



NOTICE OF ANNUAL STOCKHOLDERS' MEETING

Please take notice that the Annual Meeting of Stockholders of **CHELSEA LOGISTICS AND INFRASTRUCTURE HOLDINGS CORP.** will be held on **Tuesday, May 3, 2022** at **10:30 in the morning**, via Remote Communication, with the following:

AGENDA

1. Call to Order
2. Certification of Notice and Determination of Quorum
3. Report of the President & CEO for the Year 2021
4. Report of the Chief Financial Officer for the Year 2021
5. Approval of the Minutes of the Annual Stockholders' Meeting held on May 18, 2021
6. Ratification and confirmation of all acts and resolutions of the Board and Management executed in the normal course of business covering the period February 23, 2021 until February 8, 2022
7. Election of Members of the Board of Directors
8. Appointment of External Auditor
9. Other Matters
 - Amended Employee Stock Option Plan
10. Adjournment

Only stockholders of record as of **April 19, 2022** are entitled to notice of, and to vote at, this meeting.

In view of the current COVID-19 pandemic and the General Community Quarantine in Metro Manila including Davao City where the Company's principal address is located, the physical and actual holding of the Annual Stockholders' Meeting cannot be conducted. In lieu thereof, the Annual Stockholders' Meeting on May 3, 2022 shall be conducted via live streaming.


Stockholders who intend to participate are required to register by sending an email, together with the requirements to ASM@chelsealogistics.ph on or before April 19, 2022 5PM (Philippine Time). Full list of requirements may be viewed on the following [link: https://www.chelsealogistics.ph/annual-stockholders-meeting/](https://www.chelsealogistics.ph/annual-stockholders-meeting/). The registration is subject to validation, and successful registrations will receive an electronic invitation via email, along with a complete guide on how to join, participate and vote in the Meeting.

Copies of the Notice of the Meeting, Definitive Information Statement and other related documents may be found on <https://www.chelsealogistics.ph/annual-stockholders-meeting/> and through the PSE

Edge Portal. Proxy Forms and Special Powers of Attorney or other Authorization forms are available on the Company's website must be submitted to the Office of the Corporate Secretary, 18th Floor, Udenna Tower, Rizal Drive corner 4th Avenue, Bonifacio Global City, Taguig City by mail or sent by email to ASM@chelsealogistics.ph. Validation of proxies and registration shall commence on April 19 2022 until 5 p.m. of April 19, 2022. Participation in the meeting as well as voting shall be through remote communication. Detailed Procedure for voting shall be posted on the Company's website.

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

Taguig City, March 1, 2022.


MA. HENEDINA V. SAN JUAN
Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

Information Statement
of

CHELSEA LOGISTICS AND INFRASTRUCTURE HOLDINGS CORP.

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

1. Check the appropriate box:

Preliminary Information Statement
 Definitive Information Statement

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

3. Country of Incorporation: REPUBLIC OF THE PHILIPPINES

4. SEC Identification Number: CS201619734

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

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

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

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

Date - May 3, 2022
Time - 10:30 A.M.
Place - Remote Communication (via Zoom)

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

April 12, 2022

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

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

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

Yes No

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

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

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

- a. Date - May 3, 2022
- Time - 10:30 A.M.
- Place - Stella Hizon Reyes Road, Bo. Pampanga, Davao City
Remote Communication (via Zoom)

- b. Approximate date when the Information Statement is first to be sent to stockholders:
April 12, 2022

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

Item 2. Dissenter's right of appraisal

Pursuant to Section 81 of the Corporation Code of the Philippines, a stockholder has the right to dissent and demand payment of the fair value of his shares in case of any amendment to the Articles of Incorporation that has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence, in case of lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code, and in case of merger or consolidation. Such appraisal right may be exercised by any stockholder who shall have voted against the proposed corporate action by making a written demand on the Company within thirty (30) days after the date on which the vote was taken for payment of the fair value of his shares. Failure to make the demand within such period shall be deemed a waiver of the appraisal right.

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

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

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

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

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

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

a. Voting Securities

As of December 31, 2021, the total number of shares outstanding and entitled to vote on all corporate matters to be acted upon during the Annual Stockholders' Meeting is 1,821,977,615 common shares.

b. Record Date

The record date for purposes of determining the stockholders entitled to notice of and to vote at the Annual Stockholders' Meeting is **April 19, 2022**.

c. Voting Rights and Trust

In the matters to be voted upon in the Annual Stockholders' Meeting, stockholders of record as of April 19, 2022 shall be entitled to one vote per share in person or by proxy. If he will vote thru a proxy, the By-Laws of the Company requires the submission of the accomplished proxy form to the Corporate Secretary for validation and authentication at least ten (10) days before the date of the Annual Stockholders' Meeting.

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

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

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

i. Security Ownership of Certain Record / Beneficial Owners as of December 31, 2021

Title of Class	Name & Address of Record Owner & Relationship to Issuer	Name of Beneficial Owner & Relationship to Record Owner	Citizenship	No. of Shares	Percentage of Outstanding Shares
Common	Udena Corporation Stella Hizon Reyes Road, Bo. Pampanga, Davao City <i>Stockholder</i>	Udena Corporation	Filipino	1,275,384,606	70.000%
Common	PCD Nominee Corporation 29/F BDO Equitable Tower 8751 Paseo de Roxas, Makati City <i>Stockholder</i>	PCD participants acting for themselves or for their customers	Filipino	544,339,892	29.877%

**PCD Nominee Corporation is not a related Company*

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

The 544,339,892 common shares under the name of PCD Nominee Corporation are owned by PCD participants acting for themselves or for their Filipino customers.

