMGENCO, DONDI RON R.	1,111	0.00%
26	GILL JR, GUILLERMO F.	1,000	0.00%
27	BES, RONALD S.	1,000	0.00%
28	FALCOTELO, MATTHEW HENRI H.	10	0.00%
		4,000,000,004	**100.00%**

As of 30 June 2018, 8,401,010 common shares are held by non-Filipinos, placing the foreign ownership level of the Corporation at 0.21%. This is significantly below the foreign ownership limit of 40%.

(3) Dividends

The Company has not declared any kind of dividend to its shareholders since its incorporation.

(4) Recent Sales of Unregistered or Exempt Securities, Including Recent Issuance of Securities Constituting an Exempt Transaction.

For the year ended 31 December 2017, we have not issued any securities constituting an exempt transaction.

PART III - FINANCIAL INFORMATION

(A) Management's Discussion and Analysis

Plan of Operation

In the last stockholder's meeting on August 1, 2017, the Board reported that Titan Mining and Energy Corporation (TMEC) has signed a Fuel Supply and Transport Agreement (FSTA) with Sarangani Energy Corporation (SEC) on April 6, 2017. The FSTA's duration is for ten (10) years with operation tonnage at 132,000 metric tons per year with initial delivery date scheduled on November 2, 2018 and in shipment term of 10,000-12,000 MT barges.

There is no expected significant change in the number of employees considering that Coal Asia Holdings, Incorporated is a holdings company whose operations are primarily undertaken by TMEC.

TMEC prepared the Macopa-Sagasa Development Work Program & Feasibility for its Davao Coal Project and submitted the same to the Department of Energy. This Project is expected to produce coal of about 150,000 MT/year at an all-in sustaining cost of P 1,955/MT.

The Project Valuation Summary (Base Case) of this Davao Coal Project follows:

PARTICULARS	AMOUNT (In P million)
Gross Revenues	3,175
Operating Costs	1,400
Operating Margin	1,775
Income Tax	377
Operating Cash Flow	1,398

Initial Capital	300
Sustaining Capital	179
Total Capital	479
Free Cash Flow	919
Net Present Value at 12% Hurdle Rate	262
Internal Rate of Return (IRR)	25%
Payback from First Production	4 years
All-in Sustaining Costs	P 1955/MT
Present Price (USD 48.72x 52	P 2,533/MT

To finance the MACOPA-SAGASA Project. TMEC will need approximately P 500M in initial funding. The ₱ 253M of this will be needed to finance additional capital/debt to start and sustain its operation, consisting of mining equipment (P 107M), infrastructures and facilities (P 55M) and in-pit drilling and supplemental exploration (₱ 91M) and the balance as working capital to sustain its operation. Although the feasibility made is based on 100% equity, the Company will apply for project finance loan with at least three universal banks that caters into this type of loan requirement. The project financing to be applied will be for a term of 7 years with 2 years grace period in principal payment at the prevailing loan interest rates at the time of initial drawdown and fixed for the entire term of the loan and payable in quarterly installments. As security for the payment of the loan, TMEC will offer land under its name, titled land under process and heavy equipment used in mining. We anticipate project financing approval based on 75:25 debt equity ratio, 75% coming from bank loans and 25% from equity. The development of the coal deposit of TMEC Davao Coal Project is timely with these prospective consumers.

The following tables present the summary financial Statements and Independent Auditor's Report for the ended December 31, 2017 and 2016.

COAL's Summary Audited Consolidated Financial Information		
as at		
	2017	**2016**
	(One year)	**(One year)**
Amounts are in P		
Consolidated Statement of Comprehensive Income		
Sales	-	-
Cost of Sales	-	-
Gross Profit	-	-
General and Administrative Expenses	(9,907,962)	(20,921,125)
Operating Income	(9,907,962)	(20,921,125)
Other Income	884,366	6,087,472
Interest Income	295,135	745,832
Finance Cost	(999,139)	(1,898,675)
Income (loss) before income tax	(9,727,600)	(15,986,496)
Net Income (loss)	(7,976,615)	(13,967,727)
Consolidated Statement of Financial Position		
Assets		
Cash and cash equivalents	30,954,930	6,906,425
Funds held in escrow	5,628,653	37,869,019
Advances to Affiliates	1,555,438	1,646,248

Prepayments and other current assets	4,749,308	1,125,182
Total Current Assets	**42,888,329**	**47,546,874**
Exploration and evaluation assets	534,956,340	480,756,581
Property, plant and equipment –net	222,560,983	261,324,664
Coal Reserves	3,131,596,101	3,131,596,101
Deferred Tax Asset	12,541,560	10,772,888
Other Noncurrent Asset	2,719,464	2,693,122
Total Non-Current Assets	**3,904,374,448**	**3,887,143,356**
TOTAL ASSETS	**3,947,262,777**	**3,934,690,230**
Liabilities and Equity		
Trade and other payables	9,713,412	8,996,848
Advances from related parties	30,025,377	25,820
Current portion of loans payable	5,629,445	10,581,920
Income tax payable	17,687	121,749
Total Current Liabilities	**45,385,921**	**19,726,337**
Loan Payable-net of current portion	-	5,629,445
Retirement benefit liability	4,219,642	3,700,619
Total Non-Current Liability	**4,219,642**	**9,330,064**
Capital Stock	4,000,000,004	4,000,000,004
Deficit	(102,508,106)	(94,531,491)
Other Comprehensive loss	165,316	165,316
Stockholders' Equity	**3,897,657,214**	**3,905,633,829**
TOTAL LIABILITIES AND EQUITY	**3,947,262,777**	**3,934,690,230**
Key Indicators		
Gross Profit Margin (%)	-	-
Net Income (loss) Margin (%)	-	-
Return on Asset (%)	(0)	(0)
Return on Equity (%)	(0)	(0)
Current Ratio(x)	0.95:1.00	2.41:1.00
Total Liabilities to Equity (x)	.01:1.00	.01:1.00
Earnings Per Share (Basic) (₱ 0.0000)	(0)	(0)
Book Value Per Share (₱ 0.0000)	1	1

A. Comprehensive Income

Full Year – December 31, 2017 vs. December 31, 2016

Sales

There were no sales for 2017 and 2016. TMEC focused on exploration of its COC areas and is awaiting conversion to development and production from the Department of Energy.

As at December 31, 2017 and 2016, the Group has two Coal Operating Contracts (COC) located in Davao Oriental (COC No. 159) and Zamboanga Sibugay (COC No. 166). The Group has applied for a change in status of the COCs from exploration and evaluation stage to development and production stage.

General and Administrative Expenses

General and administrative expenses amounted to ₱9.91M, due mainly to personnel costs and professional fees.

Interest Expense

In 2015, the Group entered into a credit facility agreement with UCPB Leasing and Finance Corporation granting the Company with a credit line amounting to ₱30.3M to refinance the acquisition of various trucks and heavy equipment purchased in 2014 amounting to ₱30.3M. It bears an annual interest rate of 9%. As at December 31, 2017, the total interest expense amounted to ₱1.00M.

Interest Income

Interest income which came from interest earned from bank deposits and funds held in escrow was ₱.30M decreased by ₱.45M (60%) due to decreased in Fund held in escrow

Other Income

In 2017 and 2016, the DOE granted various PTS for incidentally produced coal within TMEC's COC No. 159 area. Gain on sale of incidental coal amounted to ₱.88M and ₱6.09M in 2017 and 2016, respectively.

Net Income

As a result of the foregoing, The Group realized net loss of ₱7.98M for the year ended December 31, 2017. This was lower by ₱5.99M compared to ₱13.97M net loss during the year ended December 31, 2016.

Full Year – December 31, 2016 vs. December 31, 2015

Sales

There were no sales for 2016 and 2015. TMEC focused on exploration of its COC areas and is awaiting conversion to development and production from the Department of Energy.

General and Administrative Expenses

General and Administrative expenses increased by ₱.85M due to increased expenses related to representation and entertainment

Interest Expense

In 2015, the Group entered into a credit facility agreement with UCPB Leasing and Finance Corporation granting the Company with a credit line amounting to ₱30.3 million to refinance the acquisition of various trucks and heavy equipment purchased in 2014 amounting to ₱30.3 million. It bears an annual interest rate of 9%. As at December 31, 2016, the total interest expense amounted to ₱1.9 million.

Interest Income

Interest income which came from interest earned from bank deposits and funds held in escrow was ₱ .75M decreased by ₱ .73M (50%) due to decreased in Fund held in escrow.

Other Income

In 2016 and 2015, the DOE granted various PTS for incidentally produced coal within TMEC's COC No. 159 area. Gain on sale of incidental coal amounted to ₱6.1M and ₱0.5M in 2016 and 2015, respectively.

Net Income

As a result of the foregoing, The Group realized net loss of P13.97M for the year ended December 31, 2016. This was lower by P2.0M compared to P15.97M net loss during the year ended December 31, 2016.

<u>Full Year – December 31, 2015 vs. December 31, 2014</u>

Sales

There were no sales for 2014 and 2015. TMEC focused on exploration of its COC areas and is awaiting conversion to development and production from the Department of Energy.

General and Administrative Expenses

General and Administrative expenses increased by P 6.5M which came generally from increase in Personnel cost.

Operating Income and Operating Loss Margin

The Company incurred an Operating Loss of P 15.8M for 2015.

Interest Expense

In 2015, the Group entered into a credit facility agreement with UCPB Leasing and Finance Corporation granting the Company with a credit line amounting to P 30.3 million to refinance the acquisition of various trucks and heavy equipment purchased in 2014 amounting to P30.3 million. It bears an annual interest rate of 9%. As at December 31, 2015, the total interest expense amounted to P1.4 million.

Interest Income

Interest income which came from interest earned from bank deposits and funds held in escrow was P1.5M for the 2015 and 2015.

Other Income

Other Income which came from sale of incidental production amounting to P .52M net of any related expenses.

The company is still awaiting the conversion of the COC from exploration to development and production, a Permit to Sell 2,500 MT of incidental coal production was issued to TMEC by the DOE on December 10, 2014 which was subsequently amended from 2,500 MT to 3,300 MT on March 26, 2015.

Net Income and Net Income Margin

The Net Loss of the Company for the year ended 2015 was increased due to increase general and administrative expenses by P 6.5M and interest incurred related to loan payable of P 1.4M.

<u>B. Consolidated Statement of Financial Position</u>

<u>Full Year – December 31, 2017 vs. December 31, 2016</u>

Cash and Cash Equivalent

Cash and cash equivalents increased by ₱24.05M, to ₱30.95M as of December 31, 2017 from ₱6.91M as of December 31, 2016. During the year, stockholder advanced the amount of ₱30M for the working capital of the Group.

Advances to Affiliates

These were advances to related parties under common control for working capital purposes. These are unsecured, non-interest bearing, and generally settled in cash and payable upon demand. The balance as of December 2017 was ₱1.56M.

Funds held in escrow

This pertains to the proceeds of IPO which are kept separate and distinct from all other funds in the custody of the Custodian Bank. Net withdrawals of principal from the fund held in escrow amounted to ₱33.5M and ₱50.0M in 2017 and 2016, respectively.

Prepayments and Other Current Assets

Prepayments and other current assets increased by ₱3.62M, to ₱4.75M as of December 31, 2017 from ₱1.13M as of December 31, 2016, mainly due to receivable from an officer pertains to the cash held by an officer for safekeeping.

Exploration and Evaluation Assets

Exploration and Evaluation Assets were increased by ₱54.20M (11.27%) as of December 31, 2017. The increase was brought by the capitalization of the costs incurred in the exploration and pre-development of the mining properties in Davao Oriental such as personnel costs, professional, utilities, depreciation and others.

Property, Plant and Equipment

Property, Plant and Equipment were decreased by ₱38.76M (14.83%), from ₱ 261,324,664 as of December 31, 2016 to ₱ 222,560,983 as of December 31, 2017, due to depreciation incurred during the year. No additional purchase made during the year.

Coal Reserves

Coal Reserves still amounted to ₱3.13 billion as of December 31, 2017. This represents the fair value of the coal reserve acquired as a result of the business combination.

Deferred Tax Assets

Deferred tax assets were increased by ₱1.77M (16.42%), to ₱12.54M as of December 31, 2017 from ₱10.77M as of December 31, 2016.

Other Noncurrent Asset

Restricted cash includes cash bond required by the NCIP upon the application of the Group's permit to proceed with its development phase for COC No. 159 and cash in bank set aside to settle obligations arising from a certain court case.

Trade and Other Payables

Trade and other payables increased by P.72M (7.96%), to P9.71M as of December 31, 2017 from P9.00M as of December 31, 2016.

Advances from Related Parties

These advances are unsecured, non-interest bearing, and generally settled in cash and payable upon demand. The advances of the Parent Company to TMEC amounting to P536.5M and P508.3M as at December 31, 2017 and 2016, respectively, were eliminated during consolidation.

Loan Payable

In 2015, the Group entered into a credit facility agreement with UCPB Leasing and Finance Corporation granting the Company with a credit line amounting to P 30.3M to refinance the acquisition of various trucks and heavy equipment purchased in 2014 amounting to P 30.3M. As at December 31, 2015, the Company has fully utilized the credit facility.

The loan is payable in five years, in 60 monthly installment starting May 30, 2015, the month after the first drawdown. It bears an annual interest rate of 9%. As at December 31, 2017, the loan payable amounted to P5.63 which will be due within 12 months after the year-end. The outstanding amount of these borrowings decreased by P10.58M (65.27%) from P16.21 as of December 31, 2017 due to scheduled principal repayments on term loans.

Retirement Benefit Liability

Retirement Benefit Liability amounted to P4.22M of December 31, 2017. This is the latest actuarial valuation prepared by an independent actuary using the projected credit unit method.

Deficit

Deficit amounted to P102.51M as of end December 2017. Deficit increased because of increased expenses and minimal sale of incidental production during the year.

Full Year – December 31, 2016 vs. December 31, 2015

Cash and Cash Equivalent

Cash and cash equivalents decreased by P2.89M (29%), to P6.91M as of December 31, 2016 form P9.80M as of December 31, 2015, due mainly to capital expenditure incurred in exploration and evaluation assets.

Advances to Affiliates

These were advances to related parties under common control for working capital purposes. These are unsecured, non-interest bearing, and generally settled in cash and payable upon demand. The balance as of December 2016 was P.66M.

Funds held in escrow

This pertains to the proceeds of IPO which are kept separate and distinct from all other funds in the custody of the Custodian Bank. Net withdrawals of principal from the fund held in escrow amounted to P50.0M and P47.0M in 2016 and 2015, respectively.

Prepayments and Other Current Assets

Prepayments and other current assets increased by P2.78M (137%), to P4.81M as of December 31, 2016 from P2.03M as of December 31, 2015, mainly due to Receivables from sale of incidental coal are generally due and demandable and in accordance with the Permits to Transport and Sell (PTS) issued by the DOE and additional Restricted cash set aside to settle obligations arising from a certain court case.

Exploration and Evaluation Assets

Exploration and Evaluation Assets were increased by P66.91M (16%) as of December 31, 2016. The increase was brought by the capitalization of the costs incurred in the exploration and pre-development of the mining properties in Davao Oriental such as personnel costs, professional, utilities, depreciation and others.

Property, Plant and Equipment

Property, Plant and Equipment were decreased by P44.29M (15%), from P 305,609,793 as of December 31, 2015 to P 261,324,664 as of December 31, 2016, due to depreciation incurred during the year.

Intangible Assets

Computer software for exploration was decreased due to amortization of such.

Coal Reserves

Coal Reserves still amounted to P3.13 billion as of December 31, 2016. This represents the fair value of the coal reserve acquired as a result of the business combination.

Deferred Tax Assets

Deferred tax assets were increased by P2.23M (26%), to P10.77M as of December 31, 2016 from P8.54M as of December 31, 2015.

Trade and Other Payables

Trade and Other Payables decreased by P1.69M (16%), to P9.0M as of December 31, 2016 from P10.69M as of December 31, 2016, due mainly to the Final payment of certain supplier of the Group.

Advances from Related Parties

These advances are unsecured, non-interest bearing, and generally settled in cash and payable upon demand. The advances of the Parent Company to TMEC amounting to P508.3M and P461.2M as at December 31, 2016 and 2015, respectively, were eliminated during consolidation.

Loan Payable

In 2015, the Group entered into a credit facility agreement with UCPB Leasing and Finance Corporation granting the Company with a credit line amounting to P 30.3M to refinance the acquisition of various trucks and heavy equipment purchased in 2014 amounting to P 30.3M. As at December 31, 2015, the Company has fully utilized the credit facility.

The loan is payable in five years, in 60 monthly installment starting May 30, 2015, the month after the first drawdown. It bears an annual interest rate of 9%. As at December 31, 2016, the loan payable amounted to ₱16.21M of which ₱10.58M will be due within 12 months after the year-end. The outstanding amount of these borrowings decreased by ₱8.63M (35%) from ₱24.84 as of December 31, 2015 due to scheduled principal repayments on term loans.

Retirement Benefit Liability

Retirement Benefit Liability amounted to ₱3.70M of December 31, 2016. This is the latest actuarial valuation prepared by an independent actuary using the projected credit unit method.

Deficit

Deficit amounted to ₱94.53 M as of end December 2016. Deficit increased because of increased expenses and minimal sale of incidental production during the year.

<u>Full Year – December 31, 2015 vs. December 31, 2014</u>

Cash

Cash was decreased as of December 31, 2015 due to transfer made to funds held in escrow.

Advances to Affiliates

These were advances to Pacifico Sul Mineraçao Corporation (PSMC) for working capital purposes. These are unsecured, non-interest bearing, and generally settled in cash and payable upon demand. The balance as of December 2015 was 1.27M.

Funds held in escrow

Funds held in escrow are the proceeds of IPO that are in custody of a Custodian bank. The funds were increased from ₱ 32.4M to ₱ 87.1M due to reclassification of Cash Equivalent. During the year, ₱ 47M was disbursed from the fund for pre-development expenditures.

