



NOTICE OF ANNUAL STOCKHOLDERS' MEETING

Please take notice that the Annual Meeting of Stockholders of **CHELSEA LOGISTICS AND INFRASTRUCTURE HOLDINGS CORP.** will be held on **Monday, March 29, 2021** at **10:30 in the morning**, via Remote Communication, with the following:

AGENDA

1. Call to Order
2. Certification of Notice and Determination of Quorum
3. Report of the President & CEO for the Year 2020
4. Report of the Chief Financial Officer for the Year 2020
5. Approval of the Minutes of the Annual Stockholders' Meeting held on June 3, 2020 and of the Special Stockholders' Meeting held on October 6, 2020
6. Ratification and confirmation of all acts and resolutions of the Board and Management executed in the normal course of business covering the period February 15, 2020 until February 22, 2021
7. Election of Members of the Board of Directors
8. Appointment of External Auditor
9. Other Matters
10. Adjournment

Only stockholders of record as of **March 15, 2021** are entitled to notice of, and to vote at, this meeting.

In view of the current COVID-19 pandemic and the General Community Quarantine in Metro Manila including Davao City where the Company's principal address is located, the physical and actual holding of the Annual Stockholders' Meeting cannot be conducted. In lieu thereof, the Annual Stockholders' Meeting on March 29, 2021 shall be conducted via live streaming.

Stockholders who intend to participate are required to register by sending an email, together with the requirements to ASM@chelsealogistics.ph on or before March 25, 2021 5PM (Philippine Time). Full list of requirements may be viewed on the following [link: https://www.chelsealogistics.ph/special-stockholders-meeting/](https://www.chelsealogistics.ph/special-stockholders-meeting/). The registration is subject to validation, and successful registrations will receive an electronic invitation via email, along with a complete guide on how to join, participate and vote in the Meeting.

Copies of the Notice of the Meeting, Definitive Information Statement and other related documents

may be found on <https://www.chelsealogistics.ph/special-stockholders-meeting/> and through the PSE Edge Portal.

Proxy Forms and Special Powers of Attorney or other Authorization forms are available on the Company's website must be submitted to the Office of the Corporate Secretary, 18th Fl., Udenna Tower, Rizal Driver corner 4th Ave., Bonifacio Global City, Taguig City by mail or sent by email to ASM@chelsealogistics.ph. Validation of proxies and registration shall commence on March 15, 2021 until 5 p.m. of March 25, 2021. Participation in the meeting as well as voting shall be through remote communication. Detailed Procedure for voting shall be posted on the Company's website.

Stockholders may also send your queries regarding the conduct of the Meeting to ir@chelseashipping.ph

Taguig City, February __, 2021.

MA. HENEDINA V. SAN JUAN
Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

Information Statement
of

CHELSEA LOGISTICS AND INFRASTRUCTURE HOLDINGS CORP.

Pursuant to Section 20 of the Securities Regulation Code (the "Code" or "SRC")

1. Check the appropriate box:

Preliminary Information Statement
 Definitive Information Statement

2. Name of registrant as specified in its charter: CHELSEA LOGISTICS AND INFRASTRUCTURE HOLDINGS CORP.
(the "Company" or "CLIHC")

3. Country of Incorporation: REPUBLIC OF THE PHILIPPINES

4. SEC Identification Number: CS201619734

5. BIR Tax Identification Code: 009-393-167-000

6. Address of principal office: Stella Hizon Reyes Road, Bo. Pampanga
Davao City 8000

7. Registrant's telephone number: (082)224-5373

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

Date - March 29, 2021
Time - 10:30 A.M.
Place - Remote Communication (via Zoom)

9. Approximate date on which the Information Statement is first to be sent or given to stockholders:

March 8, 2021

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

<u>Title of Each Class</u>	<u>Par Value</u>	<u>Number of Shares</u>
Common Shares	PhP 1.00	1,821,977,615

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

Yes No

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

Philippine Stock Exchange – Common Shares

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, time and place of meeting of stockholders

- a. Date - March 29, 2021
- Time - 10:30 A.M.
- Place - Remote Communication (via Zoom)

- b. Approximate date when the Information Statement is first to be sent to stockholders:
March 8, 2021

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

Item 2. Dissenter's right of appraisal

Pursuant to Section 81 of the Corporation Code of the Philippines, a stockholder has the right to dissent and demand payment of the fair value of his shares in case of any amendment to the Articles of Incorporation that 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 of outstanding shares of any class, or of extending or shortening the term of corporate existence, in case of 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 in case of merger or consolidation. Such appraisal right may be exercised by any stockholder who shall have voted against the proposed corporate action by making a written demand on the Company within thirty (30) days after the date on which the vote was taken for payment of the fair value of his shares. Failure to make the demand within such period shall be deemed a waiver of the appraisal right.

Within ten (10) days after demanding payment for his shares, a dissenting stockholder shall submit the certificate(s) of stock representing his shares to the Company for notation thereon that such shares are dissenting shares. His failure to do so shall, at the option of the Company, terminate his appraisal rights. No demand for payment as aforesaid may be withdrawn by the dissenting stockholder unless the Company consents thereto.

If within a period of sixty (60) days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and the Company 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 Company and 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 Company within thirty (30) days after such award is made: Provided, that no payment shall be made to any dissenting stockholder unless the Company has unrestricted retained earnings in its books to cover such payment: Provided, further, that upon payment by the Company of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the Company.

THERE ARE NO MATTERS THAT WILL BE PRESENTED FOR SHAREHOLDERS' APPROVAL DURING THE ANNUAL STOCKHOLDERS' MEETING THAT MAY OCCASION THE EXERCISE OF THE RIGHT OF APPRAISAL.

Item 3. Interest of certain persons in or opposition to be acted upon

- a. No Director or Officer of the Company since the beginning of the last fiscal year, nominee for election as Director of the Company, nor any of their associates, have any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon during the Annual Stockholders' Meeting, other than election to office.
- b. No Director of the Company has informed the Company in writing that he intends to oppose any action to be taken by the Company during the meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

a. Voting Securities

As of December 31, 2020, the total number of shares outstanding and entitled to vote on all corporate matters to be acted upon during the Annual Stockholders' Meeting is 1,821,977,615 common shares.

b. Record Date

The record date for purposes of determining the stockholders entitled to notice of and to vote at the Annual Stockholders' Meeting is **March 15, 2021**.

c. Voting Rights and Trust

In the matters to be voted upon in the Annual Stockholders' Meeting, stockholders of record as of March 15, 2021 shall be entitled to one vote per share in person or by proxy. If he will vote thru a proxy, the By-Laws of the Company requires the submission of the accomplished proxy form to the Corporate Secretary for validation and authentication at least ten (10) days before the date of the Annual Stockholders' Meeting.

The validation of proxies chaired by the Corporate Secretary or Assistant Corporate Secretary and attended by the Stock and Transfer Agent shall be convened at least five (5) days before the Annual Stockholders' Meeting. Any questions and issues relating to the validity and sufficiency, both as to form and substance, of proxies shall only be raised during said forum and resolved by the Corporate Secretary. The Corporate Secretary's decision shall be final and binding upon the shareholders, and those not settled at such forum shall be deemed waived and may no longer be raised during the Annual Stockholders' Meeting.

With respect to the election of the members of the Board of Directors, cumulative voting is allowed. A stockholder may vote such number of shares for as many persons as there are Directors to be elected; or he may cumulate his shares and give one candidate as many votes as the number of Directors to be elected multiplied by the number of his shares; or he may distribute these shares on the same principle among as many candidates as he shall see fit; provided that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the Company multiplied by the total number of Directors to be elected.

d. Security ownership of certain Record and Beneficial Owners and Management

i. Security Ownership of Certain Record / Beneficial Owners as of December 31, 2020

Title of Class	Name & Address of Record Owner & Relationship to Issuer	Name of Beneficial Owner & Relationship to Record Owner	Citizenship	No. of Shares	Percentage of Outstanding Shares
Common	Udenna Corporation Stella Hizon Reyes Road, Bo. Pampanga, Davao City <i>Stockholder</i>	Udenna Corporation	Filipino	1,275,384,606	70.000%
Common	PCD Nominee Corporation 29/F BDO Equitable Tower 8751 Paseo de Roxas, Makati City <i>Stockholder</i>	PCD participants acting for themselves or for their customers	Filipino	544,454,192	29.882%

**PCD Nominee Corporation is not a related Company*

Udenna Corporation is the holding company of the Uy family. It is directly owned by spouses Dennis A. Uy and Cherylyn C. Uy.

The 544,454,192 common shares under the name of PCD Nominee Corporation are owned by PCD participants acting for themselves or for their Filipino customers.

Other than the stockholders identified above, as of December 31, 2020, there are no other stockholders other than participants under PCD account who own more than five percent (5%) of the voting securities.

As of December 31, 2020, 0.923% or 16,820,680 common shares are owned by foreign stockholders.

ii. Security ownership of Directors and Management as of December 31, 2020

Title of Class	Name of Beneficial Owner	Citizenship	Nature of Beneficial Ownership	No. of Shares	Percentage of Outstanding Shares
Directors					
Common	Dennis A. Uy	Filipino	Direct	215,501	.01%
			Indirect	892,769,224	49.000%
Common	Cherylyn C. Uy	Filipino	Direct	1	NIL
			Indirect	382,615,382	21.000%
Common	Chryss Alfonsus V. Damuy	Filipino	Direct	722,000	0.04%
Common	Eduardo A. Bangayan	Filipino	Direct	70,001	NIL
Common	Miguel Rene A. Dominguez	Filipino	Direct	1	NIL
Common	Jesus S. Guevara II	Filipino	Direct	1	NIL
			Indirect	100,000	0.01%
Common	Gener T. Mendoza	Filipino	Direct	20,001	NIL
Common	Arthur Kenneth L. Sy	Filipino	Direct	1	NIL

Title of Class	Name of Beneficial Owner	Citizenship	Nature of Beneficial Ownership	No. of Shares	Percentage of Outstanding Shares
Common	Efren E. Uy	Filipino	Direct	270,001	NIL
Executive Officers					
Common	Ignacia S. Braga IV	Filipino	Direct	802,000	0.04%
Common	Ma. Henedina V. San Juan	Filipino	Direct	219,000	0.01%
Common	Maria Katherine A. Agbay	Filipino	N/A	NIL	
Common	Leandro E. Abarquez	Filipino	Direct	36,300	NIL
All Directors and Officers as a group				1,277,839,413	70.13%

As of December 31, 2020, Directors and Executive Officers of the Company owned an aggregate of 1,277,839,413 shares of the Company, equivalent to 70.13% of the Company's total issued and outstanding shares.

iii. Voting trust holders of 5% or more

Other than those mentioned above, there are no persons holding more than five percent (5%) of a class under a voting trust or any similar agreements as of the date of this Report.

iv. Changes in control

The Company is not aware of any arrangements that may result in a change of control in the Company since the beginning of its fiscal year.

Item 5. Directors and Executive Officers

- a. The incumbent members of the Board of Directors and Executive Officers of the Company are as follows:

Office/Position	Name	Age	Citizenship
Directors			
Chairman	Dennis A. Uy	47	Filipino
Director/President & CEO	Chryss Alfonsus V. Damuy	47	Filipino
Director/Treasurer	Cherylyn C. Uy	41	Filipino
Director	Arthur Kenneth L. Sy	52	Filipino
Director	Efren E. Uy	58	Filipino
Director	Eduardo A. Bangayan	68	Filipino
Independent Director	Miguel Rene A. Dominguez	43	Filipino
Independent Director	Jesus S. Guevara II	65	Filipino
Independent Director	Gener T. Mendoza	62	Filipino
Executive Officers			
President & CEO	Chryss Alfonsus V. Damuy	47	Filipino
Treasurer	Cherylyn C. Uy	41	Filipino
Chief Financial Officer	Ignacia S. Braga IV	55	Filipino
AVP – Legal & Corporate Affairs / Corporate Secretary	Ma. Henedina V. San Juan	59	Filipino
Finance Controller	Darlene A. Binay	48	Filipino
Vice President –	Reynaldo A. Phala	54	Filipino

Office/Position	Name	Age	Citizenship
Treasury/Deputy CFO			
Vice President – Port Operations and Marketing	Raul L. Quisumbing	50	Filipino
Compliance Officer	Leandro E. Abarquez	37	Filipino
Chief Audit Executive	Maria Katherine A. Agbay	48	Filipino

Information required of Directors and Executive Officers

i. Directors and Executive Officers

Board of Directors

The following are the final nominees who were duly screened by the Nomination Committee for election to the Board of Directors for the following fiscal year 2021 at the forthcoming Annual Stockholders' Meeting:

1. Dennis A. Uy
2. Chryss Alfonsus V. Damuy
3. Cherylyn C. Uy
4. Arthur Kenneth L. Sy
5. Efren E. Uy
6. Eduardo A. Bangayan
7. Miguel Rene A. Dominguez
8. Jesus S. Guevara II
9. Gener T. Mendoza

Miguel Rene A. Dominguez was nominated as Independent Director by Dennis A. Uy, while Jesus S. Guevara II was nominated as Independent Director by Chryss Alfonsus V. Damuy and Gener T. Mendoza was nominated as Independent Director by Ignacia S. Braga IV.

The nominees are not related by consanguinity or affinity and have no professional or business dealings with the person who nominated them. The nominees are neither officers nor substantial stockholders of the Company. They possess the qualifications and none of the disqualifications of Independent Directors. Prior to being elected as Director of the Company, they have not, at any time, rendered any service to the Company.

For the scheduled Annual Stockholders' Meeting, the Nomination Committee has screened and evaluated the candidates for Independent Directors based on Rule 38 of the Securities Regulation Code ("SRC") and the Company's Amended By-laws and Manual of Corporate Governance.

Below is a summary of the nominees' qualifications:

Dennis A. Uy **Chairman**

Dennis A. Uy, Filipino, 47 years old, is the founder and the Chairman of Chelsea Logistics and Infrastructure Holdings Corp. (CLIHC) since its incorporation. He served as President & CEO of CLIHC from incorporation until March 27, 2017. He is the Chairman and President of Phoenix Petroleum Holdings, Inc., the holding company of Phoenix Petroleum Philippines, Inc. (PPPI), and Udenna Corporation, the ultimate parent company of PPPI and CLIHC. He is also the President and CEO of ISM Communications Corp., Udenna Communications, Media and Entertainment Holdings

Corp., Udenna Land Inc., Le Penseur Inc., PH resorts Group Inc., DITO Holdings Corp, Udenna Management & Resources Corp. (UMRC) and its subsidiaries. Among the subsidiaries of UMRC are Global Synergy Trade & Distribution Corporation, PNX-UDENNA Insurance Brokers, Inc., ValueLeases, Inc. Mr. Uy is also Chairman of F2 Logistics, Phoenix Philippines Foundation, and Udenna Foundation. He is a member of the Young Presidents Organization – Philippine chapter and the Philippine Business for Social Progress. Mr. Uy has been the Honorary Consul of Kazakhstan to the Philippines since November 2011. He has a degree in Business Management from De La Salle University.

Chrissy Alfonsus V. Damuy

Director, President & CEO

Chrissy Alfonsus V. Damuy, Filipino, 47 years old, has been a Director of CLIHC since its incorporation and was appointed President & CEO of the Company on March 27, 2017. He is the Chief Operating Officer of Chelsea Shipping Corp. and its subsidiaries namely PNX-Chelsea Shipping Corp., Fortis Tugs Corporation, Michael, Inc., Bunkers Manila, Incorporated, Chelsea Ship Management & Marine Services Corp., and Chelsea Marine Manpower Resources, Inc. Mr. Damuy is currently the Vice Chairman of Trans-Asia Shipping Lines, Incorporated and its subsidiaries Oceanstar Shipping Corporation, Starsy Shoppe, Inc., Dynamic Cuisine, Inc. and Quality Metals & Shipworks, Inc. Prior to joining CLIHC, he was the Vice President for Finance of Phoenix Petroleum Philippines, Inc. and General Manager of Calaca Industrial Seaport Corp. Before that, he was the Controller of Lapanday Foods Corporation and held various positions in its subsidiaries including the Fresh Asia Produce as Accounting Manager and the Mindanao Fresh Produce Services Corporation as Assistant Accounting Manager. He also worked as Chief Accountant of the Regional Educators Multi-Purpose Cooperative and as its Branch Officer. Mr. Damuy started his professional career as College Instructor of the Holy Cross of Davao College. He is a Certified Public Accountant and has a degree in Bachelor of Science in Accountancy.

Cherylyn C. Uy

Director, Treasurer

Cherylyn C. Uy, Filipino, 41 years old, is a Director and Treasurer of CLIHC since February 10, 2017. She also serves as the Treasurer of Chelsea Shipping Corp. and its subsidiaries. She is likewise a Director of Phoenix Petroleum Philippines, Inc. and the Corporate Treasurer of the Udenna Group of Companies and F2 Logistics, Inc. Ms. Uy is a graduate of Ateneo de Davao University with a degree in Business Finance.

Arthur Kenneth L. Sy

Director

Arthur Kenneth L. Sy, Filipino, 53 years old, has been a Director of CLIHC since March 27, 2017. He serves as President and CEO of Trans-Asia Shipping Lines, Incorporated, and currently the President and CEO of JGSY Marine and Allied Ventures Corp., Dynamic Cuisine, Inc., Starsy Shoppe, Inc., Sybu Real Estate Corporation, Oceanstar Shipping Corporation, Allmix Trading, Inc., Quality Metal and Shipworks Inc. and Funflatables Corporation. He holds degrees in the fields of business and engineering namely, Bachelor of Science in Business Administration from the University of San Carlos; Bachelor of Science in Marine Engineering, and Bachelor of Science in Mechanical Engineering from the University of Cebu.