Other than the stockholders identified above, as of December 31, 2021, there are no other stockholders other than participants under PCD account who own more than five percent (5%) of the voting securities.

As of December 31, 2021, 0.9% or 16,423,000 Common Shares are owned by foreign stockholders.

ii. Security ownership of Directors and Management as of December 31, 2021

Title of Class	Name of Beneficial Owner	Citizenship	Nature of Beneficial Ownership	No. of Shares	Percentage of Outstanding Shares
Directors					
Common	Dennis A. Uy	Filipino	Direct	215,501	.01%
Common	Cherylyn C. Uy	Filipino	Direct	1	NIL
Common	Chryss Alfonsus V. Damuy	Filipino	Direct	722,000	0.04%
Common	Eduardo A. Bangayan	Filipino	Direct	70,001	NIL
Common	Miguel Rene A. Dominguez	Filipino	Direct	1	NIL
Common	Jesus S. Guevara II	Filipino	Direct	1	NIL
			Indirect	100,000	0.01%

Title of Class	Name of Beneficial Owner	Citizenship	Nature of Beneficial Ownership	No. of Shares	Percentage of Outstanding Shares
Common	Gener T. Mendoza	Filipino	Direct	20,001	NIL
Common	Arthur Kenneth L. Sy	Filipino	Direct	1	NIL
Common	Efren E. Uy	Filipino	Direct	270,001	NIL
Executive Officers					
Common	Ignacia S. Braga IV	Filipino	Direct	802,000	0.04%
Common	Ma. Henedina V. San Juan	Filipino	Direct	219,000	0.01%
Common	Reynaldo A. Phala	Filipino	N/A	NIL	NIL
Common	Darlene A. Binay	Filipino	N/A	NIL	NIL
Common	Maria Katherine A. Agbay	Filipino	N/A	NIL	NIL
Common	Leandro E. Abarquez	Filipino	Direct	36,300	NIL
All Directors and Officers as a group				1,277,839,413	70.13%

As of December 31, 2021, Directors and Executive Officers of the Company owned an aggregate of 1,277,839,413 shares of the Company, equivalent to 70.13% of the Company's total issued and outstanding shares.

iii. Voting trust holders of 5% or more

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

iv. Changes in control

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

Item 5. Directors and Executive Officers

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

Office/Position	Name	Age	Citizenship
Directors			
Chairman	Dennis A. Uy	48	Filipino
Director/President & CEO	Chryss Alfonsus V. Damuy	48	Filipino
Director/Treasurer	Cherylyn C. Uy	42	Filipino
Director	Arthur Kenneth L. Sy	54	Filipino
Director	Efren E. Uy	60	Filipino
Director	Eduardo A. Bangayan	70	Filipino
Independent Director	Miguel Rene A. Dominguez	45	Filipino
Independent Director	Jesus S. Guevara II	67	Filipino
Independent Director	Gener T. Mendoza	64	Filipino
Executive Officers			
President & CEO	Chryss Alfonsus V. Damuy	48	Filipino
Treasurer	Cherylyn C. Uy	42	Filipino
Chief Financial Officer	Ignacia S. Braga IV	56	Filipino
AVP – Legal & Corporate Affairs /	Ma. Henedina V. San Juan	60	Filipino

Office/Position	Name	Age	Citizenship
Corporate Secretary			
Vice President – Treasury/Deputy CFO	Reynaldo A. Phala	55	Filipino
Finance Controller	Darlene A. Binay	49	Filipino
Compliance Officer	Leandro E. Abarquez	38	Filipino
Chief Audit Executive	Maria Katherine A. Agbay	49	Filipino

Information required of Directors and Executive Officers

i. Directors and Executive Officers

Board of Directors

The following are the final nominees who were duly screened by the Nomination Committee for election to the Board of Directors for the following fiscal year 2022 at the forthcoming Annual Stockholders' Meeting:

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

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

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

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

Below is a summary of the nominees' qualifications:

Dennis A. Uy **Chairman**

Dennis A. Uy, Filipino, 48 years old, is the founder and the Chairman of Chelsea Logistics and Infrastructure Holdings Corp. (CLIHC) since its incorporation. He served as President & CEO of CLIHC from incorporation until March 27, 2017. He is the Chairman and President of Phoenix Petroleum Holdings, Inc., the holding company of Phoenix Petroleum Philippines, Inc. (PPPI), and Udenna Corporation, the ultimate parent company of PPPI and CLIHC. He is also the President and CEO of ISM Communications Corp., Udenna Communications, Media and Entertainment Holdings

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

Chryss Alfonsus V. Damuy
Director, President & CEO

Chryss Alfonsus V. Damuy, Filipino, 48 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 President 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, 42 years old, is a Director and Treasurer of CLIHC since February 10, 2017. She also serves as the Treasurer of Chelsea Shipping Corp. and its subsidiaries. She is likewise a Director of Phoenix Petroleum Philippines, Inc. and the Corporate Treasurer of the Udenna Group of Companies and F2 Logistics, Inc. Ms. Uy is a graduate of Ateneo de Davao University with a degree in Business Finance.

