



STORMING THE SEAS OF CHANGE

2020 ANNUAL REPORT



Amidst all the unfortunate and difficult events that happened, Chelsea Logistics still believes that every raging storm is followed by a calmer sea. With the Chelsea Team's resilience, solidarity, and strategic direction, Chelsea Logistics can and will adapt and navigate the seas of change.



CONTENTS

01 About the Cover

Vision, Mission, and
Values 02

03 Salute to Seafarers

Message from the
Chairman and Founder 05

11 President and CEO's
Message

Our Businesses 17

19 Our Group Map

Our Milestones 21

23 Financial Highlights

Shipping 25

46 Logistics and Distribution

Corporate Social
Responsibility 49

53 Corporate Governance

Board of Directors 63

67 Management Team

Statement of
Management Responsibility 69

78 Consolidated Financial
Statements

Our Business Partners 85

87 Our Contact Information

ABOUT THE COVER



The biggest disruptive event in several years shook the country and the entire world at the start of 2020. All industries, not just the shipping and logistics sector, were thrust by the COVID pandemic into a turbulent sea of drastic change and uncertainty.

Though the effects of the global pandemic were beyond Chelsea Logistics' control, the Company decisively transformed the pandemic-driven changes into opportunities for value creation. The Cover's look and feel reflect the Company's response to what it considers its toughest year yet.

While the crisis ravaged business plans, revenues, and workforce, momentarily blurring the road ahead, it also led the Company to single-mindedly focus on its purpose - connecting people, essential goods, livelihood, and businesses to each other.

Instead of the pandemic blocking the way forward, it served as an instrument that helped Chelsea Logistics maneuver its own path through the surging waves. The Company strengthened its business resilience and remained alert in looking for ways to mitigate the impact of COVID-19. Some plans were temporarily shelved while others were fast tracked to address the significant and unusual interruptions to the Company's supply chain, manpower, and cash flow.

Amidst all the unfortunate and difficult events that happened, Chelsea Logistics still believes that every raging storm is followed by a calmer sea. With the Team's resilience, solidarity, and strategic direction, Chelsea Logistics can and will adapt and navigate the seas of change.

VISION

To be the finest shipping and logistics company known for its unrivalled customer service.

MISSION

We transport passengers, cargos, petroleum, oil, chemicals and other bulk products.

We satisfy our customers' needs through reliable, punctual, efficient and safe service.

We constantly challenge ourselves to do better and to perform beyond what is expected.

We care for the community and the environment by applying the best practices in ship management, adhering to global standards.

We deliver superior returns to our stakeholders through prudent stewardship of our resources.

VALUES

INTEGRITY

We adhere to the highest ethical and professional standards. Our reputation defines who we are.

ENTERPRISE

We seize opportunities to enhance our growth.

EXCELLENCE

We deliver unsurpassed performance in all our endeavours.

PASSION

We are motivated and driven in what we do.

TEAMWORK

We work as one to deliver our commitments.

STEWARDSHIP

We utilize our assets responsibly.

We salute our supply chain frontliners for thinking of others before themselves. For their dedication to continuously move goods and services to support the everyday needs of each Filipino household.





MESSAGE FROM THE CHAIRMAN & FOUNDER

Dear fellow Shareholders,

The year 2020 highlighted the uncertainty of the future and the vulnerability of human life caused by the coronavirus outbreak.

While we witnessed a worldwide event that appeared to be beyond any one's control, we at Chelsea Logistics, chose to move forward. We adjusted our sails.

“The pessimist complains about the wind; the optimist expects it to change; the realist adjusts the sails.”

- William Arthur Ward

Our soul-searching exercise of “Detect, Develop, and Deliver” helped us identify where we are currently in the market and where we want to be during the crisis and in the next normal. We knew that there is more to just being the biggest shipping and logistics company in the Philippines. While we have opened new routes, explored new partnerships, invested in young and brand-new vessels, launched various CSR activities, but if we will not focus on nurturing the right relationship with our stakeholders, then we fail in bringing about our vision of Chelsea Connection – the 100% stakeholder satisfaction.

Hence, our credo of Chelsea Connection steered our direction for 2020 and will be our guiding light in the years to come. We sailed towards becoming transparent on our situation during the crisis while we sought with our hearts how to meet the utmost needs of our shareholders and stakeholders.







An unprecedented change

The pandemic caused a swift and massive shock to the country's shipping industry as industry players witnessed infrastructure gaps, unfinished vessel constructions and delivery, delayed sea vessel trials, and unpaid customer and supplier accounts.

The Philippine Liner Shipping Association (PLSA) reported in April 2020 that the Luzon lockdown has caused its members' revenues to decline up to 80 percent necessitating vessels to operate with less than half their usual loads.

The Company was not spared by the pandemic. The series of lockdowns threatened our business operations, severely affecting the industry's peak season -- the summer vacation period, when the highest revenues are expected.

Change in People Management

"People First" was our battle cry as we activated the Company's Business Continuity Plan to address the negative

effects of the pandemic on our people – employees, customers, vendors, and partners.

We made sure that our employees' needs and safety are provided that is why we immediately transitioned to a work-from-home and flexible work arrangement so our team members were not exposed to danger or risk.

The Management launched Project RRR "Recalibrate, Reset, Recover" to review and decentralize its business structure, equipping the Chelsea subsidiaries to operate independently and make good decisions quickly but responsibly.

As the Chelsea Crew continued to move food and essential goods across the archipelago, we launched safety campaigns and provided the necessary PPEs and financial support. To equip our leaders and employees in managing the crisis, leadership training workshops and

mental health awareness seminars were conducted.

The Management launched Project RRR “Recalibrate, Reset, Recover” to review and decentralize its business structure, equipping the Chelsea subsidiaries to operate independently and make good decisions quickly but responsibly. Project RRR also streamlined business operations and functions across all subsidiaries and, when needed, re-aligned work responsibilities and assignments to allow personnel to effectively perform as a team.

To inspire and motivate the industry’s manpower, vendors, and partners, Chelsea Logistics launched the ‘I Support Shipping’ Campaign’, a digital public information campaign, seeking public and Government support to keep the shipping and logistics industry moving during this unfortunate tragedy.

For our customers, we heightened our digital marketing efforts to constantly remind and assist them of preventive measures while onboard.

Change in Business Strategies

We witnessed the decline in our regular revenues as movements of people

and goods slowed down due to the community quarantine. To efficiently manage our cash and liquidity positions, Chelsea Logistics implemented cost-cutting strategies, suspended uncommitted capital expenditure for 2020, sold non-performing assets, developed worst-case-scenarios financial model, and sought relief from tax and loan obligations. We even penetrated new markets, diversifying our service offerings to create new sources of income. Chelsea Logistics continued to adhere to the principle of prudent financial management and investment aimed at enhancing shareholder returns. The Board of Directors approved the sale of the Company’s stakeholdings in DITO Telecommunity Corporation to DITO Holdings Corporation on October 30. This is aimed at streamlining the shareholdings of your Company and of Udenna Corporation in DITO Telecommunity through a holding company, DITO Holdings Corp. We see our stake in DITO Telecommunity, indirectly through Dito Holdings, bringing value to our investors as DITO Telecommunity is set for its commercial launch this 2021.





On October 6, Chelsea Logistics conducted a Special Stockholders' Virtual Meeting. In this meeting, the stockholders' approval of the increase in the authorized capital stock from PhP2 Billion to PhP3.5 Billion was obtained. This move will give the Company greater flexibility and option for any equity raising to finance current and future projects as well as for additional working capital needs.

During the pandemic, our “malasakit” and passion to serve the community became more evident as we launched several outreach activities to help those in need.

Creating Change in our Communities

Responsible business is vital to Chelsea Logistics. Committed to the Sustainable Development Goal of Gender Equality, Chelsea Logistics launched the first Philippine ship manned by an all-female crew led by Master Licensed Mariner, Capt. Ma. Teresa M. Calderon. The vessel, Supercat Sprint 1, started its voyage on 14 February 2020, plying Bacolod-Iloilo-Bacolod three times daily.

During the pandemic, our “malasakit” and passion to serve the community became more evident as we launched several outreach activities to help those in need. Trans-Asia and Starlite Ferries partnered with the Cebu City Government for the “Libreng Sakay Pabalik ng Cebu” Program. During the community quarantine period, locally stranded Cebuanos were given a free ride to any of our routes going to Cebu: Cagayan de Oro, Ozamiz, Iligan, Iloilo, and Surigao. We also mobilized our delivery assets, through Worklink Services, Inc., to support farmers who bring their produce to consumers via our “Sagip Saka Program” in partnership with Udenna Foundation and Phoenix Petroleum.

The bravest step taken was our continued effort on fleet modernization program amid such an unfavorable environment. We pushed through with the inauguration and



maiden voyage of M/V Starlite Venus on November 12, to ply the strategic Batangas-Iloilo-Bacolod-Batangas route.

To fortify our best practice management system, we made sure we adhere to ISO standards. In February 2020, Chelsea Ship Management & Marine Services Corp. (CSMMSC) received its ISO 9001:2015 Certification, manifesting the readiness and effectiveness of its Quality Management System (QMS).

Unchanging Commitment

Despite the headwinds, we will focus on activities that will move the organization towards achieving its vision of Chelsea Connection. We will take the pulse of our customers and stakeholders to adapt to their lifestyle changes and provide customized solutions for their long-term logistics needs.

We have the capabilities, the assets, and the potential to lead the industry into the next normal.

Our efforts to heighten customer experience through digital innovation will soon be realized with the launch of Chelsea Connect mobile application in 2021. This will further strengthen the synergies across our brands to operate as one integrated Company, delivering profitable growth for our investors and more complete solutions for customers with booking and tracking of shipment all in one tool.

The shipping and logistics industry has been altered by the COVID virus into a business sector beset with unprecedented economic hardships and social anxieties on safety and health. Nevertheless, we are certain that we can recover from this devastating turn of events because we are proactive, resilient, and headed to the right direction. We have



the capabilities, the assets, and the potential to lead the industry into the next normal.

A year of radical change can be overwhelming, but when we work together, we not just survive but thrive with passion and compassion. My utmost gratitude to all our employees for the continuing positive attitude, and willingness to work and learn together from the ill effects of the pandemic. Rest assured, we will continue to support employees' physical and emotional well-being, whether at work or at home. Efforts at digital transformations will be introduced to address gaps on workforce planning and digital upskilling. Yet being mindful that people, not technology, is the most critical factor to transform the business.

With the right people and strategic direction in place, we will sail forward. As we welcome 2021, we are heartened by what has been accomplished, and optimistic of the future that awaits. We join hands with you, our employees, partners in the industry, regulators, and investors in adapting to and succeeding in the new normal. We assure you of our unwavering commitment to move onwards and upwards, no matter how vast and deep the sea of change will be.

Sincerely,

Dennis
Dennis A. Uy



PRESIDENT & CEO'S REVIEW





Dear fellow Shareholders,

2020 was the year that temporarily knocked the wind out of our sails. Chelsea Logistics' business segments showed positive performance in the first two months of 2020 and we forecasted a good start to a possible banner year. However, the COVID virus intervened and the succeeding months slowed the Company's growth to an almost standstill.



The COVID-19 outbreak in March severely affected the shipping industry. The lockdown during the first and second quarter halted most of our operations and coincided with what could have been the most profitable season for the Company and the industry. Despite loosening of limitations in the second half of the year, the continued community quarantine throughout the year adversely affected our operations. Passenger travels are at their lowest and cargo movement has significantly declined. There is no denying how tough and challenging the past year was.

Our shipping business recorded 35% decline year-on-year, from PhP6.43 Billion in 2019 to PhP4.11 Billion this year. Revenues of tanker business fell by 41% at PhP1.17 Billion while the tugboat business slightly increased by 4% at PhP351 Million. Our freight, passage, and rolling cargoes 2020 revenues were all down. The freight business posted a revenue of PhP1.38 Billion, down by 10%; Passage Business at PhP501 Million, a 65% decline; and



Rolling cargoes at PhP713 Million, a 38% drop from the previous year.

Our logistics business, which has performed above target for the past years was relatively flat at PhP368 Million. Our earnings fell throughout the year and we ended 2020 with a net operating loss of PhP2.42 Million from PhP635 Million in 2019.

Our COVID-19 response

This year, the strength of our foundation was tested and we took the necessary steps to support the foundation for long-term growth. At the onset of the impending crisis, we analyzed what activities, projects, and processes we had to stop, start, and sustain. Our ability to re-imagine work during the COVID-19 pandemic enabled us to weather the storm despite the severe circumstances.

True to our safety culture, we immediately prioritized the safety of our employees upon the announcement of community quarantine. We immediately implemented a flexible work-from-home arrangement and sanitation campaigns to promote good hygiene and minimize physical contact among our employees. When the lockdown was implemented, we stopped inter-office travels and reassessed how we would continue to work. Unfortunately, we had to adopt retrenchment strategies to right size the organization and make it more efficient. We understand the emotional impacts that came with this decision, thus, we tried to be as humane as possible and have offered a supportive exit from a financial perspective. We assured our colleagues that the process was carefully and responsibly handled by the Management.



Despite these disappointing results, our clear direction and strategic plan enabled us to navigate what we believed is the worst storm that we have faced since we started the business. Looking ahead, we are certain that we are strategically positioned for recovery in 2021 and positive cash flow in early-mid 2022.

At the peak of the crisis, when cargo volumes significantly decreased and passengers were not allowed, we adopted more discipline and implemented measures to improve our financial health. These measures include improved vessel utilization, enhanced revenue management, cost cutting strategies, and suspension of uncommitted capital expenditure programs.



We have accelerated digitalization and automation of our processes and services. Our better normal is embracing technology to reduce paperwork, increase electronic documentation, facilitate real-time tracking and tracing of shipments, and provide consumer-facing services online.

To diversify our financial resources, we created new sources of income. The three shipping lines, Trans-Asia, Starlite, and Supercat ventured into a new business line – parcel shipment to diversify its services, increasing its customer base while improving the Group’s bottom line.