Efren E. Uy

Director

Efren E. Uy, Filipino, 59 years old, has been a Director of CLIHC since March 27, 2017. Mr. Uy currently serves as the President and Chief Executive Officer of F2 Logistics Philippines, Inc., F2 Global Logistics, Inc., Agri Farmers, Inc., F8 Prime Transport Services, Inc., Ultimate Yellow

Transport Services, Inc., Fmoves Transport Corp. and Miren Holdings, Inc. He has a degree in Bachelor of Science in Mechanical Engineering from University of San Carlos.

Eduardo A. Bangayan

Director

Eduardo A. Bangayan, Filipino, 69 years old, has been a Director of CLIHC since March 27, 2017. He is currently the President of Summit World Group of Companies, a Director for Fuji Oil Philippines and an Independent Director for Manila Mining Corporation. He is also the Vice President of the New Leyte Edible Oil Manufacturing Corporation. From 2004 until 2008, he served as Trustee of the Local Water Utilities Association. Mr. Bangayan served as a Director of the Davao City Water District since 2002 prior to his appointment as Chairman in January 2017 with a term until 2023. Further, he serves as an Independent Director of Rural Bank of Tagum from 2015 until present. He has a degree in Bachelor of Science in Business Administration from Silliman University.

Miguel Rene A. Dominguez

Independent Director

Miguel Rene A. Dominguez, Filipino, 44 years old, has been an Independent Director of CLIHC since March 27, 2017. He is currently the Vice President of Alsons Agribusiness Unit, Director of Sarangani Agricultural Company, Inc. and Director of Philippine Business for Social Progress. He served as Chairman of the Regional Peace and Order Council for Region 12 (2011-2013), Chairman of SOCSARGEN Area Development Board (2008-2011) and Chairman of Regional Development Council of Region 12 (2007-2010). Mr. Dominguez was named an awardee for Governance and Public Service in the Ten Outstanding Young Men 2013 by the Junior Chamber International Philippines and the TOYM Foundation. He was the first awardee of the Jesse Robredo Leadership Award given the same year. He was governor of Sarangani province for three (3) consecutive 3-year terms that began in 2004. Prior to his election as governor, he was the National Sales and Marketing Manager of the Alsons Aquaculture Corporation in 2003, earning for the brand "Sarangani Bay" a stronghold in the international markets, particularly in the US, Japan and Europe. He has a degree in AB Economics from Boston College in the US.

Jesus S. Guevara II

Independent Director

Jesus S. Guevara II, Filipino, 66 years old, has been an Independent Director of CLIHC since March 27, 2017. From 2009 to the present, he sits as Director of Lipa Bank, Inc. He served as Executive Vice President of the Development Bank of the Philippines, where he worked for eighteen (18) years. He was appointed Chairman of the Board of Phividec Industrial Authority. In the last (5) five years, he has served as Director for DBP Service Corporation, DBP Management Corporation, LGU Guarantee Corporation and DBP Insurance Brokerage, Inc. He has a degree in Bachelor of Arts in Economics from University of the Philippines and Master's Degree in Industrial Relations.

Gener T. Mendoza

Independent Director

Gener T. Mendoza, Filipino, 63 years old, has been an Independent Director of CLIHC, since March 27, 2017. Mr. Mendoza is currently the President of GNCA Holdings, Inc. Apart from his assignment in GNCA, he serves as court-appointed rehabilitation receiver or liquidator for the following companies: Ensogo, Inc., Universal Rightfield Property Holdings, Inc., Pacific Activated Carbon Company, Inc., and Premium Agro-Vet Products, Inc. He also assists the liquidator of National Steel Corporation and Advent Capital Corporation. Previously, he was a Principal Partner of SyCip Gorres Velayo & Co., Vice President for Corporate Finance at Kuok Philippine Properties, Inc., and Executive Vice President of Crown Equities Inc. He serves as a Director of IPM Holdings Inc., ACM Landholdings, Inc., and Dualtech Training Center Foundation, Inc. He has a degree in Bachelor of

Science in Management Engineering from Ateneo de Manila University and Master's Degree in Business Administration from Harvard Business School.

Period of Directorship in the Company

Name of Director	Period of Service	Term of Office
Dennis A. Uy	since incorporation to present	4 years
Chryss Alfonsus V. Damuy	since incorporation to present	4 years
Cherylyn C. Uy	since February 10, 2017 to present	4 years
Arthur Kenneth L. Sy	since March 27, 2017 to present	4 years
Efren E. Uy	since March 27, 2017 to present	4 years
Eduardo A. Bangayan	since March 27, 2017 to present	4 years
Miguel Rene A. Dominguez	since March 27, 2017 to present	4 years
Jesus S. Guevara II	since March 27, 2017 to present	4 years
Gener T. Mendoza	since March 27, 2017 to present	4 years

Directorships in Other Reporting Companies

The following are directorships held by the Directors in other reporting companies during the last five (5) years:

Name of Director	Name of Reporting Company	Position Held
Dennis A. Uy	Phoenix Petroleum Philippines, Inc.	Director, President and CEO
	2Go Group, Inc.	Chairman of the Board
	PH Resorts Group Holdings, Inc.	Chairman of the Board
	Dito CME Holdings Corp.	Chairman of the Board,
	Atok-Big Wedge Co., Inc.	Vice Chairman
	Apex Mining Co., Inc.	Independent Director
Cherylyn C. Uy	Phoenix Petroleum Philippines, Inc.	Director
	PH Resorts Group Holdings, Inc.	Director
	Dito CME Holdings Corp.	Director / Treasurer
Eduardo A. Bangayan	Manila Mining Corporation	Independent Director
Gener T. Mendoza	IPM Holdings, Inc.	Director
	Pryce Corporation	Independent Director

Directorships with government agencies or its instrumentalities

Director Eduardo A. Bangayan is a member of the Board of Directors of the Davao City Water District and Director Jesus S. Guevara II is on the Board of Directors of Phividec Industrial Authority. The written consent / permission issued by these government agencies / instrumentalities for these Directors to hold these positions are attached hereto as Annexes A and A-1 respectively.

There are no other Directors or officers of the Company connected with any government agency or its instrumentalities.

Certification of Independent Directors

The Certification of the Independent Directors of the Company, namely Miguel Rene A. Dominguez, Jesus S. Guevara II and Gener T. Mendoza, on their qualification as Independent Directors, are attached as Annex B, B-1 and B-2, respectively.

Executive Officers

The following Officers are expected to be nominated for re-election or election at the Organizational Meeting of the Board of Directors following the Annual Stockholders' Meeting on March 29, 2021:

Ignacia S. Braga IV

Chief Financial Officer

Filipino, 55 years old, is the Chief Financial Officer of CLIHC. She is also the Vice President for Finance of Udenna Corp., Udenna Management & Resources Corp. and Chelsea Shipping Corp. and its subsidiaries. She is the Treasurer of Starlite Ferries Inc. and its subsidiaries and Trans Asia Shipping Lines, Incorporated. Ms. Braga is a Certified Public Accountant with more than thirty (30) years of corporate finance and accounting experience. Prior to joining the Company, she was formerly the Assistant Vice President – Group Controller of Lapanday Foods Corporation and former Controller of Macondary Agro-Industrial Corporation. She was the Finance Manager of RFM Tuna Corporation and the Asia Industries (Mindanao) Inc. She began her career as an auditor of Sycip Gorres Velayo & Co. in 1986. She is a Cum Laude graduate of Bachelor of Science Commerce Major in Accounting from Ateneo de Davao University.

Reynaldo A. Phala

Deputy Chief Financial Officer / Treasury Head

Filipino, 54 years old, is the Vice President for Treasury and Deputy CFO. He joined the Company in April 2020 after spending 12 years with an affiliate company as AVP for Treasury. He led a progressive banking career for 17 years, which he started at UCPB. He also worked with the Department of Trade and Industry as Municipal Trade and Industry Officer for a year. He graduated from Mindanao State University-General Santos City with the degree Bachelor of Science in Civil Engineering as a consistent academic scholar and passed the licensure examinations for Civil Engineers in May 1989. He obtained his MBA degree conferred by the Ateneo de Manila University and Regis University, Denver, Colorado, USA in 2013 and his Diploma in Corporate Finance in 2018 from the Ateneo Graduate School of Business. He also attended executive courses at Harvard Law School in 2019.

Ma. Henedina V. San Juan

Corporate Secretary and Assistant Vice President for Legal and Corporate Affairs

Filipino, 59 years old, is the Corporate Secretary and concurrently the Assistant Vice President for Legal and Corporate Affairs of CLIHC. She also serves as the Corporate Secretary of Chelsea Shipping Corp. and its subsidiaries, and other Companies in the Udenna Group. Prior to joining the Company, she worked for Petron Corporation, Petronas Energy & Petroleum, Inc. and Herma Corporation. She has a degree in Bachelor of Arts in Political Science and Bachelor of Laws both from University of the Philippines.

Raul L. Quisumbing

Vice President – Port Operations and Marketing

Filipino, 50 years old, is the Vice President for Port Operations and Marketing of the Company. Prior to joining CLIHC, he served as Vice President for Commercial Services of Manila North Harbor Port, Inc. Previously he also served as Senior Logistics and Process Manager of Le Soleil Shipping

Philippines; Senior Manager for Supply Chain at 2Go Aboitiz One and as AVP for Sales and Marketing at Starlite Cargo Express Inc. He is a graduate of AB Management of De La Salle University.

Darlene A. Binay
Finance Controller

Filipino, 48 years old, is the Finance Controller of the Company. Prior to joining CLIHC, she was formerly the VP – Finance of Philippine Span Asia Carrier Corp. and AVP – Cluster Finance and Accounting of Magsaysay Shipping and Logistics Group (National Marine Corporation). She also served as Group Accounting Head of Roxas Holdings, Inc. and Subsidiaries. She was also an Assurance Senior Associate of Joaquin Cunanan & Co. (now Isla Lipana and Co), a Price Waterhouse Coppers member firm. She is a Certified Public Accountant and has a degree in B.S. Accountancy from St. Paul College Quezon City.

Leandro E. Abarquez
Compliance Officer

Filipino, 37 years old, is the Compliance Officer of the Company. Prior to joining CLIHC, he was a Senior Associate at Romulo, Mabanta, Buenaventura, Sayoc & de los Angeles. He has a Bachelor’s degree in Biology from the Ateneo de Manila University and obtained his Juris Doctor degree from the same university in 2009.

Maria Katherine A. Agbay
Chief Audit Executive

Filipino, 48 years old, is the Chief Audit Executive and Internal Audit Manager of the Company. Prior to joining CLIHC, she was an active Professional Practitioner in audit, insurance and real estate. She was previously a Lecturer at Far Eastern University – Makati and San Beda College, Manila; Vice-President - Audit and Systems Head and Finance Manager of Trust International Paper Corporation (TIPCO); Vice-President – Controller of subsidiary TIPCO Estates Corporation; Assistant Vice-President of Citibank and Accounting Manager of Kuok Philippine Properties, Inc. and KSA Realty Corporation. She started her career as an Auditor at SyCip, Gorres Velayo & Co. She is a Magna Cum Laude graduate of University of the East, Manila. She also has a Master’s Degree in Business Administration from De La Salle University.

Period of Service in the Company

Name of Executive Officer	Period of Service
Ignacia S. Braga IV	Since incorporation to present
Reynaldo A. Phala	April 15, 2020 to present
Ma. Henedina V. San Juan	Since incorporation to present
Darlene A. Binay	January 4, 2021 to present
Raul L. Quisumbing	January 8, 2018 to present
Leandro E. Abarquez	April 3, 2017 to present
Maria Katherine A. Agbay	December 5, 2017 to present

ii. Significant employees

No single person is expected to make a significant contribution to the Company’s business since the Company considers the collective efforts of all its employees as instrumental to the Company’s overall successful performance.

iii. Family relationships

There are no family relationships between any Directors and any members of the Company's senior management as of the date of this Information Statement, except for the following:

1. Spouses Dennis A. Uy (Chairman of the Board) and Cherylyn C. Uy (Treasurer)
2. Spouses Arthur Kenneth L. Sy (Director and Trans-Asia Shipping Vice Chairman) and Sheila Fay U. Sy (Trans-Asia Shipping – General Manager - Interport)

iv. Involvement of Directors and Officers in certain legal proceedings

As of the date of this Information Statement, there are no other material legal proceedings involving CLIHC's Directors and Executive Officers except for the following:

1. *People of the Philippines vs. Dennis Ang Uy, John Does and/or Jane Does, Criminal Case Nos. 75,834-13 to 75,845-13 and 76,067-13 to 76,076-13, Regional Trial Court, 11th Judicial Region, Davao City, Branch 14*

On August 27, 2013, the DOJ filed twelve (12) Information before the Regional Trial Court of Davao (docketed as Criminal Case Nos.75,834-13 to 75,845-13) against Mr. Uy and several John Does and/or Jane Does in connection with the Resolutions dated April 24, 2013 and August 13, 2013 issued by the SOJ, finding probable cause against Mr. Uy for alleged violation of Section 3602 in relation to Sections 3601, 2530 (I)(1), (3), (4), and (5), Sections 1801,1802, 3604; and 2530 of the TCCP, as amended, and AO No.243, CAO No.3-2010 and CAO No.18-2010.

On September 5, 2013, an Entry of Appearance with Omnibus Motion (for Judicial Determination of Probable Cause and to Suspend Issuance and/or Service of Warrant of Arrest) dated September 3, 2013 was filed by Mr. Uy's counsel, which prayed for the dismissal of the criminal cases for lack of probable cause.

Thereafter, on September 11, 2013, the DOJ filed ten (10) additional Information against Mr. Uy and several John Does and/or Jane Does for alleged violations of the TCCP. These were docketed as Criminal Case Nos. 76,067-13 to 76,076-13.

On September 19, 2013, a Supplemental Motion for Judicial Determination of Probable Cause dated September 18, 2013 was filed by Mr. Uy's counsel, seeking the dismissal of the ten (10) additional criminal cases for lack of probable cause.

On October 14, 2013, the RTC issued an Order dismissing all the cases against Mr. Uy.

On November 15, 2013, a copy of the plaintiff People of the Philippines' Motion for Reconsideration with Urgent Motion for Inhibition of Judge George E. Omelio dated November 12, 2013 was received, to which Motion, Mr. Uy filed his Opposition.

On August 18, 2014, the RTC issued an Order denying the Motion for Reconsideration of the plaintiff. On October 27, 2014, the People of the Philippines filed its Petition for Certiorari with the Court of Appeals for the reversal of the Orders dated October 4, 2013 and August 18, 2014 issued by the trial court. Please see Item 2 below for status on the Petition for Certiorari.

2. *People of the Philippines vs. Hon. George E. Omelio, in his capacity as Presiding Judge of the Davao City Regional Trial Court, Branch 14, Hon. Loida S. Posadas-Kahugan, in her capacity as Acting Presiding Judge of the Davao City RTC, Branch 14, Dennis Ang Uy, John Does and/or Jane Does, CA-G.R.SP No.06500-MIN, Court of Appeals, Cagayan de Oro City, 23rd Division*

On October 27, 2014, petitioner People of the Philippines filed a Petition for Certiorari seeking the reversal of the Orders dated October 4, 2013 and August 18, 2014 issued by the trial court dismissing the cases filed against Dennis Ang Uy. The respondents filed their Comment to said Petition for Certiorari, and the parties subsequently filed their respective Memoranda. In its Decision dated October 12, 2016, the Court of Appeals denied the Petition for Certiorari filed by the People of the Philippines. On November 7, 2016, the People of the Philippines filed its Motion for Reconsideration of the Decision dated October 12, 2016. In its Resolution dated 25 January 2017, the Court of Appeals denied the petitioner's Motion for Reconsideration. On 27 March 2017, the petitioner filed its Petition for Review on Certiorari with the Supreme Court which was docketed as G.R.No. 229705, 3rd Division, Manila.

3. Dennis A. Uy vs. Hon. Secretary of the Department of Justice Leila M. De Lima and the Bureau of Customs, CA-G.R.SP No. 131702, Court of Appeals, Manila, Special Former Special Tenth Division

There being no appeal or any other plain, speedy and adequate remedy in the ordinary course of law available to question and seek the reversal of the Resolutions dated April 24, 2013 and August 13, 2013 issued by the SOJ finding probable cause against Mr. Uy for alleged violation of the TCCP and other related rules and regulations, Dennis A. Uy filed a Petition for Certiorari with the Court of Appeals on September 4, 2013.

On September 10, 2013, petitioner filed a Motion for Consolidation seeking the consolidation of this case with the Petition for Certiorari (with Application for Issuance of a Temporary Restraining Order and/or Writ of Preliminary Injunction) filed by Jorlan Cabanes, docketed as CA-G.R.SP No.129740. The Motion for Consolidation was granted in the Resolution dated November 6, 2013. Thereafter, all the parties filed their respective Memoranda. On July 25, 2014, the Court of Appeals issued its Decision granting the Petition for Certiorari and declaring the Resolutions dated April 24, 2013 and August 13, 2013 nullified and set aside, and directing that the Information filed against Dennis Uy and Jorlan C. Cabanes before the Regional Trial Courts of Batangas City and Davao City be withdrawn and/or dismissed for lack of probable cause. A Motion for Reconsideration of the Decision dated July 25, 2014 was filed by respondents SOJ and Bureau of Customs. On July 23, 2015, the Court of Appeals issued its Resolution denying respondents' Motion for Reconsideration. On September 10, 2015, petitioner received a copy of the Motion for Extension to File Petition for Review on Certiorari filed by the respondents with the Supreme Court.