Arthur Kenneth L. Sy
Director

Arthur Kenneth L. Sy, Filipino, 54 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., Starsy Shoppe, Inc., Star Maritima Port and Allied Services, Inc., Oceanstar Shipping Corporation, 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, 60 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, 70 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, 45 years old, has been an Independent Director of CLIHC since March 27, 2017. He is currently the Vice President of Alsons Agribusiness Unit, Director of Sarangani Agricultural Company, Inc. and Alsons Dev't & Investment Corp., and Trustee of Philippine Business for Social Progress, Philippine Business for Education and Synergeia Foundation. He served as Chairman of the Regional Peace and Order Council for Region 12 (2011-2013), Chairman of SOCSARGEN Area Development Board (2008-2011), Chairman of Regional Development Council of Region 12 (2007-2010) and Vice Chairman of Galing Pook Foundation (2014-2016). 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, 67 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, 64 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: Universal Rightfield Property Holdings, Inc., Pacific Activated Carbon Company, Inc., and Premium Agro-Vet Products, Inc. He also assists the liquidator of National Steel Corporation and Advent Capital Corporation. Previously, he was a Principal Partner of SyCip Gorres Velayo & Co., Vice President for Corporate Finance at Kuok Philippine Properties, Inc., and Executive Vice

President of Crown Equities Inc. He serves as a Director of IPM Holdings Inc., ACM Landholdings, Inc., and Dualtech Training Center Foundation, Inc. He also serves as Independent Director of Pryce Corporation, Saga Motors Corporation, Saga Finance Corporation, RCBC Leasing & Finance Corporation, and Rizal Microbank – A Thrift Bank of RCBC. He has a degree in Bachelor of Science in Management Engineering from Ateneo de Manila University and Master’s Degree in Business Administration from Harvard Business School.

Period of Directorship in the Company

Name of Director	Period of Service	Term of Office
Dennis A. Uy	since incorporation to present	5 years
Chryss Alfonsus V. Damuy	since incorporation to present	5 years
Cherylyn C. Uy	since February 10, 2017 to present	5 years
Arthur Kenneth L. Sy	since March 27, 2017 to present	5 years
Efren E. Uy	since March 27, 2017 to present	5 years
Eduardo A. Bangayan	since March 27, 2017 to present	5 years
Miguel Rene A. Dominguez	since March 27, 2017 to present	5 years
Jesus S. Guevara II	since March 27, 2017 to present	5 years
Gener T. Mendoza	since March 27, 2017 to present	5 years

Directorships in Other Reporting Companies

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

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

Directorships with government agencies or its instrumentalities

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

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

Certification of Independent Directors

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

Executive Officers

The following Officers are expected to be nominated for re-election or election at the Organizational Meeting of the Board of Directors following the Annual Stockholders' Meeting on March 28, 2022:

Ignacia S. Braga IV Chief Financial Officer

Filipino, 56 years old, is the Chief Financial Officer of CLIHC. She is also the Vice President for Finance of Udenna Corp., Udenna Management & Resources Corp. and Chelsea Shipping Corp. and its subsidiaries. She is the Treasurer of Starlite Ferries Inc. and its subsidiaries and Trans Asia Shipping Lines, Incorporated. Ms. Braga is a Certified Public Accountant with more than thirty (30) years of corporate finance and accounting experience. Prior to joining the Company, she was formerly the Assistant Vice President – Group Controller of Lapanday Foods Corporation and former Controller of Macondary Agro-Industrial Corporation. She was the Finance Manager of RFM Tuna Corporation and the Asia Industries (Mindanao) Inc. She began her career as an auditor of Sycip Gorres Velayo & Co. in 1986. She is a Cum Laude graduate of Bachelor of Science Commerce Major in Accounting from Ateneo de Davao University.

Reynaldo A. Phala Deputy Chief Financial Officer / Treasury Head

Filipino, 55 years old, is the Vice President for Treasury and Deputy CFO. He joined the Company in April 2020 after spending 12 years with an affiliate company as AVP for Treasury. He led a progressive banking career for 17 years, which he started at UCPB. He also worked with the Department of Trade and Industry as Municipal Trade and Industry Officer for a year. He graduated from Mindanao State University-General Santos City with the degree Bachelor of Science in Civil Engineering as a consistent academic scholar and passed the licensure examinations for Civil Engineers in May 1989. He obtained his MBA degree conferred by the Ateneo de Manila University and Regis University, Denver, Colorado, USA in 2013 and his Diploma in Corporate Finance in 2018 from the Ateneo Graduate School of Business. He also attended executive courses at Harvard Law School in 2019.

Ma. Henedina V. San Juan Corporate Secretary and Assistant Vice President for Legal and Corporate Affairs

Filipino, 60 years old, is the Corporate Secretary and concurrently the Assistant Vice President for Legal and Corporate Affairs of CLIHC. She also serves as the Corporate Secretary of Chelsea Shipping Corp. and its subsidiaries, and other Companies in the Udenna Group. Prior to joining the Company, she worked for Petron Corporation, Petronas Energy & Petroleum, Inc. and Herma Corporation. She has a degree in Bachelor of Arts in Political Science and Bachelor of Laws both from University of the Philippines.