As easy as “Drop, Pay, and Claim”, our customers, including SMEs and retail clients, can send their parcels to their business partners and family members. To date, we are working on door-to-door delivery with the assistance from our logistics arm, Worklink Services, Inc., to enhance our service offerings to our customers.

Since the way of doing business and consumer lifestyles have changed drastically, the Company has done its best to respond. We have accelerated digitalization and automation of our processes and services. Our better normal is embracing technology to reduce paperwork, increase electronic documentation, facilitate real-time tracking and tracing of shipments, and provide consumer-facing services online. To cope with the disruption brought by the pandemic, we have reduced trips on low-performance routes in Visayas and Mindanao regions. We introduced the

strategic Batangas-Iloilo-Bacolod route to provide alternative transportation for passengers and businesses coming and going to Western Visayas. This newest route is expected to improve the trade and commerce relationship between the Western Visayas and South Luzon markets. Logistics companies and passengers coming from CALABARZON no longer have to bear the traffic congestion in Metro Manila just to pass via Manila North Harbor. This will cut not only the logistics cost but also the travel time via sea by 6 hours for Starlite's customers. In the logistics front, our Company has benefited from the surge in e-commerce and demand from mobile applications and banking solutions.

In the pipeline, the brand-new vessel we have acquired pre-COVID will be delivered in 2021. Further, our 2.5-hectare logistics warehouse is projected for completion by the end of 2021. We are convinced that these investments will make meaningful revenue and profit contributions to the Group.

It is also worth noting that throughout the year, the Company has kept the supply chain moving. This is why my most sincere appreciation goes to our seafarers and logistics frontliners – whose dedication and service ensured the efficient delivery of essential cargoes to support the economic, health, and industrial needs of the country. Their sacrifices at this most difficult time will serve as an inspiration to all of us; that by working together, we can emerge from this crisis stronger and better connected.

We look to the future with optimism and fervor. We are certain that the shipping and logistics industry will recover faster because it is essential and a necessity in moving people, goods, and services

across the globe. And with the Philippines being an archipelagic country, composed of 7,641 islands, shipping and logistics are crucial components in fueling the Philippine economy. Armed with competent people, indispensable assets, and strategic direction, Chelsea Logistics is positioned to play a bigger role in the economic growth and recovery of the country.

Although last year was full of adversities, it also brought forth opportunities for us to transform what does not serve us.

Ultimately, this disruption has been truly difficult yet enlightening. Although last year was full of adversities, it also brought forth opportunities for us to transform what does not serve us. Our goal to be the market leader across all business lines still stands and we assure you that we will get there. We are truly grateful for the untiring support and unwavering dedication you have given us. Trust that Chelsea Logistics will come out of this storm and deliver the long-term value that shareholders deserve.

Sincerely,



Chryss Alfonsus V. Damuy



OUR BUSINESS

Chelsea Logistics and Infrastructure Holdings Corp. is the publicly-listed shipping and logistics arm of the Udenna Corporation. It is a corporation organized and registered with the Philippine Securities and Exchange Commission (SEC) on 26 August 2016 primarily to act as a holding company. Through its wholly-owned subsidiaries, Chelsea Logistics is engaged in the shipping transport and logistics business, described in detail as follows:



Chelsea Shipping Corp., one of the top 5 petroleum tankers in the country, is engaged in maritime trade in the conveyance or carriage of petroleum products, goods, wares, and merchandise of every kind and description. It also provides maritime manpower solutions for the Group. It was incorporated in July 2006.

Starlite Ferries, Inc., carries passengers and rolling cargoes in the Southern Luzon and Visayas regions. It has established itself as the main choice of shippers for being customer-focused and by providing safe, comfortable and environmentally responsible marine transport services in the Southern Luzon and Visayas regions. Chelsea Logistics acquired Starlite Ferries in November 2017.

Trans-Asia Shipping Lines, Incorporated, is one of the major shipping lines mainly operating in the Visayas and Mindanao regions with more than four decades of experience in the shipping industry. The acquisition by the Company of Trans-Asia Shipping and its subsidiaries was completed in the last quarter of 2016.



TASLI Services, Incorporated provides cargo manpower services for Trans-Asia Shipping Lines, Inc. and handles the freight and cargo operations of Trans-Asia in Manila and Luzon. It was incorporated in September 2019.

The SuperCat Fast Ferry Corporation is engaged in the movement of passengers through primed sea ferry service. It operates a fleet of high-speed catamarans, plying the routes of Batangas, Bacolod, Cebu, Iloilo, Ormoc, Calapan, and Tagbilaran. The acquisition of SuperCat was completed in October 2019.

Worklink Services Inc. is a reliable and reputable logistics company in the country which offers wide-range logistics support, from nationwide delivery of general cargo, trucking services and warehouse management, customs brokerage, to various logistics solutions. Chelsea Logistics completed its acquisition of Worklink Services in November 2017.

CHELSEA LOGISTICS & INFRASTRUCTURE HOLDINGS CORP. GROUP MAP

WORKLINK
SERVICES INC.

CHELSEA
SHIPPING CORP.

Bunkers
Manila,
Incorporated

Michael, Inc.

PNX-Chelsea
Shipping Corp.

Chelsea Shipping
and Logistics
Singapore Pte. Ltd.

Fortis Tugs
Corporation
- Davao
Gulf Marine
Services, Inc.

Chelsea
Dockyard Corp.

Chelsea Ship
Management
and Marine
Services Corp.

Chelsea Marine
Manpower
Resources Inc.

CD Ship
Management
and Marine
Services Corp.

TASLI SERVICES
INCORPORATED

UDENNA
INVESTMENT
B.V., INC.

**STARLITE
FERRIES, INC.**

**Starbites Food
Services Corp.**

**Starlite Gallant
Ferries, Inc.**

**Starlite Premiere
Ferries, Inc.**

**TRANS-ASIA
SHIPPING LINES,
INCORPORATED**

**Quality Metals &
Shipworks, Inc.**

**Oceanstar
Shipping
Corporation**

**Dynamic
Cuisine, Inc.**

Starsy Shoppe, Inc.

**Star Maritima
Port and Allied
Services, Inc.**

**Big Hub
Transport &
Logistics Corp.**

**KGLI-NM
Holdings, Inc.
- 2GO Group, Inc.**

**THE SUPERCAT
FAST FERRY
CORPORATION**

**DITO
TELECOMMUNITY
CORPORATION**

MILESTONES 2020

JANUARY



JAN 21

Chelsea Logistics launches 'Alagang Chelsea' to aid families affected by the Taal Eruption

JAN 15

Chelsea launches new RoRo Passenger Ferry M/V Starlite Venus

JAN 17

Chelsea Logistics receives ISO 9001 2015 (Quality Management System)

FEBRUARY



FEB 11

Chelsea Logistics kicks off blood donation initiative "Be A Hero, Be a Volunteer, Be a Donor"

FEB 14

Starlite Ferries launches 'Sail into Love' first romantic dinner cruise in Batangas City

Maiden Voyage of first Philippine ship manned with an all-female crew

JUNE



JUNE 3

Chelsea Logistics conducts first virtual Annual Stockholders Meeting

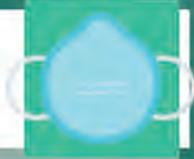
JULY



JULY 29

Chelsea launches E-Kamustahan Mental Health Online Campaign

MARCH



MAR 21

Worklink helps the Belo Medical Group to distribute PPEs in Metro Manila hospitals.

MAR 30

Worklink delivers 6,000 kg of food packs from farmers in Batangas to the Malabon LGU as relief goods for its residents.

APRIL



APRIL 8

Worklink provides logistics support to Enderun's alumni and faculty's COVID-19 Food Drive

Worklink helps 150 farmers transport 25 tons of assorted vegetables from Benguet to Manila.

APR 13

Chelsea launches 'I Support Shipping' Campaign

MAY



MAY 2

Worklink helps around 100 farmers deliver their agricultural produce from Calamba, Laguna to Makati City.

MAY 29

Worklink helps around 150 Moring Aya deliver their 50 gallons of Honey from Bataan to Manila.

AUGUST



AUG 1

Starlite Ferries and Trans-Asia Shipping partner with Cebu City Government for 'Libreng Sakay Pabalik sa Cebu program'

Trans-Asia and SuperCat launch SAP S4 HANA

NOVEMBER



NOV 14

Starlite Venus kicks off maiden voyage to Batangas-Iloilo-Bacolod route.

NOV 17

Trans-Asia 21's successful sea launching at Fukuoka Shipbuilding Yard.

NOV 19

Worklink, through Udenna Foundation, provides logistical support in partnership with the Belo Group to organize relief efforts helping Typhoon Ulysses affected families at Brgy. Sto. Nino, Marikina City.

Nov 19 & 25

Worklink transports approximately 5.5 tons of sacks of rice and other necessities to those affected by Typhoon Ulysses in Cagayan

DECEMBER



DEC 5

Worklink helps the Dumagtas in Antipolo in distributing 1.5k of squash to 1,000 families affected by Typhoon Ulysses.

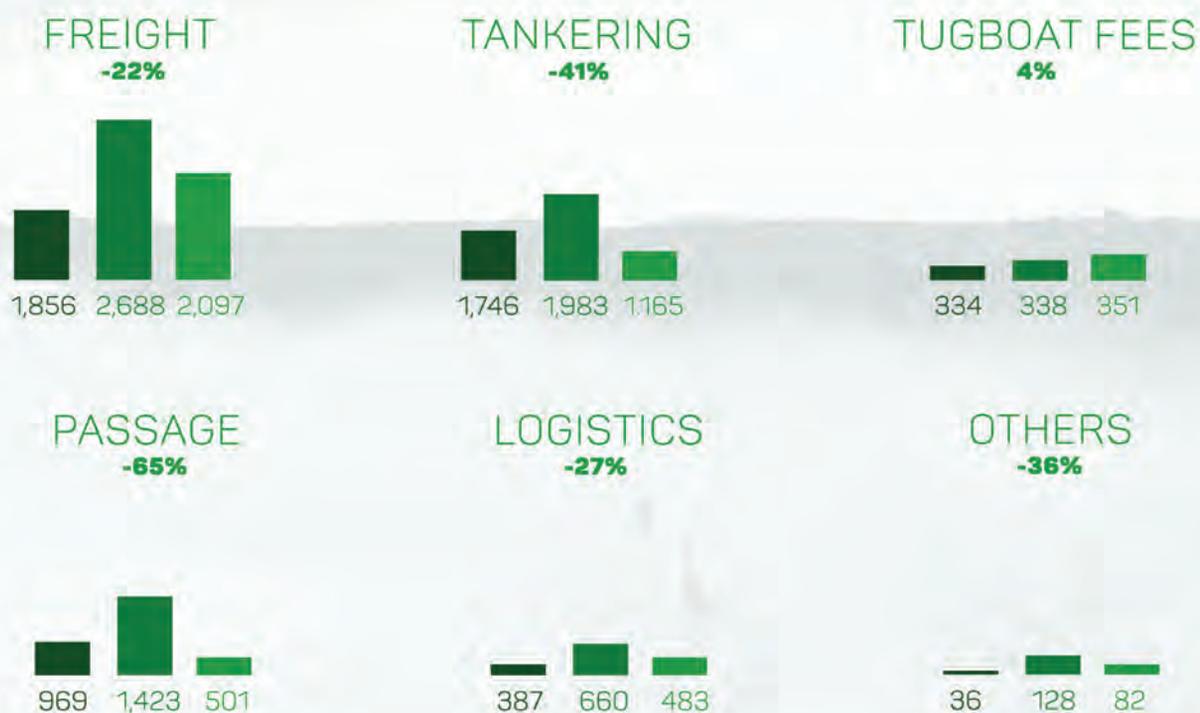
FINANCIAL HIGHLIGHTS

(in millions)

	2018	2019	2020	
REVENUES	5,319	7,220	4,679	-35%
GROSS PROFIT	1,489	1,631	(619)	-138%
OPERATING PROFIT	589	635	(2,423)	-482%
EBITDA	1,472	2,011	205	-90%
TOTAL ASSETS	32,291	41,004	37,355	-9%
TOTAL LIABILITIES	19,366	28,551	27,869	-2%
TOTAL EQUITY	12,925	12,454	9,486	-24%

REVENUE CONTRIBUTION PER BUSINESS

(in millions)



2018 2019 2020

Our key ratios show that the Group has remained stable in 2020 despite the challenges.

Gross Profit Margin and EBITDA Margin decreased in 2020 due to increase in fixed direct costs primarily depreciation, bunkering, crew payroll and insurance attributed by new vessels in the fleet.

Our D/E Ratio remains healthy at 2.94, with the increase mainly due to the additional assets we acquired in 2019 and 2020.



SHIPPING



During the toughest trials, we maintained our constant pursuit towards safety and sustainability. We ensured that our fleet vessels complied with preventive maintenance schedules while vessel crew and passengers were instructed on the necessary precautions and measures to keep everyone safe and secure against the spread of the COVID virus.

CHELSEA SHIPPING CORP.

Chelsea Shipping Corp. started the year on a positive note as its subsidiary Chelsea Ship Management & Marine Services Corp. (CSMMSC), received its ISO 9001:2015 Certification, proof that the Company manifests the readiness and effectiveness of its Quality Management System (QMS).

CSMMSC went through a rigid evaluation process for three months to ensure that its QMS is completely implemented across the Company. With this ISO Certification, CSMMSC customers and stakeholders can expect improved consistency on quality service, as the Company is

now driven by the Seven Management Principles defined under ISO 9001:2015: Customer Focus, Leadership, Engagement of People, Process Approach, Improvement, Evidence-based Decision-making, and Relationship Management.

However, Chelsea Shipping's tanker business was severely affected by the COVID-19 pandemic. The operations of Chelsea Shipping's major customers, either completely shut down or considerably slowed down with the ensuing lockdowns, and as result, total volume of liquid shipped dropped to 484.08 Million Liters, a 61% decline from 1,244 Million Liters in 2019. By the end of the year, the tanker business recorded 41% decrease in revenues to PhP1.17 Billion from PhP1.98 Billion in the previous year. However, the tugboat revenues closed at PhP351 Million, a 4% increase from PhP338 Million in 2019. Chelsea Shipping ended the year with a revenue of PhP1.78 Billion, down by 16% from the previous year.