Prepayments and Other Current Assets

Prepayments and Other Current Assets were decreased because the advances made to landowners for the purchase of land were completed and ownership was transferred.

Exploration and Evaluation Assets

Exploration and Evaluation Assets were increased by ₱ 38.98M as of December 31, 2015. The increase was brought by the capitalization of the costs incurred in the exploration and pre-development of the mining properties in Davao Oriental such as personnel costs, community relations costs, fuel, communication and transportation costs, depreciation and others.

Property, Plant and Equipment

Property, Plant and Equipment were decreased by around ₱ 40M, from P 345,508,953 as of December 31, 2014 to ₱ 305,609,793 as of December 31, 2015, due to depreciation incurred during the year.

Intangible Assets

Computer software for exploration was decreased due to amortization of such.

Coal Reserves

Coal Reserves still amounted to ₱3.13 billion as of December 31, 2015. This represents the fair value of the coal reserve acquired as a result of the business combination.

Deferred Tax Assets

Deferred tax assets amounted to ₱ 8.5M as of December 31, 2015, which were increased due to net operating loss carry over (NOLCO) for 2015.

Trade and Other Payables

Trade and Other Payables was ₱ 10.5M.

Advances from Related Parties

These advances are unsecured, non-interest bearing, and generally settled in cash and payable upon demand.

Loan Payable

In 2015, the Group entered into a credit facility agreement with UCPB Leasing and Finance Corporation granting the Company with a credit line amounting to ₱ 30.3M to refinance the acquisition of various trucks and heavy equipment purchased in 2014 amounting to ₱ 30.3M. As at December 31, 2015, the Company has fully utilized the credit facility.

The loan is payable in five years, in 60 monthly instalments starting May 30, 2015, the month after the first drawdown. It bears an annual interest rate of 9%. As at December 31, 2015, the loan payable amounted to ₱ 24.8M of which ₱ 9.1M will be due within 12 months after the year-end.

Retirement Benefit Liability

Retirement Benefit Liability amounted to ₱ 4.6M of December 31, 2015. This is the latest actuarial valuation prepared by an independent actuary using the projected credit unit method.

Deficit

Deficit amounted to ₱ 80.6M as of end December 2015. Deficit increased because of increased expenses and minimal sale of incidental production during the year.

Notes on the COAL's Financial Information

Coal Reserves

The Parent Company acquired TMEC in 2012 (see Note 1) in exchange for Parent Company's common shares valued at 3,200.0 million. The Parent Company recognized the portion of consideration amounting to ₱3,131.6 million as coal reserves.

In 2017, the Group carried out a review of the recoverable amount of its coal reserves. The impairment test is based on value in use calculations that use discounted cash flow model from the Group's operations. Cash flow projections are based on most recent financial forecast.

The key assumptions used to determine the value in use of the nonfinancial assets include coal price, foreign exchange rate and discount rates.

The cash flow projections are based on the feasibility study approved by the senior management and submitted to the DOE. The values assigned to each key assumption are estimated with reference to recent external market information.

Average forecast period for COC No. 159 and COC No. 166 is at 9 years and 5 years, respectively. The average forecast period for COC No. 159 is greater than 5 years as the management can reliably estimate the cash flow for the entire duration. The terminal value was computed based on a zero-growth assumption for forecasts beyond the average forecast period.

The average discount rate used 12.60%.

Based on the impairment test performed, management did not identify impairment loss for the investment in a subsidiary. Management also believes that no reasonably possible change in any of the key assumptions would cause the carrying amounts of the nonfinancial assets to materially exceed their respective recoverable amounts.

In 2012, the Group obtained an independent valuation report to estimate the value of TMEC's coal reserves in accordance with the PSE Guidelines for Fairness Opinions and Valuation Reports. The valuation was determined using the discounted cash flow approach based on assumptions and information secured from the Competent Persons Reports on the Davao Oriental and Zamboanga Sibugay Projects and available market information. The significant unobservable inputs used in the fair value measurement categorized within level 3 of the fair value hierarchy include estimated coal reserves, coal price, foreign exchange rate and discount rate. The independent valuation determined the value of the Group's coal reserves at ₱12.5 billion.

Exploration and Evaluation Asset

Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of the coal resource.

Exploration and evaluation activity includes:

- Gathering exploration data through geological studies;
- Exploratory drilling and sampling; and
- Evaluating the technical feasibility and commercial viability of extracting the coal resource.

The account "Exploration and evaluation asset" is carried at cost less accumulated impairment losses.

Exploration and evaluation asset is no longer classified as such when the technical feasibility and commercial viability of extracting the coal reserve are demonstrable. Exploration and evaluation asset is assessed for impairment, and any impairment loss recognized, before reclassification.

The assets, liabilities, income and expense and operating and investing cash flows as at and for the year ended 31 December 2017 from the exploration for and evaluation of coal resources are as follows:

	2017
Total Assets	779,291,804
Total Liabilities	556,550,346
Revenue	-
Expenses	6,742,828
Net cash provided by operating activities	(8,978,729)

Net cash provided by investing activities	(15,267,743)
Net cash provided by financing activities	18,644,443

Exploration and evaluation asset pertains to costs incurred for the exploration and evaluation of the mining property situated in the province of Davao Oriental and Zamboanga Sibugay, Philippines.

COC #159 and COC #166 provide certain minimum work expenditure obligations covered by the work program of exploration phase.

The recovery of the exploration and evaluation asset is dependent upon the success of future exploration and evaluation activities and events.

Movements of this account are as follows:

	2017
Balance at beginning of year	480,756,581
Additions for the year	54,199,759
Cost at the end of year	534,956,340

No impairment loss was recognized in 2017.

The Group obtained an independent valuation report using the discounted cash flow approach to estimate the value of the coal reserves. The expected net present value of the coal reserve is estimated at ₱12.5 billion.

The Group obtained an enterprise report dated March 15, 2013 to estimate the enterprise value of COC 159, Coal Blocks Nos. 217 (Macopa) and 136 (Bactinan). Discounted cash flow approach was used in the valuation of the coal reserve of COC 159, Coal blocks Nos. 217 (Macopa) and 136 (Bactinan) is estimated at ₱4.1 billion.

Impairment of Nonfinancial Assets

The carrying amounts of COAL's nonfinancial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's net recoverable value is estimated.

Any impairment loss is recognized if the carrying value of an asset or its cash-generating unit exceeds its net recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets of COAL. Impairment losses are recognized in profit or loss in the period incurred.

The net recoverable value of a nonfinancial asset is the greater of its value in use or its fair value less costs to sell. Value in use is the present value of future cash flows expected to be derived from an asset while the fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable and willing parties less cost of disposal. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine net recoverable value. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized.

Revenue Recognition of Sale of Coal

Revenue is recognized to the extent that the revenue can be reliably measured, it is probable that the economic benefits will flow to the Group, and the costs incurred or to be incurred can be measured reliably. In addition, the following specific recognition criteria must also be met before revenue is recognized.

Specifically, revenue from coal sales is recognized when the goods are delivered, the title to the goods has passed to the buyer and the amount of revenue can be measured reasonably.

Other Financial Information

As of and for period ended 31 December 2017:

- No material changes on COAL's financial position (changes of 5.00% or more) can be computed as the Company has only been incorporated on 11 June 2012.
- COAL is not aware of any known trends, or any known demands, commitments, events, or uncertainties that will result in or that are reasonably likely to result in COAL's liquidity increasing or decreasing in any material way.
- It is not aware of any event that would trigger direct or contingent financial obligation that is material to COAL, including any default or acceleration of an obligation.
- All material off-balance sheet transactions, arrangements, obligations and other relationships of COAL with unconsolidated entities or other persons created during the period were considered.
- There were no known trends, events, or uncertainties on net revenues or income from continuing operations.
- COAL is not aware of any significant elements of income and loss that did not arise from COAL's continuing operations.
- COAL is not aware of any seasonal aspects that had a material effect on the financial condition or results of operations.
- COAL is not aware of any seasonal aspects that had a material effect on the financial condition or results of operations.

Financial Statements

Please refer to the attached audited consolidated financial statements of the Company as at and for the year ended December 31, 2017 and 2016, which have been prepared in accordance with Philippine Financial Reporting Standards, as audited by Reyes Tacandong & Co.

The Company was incorporated on 11 June 2012. Since the audit of Reyes Tacandong & Co., there has been no change in auditor and there has been no disagreement on accounting and financial disclosures.

The aggregate fees for each of last two (2) fiscal years for professional services rendered by the external auditors are as follows:

	2017	2016
Audit Fee	₱485,000	₱550,000
Tax Fees	-	-
Other Fees	-	-
TOTAL	₱485,000	₱550,000

Professional fees paid to the external auditor are purely audit engagement fees. The external auditor was not engaged for professional services for tax accounting, compliance, advice, planning and any other form of tax services.

It is the policy of the Company that services to be rendered by independent auditors, as well as the corresponding fees thereof, must first be reviewed by the Audit and Risk Committee (the members of said Committee being composed of Messrs. Aristides S. Armas (Chairman), Arsenio M. Bartolome III, and Eric Y. Roxas) prior to said report being endorsed to the Board of Directors for approval.

Key Performance Indicators

COAL uses the same measures that TMEC uses to assess following measures to assess its performance from period to period.

Key Indicators	
Gross Profit Margin (%)	0.00%
Net Income (loss) Margin (%)	0.00%
Return on Asset (%)	0.00%
Return on Equity (%)	0.00%
Current Ratio(x)	0.81:1

RESULTS OF OPERATIONS

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED MARCH 31, 2018

General and Administrative Expenses

General and Administrative expenses amounted to ₱3.09 million for the three months ended 31 March 2018. These expenses were comprised primarily of personnel costs, professional fee, Representation and Entertainment and listing fee for the year 2017.

Operating Income and Operating Loss Margin
The Company incurred an operating loss of ₱3.09 million.

Interest Income
Interest income amounted to ₱0.01 million, which came from interest earned from bank deposits, cash equivalents and funds held in escrow.

Interest Expense
Interest Expense on Loan Payable for three months ended 31 March 2018 amounting to ₱0.07 million.

Other Income
The Group has no other income earned for the period.

Net Income and Net Income Margin
The net loss of the Group for the period amounted to ₱3.14 million.

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE THREE MONTHS ENDED MARCH 31, 2018

As at 31 March 2018, the total assets of the group amounted to P3,940.45 million as against P3,947.26 million as at 31 December 2017. Total current assets decreased to ₱9.02 million from ₱42.89 million, attributed mainly to the decrease in funds held in escrow used in the development and expense incurred during the period. Noncurrent assets increased to P3,906.59 million from P3,904.37 million due to the increase in exploration and evaluation assets as at 31 March 2018.

Current liabilities as at the end of the quarter decreased to ₱41.72 million from ₱45.39 million as at 31 December 2017 due to the decrease in trade and other payable and repayment of Group loan. Total equity of the group decreased to P3,894.51 million from P3,897.66 million due to net loss incurred by the Group for the three months period in year 2018.

ADDITIONAL REQUIREMENT (SRC Rule 68)

A schedule showing financial soundness indicators in two comparative period

	March 31, 2018	December 31, 2017
Current assets	30,454,697	42,888,329
Current liabilities	41,718,558	45,385,921
Liquidity ratio	0.73:1.00	0.94:1.00
Net loss before	(3,109,946)	
depreciation		(7,754,441)
Total liabilities	45,938,200	49,605,563
Solvency ratio	(0.07):1.00	(0.16):1.00
Total liabilities	45,938,200	49,605,563
Total equity	3,894,514,748	3,897,657,214
Debt–to–equity ratio	0.01:1.00	0.0127:1.00
	3,940,452,948	
Total assets		3,947,263,777
Total equity	3,894,514,748	3,897,657,214
Asset–to–equity ratio	1.01:1.00	1.01:1.00
Net loss	(3,142,466)	(7,976,615)
Total assets	3,940,452,948	3,947,262,777
Return on asset	(0.00):1.00	(0.002):1.00
	(3,142,466)	
Net loss		(7,976,615)
Total equity	3,894,514,748	3,897,657,214
Return on equity	(0.00):1.00	(0.002):1.00

(B) Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

Reyes Tacandong & Co. was appointed as external auditors for the year ended 31 December 2017.

There were no disagreements with the external auditors on any matter pertaining to accounting and financial disclosure.

PART IV - MANAGEMENT AND CERTAIN SECURITY HOLDERS

Please refer to the portion of this Information Statement on "Directors and Executive Officers".

PART V - CORPORATE GOVERNANCE

In compliance with the initiative of the Securities and Exchange Commission ("SEC") under Memorandum Circular No. 19, Series of 2016, the Company's Revised Manual on Corporate Governance (the "Manual") was approved by the Board of Directors on 31 May 2017. The Manual is a supplement to the Company's Amended By-Laws.

The Company remains focused on insuring the adoption of systems and practices of good corporate governance in enhancing value for its shareholders. Even prior to the adoption of the Manual, the Board of Directors organized themselves into Board level committees, such as: Corporate Governance Committee, for selection and evaluation of qualifications of directors and officers, a Compensation and Remuneration Committee, to look into an appropriate remuneration system; and an Audit and Risk Management Committee to review financial and accounting matters as well as oversee the Company's management of risk. The Company will also elect a third independent director in the upcoming annual meeting, as well as consider the organization of a Corporate Governance Committee and a Related Party Transaction Committee.

> The Company evaluates the level of compliance of the Board of Directors and top-level management with its Revised Manual on Corporate Governance, as well as the leading corporate governance practices of the industry, by using the evaluation standards set by the Philippine Stock Exchange and Institute of Corporate Directors. Through its participation in the annual Corporate Governance Disclosure Survey of the PSE and the ICD's yearly corporate governance initiatives, the Company is able to assess its corporate governance performance as against best practices benchmarks.

Compliance with Rules on Corporate Governance

The Company continues to monitor compliance with the Rules on Corporate Governance issued by the SEC and remains committed in ensuring the adoption of other systems and practices of good corporate governance to enhance its value for its stockholders. The Integrated Annual Corporate Governance of the Corporation was submitted to the SEC and PSE on 30 May 2018.

PART VI - EXHIBITS AND SCHEDULES

Exhibits

Please refer to the attached audited consolidated financial statements and required supplementary schedules of the Company as of and for the year ended 31 December 2017, which have been prepared in accordance with Philippine Financial Reporting Standards, as audited by Reyes, Tacandong & Co. Likewise attached is the Company's interim unaudited financial statements as of 31 March 2018.

UNDERTAKING TO PROVIDE COPIES OF REPORTS

UPON WRITTEN REQUEST OF ANY SHAREHOLDER OF RECORD ENTITLED TO NOTICE OF AND VOTE AT THE MEETING, THE COMPANY SHALL FURNISH SUCH SHAREHOLDER WITH A COPY OF THE COMPANY'S INFORMATION STATEMENT (SEC FORM 20-IS), ANNUAL REPORT FOR 2017 (SEC FORM 17-A), AND QUARTERLY REPORT FOR FIRST QUARTER 2018 (SEC FORM 17-Q) FREE OF CHARGE. ANY SUCH WRITTEN REQUEST SHALL BE ADDRESSED TO:

A. BAYANI K. TAN
THE CORPORATE SECRETARY
COAL ASIA HOLDINGS, INCORPORATED
3RD FLOOR JTKC CENTER
2155 DON CHINO ROCES AVENUE
MAKATI CITY

ANNEX C

COVER SHEET

CS201210314

SEC Registration Number

COAL ASIA HOLDINGS, INC.

(Company's Full Name)

2ND FLOOR JTKC CENTER, 2155
DON CHINO ROCES AVE.,
MAKATI CITY

ANN MARGARET K. LORENZO

632-0905

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COAL ASIA HOLDINGS INCORPORATED

REVISED MANUAL ON CORPORATE GOVERNANCE

Adopted 31 May 2017

MANUAL ON CORPORATE GOVERNANCE

The Board of Directors and Management of Coal Asia Holdings Incorporated (the "Company") hereby commit themselves to the principles and best practices contained in this Manual to guide the attainment of the corporate goals.

PART I

OBJECTIVE

This Manual shall institutionalize the principles of good corporate governance in the entire organization.

The Board of Directors and Management, employees, and shareholders believe that good corporate governance is a necessary component of what constitutes sound strategic business management and will therefore undertake every effort necessary to create awareness within the organization as soon as possible.

PART II

COMPLIANCE SYSTEM

The Compliance System shall ensure that the corporate principles and best practices shall at all times be maintained for the attainment of the corporate goals and objectives. To this end, the corporate governance principles and guidelines contained in this Manual must be adhered to by all concerned, starting with the Board of Directors, the Board Committees, the Corporate Officers and the Auditors, to be monitored by the Compliance Officer.

A. Compliance Officer

1. The Board shall designate a Compliance Officer who shall report directly to the Chairman of the Board. The Compliance Officer should not be a member of the Board and should have adequate stature and authority in the Company to ensure that the Company complies with good corporate governance practices. The Compliance Officer shall be required to annually attend training on corporate governance.

2. The Compliance Officer shall be primarily responsible for monitoring and ensuring adherence to the provisions of this Manual.

3. The Compliance Officer shall perform the following duties:

   a. Identify, monitor and control compliance by the Company with the Code and, if any violations are found, report the matter to the Board and recommend the imposition of appropriate disciplinary action on the responsible parties and the adoption of measures to prevent repetition of the violation;

b. Establish an evaluation system to determine, monitor and measure compliance with the provisions and requirements of this Manual, report the same to the Board for adoption and approval;

c. Ensure that the Evaluation System and the features thereof are properly disclosed in the company's annual report to the SEC;

d. Identify and monitor compliance with the rules and regulations of regulatory agencies, and take appropriate corrective measures to address all regulatory issues and concern;

e. Appear before or make representations with the Securities and Exchange Commission (SEC) upon summons on similar matters that need to be clarified by the same; and

f. Issue a certification every January 30th of the year on the extent of the Company's compliance with this Manual for the completed year, explaining the reason/s of the latter's deviation from the same.