4. Secretary of the Department of Justice Leila M. De Lima and Bureau of Customs vs. Jorlan Cabanes, and Secretary of the Department of Justice Leila M. De Lima and Bureau of Customs vs. Dennis A. Uy, G.R. No. 219295-219296, Supreme Court, 2nd Division

On October 8, 2015, respondents Jorlan C. Cabanes and Dennis A. Uy received a copy of the Petition for Review on Certiorari dated September 8, 2015 filed by petitioners SOJ and Bureau of Customs seeking to set aside the Court of Appeals' Decision dated July 25, 2014 and the Court of Appeals' Resolution dated July 2, 2015. The Supreme Court required the parties to file their respective Memoranda, which the parties complied with. On December 12, 2016, the Supreme Court issued its Notice of Resolution dated November 16, 2016 noting the parties' Memoranda.

In a 'Manifestation in Lieu of Reply' filed by the Office of the Solicitor General on 10 July 2019, the Secretary of Justice prayed that the Manifestation be duly considered and to dismiss all three (3) Petitions without prejudice to the possible filing, if the Court desires, of Supplemental Memoranda from the parties.

5. *People of the Philippines v. Prospero Pichay, Eduardo Bangayan, et.al., SB Criminal Case Nos. SB16CRM0425-30*

These cases charge Mr. Eduardo Bangayan for (a) violation of Section 3(e) of R.A. 3019; (b) violation of Section X126.2(C)(1)(2) of the Manual of Regulation for Banks in relation to Sections 36 and 37 of R.A. No. 7653; and, (c) committing Malversation of Public Funds under the Revised Penal Code, for allegedly conspiring with the other accused in the (a) Local Water Utilities Association's (LWUA) purchase of 445,377 shares in Express Savings Bank, Inc. (ESBI) and release from the LWUA Fund of at least PhP800,003,070.51 in connection with the said purchase of shares; and, (b) LWUA's deposit and/or capital infusion of the PhP400,000,000.00 and deposit of PhP300,000,000.00 with ESBI, as well as the release of the foregoing amounts from the LWUA Fund.

Mr. Bangayan sought for the dismissal of the criminal cases against him based on his defense that he had acted in good faith, upon the honest belief and based on information made available to him, that LWUA's acquisition of ESBI had the approval of the BSP and complied with all applicable laws and regulations, and that there was no prima facie evidence on his alleged conspiracy, hence, there is no probable cause to indict him for any of the alleged offenses.

The Sandiganbayan dismissed the case insofar as Mr. Bangayan is concerned through its Resolution dated October 18, 2016. The prosecution moved for reconsideration thereof. On 17 November 2017, the Sandiganbayan issued its Resolution denying the prosecution's Motion for Partial Reconsideration, and thus affirmed the dismissal of all cases against Mr. Bangayan.

Claiming grave abuse of discretion on the part of the Sandiganbayan, the prosecution filed its Petition for Certiorari with the Supreme Court. Mr. Banyagan filed his Comment / Opposition dated 1 June 2018 to the prosecution's Petition for Certiorari. The said Petition for Certiorari is pending resolution by the Supreme Court.

6. *Field Investigation Office (Office of the Ombudsman) v. Prospero Pichay, Eduardo Bangayan, et.al., OMB Case No. C-C15-0007*

Mr. Bangayan is being charged, together with four members of the LWUA Board, and other officials of the LWUA Management with alleged violations of (a) Malversation of Public Funds under Article 217 of the Revised Penal Code and, (b) Section 3(e) and (g) of R.A. 3019.

These charges are in connection with the use of LWUA corporate funds in extending loans to water districts nationwide under the Non-LWUA Initiated Funds (NLIF) Project from 2009 to 2011, which stemmed from the approval of the LWUA Board of Board Resolution No. 19, Series of 2009, upon the recommendation made and data provided to the Board by the LWUA Management.

For his defense, Mr. Bangayan argued that (a) his appointment as Trustee of the LWUA from September 2008 to March 2009 did not have legal effect; (b) he acted in good faith in voting for the use of the NLIF under said Board Resolution because he made it on the basis of the recommendation made as well as data given by the LWUA Management to the LWUA Board; and, (c) the Office of the Government Corporate Counsel did not specifically find any fault on the part of the LWUA Board.

On July 7, 2017, Mr. Bangayan through counsel, requested the Office of the Ombudsman for the status of the instant case. In its letter dated July 7, 2017, the Office of the Ombudsman stated that the case is still ongoing preliminary investigation and that there has been no resolution, orders,

notices and/or pleadings issued and/or filed from June 2015. To date, Mr. Bangayan has not received any notice of the outcome of the preliminary investigation of this case.

7. Ombudsman v. Bundoc, et. Al., G.R. No. 225521-28, Supreme Court, First Division

On November 2012, the Office of the Ombudsman issued a review decision finding certain individuals, including Jesus S. Guevara II, guilty of Grave Misconduct and Conduct Prejudicial to the Best Interest of the Service. On November 2015, the Court of Appeals set aside the decision, which prompted the Office of the Ombudsman to file a motion for reconsideration. The Court of Appeals denied such motion for reconsideration on June 2016. A petition for review on certiorari was filed by the Office of the Ombudsman before the Supreme Court on August 2016. The Supreme Court in its Order dated December 1, 2016 and received on March 30, 2017, ordered the respondents including Jesus Guevara II to comment on the Petition filed by the Ombudsman. The respondents including Jesus Guevara II seasonably filed their Comment before the Supreme Court.

Other court cases typical and customary in the course of the business operations of the Company such as those, among others, involving collection, qualified theft, breach of contract and reckless imprudence have been filed by and against the Company, by and against its employees and/or third parties. The results of which will not significantly affect the financial standing of the Company.

Except for the above, to the best of the Company's knowledge there has been no occurrence during the past five (5) years up to the date of this Information Statement of any of the following events which are material to an evaluation of the ability or integrity of any Director, person nominated to become a Director, executive officer, or control person of the Company:

- Any insolvency or 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 insolvency or within two years prior to that time;
- Any conviction by final judgment in a criminal proceeding, domestic or foreign, or any pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- Any final and executory order, judgment, or decree or any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending, or otherwise limiting involvement in any type of business, securities, commodities, or banking activities; and
- Any final and executory judgment by a domestic or foreign court or competent jurisdiction (in a civil action), the Commission, or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization, for violation of a securities or commodities law.

There are no other pending legal cases as far as records of the Company is concerned.

b. Certain relationships and related transactions

The Company's related parties include its parent company, related parties under common ownership, the Company's key management personnel and stockholders.

A summary of the Company's and its Subsidiaries' transactions with its related parties for the periods ended December 31, 2020 and 2019 and the related outstanding balances as of December 31, 2020 and 2019 is presented below.

Related Party Category	Notes	Amounts of Transactions			Outstanding Balances	
		2020	2019	2018	September 30, 2020	December 31, 2019
Parent —						
Cash advances granted	20.4	P 157,599,433	{ P 2,342,034,227 }	{ P 231,689,356 }	P 820,793,702	P 663,194,269
Associate —						
Chartering of services rendered	20.1	79,242,900	178,182,863	277,036,378	8,663,988	18,525,327
Related parties under common ownership:						
Chartering of services rendered	20.1	273,280,432	552,727,249	469,021,447	70,355,694	305,378,198
Fuel purchases	20.2	851,182,965	1,064,496,116	184,880,024	{ 2,453,836,467 }	{ 1,050,164,518 }
Acquisition of SFCC's shares	20.6	-	-	-	{ 550,128,460 }	{ 640,956,087 }
Acquisition of CSC's shares	20.6	-	-	-	{ 500,000,000 }	{ 500,000,000 }
Rental income	20.3	-	3,003,290	3,801,723	-	-
Rental expense	20.3	80,955	1,757,436	1,243,133	{ 57,748 }	{ 57,748 }
Donation	20.8(b)	270,000	270,000	270,000	{ 30,000 }	{ 30,000 }
Cash advances granted	20.4	59,304,606	33,343,611	276,045,496	210,362,472	151,057,866
Cash advances obtained	20.4	{ 2,159,633,332 }	527,860,048	920,963,439	1,044,816,666	{ 1,114,816,666 }

Unless otherwise stated, the outstanding receivables and payables from and to related parties are unsecured, non-interest bearing and are generally settled in cash upon demand or through offsetting arrangement with the related parties.

In addition, the following table presents the outstanding balance of advances to officers and employees of the Company as of:

	September 30, 2020	December 31, 2019
Advances to officers and employees	Php 28,388,877	Php 20,909,146

Advances to officers and employees represent unsecured, non-interest bearing cash advances for business-related expenditures and are subject to liquidation.

c. Ownership structure and parent company

As of December 31, 2020, Udenna Corporation owns 70.00% of the outstanding shares of the Company.

d. Resignation of Directors

Since the organizational meeting of the Company on March 15, 2020, no Director or Officer has resigned because of a disagreement with the Company on any matter relating to the Company's issuance, operations, policies or practices.

Item 6. Compensation of Directors and Executive Officers

The Company's executive officers are regular employees entitled to a 12-month compensation package and other mandatory pay and benefits. They also receive performance bonuses similar to those of the managerial, supervisory and technical employees.

The members of the Board of Directors who are not employees of the Company are elected for a period of one (1) year. The Company pays its non-executive Directors a per diem of Php30,000.00 for each meeting. There are no other arrangements for which the members of the Board of Directors are compensated.

The members of the Board of Directors are elected for a period of one (1) year.

The aggregate compensation paid or incurred during the last two (2) fiscal years and estimated to be paid in the ensuing fiscal year to the executive officers of the Company are as follows:

Compensation of Executive Officer and Directors (in PhP millions)				
Name and Principal Position	Salary	Bonus	Other	Total
	Estimated Compensation			
	For the Year Ended December 31, 2020			
Chryss Alfonsus V. Damuy President & CEO				
Cherylyn C. Uy Treasurer				
Ignacia S. Braga IV Chief Financial Officer				
Irwin M. Montano Chief Operating Officer Starlite Ferries, Inc.				
Rizza C. Cantre Vice President- Human Resources				
Raul L. Quisumbing Vice President – Marketing & Port Operations				
CEO & Most Highly Compensated Executive Officers	30.2	0.8	6.7	37.8
All other officers as a group unnamed	16.1	0.3	0.7	17.0

Compensation of Executive Officer and Directors (in PhP millions)				
Name and Principal Position	Salary	Bonus	Other	Total
	Actual Compensation			
	For the Year Ended December 31, 2019			
Chryss Alfonsus V. Damuy President & CEO				
Cherylyn C. Uy Treasurer				
Ignacia S. Braga IV Chief Financial Officer				
Irwin M. Montano				

Chief Operating Officer Starlite Ferries, Inc.				
Ma. Henedina V. San Juan Corporate Secretary and AVP for Legal and Corporate Affairs				
CEO & Most Highly Compensated Executive Officers	26.4	1.1	8.3	35.8
All other officers as a group unnamed	14.7	1.0		15.6

Compensation of Executive Officer and Directors (in PhP millions)				
Name and Principal Position	Salary	Bonus	Other	Total
	Actual Compensation			
	For the Year Ended December 31, 2018			
Chryss Alfonsus V. Damuy President & CEO				
Cherylyn C. Uy Treasurer				
Ignacia S. Braga IV VP – Finance				
Irwin M. Montano VP – Human Resources				
Ma. Henedina V. San Juan Corporate Secretary and AVP for Legal and Corporate Affairs				
CEO & Most Highly Compensated Executive Officers	19.6	8.6	6.1	34.3
All other officers as a group unnamed	4.3	0.9	-	5.2

Generally, a typical employment contract executed between the Company and its named executive officers has the following terms:

- a. Specification of job title, commencement date of employment, work assignment and possible need for reassignment of work or location as the need may arise.
- b. Probation of six months from commencement of employment. If the job performance is found to be satisfactory, employment shall be converted to regular status.
- c. Salary & Benefits: specifies that the executive officer shall receive his or her monthly salary and a guaranteed 13th month pay less the necessary government deductions required by law, such as but not limited to SSS premium, PHILHEALTH, and PAG-IBIG contributions. The same section

- likewise provides that the executive's salary shall be subject to annual review which shall take into consideration his or her performance and the achievement of a mutually-agreed goals.
- d. **Exclusivity:** The employment contract states that the executive shall render exclusive service to the Company and to work with other companies, regardless of whether such work is done outside of office hours, without the consent of the Company, is prohibited.
 - e. **Confidentiality:** The executive is duty bound to keep confidential information, materials and records which he or she may access in the course of his or her employment with the Company and he or she may not disclose or reproduce the same without the consent of the Company.
 - f. **Professional Conduct:** The executive concerned is expected to comply with all the policies and procedures which the Company may issue from time to time. It is specifically prohibited to accept any or all kinds of gifts from suppliers and customers without the consent of the Company.

Employees' Stock Option Plan (ESOP)

The Company has an existing Stock Option Plan which was approved by the stockholders and the Board of Directors on March 15, 2019. The objective of the ESOP is to recognize the loyalty, dedication and exemplary performance of the Company's employees, thereby encouraging long-term commitment to the Company.

Under the ESOP, the Company shall initially reserve for the exercise of stock options up to 56.3 million of the Company's outstanding Common Shares to be issued in whole or in part out of the authorized but unissued shares, with 66.67% to be granted to existing employees as of the Initial Offering Date (IOD) while the remaining 33.33% is reserved for employees hired after the IOD. Stock options may be granted within 5 years from the adoption of the ESOP and may be exercised within 10 years from the date of grant. The exercise price was based on the volume weighted average price of the Company 30 days prior to the IOD. The stock options shall vest for 1 to 5 years from the IOD. The Company shall receive cash for the stock options.

Shown below are the information on options held by Directors and Officers of the Company.

Options Held by Directors and Executive Officers						
Name and Principal Position	Options Granted	Vesting Period				
		2020	2021	2022	2023	2024
Dennis A. Uy Chairman of the Board	6,762,685	1,352,537	1,352,537	1,352,537	1,352,537	1,352,537
Chryss Alfonsus V. Damuy President & CEO						
Cherylyn C. Uy Treasurer						
Ignacia S. Braga IV Chief Financial Officer						
Arthur Kenneth L. Sy President, Trans-Asia						
Dexter A. Silva President, Worklink						
Irwin M. Montano Chief Operating Officer, Starlite						
Raul L. Quisumbing Vice President - Marketing & Port Operations CEO and Most Highly Compensated						
Executive Officers	6,887,926	1,377,585	1,377,585	1,377,585	1,377,585	1,377,585
All Other Officers of the Company	1,151,408	230,282	230,282	230,282	230,282	230,282

As of December 31, 2020, none of these options were exercised.

Item 7. Independent Public Accountants

Punongbayan & Araullo (P&A), a member firm of Grant Thornton International Ltd., independent auditors, audited the Company's financial statements as at and for the years ended December 31, 2019 and 2020 in accordance with the Philippine Standards on Auditing.

P&A has acted as CLIHC's external auditor since incorporation. Ramilito L. Nanola is the assigned audit partner and has served as such since 2016. The Company has not had any material disagreements on accounting and financial disclosures with its current external auditors for the same periods or any subsequent interim period. P&A has neither shareholding in CLIHC nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities in the Company. The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines set by the Board of Accountancy and approved by the Professional Regulation Commission.

Punongbayan & Araullo will be recommended for re-appointment at the scheduled Annual Stockholders' Meeting. Representatives of the Firm are expected to attend the Annual Stockholders' Meeting and they will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

The following table sets out the aggregate fees billed to the Company and its subsidiaries for each of the last two fiscal years for professional services rendered by its external auditor. P&A does not provide other services that are not reasonably related to the performance of the audit or review of CLIHC's financial statements.

	2018	2019	2020
Audit Fees	PhP4,577,000	PhP4,715,000	PhP4,500,000

Audit and audit related fees refer to the professional services rendered by P&A for audit of the Company's annual financial statements and services that are normally provided in connection with statutory and regulatory filings for the said calendar years. The fees presented above include out-of-pocket expenses incidental to the Independent Auditors' services.

Audit Committee and Policies

CLIHC's Audit Committee shall be composed of at least three (3) qualified non-executive Directors, the majority of whom, including the Chairman, should be Independent. All of the members of the Committee must have relevant background, knowledge, skills and/or experience in the areas of accounting, auditing and finance. The Chairman of the Audit Committee should not be the chairman of the Board or of any other Committees.

The Audit Committee has the following functions:

- a. Provide oversight of 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;
- b. Perform oversight functions over the Company's internal and external auditors. It should ensure that the internal and external auditors act independent 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;

- c. Review the annual internal audit plan to ensure its conformity with the Company's objectives. The plan shall include the audit scope, resources and budget necessary to implement it;
- d. Prior to the commencement of an 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;
- e. Organize an internal audit department, and consider, when necessary and desirable the appointment of an independent internal auditor and the terms and conditions of its engagement and removal;
- f. Monitor and evaluate the adequacy and effectiveness of CLIHC's internal control system including financial reporting control and information technology security;
- g. Review the reports submitted by the internal and external auditors;
- h. Review the quarterly, half-year and annual financial statements before their submission to the Board of Directors, with particular focus on the following matters: any change(s) in accounting policies and practices; major judgment areas; significant adjustments resulting from the audit; going concern assumptions; compliance with accounting standards; and compliance with tax, legal and regulatory requirements;
- i. Coordinate, monitor and facilitate compliance with laws, rules and regulations;
- j. Evaluate and determine the non-audit work, if any, of the external auditor, and review periodically the non-audit fee paid to the external auditor in relation to its significance to the total annual income of the external auditor and to our overall consultancy expenses. The Audit Committee shall disallow any non-audit work that will conflict with its duties as an external auditor or may pose a threat to its independence. The non-audit work, if allowed, should be disclosed in our annual report; and
- k. Establish and identify the reporting line of CLIHC's internal auditor to enable him to properly fulfill his duties and responsibilities. It shall functionally report directly to the Audit Committee.