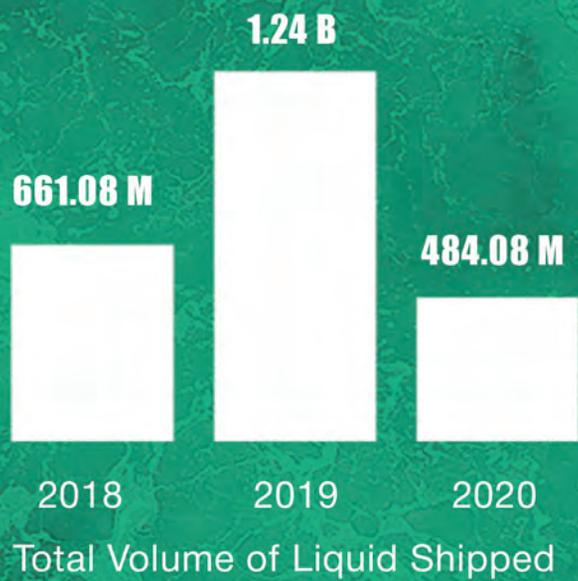
64,491

Gross Registered Tonnage
Tanker Capacity



62%

Vessel Availability Rate





STARLITE FERRIES, INC.

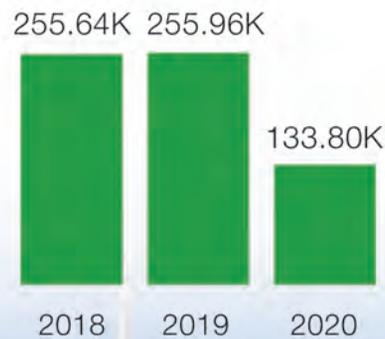
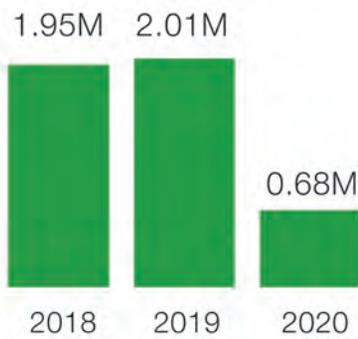
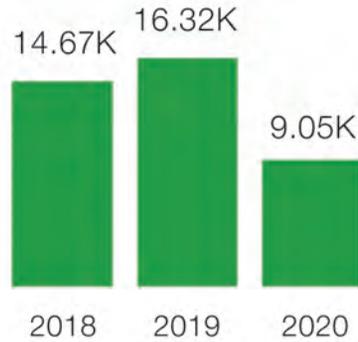
2020

STARLITE FERRIES, INC.

A year full of disruptions – this is how Starlite Ferries saw 2020. The year began with Taal Volcano’s eruption in January which interrupted the Company’s business operations in Batangas City. With the initiative of the Chelsea Group, Starlite Ferries launched 'Alagang Chelsea' campaign to provide assistance to the affected families and evacuees in Taal communities. Through Operation 'Daloy', Starlite Ferries offered free passenger tickets while through Operation 'Malasakit', it extended a helping hand through donation drives at various evacuation centres in Batangas, Cavite, and other affected areas.

Meanwhile, in the Visayas region, Starlite Ferries participated for the first time in Cebu’s Sinulog Festival by offering fluvial onboard viewing to its passengers. Tickets were sold out days before the event and Stella Maris, Starlite’s biggest vessel at that time, served 175 tourists and devotees.

In February, Starlite Ferries launched the first romantic dinner cruise at Batangas Bay where passengers celebrated with their Valentine dates onboard M/V Starlite Jupiter. On the same day, a fun experience for valued passengers in Cebu and Surigao was held onboard M/V Stella Maris. Starlite Ferries, in partnership with Happynest Hostel, gave away an overnight stay with freebreakfast to 4 lucky passengers.



Like our other shipping lines, Starlite Ferries was not spared the harsh impact of the pandemic, recording a PhP1.08 Billion revenue, a 42% decline from the previous year's PhP1.87 Billion. Starlites's total number of trips declined by 45%, from 16,319 in 2019 to 9,045 in 2020, while total number of passengers carried declined by 66%, from 2,005,376 passengers in 2019 to 676,999 passengers in 2020. Total cargoes carried were also down by 48%, from 255,961 cargoes in 2019 to only 133,796 in 2020.



Despite a rough year, Starlite was able to receive delivery and launched its biggest RoPax vessel to date, MV Venus which can carry 688 passengers and mixed rolling cargoes of 28 units of trucks, buses and private cars. It is also the only Starlite vessel which has different accommodation types, ranging from Reclining Seats to Economy Bed Bunks, Tourist Bed Bunks, Cabin Rooms, and Family Rooms. MV Starlite Venus kicked off its maiden voyage in the Batangas-Iloilo-Bacolod route on 12 November.

The introduction of MV Starlite Venus into the Batangas-Iloilo-Bacolod-Batangas route is a game changer as an alternative to the Manila-Iloilo-Bacolod route. It offers those that are from the CALABARZON area a shorter and direct route to Panay and Negros thereby helping decongest North Harbor. The launch of this brand-new vessel was a big leap towards recovery – not only for the Chelsea Group, but also for the country as it is set to improve the local trade and commerce within our archipelagic set-up.







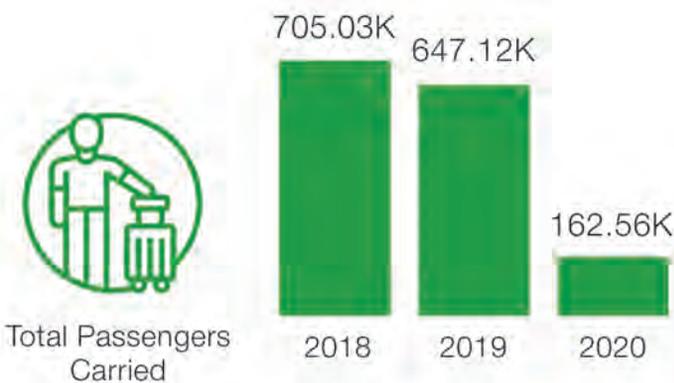
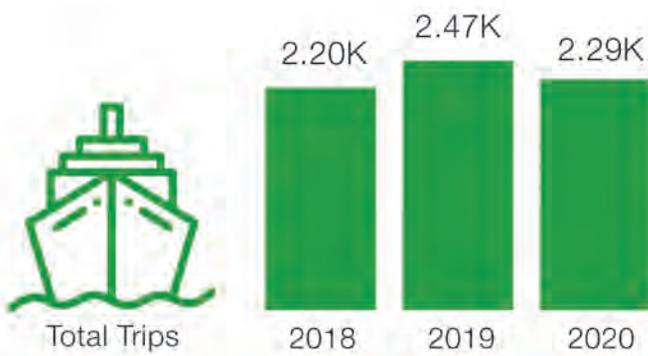
TRANS-ASIA SHIPPING LINES INCORPORATED

2020

TRANS-ASIA SHIPPING LINES, INCORPORATED

Trans-Asia's strong start in 2020 begun with the celebration of Cebu's grandest Sinulog festival. Trans-Asia vessels Trans-Asia 18 and Trans-Asia 5 were used to allow its passengers to view the fluvial parade onboard. All tickets were sold out to accommodate 253 passengers and crew. Following this achievement, Trans-Asia launched the 'Love is in the Sea' Campaign in February. The Company's Valentine treat onboard MV Trans-Asia 18 came with live performances and exciting games, a cruise-like experience for travelling couples.

Keeping the momentum, Trans-Asia opened additional trips for Tagbilaran to Cagayan and Cagayan to Tagbilaran routes with the deployment of two vessels, MV Trans-Asia 1 and MV Trans-Asia 19.



Trans-Asia SHIPPING LINES, INC.

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However, Trans-Asia's successful pace came to a halt when the COVID lockdown occurred in March. Unfortunately, the lockdown coincided with the Company's peak summer season when revenues are expected to be at their highest. The third and fourth quarter of the year saw a slow speed of recovery. At the end of the year, Trans-Asia's RoRo total number of trips declined by 8%, from 2,473 in 2019 to 2,287 in 2020, while total number of passengers went down by 75%, from 647,121 passengers in 2019 to 162,555 passengers in 2020. Total cargoes carried also slightly increased by 6.5%, from 2,018,679 (rev ton) in 2019 to 2,149,155 (rev ton) in 2020. The Company posted a revenue of PhP1.55Billion in 2020, down by 22% from the previous year.

During the pandemic, while passenger transportation was suspended or severely restricted, Trans-Asia strived to deliver more value to its customers by launching its parcel shipment business-'Trans-Padala'. It is one of Trans-Asia's strategic moves to diversify its services and widen its customer base.

'Trans-Padala' started in October 2020 and capped the year with PH221,885 sales volume.

Internally, Trans-Asia ensured its employees continued to be safe while working during the height of the lockdown. The Company started an internal COVID-19 information drive and provided free shuttle service for employees' convenience. Trans-Asia also assisted its employees who were forced to stay in the office due to lockdown, and also offered SSS Small Business Wage subsidy to employees of Trans-Asia affiliates. Project TASLI (Talk, Share, Listen), a 'kamustahan activity' to check on employees' whereabouts in light of the pandemic, was also launched. During the Christmas holidays, Udenna Christmas grocery gifts were distributed to employees affected by the pandemic.







THE SUPERCAT FAST FERRY CORPORATION

2020

THE SUPERCAT FAST FERRY CORPORATION

It was the toughest year for The Supercat Fast Ferry Corporation. Supercat made a promising start in 2020, however the onset of COVID-19 put an immediate halt to Supercat's business operations.

Supercat celebrated its 25th Anniversary on February 21, and marked the same by aligning the vessel designs to the Chelsea brand. The Company paved the way to gender equality in the shipping industry by introducing the first-ever Philippine ship manned by an all-female crew led by Master Licensed Mariner, Capt. Ma. Teresa M. Calderon. The vessel, Supercat Sprint 1, started its voyage on 14 February, plying Bacolod-Iloilo-Bacolod three times daily. This initiative is a testament to the Group's commitment to support women in the maritime industry, believing that women's determination and passion allows them to thrive and shine in an industry dominated by men.

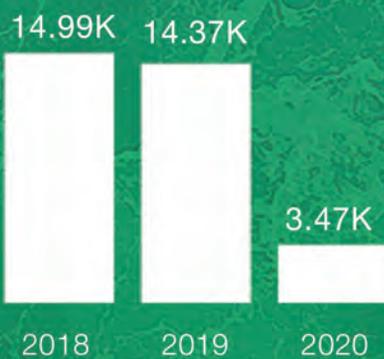


With the community quarantine measures which forced Supercat to suspend its business operations from March 16, Supercat faced several challenges, particularly the necessity of implementing workforce rationalization program. Later in the year, Supercat suffered additional blows when its vessels MV St. Nuriel and St. Dominic, were damaged while sheltering at the anchorage area in Batangas due to the strong winds and sea disturbance caused by Typhoon Quinta. The vessels capsized and declared total losses although fortunately no casualties were reported.

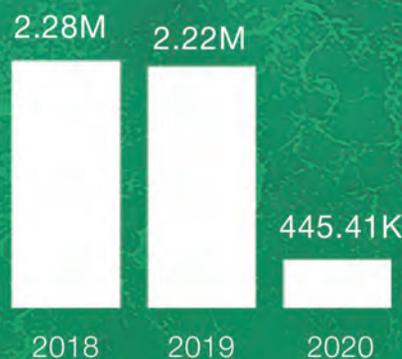
Supercat ended the year with a revenue of PhP173 Million, 16% down year-on-year. Total number of trips declined by 76%, from 14,360 in 2019 to 3,469 in 2020, while total number of passengers plunged by 80%, from 2,224,370 passengers in 2019 to 445,412 passengers in 2020.



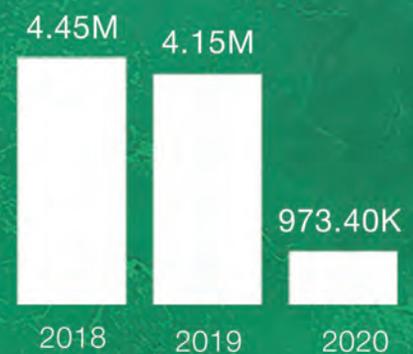
Total Trips



Total Passengers Carried



Fastcraft Capacity







TRANS-ASIA SERVICES, INC.

2020

TASLI SERVICES, INCORPORATED

TASLI Services, Incorporated (TSI), the Manila and Luzon segment of Cebu's Trans-Asia, has been handling the Manila's freighter operations since September 15, 2019, transporting containerized and non-containerized cargoes to Cebu, Cagayan, and Davao.

TSI also had its share of challenges during the COVID pandemic. To be able to continue its services during the lockdown, TSI immediately secured employees' access to its Manila headquarters by providing free shuttle services and laptops so employees had the option to work from the safety of their homes.

With TSI's proactive response to the pandemic, majority of its business operations performed well compared to previous year. Its operational efficiency was evidenced by the decline of number of trips to 56% while its total volume of cargoes in and out of Manila surged 25% and 21% respectively. TSI's Northbound laden volume was up by 53%, from 5,866 cargoes in 2019 to 11,950 in 2020 while the Southbound laden volume slightly slid by 7%, from 15,468 cargoes in 2019 to 15,293 in 2020.

For 2021, Trans-Asia has secured a strategic location nearby the main port terminal in Batangas. TSI, through Trans-Asia, ended 2020 with three operating freighter vessels and a revenue of PHP320 Million

Embracing digital transformation

If there is one positive thing that happened during the pandemic, it was digital transformation in a time of rapid change. We took customer experience to the next level as we maximized the use of social media to address customer queries and to keep them safe and informed about the new normal protocols onboard our vessels based on MARINA Standard.