4. The Compliance Officer shall have direct reporting responsibilities to the Chairman of the Board.

5. The appointment of the Compliance Officer shall be immediately disclosed to the SEC.

6. All correspondence relative to his functions as such shall be addressed to said Compliance Officer.

B. Board of Directors

1. The Board is responsible for fostering the long-term success of the Company and securing its sustained competitiveness and profitability in a manner consistent with its fiduciary responsibility, which it shall exercise in the best interest of the Company, its shareholders and other stakeholders. The Board shall conduct itself with utmost honesty and integrity in the discharge of its duties, functions and responsibilities to ensure a high standard of best practice for the Company, its stockholders and other stakeholders.

2. The members of the Board shall be elected at each annual meeting of the stockholders in accordance with the By-Laws, and shall hold office until the next annual meeting or until their successors shall have been duly elected and qualified. The number of directors shall be seven (7), or such other number as shall be provided in the Articles of Incorporation.

3. The Board shall have a policy on board diversity (i.e. gender, age, ethnicity, culture, skills, competence, knowledge, etc.). The Board should always ensure that it has an appropriate mix of competence and expertise and that its members remain qualified for their positions individually and collectively, to enable it to fulfill its roles and

responsibilities and respond to the needs of the organization based on the evolving business environment and strategic direction.

4. The Board shall be composed of a majority of non-executive directors who possess the necessary qualifications to effectively participate and help secure objective, independent judgment on corporate affairs and to substantiate proper checks and balances. The non-executive directors of the Board may concurrently serve as directors of a maximum of five (5) publicly-listed companies to ensure that they have sufficient time to fully prepare for meetings, challenge Management's proposals/views, and oversee the long-term strategy of the company. A director should notify the Board before accepting a directorship in another publicly-listed company.

5. At least three (3) or such number as to constitute one-third (1/3) of the Board, whichever is higher, must be independent. The Board shall designate a lead director among the independent directors if the Chairman of the Board is not independent or if the positions of the Chairman of the Board and Chief Executive Officer are held by one person.

6. In the proper discharge of its functions, the Board shall hold regular meetings to review the operations and financial performance of the Company and to consider matters brought before it for approval. Where required by the SEC or by existing laws and regulations, at least one independent director shall be present in all Board meetings. However, the holding of meetings shall be valid even without the attendance of any one of the independent directors if their failure to attend is for any justifiable cause.

   During the meetings, the Board shall assess the Company's performance, position and prospects based on Management's account thereof, which shall be presented in a balanced and understandable manner. Special meetings of the Board may also be called in accordance with the provisions of the By-Laws. Independent views during Board meetings shall be given due consideration. Minutes of such meetings shall be properly taken and filed.

7. The Board's non-executive directors (NEDs) shall have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive directors present to ensure that proper checks and balances are in place within the Company. The meetings shall be chaired by the lead independent director.

8. The Board is primarily accountable to the stockholders. It shall provide them with a balanced and comprehensive assessment of the Company's performance, position and prospects on a quarterly basis, including interim and other reports that could adversely affect its business, as well as reports to regulators that are required by law.

9. The Board shall have the following duties, functions and responsibilities, in addition to those specified in the prevailing laws and regulations and the Company's By-Laws:

a. Determine and establish the Company's purpose, mission and vision, objectives, policies and procedures, and the strategies and means to carry out its objectives and attain its goals;

b. Establish minimum internal control mechanisms for monitoring and overseeing management performance;

c. Implement a process of selection to ensure a mix of competent directors and specify minimum qualifications and disqualifications for these positions who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies;

d. Establish a system of periodic training of directors and key officers, including an orientation program for first-time directors and officers and relevant annual continuing training for all such directors and key officers. All newly-elected members of the Board of Directors and newly-appointed officers shall, before assuming as such, be required to attend a seminar on corporate governance which shall be conducted by a duly recognized private or government institute, provided that they have not previously attended such seminar. Such seminar for newly-elected directors and newly-appointed officers should last for at least eight (8) hours, with the following topics sufficiently covered therein: Revised Code of Corporate Governance, ASEAN Corporate Governance Scorecard and SEC Annual Corporate Governance Report, board responsibilities, illegal activities of corporations/directors/officers, insider trading, protection of minority shareholders, short swing transactions, liabilities of directors, confidentiality, conflict of interest, related party transactions, case studies, and financial reporting and audit. Newly-elected directors and key officers who have previously attended such seminar, re-elected directors, and re-appointed officers shall be required to annually attend a corporate governance training seminar lasting for at least four (4) hours.

e. Appoint competent, professional, honest and highly-motivated management officers;

f. Align the remuneration of key officers and board members with the long-term interest of the Company. In determining compensation, the Board shall ensure that remuneration is commensurate to the responsibilities of the relevant officer and that the pay-out schedule is sensitive to risk outcomes over a multi-year horizon.

g. Ensure and adopt an effective succession planning program for directors, key officers and management to ensure growth and a continued increase in the shareholders' value, which shall include adopting a policy on the retirement age for them as part of management succession and to promote dynamism in the Company;

h. Provide sound strategic policies and guidelines to the Company on major capital expenditures and establish programs that can sustain the Company's long-term viability and strength;

i. Periodically evaluate and monitor the implementation of its strategic policies and programs, business plans, operating budgets, including the Management's overall performance;

j. Ensure that the Company complies with all relevant laws, regulations and codes of best business practices;

k. Identify the Company's stakeholders and formulate a clear policy on communicating or relating with them through an effective investor relations program;

l. Promote cooperation between the stakeholders and the Company in creating wealth, growth and sustainability by establishing clear policies and programs to provide a mechanism on their fair treatment and protection;

m. Identify the sectors in the community in which the Company operates or are directly affected by its operations and formulate a clear policy of accurate, timely and effective communication with them;

n. Adopt a transparent framework and process that allow stakeholders to communicate with the Company and to obtain redress for the violation of their rights;

o. Adopt a system of check and balance within the Board, conduct a regular review of the effectiveness of such system to ensure the integrity of the decision-making and reporting processes at all times and perform a continuing review of the Company's internal control system in order to maintain its adequacy and effectiveness;

p. Identify key risk areas and performance indicators and monitor these factors with due diligence to enable the Company to anticipate and prepare for possible threats to its operational and financial viability;

q. Formulate and implement policies and procedures that would ensure the integrity and transparency of related party transactions and other unusual or infrequently occurring transactions between and among the Company and its parent company, joint ventures, subsidiaries, associates, affiliates, major stockholders, officers and directors, including their spouses, children and dependent siblings and parents, and of interlocking director relationships by members of the Board;

r. Constitute the Committees in this manual when necessary or when required by law, and appoint the members thereof in keeping with the principles of good corporate governance and in accordance with the provisions of this Manual;

s. Provide the stockholder with a balanced and understandable assessment of the Company's performance, position and prospects;

t. Disclose significant related party and other unusual transactions reviewed and approved during the year in the Annual Corporate Governance Report;

u. Establish and maintain an alternative dispute resolution system in the Company that can amicably settle conflicts or differences between the Company and its stockholders, and the Company and third parties, including the regulatory authorities

v. Meet at such times or frequency as may be needed. The minutes of such meetings should be duly recorded. Independent views during Board meetings should be encouraged and given due consideration;

w. Keep the activities and decisions of the Board authority within the powers of the institution as prescribed in the Articles of Incorporation, By-Laws and in existing laws, rules and regulation;

x. Explain its responsibility for preparing the accounts, for which there should be a statement by the auditors about its reporting responsibilities;

y. Require the chief audit executive to render to the Audit Committee and senior management an annual report on the internal audit department's activity, purpose, authority, responsibility and performance relative to the audit plans and strategies approved by the Audit Committee;

z. Define the Company's policy on disclosing non-financial information, with emphasis on the management of economic, environmental, social and governance issues of the Company's business. The Board shall consider the adoption of globally recognized standards/frameworks in reporting non-financial and sustainability issues.

aa. Set the tone and make a stand against corrupt practices by adopting an anti-corruption policy and program, which shall be disseminated to employees across the organization through trainings to embed them in the company's culture; and

bb. Establish a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation, and to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.

cc. Set in place clear rules for standards of ethical and professional behavior. The Board shall adopt therefor a Code of Business Conduct and Ethics which would set such standards, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the Company. The Company Code of Business Conduct and Ethics, and any amendments thereto, should be properly disseminated to the Board, Management and employees and posted in the company website. The Board shall ensure proper implementation and monitor compliance with the Company Code of Business Conduct and Ethics. The Code should include, among others, the anti-corruption policies of the Company.

dd. Conduct an annual self-assessment of its own performance, including that of the Chairman, individual members, and committees, which should be supported by an external facilitator every three years.

10. The members of the Board occupy a position of trust and confidence, and as such, shall possess the character, skills and competence suited for the office.

a. A director shall have the following duties and responsibilities;

i. Conduct fair business transactions with the Company and ensure that personal interests do not prejudice Board decisions;

ii. Act in a manner characterized by transparency, accountability and fairness;

ii. Devote time and attention necessary to properly discharge his duties and responsibilities;

iii. Act judiciously and exercise independent judgment;

iv. Abstain from taking part in the deliberations for any transaction affecting the Company shall in which he has a material interest;

v. Inhibit himself from discussions or deliberations involving his own remuneration;

vi. Have a working knowledge of the statutory and regulatory requirements affecting the Company, including the contents of its Articles of Incorporation and By-Laws, the requirements of the Commission, and where applicable, the requirements of other regulatory agencies;

vi. Observe confidentiality;

vii. Ensure the continuing soundness, effectiveness and adequacy of the Company's control environment; and

viii. Attend regular and special meetings of the Board in person or by teleconferencing, subject to existing regulations.

b. A director shall possess the following qualifications:

i. Holder of at least one (1) share of stock of the Company;

ii. At least a college graduate, or in lieu of a formal education, he must have gained sufficient experience in managing the business;

iii. At least twenty one (21) years old;

iv. Of proven integrity, probity and assiduousness; and

v. Possessing such other qualifications as shall be prescribed by the Board.

c. The Board may, by a resolution, adopt grounds for permanent disqualification of a director, which shall include but not be limited to the following:

i. Any person convicted by final judgment or order by a competent judicial or administrative body of any crime that (a) involves the purchase or sale of securities, as defined in the Securities Regulation Code; (b) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (c) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them;

ii. Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the Commission or any court or administrative body of competent jurisdiction from: (a) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (b) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company; (c) engaging in or continuing any conduct or practice in any of the capacities mentioned in sub-paragraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities;

iii. Any person currently the subject of an order of the SEC, the Bangko Sentral ng Pilipinas (BSP), or any court or administrative body denying, revoking, or suspending any registration, license or permit issued to him under the Corporation Code, Securities Regulation Code or any other law administered by the SEC or BSP, or under any rule or regulation issued by the SEC or BSP.

iv. Any person who has been restrained to engage in activity involving securities and banking.

v. Any person who is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participation of the organization.

vi. Any person convicted by final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts;

vii. Any person adjudged by final judgment of the SEC, BSP, a court or other administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of, any provision of the Securities Regulation Code, the Corporation Code, or any other law administered by the SEC or BSP, or any rule, regulation or order of the SEC or BSP;

viii. Any person judicially declared to be insolvent;

ix. Any person found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct listed in the previous paragraphs;

x. Any person Convicted by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of the Corporation Code, committed within five (5) years prior to the date of his election or appointment; and

xi. An independent director who becomes an officer or employee of the same company shall be automatically disqualified from being an independent director.

d. The Board may, by a resolution, prescribe grounds for the temporary disqualification of a director, which may include, but not be limited, to any of the following:

i. Refusal to comply with the disclosure requirements of the Securities Regulation Code and its Implementing Rules and Regulations. The disqualification shall be in effect as long as the refusal persists.

ii. Absence or non-participation in more than fifty percent (50%) of all meetings, both regular and special, of the Board of directors during his incumbency, or any twelve (12) month period during said incumbency, unless the absence is due to illness, death in the family, serious accident, or other fortuitous event. This disqualification applies for purposes of the succeeding election;

iii. Dismissal or termination for cause from directorship in another publicly-listed company, public company, registered issuer of securities and holder of secondary license from the SEC. This disqualification shall be in effect until he has cleared himself of any involvement in the cause that gave rise to his dismissal or termination.

iv. Being under preventive suspension by the Company; and

v. If any of the judgments or orders cited in the grounds for permanent disqualification of directors has not yet become final.

c. An independent director shall have a maximum cumulative term of nine (9) years, after which he is perpetually barred from re-election as such unless the Board provides meritorious justification, and the shareholders approve it during their annual meeting. At the end of the term of the independent director, he may qualify for nomination as a non-independent director.

In addition to the foregoing qualifications disqualifications, a director nominated and elected as independent shall likewise meet the following requirements:

i. He is not, or has not been a senior officer or employee of the Company unless there has been a change in the controlling ownership of the Company;

ii. He is not, and has not been in the three (3) years immediately preceding the election, a director of the Company, or a director or officer of its related companies or any of the Company's substantial shareholders and its related companies except when the same shall be as an independent director of any of the foregoing.

iii. He has not been appointed in the Company, its subsidiaries, associates, affiliates, or related companies as "Chairman Emeritus", "Ex-Officio Director/Officer" or member of any advisory board, or otherwise appointed in a capacity to assist the Board in the performance of its duties and responsibilities within three (3) years immediately preceding his election.

iv. He does not own more than two percent (2%) of the outstanding shares of the Company or of its related companies.

v. He is not a relative of any director, officer or substantial shareholder of the Company, any of its related companies or any of its substantial shareholder. For this purpose, relatives include spouse, parent, child, brother, sister, and the spouse of such child, brother or sister.

vi. He is not acting as a nominee or representative of any director or substantial shareholder of the Company, and/or any of its related companies and/or any of its substantial shareholders, pursuant to a Deed of Trust or under any contract or arrangement.

vii. He has not been employed in any executive capacity by the Company, any of its related companies, and/or by any of its substantial shareholder within the last five (5) years.

viii. He is not a securities broker-dealer of listed companies and registered issuer of securities. "Securities broker-dealer" refers to any person holding any office of trust and responsibility in a broker-dealer firm, which includes, among others, a director, officer, principal stockholder, nominee of the firm to the Exchange, an associated person or salesman, and an authorized clerk of the broker or dealer.

ix. He is not retained, either in his personal capacity or through his firm, as a professional adviser, auditor, consultant, agent or counsel by the Company, any of its related companies or any of its substantial shareholders, within the last three (3) years immediately preceding his election. He is independent of Management and free from any business or other relationship with the Company within the same period.

x. He has not engaged and does not engage in any transaction with the Company, any of its related companies, or any of its substantial shareholders, whether by himself and/or with other persons and/or through a firm of which he is a partner and/or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arm's length and are immaterial.

xi. He is not affiliated with any non-profit organization that receives significant funding from the Company or any of its related companies or substantial shareholders.

xii. He is not employed as an executive officer of another company where any of the Company's executives serve as directors.

For purposes of the foregoing, a "related company" of the Company shall be any of the following: (i) its parent company, (ii) its subsidiaries, or (iii) subsidiaries of its parent company. Also, a "substantial shareholder" shall mean any person who, directly or indirectly, beneficially owns more than ten percent (10%) of any class of security issued by the Company.

10. The Board shall be headed by a competent and qualified Chairman who shall have the following responsibilities:

a. Make certain that the meeting agenda focuses on strategic matters, including the overall risk appetite of the Company, considering the developments in business and regulatory environments, key governance concerns, and contentious issues that will significantly affect operations;

b. Guarantee that the Board receives accurate, timely, relevant, insightful, concise and clear information to enable it to make sound decisions;

c. Facilitate discussions on key issues by fostering an environment conducive for constructive debate and leveraging on the skills and expertise of individual directors;

d. Ensure that the Board sufficiently challenges and inquires on reports submitted and representations made by Management;

e. Assure the availability of proper orientation for first-time directors and continuing training opportunities for all directors; and

f. Make sure that the performance of the Board is evaluated at least once a year and such evaluation is discussed by the Board.

C. Board Committees

1. *Executive Committee*

a. The Executive Committee shall be composed of at least three (3) members to be appointed by the Board. The Board shall have the power to change the members of the Committee at any time, to fill vacancies therein and to discharge or dissolve such committee either with or without cause.

b. Except as provided in Section 35 of the Corporation Code, the Executive Committee shall have and exercise all such powers as may be delegated to it by the Board.

c. The Executive Committee shall keep regular minutes of its proceedings and report the same to the Board whenever required.