Darlene A. Binay Finance Controller

Filipino, 49 years old, is the Finance Controller of the Company. Prior to joining CLIHC, she was formerly the VP – Finance of Philippine Span Asia Carrier Corp. and AVP – Cluster Finance and Accounting of Magsaysay Shipping and Logistics Group (National Marine Corporation). She also served as Group Accounting Head of Roxas Holdings, Inc. and Subsidiaries. She was also an

Assurance Senior Associate of Joaquin Cunanan & Co. (now Isla Lipana and Co), a Price Waterhouse Coppers member firm. She is a Certified Public Accountant and has a degree in B.S. Accountancy from St. Paul College Quezon City.

Leandro E. Abarquez

Compliance Officer

Filipino, 38 years old, is the Compliance Officer of the Company. Prior to joining CLIHC, he was a Senior Associate at Romulo, Mabanta, Buenaventura, Sayoc & de los Angeles. He has a Bachelor's degree in Biology from the Ateneo de Manila University and obtained his Juris Doctor degree from the same university in 2009.

Maria Katherine A. Agbay

Chief Audit Executive

Filipino, 49 years old, is the Chief Audit Executive and Internal Audit Manager of the Company. Prior to joining CLIHC, she was an active Professional Practitioner in audit, insurance and real estate. She was previously a Lecturer at Far Eastern University – Makati and San Beda College, Manila; Vice-President - Audit and Systems Head and Finance Manager of Trust International Paper Corporation (TIPCO); Vice-President – Controller of subsidiary TIPCO Estates Corporation; Assistant Vice-President of Citibank and Accounting Manager of Kuok Philippine Properties, Inc. and KSA Realty Corporation. She started her career as an Auditor at SyCip, Gorres Velayo & Co. She is a Magna Cum Laude graduate of University of the East, Manila. She also has a Master's Degree in Business Administration from De La Salle University.

Period of Service in the Company

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

ii. Significant employees

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

iii. Family relationships

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

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

iv. Involvement of Directors and Officers in certain legal proceedings

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

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

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

On September 5, 2013, an Entry of Appearance with Omnibus Motion (for Judicial Determination of Probable Cause and to Suspend Issuance and/or Service of Warrant of Arrest) dated September 3, 2013 was filed by Mr. Uy's counsel, which prayed for the dismissal of the criminal cases for lack of probable cause. Thereafter, on September 11, 2013, the DOJ filed ten (10) additional Information against Mr. Uy and several John Does and/or Jane Does for alleged violations of the TCCP. These were docketed as Criminal Case Nos. 76,067-13 to 76,076-13.

On September 19, 2013, a Supplemental Motion for Judicial Determination of Probable Cause dated September 18, 2013 was filed by Mr. Uy's counsel, seeking the dismissal of the ten (10) additional criminal cases for lack of probable cause. On October 14, 2013, the RTC issued an Order dismissing all the cases against Mr. Uy. On November 15, 2013, a copy of the plaintiff People of the Philippines' Motion for Reconsideration with Urgent Motion for Inhibition of Judge George E. Omelio dated November 12, 2013 was received, to which Motion, Mr. Uy filed his Opposition.

On August 18, 2014, the RTC issued an Order denying the Motion for Reconsideration of the plaintiff. On October 27, 2014, the People of the Philippines filed its Petition for Certiorari with the Court of Appeals for the reversal of the Orders dated October 4, 2013 and August 18, 2014 issued by the trial court. Please see Items 2 and 5 below for status on the Petition for Certiorari.

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

On October 27, 2014, petitioner People of the Philippines filed a Petition for Certiorari seeking the reversal of the Orders dated October 4, 2013 and August 18, 2014 issued by the trial court dismissing the cases filed against Dennis Ang Uy. The respondents filed their Comment to said Petition for Certiorari, and the parties subsequently filed their respective Memoranda. In its Decision dated October 12, 2016, the Court of Appeals denied the Petition for Certiorari filed by the People of the Philippines. On November 7, 2016, the People of the Philippines filed its Motion for Reconsideration of the Decision dated October 12, 2016. In its Resolution dated 25 January 2017, the Court of Appeals denied the petitioner's Motion for Reconsideration. On 27 March 2017, the petitioner filed its Petition for Review on Certiorari with the Supreme Court which was docketed as G.R. No. 229705, 3rd Division, Manila. Please see Item 5 below for status of Petition for Review on Certiorari.

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

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

On September 10, 2013, petitioner filed a Motion for Consolidation seeking the consolidation of this case with the Petition for Certiorari (with Application for Issuance of a Temporary Restraining Order and/or Writ of Preliminary Injunction) filed by Jorlan Cabanes, docketed as CA-G.R. SP No.129740. The Motion for Consolidation was granted in the Resolution dated November 6, 2013. Thereafter, all the parties filed their respective Memoranda. On July 25, 2014, the Court of Appeals issued its Decision granting the Petition for Certiorari and declaring the Resolutions dated April 24, 2013 and August 13, 2013 nullified and set aside, and directing that the Information filed against Dennis Uy and Jorlan C. Cabanes before the Regional Trial Courts of Batangas City and Davao City be withdrawn and/or dismissed for lack of probable cause. A Motion for Reconsideration of the Decision dated July 25, 2014 was filed by respondents SOJ and Bureau of Customs. On July 23, 2015, the Court of Appeals issued its Resolution denying respondents' Motion for Reconsideration. On September 10, 2015, petitioner received a copy of the Motion for Extension to File Petition for Review on Certiorari filed by the respondents with the Supreme Court. Please see Item 5 below for status of Petition for Review on Certiorari.