CLIHC's Audit Committee shall ensure that its internal auditor in the performance of its work shall be free from interference by outside parties. In addition, the Audit Committee shall be tasked to prepare the Audit Committee Charter (the Charter), which shall contain, among others, its purpose, membership, structure, operations, reporting process, resources and other relevant information. The Charter shall specify how the Audit Committee shall perform its oversight functions as prescribed by the Revised Code of Corporate Governance (the Code).

In the preparation of the Charter, the Audit Committee shall strictly observe the requirements of the Code and other applicable laws and regulations in the Philippines and shall align the Charter with the best practices and standards as provided for in any or combination of the reference guides indicated in SEC Memorandum Circular No. 4, Series of 2012.

Upon approval by the Audit Committee of the Audit Committee Charter, the same shall be submitted for the approval of CLIHC's Board of Directors. Within one year from listing date, the Audit Committee shall assess its performance, as prescribed by and pursuant to SEC Memorandum Circular No. 4, Series of 2012.

Gener T. Mendoza is CLIHC's Audit Committee Chairman, with Dennis A. Uy and Jesus S. Guevara II as members.

Changes in and Disagreements with Accountants

The Company has not had any disagreement with its current external auditor/independent public accountant on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure.

Item 8. Compensation Plans

No action is to be taken by the Company with respect to any compensation plans.

C. ISSUANCE AND EXCHANGE SECURITIES

Item 9. Authorization or Issuance of Securities Other than for Exchange

The Company has a pending application with the Securities and Exchange Commission to increase its authorized capital stock from Two Billion Pesos (Php 2,000,000,000.00) to Three Billion Five Hundred Million Pesos (Php 3,500,000,000.00), divided into Three Billion Four Hundred Ninety Million (3,490,000,000) Common Shares and Ten Million (10,000,000) Preferred Shares, both with the par value of One Peso (P 1.00) per share.

The increase of 1,500,000,000 shares, consists of all Common Shares. Udenna Corporation will subscribe to 375,000,000 Common Shares, which is 25% of the increase in Common Shares, at the price of P 3.26 per share with reference to the 90-day VWAP.

The Common Shares to be subscribed by Udenna Corporation will have the same features and rights as the issued Common Shares. The increase in issued Common Shares will reduce the public float from 29.84% to 24.75%

On the Preferred Shares, 500,000 shares will be subscribed by Global Kingdom Investments Limited at the issue price of P 1,000 per share, as previously approved by the Board of Directors.

The Preferred Shares shall have the following features:

- a. earn cumulative cash dividend at a rate of 8% per annum payable upon the Board of Directors' approval and declaration;
- b. convertible to common shares at any time from the date of issuance up to the 5th anniversary date, at the option of the Subscriber, valued at the 90-day Volume Weighted Average Price of the Company's Common Shares at the Philippine Stock Exchange at the time of the signing of the Subscription Agreement, inclusive of any unpaid cumulative accrued dividends. If the Perpetual Preferred Shares are not converted to Common Shares by the Subscriber or redeemed by the Issuer by the end of 5 years, the cumulative cash dividend rate shall increase by 150 basis points, and an additional 100 basis points for each anniversary thereafter. The Subscriber shall be paid pro rata dividends earned at the time of the conversion;
- c. may be redeemed at the option of the Company at the end of 2 years from its issuance, or every year thereafter, at the net redemption price of 120% of the issue price, inclusive of cumulative cash dividends, paid or unpaid.

Item 10. Modification or Exchange of Securities

The Company has a pending application with the Securities and Exchange Commission to change the feature of its Preferred Shares from Non-Convertible to Convertible.

Item 11. Financial and Other Information

No action is to be taken with respect to financial and other information.

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

No action is to be taken with respect to mergers, consolidations, acquisitions and similar matters.

Item 13. Acquisition or Disposition of Property

No action is to be taken with respect to acquisition or disposition of property.

Item 14. Reclassification of Accounts

No actions are to be taken with respect to the restatement of any asset, capital, or surplus account of the Company.

D. OTHER MATTERS

Item 15. Action with Respect to Reports and Other Proposed Action

1. Approval of the Minutes of the Annual Stockholders' Meeting held on June 3, 2020 and of the Minutes of the Special Stockholders' Meeting held on October 6, 2020.
2. Report of the President & CEO for the Year 2020
3. Report of the Chief Financial Officer for the Year 2020
4. Ratification and Confirmation of all acts and resolutions of the Board and Management executed in the normal course of business covering the period February 15, 2020 until February 22, 2021 as set forth in Annex "C".
5. Election of the Members of the Board of Directors
6. Appointment of External Auditor

The Agenda for the June 3, 2020 Annual Stockholders' Meeting held via Remote Communication (in Zoom) was as follows:

1. Call to Order
2. Certification of Notice and Determination of Quorum
3. Report of the President & CEO for the Year 2019
4. Approval of the Minutes of the Annual Stockholders' Meeting held on March 15, 2019
5. Ratification and confirmation of all acts and resolutions of the Board and Management executed in the normal course of business covering the period February 14, 2019 until February 14, 2020
6. Election of the Members of the Board of Directors
7. Appointment of External Auditor
8. Other Matters
9. Adjournment

At the June 3, 2020 Annual Stockholders' Meeting, after a discussion of each item, and opportunity given to the shareholders present to ask questions thereon, approval of the following matters took place: approval of the Minutes of the 15 March 2019 Annual Stockholders' Meeting; approval of the 2019 Audited Financial Statements and Annual Report; ratification of all acts of the Board of Directors, Board Committees and Management for the period covering 14 February 2019 to 14 February 2020; election of the members of the Board of Directors; and delegation to the Board of Directors of the authority to appoint the External Auditor of the Company.

At the meeting, 70.394% of the total number of outstanding shares (1,821,977,615) was present in person or by proxy, and voted on the above matters. Udenna Corporation, the shareholder which holds 70% of the total outstanding shares, was represented by Leandro E. Abarquez.

All the Directors of the Company were present at the June 3, 2020 Annual Stockholders' Meeting.

The Agenda for the October 6, 2020 Special Stockholders' Meeting held via Remote Communication (in Zoom) was as follows:

1. Call to Order
2. Certification of Notice and Determination of Quorum
3. Matters for Stockholders' Approval / Ratification
 - a. Authority to increase the Authorized Capital Stock from Php 2,000,000,000.00 to Php 3,500,000,000.00, divided into Three Billion Four Hundred Ninety Million (3,490,000,000) Common Shares and Ten Million (10,000,000) Preferred Shares, both with the par value of One Peso (P 1.00) per share; Amendment of the Seventh Article of the Articles of Incorporation to effect the increase in the Authorized Capital Stock;
 - b. Change in the feature of the Preferred Shares from Non-Convertible to Convertible; Amendment of the Seventh Article of the Articles of Incorporation to effect the change in the feature of the Preferred Shares;
 - c. Approval of the subscription by Udenna Corporation to additional 375,000,000 Common Shares at the price of Php 3.26 per share; and
 - d. Ratification of the Board Approval to execute a Subscription Agreement with Global Kingdom Investments Limited for 500,000 Preferred Shares at the issue price of One Thousand Pesos (Php 1,000.00) per share.
4. Other Matters
5. Adjournment

At the October 6, 2020 Special Stockholders' Meeting, after a discussion of each item, and opportunity given to the shareholders present to ask questions thereon, approval of the following matters took place : increase in the Authorized Capital Stock from P 2,000,000,000.00 to P 3,500,000,000.00, divided into 3,490,000,000 Common Shares and 10,000,000 Preferred Shares, both with the par value of One Peso (P 1.00) per share; Amendment of the Seventh Article of the Articles of Incorporation to effect the increase in the Authorized Capital Stock; change in the feature of the Preferred Shares from Non-convertible to Convertible; Amendment of the Seventh Article of the Articles of Incorporation to effect the change in the feature of the Preferred Shares; Subscription by Udenna Corporation to an additional 375,000,000 Common Shares at the price of P 3.26 per share; and ratification of the Board approval to execute a Subscription Agreement with Global Kingdom Investments Limited for 500,000 Preferred Shares at the issue price of P 1,000.00 per share.

At the meeting, 70.87% of the total number of outstanding shares (1,821,977,615) was present in person or by proxy, and voted on the above matters. Udenna Corporation, the shareholder which holds 70% of the total outstanding shares, was represented by Leandro E. Abarquez.

All the Directors of the Company were present at the October 6, 2020 Special Stockholders' Meeting.

Item 16. Matters Not Required to be Submitted

There are no actions to be taken with respect to any matter, which are not required to be submitted to a vote by security holders.

Item 17. Amendment of Articles of Incorporation, By-Laws or Other Documents

There will be no amendment of the Articles of Incorporation, By-Laws or other documents.

Item 18. Other Proposed Action

- a. Ratification and confirmation of all acts and resolutions of the Board and Management executed in the normal course of business covering the period February 15, 2020 until February 15, 2021 as set forth in **Annex C**.
- b. Election of the members of the Board of Directors
- c. Appointment of Punongbayan & Araullo as the Company's External Auditors for the Year Ending December 31, 2021.

Item 19. Voting Procedures

Under the Corporation Code, the affirmative vote of stockholders representing at least two thirds (2/3) of the outstanding capital stock of the Company shall be necessary for the approval of the proposed amendment to the Articles of Incorporation and the investment of corporate funds in any other corporation or business or for any purpose other than the primary purpose for which it was organized.

Except in cases provided above, or where the law provides otherwise, all matters subject to vote shall be decided by the plurality vote of stockholders present in person or by proxy and entitled to vote thereat, a quorum being present.

Stockholders of record are entitled to one (1) vote per share. There is no manner of voting prescribed in the By-Laws of the Company. Hence, voting may be done by viva voce, raising of hands or by balloting.

The Stock and Transfer Agent of the Company, BDO Unibank, Inc. – Trust and Investments Group, Securities Service and Corporate Agencies Department (BDO Trust), will validate the votes when voting is done by secret ballot. Likewise, BDO Trust will count the number of hands raised when voting by show of hands is done.

Upon the written request of the stockholders, the Company hereby undertakes to provide said stockholder with a copy of SEC Form 17-A free of charge. Any written request shall be addressed to:

MA. HENEDINA V. SAN JUAN

Corporate Secretary
18th Floor Udenna Tower
Rizal Drive corner 4th Avenue
Bonifacio Global City, Taguig City 1634

After reasonable inquiry to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Taguig on the ___ day of February 2021.

**CHELSEA LOGISTICS AND INFRASTRUCTURE
HOLDINGS CORP.**

BY:

MA. HENEDINA V. SAN JUAN
Corporate Secretary

**ACTS AND RESOLUTIONS OF THE BOARD OF DIRECTORS
FOR THE PERIOD COVERING
February 15, 2019 to February 15, 2020**

17 February	Designation of Martinez Vergara Gonzales & Serrano or any of its lawyers/staff members as representative of the Corporation authorized to file, process and follow-up the Corporation's application for Certificate Authorizing Registration with the Bureau of Internal Revenue in connection with the purchase by the Corporation of 219,609 Preferred C shares of Negros Holdings & Management Corporation in KGLI-NM Holdings, Inc. and to receive the same from the Bureau.
2 March	Authority for the Corporation to transact with BDO Unibank, Inc. or any of its branches, subsidiaries and affiliates such as BDO Leasing and Finance, Inc. and BDO Private Bank for obtainment of loan facilities and availment of banking products and services; Designation of Dennis A. Uy and Cherylyn C. Uy as Class A signatories authorized to sign singly for any amount; Chryss Alfonsus B. Damuy and Ma. Henedina V. San Juan as Class B signatories, and Ignacia S. Braga IV and Rodel V. Marqueses as Class C signatories, where any one (1) Class B signatory may sign with any one (1) Class C signatory for all transactions.
16 March	<ul style="list-style-type: none"> • Designation of Bank of China Ltd. (Manila Branch) as depository bank of the Corporation from which all types of deposit accounts may be opened and maintained, and all services may be availed of by the Corporation; Designation of Dennis A. Uy and Cherylyn C. Uy as Class A signatories authorized to sign singly for any amount; Chryss Alfonsus B. Damuy and Ma. Henedina V. San Juan as Class B signatories, and Ignacia S. Braga IV and Rodel V. Marqueses as Class C signatories, where any one (1) Class B signatory may sign with any one (1) Class C signatory for transactions P 5M and below. • Authority for the Corporation to open and maintain with CTBC Bank (Philippines) Corporation demand deposits; savings accounts; time deposits, and such other types of accounts as may be necessary for the conduct of the business of the Corporation; and to avail any and all of the Bank's various Cash Management Solutions; Designation of Dennis A. Uy and Cherylyn C. Uy as Class A signatories authorized to sign singly for any amount; Chryss Alfonsus B. Damuy and Ma. Henedina V. San Juan as Class B signatories, and Ignacia S. Braga IV and Rodel V. Marqueses as Class C signatories, where any one (1) Class B signatory may sign with any one (1) Class C signatory for all transactions. • Authority for the Corporation to open and maintain Savings and/or Current Accounts; to avail of any related services; to open and maintain placements and/or to invest in government securities and other similar instruments; and to enter into trust and/or investment management agency transactions/ arrangements with China Banking Corporation and/ or China Banking Corporation – Trust and Asset Management Group; Designation of Dennis A. Uy and Cherylyn C. Uy as Class A signatories authorized to sign singly for any amount; Chryss Alfonsus B. Damuy and Ma. Henedina V. San Juan as Class B signatories, and Ignacia S. Braga IV and Rodel V. Marqueses as Class C signatories, where any one

	<p>(1) Class B signatory may sign with any one (1) Class C signatory for all transactions.</p> <ul style="list-style-type: none"> • Designation of Asia United Bank and/or any of its branches as depository bank of the Corporation from which all types of deposit accounts may be opened and maintained, and all services may be availed of by the Corporation; Designation of Dennis A. Uy and Cherylyn C. Uy as Class A signatories authorized to sign singly for any amount; Chryss Alfonsus B. Damuy and Ma. Henedina V. San Juan as Class B signatories, and Ignacia S. Braga IV and Rodel V. Marqueses as Class C signatories, where any one (1) Class B signatory may sign with any one (1) Class C signatory for all transactions; Authority for Ignacia S. Braga IV and John Francis V. Gatus to apply for and access the Corporation’s account through the Bank’s electronic banking services. • Cancellation of the Annual Stockholders’ Meeting of the Corporation scheduled for 26 March 2020 to be held at Davao City due to the Enhanced Community Quarantine to be implemented because of the Covid situation which prohibits travel to and from the National Capital Region.
10 July	<ul style="list-style-type: none"> • Authority for the Corporation to transfer its 63,749,998 shares of stock in Dito Telecommunity Corporation to Dito Holdings Corp., Authority for the Corporation to execute a Deed of Assignment in favor of Dito Holdings Corp. upon approval by the National Telecommunications Commission, Board of Investments, and other relevant government agencies of the application for authorization of Dito Telecommunity Corporation to implement the transfer of ownership; Designation of President & CEO Chryss Alfonsus V. Damuy as authorized signatory for the Deed of Assignment; Designation of Atty. Adel A. Tamano and Atty. Ariel Salvador H. Magno as representatives of the Corporation authorized to appear in any proceedings that may be held in connection with the application for transfer of shares to Dito Holdings Corp. • Authority for BDO Unibank, Inc. to honor and implement scanned or faxed letters and instructions from the Corporation as final and conclusive evidence of such letters and instructions; Designation of Chryss Alfonsus B. Damuy and Ma. Henedina V. San Juan as Class A signatories, and Ignacia S. Braga IV and Rodel V. Marqueses as Class B signatories, where any one (1) Class A signatory may sign with any one (1) Class B signatory for all transactions. • Authority for the Corporation to amend certain terms of the Omnibus Agreement executed by and between the Corporation, Udenna Corporation, Udenna Investments BV, KGLI-NM Holdings, Inc., Dennis A. Uy, Cherylyn C. Uy and BDO Unibank, Inc., Designation of Chairman of the Board of Directors Dennis A. Uy as authorized signatory for the said Amendment to the Omnibus Agreement and to agree on such terms and conditions as said signatory may deem appropriate for and on behalf of the Corporation.
10 August	<ul style="list-style-type: none"> • Authority for the Corporation to enter into a Memorandum of Agreement with Phoenix Petroleum Philippines, Inc. in connection with the sale of the following vessels owned by the Corporation’s subsidiaries Chelsea Shipping Corp. and Michael, Inc: M/T Great Diamond; M/T Chelsea Resolute; M/T Chelsea Enterprise; M/T Chelsea Excellence; M/T Jasaan; and M/T Ernesto Uno; Designation of President & CEO Chryss