All our shipping lines published Onboard Guidelines on social media channels and posted the same in our vessels to guide passengers (i.e. locally stranded individual (LSI), overseas Filipino worker (OFW), returning overseas Filipino (ROF) or authorized persons outside residence (APOR).



This ensured that the highest standards of hygiene and all protocols for the new normal procedure at terminal up to the vessel will be properly followed and implemented. We also published information on how the Group regularly sanitized its vessels, followed biosecurity procedures, and prepared meals onboard based on Hazard Analysis Critical Control Points (HACCP) system for international food safety.

The pandemic also hastened the Group's transition from legacy or manual processes to using online tools which enhanced employees' performance and customer interaction.

Trans-Asia and Supercat rolled out its SAP S4 HANA, a future-ready enterprise resource planning (ERP) system with built-in intelligent technologies, including AI, machine learning and advanced analytics. A six-month project in the making, SAP S4 HANA allows our Finance team in the Head Office to access real-time financial transactions of the subsidiaries and advanced analytics resulting in better forecasting. It also allows the team to work with larger data sets in one system thereby saving hardware and operational costs and time.

Starlite and Supercat also kicked off their BARKOTA Ticketing Project, allowing passengers to place their bookings at their most convenient time. This platform, an omni-channel ticketing system, optimizes customer service as the application is capable of ticket management (i.e. refund, book, void, rebook) and viewing of ticket history.





WORKLINK
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Simple, fast, easy

WORKLINK
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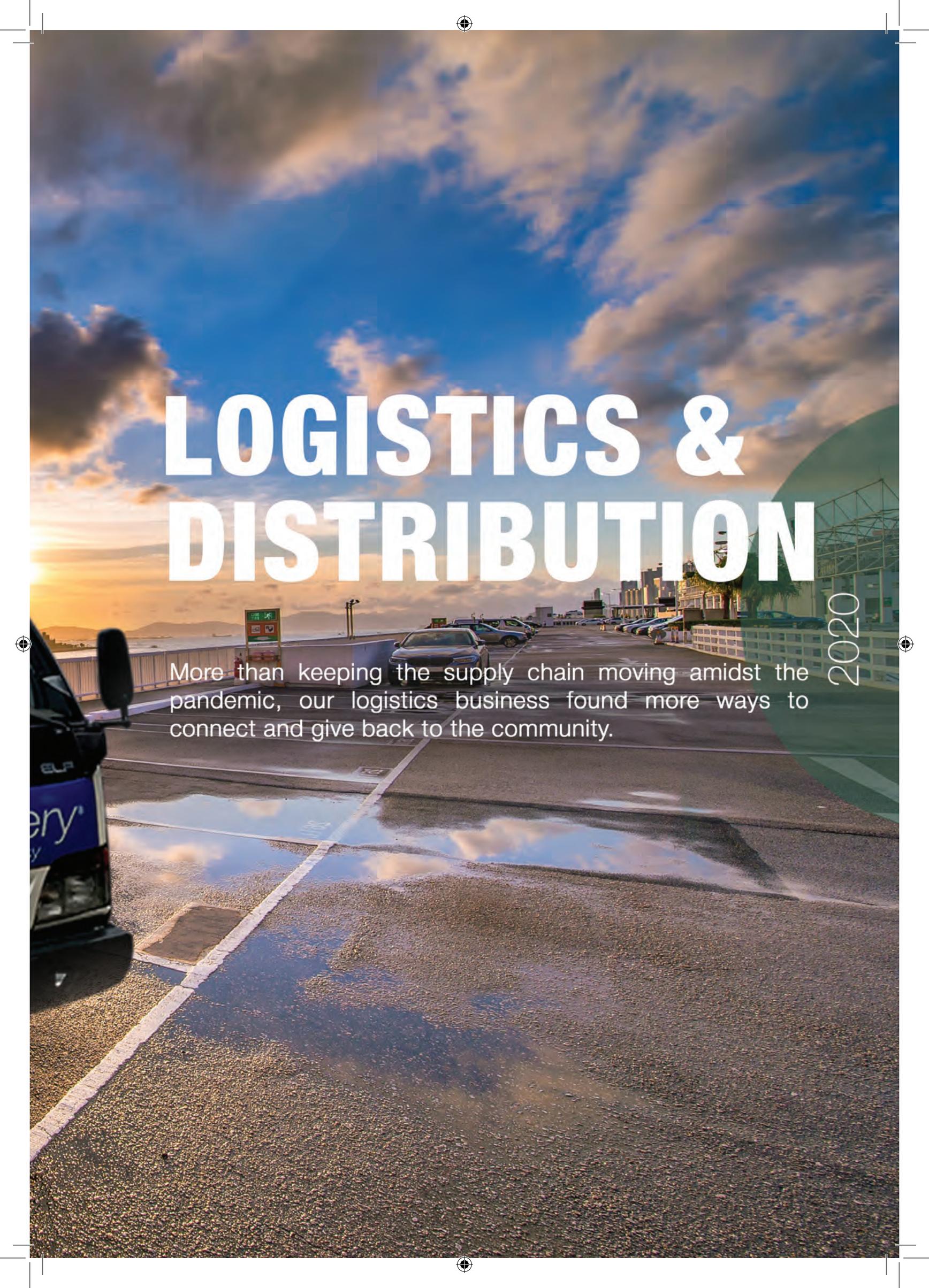
WORKLINK
SERVICES, INC

10 892

LOGISTICS & DISTRIBUTION

More than keeping the supply chain moving amidst the pandemic, our logistics business found more ways to connect and give back to the community.

2020



WORKLINK SERVICES, INC.

When the pandemic struck, Worklink managed to keep its business afloat, particularly during the 2nd and 3rd quarters, when the country underwent a total lockdown. Worklink generated a revenue of Php368 Million, down by 21% compared to the previous year's Php468 Million. Yet, we have slowly improved our financials during the 4th quarter and we are back on track to recovery.

With air and shipping services almost coming to a complete halt in 2020, Worklink focused its efforts on providing delivery services to its clients in Metro Manila and nearby Luzon areas while establishing all the mandated health protocols from DOLE, IATF, and DOH.

We live by our value of "Malasakit". It guided our actions during this unprecedented time. We demonstrated our concern for our employees, clients, communities, and country. Worklink quickly adapted in the changing landscape and engaged in humanitarian relief efforts, supported essential workers, and provided aid to small businesses. We committed to deliver value and leave a positive impact in the communities where we operate. Below are a few highlights of the year:

- Distributed PPEs to Metro Manila hospitals in partnership with the Belo Medical Group
- Provided logistics support to various food drives carried out by our affiliates, namely Enderun Colleges and Conti's.



- Launched Sagip Saka Project together with Phoenix Petroleum and Udenna Foundation to aid farmers in transporting their fresh produce. We delivered 6,000 kilos of fresh food packs from Batangas to Malabon, 25 tons of assorted vegetables from Benguet to Manila, and agricultural crops from Calamba, Laguna to Makati City.

- Transported approximately 5.5 tons of sacks of rice and other necessities to those affected by Typhoon Ulysses in Cagayan Valley.

- Joined hands with the Udenna Group to aid the Dumagats in Antipolo in distributing their harvest of 1,500 kilos of squash to 1,100 families affected by Typhoon Ulysses.

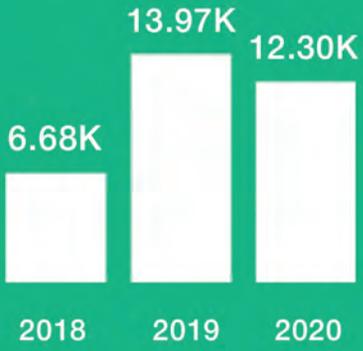
Our "Malasakit" to other people guided our decisions and strengthened our teamwork as we went beyond business-as-usual setting.

In addition to that, we have reimagined our business and accelerated technology adaption to continuously deliver quality service to our clients and support their businesses even with limited face-to-face interactions.

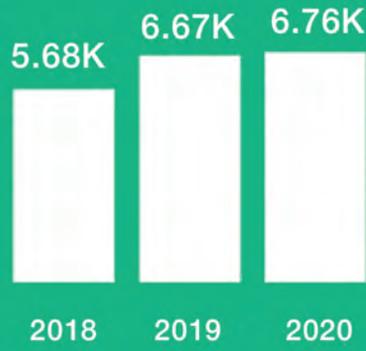




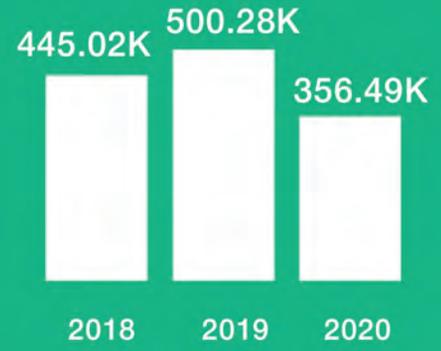
Total Warehouse Size



Total Warehouse Capacity



Total Delivery Transactions



OUR SOCIAL RESPONSIBILITY

The year 2020 has been a defining moment for social responsibility. In the difficult time laden with social anxiety and uncertainty brought about by the COVID-19 pandemic and the natural calamities that hit the country, Chelsea Logistics continued to dedicate its support to the Filipinos through ways it knew best. With the teamwork of the Group, we were able to cultivate the culture of malasakit and teamwork, and make meaningful contributions to the greater social good.

Supporting communities' own relief and recovery

The start of the year was marked by a major volcanic eruption. After four decades of inactivity, Taal Volcano erupted in January spewing hazardous amounts of volcanic ash fall and gases. This event needless to say affected communities in and near the Batangas area. The Company's response during this dreadful time was swift and simple: we assess, prepare, and deliver.



Our employees evaluated the situation and requirements of the affected employees and Taal communities. After assessment, we launched the Alagang Chelsea campaign to address these needs. We arranged the necessary resources, and then reached out to affected employees and communities.

Chelsea Logistics distributed N95 face masks to all its employees in Luzon to protect them from volcanic ash.

The Group also offered to all the affected residents of Taal Volcano eruption a free one-way ticket to any Starlite Ferries destination – a move to help them relocate or visit their immediate families or relatives. We provided 620 hygienic kits, sleeping essentials, and grocery packs to 350 families, an average of 1,680 affected evacuees in Batangas City and Dasmaringas, Cavite.

Keeping the supply chain moving

The shipping industry has been severely affected by the COVID-19 threat. Yet, we have kept the supply chain moving when almost all maritime passenger transport was suspended and the movement of cargo was restricted. At the onset of COVID, even when we had limited information about the virus, our crew safely ensured the continuous movement of essential goods and services to help replenish the supplies in grocery stores, restock fuel at gas stations, and deliver critical medicines and equipment to hospitals. We continued to serve our customers and the country, without compromising the safety of our employees.

Providing mental health coping strategies

When we learned the virus had started to spread in Metro Manila, the Company immediately took action and facilitated employees' work-from-home setup. Management understood how stressful and overwhelming the situation was to employees who were faced with the threat of contracting the virus, and had to deal with sudden drastic changes to their daily lives. The Company launched the 'Kumusta Ka?' online program in order to support the mental health of our employees and provide them with tools and knowledge to help them deal with the stress and anxiety of the situation.

We conducted surveys and e-webinars to check and assess the mental health of our employees. Through online advisories, we also facilitated World Health Organization's Healthy at Home campaign, shared practical tips on mindfulness and coping with stress to help our employees look after their own well-being and help those who need extra support and care. Our online newsletter, released every two months, is aligned to boost employees' morale and keep them connected within the Group.



620

hygienic kits and
grocery packs
distributed



350

families served



1,680

residents supported



OUR SOCIAL RESPONSIBILITY

Serving the frontliners

The Coronavirus pandemic has reached the Philippines and from the start, the health workers have been at the frontline, doing their best to save lives despite the fact that they are actually risking their own in doing so. In addition, health care professionals have to deal with scarcity in Personal Protective Equipment (PPEs), thus making them more vulnerable to the infection.

Through the Belo Medical Group, Chelsea Logistics' subsidiary, Worklink Services, Inc. (WSI), was given the opportunity to render its services to support the needs of our frontliners. Worklink was able to join the initiative to distribute PPEs for the frontliners to different hospitals in Metro Manila. WSI has also been active in providing its services and efforts to ensure that food packs for health workers are delivered and properly distributed.

Working for a charitable cause

For a country faced with many challenges, it is a breath of fresh air to find people and companies working together for a charitable cause. WSI, under Chelsea Logistics, joined forces with Phoenix Petroleum and Udenna Foundation through the Sagip Saka program which aims to help farmers in Luzon who were affected by COVID-19 by providing efficient transportation of their fresh produce.

Under this initiative, WSI delivered 6,000 kilos of fresh food packs from the farmers to the City of Malabon. This has helped 1,500 farmers from five cooperatives in San Jose, Batangas, through social enterprise AGREA, to deliver their harvests consisting of rice and assorted lowland vegetables as relief goods.

WSI has also offered its courier services to the Aetas in Bataan whose livelihood have been affected because of the crisis. Coming to their assistance, WSI provided its trucking services in order to safely transport 50 gallons of their processed honey to Manila. In this way, WSI ensured that all the hard work of the Aetas did not go to waste.

Another beneficiary of Sagip Saka were the farmers and their families in Calamba, Laguna who sought WSI's logistics expertise to transport their produce to Metro Manila and CALABARZON.

Aside from helping those affected by the pandemic, WSI also provided logistics support to the victims of Typhoon Ulysses. WSI transported approximately 5.5 tons of sacks of rice and other necessities to Cagayan Valley and distributed the Dumagtas' 1,500 kilos of squash to 1,100 families.

On the other hand, we have answered the Department of Transportation's call to provide an alternative and convenient way to travel for Locally-Stranded Individuals (LSI), Authorized Persons Outside Residence (APOR), and Overseas Filipino Workers (OFW). Chelsea subsidiaries, Trans-Asia Shipping and Starlite Ferries, in partnership with the Cebu City government, offered Libreng Sakay (free trips) in Cebu City to all LSIs, APORs, and OFWs who have been stranded outside their home provinces. Meanwhile, WSI joined hands with its affiliates, Enderun and Conti's, to provide logistics support in their various food drives during the pandemic.