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

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

In a 'Manifestation in Lieu of Reply' filed by the Office of the Solicitor General on 10 July 2019, the Secretary of Justice prayed that the Manifestation be duly considered and to dismiss all three (3) Petitions without prejudice to the possible filing, if the Court desires, of Supplemental Memoranda from the parties. Please see Item 5 below for status of Petition for Review on Certiorari.

5. *People of the Philippines vs. Hon. George Omelio, in his capacity as Presiding Judge of Davao City Regional Trial Court, Branch 14, Hon. Laida Posadas-Kahugan, in her capacity as acting Presiding Judge of the Davao City Regional Trial Court, Branch 14, Dennis A. Uy, John Does &/or Jane Does G.R. No. 229705, Supreme Court, 3rd Division*

On February 22, 2017, petitioner filed this Petition for Review on Certiorari with the Supreme Court.

In its Decision dated 10 December 2021, the Supreme Court finally settled all pending issues on the Bureau of Customs cases filed against Dennis A. Uy, et. al, with its dismissal of the Petitions

for Review on Certiorari filed by the former Secretary of the Department of Justice Leila M. De Lima, Bureau of Customs and the People of the Philippines (De Lima, et. Al.), with respect to the Court of Appeals' Affirmation of the Dismissal of the charges filed against Dennis A. Uy and Jorlan C. Cabanes for alleged violations of the Tariff and Customs Code, with G.R. Nos. 219295-96 and 229705. A copy of the decision can be read through the Supreme Court's website: <https://sc.judiciary.gov.ph/23373/>. The dispositive portion of the Decision reads: "In sum, the lower courts' finding of no probable cause are supported by relevant laws and evidence on record. Mindful of these considerations, the Court of Appeals' affirmation of the dismissal of the charges is not tainted with grave abuse of discretion. Wherefore, the Petitions are DENIED. The Court of Appeals Decisions and Resolutions in CA-G.R. SP No. 129740 and CA-G.R. SP No. 131702 and CA-G.R. SP No. 06500-MIN are AFFIRMED. SO ORDERED."

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

These cases charge Mr. Eduardo Bangayan for (a) violation of Section 3(e) of R.A. 3019; (b) violation of Section X126.2(C)(1)(2) of the Manual of Regulation for Banks in relation to Sections 36 and 37 of R.A. No. 7653; and, (c) committing Malversation of Public Funds under the Revised Penal Code, for allegedly conspiring with the other accused in the (a) Local Water Utilities Association's (LWUA) purchase of 445,377 shares in Express Savings Bank, Inc. (ESBI) and release from the LWUA Fund of at least ₱800,003,070.51 in connection with the said purchase of shares; and, (b) LWUA's deposit and/or capital infusion of the ₱400,000,000.00 and deposit of ₱300,000,000.00 with ESBI, as well as the release of the foregoing amounts from the LWUA Fund.

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

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

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

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

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

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

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

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

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

b. Certain relationships and related transactions

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

A summary of the Company's and its Subsidiaries' transactions with its related parties for the periods ended December 31, 2021 and 2020 and the related outstanding balances as of December 31, 2021 and 2020 is presented below.

Related Party Category	Notes	Amounts of Transactions			Outstanding Balances	
		2021	2020	2019	2021	2020
Parent —						
Cash advances granted	21.4	P 6,474,431,342	P 157,599,433	(P 2,342,034,227)	P 7,454,810,044	P 980,378,702
Associate —						
Chartering of services rendered	21.1	-	79,242,900	178,182,863	-	-
Related parties under common ownership:						
Chartering of services rendered	21.1	157,377,291	273,280,432	552,727,249	73,602,289	70,355,694
Fuel purchases	21.2	1,217,534,299	851,182,965	1,064,496,116	(2,620,194,855)	(2,659,297,546)
Acquisition of SFFC's shares	21.6	-	-	-	-	(528,132,766)
Acquisition of CSC's shares	21.6	-	-	-	(500,000,000)	(500,000,000)
Rental income	21.3	-	-	3,003,290	-	-
Rental expense	21.3	1,817,124	80,955	1,757,436	(1,330,110)	(57,748)
Donation	21.9(b)	270,000	270,000	270,000	(270,000)	(180,000)
Cash advances granted	21.4	245,528,345	59,304,606	33,343,613	393,869,486	148,341,141
Cash advances obtained	21.4	140,384,270	(2,159,633,332)	527,860,048	(728,168,285)	(587,784,015)

Unless otherwise stated, the outstanding receivables and payables from and to related parties are

unsecured, non-interest bearing and are generally settled in cash upon demand or through offsetting arrangement with the related parties.