	<p>Alfonso V. Damuy as authorized signatory for said Memorandum of Agreement and all other necessary documents.</p> <ul style="list-style-type: none"> • Authority for the Corporation to enter into a Conditional Deed of Sale of the vessel M/T Great Diamond with Phoenix Petroleum Philippines, Inc.; Designation of President & CEO Chryss Alfonso V. Damuy as authorized signatory for the Conditional Deed of Sale and other necessary documents.
28 September	<p>Authority for the Corporation to act as surety for the purpose of securing the obligations incurred or which may be incurred by the Corporation and/or its subsidiary Chelsea Shipping Corp. with China Banking Corporation; Designation of President & CEO Chryss Alfonso V. Damuy as authorized signatory for the Surety Agreement and other necessary documents.</p>
19 October	<p>Authority for the Corporation to sell its shares in Dito Telecommunity Corporation consisting of 40,833,332 Common Shares with a par value of P 100.00 per share and 22,916,666 Preferred Shares with a par value of P 1.00 per share, to Dito Holdings Corporation; Authority for the President & CEO of the Corporation, Chryss Alfonso V. Damuy, to sign and execute the Deeds of Absolute Sale and Assignment of Rights to Dito Holdings Corporation; Authority for the Corporation to assign to Dito Holdings all of the Corporation's rights, interests, obligations, warranties, and undertakings under the PCC Sworn Undertaking and the Binding Bidding Agreement, both entered into by the Corporation in compliance with the National Telecommunications Commission's Memorandum Circular No.09-09-2018; Authority for the Corporation to assign to Dito Holdings all of the Corporation's rights, interests, obligations, warranties and undertakings under the Certificate of Public Convenience and Necessity approved by the National Telecommunications Commission; Authority for the Corporation's President & CEO Chryss Alfonso V. Damuy to sign and execute any and all documents necessary to implement the foregoing authorities.</p>
12 November	<p>Designation of President & CEO Chryss Alfonso V. Damuy and Corporate Secretary Ma. Henedina V. San Juan as authorized signatories for the Advisement Report on Material Related Party Transactions to be filed with the Securities and Exchange Commission in connection with the assignment by the Corporation of its Common Shares and Preferred Shares in Dito Telecommunity Corporation to Dito Holdings Corp.</p>
23 November	<ul style="list-style-type: none"> • Authority for the Corporation to execute the Second Amendment to the Omnibus Loan and Security Agreement dated 26 July 2018 executed by and between the Corporation, Udenna Corporation, Udenna Investments BV, KGLI-NM Holdings, Inc., Dennis A. Uy, Cherylyn C. Uy and BDO Unibank, Inc.; Designation of the President & CEO Chryss Alfonso V. Damuy as the authorized signatory for the Second Amendment to the Omnibus Loan and Security Agreement and all other related documents. • Designation of the Chairman of the Board Dennis A. Uy as Proxy of the Corporation authorized to attend the Special Stockholders' Meeting of Dito Telecommunity Corporation with full authority to vote the shares of stock of the Corporation in Dito Telecommunity Corporation.

7 December	<ul style="list-style-type: none"> • Authority for the Corporation to act as surety for the purpose of securing the obligations incurred or may be incurred by the Corporation and/or its subsidiary Chelsea Shipping Corp. with China Banking Corporation; Authority for the President & CEO of the Corporation, Chryss Alfonsus V. Damuy, to sign and execute any and all documents including but not limited to the Surety Agreement to implement this Resolution. • Designation of the Corporation’s contact e-mail addresses and mobile numbers in compliance with Memorandum Circular No. 28, Series of 2020, issued by the Securities and Exchange Commission.
14 December	<p>Authority for Cristine Ayles, Rolando Laurilla or Francisco Delicana to transact, process and receive from the Local Government of Taguig City, any and all documents in connection with the Corporation’s application to update/ transfer from Transfer Certificate of Title No. 164-2018001752 to Transfer Certificate of Title No. 1642019001208 for the property located at Levi Mariano Ave.,Tipas, Taguig City.</p>

MANAGEMENT REPORT

I. MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) OF FINANCIAL CONDITION AND RESULTS OF OPERATION

This discussion summarizes the significant factors affecting the consolidated operating results and financial condition of Chelsea Logistics and Infrastructure Holdings Corp. and its Subsidiaries as of and for the year ended September 30, 2020. The following discussion should be read in conjunction with the attached consolidated financial statements of the Company as of September 30, 2020 and 2019, and the related consolidated statements of income, changes in stockholders' equity, and cash flows for each of the two periods ended September 30, 2020 and 2019.

Comparable discussion on Material Changes in Results of Operations for the Nine Months Ended September 30, 2020 vs. September 30, 2019.

<i>Amounts in millions</i>		YTD 2020		YTD 2019	% Change
Revenues	P	3,325	P	5,154	-35%
Cost of sales and services		3,760		3,433	10%
Gros Profit	(	435)		1,721	-125%
Other Operating Expenses		850		760	12%
Operating Profit	(	1,285)		961	-234%
Other Charges - Net	(	1,286 )	(	1,035)	24%
Profit (Loss) Before Tax	(	2,571 )	(	73)	3409%
Tax Expense (Income)		31	(	93)	-134%
Net Profit (Loss)	(P	2,602)	P	20	-13142%
Add Back:					
Tax Expense (Income)		31	(	93)	-134%
Depreciation and Amortization		1,240		915	36%
Interest Expense		986		851	16%
Share in Net Loss (Income) of an Associate		563		385	46%
Less: Interest Income	(	0)		3	-107%
EBITDA	P	218	P	2,080	-90%

Chelsea Logistics and Infrastructure Holdings Corp. and subsidiaries (CLC or the Group) posted a Net Loss of ₱2,602 million for the nine months ended September 30, 2020 as compared to Net Profit of ₱20 million during the same period in 2019.

Similarly, EBITDA significantly declined by 90% from ₱2,080 Million in 2019 to only ₱218 million in 2020. The significant downturn in the Company's profitability is attributed to the Community Quarantine measures imposed by the Philippine Government starting March 15, 2020 which restricted the travel of people via land, sea and air transport and allowed only the delivery of essential goods. Freight and logistics businesses were also greatly affected during the past months as the quarantine measures shifted air and land transport of cargoes to sea and trucking services. Although the Philippine Government is slowly lifting the travel restrictions, the Group's operations have not yet returned to pre-COVID 19 pandemic.

Revenues

Presented below is the comparison of the Group's consolidated revenues for the nine (9) months ended September 30, 2020 as compared to the consolidated revenues for the same period in 2019.

<i>Amounts in millions</i>	YTD 2020		YTD 2019		% Change
Freight	P	1,286	P	1,692	-24%
Tankering		901		1,583	-43%
Passage		452		1,095	-59%
Logistics		248		248	0%
Tugboat fees		262		253	4%
Others		176		284	-38%
Total Revenues	P	3,325	P	5,154	-35%

Based on the comparison of the actual performance during the first nine (9) months of 2020 against the same period in 2019, the Group's revenues declined by ₱1,829 million or 35% to ₱3,325 million from ₱5,154 million. Most segments of the Group's businesses showed a slowdown in revenue generation as a result of the Community Quarantine measures imposed by the Philippine Government starting March 15, 2020, which restricted the travel of people via land, sea and air transport and allowed only the delivery of essential goods.

Tankering revenues went down from ₱1,583 million to only ₱901 million as a result of less movement in petroleum products for the Company's base customers, which include those from the petroleum industry, airline industry, power and other businesses affected by the pandemic. Similarly, revenues from freight segment reduced by 24% from ₱1,692 million for the first nine (9) months of 2019 to ₱1,286 million during the same period in 2020 as movement of goods were limited to delivery of essential goods. Passage, the segment of business most affected by the community quarantine, dropped by 59% from ₱1,095 million in 2019 to only ₱452 million during the same period in 2020, which include ₱161 million from the Supercat Fast Ferry Corporation in 2020. For stand-alone second quarter of 2020, passage revenue is down 73% compared to the same quarter in 2019. Historically, for the shipping industry, the second quarter of a year is the strongest as this coincides with the summer vacation and holiday travel is at its highest, boosting both domestic and local tourism. In 2020, this peak tourist season did not happen and, in fact, even regular travels of business commuters were affected.

Tugboat revenues slightly increased by 4% for the nine (9) months ended September 30, 2020 from ₱253 million to ₱262 million while the Group's logistics business posted same level of revenues for the first nine (9) months of 2020 and 2019.

Costs and Expenses

While most of the Company's vessels were placed on laid-up status during the community quarantine, Cost of Sales and Services increased by 10% from ₱3,433 million in 2019 to ₱3,760 million during the current period. This is due to the nature of costs, which are mostly fixed such as Depreciation and Amortization, Insurance and Crew Salaries and Employee Benefits. Depreciation and Amortization and Insurance actually increased by ₱280 million and ₱45 million, respectively, as a result of additional vessel deployments for the period. Crew salaries and Employee Benefits, on the other hand, were managed through flexible working arrangements and workforce rationalization. In addition, included in the Costs of Sales and Services are the full costs of Supercat as a result of its consolidation since October 9, 2019, which was not part of the costs in the same period of the previous year.

Other Operating Expenses increased from ₱760 million to ₱850 million due to increases in Salaries and Employee Benefits and Outside Services resulting from the Group's continued expansion. Starting

October 2019, the Group added Supercat, and therefore, its expenses which were not part of the operating expenses in the first half 2019, were included in full to the costs in 2020.

Net Profit

The Group's Net Loss for the nine (9) months ended September 30, 2020 amounted to ₱2,602 million as compared to a net profit of ₱20 million for the same period in 2019. The decline in the Group Net Profit was primarily attributable to the limitation on the part of the Company to generate revenues particularly during the last two quarters, as a result of the Community Quarantine imposed by the Philippine Government as part of its response to the COVID-19 pandemic. Unfortunately, the imposition of the Community Quarantine happened during the peak season of the Philippine shipping industry.

The increase in finance costs amounting from ₱851 million to ₱986 million pertain to interest expenses related to new loans obtained to finance vessels, which were acquired in 2019 while share in the Company's net loss in associates increased from ₱385 million to ₱563 million.

Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)

The Group was still able to post a positive EBITDA of ₱218 million for nine (9) months period ended September 30, 2020. Though this is a 90% decline compared to the same period of last year, which recorded ₱2,080 million. The efforts of the Group to operate on a cash positive mode were done thru the implementation of various efficiency factors and cost-savings strategies.

Financial Condition

(September 30, 2020 vs. December 31, 2019)

<i>Amounts in millions</i>		Sept-20		Dec-19	% Change
Current Assets	P	5,558	P	5,055	10%
Non-Current Assets		35,174		35,950	-2%
Total Assets	P	40,732	P	41,004	-1%
Current Liabilities	P	20,360	P	18,077	13%
Non-Current Liabilities		10,521		10,473	0%
Total Liabilities	P	30,881	P	28,551	8%
Total Equity	P	9,852	P	12,454	-21%

Total resources of the Group slightly decreased to ₱40,732 million as of September 30, 2020 from ₱41,004 million as of December 31, 2019.

Cash and cash equivalents dropped by 63% from ₱375 million as of December 31, 2019 to ₱137 million as of September 30, 2020 as a result of negative cash flows from operations attributable to the Community Quarantine imposed on the second half of March 2020, which historically is the start of the peak season for the Group's operations.

Trade and Other Receivables increased by 13% from ₱2,226 million as of December 31, 2019 to ₱2,516 million as of September 30, 2020 primarily due to timing of collections from customers.

Advances to related parties rose from ₱814 million as of December 31, 2019 to ₱1,031 million as of September 30, 2020 as a result of advances to related parties for working capital requirements and

other purposes. These advances are expected to be settled in cash or through offsetting arrangements with the related parties.

Property and Equipment dropped from ₱22,915 million as of December 31, 2019 to ₱21,491 million as a result of depreciation and amortization charges during the first nine months of 2020.

Investments in an associate and a joint venture increased from ₱6,416 million as of December 31, 2019 to ₱6,459 million as of September 30, 2020 while Goodwill similarly increased from ₱5,713 million as of December 31, 2019 to ₱6,342 million as of September 30, 2020. This was caused by the step-up acquisition in KGLI-NM Holdings, Inc. and subsequent consolidation of the books of accounts of the same as of and for the period ended September 30, 2019.

Trade and other payables increased by ₱1,013 million from ₱10,760 million as of December 31, 2019 to ₱11,773 million as of September 30, 2020. The increase in Trade and other payables was primarily due to timing of payment of trade payables. Of this amount, ₱4,355 million as of September 30, 2020 and December 31, 2019 pertain to subscription payable relating to the Company's investments in DITO Telecommunity Corporation and DITO Holdings Corp.

Interest-bearing loans decreased from ₱16,307 million as of December 31, 2019 to ₱16,091 million as of September 30, 2020 as a result of repayments on maturing obligations. Redeemable preferred shares represent preferred shares issued by KGLI-NM Holdings, Inc. in previous years and were only consolidated in the Group's consolidated financial statements starting 2020.

The deposit for future stock subscription refers to cash received from a certain investor which shall be converted to equity upon necessary filing and approval of the Philippine Securities and Exchange Commission.

With the ₱2,602 million Net Loss of the Company for the period ended September 30, 2020, the Company's equity consequently declined.

Comparable discussion on Material Changes in Results of Operations for the Nine Months Ended September 30, 2019 vs. September 30, 2018.

<i>Amounts in millions</i>	Sep 2019		Sep 2018		% Change
Revenues	P	5,154	P	3,695	40%
Cost of sales and services		3,433		2,427	41%
Gros Profit		1,721		1,268	36%
Other Operating Expenses		760		591	29%
Operating Profit		961		677	42%
Other Charges - Net		1,035		594	74%
Profit (Loss) Before Tax	(	73)		84	-187%
Tax Expense (Income)	(	93)		41	-329%
Net Profit	P	20	P	43	-54%
Add Back:					
Tax Expense (Income)	(	93)		41	-329%
Interest Expense		843		456	85%
Depreciation and Amortization		915		624	47%
Share in Net Loss (Income) of an Associate		385		198	95%
Less: Interest Income	(	1 )	(	1)	-54%
EBITDA	P	2,069	P	1,359	52%

Chelsea Logistics and Infrastructure Holdings Corp. and subsidiaries (CLC or the Group) posted a Net Profit of ₱20 million for the nine (9) months ended September 30, 2019. This represents 54% decline compared to the Net Profit of ₱43 million during the same period in 2018.

On other hand, EBITDA grew by 52% from ₱1,359 million in 2018 to ₱2,069 million in 2019 as a result of higher depreciation and interest incurred from the operations of MV Salve Regina, MV Stella Del Mar, MT Chelsea Providence, MV Trans-Asia 19, MV Trans-Asia 18, MV Stella Maris and MV Starlite Sprint 1, which commenced operations in various dates from fourth quarter 2018 to third quarter 2019.

Revenues

Presented below is the comparison of the Group's consolidated revenues for the nine (9) months ended September 30, 2019 as compared to the consolidated revenues for the same period in 2018.

<i>Amounts in millions</i>	Sep 2019		Sep 2018		% Change
Freight	P	1,692	P	1,260	34%
Tankering		1,583		1,211	31%
Passage		1,095		727	51%
Logistics		328		191	72%
Tugboat fees		253		222	14%
Others		204		85	139%
Total Revenues	P	5,154	P	3,695	40%

Based on the comparison of the actual performance during the nine (9) months of 2019 against the same period in 2018, the Group's revenues increased by ₱1,459 million or 40% to ₱5,154 million from ₱3,695 million. Each business segment of the Group showed robust growth. Tankering revenues (consisting of charter fees and standby charges) increased from ₱1,211 million to ₱1,583 million as a result of the operations of MT Chelsea Providence, the Group's medium-range tanker and the largest registered tanker in the Philippines. In addition, the utilization of the Group's other tankers also increased with the higher volume of petroleum products shipped for the period. Similarly, revenues from freight segment grew by 34% from ₱1,260 million for the nine (9) months of 2018 to ₱1,692 million during the same period in 2019, while passage revenues rose by 51% from ₱727 million in 2018 to ₱1,095 million in 2019. The growth in the freight and passage revenues can be attributed to the operations of MV Stella Del Mar, MV Salve Regina, MV Trans-Asia 19, MV Trans-Asia 18 and MV Stella Maris plying the routes of Roxas-Caticlan, Batangas-Caticlan, Cebu-Tagbilaran-Cagayan de Oro, Cebu-Cagayan De Oro and Cebu-Surigao, respectively. In addition, the re-routing of MV Starlite Archer and MV Starlite Saturn from short-haul trips to Batangas-Caticlan and Batangas-Culasi via Sibuyan also contributed to better revenue performance for the passage and freight business. Finally, the operation of Starlite Venus plying the Batangas-Bacolod-Iloilo-Batangas route which started in November, improved the revenue performance of the Company.

Tugboat fees slightly increased by 14% for the nine (9) months ended September 30, 2019 from ₱222 million to ₱253 million as a result of the Group's expanded tugboat operations in Batangas, Davao, and recently, in Cagayan de Oro.

The Group's logistics business, which currently accounts for 6% of the total consolidated revenues, posted the biggest growth of 72% from 2018's ₱191 million to ₱328 million for the nine (9) months of 2019. This was a result of the Group's continued expansion program of increasing its warehouse capacity and trucking fleet. This segment is expected to further improve once the Group's warehouse complex located on a 2.5-hectare property in Brgy. Ligid-Tipas, Taguig City commences commercial operations in 2020.