2. *Audit Committee*

a. The Audit Committee shall be composed of at least three (3) appropriately qualified non-executive directors, the majority of whom, including the Chairman, shall be independent. All its members must have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance. Its Chairman should not be the chairman of the Board or of any other committees.

b. The Audit Committee shall carry out the following tasks:

i. Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations.

ii. Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the Company. This function shall include regular receipt from Management of information on risk exposures and risk management activities.

iii. Perform oversight functions over the Company's internal and external auditors. It should ensure that the internal and external auditors act independently from each other, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions.

iv. Review the annual internal audit plan to ensure its conformity with the objectives of the Company. The plan shall include the audit scope, resources, and budget necessary to implement it;

v. Prior to the commencement of the audit, discuss with the external auditor the nature, scope and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts.

vi. review the disposition of the recommendations in the external auditor's management letter;

vii. Organize an internal audit department and consider whether it will be more beneficial for the Company to appoint an Internal Auditor or outsource internal audit services. The Audit Committee shall submit its recommendations to the Board for approval, including the terms and conditions of his engagement and removal;

viii. Monitor and evaluate the adequacy and effectiveness of the Company's internal control system, including financial reporting control and information technology security, and ensure the integrity of the financial reports and protection of the assets of the Company for the benefit of all stockholders and other stakeholders.

ix. Review the reports submitted by the internal and external auditors.

x. Review the quarterly, half-year, and annual financial statements before their submission to the Board, with particular focus on the following matters:

xi. Any change/s in accounting policies and practices;

    (a) Areas where a significant amount of judgment has been exercised;

    (b) Significant adjustments resulting from the audit;

    (c) Going concern assumptions;

    (d) Compliance with accounting standards; and

    (e) Compliance with tax, legal, and regulatory requirements.

xii. Coordinate, monitor and facilitate compliance with laws, rules and regulations;

xiii. Evaluate and determine the non-audit work, if any, of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the Company's overall consultancy expenses. The Committee shall disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the Company's Annual Report and Annual Corporate Governance Report;

xiv. Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. He shall functionally report directly to the Audit Committee. The Audit Committee shall ensure that, in the performance of the work of the internal Auditor, he shall be free from interference by outside parties.

xv. Review and monitor Management's responsiveness to the Internal Auditor's findings and recommendations.

xvi. Recommend the approval of an Internal Audit Charter which shall formally define the role of Internal Audit and the audit plan, as well as oversee the implementation of the Internal Audit Charter.

c. The Audit Committee shall recommend the appointment, reappointment, removal, and fees of the external auditor for the approval of the Board and ratification of the shareholders. When there is a change or removal of the external auditor, the reason therefor shall be disclosed to the proper regulatory authorities and the public through the proper disclosures and the company website. It shall also be the responsibility of the Audit Committee to assess the integrity and independence of the external auditor, taking into consideration the relevant Philippine professional and regulatory requirements. The Audit Committee shall also annually review and monitor the external auditor's suitability and effectiveness.

d. The Audit Committee shall meet with the Board without the presence of the CEO or other management team members, if warranted, and periodically meet with the head of the internal audit.

3. *Nomination Committee*

a. The Nomination Committee shall be composed of three (3) directors, one of whom must be an independent director.

b. The Committee shall have the following duties and responsibilities:

   i. It shall pre-screen and shortlist all candidates nominated to become a member of the board of directors in accordance with the qualifications and disqualifications set in this Manual and by the Board. The identification of the quality of directors must be aligned with the strategic direction of the company.

ii. The Nomination Committee shall evaluate each candidate for nomination to ensure that they possess the knowledge, skills, experience and in the case of election as non-executive directors, independence of mind. The Committee shall ensure that candidates for election (1) have a record of integrity and good repute, (2) have sufficient time to carry out their responsibilities as members of the Board, and (3) have the ability to promote smooth interaction between board members. The Committee may engage the services of a professional search firm or external sources when searching for candidates for election to the Board.

iii. In consultation with the executive or management committee/s, re-define the role, duties and responsibilities of the Chief Executive Officer by integrating the dynamic requirements of the business as a going concern and future expansionary prospects within the realm of good corporate governance.

iv. The Nomination Committee shall recommend to the Board the maximum number of directorships allowed for non-executive directors. In doing so, the Committee shall consider the following:

  - The nature of the business of the corporations of which the director is also a director;
  - Age of the director;
  - Number of directorships/active memberships and officerships in other Corporations or organizations; and
  - Possible conflict of interest.

  The optimum number shall be related to the capacity of a director to perform his duties diligently.

v. It shall write a report to assess the effectiveness of the Board's processes and procedures in the nomination, election, or replacement of a director.

c. All nominations shall be submitted to the Nomination Committee by any stockholder of record on or before January 30 of each year to allow the Nomination Committee sufficient time to assess and evaluate the qualifications of the nominees. All recommendations for the nomination of independent directors shall be signed by the nominating stockholders together with the acceptance and conformity of the would-be nominees.

After the nomination process, the Committee shall prepare a List of Candidates which shall contain all the information about all the nominees for election as members of the Board of Directors, which list shall be made available to the SEC and to all stockholders through the filing and distribution of the Information Statement or Proxy

Statement, or in such other reports as the Company will be required to submit to the SEC. The name of the stockholder who recommended the nomination of the independent directors shall be disclosed in such report, including any relationship with the nominee. Only nominees whose names appear on the List of Candidates shall be eligible for election as directors. No other nominations for election as director shall be entertained (1) after the List of Candidates shall have been prepared and finalized, and (2) on the floor during the annual stockholders' meeting.

4. Compensation and Remuneration Committee

a. The Compensation and Remuneration Committee shall be composed of at least three (3) members, one of whom shall be an independent director.

b. The Committee shall have the following duties and responsibilities:

   i. Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel to ensure that the compensation levels are consistent with the Company's culture, strategy and control environment.

   ii. Determine and align the amount of remuneration for the Company's directors and officers with the long-term interests of the company by formulating and adopting a policy specifying the relationship between remuneration and performance, which shall be in a sufficient level to attract and retain personnel who are needed to run the company successfully.

   iii. Ensure that all incoming officers and directors disclose fully their existing business interests or shareholdings that may directly or indirectly conflict with the performance of their intended duties and responsibilities, under the penalty of perjury.

   iv. Disallow any director to decide his or her own remuneration.

   v. Provide management with a clear, concise and understandable disclosure of the compensation of the Company's executive officers for the previous fiscal year and the current year, which shall be incorporated in the Company's annual reports, information and proxy statements.

   vi. Review the existing Human Resources Development or Personnel Handbook or its equivalent, to strengthen provisions on conflict of interest, salaries and benefits policies, promotion and career advancement directives and compliance of personnel concerned with all statutory requirements. In the absence of such Personnel Handbook or its equivalent, the Committee, in coordination with the Human Resources Department, shall develop such a handbook which shall cover the same parameters of governance stated above.

5. *Corporate Governance Committee*

a. The Corporate Governance (CG) Committee shall be composed of at least three members, all of whom are independent directors. It is tasked to assist the Board in the performance of its corporate governance responsibilities.

b. The CG Committee shall have the following duties and responsibilities:

   i. Oversee the implementation of the corporate governance framework and periodically review the said framework to ensure that it remains appropriate in light of material changes to the Company's size, complexity and business strategy, as well as its business and regulatory environments;

   ii. Oversee the periodic performance evaluation of the Board and its committees as well as executive management, and conducts an annual self-evaluation of its performance;

   iii. Ensure that the results of the Board evaluation are shared, discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement;

   iv. Recommend continuing education/training programs for directors, assignment of tasks/projects to board committees, succession plan for the board members and senior officers, and remuneration packages for corporate and individual performance;

   v. Adopt corporate governance policies and ensures that these are reviewed and updated regularly, and consistently implemented in form and substance;

   vi. Propose and plan relevant trainings for the members of the Board;

   vii. Determine the nomination and election process for the company's directors and has the special duty of defining the general profile of board members that the company may need and ensuring appropriate knowledge, competencies and expertise that complement the existing skills of the Board; and

   viii. Establish a formal and transparent procedure to develop a policy for determining the remuneration of directors and officers that is consistent with the Company's culture and strategy as well as the business environment in which it operates.

c. It shall be the responsibility of the Committee to set in place a system for the assessment of the performance of the Board. Pursuant to this duty, the Committee shall provide the criteria and process to determine the performance of the Board, the individual directors, committees and Management. Such system should allow for a feedback mechanism from the shareholders.

d. Unless the Board specifically provides for the creation of a separate unit to handle whistleblowing concerns within the Company, it shall be the duty of the Corporate Governance Committee to set up a suitable whistleblowing framework and a mechanism for employees to report their concerns or allegations of illegal or unethical practices within the Company. The framework shall include the manner of reporting and provision for ensuring confidentiality and protection to the informer.

6. Board Risk Oversight Committee

a. The Board Risk Oversight Committee (BROC) shall be composed of at least three members, the majority of whom must be independent directors, including its Chairman who must not be the Chairman of the Board or of any other committee. At least one member of the committee must have relevant thorough knowledge and experience on risk and risk management. The BROC is responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.

b. The BROC has the following duties and responsibilities:

i. Develop a formal enterprise risk management plan which contains the following elements: (a) common language or register of risks, (b) well-defined risk management goals, objectives and oversight, (c) uniform processes of assessing risks and developing strategies to manage prioritized risks, (d) designing and implementing risk management strategies, and (e) continuing assessments to improve risk strategies, processes and measures;

ii. Oversee the implementation of the enterprise risk management plan through a Management Risk Oversight Committee. The BROC conducts regular discussions on the company's prioritized and residual risk exposures based on regular risk management reports and assesses how the concerned units or offices are addressing and managing these risks;

iii. Evaluate the risk management plan to ensure its continued relevance, comprehensiveness and effectiveness. The BROC revisits defined risk management strategies, looks for emerging or changing material exposures, and stays abreast of significant developments that seriously impact the likelihood of harm or loss;

iv. Advise the Board on its risk appetite levels and risk tolerance limits;

v. Review at least annually the company's risk appetite levels and risk tolerance limits based on changes and developments in the business, the regulatory framework, the external economic and business environment, and when major events occur that are considered to have major impacts on the company;

vi. Assess the probability of each identified risk becoming a reality and estimates its possible significant financial impact and likelihood of occurrence. Priority areas of concern are those risks that are the most likely to occur and to impact the performance and stability of the Company and its stakeholders;

vii. Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risk exposures of the Company. This function includes regularly receiving information on risk exposures and risk management activities from Management; and

viii. Report to the Board on a regular basis, or as deemed necessary, the company's material risk exposures, the actions taken to reduce the risks, and recommends further action or plans, as necessary.

c. The company shall have a Chief Risk Officer (CRO), in charge of the Company's risk management, with adequate authority, stature, resources and support to fulfill his/her responsibilities.

d. The CRO shall have the following duties and responsibilities:

i. Supervise the entire Risk Management process and spearheads the development, implementation, maintenance and continuous improvement of risk management processes and documentation;

ii. Communicate the top risks and the status of implementation of risk management strategies and action plans to the Board Risk Oversight Committee;

iii. Collaborate with the CEO in updating and making recommendations to the Board Risk Oversight Committee;

iv. Suggest ERM policies and related guidance, as may be needed; and

v. Provide insights on the following:

(a) Performance of risk management processes as intended;

(b) Continuously review of reported Risk measures by risk owners for effectiveness; and

(c) Compliance with established risk policies and procedures.

7. *Related Party Transaction Committee*

The Board may also create, by resolution or resolutions passed by majority of its members, a Related Party Transaction Committee, which shall consist of at least three (3) non-executive members of the Board, at least two (2) of whom, including the Chairman, shall be independent directors. The Related Party Transaction Committee shall be responsible for reviewing all material related party transactions of the Company.

The Related Party Transaction Committee shall carry out the following tasks:

a. Recommend to the Board for adoption a group-wide policy and system governing Related Party Transactions (RPTs), which policy shall include the definition of related parties, coverage of the RPT policy, guidelines in evaluating and approving RPTs, management of potential conflicts of interest, adoption of materiality thresholds, whistle-blowing mechanism and restitution of losses and other remedies for abusive RPTs.

b. Evaluate the existing relations between and among businesses and counterparties to ensure that related parties are continuously identified, RPTs are monitored, and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured.

c. Ensure that related parties, RPTs and changes in relationships are reflected in the relevant reports to the Board and regulators/supervisors. For this purpose, the Committee shall define the duty of directors and officers, including the mechanism therefor, to disclose relationships with related parties.

d. Evaluate all material RPTs to ensure that these are not undertaken on more favorable economic terms to such related parties than similar transactions with non-related parties under similar circumstances and that no corporate or business resources of the Company are misappropriated and misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions. In evaluating RPTs, the Committee shall take into account, among others, the following: (1) the related party's relationship to the Company and interest in the transaction, (2) the material facts of the proposed RPT, including the proposed aggregate value of such transaction, (3) the benefit to the Company of the proposed RPT, (4) the availability of other sources of comparable products or services, and (5) an assessment of whether the proposed RPT is on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances. The Company should have an effective price discovery system in place and exercise due diligence in determining a fair price for RPTs.

e. Ensure that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the Company's RPT exposures, and policies on conflicts of interest or potential conflicts of interest. The disclosure should include information on the approach to managing material conflicts of interest that are inconsistent with such policies, and conflicts that could arise as a result of the Company's affiliation or transactions with other related parties.

f. Report to the Board regularly on the status and aggregate exposures to each related party, as well as the total amount of exposures to all related parties. The Committee shall submit material or significant RPTs for approval of the Board and ratification of shareholders.

g. Ensure that transactions with related parties, including write-off of exposures are subject to a periodic independent review or audit process.

h. Oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of RPT policies and procedures.

8. Management

The Management should formulate, under the supervision of the Audit Committee, the rules and procedures on financial reporting and internal control in accordance with the following guidelines:

i. The extent of its responsibility in the preparation of the financial statements of the Company, with the corresponding delineation of the responsibilities that pertain to the External Auditor, should be clearly explained;

ii. An effective system of internal control that will ensure the integrity of the financial reports and protection of the assets of the Company should be maintained for the benefit of all stockholders and other stakeholders;

iii. On the basis of the approved audit plans, internal audit examinations should cover, at the minimum, the evaluation of the adequacy and effectiveness of controls that cover the Company's governance, operations and information systems, including the reliability and integrity of financial and operational information, effectiveness and efficiency of operations, protection of assets, and compliance with contracts, laws, rules and regulations;

iv. The Company should consistently comply with the financial reporting requirements of the Commission;

v. The External Auditor should be rotated or changed every five (5) years or earlier, or the signing partner of the external auditing firm assigned to the Company, should be changed with the same frequency;

vi. The Internal Auditor should submit to the Audit Committee and Management an annual report on the internal audit department's activities, responsibilities and performance relative to the audit plans and strategies as approved by the Audit Committee. The annual report should include significant risk exposures, control issues and such other matters as may be needed or requested by the Board and Management;

vii. The Internal Auditor should certify that he conducts his activities in accordance with the International Standards on the Professional Practice of Internal Auditing. If he does not, he shall disclose to the Board and Management the reasons why he has not fully complied with the said standards.

9. *Chief Executive Officer*

a. The Chief Executive Officer (CEO) shall be appointed by the Board to serve as such until his successor shall have been elected and qualified. At the option of the Board, a person other than the President may be designated CEO, at which instance the President may be designated Chief Operating Officer (COO). The President and CEO positions should both be held by Filipino citizens. Being the principal officers of the Company, the President and CEO shall be a person or persons of outstanding knowledge and integrity. The President and CEO shall work and deal fairly and objectively with all the constituencies of the Company, namely, the Board, management, and stockholders.

b. Subject to the control of the Board of Directors, the CEO shall:

   i. Supervise and control all the business and affairs of the Company;
   ii. Determine the Company's strategic direction and formulate and implement its strategic plan on the direction of the business.
   iii. Communicate and implement the Company's vision, mission, values and overall strategy and promote any organization or stakeholder change in relation to the same.
   iv. Manage the human and financial resources in accordance with the strategic plan.
   v. Have a good working knowledge of the Company's industry and market and keep up-to-date with its core business purpose.
   vi. Direct, evaluate and guide the work of the key officers of the Company.
   vii. Manage the Company's resources prudently and ensure a proper balance of the same.
   viii. Provide the Board with timely information and interface between the Board and the employees of the Company. Whenever proper, it shall also be the duty of the President to consult the Company employees, solicit their viewpoint and communicate the same to the Board so the Board can be guided before making key decisions.
   ix. Build the corporate culture and motivate the employees of the Company.
   x. Serve as the link between internal operations and external stakeholders.
   xi. In the absence of the Chairman or the Vice Chairman of the Board, preside at all meetings of the Board of Directors and stockholders. If the President and CEO positions are not held by one individual, then the CEO shall preside unless absent, in which case the President shall preside;
   xii. Together with other officers designated by the Board, sign all checks, drafts, or other orders with respect to any funds of the Company maintained in any

bank, certificates of stock of the Company, any deed, mortgage, bond, contract, or other instrument which the Board of Directors has authorized to be executed;

xiii. Perform all duties incident to the office(s) of the President and CEO, and such other duties as may be prescribed by the Board of Directors from time to time.

c. The positions of Chairman of the Board and Chief Executive Officer, when practicable, may be held by separate individuals and each should have clearly defined responsibilities. In case the President or CEO is also the Chairman of the Board, he shall strictly follow the checks and balances provided by the Board in accordance with this Manual to insure that independent, outside views, perspectives and judgments are given proper hearing in the Board.

10. Corporate Secretary

a. The Corporate Secretary shall be elected by the Board, to serve as such until his successor shall have been duly elected and qualified.

b. The Corporate Secretary shall possess the following qualifications:

   i. The Corporate Secretary should be a Filipino citizen and a separate individual from the Compliance Officer. The Corporate Secretary should not be a member of the Board of Directors.

   ii. The Corporate Secretary shall demonstrate perfection in performance and maintain loyalty to the mission, vision and specific business objectives of the Company.

   iii. Considering his varied functions and duties, he must possess administrative and interpersonal skills, and if he is not the general counsel, then he must have some legal skills. He must also have some financial and accounting skills.

c. The Corporate Secretary shall have the following duties and functions:

   i. Assist the Board and the board committees in the conduct of their meetings, including preparing an annual schedule of Board and committee meetings and the annual board calendar, and assisting the chairs of the Board and its committees to set agendas for those meetings;

   ii. Be responsible for the safekeeping and preservation of the integrity of the minutes of the meeting of the Board and its committees, as well as other official records of the Company;

   iii. Advise on the establishment of additional board committees and their terms of reference;

iv. Work fairly and objectively with the Board, Management, stockholders, and other stakeholders;

v. Have appropriate administrative and interpersonal skills;

vi. If he is not at the same time the Company's legal counsel, to be aware of the laws, rules, and regulations necessary in the performance of his duties and responsibilities, including relevant laws and rules affecting the industry and operations of the Company, to be able to effectively advise the Board on all relevant issues as they arise;

vii. Have a working knowledge of the operations of the Company;

viii. Inform that members of the Board, or of the committees of the Board, as the case may be, in accordance with the By-Laws, of the agenda of their meetings at least five (5) working days in advance, and ensure that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;

ix. Attend all Board meetings except when justifiable causes, such as illness, death in the immediate family, and serious accidents prevent him from doing so;

x. Ensure that all Board and committee procedures, rules, and regulations are strictly followed by members;

xi. Oversee the drafting and amendments of the by-laws and ensure that they conform with regulatory standards;

xii. Perform required administrative functions pertaining to his office, as defined in the Company's by-laws and pertinent government regulations.