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

	<u>September 30, 2021</u>	<u>December 31, 2020</u>
Advances to officers and employees	₱ 26,470,853	₱ 24,603,182

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

c. Ownership structure and parent company

As of December 31, 2021, Udenna Corporation owns 70.00% of the outstanding shares of the Company.

d. Resignation of Directors

Since the organizational meeting of the Company on May 18, 2021, no Director or Officer has resigned because of a disagreement with the Company on any matter relating to the Company's issuance, operations, policies or practices.

Item 6. Compensation of Directors and Executive Officers

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

The members of the Board of Directors who are not employees of the Company are elected for a period of one (1) year. The Company pays its non-executive Directors a per diem of ₱30,000.00 for each meeting. There are no other arrangements for which the members of the Board of Directors are compensated.

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

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

Compensation of Executive Officer and Directors (in ₱ millions)				
Name and Principal Position	Salary	Bonus	Other	Total
	Estimated Compensation For the Year Ended December 31, 2021			
Chryss Alfonsus V. Damuy President & CEO				
Cherylyn C. Uy Treasurer				
Ignacia S. Braga IV Chief Financial Officer				
Raul L. Quisumbing				

Vice President – Marketing & Port Operations				
CEO & Most Highly Compensated Executive Officers	25.07	0.18	6.9	32.14
All other officers as a group unnamed	12.01	0.27	0.84	13.2

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

Compensation of Executive Officer and Directors (in ₱ millions)				
Name and Principal Position	Salary	Bonus	Other	Total
	Actual Compensation For the Year Ended December 31, 2019			
Chryss Alfonsus V. Damuy President & CEO				
Cherylyn C. Uy Treasurer				
Ignacia S. Braga IV Chief Financial Officer				
Irwin M. Montano Chief Operating Officer Starlite Ferries, Inc.				
Ma. Henedina V. San Juan Corporate Secretary and AVP for Legal and Corporate Affairs				
CEO & Most Highly Compensated Executive Officers	26.4	1.1	8.3	35.8
All other officers as a group unnamed	14.7	1.0		15.6

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

- a. Specification of job title, commencement date of employment, work assignment and possible need for reassignment of work or location as the need may arise.
- b. Probation of 6 months from commencement of employment. If the job performance is found to be satisfactory, employment shall be converted to regular status.
- c. Salary & Benefits: specifies that the executive officer shall receive his or her monthly salary and a guaranteed 13th month pay less the necessary government deductions required by law, such as but not limited to SSS premium, PHILHEALTH, and PAG-IBIG contributions. The same section likewise provides that the executive's salary shall be subject to annual review which shall take into consideration his or her performance and the achievement of a mutually-agreed goals.
- d. Exclusivity: The employment contract states that the executive shall render exclusive service to the Company and to work with other companies, regardless of whether such work is done outside of office hours, without the consent of the Company, is prohibited.
- e. Confidentiality: The executive is duty bound to keep confidential information, materials and records which he or she may access in the course of his or her employment with the Company and he or she may not disclose or reproduce the same without the consent of the Company.
- f. Professional Conduct: The executive concerned is expected to comply with all the policies and procedures which the Company may issue from time to time. It is specifically prohibited to accept any or all kinds of gifts from suppliers and customers without the consent of the Company.

Employees' Stock Option Plan (ESOP)

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

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

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

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

As of December 31, 2021, none of these options were exercised.

Item 7. Independent Public Accountants

Punongbayan & Araullo (P&A), a member firm of Grant Thornton International Ltd., independent auditors, audited the Company's financial statements as at and for the years ended December 31, 2020 and 2021 in accordance with the Philippine Standards on Auditing.

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

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

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

	2019	2020	2021
Audit Fees	₱4,715,000	₱4,500,000	₱4,500,000

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

Audit Committee and Policies

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

The Audit Committee has the following functions:

- a. Provide oversight of Management's activities in managing credit, market, liquidity, operational, legal and other risks of the Company. This function shall include regular receipt from Management of information on risk exposures and risk management activities;
- b. Perform oversight functions over the Company's internal and external auditors. It should ensure that the internal and external auditors act independent from each other and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;
- c. Review the annual internal audit plan to ensure its conformity with the Company's objectives. The plan shall include the audit scope, resources and budget necessary to implement it;
- d. Prior to the commencement of an audit, discuss with the external auditor the nature, scope and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;
- e. Organize an internal audit department, and consider, when necessary and desirable the appointment of an independent internal auditor and the terms and conditions of its engagement and removal;
- f. Monitor and evaluate the adequacy and effectiveness of CLIHC's internal control system including financial reporting control and information technology security;
- g. Review the reports submitted by the internal and external auditors;
- h. Review the quarterly, half-year and annual financial statements before their submission to the Board of Directors, with particular focus on the following matters: any change(s) in accounting policies and practices; major judgment areas; significant adjustments resulting from the audit; going concern assumptions; compliance with accounting standards; and compliance with tax, legal and regulatory requirements;
- i. Coordinate, monitor and facilitate compliance with laws, rules and regulations;
- j. Evaluate and determine the non-audit work, if any, of the external auditor, and review periodically the non-audit fee paid to the external auditor in relation to its significance to the total annual income of the external auditor and to our overall consultancy expenses. The Audit Committee shall disallow any non-audit work that will conflict with its duties as an external auditor or may pose a threat to its independence. The non-audit work, if allowed, should be disclosed in our annual report; and
- k. Establish and identify the reporting line of CLIHC's internal auditor to enable him to properly fulfill his duties and responsibilities. It shall functionally report directly to the Audit Committee.