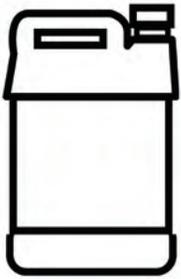
Stepping into 2021, the Group commits to actively participate in community building and voluntary activities. Guided by our value of "malasakit" and teamwork, we will always look after and safely connect with our stakeholders and help one another get through this difficult time.





6,000

kilos of fresh food packs delivered



50

gallons of honey transported



CORPORATE GOVERNANCE

CORPORATE GOVERNANCE AT CHELSEA LOGISTICS AND INFRASTRUCTURE HOLDINGSC CORP.

Chelsea Logistics and Infrastructure Holdings Corp. (“CLC” or the “Company”) adopted a Manual of Corporate Governance (the “Manual”) to ensure its compliance with the leading practices on good corporate governance and related Philippine Securities and Exchange Commission (SEC) rules and regulations. The Manual was approved and adopted by its Board of Directors and deemed effective as of 27 March 2017.

The Manual features the following provisions:

- Protection of investors. The Manual provides 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 shall continue to improve its corporate governance and shall amend the Manual as may be necessary.

A copy of the Manual containing the foregoing provisions was submitted to the Philippine Securities and Exchange Commission.

THE BOARD OF DIRECTORS

CLC’s Board of Directors (the “Board”) is primarily responsible for the governance of the Company. Corollary to setting the policies for the accomplishment of the corporate objectives, the Board shall provide an independent check on Management.

The Board of Directors has nine (9) members who shall be elected by the stockholders at a regular or special meeting in accordance with the Amended By-Laws of the Corporation. The Board shall be composed of Directors with a collective working knowledge, experience or expertise that is relevant to the Company’s industry/sector. The Amended By-laws requires the election of three (3) Independent Directors which shall constitute twenty percent (20%) of the members of the Board, or whichever is lesser, but in no case less than three (3).

In accordance with the Company’s Amended By-Laws and Manual of Corporate Governance, the Board in 2020 was comprised of 9 members elected by the shareholders during the Annual Shareholders’ Meeting held on June 3, 2020. The Company has six (6) Non-Executive Directors, three (3) of which are Independent Directors.

Members of the Board of Directors

Non-Executive, Non-Independent Directors	Non-Executive, Independent Directors	Executive Directors
Dennis A. Uy	Miguel Rene A. Dominguez	Chryss Alfonsus V. Damuy
Eduardo A. Bangayan	Jesus S. Guevara II	Cherylyn C. Uy
Efren E. Uy	Gener T. Mendoza	Arthur Kenneth L. Sy

Directorship in Other Listed Companies

The following members of the Board are also Directors of the publicly-listed companies identified below:

Director's Name	Name of Listed 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.	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

Independent Directors

An "Independent Director" is a person who, apart from his fees and shareholdings, which shareholdings does not exceed two percent (2%) of the shares of the Company and/or its related companies or any of its substantial shareholders, is independent of Management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of any independent judgement in carrying out his responsibilities as a Director in the Company.

In compliance with the SEC requirement – that at least 20% of the Board should be independent directors with no material relationship with the Company, three (3) Independent Directors – Gener T. Mendoza, Miguel Rene A. Dominguez and Jesus S. Guevara II – were elected on June 3, 2020.

Criteria for Independence for Independent Directors

The Board of Directors through the Nomination Committee reviews and evaluates the qualifications of all persons nominated to the Board, including the Independent Director(s). The Committee assesses his or her qualifications for independence based on the following criteria:

A person who:

- a) Is not or has not been a senior officer or employee of the Company unless there has been a change in the controlling ownership of the Company;
- b) Is not and has not been in the three (3) years immediately preceding the election, a Director of the Company; a Director, officer, employee of the Company's subsidiaries, associates, affiliates or related companies; or a Director, officer, employee of the Company's substantial shareholders and its related companies;

c) Has not been appointed in the Company, its subsidiaries, associates, affiliates or related companies as Chairman “Emeritus”, “Ex-Officio” Directors/Officers or Members of any Advisory Board, or otherwise appointed in a capacity to assist the Board in the performance of its duties and responsibilities within three (3) years immediately preceding his or her election;

d) Is not an owner of more than two percent (2%) of the outstanding shares of the Company, its subsidiaries, associates, affiliates or related companies;

e) Is not a relative of a Director, officer, or substantial shareholder of the Company or any of its related companies or of any of its substantial shareholders. For this purpose, relatives include spouse, parent, child, brother, sister and the spouse of such child, brother or sister;

f) Is not acting as nominee or representative of any Director of the Company or any of its related companies;

g) Is not a securities broker-dealer of listed companies and registered issuers of securities. “Securities broker-dealer” refers to any person holding any office of trust and responsibility in a broker-dealer firm, which includes, among others, a director, officer, principal stockholder, nominee of the firm to the Exchange, an associated person or salesman, and an authorized clerk of the broker or dealer;

h) Is not retained, either in his personal capacity or through a firm, as a professional adviser, auditor, consultant, agent or counsel of the Company, any of its related companies or substantial shareholder, or is otherwise independent of Management and free from any business or other relationship within the three (3) years immediately preceding the date of his election;

i) Does not engage or has not engaged, whether by himself or with other persons or through a firm of which he is a partner, director or substantial shareholder, in any transaction with the Company or any of its related companies or substantial shareholders, other than such transactions that are conducted at arm’s length and could not materially interfere with or influence the exercise of his independent judgment;

j) Is not affiliated with any non-profit that receives significant funding from the Company or any of its related companies or substantial shareholders; and

k) Is not employed as an executive officer of another company where any of the Company’s executives serve as Directors.

Attendance of the Board

For the period 1 January 2020 to 31 December 2020, there were five (5) Board Meetings and two (2) Stockholders’ Meeting held. The attendance at these meetings is as follows:

Director’s Name	Total No. of Board Meetings	No. of Board Meetings Attended	Percentage of Attendance (%)	Attendance Annual/Special Stockholder’s Meeting? (Y/N)
Dennis A. Uy	5	5	100%	Y
Chryss Alfonsus V. Damuy	5	5	100%	Y
Cherylyn C. Uy	5	5	100%	Y
Arthur Kenneth L. Sy	5	4	80%	Y
Efren E. Uy	5	5	100%	Y
Eduardo A. Bangayan	5	5	100%	Y
Miguel Rene A. Dominguez	5	5	100%	Y
Jesus S. Guevara II	5	5	100%	Y
Gener T. Mendoza	5	5	100%	Y

COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors created and appointed Directors to the five (5) Board committees set forth below. Each member of the respective committees named below holds office as of the date of this report and will serve until his successor is elected and qualified. The five Committees are: (i) the Nomination Committee; (ii) the Audit Committee; (iii) Corporate Governance Committee; (iv) Board Risk Oversight Committee, and the (v) Related Party Transaction Committee.

Nomination Committee

CLC's Nomination Committee is responsible for reviewing and evaluating the qualifications of all persons nominated to the Board and other appointments that require Board approval, and to assess the effectiveness of the Board's processes and procedures in the election or replacement of Directors. The Nomination Committee must comprise at least three (3) Directors, one of whom should be an Independent Director. The Nomination Committee reports directly to CLC's Board of Directors.

Audit Committee

The 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:

- 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;
- Perform oversight functions over our 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;

- Review the annual internal audit plan to ensure its conformity with our objectives. The plan shall include the audit scope, resources and budget necessary to implement it;

- 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;

- 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;

- Monitor and evaluate the adequacy and effectiveness of our internal control system including financial reporting control and information technology security;

- Review the reports submitted by the internal and external auditors;

- 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;

- Coordinate, monitor and facilitate compliance with laws, rules and regulations;

- 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,

- Establish and identify the reporting line of our internal auditor to enable him to properly fulfil his

duties and responsibilities. It shall functionally report directly to the Audit Committee.

Corporate Governance Committee

The Corporate Governance Committee shall be composed of at least three (3) members, all of whom should be Independent Directors, including the Chairman. The Corporate Governance Committee shall have the following duties and functions, among others:

- Oversee the implementation of the corporate governance framework and periodically review the said framework to ensure that it remains appropriate in light of material changes to the Company's size, complexity and business strategy, as well as its business and regulatory environments;
- Oversee the periodic performance evaluation of the Board and its Committees as well as executive management, and conduct an annual self-evaluation of its performance;
- Ensure that the results of the Board evaluation are shared, discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement;
- Recommend continuing education/training programs for Directors, assignment of tasks/projects to Board Committees, succession plan for the Board members and senior officers, and remuneration packages for corporate and individual performance;
- Adopt corporate governance policies and ensure that these are reviewed and updated regularly, and consistently implemented in form and substance;
- Propose and plan relevant trainings for the members of the Board;
- Determine the nomination and election process for the Company's Directors and has the special duty of defining the general profile of Board members that the Company may need and ensuring appropriate knowledge, competencies and expertise that complement the existing skills of the Board; and

- Establish a formal and transparent procedure to develop a policy for determining the remuneration of Directors and officers that is consistent with the Company's culture and strategy as well as the business environment in which it operates.

Board Risk Oversight Committee

The Board Risk Oversight Committee shall be composed of at least three (3) members, majority of whom should be Independent Directors, including the Chairman. The Chairman should not be the Chairman of the Board or of any other committee. At least one member of the Committee must have relevant thorough knowledge and experience on risk and risk management. The Committee has the following duties and responsibilities:

- Develop a formal enterprise risk management plan which contains the following elements: (a) common language or register of risks, (b) well-defined risk management goals, objectives and oversight, (c) uniform processes of assessing risks and developing strategies to manage prioritized risks, (d) designing and implementing risk management strategies, and (e) continuing assessments to improve risk strategies, processes and measures;
- Oversee the implementation of the enterprise risk management plan through a Management Risk Oversight Committee. The Committee conducts regular discussions on the Company's prioritized and residual risk exposures based on regular risk management reports and assesses how the concerned units or offices are addressing and managing these risks;
- Evaluate the risk management plan to ensure its continued relevance, comprehensiveness and effectiveness. The Committee revisits defined risk management strategies, looks for emerging or changing material exposures, and stays abreast of significant developments that seriously impact the likelihood of harm or loss;
- Advise the Board on its risk appetite levels and risk tolerance limits;
- Review at least annually the Company's risk appetite levels and risk tolerance limits based on changes and developments in the business, the

regulatory framework, the external economic and business environment, and when major events occur that are considered to have major impacts on the Company;

- Assess the probability of each identified risk becoming a reality and estimates its possible significant financial impact and likelihood of occurrence. Priority areas of concern are those risks that are the most likely to occur and to impact the performance and stability of the Company and its stakeholders;
- Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risk exposures of the corporation. This function includes regularly receiving information on risk exposures and risk management activities from Management; and
- Report to the Board on a regular basis, or as deemed necessary, the Company's material risk exposures, the actions taken to reduce the risks, and recommends further action or plans, as necessary.

Related Party Transaction Committee

The Related Party Transaction Committee shall be composed of at least three (3) non-executive Directors, two (2) of whom should be Independent, including the Chairman. The Committee shall have the following functions:

- Evaluate on an ongoing basis existing relations between and among businesses and counterparties to ensure that all related parties (RPTs) are continuously identified, RPTs are monitored, and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured. Related parties, RPTs and changes in relationships should be reflected in the relevant reports to the Board and regulators/supervisors;
- Evaluate all material RPTs to ensure that these are not undertaken on more favorable economic terms (e.g., price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with nonrelated parties under similar circumstances and that no corporate or business resources of the Company are misappropriated or

misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions. In evaluating RPTs, the Committee takes into account, among others, the following:

- a. The related party's relationship to the Company and interest in the transaction;
 - b. The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
 - c. The benefits to the Company of the proposed RPT;
 - d. The availability of other sources of comparable products or services; and
 - e. An assessment of whether the proposed RPT is on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances. The Company should have an effective price discovery system in place and exercise due diligence in determining a fair price for RPTs.
- Ensure that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the Company's RPT exposures, and policies on conflicts of interest or potential conflicts of interest. The disclosure should include information on the approach to managing material conflicts of interest that are inconsistent with such policies, and conflicts that could arise as a result of the Company's affiliation or transactions with other related parties;
 - Report to the Board of Directors on a regular basis, the status and aggregate exposures to each related party, as well as the total amount of exposures to all related parties;
 - Ensure that transactions with related parties, including write-off of exposures are subject to a periodic independent review or audit process; and
 - Oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of RPT policies and procedures.

Members of the Board of Committees

Nomination Committee	Dennis A. Uy (Chairman) Miguel Rene A. Dominguez Efren E. Uy
Audit Committee	Gener T. Mendoza (Chairman) Dennis A. Uy Jesus S. Guevara II
Corporate Governance Committee	Miguel Rene A. Dominguez (Chairman) Jesus S. Guevara II Gener T. Mendoza
Board Risk Oversight Committee	Jesus S. Guevara II (Chairman) Arthur Kenneth L. Sy Miguel Rene A. Dominguez
Related Party Transactions Committee	Eduardo A. Bangayan (Chairman) Jesus S. Guevara II Efren E. Uy

ACCOUNTABILITY AND AUDIT

The Board is primarily accountable to the shareholders and Management is primarily accountable to the Board. The Board provides the shareholders with a fair, balanced and comprehensive assessment of the Company's performance position and prospects on a quarterly basis including interim and other reports that could adversely affect its business as well as reports to SEC and PSE that are required by the law. It is essential that Management provides all members of the Board with accurate and timely information that would enable the Board to comply with its responsibilities to the stockholders.