11. External Auditor

a. The external auditor shall be selected, appointed and removed, and his fees shall be set by the Board and ratified by the stockholders during the annual stockholders' meetings, upon recommendation of the Audit Committee.

b. The reason/s for the resignation, dismissal or cessation from service, and the date thereof, of an external auditor shall be reported in the company's annual and current reports. Said report shall include a discussion of any disagreement between him and the Company on accounting principles and practices, financial disclosures or audit procedures which the former auditor and the Company failed to resolve satisfactorily. A preliminary copy of said report shall be given by the Company to the external auditor before his submission.

If the external auditor believes that any statement made in the annual report, information statement or any report filed with the Commission or any regulatory body during the period of his engagement is incorrect or incomplete, he shall give his comments or views on the matter in the said report.

c. The external auditor of the company shall not at the same time provide the services of an internal auditor to the same client. The Board shall ensure that other non-audit work shall not be in conflict with the functions of the external auditor.

e. The Company's external auditor shall be rotated or the handling partner shall be changed every five (5) years or earlier, or the signing partner of the external auditing firm assigned to the Company should be changed with the same frequency.

12. Internal Auditor

a. The Company shall have in place an independent internal audit function which shall be performed by an Internal Auditor or a group of internal audit personnel headed by an Internal Auditor, through which the Board, senior management, and stockholders shall be provided with reasonable assurance that the Company's key organizational and procedural controls are effective, appropriate, and complied with. The Board shall approve and set in place an Internal Audit Charter to guide the Internal Auditor or group's performance of their functions. The Company's internal audit function may, at the discretion of the Board, be outsourced to qualified independent third party service providers.

b. The internal audit function shall include, among others, the following functions:

   i. Providing an independent risk-based assurance service to the Board, Audit Committee and Management, focusing on reviewing the effectiveness of the governance and control processes in (1) promoting the right values and ethics, (2) ensuring effective performance management and accounting in the organization, (3) communicating risk and control information, and (4) coordinating the activities and information among the Board, external and internal auditors and Management;

   ii. Performing regular and special audit as contained in the annual audit plan and/or based on the Company's risk assessment;

   iii. Performing consulting and advisory services related to governance and control as appropriate for the organization;

   iv. Performing compliance audit of relevant laws, rules and regulations, contractual obligations and other commitments, which could have a significant impact on the organization;

v. Reviewing, auditing and assessing the efficiency and effectiveness of the internal control system of all areas of the Company;

vi. Evaluating operations or programs to ascertain whether results are consistent with established objectives and goals, and whether the operations or programs are being carried out as planned;

vii. evaluating specific operations at the request of the Board or Management, as appropriate; and

viii. monitoring and evaluating governance processes.

b. The Internal Auditor, who shall act as the Chief Audit Executive of the Company, shall report directly to the Audit Committee and the CEO. The Internal Auditor shall have the following functions:

i. oversee and be responsible for the internal audit activities of the organization, including the portion outsourced to a third party service provider, if applicable. Where the internal audit is a fully outsourced activity, a qualified independent executive or senior management personnel shall be assigned the responsibility of managing the internal audit activity;

ii. periodically review the internal audit charter and present it to senior management and the Audit Committee for approval;

iii. establish a risk-based internal audit plan, including policies and procedures, to determine the priorities of the internal audit activity, consistent with the organization's goals;

iv. communicate the internal audit activity's plans, resource requirements and impact of resource limitations, as well as significant interim changes, to senior management and the Audit Committee for review and approval;

v. spearhead the performance of the internal audit activity to ensure it adds value to the organization;

vi. report periodically to the Audit Committee on the internal audit activity's performance relative to its plan; and

vii. present findings and recommendations to the Audit Committee and give advice to senior management and the Board on how to improve internal processes.

d. The minimum internal control mechanisms for management's operational responsibility shall center on the President, being ultimately accountable for the Company's organizational and procedural control.

e. The scope and particulars of a system of effective organizational and procedural controls shall be based on the following factors: the nature and complexity of business and the business culture; the volume, size and complexity of transactions; the degree of risk; the degree of centralization and delegation of authority; the extent and effectiveness of information technology; and the extent of regulatory compliance.

f. The system of internal control shall be designed to manage, rather than eliminate, the risk of failure to achieve business targets and objectives and shall provide reasonable, although not absolute assurance against material misstatement or loss.

g. The Internal Auditor shall report to the Audit Committee. However, direction may be provided by the President and/or Head of the Finance Division, with respect to internal coordination with other Divisions of the Company.

PART III

REPORTORIAL OR DISCLOSURE SYSTEM OF CORPORATE GOVERNANCE POLICIES

1. The reports or disclosures required under this Manual shall be prepared and submitted to the Commission by the responsible Committee or officer through the Company's Compliance Officer;

2. The Board shall commit at all times to fully disclose material information dealings. It shall cause the filing of all required information for the interest of the stakeholders through the proper procedures adopted by the Philippine Stock Exchange and by the SEC for the interest of its stockholders and other stakeholders.

3. All material information about the Company which could adversely affect its viability or the interests of its stockholders and other stakeholders shall be publicly and timely disclosed to the Philippine Stock Exchange and the Commission. Such material information shall include, among others, earnings results, acquisition or disposition of assets, off-balance sheet transactions, related party transactions and direct and indirect remuneration of members of the Board and the management.

4. All directors and officers shall disclose/report to the Company any dealings in its shares within three (3) business days.

5. The Board shall fully disclose all relevant and material information on individual board members and key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.

5\. The Company shall provide a clear disclosure of its policies and procedure for setting Board and executive remuneration, as well as the level and mix of the same in the Annual Corporate Governance Report. The disclosure should include termination and retirement provisions.

6. The Company's corporate governance policies, programs and procedures shall be contained in its Manual on Corporate Governance, which shall be submitted to the regulators and posted on the Company's website.

7. Committee Charters of all established committees stating in plain terms their respective purposes, memberships, structures, operations, reporting processes, resources and other relevant information, as well as standards for evaluating the performance of the Committee shall be fully disclosed on the company's website.

8. The Company should include media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.

PART IV

SHAREHOLDERS' RIGHTS AND PROTECTION OF MINORITY STOCKHOLDERS' INTERESTS

The Board shall be committed to respect the following rights of the stockholders:

A. Right to Active Participation

1. The Board shall encourage active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least twenty-eight (28) days before the meeting.

2. The Board shall make the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day. In addition, the Minutes of the Annual and Special Shareholders' Meeting should be available on the Company's website within five (5) business days from the end of the meeting.

3. The Board shall designate an Investor Relations Officer (IRO) who must be present at every shareholders' meeting to ensure constant engagement with its shareholders.

B. Voting Right

1. Shareholders shall have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code. Minority shareholders shall have the right to nominate their candidates in writing in the form and period prescribed by the Company, and sent to the Corporate Secretary.

2. Cumulative voting shall be used in the election of directors. The use of poll voting shall, as much as practicable, be adopted during stockholders' meetings.

3. A director shall not be removed without cause if it will deny minority shareholders representation in the Board.

C. Power of Inspection

All shareholders shall be allowed to inspect during office hours the corporate books and records including minutes of Board meetings and stock registries in accordance with the Corporation Code and shall be furnished with annual reports, including financial statements, without cost or restrictions.

D. Right to Information

1. The shareholders shall be provided, upon written request, with periodic reports which disclose personal and professional information about the directors and officers and certain other matters such as their holdings of the company's shares, dealings with the company, relationships among directors and key officers, and the aggregate compensation of directors and officers.

2. All shareholders, including minority shareholders, shall have the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate business purposes.

3. The minority shareholders shall have access to any and all information relating to matters for which the management is accountable for and to those relating to matters for which the management shall include such information and, if not included, then the minority shareholders shall be allowed to propose to include such matters in the agenda of stockholders' meeting, being within the definition of "legitimate purposes".

E. Right to Dividends

1. Shareholders shall have the right to receive dividends subject to the discretion of the Board.

2. The company shall be compelled to declare dividends when its retained earnings shall be in excess of 100% of its paid-in capital stock, except: a) when justified by definite corporate expansion projects or programs approved by the Board or b) when the Company is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not been secured; or c) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the Company, such as when there is a need for special reserve for probable contingencies.

F. Appraisal Right

1. The shareholders shall have appraisal right or the right to dissent and demand payment of the fair value of their shares in the manner provided for under Section 82 of the Corporation Code of the Philippines, under any of the following circumstances:

a. In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;

b. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code; and

c. In case of merger or consolidation.

2. It shall be the duty of the directors to promote shareholder rights, remove impediments to the exercise of shareholders' rights and allow possibilities to seek redress for violation of their rights. They shall encourage the exercise of shareholders' voting rights and the solution of collective action problems through appropriate mechanisms. They shall be instrumental in removing excessive costs and other administrative or practical impediments to shareholders participating in meetings and/or voting in person. The directors shall pave the way for the electronic filing and distribution of shareholder information necessary to make informed decisions subject to legal constraints.

PART V

ADEQUATE AND TIMELY INFORMATION

1. Management should provide members of the Board of Directors with complete, adequate and timely information about the matters to be taken in their meeting.

2. In order for each of the members of the Board to properly perform their function and responsibilities further inquiries will be made and not merely rely on the information volunteered by the Management. Members are given independent access to Management and Corporate Secretary information and documents.

3. Members, either individually or as a Board, and in furtherance of their duties and responsibilities, shall have access to independent professional advice at the Company's expense.

PART VI

MONITORING AND ASSESSMENT

1. Each Committee shall report regularly to the Board of Directors.

2. The Compliance Officer shall establish an evaluation system to determine and measure compliance with this Manual. Any violation thereof shall subject the responsible officer or employee to the penalty provided under Part 8 of this Manual.

3. The establishment of such evaluation system, including the features thereof, shall be disclosed in the company's annual report or in such form of report that is applicable to the Company. The adoption of such performance evaluation system must be covered by a Board approval.

4. This Manual shall be subject to quarterly review unless this frequency is amended by the Board.

5. All business processes and practices being performed within any department or business unit of the Company that are not consistent with any portion of this manual shall be revoked unless upgraded to the compliant extent.

PART VII

COMMUNICATION PROCESS

1. This manual shall be available for inspection by any stockholder of the Company at reasonable hours on business days.

2. All directors, executives, division and department heads are tasked to ensure the thorough dissemination of this Manual to all employees and related third parties, and to likewise enjoin compliance in the process.

3. An adequate number of printed copies of this Manual must be reproduced and distributed to all departments/subsidiaries with a minimum of at least one (1) hard copy of the Manual each.

PART VIII

TRAINING PROCESS

1. If necessary, funds shall be allocated by the CFO or its equivalent officer for the purpose of conducting an orientation program or workshop to operationalize this Manual.

2. A director shall, before assuming as such, be required to attend a seminar on corporate governance which shall be conducted by a duly recognized private or government institute.

PART IX

COMMITMENT TO GOOD CORPORATE GOVERNANCE

This Manual shall be made available for inspection by any stockholder at reasonable hours on business days.

PART X

PENALTIES FOR NON-COMPLIANCE

1. To strictly observe and implement the provisions of this manual, the following penalties shall be imposed, after notice and hearing, on the company's directors, officers, staff, subsidiaries and affiliates and their respective directors, officers and staff in case of violation of any of the provision of this Manual:

    a. In case of **first violation**, the subject person shall be reprimanded.

    b. In case of **second violation,** suspension from office shall be imposed The duration of the suspension shall depend on the gravity of the violation.

    c. **For third violation,** the maximum penalty of removal from office shall be imposed.

2. The commission of a third violation of this manual by any member of the board of the company or its subsidiaries and affiliates shall be a sufficient cause for removal from directorship.

3. The Compliance Officer shall be responsible for determining violation/s through notice and hearing and shall recommend to the Chairman of the Board the imposable penalty for such violation, for further review and approval of the Board.

Harald R. Tomintz
Chairman of the Board

Rosanna T. Desiderio
Compliance Officer

Coal Asia Holdings
Reliable energy resources through responsible mining

ANNEX D

THE BOARD OF DIRECTORS CHARTER

I. Purpose

Compliance with the principles of good corporate governance shall start with the Board. It is the Board's responsibility to foster the long-term success of the Corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the best interests of its stockholders and other stakeholders. The Board shall conduct itself with utmost honesty and integrity in the discharge of its duties, functions and responsibilities to ensure a high standard of best practice for the Corporation, its stockholders and other stakeholders.

II. Membership

The Board of Directors shall be composed of such number of Directors as shall be provided in the Articles of Incorporation, duly elected by the stockholders entitled to vote in accordance with the By-Laws, the Corporation Code and the Securities Regulation Code.

The Board shall have at least three (3) Independent Directors qualified as such in accordance with the relevant provisions of the Securities Regulation Code and other regulations of the Securities and Exchange Commission.

III. Policies Relating to the Board

A. Board Diversity Policy

The Company shall promote and observe a policy on diversity in the composition of its Board of Directors. Diversity in age, gender, ethnicity, experience, field expertise, and personal qualities shall be considered by the Board as it installs a process of selection to ensure a mix of competent directors and key officers.

B. Policy on Multiple Board Seats

A director shall exercise due discretion in accepting and holding directorships outside of the Company. A director may hold directorships outside of the Corporation provided that these positions do not retract from the director's capacity to diligently perform his duties as a director of the Corporation.

The Non-Executive members of the Board of Directors should concurrently serve as directors only to a maximum of five (5) publicly- listed companies to ensure that they have sufficient time to fully prepare for meetings, challenge Management's proposals/views, and oversee the long-term strategy of the Company.

C. Term Limits for Independent Directors

The Board's Independent Directors shall serve for a maximum cumulative term of nine (9) years, after which, the Independent Director shall be perpetually barred from re-election as such in the Company. He may, however, continue to qualify for nomination and election as a non-independent director.

In instances where the Company will want to retain an Independent Director who has served for nine years, the Board shall provide meritorious justification/s and seek shareholders' approval during the annual meeting of the Company's shareholders.

D. Access to Information

To enable the Board to properly fulfill their duties and responsibilities, management should provide directors with complete and timely information about the matters in the agenda of the meetings. Directors should be given independent access to management and the Corporate Secretary, as well as to independent professional advice.

IV. The Chairman of the Board of Directors

The Board should be headed by a competent and qualified Chairman. The roles and responsibilities of the Chairman include, among others, the following:

A. Make certain that the meeting agenda focuses on strategic matters, including the overall risk appetite of the Company, considering the developments in the business and regulatory environments, key governance concerns, and contentious issues that will significantly affect operations.

B. Guarantee that the Board receives accurate, timely, relevant, insightful, concise, and clear information to enable it to make sound decisions.

C. Facilitate discussions on key issues by fostering an environment conducive for constructive debate and leveraging on the skills and expertise of individual directors.

D. Ensure that the Board sufficiently challenges and inquires on reports submitted and representations made by Management.

E. Assure the availability of proper orientation for first-time directors and continuing training opportunities for all directors.

F. Make sure that performance of the Board is evaluated at least once a year and discussed/followed up on.

To the extent that the operations of the Company shall allow, the roles of the Chairman and the Chief Executive Officer shall be separate to foster an appropriate balance of power, increased accountability, and better capacity for independent decision-making by the Board. A clear delineation of functions should be made between the Chairman and the Chief Executive Officer upon their election.

V. Meetings

A. The directors should attend and actively participate in all meetings of the Board in person or through tele-/video-conferencing conducted in accordance with the rules and regulations of the Securities and Exchange Commission; except when justifiable causes, such as, illness, death in the immediate family and serious accidents, prevent them from doing so. In Board meetings, the director should review meeting materials and if called for, ask the necessary questions or seek clarifications and explanations.

B. The Board may, to promote transparency, require the presence of at least one (1) Independent Director in all of its meetings. However, the absence of an Independent Director shall not affect the quorum requirements if he is duly notified of the meeting but notwithstanding such notice fails to attend.

C. The Board of Directors shall meet at least six (6) times a year. Board meetings shall be scheduled in advance before the start of the year.

D. Items to be discussed during the board meeting shall be made available to each director at least five (5) days in advance. In emergency circumstances, however, the meeting may be called on a shorter notice.

E. Non-executive Directors, headed by the Lead Independent Director, shall meet periodically with the External Auditor and the Head of Internal Audit, without the presence of Executive Directors and key officers.

F. The presence of 2/3 of the directors is required when determining the quorum of the meeting.

VI. Authority and Responsibilities of the Board of Directors

To ensure a high standard of best practice for the Company, and to promote and protect the interest of the Company, its stockholders and its stakeholders, the Board shall conduct itself with honesty and integrity in the performance, among others, the following duties and responsibilities:

A. Install a process of selection to ensure a mix of competent directors and officers, regardless of age, gender, race and religion.

B. Set and regularly review the strategic objectives and the Company's vision and mission, determine investment policy, agree on performance criteria and delegate to management the detailed planning of implementation of that policy, in accordance with appropriate risk parameters.

C. Determine and oversee the implementation of the strategies and plans, review the operation and financial performance of the Company and to consider matters specifically reserved for its approval.

D. Ensure and adopt an effective succession planning program for directors, key officers and Management to ensure growth and a continued increase in the shareholders' value. This should include adopting a policy on the retirement age for directors and key officers as part of management succession and to promote dynamism in the Company.

E. Ensure that the Company complies with all relevant laws, regulations and codes of best business practices, and achievement against objectives, by holding Management accountable for its activity through the measurement and control of operations by regular reports to the Board, including monthly performance reporting and budget updates.