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

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

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

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

Changes in and Disagreements with Accountants

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

Item 8. Compensation Plans

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

C. ISSUANCE AND EXCHANGE SECURITIES

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

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

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

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

On the Preferred Shares, 500,000 shares will be subscribed by Global Kingdom Investments Limited at the issue price of P 1,000 per share, as previously approved by the Board of Directors and ratified by the stockholders on October 6, 2020.

The Preferred Shares shall have the following features:

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

Item 10. Modification or Exchange of Securities

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

Item 11. Financial and Other Information

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

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

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

Item 13. Acquisition or Disposition of Property

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

Item 14. Reclassification of Accounts

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

D. OTHER MATTERS

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

1. Approval of the Minutes of the Annual Stockholders' Meeting held on May 18, 2021
2. Report of the President & CEO for the Year 2021
3. Report of the Chief Financial Officer for the Year 2021
4. Ratification and Confirmation of all acts and resolutions of the Board and Management executed in the normal course of business covering the period February 23, 2021 until February 8, 2022 as set forth in Annex "C".
5. Election of the Members of the Board of Directors
6. Appointment of External Auditor

The Agenda for the May 18, 2021 Annual Stockholders' Meeting held via Remote Communication (in Zoom) was as follows:

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

In the matters to be voted upon in the Annual Stockholders' Meeting which was held via remote communication, stockholders of record were entitled to one vote per share by proxy. The submission of the accomplished proxy form to the Corporate Secretary for validation and authentication at least five (5) days before the date of the Annual Stockholders' Meeting was required. The proxy form was provided on the Company's website.

The validation of proxies chaired by the Corporate Secretary or Assistant Corporate Secretary and attended by the Stock and Transfer Agent was made before the Annual Stockholders' Meeting.

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

- A description of the opportunity given to stockholders to ask questions and a record of the questions asked and the answers given

Stockholders were requested to e-mail their questions before the Stockholders' Meeting. The questions asked and the responses given are attached hereto as Annex "E".

- Matters discussed and Resolutions reached

At the May 18, 2021 Annual Stockholders' Meeting, after a discussion of each item, and opportunity given to the shareholders present to ask questions thereon, approval of the following matters took place: approval of the Minutes of the June 3, 2020 Annual Stockholders' Meeting and of the Special Stockholders' Meeting held on October 6, 2020; approval of the 2020 Audited Financial Statements and Annual Report; ratification of all acts of the Board of Directors, Board Committees and Management for the period covering 15 February 2020 to 22 February 2021; election of the members of the Board of Directors; and appointment of the External Auditor of the Company.

- Record of the Voting Results for each Agenda Item

Stockholders who attended the Annual Stockholders' Meeting by proxy or in person represented 70.15% of the 1,821,977,615 outstanding capital stock of the Company as of the Record Date of 15 March 2021. Udenna Corporation, the shareholder which holds 70% of the total outstanding shares, was represented by Alexis Carlo G. Magsumbol.

There was an affirmative vote of a majority of the votes cast at the meeting for all the items on the Agenda.

- List of Directors, Officers and Stockholders who attended the Meeting

All 9 members of the Board of Directors were present at the Meeting. Also present were Chief Financial Officer Ignacia S. Braga IV, Deputy CFO Reynaldo A. Phala, Finance Controller Darlene A. Binay, Compliance Officer Leandro E. Abarquez, Chief Audit Executive Maria Katherine A. Agbay, and Corporate Secretary Ma. Henedina V. San Juan.

Item 16. Matters Not Required to be Submitted

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

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

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

Item 18. Other Proposed Action

- a. Ratification and confirmation of all acts and resolutions of the Board and Management executed in the normal course of business covering the period February 23, 2021 until February 8, 2022 as set forth in **Annex C**.
- b. Election of the members of the Board of Directors
- c. Appointment of Punongbayan & Araullo as the Company's External Auditors for the Year Ending December 31, 2022.

Item 19. Voting Procedures

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

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

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

balloting.

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


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

MA. HENEDINA V. SAN JUAN
Corporate Secretary
18th Floor Udenna Tower
Rizal Drive corner 4th Avenue
Bonifacio Global City, Taguig City 1634

After reasonable inquiry to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Taguig on the ___th day of February 2022.

**CHELSEA LOGISTICS AND INFRASTRUCTURE
HOLDINGS CORP.**

BY:


MA. HENEDINA V. SAN JUAN
Corporate Secretary



LOCAL WATER UTILITIES ADMINISTRATION

P.O. BOX 34, U.P. Post Office, Katipunan Avenue, Balara, Quezon City
Tel. No.: 920-5561 to 95, 920-6001 Fax No.: (632)-34-34
Administrator's Direct Line: (02) 929-61-07
LWUA Website: www.lwua.gov.ph

CERTIFICATION

To whom it may concern:

This is to certify that **Director Eduardo A. Bangayan** was appointed and qualified as member of the Board of Directors of the Davao City Water District representing the business sector (*Section 8 of PD 198, as amended*).