Costs and Expenses

The significant drivers to the increase in Costs of Sales and Services were the bunkering costs, depreciation and amortization, crew salaries and employee benefits, repairs and maintenance and insurance, which grew by ₱418 million, ₱275 million, ₱103 million, ₱74 million and ₱27 million, respectively, as a result of additional vessel deployments for the period. In addition, outside services increased by ₱122 million as a result of the significant increase in volume of delivery services for the Group's logistics business.

Other Operating Expenses increased by 29% from ₱591 million in 2018 to ₱760 million in 2019 due to increases in salaries and employee benefits and handling expenses resulting from the Group's continued expansion. On the other hand, taxes and licenses declined by ₱40 million for the nine (9) months of 2019. A one-time payment of documentary stamp taxes for the conversion of certain loans and filing fees related to incorporation of new companies were incurred in 2018.

Net Profit

The Group's Net Profit for the nine (9) months ended September 30, 2019 amounted to ₱20 million as compared to ₱43 million for the same period in 2018. The decline in the Group Net Profit was primarily attributable to higher finance costs and depreciation and amortization due to its expansion program.

Finance costs amounting to ₱843 million includes interest expenses related to new loans obtained to finance vessels, which were acquired during the second half of 2018 and first half of 2019.

Financial Condition

(September 30, 2019 vs. December 31, 2018)

Amounts in millions		Sep-19		Dec-18	% Change
Current Assets	P	5,137	P	6,494	-21%
Non-Current Assets		28,811		25,797	12%
Total Assets	P	33,948	P	32,291	5%
Current Liabilities	P	9,816	P	10,126	-3%
Non-Current Liabilities		11,162		9,241	21%
Total Liabilities	P	20,978	P	19,366	8%
Total Equity	P	12,970	P	12,925	0%

Total resources of the Group grew to ₱33,948 million as of September 30, 2019 from ₱32,291 million as of December 31, 2018. The increase was brought about by the Group's continued expansion programs in the shipping and logistics business and through the subscription of shares in DITO Telecommunity Corporation (DITO).

Cash and cash equivalents increased by 23% from ₱443 million as of December 31, 2018 to ₱546 million as of September 30, 2019 as a result of availment of new loans to finance the continued expansion programs of the Group.

Trade and other receivables increased by 62% from ₱1,430 million as of December 31, 2018 to ₱2,310 million as of September 30, 2019 primarily due to timing of collections from customers.

The decline in inventories of approximately ₱35 million was due to consumption of fuel and lubricants and the usage of spare parts inventories during the drydocking of certain vessels.

Advances to related parties decreased significantly from ₱3,128 million as of December 31, 2018 to ₱831 million as of September 30, 2019 as a result of collections of advances to related parties for

working capital requirements and other purposes. The remaining advances are expected to be settled in cash or through offsetting arrangements with the related parties.

Property and equipment grew from ₱17,303 million as of December 31, 2018 to ₱20,278 million as a result of additional vessel acquisitions during the nine (9) months of 2019 as part of the Group's continued expansion programs.

Investments in associates and a joint venture increased significantly from ₱1,821 million as of December 31, 2018 to ₱1,986 million as of September 30, 2019 resulting from acquisition of shares of DITO, additional investment in Meridian. These were partially offset by the recognition of the Group's share in net losses of 2Go Group, Inc. and DITO for the current period.

Trade and other payables increased by ₱755 million from ₱3,511 million as of December 31, 2018 to ₱4,266 million as of September 30, 2019. The increase in Trade and other payables was primarily due to timing of payment of trade payables.

Interest-bearing loans slightly increased by 2% from ₱15,619 million as of December 31, 2018 to ₱15,984 million as of September 30, 2019 resulting from the availment of new loans related to the acquisition of vessels in relation to the Group's continued expansion programs.

The decline in Income Tax Payable was primarily due to the tax payments made in April 2019.

The decrease in deferred tax liabilities by 14% was mainly due to the tax effect of utilization of prior years' NOLCO but partially offset by additional revaluation increment related to the appraisal of vessels after drydocking.

The increase in equity, primarily retained earnings, was due to the results of the Company's financial performance for the nine (9) months ended 30 September 2019.

Key Performance Indicators and Relevant Ratios

The Group's key performance indicators and relevant ratios and how they are computed are listed below.

	Sept-20	Dec-19	Sept-19	Dec-18
Current ratio	0.27	0.28	0.52	0.64
Debt-to-equity ratio	3.13	2.29	1.62	1.50
Book value per share	5.41	6.84	7.02	7.00
EBITDA margin	6.55%	40%	40%	37%
Return on equity	-26.41%	-6.68%	.16%	-4.22%
Earnings per share	-1.43	-0.457	0.011	-0.30

These key indicators were chosen to provide Management with a measure of the Group's financial strength (Current Ratio and Debt to Equity) and the Group's ability to maximize the value of its stockholders' investment in the Group (Return on Equity, Net Book Value Per Share and Earnings Per Share). Likewise, these ratios are used to compare the Group's performance with similar companies.

Known Trends or Demands, Commitments, Events or Uncertainties that will impact Liquidity

The Company is not aware of any known trends, demands, commitments, events or uncertainties that will materially affect its liquidity.

Events that will trigger Direct or Contingent Financial Obligation that is material to the Company, including any default or acceleration of an obligation

The Company is not aware of other events that will materially trigger a direct or contingent financial obligation.

Material Off-Balance Sheet Transactions, Arrangements, Obligations (including contingent obligations), and Other Relationships of the Company with Unconsolidated Entities or Other Persons Created during the Reporting Period

The Company has no material off-balance sheet transactions, arrangements, obligations and other relationships with unconsolidated entities or other persons created during the period that is not included in the Financial Statements.

Material Commitments for Capital Expenditures, the General Purpose of the Commitment and Expected Sources of Funds

As discussed in Note 23.6 to the financial statements, the Company signed a shipbuilding agreement for the delivery of a bed/seat Ro-Ro type passenger ferry ship presently identified as Builder's No. F-1351 for delivery in June 2021

Known Trends, Events or Uncertainties that will impact Sales / Revenues / Income from Continuing Operations

The Company is not aware of any known trends, events or uncertainties that will impact its sales and/or income from continuing operations.

Significant Elements of Income or Loss that Did Not Arise from Continuing Operations

On March 15, 2020, the President of the Republic of the Philippines declared the imposition of Enhanced Community Quarantine (ECQ) which restricted all land, air and sea transport to and from Luzon, in order to control the spread of the novel coronavirus. Several local government units in Visayas and Mindanao also followed with their respective Executive Orders restricting all forms of transport. These pronouncements resulted in a significant slowdown in the Group's operations even as it continuously incurred costs although most of the vessels were on laid-up status.

Seasonal Aspects that had Material Effect on the Financial Condition or Results of Operations

The RoPax segment transports passengers and cargoes within Philippine territorial waters and/or on the high seas. Due to the seasonal nature of this segment, higher passage revenues and operating profits are usually experienced in the summer months of the year (March, April and May), school holidays (October and November) and Christmas holidays (December and January) rather than in the other months of the year. Freight revenues, on the other hand, are higher at the last quarter of the year rather than in the early months. This scenario, however did not hold true for 2020 because of the ECQ declared in the various cities and provinces where the Group operates, starting second half of March 2020.

The seasons of the year have no or little effect on the operations of the tanker and tugboat segments.

II. NATURE AND SCOPE OF BUSINESS

Item 1. Historical Background

Chelsea Logistics and Infrastructure Holdings Corp. (CLIHC) is a corporation organized and registered with the Philippine Securities and Exchange Commission (SEC) as 'Chelsea Shipping Group Corp.' on August 26, 2016 primarily to act as a holding company.

On November 24, 2016, the Company acquired all of the outstanding shares of Chelsea Shipping Corp. (CSC) from P-H-O-E-N-I-X Petroleum Philippines, Inc. (PPPI), a related party under common ownership, for a total consideration of P2.0 billion.

On December 12, 2016, the Company acquired 100% ownership interest in Trans-Asia Shipping Lines, Incorporated for a total consideration of P216.3 million.

On December 21, 2016, the Securities and Exchange Commission approved the application of the Company to amend its corporate name from "Chelsea Shipping Group Corp." to "Chelsea Logistics Corp." and on June 27, 2017 the change from "Chelsea Logistics Corp." to "Chelsea Logistics Holdings Corp.", and on 7 May 2019 the change from "Chelsea Logistics Holdings Corp." to "Chelsea Logistics and Infrastructure Holdings Corp."

On March 27, 2017, CLIHC acquired all of Udenna Investments BV's (UIBV's) outstanding capital stock through a share swap agreement with Udenna Corporation wherein Udenna Corporation transferred to CLIHC 18,200 UIBV shares. In exchange, CLIHC issued 775,384,615 new common shares from its authorized and unissued capital stock in favor of Udenna. UIBV owns 80% economic interest in KGLI-NM, a domestic corporation which was incorporated on August 8, 2008, and which holds 39.85% economic interest in Negros Navigation Co., Inc. (NENACO). KGLI-NM acquired such interests in NENACO on May 13, 2008. NENACO, in turn owns 88.31% of 2Go Group, Inc. (2Go). NENACO acquired its interests in 2Go on December 28, 2010. Hence, CLIHC has a 28.15% indirect economic interest in 2Go. NENACO and 2Go are the largest supply chain enterprise and end-to-end solutions provider in the Philippines.

On August 8, 2017, the Company went public and its shares of stock were initially listed at the Philippine Stock Exchange (PSE).

On November 8, 2017, the Company acquired WorkLink Services, Inc., a one-stop integrated logistics solutions provider. Subsequently, on November 9, 2017, the Company acquired Starlite Ferries, Inc., a roll-on, roll-off and passenger ship operator based in Batangas.

On October 9, 2019, the Company acquired The Supercat Fast Ferry Corporation, a shipping company engaged in the operations of fast crafts in Cebu, Batangas, Ormoc, Bacolod, Iloilo and Tagbilaran.

Item 2. Business of Issuer

Description of Registrant

Principal Products and Services

CLIHC's core businesses, through its wholly-owned subsidiaries, are divided into: (i) Tankering, (ii) Passage, (iii) Freight, (iv) Tugboat services, and (v) Logistics Services.

Chelsea Shipping Corp.

Chelsea Shipping Corp. (CSC), incorporated on July 17, 2006, is engaged in maritime trade in the conveyance or carriage of petroleum products, goods, wares, and merchandise of every kind and description, including but not limited to general cargo handling, loading, transporting, discharging and storing, over oceans, seas, lakes, rivers, canals, bays, harbors, and other waterways.

CSC's wholly-owned subsidiaries are engaged in the following businesses:

- a. PNX-Chelsea Shipping Corp. (PNX-Chelsea), incorporated on February 2, 2011, is engaged in operating vessels for domestic trade for conveyance or carriage of petroleum products, goods, wares, and merchandise of every kind and description, to charter in and charter out any such vessels and to provide complete maritime services.
- b. Fortis Tugs Corporation (FTC), incorporated on April 8, 2013, is engaged in the towage and salvage of marine vessels and other crafts including cargoes upon seas, lakes, rivers, bays, harbors, and other waterways between the various ports of the Philippines. DGMSI, a wholly-owned subsidiary of FTC, operates, conducts, and provides tug and other marine services to all vessels, foreign or coastwise that dock and undock in the District Port of Davao and all other ports in the Philippines.
- c. Michael Inc. (MI), incorporated on December 26, 1957, is engaged in the charter, hire or otherwise acquire LCTs, ships, barges, or vessels, together with equipment and furniture thereof.
- d. Bunkers Manila Incorporated (BMI), incorporated on March 7, 2000, is engaged in operating inter-island vessels for domestic trade, to charter in and charter out any such vessels and to provide complete marine services, as principal or agent to ship owners, ship operators and managers, and to any person, association, firm or corporation engaged in domestic marine and maritime business.
- e. Chelsea Ship Management & Marine Services Corp. (CSMMSC), incorporated on March 30, 2012, is engaged in ship management and is authorized to act as agent, broker, ship chandler or representative of foreign/ domestic shipping corporations and individuals for the purpose of managing, operating, supervising, administering and developing the operation of vessels belonging to or which are or may be leased or operated by said shipping corporations and individuals.
- f. Chelsea Marine Manpower Resources, Inc. (CMMRI), incorporated on June 9, 2016, is engaged in providing full and partial crewing for domestic and foreign vessels, and is authorized to act as authorized representative and crew manager of shipping companies, and to provide allied maritime services for said vessels and companies.
- g. Chelsea Dockyard Corp. (CDC), incorporated on January 8, 2018 and is engaged in the general business of building and repair of ships, boats and other kinds of vessels as well as in ship breaking activities.
- h. CD Ship Management & Marine Services Corp. (CDSMMSC), incorporated on March 14, 2018 and is engaged to carry on the business of ship management and to act as agent, broker, ship chandler or representative of foreign/domestic shipping corporations and individuals for the purpose of managing, operating, supervising, administering and developing the operation of vessels belonging to or which are or may be leased or operated by said shipping corporations and individuals and for such purpose, to act as principal in and hire the services of a local manning agent for the overseas employment for seamen, and to equip any and all kinds of ships, barges and vessels of every class and description owned by any shipping corporation.

Trans-Asia Shipping Lines, Incorporated

Trans-Asia Shipping Lines, Incorporated (Trans-Asia), incorporated on March 25, 1974, is engaged in transporting passengers and cargo within Philippine territorial waters and/or in the high seas.

Trans-Asia's wholly-owned subsidiaries are engaged in the following businesses:

- a. Ocean Star Shipping Corporation (OSSC), incorporated on July 6, 2006, is engaged in the hire, charter, purchase or otherwise acquires vessels, barges, tugboats, lighters or other vessels of any class or regular services of vessels, barges, tugboats, lighters, or other vessels to enter into contract for the carriage and shipment in bulk or otherwise, and to conduct the business of general lighterage, towing ship chandlery, shipbrokers, freight contractors, barge and lighter owners and operators, forwarding agents, and general cargo handling operations of any all kinds of cargo.
- b. Starsy Shoppe, Inc. (SSI), incorporated on March 31, 2005, is engaged in engaged in the purchase of all kinds of food and beverage products and merchandise, except rice and corn, locally and/or through importation for purposes of selling the same on retail or wholesale, either local and/or through importation.
- c. Dynamic Cuisine Inc. (DCI), incorporated on June 21, 2000, is engaged in maintaining restaurants, coffee shops, refreshment parlors, cocktail lounges, and cooks, arranges, serves and caters goods, drinks, refreshments and other food or commodities commonly served in such establishments.
- d. Quality Metal & Shipworks, Inc. (QMSI), incorporated on November 28, 2007, is engaged in providing machining and mechanical works on ship machineries and industrial plants.
- e. Star Maritima Port and Allied Services, Inc. (SMPASI), incorporated on October 11, 2018, is engaged primarily in providing arrastre services.
- f. Big Hub Transport and Logistics Corp. (Big Hub), incorporated on November 14, 2018 engaged in the business of transporting by land persons and/or their baggage, cargo, goods merchandise or effects, and to own, lease or charter, offer for lease or charter or operate land vehicles such as, but not limited to buses, cars, jeeps or vans.

Worklink Services, Inc.

Worklink Services, Inc. (WSI), established in February 1999, provides domestic logistics solution for various local industries. WSI's services are the following:

- a. Courier – Document (via Air/Land) and Non-document (via Air/Land/Sea)
- b. Trucking – Rental and hauling
- c. Warehousing – warehouse rental, inventory management, pick and pack, online shipping
- d. Special Projects – Account Management such as event management, manpower, in-store or trade merchandising/design set-up; and Drop Box Management such audit and encoding

Starlite Ferries, Inc.

Starlite Ferries, Inc. (SFI), incorporated on 26 August 1994, is engaged in the general business of domestic shipping to own and operate any class, type or description for domestic trade, to charter in and out any such vessels. SFI is one of the dominant shipping companies in the Batangas – Calapan and Roxas – Caticlan trade routes.

SFI has a wholly owned subsidiary, Starbites Food Services Corp., incorporated on 27 June 2018 and which was established to purchase all kinds of food and beverage products and merchandise, except rice and corn, locally and/or through importation, for purposes of selling the same on retail or wholesale locally.

On August 10, 2018 and October 22, 2018, SFI acquired all of the outstanding shares of stock of Southwest Gallant Ferries, Inc. (SGFI) and Southwest Premiere Ferries, Inc. (SPFI), respectively. Both companies are primarily engaged in the general business of domestic shipping; to own and operate vessel of any class, type or description for domestic trade; to charter in and out any vessel. Southwest Gallant Ferries, Inc. has been re-named Starlite Gallant Ferries, Inc. and Southwest Premiere Ferries,

Inc. has been re-named Starlite Premiere Ferries, Inc.

The Supercat Fast Ferry Corporation

The Supercat Fast Ferry Corporation incorporated on 20 June 2001 is engaged in the business of passenger transport. It operates 11 fastcrafts plying the routes of Cebu- Ormoc, Cebu-Tagbilaran, Batangas – Capalan, and Bacolod-Iloilo.