Management formulates, under the supervision of the Audit Committee, the rules and procedure on financial reporting and internal control in accordance with the following guidelines:

- a. The extent of its responsibility in the preparation of the financial statements of the Company, with corresponding delineation of the responsibilities that pertain to the external auditor, should be clearly explained;
- b. An effective system of internal control that will ensure the integrity of the financial reports and protection of the assets of the Company

for the benefit of all stockholders and other stakeholders;

- c. On the basis of the approved audit plans, internal audit examinations should cover, at the minimum, the evaluation of the adequacy and effectiveness of the controls that cover the Company's financial reporting, governance, operations and information systems, including the reliability and integrity of financial and operational information, effectiveness and efficiency of operations, protection of assets and compliance with contracts, laws, rules and regulations;
- d. The Company should consistently comply with the financial reporting requirements of the SEC.
- e. Present a fair assessment of the Company's financial position and prospects;
- f. Explain the responsibility for preparing the accounts, for which there should be statement by the auditors about their reporting responsibilities;
- g. Report that the business is a going concern, with supporting assumptions or qualifications, if necessary;
- h. Maintain a sound system of internal control to safeguard stakeholders' investment and the Company's assets.

SHAREHOLDERS' RIGHTS

Voting Rights

The shareholders have the right to elect, remove and replace Directors and vote on certain corporate acts in accordance with the Corporation Code, and the Company's By-Laws. Cumulative voting shall be allowed in the election of Directors. Although Directors may be removed with or without cause, the Corporation Code prohibits removal without cause if it will deny minority shareholders representation in the Board.

Pre-emptive Rights

All stockholders have pre-emptive rights to subscribe to new shares issued by the Company, except when the Company issues shares (i) to satisfy the conversion rights of convertible promissory notes, bonds, or the other securities which may be issued by the Company with express right of conversion into shares of stock, or (ii) to raise funds to redeem or pay such convertible promissory notes, bonds or other securities of the Company.

Power of Inspection

Shareholders are allowed to inspect corporate books and records including minutes of Board meetings and stock registries in accordance with the Corporation Code. They shall be provided with a copy of the annual report, including financial statements, without cost or restrictions in accordance with law.

Right to Information

The Shareholders shall be provided, upon request, with reports which disclose personal and professional information about the Directors and Officers and certain other matters such as their holdings of the Company's shares, dealings with the Company, relationships among Directors and key Officers, and the aggregate compensation of Directors and Officers, as may be required by law and applicable disclosure rules.

The minority shareholders have the same right of information as other shareholders of the Company. They should be granted the right to

propose the holding of a meeting, and the right to propose the items in the agenda of the meeting, provided the items are for legitimate business purposes, in accordance with law.

Rights to Dividends

Shareholders have the right to receive dividends subject to the discretion of the Board to declare such dividends. However, the SEC may direct the Company to declare dividends when its retained earnings is in excess of 100% of its paid-up capital stock, except: (i) when justified by definite corporate expansion projects or programs approved by the Board or (ii) when the Corporation is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not been secured; or (iii) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the Company, such as when there is a need for special reserve for probable contingencies.

Appraisal Right

Section 82 of the Corporation Code allows the exercise of the Shareholder's appraisal rights under the following circumstances:

- a) In case any amendment to the Articles of Incorporation has the effect of changing or restricting the right of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
- b) In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code; and
- c) In case of merger or consolidation.

Promotion of Shareholders' Rights

The Board shall promote shareholders' rights in accordance with law, remove impediments to the exercise of shareholders' rights and allow possibilities to seek redress for violation of their rights. They shall encourage the exercise of shareholders' voting rights and solution of collective act on problems through appropriate mechanisms in accordance with law. They shall remove excessive costs and other administrative or practical impediments to shareholders' participation in meetings and/or voting in person. The Board shall allow the electronic filing and distribution of shareholder information necessary to make informed decisions as may be allowed by law.

Right to Transparent and Fair Conduct of Stockholders' Meeting

The Board is transparent and fair in the conduct of the annual and special stockholders' meeting of the Company. The stockholders are encouraged to personally attend such meetings. If a shareholder cannot attend, he or she has a right to appoint a proxy. Subject to the requirements of the By-Laws, the exercise of this right shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in stockholder's favor.

SEPARATE ROLES OF THE CHAIRMAN AND PRESIDENT & CHIEF EXECUTIVE OFFICER (CEO)

The Company promotes good governance through the separation of the posts of the Chairman and President & CEO. This is to achieve an appropriate balance of power,

increase accountability and improve the Board's capacity for decision-making independent of the Management.

The Chairman of the Board is primarily responsible for ensuring that the Board Meeting agenda focuses on strategic matters, including the overall risk appetite of the Company, considering the developments in the business and regulatory environments, key governance concerns, and contentious issues that will significantly affect the operations of the Company. The Chairman is also responsible in ensuring that the Board sufficiently challenges and inquires on reports submitted and representations made by the Management.

On the other hand, the President & CEO is in charge of the management and administration of the business operations, affairs and properties of the Company. He ensures that all resolutions of the Board are carried into effect and see that the business and affairs of the Company are managed in sound and prudent manner. He also ensures the reliability and integrity of the financial and operational information and effectiveness, as well as, the efficiency of operations.

The respective roles of CLC's Chairman and President & CEO were held by Dennis A. Uy and Chryss Alfonsus V. Damuy in 2020.

THE CORPORATE SECRETARY

The Corporate Secretary is an officer of the Company and is expected to observe the highest degree of professionalism, integrity and shall have the qualifications, duties and responsibilities specified in the By-Laws of the Company, or as may further be specified or designated by the



Board of Directors. Atty. Ma. Henedina V. San Juan is the Company's Corporate Secretary. She is not a member of the Board and attended the Annual Stockholders' Meeting held on 3 June 2020 and the Special Stockholders' Meeting held on October 6, 2020.

INVESTOR RELATIONS OFFICER

The Investor Relations Office is tasked with the: (i) creation and implementation of an investor relations program that reaches out to all shareholders and informs them of corporate activities; and, (ii) formulation of a clear policy for accurately, effectively and sufficiently communicating and relating relevant information to CLC's stakeholders as well as to the broader investor community.

The Investor Relations Officer (IRO) is responsible for ensuring that the CLC's shareholders have timely and uniform access to official announcements, disclosures and market-sensitive information relating to the Company. As CLC's officially designated spokesperson, the IRO will be responsible for receiving and responding to investor and shareholder queries. In addition, the IRO will oversee most aspects of CLC's shareholders meetings, press conferences, investor briefings, management of the investor relations portion of the CLC's website and the preparation of its annual reports. The IRO will also be responsible for conveying information such as the policy on corporate governance and corporate social responsibility, as well as other qualitative aspects of the Company's operations and performance.

For any shareholder's concerns, please contact the Investor Relations Office at:

Email: info@chelsealogistics.ph
Tel.: +632 403-4015 local 859

COMPLIANCE OFFICER

The Company has appointed Atty. Leandro E. Abarquez as its Compliance Officer, who is tasked to ensure the Company's observance of corporate governance best practices, disclosures and continuing requirements of the Philippines SEC and the Philippine Stock Exchange.



BOARD OF DIRECTORS



DENNIS A. UY
CHAIRMAN



CHRYSS ALFONSUS V. DAMUY
DIRECTOR, PRESIDENT & CEO



EDUARDO A. BANGAYAN
DIRECTOR



ARTHUR KENNETH L. SY
DIRECTOR



EFREN E. UY
DIRECTOR



MIGUEL RENE A. DOMINGUEZ
INDEPENDENT DIRECTOR



JESUS S. GUEVARA II
INDEPENDENT DIRECTOR



CHERYLYN C. UY
DIRECTOR, TREASURER



GENER T. MENDOZA
INDEPENDENT DIRECTOR

DIRECTOR'S PROFILE

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. Mr. Uy is Founder, Chairman, and President of Udenna Corporation. He is Chairman and Chief Strategy Officer of Phoenix Petroleum Phils., Inc. He is Chairman of Udenna Land, Inc., PH Resorts Group Holdings, Inc., Udenna Infrastructure, Corp., Le Penseur Inc., and DITO CME Holdings, Corp. He is Chairman and CEO of DITO Telecommunity Corporation. Mr. Uy is also Chairman of F2 Logistics, Phoenix Philippines Foundation, Udenna Foundation, Siklab Atleta Pilipinas Sports Foundation, and LIFE Fund. 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.

Chryss Alfonsus V. Damuy Director, President & CEO

Chryss 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. She is the President of Udenna Foundation and one of the Executive Directors of Phoenix Philippines Foundation, 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 Co-Chairman of Trans-Asia Shipping Lines, Incorporated, and currently the President and CEO of Sybu Real Estate Corporation, and Director of Big Hub Transport & Logistics Corp., Dynamic Cuisine, Inc., Oceanstar Shipping Corporation, Starsy Shoppe, Inc., Star Maritima Port and Allied Services, Inc. and Quality Metal and Shipworks Inc. 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 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

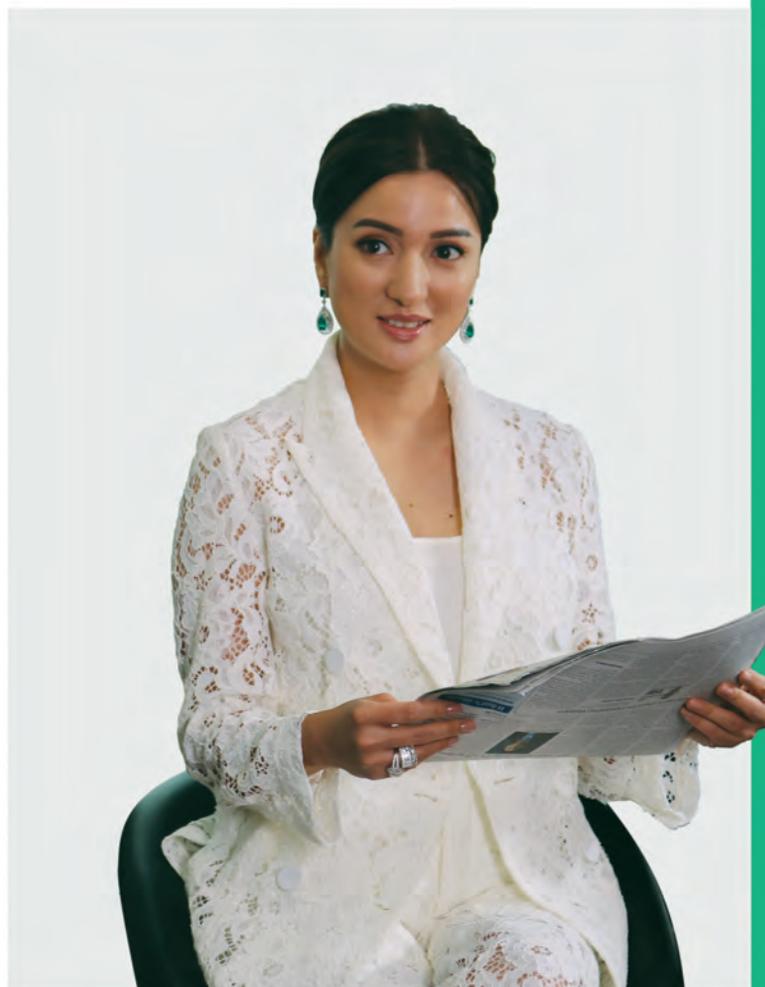
Jesus S. Guevara II, Filipino, 66 years old, has been an Independent Director of CLIHC since March 27, 2017. From 2009 to the present, he sits as Director of Lipa Bank, Inc. He served as Executive Vice President of the Development Bank of the Philippines, where he worked for eighteen (18) years. He was 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 SyCipGorresVelayo & 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.

MANAGEMENT TEAM



CHERYLYN C. UY
TREASURER

CHRYSS ALFONSUS V. DAMUY
PRESIDENT & CEO



IGNACIA S. BRAGA IV
CHIEF FINANCIAL OFFICER



MA. HENEDINA V. SAN JUAN
AVP - LEGAL AND CORPORATE AFFAIRS
CORPORATE SECRETARY



REYNALDO A. PHALA
VP - TREASURY
DEPUTY CHIEF FINANCIAL OFFICER



KATHERINE A. AGBAY
CHIEF AUDIT EXECUTIVE



LEANDRO E. ABARQUEZ
CHIEF COMPLIANCE OFFICER

GENERAL MANAGERS



SHANE ANTHONY G. ARANTE
STARLITE FERRIES, INC. &
THE SUPERCAT FAST FERRY, INC.



SHIELA FAY U. SY
TRANS-ASIA SHIPPING
LINES, INCORPORATED



RAUL L. QUISUMBING
TASLI SERVICES,
INCORPORATED



DEXTER A. SILVA
WORKLINK SERVICES, INC.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The management of **Chelsea Logistics and Infrastructure Holdings Corp and its subsidiaries** (the Group) is responsible for the preparation and fair presentation of the consolidated financial statements, including the schedules attached therein, for the years ended December 31, 2020, 2019 and 2018 in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

The Board of Directors reviews and approves the consolidated financial statements, including the schedules attached therein, and submits the same to the stockholders or members.

Punongbayan & Araullo, the independent auditors appointed by the stockholders, has audited the consolidated financial statements of the Group in accordance with Philippine Standards on Auditing, and in their report to the stockholders or members, have expressed their opinion on the fairness of presentation upon completion of such audit.

Sgd.

DENNIS A. UY

Chairman of the Board

Sgd.

CHRYSS ALFONSUS V. DAMUY

President and CEO

Sgd.

IGNACIA S. BRAGA IV

Chief Financial Officer

Signed this 14th day of April 2021

Report of Independent Auditors

The Board of Directors and Stockholders
Chelsea Logistics and Infrastructure Holdings Corp. and Subsidiaries
(Formerly Chelsea Logistics and Holdings Corp.)
(A Subsidiary of Udenna Corporation)
Stella Hizon Reyes Road
Bo. Pampanga, Davao City

Opinion

We have audited the consolidated financial statements of Chelsea Logistics and Infrastructure Holdings Corp. and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2020 and 2019, and the consolidated statements of profit or loss, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2020, and notes to consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2020 and 2019, and its consolidated financial performance and their consolidated cash flows for each of the three years in the period ended December 31, 2020 in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audits of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 1 to the consolidated financial statements, which describes management's assessment of the continuing impact on the Group's consolidated financial statements of the business disruptions brought by the COVID-19 pandemic. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(a) Revenue Recognition

Description of the Matter

The Group's revenues, which is comprised significantly of freight revenues, charter fees, passage fees, rendering of services and tugboat fees, amounted to P4.7 billion for the year ended December 31, 2020.