F. Identify the Company's major and other stakeholders and formulate a clear policy on communicating or relation with them through an effective investor relations program.

G. Identify the Company's stakeholders in the community in which it operates or are directly affected by its operations and formulate a clear policy of accurate, timely, and effective communication with them.

H. Adopt a system of internal checks and balances.

I. Identify and monitor with due diligence key risk areas and key performance indicators, and manage the same especially those categorized as having high impact with high probability of occurrence.

J. Properly discharge Board functions by meeting regularly. Independent views during Board meetings shall be given due consideration and all such meetings shall be duly minuted.

K. Keep Board authority within the powers of the institution as prescribed in the Articles of Incorporation, By-Laws and in existing laws, rules and regulations.

L. Formulate and implement policies to ensure the integrity of related party transactions between and among the company and its related companies, business associates, major stockholders, officers, directors and their spouses, children, dependent siblings and parents, and of interlocking director relationships.

M. Establish and maintain an alternative dispute resolution system to settle conflicts between the Corporation and its stockholders or other third parties, including regulatory authorities.

N. Align the remuneration of key officers and board members with the long-term interests of the Company. The Board shall adopt a policy specifying the relationship between remuneration and performance.

O. Designate a lead director among the Independent Directors if the Chairman of the

Board is not independent, including if the positions of the Chairman of the Board and Chief Executive Officer are held by one person.

VII. Duties and Responsibilities of Directors

To ensure a high standard of best practice for the Company, its stockholders and other stakeholders, the members of the Board of Directors shall conduct themselves with honesty and integrity in the performance of, among others, the following specific duties and responsibilities:

A. Conduct fair business transactions with the Company and to ensure that personal interest does not bias Board decisions. He shall not use his position to make profit or to acquire benefit or advantage for himself and/or his related interests. He should avoid situations that may compromise his impartiality. Should an actual or potential conflict of interest arise, he should fully and immediately disclose the same and should not participate in the decision-making process.

B. Devote time and attention necessary to properly discharge his duties and responsibilities. He should devote sufficient time to familiarize himself with the Company's business. He should be constantly aware of, and knowledgeable with, the Company's operations to enable him to meaningfully contribute to the Board's work. He should attend and actively participate in Board and committee meetings, review meeting materials, and, if called for, ask questions or seek explanation.

C. He should act judiciously. He shall evaluate the issues, ask questions and seek clarifications necessary before deciding on any matter brought before the Board.

D. He should exercise independent judgment. He shall review each problem or situation objectively. Should a disagreement with other directors arise, he should carefully evaluate and explain his position. He should not be afraid to take unpopular positions if he thinks such ideas are beneficial to the Company.

E. He should have a working knowledge of the statutory and regulatory requirements affecting the Company, including the contents of its Articles of Incorporation and By-Laws, the requirements of the Securities and Exchange Commission, and where applicable, the requirements of other regulatory agencies. He shall also keep himself informed of the industry developments and business trends in order to safeguard the Company's competitiveness.

F. He should observe and keep confidentiality. He should keep secure and confidential all non-public information he may acquire or learn by reason of his position as director. He shall not disclose any information to any other person without the authority of the Board or the Executive Committee.

G. He should ensure the continuing soundness, effectiveness and adequacy of the Company's control environment.

H. Attend before assumption of office and annually thereafter a seminar on corporate governance conducted by a duly recognized private or government institute.

ANNEX E

OMNIBUS SECRETARY'S CERTIFICATE

ANN MARGARET K. LORENZO, of legal age, Filipino, with office address at 2704 East Tower, Philippine Stock Exchange Center, Exchange Road, Ortigas Center, Pasig City, Metro Manila, being the duly elected and qualified Assistant Corporate Secretary of **COAL ASIA HOLDINGS INCORPORATED** (the "Corporation"), a corporation organized and existing under the laws of the Philippines, with principal office at 3rd Floor JTKC Center, 2155 Don Chino Roces Ave., Makati City under oath, does hereby certify that:

A. *Board of Directors*

1. The following Directors of the Corporation were elected in the Annual Stockholders' Meeting held on 7 August 2018 to serve for one (1) year or until their successors have been elected.

NAME	VOTES RECEIVED	TYPE OF DIRECTORSHIP
1. Harald R. Tomintz	3,202,714,798	Non-Executive Director
2. Johnson A. Sanhi Jr.	3,202,714,798	Executive Director
3. Dexter Y. Tiu	3,202,714,798	Executive Director
4. Eric Y. Roxas	3,202,714,798	Non-Executive Director
5. Juan Kevin G. Belmonte	3,202,714,798	Independent Director
6. Aristides S. Armas	3,202,714,798	Independent Director
7. Arsenio M. Bartolome III	3,202,714,798	Independent Director

2. The Board of the Directors is composed of two (2) Executive Directors and five (5) Non-Executive Directors, three (3) of whom are Independent Directors.

3. In 2018, the Board of Directors met two (2) times and the attendance in said meetings were as follows:

Director	July 17	August 7	%
1. Harald R. Tomintz	✓	✓	100
2. Johnson A. Sanhi Jr.	✓	✓	100
3. Dexter Y. Tiu	✓	✓	100
4. Eric Y. Roxas	✓	✓	100
5. Juan Kevin G. Belmonte	-	✓	50
6. Aristides S. Armas	✓	✓	100
7. Arsenio M. Bartolome III	✓	✓	100

4. In the Board and Committee meetings the directors are participative and ask the necessary questions or seek clarifications and explanations on the matters discussed therein.

5. The Board conducts itself with utmost honesty and integrity in the discharge of its duties, functions and responsibilities to ensure a high standard of best practices for the Company, its stockholders and other stakeholders.

6. In 2018, there were no transactions discussed in Board meetings involving any of the disclosed material interests of the Directors which would give rise to a conflict of interest. As such, no abstentions were made in the deliberations and approval of transactions discussed in the said Board meetings.

7. The Board reviews the Corporation's business objectives and strategies, company policies and processes on a regular basis.

B. Audit and Risk Committee

8. In the organizational meeting of the Board of Directors following the Annual Stockholders' Meeting held on 07 August 2018, the following Directors were appointed to form the Audit and Risk Committee:

NAME	POSITION	TYPE OF DIRECTORSHIP
1. Aristides S. Armas	Chairman	Independent Director
2. Arsenio M. Bartolome III	Member	Independent Director
3. Eric Y. Roxas	Member	Non-Executive Director

C. Corporate Governance Committee

9. In the organizational meeting of the Board of Directors following the Annual Stockholders' Meeting held on 07 August 2018, the following Directors were appointed to form the Corporate Governance Committee:

NAME	POSITION	TYPE OF DIRECTORSHIP
1. Arsenio M. Bartolome III	Chairman	Independent Director
2. Juan Kevin G. Belmonte	Member	Independent Director
3. Aristides S. Armas	Member	Independent Director

IN ATTESTATION OF THE ABOVE, this Certificate was signed this 29th day of May 2019 in Pasig City, Metro Manila.

ANN MARGARET K. LORENZO
Assistant Corporate Secretary

SUBSCRIBED AND SWORN to before me this 29th day of May 2019 in Pasig City, Metro Manila, affiant exhibiting to me her Philippine Passport No. P9475373A issued on 09 November 2018 at DFA NCR East which expires on 08 November 2028 and TIN 274-323-370 as competent evidences of her identity.

Doc. No. 47;
Page No. 11;
Book No. IV;
Series of 2019.

PATRICIA ANN M. CRUZ
Notary Public for Cities of Pasig and San Juan
and in the Municipality of Pateros
Appointment No. 182 (2018-2019)
Commission Expires on December 31 2019
2704 East Tower, PSE Centre, Exchange Road
Ortigas Center, 1605 Pasig City
PTR No. 2843813/ 01 11.2019 / Mandaluyong
IBP LRN No. 016261 / 06.17 19 / Manila II
Roll of Attorneys No. 68370
MCLEC No. VI-0009727 / 07.03.18

ANNEX F

Coal Asia Holdings
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ANNEX A
INSIDER TRADING POLICY

I. Objective

Coal Asia Holdings Incorporated (the "Company")'s Insider Trading Policy shall implement the prohibitions on insider trading provided by the Security Regulation Code and ensure compliance with best practices on Corporate Governance.

II. Definition of Terms

A. Material Information – Any public information that is significant enough to affect the value of the Company's stock, or to influence someone to buy or sell stock. Such material information includes, but is not limited to, financial results, mergers and acquisitions, significant investments and litigation, major changes in key senior management positions and dividend declarations.

B. Public Information – Information available in a Securities and Exchange Commission ("SEC") and a Philippine Stock Exchange ("PSE") filing or press release in major media communication channels.

III. Policy Provision

Information acquired by virtue of office shall be treated with utmost confidentiality. The Company's non-public information should be safeguarded and shall not be disclosed to third parties. Directors, officers and employees are prohibited from buying or selling (trading) shares of stock of the Company using material non-public information and obtained by reason of position, contact within or other relationship with the Company. They are also prohibited from passing on such information to third parties for the purpose of buying or selling the Company's shares of stock.

IV. Covered Persons

The following are considered as Insiders and shall be covered by the provisions of this Policy:

A. The Company's directors, officers, employees, consultants and advisers;

B. Any person who may have been made aware of any material non-public information, with respect to the Company and its operations, either thru his work or other relationship with the Company or its directors, officers, employees, consultants and advisers;

C. Spouse or relatives by affinity or consanguinity within the second degree, legitimate or common law of those mentioned above.

V. Trading Restriction

A. Trading Restriction Period

Directors, officers, employees and the other covered persons mentioned above are prohibited from trading the Company's shares within five (5) trading days before and two (2) trading days after the disclosure of quarterly and annual financial results and any other material information.

B. Penalty

Any person who violates this Policy shall be subject to disciplinary action, without prejudice to any civil or criminal proceedings which may be filed against him.

VI. Reportorial Requirements

Director, officers and employees are required to report their trading of the Company's shares within three (3) business days after the transaction to the Compliance Officer via email stating the number of shares purchased or sold, price per share and the resulting percentage of shares owned to the Company's outstanding capital stock.

The Company, through the Compliance Officer or any authorized personnel, shall file the appropriate disclosure form to SEC and PSE for Employees and Other Covered Persons who:

A. acquired more than five percent (5%) of the Company's outstanding capital stock within five (5) business days after acquisition; or

B. acquired ten percent (10%) of the Company's outstanding capital shares within ten (10) calendar days after acquisition.

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ANNEX B
RELATED PARTY TRANSACTIONS POLICY

I. Objective

Coal Asia Holdings Incorporated (the "Company")'s Related Party Transactions Policy shall establish guidelines to govern Related Party Transactions (RPT) in the manner that will safeguard the interest of the Company, its minority shareholders and other stakeholders.

II. Definition of Terms

A. Related Parties – Natural or juridical entities that have the ability to control, directly or indirectly, through one or more intermediaries or are controlled by, or under common control with the Company, including holding companies, and subsidiaries, or exercise significant influence over the other party in making financial and operational decisions. Associates and individuals owning, directly or indirectly, an interest in the voting power if the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

B. Material Transactions – transactions reaching the set threshold amount as recommended by Management and approved by the Board of Directors.

III. Coverage

This policy covers material transactions between the Company and Related Parties, which include, but are not limited to the Company's subsidiaries, affiliates, associates, directors, officers and employees.

IV. Policy Provision

The Company adopts a policy of full disclosure with regard to related party transactions. The terms and conditions of related party transactions are reported to the Board of Directors to ensure that the transactions with related parties are made at terms equivalent to prevailing market rates and at arm's length basis.

V. Guidelines

A. Management shall present material transactions entered into by the Company with related parties to the Related Party Transactions Committee for review prior to Board approval and Management execution.

B. The Related Party Transactions Committee shall periodically evaluate relations between and among business and counterparties to ensure that related party transactions are continuously identified, RPTs are monitored, and subsequent changes in relationships with counterparties (from non-related to related and vice-versa) are captured.

C. In evaluating RPTs, the Related Party Transactions Committee shall take into account the following:

   i. The related party's relationship to the Company and interest in the transaction;
   ii. The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
   iii. The benefit to the company of the proposed RPT;
   iv. The availability of other sources of comparable products or services; and
   v. An Assessment of whether the proposed RPT is on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances.

D. The Company shall ensure the full disclosure of the details, nature and extent of Material Transactions with related parties in the Company's financial statements, quarterly and annual reports to the SEC and PSE.

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ANNEX C
CONFLICT OF INTEREST POLICY

I. Objective

Coal Asia Holdings Incorporated (the "Company")'s Conflict of Interest Policy shall establish a procedure to determine any possible conflict of interest between the Company and its directors, officers, employees and/or their immediate family.

II. Definition of Terms

A. Conflict of Interest – a situation in which a director, officer or employee has a direct or indirect personal interest in any transaction involving the Company, which may influence or appear to have influenced him/her from acting in the best interests of the Company.

B. Significant shareholders- a shareholder who owns or controls at least 5% of the Company's outstanding capital stock.

III. Covered Persons

A. Directors, Officers and Employees;

B. Significant Shareholders; and

C. Family and business or personal affiliations of those mentioned above who may directly or indirectly be benefitted.

IV. Policy

Everyone is duty bound to disclose fully their existing business interests, shareholdings, personal activities or relationships that may directly or indirectly conflict with the performance of their intended duties and responsibilities. All business decisions of the Board of Directors and of Management must be for the best interest of the Company and not motivated by personal gain and/or influenced by personal relationships.

V. Rules and Procedure

A. The Board of Directors determines whether each person's business interests, shareholdings, personal activities or relationships result in conflict with the duties and responsibilities in the Company. The Board and Management shall ensure that all the business transactions of the Company are compliant with all applicable laws.

B. To avoid potential conflict of interest or an appearance thereof, all directors, officers and employees are required to disclose in writing to Management any personal interest or possible gain in a transaction involving the Company.

C. Directors shall not participate in the deliberation and/or approval of any transaction where they may be conflicted. The Company is also prohibited from extending loans to its directors without prior Board approval to ensure that the terms and conditions of the said loan is at arms-length basis.

D. All employees shall conduct fair business transactions with the Company and ensure that his personal interests do not conflict with the interests of the Company.

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ANNEX D
ACCEPTANCE OF GIFTS POLICY

I. Objective

Coal Asia Holdings Incorporated (the "Company")'s Acceptance of Gifts Policy aims to strengthen the Company's commitment in upholding and integrating ethical business practices and corporate governance practices in all of its business transactions. This policy also ensures the integrity of any form of procurement done by the Company.

II. Policy

To prevent any conflict of interest and/or undue influence, acceptance of gifts and entertainment of significant value may not be accepted by directors, officers or employees from any contractor, supplier or customer of the Company. Neither can their immediate family and/or representatives accept such on behalf of the director, officer or employee.

III. Guidelines

A. A Gift is any form gratuity or benefit, either monetary or otherwise, received by a director, officer, employee or their immediate family by reason of or in relation to his/her position and/or duties from the Company's prospective and current contractors, suppliers and customers. A Gift includes but not limited to cash, loans, commissions, allowances, employment, travel and any form of entertainment.

B. Directors, officers and employees are prohibited from soliciting or accepting gifts from the Company's contractors, suppliers, customers and other business partners of the Company.

C. Directors, officers and employees of the Company may accept gifts of nominal value provided that the said gifts were voluntarily given by a third person (*e.g.*, contractors, suppliers and customers) without any form of solicitation from the said director, officer or employee. A gift shall be considered as having nominal value if its approximate value does not exceed Three Thousand Pesos (P3, 000.00).

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ANNEX E
WHISTLE-BLOWING POLICY

I. Objective

Coal Asia Holdings Incorporated (the "Company")'s Whistle-Blowing Policy provides for a procedure allowing directors, officers, employees and other stakeholders to inform the Company of any potential violation of laws, Company policies and rules, and allow the Company to address such matters.

II. Definition of Terms

A. Confidential Disclosure – refers to a written disclosure by a director, officer, employee or other stakeholders regarding actual or potential violation of any law or Company policies and rules committed by a director, officer, employee or other stakeholders of the Company.

B. Whistle-blower – refers to a director, officer, employee or other stakeholders who made a Confidential Disclosure to the Company's Compliance Officer, Human Resources Department Head or to any member of the Audit and Risk Committee.

C. Retaliation – refers to any form of retaliation, reprisal or unlawful actions directed to the Whistle-blower and/or his/her family by reason of a Confidential Disclosure made by the Whistle-Blower.

III. Policy

A. The Company shall ensure that any director, officer, employee or other stakeholders who made a Confidential Disclosure, in good faith, shall not be subject of any form of retaliation, harassment or any adverse acts as a consequence of the Confidential Report made. Any director, officer, employee or stakeholder who retaliates against the Whistle-Blower shall be subjected to disciplinary action, without prejudice to any criminal or civil action.

B. Directors, officers and employees of the Corporation are duty-bound to abide to the highest work and personal ethical standards in the performance of their duties and responsibilities. They must practice honesty and integrity in fulfilling their responsibilities and must always act in the performance of their duties consistent with laws and the Company's policies and rules.

IV. Rules and Procedure

A. A Whistle-Blower can make a Confidential Disclosure to the Compliance Officer, the Human Resources Department Head or to any member of the Audit and Risk Committee.

B. Any Confidential Disclosure made by a director, officer, employee or other stakeholders shall be considered as privileged communication and his/her identity shall not be disclosed to any person other than the Compliance Officer, the Human Resources Department Head and the members of the Audit and Risk Committee.

C. The Compliance Officer, the Human Resources Department Head and the members of the Audit and Risk Committee shall have the obligation to

   i. Maintain the confidentiality of the subject matter of the Confidential Disclosure, the identity of the Whistle-Blower and the identity of the person accused of violating any law or Company policies and rules.

   ii. Ensure that the Whistle-Blower and his/her family are not subjected to any form of Retaliation.