Revenue Contribution

The following table represents the revenue distribution based on key business segments of the Company:

Services	Description of Services	Contribution to Sales
Freight	This pertains to revenues generated from transporting cargo from loading port to discharge port.	39%
Tankering	This consists mainly of charter income arising from the charter hire of its tankers and is recognized based on the type of charter agreement entered into, either under a time charter (TC), a continuing voyage charter (CVC), or bareboat agreement (BB). Charter fees also include standby charges, which represent fees charged upon failure of customer to utilize/dispatch the tanker within the allotted lay-time initially agreed upon with the customer. This is commonly referred to as demurrage.	27%
Passage	This pertains to revenues generated from ferrying passengers from the point of embarkation to the point of disembarkation.	14%
Tugboat	These are fees arising from docking, undocking, shifting, towing, ferry services, tugboat usage and delivery services to marine vessels and other crafts.	8%
Logistics Services	This pertains to revenues generated from logistics, distribution and warehousing services.	7%

Competition

A. Tankers

The transport of petroleum products is one of the essential businesses that propel the growth of the Philippine economy. There are approximately 7,400 islands in the country, of which more than half are inhabited. The populace needs fuel for transportation, electrical power, farming and other activities. It is the oil tankers and trucks which make sure that fuel is transported to places in our country where and when it is needed.

As of September 2017, the Maritime Industry Authority (MARINA) registered approximately 293 oil tankers in the country. Majority of these vessels are 500 gross registered tonnage (GRT) or below, and the rest ranges from 501 GRT to 5052 GRT in size. The aggregate tonnage of these tankers is about 190,876 GRT.

Below are the five (5) major competitors of CLIHC in terms on the tanker business, these companies have a fleet of four (4) or more vessels.

1. Petrolift Group
2. Herma Shipping Group
3. Shogun Ships Co., Inc.
4. Via Marine
5. Magsaysay Group

These tanker owners have an approximately 65 tankers combine with an aggregate tonnage of about 105,764 GRT.

B. Tugboats

Tugboats are small, powerful boats that are used to maneuver vessels of larger size by pushing and towing them. These are especially useful in narrow & difficult waterways and crowded ports. Although tugboats are usually utilized for docking & undocking procedures, they also have a wide range of applications including vessel rescue and steering structures without an independent propulsion system. Without tugboats, entry and exit of vessels from ports would be markedly less efficient and vessels would experience faster wear and tear.

According to the latest records from the MARINA, there are 791 registered tugboats in the Philippines. More than half of these tugboats are less than 100 GRT. Majority of smaller GRT tugboats hold a Bay & River trading license from MARINA while bigger vessels hold a Coastwise license. The top two (2) industry players in the tugboat industry account for more than 24% of the total tugboats over 100 GRT.

CLIHC competitors in providing tugboat services include:

1. Harbor Star Shipping Services, Inc.
2. Malayan Towage and Salvage Corporation
3. Pilot-operated Tugs

C. Roll-on-Roll-off Passenger Ship/Ferry

Roll-On-Roll-Off-Passenger-ship/ferry (RoPax) refers to vessels that can accommodate passengers along with freight vehicle transport. Given the archipelagic nature of the country, RoPax vessels are vital in transporting people and goods across the different islands. Given their accessibility and capability of ferrying large amounts of goods and manpower, passenger and freight vessels are an integral part of the logistical backbone of the Philippines.

There are over 7,100 RoPax vessels registered with the MARINA. A large majority of this (98%) is less than 500 GRT in size and is personally owned. The largest industry players for commercial vessels account for more than a third of the aggregate tonnage of 355,773 GRT.

CLIHC's main competitors in RoPax segment include:

1. Asian Marine Transport Corporation
2. Cokaliong Shipping Lines, Inc.
3. Lite Shipping Corporation
4. Montenegro Shipping Inc.
5. Archipelago Philippine Ferries Corporation
6. Island Water

Suppliers

The Company sources its vessel, fuel requirements and other supply domestically and internationally.

The Company sources approximately 90% of its fuel requirements from Phoenix Petroleum Philippines, Inc.

The payment forms vary for each supplier. It ranges from Letter of Credit, drawn against payment, down payment, and various credit terms offered by supplier.

Transactions With and/or Dependence on Related Parties

In the ordinary course of its business, CLIHC and its subsidiaries engages in transactions with related parties and affiliates. It is the Company's policy to ensure that these transactions are entered on terms comparable to those available from unrelated third parties. This may consist but not limited to the following:

- i. Chartering services
- ii. Fuel purchases
- iii. Advances to/from related parties for working capital purposes

Currently, the Company sources approximately 90% of its fuel requirements from its affiliate – Phoenix Petroleum Philippines, Inc.

Employees

As of December 31, 2020, the Company has a total of 2,116 employees, 1,066 of which are crewmen and are stationed at various ports of operation, while the other 1,050 employees are office personnel or are members of support services. These exclude 2Go Group employees.

Crewmen consist of captains, engineers, mechanics, divers, and able-bodied personnel. On the other hand, office personnel are comprised of the sales and marketing group, accounting and finance professionals, administrative services employees and the operations department.

A bachelor's degree in a relevant field is required of each one of the Company's directly-hired employees. For deck and engine crew, a MARINA-issued Qualification Document Certification is also mandated by the Company prior to employment.

Benefits received by employees include government-mandated benefits (Social Security System, Pag-ibig, and PhilHealth), rice subsidies, vacation leave of 15 days per year, health plans, and retirement pay. The Company supports employee development thru the conduct of in-house seminars, drills and training. Employees are enrolled in various technical, professional, management and leadership training, here and abroad. One of CLIHC's subsidiaries, Trans-Asia Shipping, has two (2) existing labor unions, one for its supervisors and one for its rank and file employees. Both unions have existing collective bargaining agreements ("CBA") valid from August 11, 2017 to August 10, 2022. The relationship with the unions has been generally harmonious and there has been no incidence of labor strikes in the past three (3) years, up to the present. There is also no impending or threatened labor strike.

Risks Relating to the Company

The following are the key risks factors which may affect the operations of the Company:

- *Maritime vessels are the Company's primary assets and, in the course of operation, are susceptible to maritime accidents.*

Due to the nature of the shipping industry, the risk of collision is real. Collisions may result in extensive damage to a vessel's hull, increasing its susceptibility to taking on water, which may result in the integrity of the vessel being compromised or even result in a complete loss of the vessel, environmental pollution, loss of life and damage to properties. Furthermore, when vessels are docked, they are secured to the harbor by use of the anchor, and a rope tied between the ship's stern and the berth. In times of strong winds and constant rain, these harnesses may break, thereby risking the safety of the ship.

To mitigate these risks, the Company ensures that its crew members have undergone the necessary orientation and training seminars on operations and safety. Furthermore, crewmen are required to complete quarterly safety training seminars, and yearly assessments to promote the progressive enhancements of their skills. The Company also conducts drills to ensure crew safety and minimize damage to property and the environment. For the drydock of its vessels, the Company utilizes shipyards with vast drydocking/repair experience and which observe internationally-accepted standards of safety.

- *The Company operates in a regulated industry and its business is affected by the development and application of regulations in the Philippines.*

Continued compliance with, and any changes in, environmental laws and regulations may adversely affect its results of operations and financial condition. The Company may fail to fulfill the terms of licenses, permits and other authorizations, or fail to renew them on expiration.

To address this risk, the Company ensures to diligently adhere with and closely monitor compliance with the terms of its licenses, permits and other authorizations. The Company likewise employs competent legal and operating personnel who regularly liaise with the various government agencies to ensure compliance by the Company with changes in environmental laws and regulations and monitor renewal of its licenses and permits.

- *The Company's vessels are mechanical and are susceptible to breakdowns.*

The Company's operations use mechanical vessels that are subject to regular mechanical wear and tear. The occurrence of mechanical failure can result in downtime and opportunity losses for the Company. To ensure that the Company's high service quality is maintained, the Company has a preventive maintenance system and drydocking program for its vessels. In the event of non-availability of its vessels, due to breakdown or other factors, the Company chartered third party vessels to serve customer requirements.

- *The shipping industry is highly competitive.*

In order to maintain its market competitiveness, the Company must provide reliable and efficient service to its clients. The Company continues to improve its manpower complement by employing experienced and competent officers, and providing continuous training. The Company's clients prefer younger and well-maintained vessels and this necessitates significant capital expenditures by the Company on a regular basis. The Company has also formulated a re-fleeting plan and improved preventive maintenance system.

- *Volatility of fuel prices impacts the operations of the Company.*

Fuel is a key component of shipping operations. In cases of significant increases in fuel prices, the Company may not be able to automatically pass on to its clients the effects of these increases. Thus,

the Company's gross margins may be adversely affected, reducing its profitability. To mitigate this risk, the Company maximizes its affiliation with P-H-O-E-N-I-X Petroleum Philippines, Inc. through access to information on movement of global petroleum prices. This allows the Company to hedge prices for its fuel requirements necessary to protect its profitability.

- *Changes in legal and regulatory environment.*

The Company is engaged in the shipping transport business. As a result, the Company is required to hold a wide range of business permits and licenses. Compliance with these laws and regulations involve certain compliance costs, the failure of which can lead to the imposition of fines and sanctions, including the revocation of permits and licenses necessary for the conduct of the Company's business and activities. As these laws and regulations change from time to time, tougher regulations may be imposed in the future which may affect the conduct of the Company's business and operations.

Moreover, there can be no assurance that current laws and regulations applicable to the Company will not increase the costs of operating its vessels and facilities above currently projected levels or require future capital expenditures. Although the Company endeavors to maintain compliance with applicable laws and regulations the introduction or inconsistent application of, or changes in, the laws and regulations applicable to the Company's business could have a material adverse effect on its business, financial condition and results of operations. To address the foregoing risks, the Company, in conjunction with industry associations such as the Philippine Shipping Vessel Owners Association Inc. ("PHILSVOA") and Visayas Association of Ferry Boats and Coastwise Service Operators ("VAFCSO"), is actively engaged in policy advocacy causes for the promotion and development of the shipping transport industry in the country, tackling regulatory and policy issues and concerns faced by the industry and working to strengthen industry-government partnerships.

Furthermore, the Company employs competent legal and operating personnel, who regularly liaise with the various government agencies to ensure compliance by the Company with new regulations and exercise the requisite due diligence with respect to protecting the Company's business, financial condition, and results of operations from the aforementioned risks while still complying with the applicable laws and regulations. In addition, the Company on a case-to-case basis engages external counsel to provide specialized legal advice and service.

Effects of Existing or Probable Governmental Regulations on the Business

The Company believes that it complies with relevant laws, rules and regulations for all the business activities that it is currently engaged in. The Company cannot provide assurance that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner that could limit or curtail further expansion or development.

Additionally, new rules and regulations that may be enacted may increase the Company's operating costs and may adversely affect the Company's results of operations and financial condition.

Costs and Effect of Compliance with Environmental Laws

For the year ended December 31, 2020, the Company incurred P 7,159,603.72 for costs relating to compliance with environmental laws as required by the MARINA. This pertains to daily waste management expenses. For the years 2018 and 2019, the Company incurred costs of ₱ 2,059,383.00 and ₱9,629,948.00, respectively.

Item 3. Properties

The Group owns various tankers, barges, RoPax, cargo vessels and tugs which are utilized in its business. The following table sets forth information on these vessels that each company owns as of December 31, 2020.

Name of Vessel	Registered Owner	Year Built	Type
1. M/T Chelsea Providence	CSC	2013	Medium Range Tanker
2. M/T Chelsea Great Diamond	CSC	2012	Oil/Chemical Tanker
3. M/T Chelsea Cherylyn	CSC	2009	White Oil, Carrier, Tanker
4. M/T Chelsea Denise	CSC	1985	Black / White Oil Carrier, Tanker
5. M/T Chelsea Resolute****	CSC	1979	White Oil, Carrier, Tanker
6. M/T Chelsea Enterprise	CSC	1985	Black Oil Tanker
7. M/T Chelsea Excellence	CSC	1998	White Oil, Carrier, Tanker
8. M/T Chelsea Intrepid	CSC	1994	Black Oil Tanker
9. M/T Chelsea Denise II	PNX – CSC	2012	Black / White Oil Carrier, Tanker
10. M/T Chelsea Dominance	PNX – CSC	2016	Product Oil Tanker
11. M/T Chelsea Great Princess	PNX – CSC	2013	Oil/Chemical Tanker
12. M/T Chelsea Endurance	PNX – CSC	2006	Product Oil Tanker
13. M/T Chelsea Charlize	PNX – CSC	2015	Product Oil Tanker
14. MV San Pedro Calungsod****	PNC – CSC	1996	Cargo Container
15. MV San Lorenzo Ruiz Uno****	PNX – CSC	1996	Cargo Container
16. MV St. Nicholas of Myra	PNX – CSC	1998	General Cargo
17. M/T Ernesto Uno****	MI	1979	White Oil, Carrier, Tanker
18. M/T Jasaan	MI	1990	Black Oil Carrier, Tanker
19. M/T BMI Patricia*****	BMI	1981	Black Oil Carrier, Tanker
20. Chelsea Agility	CSC	2007	Floating Dock
21. MV Trans Asia 1	Trans Asia	1980	Passenger Ship
22. MV Trans Asia 2	Trans Asia	1977	Passenger Ship
23. MV Trans Asia 3	Trans Asia	1989	Passenger Ship
24. MV Trans Asia 8	Oceanstar	1984	Passenger Ship
25. MV Trans Asia 10	Trans Asia	1979	Passenger Ship
26. MV Asia Philippines	Trans Asia	1975	Passenger Ship
27. MV Trans-Asia 18	Trans-Asia	1998	Passenger Ship
28. MV Trans-Asia 19	Trans-Asia	2018	Passenger Ship
29. MV Trans Asia 5*	Trans Asia	1989	Container Cargo Ship
30. MV Trans Asia 12	Trans Asia	1998	Container Cargo Ship
31. MV Trans Asia 15	Trans Asia	1995	Container Cargo Ship
32. MV Trans-Asia 16****	Trans-Asia	1996	Container Cargo Ship
33. MV Trans-Asia 17	Trans-Asia	1999	Container Cargo Ship
34. MV Asia Pacific	Trans Asia	1981	General Cargo Ship
35. MV LCT Lapu-lapu Uno	Trans-Asia	2014	General Cargo Ship
36. M/Tugs Fortis I****	FTC	1994	Tugboat
37. M/Tugs Fortis II	FTC	1990	Tugboat

38. M/Tug Fortis III	FTC	1972	Tugboat
39. M/Tug Fortis V	FTC	1984	Tugboat
40. M/Tug Fortis VI	FTC	1989	Tugboat
41. M/Tug Fortis VII	FTC	1984	Tugboat
42. M/Tug Fortis VIII	FTC	1984	Tugboat
43. M/Tug Fortis IX****	FTC	2009	Tugboat
44. M/Tug Fortis X	FTC	1988	Tugboat
45. M/Tug Fortis XI****	FTC	1988	Tugboat
46. M/Tug Fortis XII	FTC	1988	Tugboat
47. M/Tug Fortis XV	FTC	1987	Tugboat
48. M/Tug Samal	DGMS	1974	Tugboat
49. M/Tug Pindasan	DGMS	1981	Tugboat
50. M/Tug Sigaboy	DGMS	1971	Tugboat
51. M/Tug Orishima	FTC	1988	Oil Pollution Tugboat
52. MV Starlite Pacific	SFI	1983	Passenger and Cargo Ship
53. MV Starlite Annapolis****	SFI	1982	Passenger and Cargo Ship
54. MV Starlite Jupiter	SFI	1989	Passenger and Cargo Ship
55. MV Starlite Pioneer	SFI	2015	Passenger and Cargo Ship
56. MV Starlite Tamaraw	SFI	1981	Cargo Ship
57. MV Starlite Eagle	SFI	2016	Passenger and Cargo Ship
58. MV Starlite Reliance	SFI	2015	Passenger and Cargo Ship
59. MV Starlite Saturn	SFI	2016	Passenger and Cargo Ship
60. MV Starlite Archer	SFI	2017	Passenger and Cargo Ship
61. MV Starlite Venus	SFI	2020	Passenger and Cargo Ship
62. Sprint 1	SFI	2019	Fastcraft
63. SWM Salve Regina	SGFI	2018	Passenger and Cargo Ship
64. MV Stella Maris	SGFI	2019	Passenger and Cargo Ship
65. MV Trans-Asia 20	SGFI	2019	Passenger and Cargo Ship
66. Stella del Mar	SPFI	2018	Passenger and Cargo Ship
67. St. Nuriel**	Supercat	2000	Passenger Ship
68. St. Uriel	Supercat	1992	Passenger Ship
69. St. Sealthiel	Supercat	2000	Passenger Ship
70. St. Jhudiel	Supercat	1996	Passenger Ship
71. St. Braquel	Supercat	1996	Passenger Ship
72. St. Emmanuel	Supercat	1998	Passenger Ship
73. St. Camael	Supercat	2017	Passenger Ship
74. St. Sariel	Supercat	2017	Passenger Ship
75. Supercat 36***	Supercat	1990	Passenger Ship
76. Supercat 38 (St. Dominic)**	Supercat	1990	Passenger Ship
77. St. Micah****	Supercat	1990	Passenger Ship

* Sold in January 15, 2021

** Totally damaged by Typhoon Quinta

*** Held for sale

**** On Drydock as of end December 31, 2020

***** for conversion to Water barge

Except as indicated above, as of the date of this Information Statement, all of the above-mentioned vessels are in good working condition.

Further, Trans-Asia owns a 1,509.28 sq.m. land located at M.J. Cuenco Ave. corner Osmeña Blvd., Brgy. San Nicholas, Cebu City and a building constructed thereon with a total floor area of 2,940 sq.m., which houses Trans-Asia Shipping's main office. Trans-Asia also owns three (3) container yards located at Quezon Blvd. within Piers 4 and 5, North Reclamation Area, Brgy. Cebu Port Center, Cebu City, and in Macabalan, Cagayan de Oro with an aggregate area of 14,904 sq.m.