The Group focuses on revenue as a key performance measure, which could create an incentive for management to overstate revenues. In our view, revenue recognition is a key audit matter due to its significance to profit or loss and high volume of revenue transactions. Relative to this, we consider that there is higher risk associate with revenue occurrence and recognition of revenues in the appropriate accounting period.

The Group's disclosures on its revenue recognition policy and disaggregation of revenues are fully disclosed in Notes 2 and 26, respectively, to the consolidated financial statements.

How the Matter was Addressed in the Audit

Our audit procedures to address the risk of material misstatement relating to revenue recognition included, among others, the following:

- Updating our understanding the policies and procedures applied to revenue recognition;
- Assessing the design effectiveness of internal controls related to revenue recognition processes employed by the Group;
- Reviewing the existing contracts with customers and evaluating the appropriateness of the Group's revenue recognition policies and application in compliance with the requirements of PFRS 15, *Revenue from Contracts with Customers*;
- Confirming trade receivables, on a sample basis, as of the end of the reporting period from rendering of services; and, performing alternative procedures such as, but not limited to, examining cash receipts, or billing invoices and vessel fixture notes;
- Examining billing invoices and vessel fixture notes immediately prior and subsequent to the current reporting period to determine whether the related revenue transactions are recognized in the proper reporting period; and,

- Performing substantive analytical review procedures over revenues such as, but not limited to, yearly and monthly analyses of revenues per vessel, per customer, and per service line, verifying validity of the underlying data used in the analyses, and following up variances from our expectations.

(b) Going Concern Assessment

Description of the Matter

The COVID-19 pandemic has disrupted the business operations of the Group in 2020, resulting in significant impact in the Group's financial performance and cash flows, and may continue to significantly affect the future operations of the Group. The Group incurred a net loss of P3.3 billion for the year ended December 31, 2020 and had a deficit of P3.4 billion as of December 31, 2020.

The consolidated financial statements have been prepared on a going concern basis. Management's assessment of the Group's ability to generate sufficient cash flows involves significant assumptions, such as forecasted revenues and costs, that are subject to high degree of estimation uncertainty, highlighted by the continuing impact of the COVID-19 pandemic, and the feasibility of the Group's recovery and response plans. As the going concern assessment is a significant aspect of our audit, we have identified this as a key audit matter.

The Group's disclosures on the going concern assessment are included in Note 1 to the consolidated financial statements.

How the Matter was Addressed in the Audit

Our audit procedures to address the risks related to the Group's ability to continue as a going concern included the following:

- Obtaining an understanding of the management's going concern assessment, taking into consideration the current business environment and the Group's recovery and response plans;
- Evaluated key assumptions used by management by reference to historical information, after consideration of the actions undertaken and planned strategies of management in relation to the Group's operating and financing activities to address the adverse impact of the COVID-19 pandemic;
- Reviewed relevant documents and agreements supporting the transactions entered into by management as of the date of the audit report in relation to the Group's recovery plans; and,
- Assessed the adequacy of the related disclosures in the notes to consolidated financial statements.

(c) Impairment of Goodwill

Description of the Matter

As of December 31, 2020, the Group's goodwill amounted to P1.8 billion. Under Philippine Accounting Standard (PAS) 36, *Impairment of Assets*, the Group is required to annually test the amount of its goodwill for impairment. We considered the impairment of goodwill as a key audit matter because the amount of goodwill is material to the consolidated financial statements. In addition, management's assessment process involves judgements, and significant assumptions about the future results of the business, and the discount rate and cash flow projections used in determining the cash-generating units over which the goodwill was allocated. The assumptions used by management are generally affected by expected future market and economic conditions.

The Group's policy on impairment assessment of goodwill is more fully described in Note 2 to the consolidated financial statements, while their corresponding carrying amounts are disclosed in Note 25 to the consolidated financial statements.

How the Matter was Addressed in the Audit

Our audit procedures to address the risk of material misstatement relating to goodwill included, among others, the following:

- Involving our own valuation specialist to assist in evaluating the appropriateness of the assumptions and methodology used by management in determining the recoverable amounts of cash-generating units;
- Evaluating the appropriateness of assumptions and methodologies used by management, in particular, those relating to the estimates of future net cash inflows and the discount rate used; and,
- Evaluating the adequacy of the financial statement disclosures, including disclosures of key assumptions and judgements.

(d) Fair Value of Vessels and Vessel Equipment under Property and Equipment

Description of the Matter

The carrying amount of the Group's vessels and vessel equipment reported under the Property and Equipment account amounted to P16.9 billion, representing 45% of the total assets of the Group. As allowed under PAS 16, *Property, Plant and Equipment*, the Group measures its vessels and vessel equipment based on a revalued amount, which represent fair market values at the date of the revaluation. Management determined the fair value based on the valuation made by independent appraisers and by management, for certain vessels, every after drydocking of vessels, which is performed once every two years.

The fair valuation of the Group's vessels was significant in our audit as the amount is material to the consolidated financial statements and the determination of fair values involves significant management assumptions and high degree of estimation uncertainty, highlighted by the continuing application of the COVID-19 pandemic.

The methods and assumptions used in determining the fair value of vessels is more fully described in Notes 3 and 29 to the consolidated financial statements, while the revalued amount of vessels and vessel equipment as at December 31, 2020 is disclosed in Note 9.

How the Matter was Addressed in the Audit

Our audit procedures to address the risk of material misstatement relating to valuation of vessels and vessel equipment included:

- Determining whether the independent appraisers engaged by the Group has the necessary professional competency, reputation, experience and objectivity;
- Involving an independent expert to assist us in evaluating the results of the work performed by the Group's independent appraisers by understanding the methodology, process and data used in determining the fair value of vessels and vessel equipment;
- Involving our own valuation specialist to assist in evaluating the appropriateness of the methodology and assumptions used by management in determining the fair value of certain vessels; and,
- Assessing the appropriateness and reasonableness of bases used in the valuation such as the vessel's certificates, operating condition of the vessel equipment, main engine, and other auxiliary machineries and equipment.

(e) Conduct of Audit Remotely

Description of the Matter

As disclosed in Note 1, the COVID-19 pandemic started to become widespread in the Philippines in early March 2020. The general community quarantine and social distancing measures implemented by the government resulted in performing a significant portion of our audit remotely.

The change in working conditions is relevant and significant to our audit since it creates an increased risk of misstatements due to less in-person access to the Group's management and personnel, and lack of access to the physical records and original documents. Given the changes in how the audit will be performed, the audit requires exercising enhanced professional skepticism.

How the Matter was Addressed in the Audit

Our audit procedures to address the risk of performing audit remotely included the following:

- Considering the nature of the engagement and the engagement team's knowledge of the entity and its environment when determining whether it is possible to perform a significant portion, if not all, of the engagement remotely;
- Following the requirements of PSA including providing proper supervision and review, even when working remotely;
- Obtaining information through electronic means, which includes sending and receiving of confirmation electronically, obtaining calculation in electronic form to check mathematical accuracy, scanning of hard-copy items for review and using real-time inspection technology such as video and screen-sharing;
- Determining the reliability of audit evidence provided electronically with professional skepticism;
- Performing inquiries through video-conferencing in order to judge body language and other cues and to have a more interactive audit engagement; and,

- Examining critical electronic copy documents (e.g., contracts, sales invoices, delivery receipts and collection receipts) in response to the risk in response to the risk in revenues and costs, which is considered to be significant.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Group's Securities and Exchange Commission Form 17-A, which we obtained prior to the date of the auditors' report, and the Group's SEC Form 20-IS (Definitive Information Statement) and Annual Report, which are expected to be made available to us after that date, for the year ended December 31, 2020, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above, and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

If, based on the work performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with PFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audits resulting in this independent auditors' report is Ramilito L. Nañola.

PUNONGBAYAN & ARAULLO


By: **Ramilito L. Nañola**
Partner

CPA Reg. No. 0090741
TIN 109-228-427
PTR No. 8533235, January 4, 2021, Makati City
SEC Group A Accreditation
Partner - No. 0395-AR-4 (until Sept. 16, 2022)
Firm - No. 0002 (until Dec. 31, 2024)
BIR AN 08-002511-19-2020 (until Dec. 21, 2023)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Jul. 24, 2021)

April 14, 2021

CHELSEA LOGISTICS AND INFRASTRUCTURE HOLDINGS CORP. AND SUBSIDIARIES
(Formerly Chelsea Logistics Holdings Corp.)
(A Subsidiary of Udenna Corporation)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019
(Amounts in Philippine Pesos)

	Notes	2020	2019 (As Restated - see Note 2)
<u>A S S E T S</u>			
CURRENT ASSETS			
Cash and cash equivalents	4	P 139,206,973	P 375,228,505
Trade and other receivables - net	5	1,586,182,618	2,225,735,811
Financial assets at fair value through profit or loss	6	2,266,150	3,947,736
Inventories	7	612,621,321	546,803,953
Advances to related parties	21	1,400,594,810	814,252,135
Other current assets	8	<u>1,247,582,788</u>	<u>1,088,657,865</u>
Total Current Assets		<u>4,988,454,660</u>	<u>5,054,626,005</u>
NON-CURRENT ASSETS			
Property and equipment - net	9	21,503,706,760	22,839,738,297
Investments in associates and a joint venture	10	973,227,383	6,416,269,582
Goodwill	25	1,848,378,146	5,765,809,689
Post-employment benefit asset	18	5,955,204	7,673,898
Deferred tax assets - net	20	154,253,854	397,741,757
Other non-current assets - net	12	<u>477,459,596</u>	<u>522,338,281</u>
Total Non-current Assets		<u>24,962,980,943</u>	<u>35,949,571,504</u>
NON-CURRENT ASSETS HELD FOR SALE	11, 25	<u>7,403,196,771</u>	<u>-</u>
TOTAL ASSETS		<u>P 37,354,632,374</u>	<u>P 41,004,197,509</u>

	Notes	2020	2019 (As Restated - see Note 2)
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade and other payables	14	P 8,427,435,314	P 10,759,925,409
Interest-bearing loans and borrowings	13	6,444,663,379	6,124,500,567
Redeemable preference shares	15	1,230,436,441	-
Advances from related parties	21	587,784,015	1,114,816,666
Advances from customers	2	63,121,704	55,788,185
Income tax payable		7,373,172	22,256,833
Total Current Liabilities		<u>16,760,814,025</u>	<u>18,077,287,660</u>
NON-CURRENT LIABILITIES			
Interest-bearing loans and borrowings	13	10,562,307,847	10,182,620,625
Post-employment benefit obligation	18	113,786,341	56,528,581
Deferred tax liabilities - net	20	356,683,800	163,931,353
Other non-current liabilities		75,233,944	70,283,902
Total Non-current Liabilities		<u>11,108,011,932</u>	<u>10,473,364,461</u>
Total Liabilities		<u>27,868,825,957</u>	<u>28,550,652,121</u>
EQUITY			
Equity attributable to shareholders of the Company			
Capital stock	22	1,821,977,615	1,821,977,615
Deposits on future stock subscriptions	22	662,596,200	-
Additional paid-in capital	22	9,998,370,157	9,998,370,157
Share options outstanding	10	16,869,063	-
Revaluation reserves	22	1,201,437,920	1,777,036,051
Other reserves	22	(1,058,033,280)	(1,058,033,280)
Deficit		(3,367,774,527)	(265,805,155)
		9,275,443,148	12,273,545,388
Non-controlling interest	22	210,363,269	180,000,000
Total Equity		<u>9,485,806,417</u>	<u>12,453,545,388</u>
TOTAL LIABILITIES AND EQUITY		<u>P 37,354,632,374</u>	<u>P 41,004,197,509</u>

For further notes and discussions, see our Audited FS Report on our website.