D. Any Confidential Disclosure made to the Compliance Officer or the Human Resources Department Head must be reported to the Audit and Risk Committee within five working days. After deliberation and confirmation that the said report is considered as a Confidential Disclosure, the Audit and Risk Committee shall proceed with the investigation and shall render its decision within a reasonable period of time.

ANNEX G

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AUDIT COMMITTEE CHARTER

I. Purpose

The purpose of the **Audit Committee** (the 'Committee") of the **Board of Directors** (the "Board") of **Coal Asia Holdings Incorporated** (the "Company") is to represent and assist the Board in its general oversight of the Company's accounting and financial reporting processes, audits of the financial statements, and internal control and audit functions. Management is responsible for preparing the Company's financial statements, and the independent auditors are responsible for auditing those financial statements.

The Audit Committee members are not necessarily professional accountants or auditors and their functions are not intended to duplicate or to certify the activities of Management and the independent auditor under applicable rules. The Audit Committee serves a Board level oversight role where it oversees the relationship with the independent auditor, as set forth in this Charter, and provides advice, counsel and general direction, as it deems appropriate, to Management and the auditors on the basis of the information it receives, discussions with the auditor, and the experience of the Committee's members in business, financial and accounting matters.

II. Committee Members

The Committee shall be appointed by the Board and shall comprise of at least three directors who meet the experience and independence standards of the Securities and Exchange Commission ("SEC") and the Philippine Stock Exchange ("PSE") and other applicable laws and regulations. All of the members of the Audit Committee shall have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing, and finance.

The Committee shall be composed of at least three (3) appropriately qualified Non-Executive Directors, majority of whom, including the Chairman, shall be Independent Directors. The Chairman should not serve as Chairman of the Board or of any of the other board committees. In case of any vacancy in the Committee, the Board shall appoint a replacement who will fill the vacancy at any meeting of the Board subject to the provision of this Charter.

Committee members may receive no compensation from the Company other than reasonable *per diem*.

III. Committee Meetings

The Audit Committee shall meet at least once every quarter or as often as may be deemed necessary by its members. The majority of the members of the Audit Committee shall constitute a quorum. The Audit Committee will meet separately, at least quarterly, with the independent auditors and management to discuss any matters that they wish to bring to the Audit Committee's attention.

The Audit Committee shall report to the Board with respect to its meetings, including any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, and/or the performance and independence of the Company's independent auditors.

IV. Committee Responsibilities

The primary responsibility of the Audit Committee is assist the Board in the performance of its oversight responsibility for the financial reporting process system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations. The Audit Committee also exercises oversight function over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the Company. The Committee shall then report the results of its activities to the Board. The Audit Committee in carrying out its responsibilities believes its policies and procedures should remain flexible, in order to best react to changing conditions and circumstances. The Audit Committee should take the appropriate actions to ensure that the Company, its directors, officers, employees and stakeholders observe quality financial reporting, sound business risk practices, and ethical behavior.

The following shall be the principal and regular processes of the Audit Committee in carrying out its oversight functions. The Audit Committee shall also perform other duties and responsibilities that are consistent with its purpose and as the Board or the Committee deems appropriate.

A. Appointment and Oversight of Internal Auditors

i. The Audit Committee shall recommend the approval and supervise the implementation of the Company's Internal Audit Charter, which formally defines the role of Internal Auditor and the audit plan.

ii. The Audit Committee has the obligation to help Management in setting-up and monitor the effectiveness of the Company's internal control system, the Committee shall organize an Internal Audit Department and consider whether it will be more beneficial for the Company to appoint an Internal Auditor or outsource internal audit services. The Audit Committee shall submit its recommendation to the Board for approval, including the terms and conditions of his engagement and removal.

iii. Through the Company's Internal Audit Department, monitor and evaluate the adequacy and effectiveness of the Company's internal control system, including financial reporting control and information technology security, and ensure the integrity of the financial reports and protection of the assets of the Company for the benefit of all stockholders and stakeholders. Well-designed internal control procedures and processes that will provide a system of checks and balances should be in place in order to (i) safeguard the Company's resources and ensure their effective utilization, (ii) prevent occurrence of fraud and other irregularities, (iii) protect the accuracy and reliability of the Company's financial data, and (iv) ensure compliance with applicable laws and regulations.

iv. Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. The Internal Auditor shall functionally report directly to the Audit Committee. The Audit Committee shall ensure that in the performance of the work of the Internal Auditor, he shall be free from interference by outside parties.

v. Review the reports submitted by and oversee the Internal Audit Department. The Audit Committee shall also ensure that Management is responsiveness to the Internal Auditor's findings and recommendations.

B. Appointment and Oversight of External Auditors

i. Independent External Auditors

The Audit Committee shall recommend the appointment, reappointment, removal, and fees of the external auditor, any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit review or attest services for the Company, for the approval of the Board and ratification of the shareholders. The Company shall provide the appropriate funding, as determined by the Committee, for payment of compensation to the public accounting firm so engaged.

The Independent External Auditor, or the lead partner thereof primarily responsible for the audit of the Company or the review thereof, shall be rotated or changed at least once every five (5) years or as determined by the regulatory authorities. When there is a change or removal of the External Auditor, the reason thereof shall be disclosed to the proper regulatory authorities and the public through the proper disclosures and the Company website.

The Committee shall also be responsible for: (a) ensuring its receipt from the independent auditors of a formal written statement delineating all relationships between the auditor and the Company, consistent with Philippine Standards on Auditing and Philippine Financial Reporting Standards, (b) actively engaging in a dialogue with the auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the auditor, and (c) taking, or recommending that the full Board take, appropriate action to oversee the independence of the outside auditor.

In connection with these responsibilities, the Committee shall discuss the auditor's independence from management and the Company, including whether the auditors' performance of permissible non-audit services is compatible with their independence. This process will include, at least annually, the Committee's review of the independent auditors' internal control procedures, any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the independent auditors, and any steps taken to deal with any such issues; and (to assess the auditor's independence) all relationships between the independent directors and the Company. The Company shall review the use of auditors other than the independent auditor in cases such as management's request for second opinions.

ii. Approval of Audit Plans

The Committee shall pre-approve and review all audit plans, scope and frequency before the conduct of the external and internal audit to ensure its conformity with the objectives of the Company. The plan shall include the audit scope, resources, and budget necessary to implement it.

iii. Audit Services

The Audit Committee shall discuss with the External and Internal Auditors the overall scope and plans for their respective audits including their respective responsibilities and the adequacy of staffing and compensation. The Audit Committee shall approve in advance all audit engagement fees and the terms of all audit services to be provided by the independent auditors.

The Audit Committee shall also perform oversight functions over the Company's External and Internal Auditors. The Audit Committee should ensure that the internal and external auditors act independently from each other, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions.

iv. Non-Audit Services

The Committee shall establish policies and procedures for the engagement of the independent external auditors to provide permissible non-audit services, which shall include pre-approval of permissible non-audit services to be provided by the Independent External Auditor.

The Committee shall likewise evaluate and determine the non-audit work, if any, of the External Auditor, and periodically review the non-audit fees paid to the External Auditor in relation to their significance to the total annual income of the External auditor and to the Company's overall consultancy expenses. The Audit Committee should disallow any non-audit work that will conflict with his duties as an External Auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the Company's Annual Report and Annual Corporate Governance Report.

The Committee may, from time to time, delegate its authority to pre-approve non-audit services to one or more Committee members, provided that such delegate(s) present any such approvals to the full Committee at its next scheduled meeting.

C. Review of Financial Reports

The Committee shall check all financial reports against its compliance with both the internal financial management handbook and pertinent accounting standards, including regulatory requirements. It shall review the reports submitted by the Internal and External Auditors. It shall review interim and annual financial statements before the submission to the Board with particular focus on the following matters: any change/s in accounting policies and practices; major judgmental areas; significant adjustments resulting from the audit; going concern assumptions; compliance with accounting standards, and compliance with tax, legal and regulatory requirements.

D. Related-Party Transactions

While the Company's current size, risk profile, and complexity of operations still do not necessitate the creation of a Related Party Transactions Committee by the Board, the Audit Committee will be tasked to review and have prior-approving authority for related-party transactions, as defined in the applicable Philippine Stock Exchange listing standards (RPTs). Accordingly, the Audit Committee shall exercise the following functions with respect to the Company's RPTs:

i. Evaluate existing and future relations between and among businesses and counterparties to ensure that all related parties are continuously identified, RPTs are monitored, and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured. Related parties, RPTs and changes in relationships should be reflected in the relevant reports to the Board and regulators/supervisors.

ii. Evaluate all material RPTs to ensure that these are not undertaken on more favorable economic terms to such related parties than similar transactions with non-related parties under similar circumstances, and that no corporate or business resources of the Company are misappropriated or misapplied; and to determine any potential reputational risk issues that may arise as a result of, or in connection with, the transactions. In evaluating RPTs, the Committee takes into account, among others, the following:

(a) The related party's relationship to the Company and interest in the transaction;

(b) The material facts of the proposed RPT, including the proposed aggregate value of such transaction;

(c) The benefits to the Company of the proposed RPT;

(d) The availability of other sources of comparable products or services; and

(e) An assessment of whether the proposed RPT is on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances. The Company should have an effective price discovery system in place and exercise due diligence in determining a fair price for RPTs.

iii. Ensure that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the Company's RPT exposures, and policies on conflicts of interest or potential conflicts of interest. The disclosure should include information on the approach to managing material conflicts of interest that are inconsistent with such policies, and conflicts that could arise as a result of the Company's affiliation or transactions with other related parties.

iv. Reports to the Board of Directors on a regular basis, the status and aggregate exposures to each related party, as well as the total amount of exposures to all related parties. The Committee shall submit material or significant RPTs for approval of the Board and ratification of shareholders.

v. Ensures that transactions with related parties, including write-off of exposures are subject to a periodic independent review or audit process.

vi. Oversees the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of RPT policies and procedures.

E. Investigative Authority

In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company. The Committee shall perform direct interface functions with the internal and external auditors. It should ensure that the internal and external auditors act independently from each other, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions.

The Committee shall respond to any request from Management for evaluation of compliance with the Code of Conduct, Manual on Corporate Governance and Standard Operating Policies and Procedures.

F. Charter Review

The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

G. Annual Performance Evaluation

The Committee will conduct an annual self-evaluation to determine whether it is functioning effectively.

ANNEX H

Coal Asia Holdings
Reliable energy resources through responsible mining

CORPORATE GOVERNANCE COMMITTEE CHARTER

The Corporate Governance Committee is tasked with ensuring compliance with and proper observance of corporate governance principles and practices.

The Corporate Governance Committee shall likewise advise the Board with respect to matters relating to the composition of the Board. The Board identifies individuals qualified to become Board members and, consistent with criteria reviewed by the Corporate Governance Committee and approved by the Board, recommends to the Board nominees for director for approval at the next annual meeting of stockholders, including any incumbent directors.

The Corporate Governance Committee shall also assist the Board and the Company's Management in defining the Company's executive compensation policy and in carrying out various responsibilities relating to compensation of the Company's executive officers and directors, including: evaluating and approving compensation to the Chief Executive Officer and evaluating and recommending to the Board compensation to all other executive officers; reviewing and recommending to the Board compensation to non-employee directors; and overseeing the development and administration of the Company's equity compensation and benefit plans.

I. Purposes

A. **Corporate Governance** – The Committee shall assist the Board of Directors in the performance of its corporate governance responsibilities.

B. **Nomination of Directors/Officers** – The Committee shall identify individuals qualified to become members of the Board of Directors (the "Board") and, consistent with criteria approved by the Board, recommend that the Board select the Director nominees for the next annual meeting of stockholders.

C. **Compensation of Directors/Officers/Employees** – The Committee shall review and if necessary establish a formal and transparent policy on executive remuneration and recommend to the shareholders the remuneration of directors.

i. The determination of the remuneration of senior management and other key personnel is the responsibility of the Chief Executive Officer and/or the Executive Committee. The compensation and remuneration committee should however ensure that compensation levels are consistent with the Corporation's financial capability as well as reasonable industry standards.

ii. Develop a form on Full Business Interest Disclosure as part of the pre-employment requirements for all officers and directors , which should require all officers and directors to declare under the penalty of perjury all their existing business interests or share holdings that may directly or indirectly conflict with their performance of duties to the Corporation. Such Disclosures should be updated at least every year. It should be clear that it is mandatory for officers and directors even within the yearly reporting period to declare prior to actually investing in or acquiring an interest, being employed or retained in any manner by a competitor or potential competitor.

II. Membership

The Corporate Governance Committee shall be composed of at least three (3) members of the Board. At least three (3) members of the Committee, including the Chairman thereof, shall be Independent Directors. The Chair and members of the Committee shall be appointed annually by the Board. Vacancies shall be filled by election by the Board, and any member of the Committee may be removed by the Board.

Moreover, the Committee shall have the power and authority to delegate any of its duties or responsibilities herein to a subcommittee comprised of one or more members of the Committee.

III. Meetings

A. The Corporate Governance Committee shall meet at least once a year. The Chair or a majority of the members of the Committee may call for a special meeting. A majority of the members of the Committee shall constitute a quorum for the transaction of business.

B. Procedures fixed by the Corporate Governance Committee shall be subject to any applicable provision of the Company's By-laws. Written minutes of each meeting shall be duly filed in the Company records, and reports of meetings of the Committee shall be made to the Board at its next regularly scheduled meeting following the Committee meeting and shall be accompanied by any recommendations to the Board approved by the Committee.

IV. Key Responsibilities

A. Corporate Governance

i. Oversee the implementation of the corporate governance framework and periodically review the said framework to ensure that it remains appropriate in light of material changes to the Company's size, complexity and business strategy, as well as its business and regulatory environments.

ii. Oversee the periodic performance evaluation of the Board and its committees as well as executive management, and conducts an annual self-evaluation of its performance.

iii. Ensure that the results of the Board evaluation are shared, discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement.

iv. Recommend continuing education/training programs for directors, assignment of tasks/projects to board committees, succession plan for the board members and senior officers, and remuneration packages for corporate and individual performance.

v. Adopt corporate governance policies and ensures that these are reviewed and updated regularly, and consistently implemented in form and substance.

vi. Propose and plan relevant trainings for the members of the Board.

B. Nomination of Directors/Officers

i. Develop and recommend for approval by the Board a set of criteria for Board membership. Identify, evaluate and attract qualified individuals to become Directors who satisfy such criteria. Make recommendations to the Board regarding candidates for membership on the Board, including the slate of nominees to be proposed by the Board for election by the stockholders at the annual meeting of stockholders and any director nominees to be elected by the Board to fill interim director vacancies. Establish and follow procedures for the recommendation of candidates by the Company's stockholders and the consideration by the Governance Committee of Director candidates so recommended.

ii. The nomination of directors shall be conducted by the Corporate Governance Committee prior to a stockholders' meeting in accordance with the following:

(a) All stockholders of record of the Corporation shall be entitled to nominate persons who shall be considered by the Corporate Governance Committee.

(b) All nominations should be submitted to the Corporate Governance Committee on or before January 30 of each year to allow the Corporate Governance Committee sufficient time to assess and evaluate the qualifications of the nominees.

(c) All recommendations for the nomination of Independent Directors shall be signed by the nominating stockholders together with the acceptance and conformity of the would-be nominees.

(d) After the nomination, the Committee shall prepare a List of Candidates which shall contain all the information about all the nominees for election as members of the Board of Directors, which list shall be made available to the Securities and Exchange Commission (SEC) and to all stockholders through the filing and distribution of the Information

Statement or Proxy Statement, or in such other reports as the Corporation will be required to submit to the SEC.

(e) The name of the person or group of persons who recommended the nomination of the independent director(s) shall be identified in such report, including any relationship with the nominee.

ii. Only nominees whose names appear on the List of Candidates shall be eligible for election as directors. No other nominations for election as director shall be entertained after the List of Candidates shall have been prepared and finalized. No further nominations for election as director shall be entertained or allowed on the floor during the actual annual stockholders' meeting.

iii. Assess the contributions and independence of incumbent Directors in determining whether to recommend them for re-election to the Board at the annual meeting of stockholders.

iv. Make recommendations to the Board on such matters as the retirement age, tenure and removal of Directors.

v. Manage the Board performance review process and review the results with the Board on an annual basis.

vi. Recommend to the Board candidates for appointment to Board committees and consider periodically rotating Directors among the committees.

vii. Review directorships in other public or private companies (excluding charitable or non-profit organizations) held by or offered to Directors and executive officers of the Company.

(a) Non-Executive members of the Board of Directors should concurrently serve as directors only to a maximum of five (5) publicly-listed companies to ensure that they have sufficient time to fully prepare for meetings, challenge Management's proposals/views, and oversee the long-term strategy of the Company.

(b) A director should notify the Board before accepting a directorship in another publicly-listed company.

viii. Review and assess the channels through which the Board receives information and the quality and timeliness of information received.

ix. Perform such other duties and responsibilities as are consistent with the purpose of the Committee and as the Board or the Committee deems appropriate.

x. The optimum number shall be related to the capacity of a director to perform his duties diligently in general. In assessing the need to impose further limitations on outside directorships for individual members of the Board, the

Corporate Governance Committee may consider the following guidelines:

(a) The nature of the business of the corporations which he is a director;

(b) Age, and physical capacity of the director,

C. **Compensation of Directors/Officers/Employees**

i. Assist Management and the Board in defining an executive compensation policy that (a) attracts, retains and appropriately rewards key executives of the Company, (b) links compensation with achievement of the Company's business objectives and (c) aligns the interests of key executives with the long-term interests of the Company's stockholders.

ii. Annually (or bi-annually in the case of bonus amounts) review and approve corporate goals and objectives relevant to the base salary, bonus amount and other compensation of the Chief Executive Officer/President and the Company's other officers.

iii. Evaluate the performance of the Chief Executive Officer/President and the Company officers in light of those goals and objectives, and determine and approve the compensation level, including base salary, bonus amount and other compensation, if any, of such officers based on this evaluation and other relevant factors. Evaluation of the Chief Executive Officer/President's performance shall be made in consultation with the Governance Committee.

iv. Make recommendations to the Board with respect to incentive compensation plans and equity-based plans, including overseeing the development of new compensation plans and the revision of old plans.

v. Administer the Company's incentive compensation and equity-based plans, and approve restricted stock awards, stock option grants and other equity-based or incentive awards under these plans, including any performance criteria relating to these plans or any awards.

vi. Review the Company's employee benefit plans and either recommend plan changes to the Board or amend such plans, subject where required by shareholder approval.

vii. Recommend to the Board retainer, other compensation, and attendance fees, including Board committee attendance fees, for non-employee Directors.

viii. Annually review and discuss with the Company's management the Compensation Disclosure to be included in the Company's annual report and SEC Form 17-A and SEC Form 20-IS.

ix. Provide in the Corporation's annual reports, information and proxy statements a clear, concise and understandable disclosure of compensation of its executive officers for the previous fiscal year and the ensuing year.

x. Evaluate annually the performance of the Committee and the adequacy of this Charter.

xi. Perform such other duties and responsibilities as are consistent with the purpose of the Committee and as the Board or the Committee deems appropriate.