In May 2018, the Company purchased a parcel of land at Ligid Tipas, Taguig City with an area of 25,335 sq.m. which will be the site of a warehouse facility being constructed by its subsidiary Worklink Services, Inc. Some of the vessels and real estate properties owned by CLHC and its Subsidiaries are used to secure long-term loans. The details of these loans are as follows:

Secured Term Loans

	Security	Terms	Interest Rates	Outstanding Balance	
				September 30, 2020	December 31, 2019
China Banking Corporation (CBC)	CSC shares of stocks/ Continuing Suretyship	6 years	4.50%	P 1,620,000,000	P 1,665,000,000
Development Bank of the Philippines (DBP)	MT Chelsea Providence	15 years	6.50%	1,446,428,571	1,473,214,286
Philippine Business Bank (PBB)	MV Eagle, FD Exuberance				
CBC	MV Archer, MV Saturn	10 years	7.50%	805,164,981	843,799,503
	Real Estate Mortgage	15 years	7.25%	800,000,000	800,000,000
DBP	Trans - Asia 16, 17 and 18	15 years	6.50%	584,892,857	595,928,571
DBP	MV San Pedro Calungsod				
	MV San Lorenzo Ruis Uno	15 years	6.50%	526,460,393	532,875,621
DBP	MV St. Nicholas of Myra	15 years	6.95%	521,280,000	529,400,000
PBB	MV Pioneer, MV Reliance	15 years	7.00%	457,168,469	457,097,220
BDO Unibank, Inc. (BDO)	MV Saive Regina				
	Trans - Asia 8, Trans - Asia 9,				
	Trans - Asia 10	10 years	4.25%	340,997,743	364,179,579
DBP	MV St. Camael and MV St. Ariel	15 years	6.50%	315,596,296	328,888,889
PBB	MV Stella Del Mar	15 years	7.00%	302,843,650	302,914,899
Mega International Commercial Bank Co. (MICBC)	Continuing Suretyship	5 years	6.10%	247,500,000	258,750,000
Robinsons Bank Corporation (RBC)	Continuing Suretyship	5 years	6.10%	247,500,000	258,750,000
CTBC Bank (Phils) Inc. (CTBC)	Continuing Suretyship	5 years	4.09%	247,500,000	258,750,000
CBC	Trans-Asia 15	10 years	7.00%	220,023,148	242,129,630
PBB	MT Chelsea Dominance	7 years	6.06%	227,048,850	243,266,625
CBC	MT Chelsea CharliZe	7 years	3.25%	210,015,000	236,805,333
PBB	MT Chelsea Endurance	7 years	6.06%	192,578,750	206,334,375
First Commercial Bank, Ltd. (FCB)	Continuing Suretyship	5 years	6.10%	165,000,000	172,500,000
Rizal Commercial Banking Corp.	Star lite Sprint I	7 years	9.50%	111,507,790	113,094,452
BDO	MT Chelsea Denise II	2 years	5.50%	103,820,000	103,820,000
Asia United Bank (AUB)	MTug Fortis VI, MTug Fortis VII and MTug Fortis VIII	7 years	5.56%	54,722,383	62,539,867
AUB	MTug Fortis IX and MTug Fortis X	7 years	7.07%	46,099,926	-
AUB	MTug Fortis III and MTug Fortis V	7 years	5.56%	41,296,040	46,464,133
PBB	Unsecured	15 years	7.00%	-	749,689,849
				9,835,444,848	10,846,192,831
Discount on loans payable				(42,263,865)	(47,301,621)
				P 9,793,180,983	P 10,798,891,210

Secured Bank Loans

	Security	Terms	Interest Rates	Outstanding Balance	
				September 30, 2020	December 31, 2019
Primary Institutional Lenders	Unsecured	30 to 180 days	4.25% to 7.50%	P 1,475,541,373	P 1,265,823,896
UCPB	MT Chelsea Intrepid				
	MT BMI Patricia	90 days	5.00% to 5.75%	897,500,000	896,400,000
PBB	Unsecured	180 days	9.00%	700,000,000	-
CBC	Unsecured	60 days	6.00%	500,000,000	522,163,934
Landbank of the Philippines	Unsecured	90 days	9.00%	500,000,000	500,000,000
DBP	MT Chelsea Cherylyn	180 days	4.00 to 4.25%	300,000,000	300,000,000
Pentacapital	Unsecured	360 days	6.00%	200,000,000	200,000,000
Robinsons Bank Corporation	MT Chelsea Denise	180 days	5.50%	79,125,000	60,300,000
BDO Unibank Inc	Trans-Asia 1	180 days	6.50%	48,500,000	48,459,247
ALUB	Unsecured			32,740,963	50,000,000
Union Bank of the Philippines	Unsecured	360 days	4.50%	200,000,000	200,000,000
				<u>P 4,933,407,336</u>	<u>P 4,043,347,077</u>

Item 4. Legal Proceedings

In the course of the Group's business, it has been involved in legal proceedings both as plaintiff and defendant. The Company's management believes that an adverse resolution in such cases will not materially affect the financial position of the Company. The Company is not involved in any legal or arbitration proceedings (including any such proceedings that are pending or threatened of which the Company is aware) which it believes may have a material adverse effect on the financial position of the Company.

The following are the material legal proceedings which the Company is currently involved in:

- a. *Michael, Incorporated vs. Pilipinas Kao Incorporated, Civil Case No. 37046, Regional Trial Court of Cebu City; (b) Pilipinas Kao, Inc. vs. Michael, Inc., Civil Case No. 37180, Regional Trial Court of Cebu City.*

These consolidated cases which were filed in September 2010, refer to the Complaint of MI against Pilipinas Kao, Inc. ("PKI") for Collection of Sum of Money and Damages with Prayer for Preliminary Attachment, and PKI's Complaint against MI for Specific Performance, Reimbursement and Damages.

The transactions subject of the complaints refers to the Charter Agreement between MI and PKI whereby MI agreed to transport on its vessel M/Tkr Ernesto Uno the crude coconut oil ("CCO") of PKI. The Charter Agreement was for a period of two (2) years from January 8, 2009 to January 7, 2011, and the agreed Charter Rate was PhP2,050,000 per month. From December 2009 to July 2010, MI transported PKI's CCO from Mindanao to various ports of destination, and accordingly billed PKI Charter Fees in the amount of PhP15,921,666.67. However, PKI refused to pay the Charter Fees on its allegation that the CCO transported by MI was contaminated with seawater. In its Answer to PKI's Complaint, MI alleged that it proposed several plans to PKI to resolve the alleged contamination but the same were refused by PKI.

As these cases have been consolidated, they are being jointly heard.

Michael, Inc. filed its Formal Offer of Exhibits on March 16, 2000. Awaiting notice of next hearing date for presentation of evidence of Pilipinas Kao.

- b. *Fortis Tugs Corporation vs. Marinemax Shipping Corporation and Vicente Sandoval, Jr., Civil Case No.027, Regional Trial Court of Taguig City.*

This Complaint, which was filed on March 23, 2016, seeks to recover from defendants the sum of PhP11,613,082.78, which represents payment for the tugboat services rendered by the plaintiff to the defendants from the period November 2013 to October 2015. The plaintiff has a prayer for the

issuance of a Writ of Preliminary Attachment against the properties of the defendants on the ground that the latter are guilty of fraud in issuing checks to the plaintiff in payment of their obligations and thereafter issuing a stop payment order on the said checks. Plaintiff also prayed for the grant of Exemplary Damages in the amount of PhP100,000 and Attorney's Fees in the same amount.

Defendants filed a Motion to Dismiss the Complaint filed by Fortis Tugs, while the plaintiff filed its Motion to Declare Defendants in Default. Both Motions have been submitted for resolution. Plaintiff has also filed its Motion for Issuance of a Warrant of Arrest against defendant Vicente Sandoval and is awaiting resolution of the same.

c. Ryan Subong et.al. vs. Trans-Asia Shipping Lines, Inc., Civil Case No, 26205, Regional Trial Court of Iloilo City

The original Complaint was filed by 79 plaintiffs on April 11, 2000. Plaintiffs were the passenger-survivors and heirs of the casualties of the sinking of MV Asia South Korea which sank off the vicinity of Bantayan Island en route to Iloilo on December 23, 1999. Their total claim for damages is in the amount of PhP380,000,000.00. An Amended and Second Amended Complaint were filed in April and August 2000 respectively. Defendant Trans- Asia Shipping's main defense is that the cause of the accident was force majeure as the vessel was seaworthy and properly manned at the time of accident.

On April 18, 2013, the Regional Trial Court issued its Decision ordering Trans-Asia Shipping to pay PhP801,000.00 for 4 deaths and PhP585,000.00 for 13 survivors or a total of PhP1,386,000.00. Although Trans-Asia Shipping offered to pay in accordance with the Decision, not a single plaintiff accepted payment. Instead, some of the plaintiffs filed their Motion for New Trial, some filed Motion of Reconsideration of the Decision, and some filed their Notice of Appeal.

The trial court issued an Order granting new trial for two plaintiffs and set the hearing for reception of evidence for said plaintiffs. The trial court also issued its Order dated March 22, 2016 modifying the award of damages to PhP8,865,399.96 for four deaths and 11 survivors, plus 15% interest on the total monetary award. Trans-Asia Shipping filed its Motion for Reconsideration of the two Orders, which was denied by the trial court. Trans-Asia Shipping has filed its Notice of Appeal. At the May 17, 2017 hearing, plaintiff manifested that they are willing to study the settlement of the case.

In August 2017, the parties signed a Compromise Agreement whereby Trans-Asia Shipping paid the total amount of PHP8,839,313.95 for thirteen 13 Complainants (4 Deaths and 9 Survivors). In October 2017, another three (3) plaintiffs signed a Compromise Agreement whereby Trans-Asia Shipping paid the total amount of PhP594,250.00. On October 6, 2017, the trial court issued its Orders approving the two Compromise Agreement and declaring the case as CLOSED AND TERMINATED insofar as the 16 Complainants are concerned.

Two (2) Complainants, Kenneth Sherwin Chu and Raquel Cometa, have signed a Compromise Agreement and accepted the settlement amount of PHP170,775.00 each. Defendant Trans-Asia is currently working for the settlement of the last remaining Complainant, with a probable settlement in the amount of not more than PhP200,000.00.

d. Nelly A. Gangoso, et. al. vs. Trans-Asia Shipping Lines, Inc., Civil Case No. CEB-36075, Regional Trial Court of Cebu City.

This Complaint was filed by 5 plaintiffs on October 2009 arising from the sinking of MV Asia South Korea. A Compromise Agreement dated June 18, 2013 was entered into by four of the plaintiffs pursuant to which said plaintiffs agreed to withdraw their claims against Trans-Asia Shipping in return

for the payment by defendant of the amount of PhP75,000.00 each to said plaintiffs. Plaintiff Nelly A. Gangoso pursued this case against Trans-Asia Shipping. Plaintiff Nelly Gangoso and defendant Trans-Asia have completed the presentation of their respective documentary and testimonial evidence. Plaintiff has filed her Memorandum, and defendant was supposed to file its Memorandum on April 28, 2017. On May 28, 2017, a Decision was issued by the trial court, awarding a total of PhP1,050,000 in favor of the plaintiff. Trans-Asia filed its Motion for Reconsideration of the said Decision and when the same was denied, Trans-Asia filed its Appeal which is now pending resolution by the Court of Appeals.

In December 2019, in accordance with the directive of the Court of Appeals, Defendant Trans-Asia filed its Appellant’s Brief. The case is currently pending with the Court of Appeals.

e. Trans-Asia Shipping Lines, Inc. vs. Philippine Fire and Marine Insurance Corporation, et.al. Civil Case No. 39098, Regional Trial Court of Cebu City.

This Complaint was filed by Trans-Asia in September 2012 to collect the insurance proceeds arising from the sinking of MV Asia Malaysia, which proceeds are in the approximate amount of PhP120,000,000. Said Complaint was filed when defendant Philippine Fire only offered to pay the amount of PhP50,000,000. Defendant Philippine Fire filed its Motion to Dismiss the complaint on the ground of lack of jurisdiction and insufficient docket fees paid. When said Motion to Dismiss was denied, defendant Philippine Fire filed a Petition for Certiorari with the Court of Appeals in December 2014. Said Petition for Certiorari was dismissed by the Court of Appeals on June 28, 2016. On March 30, 2017, the regional trial court issued an Order setting the case for pre-trial on June 9, 2017. At the 9 June hearing, the case was remanded to the Executive Judge for transfer to Branch 11, which is the only commercial court in Cebu City. At Branch 11, Philippine Fire filed a Motion to Suspend Proceedings attaching the Notice of Stay Order issued by the Insurance Commission. Trans-Asia filed its Opposition to Philippine Fire’s Motion to Suspend Proceedings. This matter is now pending resolution by the trial court.

Item 5. Submission of Matters to a Vote of Security Holders

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

III. MARKET PRICE OF AND DIVIDENDS ON THE REGISTRANT’S COMMON EQUITY

Item 1. Principal market where the registrant’s common equity is traded

The Company’s common shares are traded at the Philippine Stock Exchange (“PSE”) beginning August 8, 2017. The high and low sale prices of each quarterly period for year 2020 are as follows:

Period	2020		2019		2018	
	High	Low	High	Low	High	Low
1Q	5.89	1.91	7.20	5.59	9.79	7.00
2Q	4.29	2.49	8.74	5.08	8.56	6.45
3Q			9.36	6.22	7.76	5.43
4Q			7.18	4.73	9.77	4.40

As of January 27, 2021, the market capitalization of the Company, based on the closing price of PhP 4.49 per share, was approximately PhP 8.18 billion.

Item 2. Holders

The following are the top registered holders of the Company's securities based on the records as of December 31, 2020:

Name of Stockholders	Number of shares held	% to Total
Udena Corporation	1,275,384,606	70.000
PCD Nominee Corporation (Filipino)	527,633,512	28.975
PCD Nominee Corporation (Non-Filipino)	16,820,860	0.906
Caroline G. Taojo	800,000	0.044
Eggnest Property Corp.	770,000	0.042
Noe B. Taojo	400,000	0.022
Clive C. Kian	50,000	0.003
Jharna P. Chandnani	30,000	0.002
Ponciano V. Cruz, Jr.	18,000	0.001
Christopher Vincent J. Kokseng or Mery Jean G. Kokseng	15,000	0.001
Myra P. Villanueva	10,800	0.001
Miguelito C. De Guia &/04 Milagros D. De Guia	10,000	0.001
Carlos Catangue Chua	9,300	0.000
Milagros P. Villanueva	7,300	0.000
Myrna P. Villanueva	7,300	0.000
Marietta V. Cabreza	5,000	0.000
Elvira M. Cruz or Bernardo A. Cruz	5,000	0.000
Percival Cirilo Samodio Flores	1,000	0.000
Alexander S. Timbol	100	0.000
Owen Nathaniel S. Au ITF: Li Marcos Au	10	0.000
Eduardo A. Bangayan	1	0.000
Miguel Rene A. Dominguez	1	0.000
Jesus S. Guevara II	1	0.000
Gener T. Mendoza	1	0.000
Arthur Kenneth L. Sy	1	0.000
Cherylyn C. Uy	1	0.000
Efren E. Uy	1	0.000
TOTAL	1,821,977,615	100.000%

Item 3. Dividends

The Company's dividend policy is to declare at least 20% of its prior year's net income as dividends, whether in stock or in cash or a combination of both, subject to the existence of unrestricted retained earnings, CLIHC's financial condition, as well as requirements of applicable laws and regulations, the terms and conditions of our existing loan facilities, and the absence of circumstances that may restrict the payment of such dividends.

Each holder of a common share is entitled to such dividends as may be declared in accordance with the Company's dividend policy. The Company's current dividend policy entitles holders of common shares to receive dividends based on the recommendation of the Board of Directors. Such recommendation will consider such factors as operating expenses, implementation of business plans, and working capital.

The Company did not declare dividends for the period ended June 30, 2020 and the years ended December 31, 2020, 2019 and 2018.

Item 4. Recent sale of securities

The Company has not sold or transferred any securities that are not registered under the Code nor did it issue any additional securities in exchange for any properties, services and other securities.

The Company executed a Subscription Agreement with Global Kingdom Investments Limited for 500,000 Preferred Shares.

Item 5. Corporate Governance

The Company adopted a Manual of Corporate Governance (the “Manual”) to ensure its compliance with the leading practice on good corporate governance and related Philippine SEC rules and regulations. The Manual was approved and adopted by its Board of Directors and deemed effective as of March 27, 2017.

The Manual features the following provisions:

- *Protection of investors.* The Manual provide for shareholders’ rights and protection, investor relations and a disclosure system to ensure transparency and accountability.
- *Board of Directors and Management.* The detailed qualifications and disqualifications, duties, functions and responsibilities of the Board and executive officers are also enumerated in the Manual.
- *Checks and balances.* The Manual contains the vision, strategic objectives, key policies, procedures for the management of the Company, and mechanisms for monitoring and evaluating management’s performance.
- *Compliance with the Manual.* The appointment of a Compliance Officer to monitor compliance with and violations of the Manual is also provided.
- *Creation of committees.* The Manual mandates the creation of the Nomination Committee, the Audit Committee, the Corporate Governance Committee, the Board Risk Oversight Committee and the Related Party Transaction Committee, to ensure the performance of certain important functions of the Board and of Management.

The Company will continue to improve its corporate governance, and will amend, the Manual as may be necessary.