CHELSEA LOGISTICS AND INFRASTRUCTURE HOLDINGS CORP. AND SUBSIDIARIES
(Formerly Chelsea Logistics Holdings Corp.)
(A Subsidiary of Udenna Corporation)
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE YEARS ENDED DECEMBER 31, 2020, 2019 AND 2018
(Amounts in Philippine Pesos)

	Notes	2020	2019 (As Restated - see Note 2)	2018 (As Restated - see Note 2)
REVENUES	26			
Freight		P 2,096,912,751	P 2,687,530,467	P 1,855,561,130
Charter fees	21	1,094,621,985	1,889,509,748	1,721,642,369
Passage		500,941,882	1,423,269,213	969,290,258
Other service revenues		483,361,560	660,478,934	377,620,815
Tugboat fees		350,602,251	338,321,437	333,938,349
Sale of goods		82,597,614	127,599,231	36,643,669
Standby charges	21	69,881,320	93,507,012	24,015,822
		<u>4,678,919,363</u>	<u>7,220,216,042</u>	<u>5,318,712,412</u>
COST OF SALES AND SERVICES	16	5,298,054,723	5,589,219,338	3,829,543,005
OTHER OPERATING EXPENSES	17	1,041,857,296	996,171,610	900,510,203
EXPECTED CREDIT LOSSES ON RECEIVABLES	5	761,569,714	-	-
OPERATING PROFIT (LOSS)		<u>(2,422,562,370)</u>	<u>634,825,094</u>	<u>588,659,204</u>
OTHER INCOME (CHARGES) - Net				
Finance costs	19	(1,302,488,868)	(1,226,043,366)	(835,388,144)
Gain on bargain purchase	25	1,184,509,480	-	4,370,340
Share in net loss of associates	10	(1,046,368,576)	(483,155,985)	(453,048,188)
Gain on sale of an associate	10	983,615,152	-	-
Loss on remeasurement of investment	12, 25	(333,347,312)	-	-
Loss on debt modification	13	(86,612,580)	-	-
Finance income	19	23,377,557	24,756,404	6,553,683
Other income	19	98,328,959	77,117,951	66,723,527
		<u>(478,986,188)</u>	<u>(1,607,324,996)</u>	<u>(1,210,788,782)</u>
LOSS BEFORE TAX		<u>(2,901,548,558)</u>	<u>(972,499,902)</u>	<u>(622,129,578)</u>
TAX EXPENSE (INCOME)	20	409,401,046	(140,738,902)	(71,596,622)
NET LOSS		<u>(P 3,310,949,604)</u>	<u>(P 831,761,000)</u>	<u>(P 550,532,956)</u>
Loss Per Share (Basic and Diluted)	23	<u>(P 1.817)</u>	<u>(P 0.457)</u>	<u>(P 0.302)</u>

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CHELSEA LOGISTICS AND INFRASTRUCTURE HOLDINGS CORP. AND SUBSIDIARIES
(Formerly Chelsea Logistics Holdings Corp.)
(A Subsidiary of Udenna Corporation)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020, 2019 AND 2018
(Amounts in Philippine Pesos)

	Notes	2020	2019	2018
NET LOSS		(P 3,310,949,604)	(P 831,761,000)	(P 550,532,956)
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Revaluation of vessels	9	(297,170,375)	632,951,901	167,829,312
Remeasurement of post-employment benefit obligation	21	(22,739,222)	(9,799,526)	27,358,603
Share in the remeasurement losses on post-employment benefit obligation of an associate	10	-	(26,478,210)	-
Tax income	20	(46,862,608)	(159,150,294)	(58,556,375)
		(366,772,205)	437,523,871	136,631,540
Items that will be reclassified subsequently to profit or loss:				
Currency exchange differences on translating financial statements of foreign operations	2	154,306	(715,045)	1,466,209
Other Comprehensive Income (Loss) - net of tax		(366,617,899)	436,808,826	138,097,749
TOTAL COMPREHENSIVE LOSS		(P 3,677,567,503)	(P 394,952,174)	(P 412,435,207)

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CHELSEA LOGISTICS AND INFRASTRUCTURE HOLDINGS CORP. AND SUBSIDIARIES
(Formerly Chelsea Logistics Holdings Corp.)
(A Subsidiary of Udeana Corporation)
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020, 2019 AND 2018
(Amounts in Philippine Pesos)

Notes	Attributable to Owners of the Parent Company										Non-controlling Interest	Total Equity
	Capital Stock	Deposits on Future Stock Subscriptions	Additional Paid-in Capital	Share Options Outstanding	Reserves	Other Reserves	Retained Earnings (Deficit)	Total	Non-controlling Interest	Total Equity		
	P	P	P	P	P	P	P	P	P	P	P	P
22	1,821,977,615	662,596,200	9,998,370,157	-	1,777,056,051	1,058,033,280	265,805,155	12,273,545,388	180,000,000	12,453,545,388		12,453,545,388
25	-	-	-	-	-	-	-	662,596,200	-	662,596,200	30,383,268	692,982,468
	-	-	-	-	-	-	-	-	-	-	-	30,383,268
22	-	-	-	16,869,063	386,617,899	-	3,310,949,604	3,310,949,604	-	3,310,949,604	-	3,310,949,604
22	-	-	-	-	81,571,397	-	-	366,617,899	-	366,617,899	-	366,617,899
22	-	-	-	-	127,408,835	-	81,571,397	16,869,063	-	16,869,063	-	16,869,063
	-	-	-	-	-	-	127,408,835	-	-	-	-	-
22	1,821,977,615	662,596,200	9,998,370,157	16,869,063	1,201,437,920	1,058,033,280	3,387,774,527	9,275,443,148	210,363,268	9,485,806,417	180,000,000	9,665,806,417
	P	P	P	P	P	P	P	P	P	P	P	P
	1,821,977,615	-	9,998,370,157	-	1,497,889,655	1,058,033,280	488,579,210	12,728,763,357	180,000,000	12,908,763,357	-	12,908,763,357
10	-	-	-	-	-	-	831,761,000	831,761,000	-	831,761,000	-	831,761,000
	-	-	-	-	496,808,826	-	-	436,808,826	-	436,808,826	-	436,808,826
21	-	-	-	-	157,642,430	-	60,265,795	60,265,795	-	60,265,795	-	60,265,795
	-	-	-	-	-	-	357,642,430	-	-	-	-	-
22	1,821,977,615	-	9,998,370,157	-	1,777,056,051	1,058,033,280	265,805,155	12,273,545,388	180,000,000	12,453,545,388	180,000,000	12,633,545,388
	P	P	P	P	P	P	P	P	P	P	P	P
22	1,821,977,615	-	9,998,370,157	-	1,429,917,004	1,058,033,280	965,156,916	13,157,388,412	180,000,000	13,337,388,412	180,000,000	13,517,388,412
	P	P	P	P	P	P	P	P	P	P	P	P
	-	-	-	-	138,097,749	-	550,532,956	550,532,956	-	550,532,956	-	550,532,956
	-	-	-	-	70,145,058	-	-	138,097,749	-	138,097,749	-	138,097,749
	-	-	-	-	-	-	70,145,058	-	-	-	-	-
	1,821,977,615	-	9,998,370,157	-	1,497,889,655	1,058,033,280	484,789,038	12,744,953,205	180,000,000	12,924,953,205	180,000,000	13,104,953,205
	P	P	P	P	P	P	P	P	P	P	P	P

For further notes and discussions, see our Audited FS Report on our website.

CHELSEA LOGISTICS AND INFRASTRUCTURE HOLDINGS CORP. AND SUBSIDIARIES
(Formerly Chelsea Logistics Holdings Corp.)
(A Subsidiary of Udena Corporation)
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020, 2019 AND 2018
(Amounts in Philippine Pesos)

	Notes	2020	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax		(P 2,901,548,558)	(P 972,499,902)	(P 622,129,578)
Adjustments for:				
Depreciation and amortization	9, 12	1,675,721,855	1,272,582,798	868,058,074
Gain on bargain purchase	25	(1,184,509,480)	-	(4,370,340)
Interest expense	19	1,300,967,463	1,223,993,922	776,933,861
Share in net loss of associates	10	1,046,368,576	483,155,985	453,048,188
Gain on sale of an associate	10	(983,615,152)	-	-
Loss on remeasurement of previously-held interest	25	333,347,312	-	-
Loss on debt modification	13	86,612,580	-	-
Impairment losses on property and equipment	9	70,755,801	7,394,742	-
Gain on sale of property and equipment	19	(50,038,745)	(30,909,664)	(1,326,971)
Gain on retirement on property and equipment	9	(23,863,984)	-	-
Interest income	19	(497,226)	(3,209,084)	(3,626,087)
Unrealized foreign currency exchange gains - net	19	-	(9,240,000)	(23,242,597)
Reversal of impairment losses on property and equipment		-	(2,214,620)	-
Operating profit before working capital changes		(630,299,558)	1,969,054,177	1,443,344,550
Decrease (increase) in trade and other receivables		747,606,386	(789,456,419)	(526,784,036)
Decrease in financial assets at fair value through profit or loss		1,681,586	-	-
Increase in inventories		(65,817,368)	(10,503,833)	(337,889,509)
Decrease (increase) in advances to related parties		(314,467,708)	2,313,303,074	(639,120,416)
Increase in other current assets		(159,957,247)	(104,009,655)	(605,136,157)
Decrease (increase) in post-employment benefit asset		1,718,694	4,626,812	(4,110,656)
Decrease (increase) in other non-current assets		41,923,349	(22,918,855)	752,790,446
Increase in trade and other payables		990,466,524	6,401,485,289	1,950,778,836
Decrease in advances from customers		7,333,519	41,303,852	-
Increase in post-employment benefit obligation		34,518,538	11,566,680	25,932,098
Increase (decrease) in other non-current liabilities		4,950,042	11,491,528	(7,454,424)
Cash generated from operations		659,656,757	9,825,942,650	2,052,350,732
Interest received		497,226	3,209,084	3,626,087
Cash paid for income taxes		(12,666,078)	(23,364,384)	(63,428,617)
Net Cash From Operating Activities		647,487,905	9,805,787,350	1,992,548,202
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from disposal of property and equipment	9	492,333,802	64,887,231	201,169,131
Acquisitions of property and equipment	9	(219,072,100)	(3,812,414,640)	(5,789,604,581)
Additional investment in a subsidiary and a joint venture	10, 22	(219,609)	(5,165,000,739)	(110,089,751)
Net Cash From (Used in) Investing Activities		273,042,093	(8,912,528,148)	(5,698,525,201)
<i>Balance carried forward</i>		P 920,529,998	P 893,259,202	(P 3,705,976,999)

For further notes and discussions, see our Audited FS Report on our website.

	Notes	2020	2019	2018
<i>Balance brought forward</i>		P 920,529,998	P 893,259,202	(P 3,705,976,999)
CASH FLOWS FROM FINANCING ACTIVITIES				
Interest paid		(1,057,077,426)	(1,166,580,151)	(719,520,091)
Repayments of interest-bearing loans and borrowings	13	(771,406,165)	(3,307,245,190)	(1,281,746,979)
Proceeds from deposits for future stock subscriptions	22	662,596,200	-	-
Proceeds from interest-bearing loans and borrowings	13	275,667,888	2,393,163,353	5,698,373,875
Repayments of advances from related parties	21	(266,615,985)	(35,203,829)	(1,039,877,313)
Proceeds from advances from related parties	21	-	1,113,921,827	35,203,829
Net Cash From (Used In) Financing Activities		(1,156,835,488)	(1,001,943,990)	2,692,433,321
NET DECREASE IN CASH AND CASH EQUIVALENTS		(236,305,490)	(108,684,788)	(1,013,543,678)
CASH AND CASH EQUIVALENTS FROM ACQUIRED SUBSIDIARIES	25	283,958	40,417,324	15,335,457
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		375,228,505	443,495,969	1,441,704,190
CASH AND CASH EQUIVALENTS AT END OF YEAR		P 139,206,973	P 375,228,505	P 443,495,969

Supplemental Information on Non-cash Activities is disclosed in Note 31.

For further notes and discussions, see our Audited FS Report on our website.

OUR BUSINESS PARTNERS

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UERMMMC Branch
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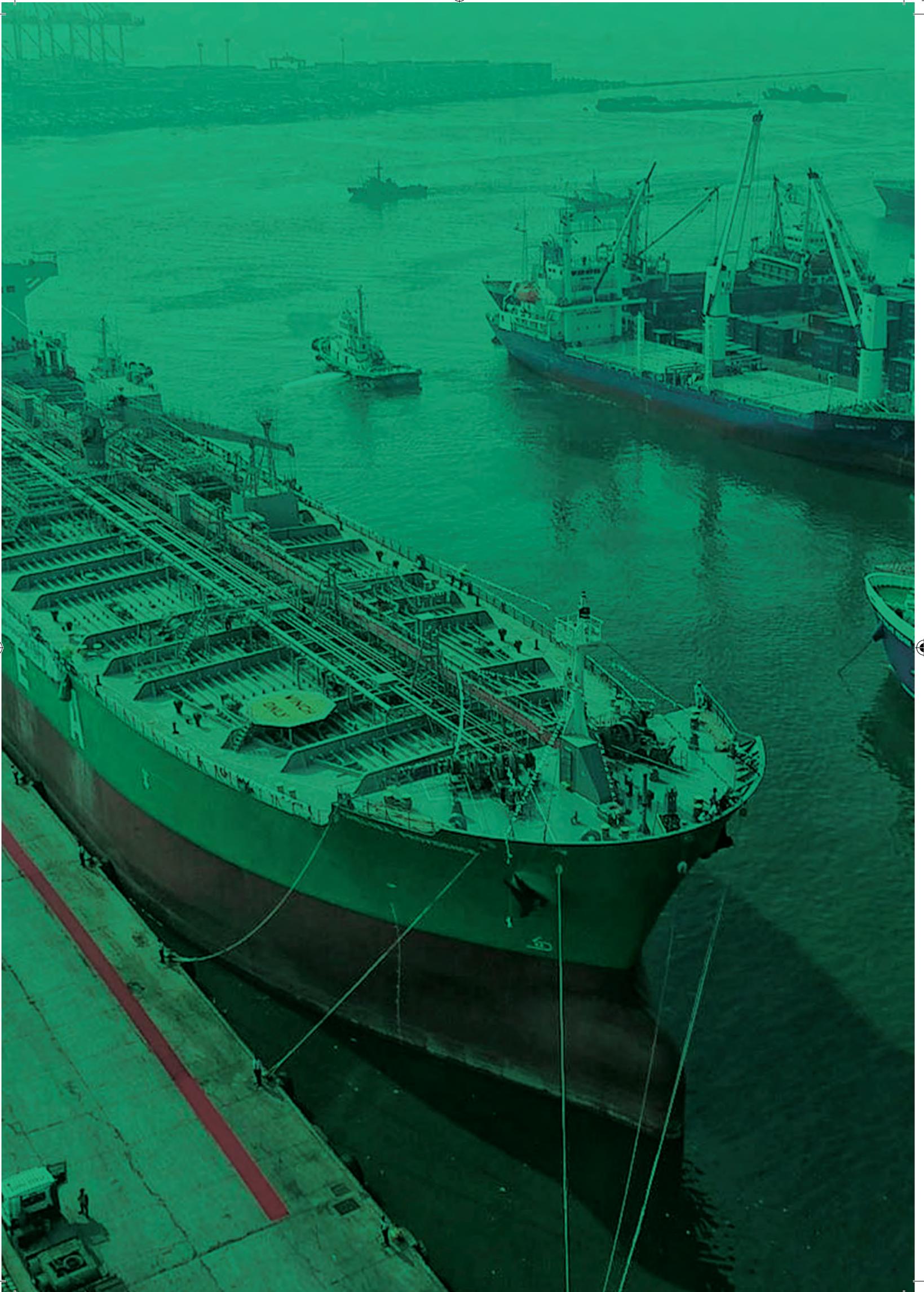
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Robinsons Bank Corp.
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United Coconut Planters Bank
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OUR CONTACT INFORMATION

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