ANNEX I

Coal Asia Holdings
Reliable energy resources through responsible mining

BOARD RISK OVERSIGHT COMMITTEE CHARTER

I. Purpose

The Board Risk Oversight Committee is established for the purpose of assisting the Board of Directors (the 'Board') in overseeing the Company's practices and processes relating to risk assessment and risk management; maintaining an appropriate risk culture, reporting of financial and business risks and associated internal controls. The Committee will assist the board in providing framework to identify, assess, monitor and manage the risks associated with the Company's business. The Committee helps the Board to adopt practices designed to identify significant areas of business and financial risks and to effectively manage those risks in accordance with Company's risk profile.

II. Membership

The Board Risk Oversight Committee shall be appointed by the Board and shall comprise of at least three (3) directors who meet financial-literacy and independence standards of the Securities and Exchange Commission. Majority of the members of the Committee shall be Independent Directors. Vacancies may be filled at any time during the year by action of the full Board. The Board Risk Oversight Committee members shall serve for one year or until their successors shall be duly elected and qualified.

Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership. The Chair of the Board Risk Oversight Committee shall be an Independent Director cannot be the Chairman of the Board of Directors or of any other committee of the Board.

III. Meetings

The Board Risk Oversight Committee shall meet at least once every quarterly of each year or as often as its members deem necessary. The Committee will also periodically meet with Management, the Internal Auditor and Risk Management Officer to discuss any matters that they wish to bring to the Committee's attention.

A quorum at any Committee meeting shall be at least a majority of the Committee members. All determinations of the Committee shall be at least by a majority of its members present at a meeting duly called for and held.

Minutes of all meetings of the Committee shall be prepared to document the Committee's discharge of its responsibilities. The minutes shall be circulated in draft form to all committee members to ensure an accurate final record and shall be approved at a subsequent meeting of the Committee and distributed periodically to the full Board.

IV. Key Responsibilities

A. Develop a formal enterprise risk management plan which contains the following elements:
   i. Common language or register of risks;
   ii. Well-defined risk management goals, objectives and oversight;
   iii. Uniform processes of assessing risks and developing strategies to manage prioritized risks;
   iv. Designing and implementing risk management strategies; and,
   v. Continuing assessments to improve risk strategies, processes and measures.

B. Oversee the implementation of the enterprise risk management plan through a Management Risk Oversight Committee. The Board Risk Oversight Committee shall conduct regular discussions on the Company's prioritized and residual risk exposures based on regular risk management reports, and assess how the concerned units or offices are addressing and managing these risks.

C. Evaluate the risk management plan to ensure its continued relevance, comprehensiveness, and effectiveness. The Board Risk Oversight Committee shall revisit defined risk management strategies, look for emerging or changing material exposures, and stay abreast of significant developments that seriously impact the likelihood of harm or loss.

D. Advise the Board on its risk appetite levels and risk tolerance limits.

E. Review, at least annually, the Company's risk appetite levels and risk tolerance limits based on changes and developments in the business, the regulatory framework, the external economic and business environment, and when major events occur that are considered to have major impacts on the Company.

F. Assess the probability of each identified risk becoming a reality and estimate its possible significant financial impact and likelihood of occurrence. Priority areas of concern are those risks that are the most likely to occur and to impact the performance and stability of the Company and its stakeholders.

G. Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risk exposures of the Company. This function includes regularly receiving information on risk exposures and risk management activities from Management.

H. Report to the Board on a regular basis, or as deemed necessary, the Company's material risk exposures, the actions taken to reduce the risks, and recommend further action or plans, as necessary.

I. Perform other activities consistent with this charter, the Company's By-Laws and governing law as the Committee or the Board deems necessary or appropriate

ANNEX J

Coal Asia Holdings
Reliable energy resources through responsible mining

EXECUTIVE COMMITTEE CHARTER

I. Purpose

The purpose of the Executive Committee is to act on behalf of the Board of Directors between Board meetings. The Executive Committee may exercise all of the powers of the Board, except those powers expressly reserved by applicable law to the Board, in the management and direction of the business and conduct of the affairs of the Company, subject to any specific directions given by the Board.

II. Membership

The Committee shall be composed of three or more Directors, as determined by the Board. The Chairman of the Board shall be the Chair of the Committee. The other members of the Committee shall be appointed annually by the Board on the recommendation of the Corporate Governance Committee. Vacancies shall be filled by approval of the Board on the recommendation of the Corporate Governance Committee. Any member of the Executive Committee may be removed by the Board.

III. Meetings

A. The Executive Committee shall meet at the call of the Chair or a majority of its members. A majority of the members of the Committee shall constitute a quorum for the transaction of business. The passage of any resolution of the Committee shall require the affirmative vote of a majority of Committee members present and voting on such resolution.

B. Procedures fixed by the Executive Committee shall be subject to any applicable provision of the Company's By-laws.

C. Written minutes of each meeting shall be duly filed in the Company records, and reports of meetings of the Committee shall be made to the Board at its next regularly scheduled meeting following the Committee meeting. Actions taken by the Committee shall be promptly communicated to the Directors who are not members of the Committee.

IV. Key Responsibilities

The Executive Committee shall have all the authority of the Board, except that it shall not have authority to:

A. Approve any action for which shareholders approval is also required.

B. Fill vacancies in the Board or in any committee thereof.

C. Amend or repeal the By-Laws, or adopt new By-Laws.

D. Amend or repeal any resolution of the Board that which, by its express terms, is not so amendable or repealable.

E. Distribute cash dividends to the shareholders.

F. Fix the compensation of Directors for serving on the Board or any committee thereof.

G. Fix or amend the compensation, benefits or perquisites of the Chief Executive Officer.

H. Take any action that the Corporation Code of the Philippines or the Company's By-Laws prohibit the Board from delegating to a committee.

I. Take any action required by the rules or regulations of the Securities and Exchange Commission or the Philippine Stock Exchange to be approved by the full Board or by another committee of the Board.

DRAFT
For Stockholders' Approval ANNEX K

MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING OF

COAL ASIA HOLDINGS INCORPORATED

Held on 07 August 2018, 9:00 a.m. at the
Cervantes Function Room, Discovery Primea, 6749 Ayala Avenue, Makati City 1226

TOTAL NUMBER OF SHARES OUTSTANDING	4,000,000,0004
TOTAL NUMBER OF SHARES PRESENT/REPRESENTED AND ENTITLED TO VOTE	3,202,714,798 (80.07%)

I. CALL TO ORDER

The Chairman, Mr. Harald R. Tomintz, called the meeting to order and presided over the same. The Corporate Secretary, Atty. A. Bayani K. Tan, recorded the minutes of the proceedings.

II. CERTIFICATION OF NOTICE AND QUORUM

The Secretary certified that notices of the meeting were sent to all shareholders of record as of 2 July 2018, in accordance with the provisions of the By-Laws. The Chairman instructed the Secretary to append the Certificate attesting to the mailing of notices to the original Minutes of the Meeting.

The Secretary certified that, based on the register of attendees and proxies out of 4,000,000,0004 shares of the total outstanding capital stock of the Corporation, a total of 3,202,714,798 shares were present in person or by proxy representing an attendance of 80.07% of the total outstanding capital stock of the Corporation. Accordingly, the Secretary certified that a quorum existed for the transaction of business at hand.

III. APPROVAL OF THE MINUTES OF THE LAST STOCKHOLDERS' MEETING

Upon motion duly made and seconded, the reading of the minutes of the last stockholders' meeting held on 1 August 2017 was dispensed with as the same had been previously distributed to the shareholders. Meanwhile, the Chairman opened the floor for questions about the Minutes of the 2017 Annual Stockholders' Meeting but none were raised.

The Minutes of the said meeting was thereafter approved, as circulated:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Approval of Minutes of the Previous Meeting of Stockholders	3,202,714,798	0	0

The following resolution was thereafter passed:

> "RESOLVED, that the Minutes of the Annual Meeting of the Stockholders of the Corporation held on 1 August 2017 is hereby approved."

IV. 2017 REPORT ON OPERATIONS AND RESULTS

At the request of the Chairman, the President, Mr. Johnson A. Sanhi, Jr., presented his report on the Corporation's coal operations. Mr. Sanhi also updated the Board and stockholders on the Company's Mine Development.

Mr. Sanhi presented the milestones on the conversion of Coal Operating Contract 159

(COC 159) or the Davao Oriental Project and of COC 166 or the Zamboanga Sibugay Project. He presented photographs of the physical structures around the areas and gave updates on other mine activities such as ECC compliance activities including the silt trap maintenance and the Company's Adopt-an-Estero/Waterbody program. These environmental activities gained the Company a DENR-EMB Region XI Certificate of Recognition as one of the top ten in the Search for Model Estero last December 2017.

Mr. Sanhi also informed the stockholders of the projected funds needed for the opening, development and production of the Macopa and Sagasa mine areas to fulfill Fuel Supply and Transport Agreement (FSTA) with Sarangani Energy Corporation (SEC-CONAL). Total capital expenditure for mining equipment, infrastructure facilities and supplemental exploration is expected to be at ₱253 Million while total operating expenses is projected to be at ₱247 Million; thus requiring around ₱500 Million in total. This project, however, is expected to bring in ₱3,175 Million in gross revenues leading to an internal rate of return (IRR) of 25%. Based on Macopa Sagasa financial statements, all-in-sustaining costs is at ₱1,955/MT and average domestic price in 2017 is at ₱2,533/MT (US$48.72/MT). FOB Coal Pricing Comparison from March 2017 to July 2018 was presented to the stockholders.

Next, Mr. Sanhi reported on the financial position of the Corporation for the year ended 2017. For the year ending 31 December 2017, the Company earned ₱.88 Million from its sale of incidentally-produced coal (Other Income), while General and Administrative Expenses amounted to ₱9.91 Million. The Company also incurred ₱1.00 Million for Finance Cost, pertaining to interest expenses charged in the financing of the transportation and heavy equipment. The Company also reported Interest Income of ₱0.30 Million. In summary, the Company reported a Net Loss in the amount of ₱7.98 Million. Total Assets of the Company as of end of 2017 was at ₱3.95 Billion. Total Equity was at ₱3.9 Billion while Total Liabilities was at ₱49.61 Million.

He then reported on the use of the IPO proceeds. The Net Proceeds were ₱740.84 Million and the following amounts were disbursed: (i) ₱561.01 Million for the Davao Oriental Project; (ii) ₱52.28 Million for the Zamboanga-Sibugay Project; and, (iii) ₱126.87 Million disbursement for working capital. This leaves a balance of ₱0.68 Million as of 31 March 2018.

Mr. Arnulfo Robles then gave a report on the Philippine coal industry outlook and discussed Executive Order No. 30. He presented the Philippine Energy Plan, which projects that energy supply from coal will increase to 29.6% in 2040 from 22% in 2016. It is also expected that the Philippines will need an additional 43,765MW additional power capacity by 2040. Mindanao, in particular, will need 10,200 MW additional capacities by 2040. Further, he discussed 2017 coal production, 2017 coal importation, the DOE's strategic directions, the Energy Investment Coordinating Council and its Energy Projects of National Significance and the attendant requirements and applications therefor.

Thereafter, the Chairman opened the floor for questions to be raised on the report on the Corporation's operations. Several questions were raised about the Company's operations.

Mr. Alfredo Abueg, Jr. and Mrs. Ma. Theresa Abueg, both stockholders, asked about detailed operations updates. They asked if the special permit granted to the Company to extract 8,000 MT of coal was still valid, considering that 7,500 MT was already mined and extracted as of 2017. They asked the chances that the Company will be granted additional permit to extract. The President answered that the Company has not yet consumed the total 8,000 MT allowed to be extracted but they are optimistic that if consumed, there is a good chance that additional permits to extract may be granted to the Company. The Company is just waiting for permits from the NCIP so that the DOE can grant the Company additional permits. Mr. Abueg asked how the pronouncement of President Duterte against open-pit mining will affect the Company's operation. The President answered that the declaration on open-pit mining refers to on open-pit mining of minerals and metals. Coal Asia is unlikely to be affected by such policies.

They further asked if the Company has started earning and what the expected income is for 2018, considering that the year was already half done. The Chief Financial Officer answered that the Company is still operating at a loss with only incidental sales and not enough production. However, the Company has ensured that overhead expenses are down to the minimum. He pointed out, that while the company is not yet earning, the balance sheet remains positive as the Company retains ₱222 Million worth of property, plant and equipment, ₱18 Million land and at least ₱3 Billion worth of coal reserves.

Lastly, Mr. Abueg asked the Philippines' hitting value vis-à-vis Indonesia. Mr. Robles answered that the Philippines' hitting value is at 5,000 while Indonesia's is at 6,000. He notes that the Company's output of around 13 Million a year is good enough a volume for energy securities. Asked about the BTU level of the Company's coal produce/deposits, the Chairman answered that it is at 4,000 to 4,500.

After all the questions of the stockholders were addressed, the Chairman opened the floor for a motion to approve the Report on the Company's Operations and Results for 2017. Upon motion duly made and seconded, the Report for the year ended 31 December 2017, together with the Audited Financial Statements for the Fiscal Year ended 31 December 2017, was approved as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Approval of the 2017 Operations	3,202,714,798	0	0

The following resolution was likewise approved:

> "RESOLVED, that the Report on Coal Asia Holdings, Inc.'s Operations and Results for 2017, together with the Audited Financial Statements for the year ended 31 December 2017, be approved."

V. RATIFICATION OF CORPORATE ACTS

The next item in the agenda was the ratification of corporate acts. A summary of the significant actions of the Corporation's Board of Directors were flashed on the screen for the benefit of the stockholders.

After the motion to confirm, ratify, and approve all the acts of the Board of Directors and Officers of the Corporation from the date of the last stockholders' meeting up to date of the present meeting was duly made and seconded, the Chairman opened the floor for issues to be taken up pertaining to the ratification of all corporate acts. No questions or issues, however, were raised about the corporate acts. Accordingly, the motion was then approved as follows based on the results of voting via poll:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Ratification of all acts of the Board of Directors and Officers from the date of the last meeting up to the date of the present meeting.	3,202,714,798	0	0

The following resolution was likewise approved:

> "**RESOLVED**, that all acts of the Board of Directors and Officers of **COAL ASIA HOLDINGS INCORPORATED** (the 'Corporation'), from the date of the last meeting of the shareholders on 1 August 2017 up to the date of this meeting, are hereby confirmed, ratified and approved."

VI. ELECTION OF DIRECTORS

The Chairman announced that the next item in the agenda is the election of the members of the Board of Directors for the ensuing year. The Corporate Governance Committee Chairman, Mr. Arsenio M. Bartolome, III announced the names of the seven (7) nominees qualified for election to the Board of Directors for Year 2018-2019.

After motion duly made and seconded, there being seven nominees and seven seats to be filled, voting by ballot was dispensed with and the Corporate Secretary was directed to cast the votes in favor of the seven nominees, and the said nominees were deemed elected. The following persons were elected as members of the Board of Directors of the Corporation for the year 2018-2019 after receiving the votes indicated opposite their names:

Nominee	No. of Votes Received
Harald R. Tomintz	3,202,714,798
Johnson A. Sanhi, Jr.	3,202,714,798
Dexter Y. Tiu	3,202,714,798
Eric Y. Roxas	3,202,714,798
Juan Kevin G. Belmonte (Independent Director)	3,202,714,798
Aristides S. Armas (Independent Director)	3,202,714,798
Arsenio M. Bartolome III (Independent Director)	3,202,714,798

Mr. Juan Kevin G. Belmonte, Mr. Aristides S. Armas and Mr. Arsenio M. Bartolome III were elected to serve as the Corporation's Independent Directors.

VII. APPOINTMENT OF EXTERNAL AUDITOR

The body next considered the appointment of the Corporation's external auditors for Year 2018-2019. The Audit Committee Chairman, Mr. Aristides S. Armas announced that the Corporation's Audit Committee has pre-screened and recommended, and the Board of Directors has endorsed for the consideration of the shareholders, the re-appointment of Reyes Tacandong & Co. as the Corporation's external auditor for Year 2018.

No questions or objections having been raised by the shareholders present despite opportunity having been given, the proposal to re-appoint Reyes Tacandong & Co. as the Corporation's external auditor for Year 2018 was approved by the shareholders as follows based on the results of voting via poll:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Appointment of Reyes Tacandong & Co. as External Auditor for 2018	3,202,714,798	0	0

The following resolution was likewise approved:

> "**RESOLVED**, that Reyes Tacandong & Co. be re-appointed as the external auditor of **COAL ASIA HOLDINGS INCORPORATED** (the 'Corporation'), for Year 2018."

VIII. ADJOURNMENT

There being no other business to transact, the meeting was thereupon adjourned.

Attested by:

HARALD R. TOMINTZ
Chairman

A. BAYANI K. TAN
Corporate Secretary