This is to further certify that the various business engagements of Director Bangayan do not necessarily hamper his functions as board member because his function as such is limited to policy making only; to establish policy and he does not engage in the detailed management of the District (*Section 18 of PD 198, as amended*). He performs the functions as policy maker during board meetings only.

As the regulatory authority of the local water districts, the Administration does not see any impediment nor interpose any objection to the appointment of Director Bangayan as board of director to Chelsea Logistics Holding Corporation or to any other corporation for that matter.

This certification is issued for whatever legal purpose this may serve.

Quezon City, Philippines, February 15, 2019.


Engr. Rogelio B. Luy
Chairman, LWUA Board of Trustees

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **MIGUEL RENE A. DOMINGUEZ**, Filipino, of legal age and a resident of 3 Akasya SACI, Maribulan, Alabel, Sarangani Province, after having been duly sworn to in accordance with law do hereby declare that:

- I am an Independent Director of CHELSEA LOGISTICS AND INFRASTRUCTURE HOLDINGS CORP. (the "Corporation") and have been its Independent Director since March 27, 2017.
- I am affiliated with the following companies or organizations :

Company/Organization	Position/Relationship	Period of Service
Alsons Agribusiness Unit	Vice President	June 2014 - present
Sarangani Agricultural Company, Inc.	Director	June 2014 - present
Philippine Business for Social Progress	Trustee	Feb 2017 - present
Philippine Business for Education	Trustee	June 2017 - present
Galing Pook Foundation	Vice Chairman	Dec 2014- Dec 2016
Synergeia Foundation	Trustee	Feb 2012 - present
Alsons Dev't & Investment Corp.	Director	Dec 2021 - present

- I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
- To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
- I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
- I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five days from its occurrence.

Done, this 08 FEB 2022 day of February 2022 at Taguig City.

MIGUEL RENE A. DOMINGUEZ
Affiant

Subscribed and sworn to before me this 08 FEB 2022 day of February 2022 at Taguig City, affiant personally appeared before me and exhibited to me his Tax Identification No. 921-338-194 .

Doc. No. 219 ;
Page No. 48 ;
Book No. _____ ;
Series of 2022.

ATTY. PAUL VINCENT P. SIOCHI
Notarial Commission No. 75 (2021-2022)
Bk. 5 Lot 21 Phase 2, Pinagmana Village, Taguig City
Roll No. 68383
IBP Lifetime No. 015219; 05-06-17; Makati City
PTR No. A-5392945; 01-18-2022; Taguig City
MCLE Compliance No. V-0011491; 07-22-18
atty.siochi@gmail.com / +93(915)4406743

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **JESUS S. GUEVARA II**, Filipino, of legal age and a resident of 122 Stanford Street, Cubao, Quezon City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am an Independent Director of CHELSEA LOGISTICS AND INFRASTRUCTURE HOLDINGS CORP. (the "Corporation") and have been its Independent Director since March 27, 2017.
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Lipa Bank, Inc.	Director	2009 to the present
Phividec Industrial Authority	Chairman	July 2017 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I disclose that I am subject of the pending case – "*Ombudsman vs. Bundoc, et. al.*", G.R.No.225521-28 for Grave Misconduct, now pending before the Supreme Court, First Division.
5. I have the required permission from the Phividec Industrial Authority to be an Independent Director in the Corporation.
6. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five (5) days from its occurrence.

Done, this 07 FEB 2022 day of February 2022 at Taguig City.


JESUS S. GUEVARA II
 Affiant

Subscribed and sworn to before me this 07 FEB 2022 day of February 2022 at Taguig City, affiant personally appeared before me and exhibited to me his Tax Identification No. 125-805-086.

Doc. No. 213 ;
 Page No. 44 ;
 Book No. 11 ;
 Series of 2022.


ATTY. PAUL VINCENT P. STOCHI
 Bar Council Commission No. 78 (2021-2022)
 Bk. 8 Lot 21 Phase 2, Pinagrawan, Taguig City
 Roll No. E-11
 LRA No. 016219; 06-00-17; Makati City
 PTR No. A-5392945; 01-18-2022; Taguig City
 MCLE Compliance No. VI-0011491; 07-22-19
 atty.stochi@gmail.com / +63(915)4406743

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **GENER T. MENDOZA**, Filipino, of legal age and a resident of 14D South Tower, Pacific Plaza Towers, Bonifacio Global City, Taguig City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am an Independent Director of CHELSEA LOGISTICS AND INFRASTRUCTURE HOLDINGS CORP. (the "Corporation") and have been its Independent Director since March 27, 2017.
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
GNCA Holdings, Inc.	President	1997 to present
IPM Holdings, Inc.	Regular Director	2007 to present
ACM Landholdings, Inc.	Director	2010 to present
Dualtech Training Center Foundation, Inc.	Trustee Chairman / Board of Trustees	2012 to present 2019 to the present
Pryce Corporation	Independent Director	2019 to present
Pamantasan ng Lungsod ng Maynila	Regent	2019 to present
Saga Motors Corporation	Independent Director	Feb 2020 to present
Saga Finance Corporation	Independent Director	Feb 2020 to present
RCBC Leasing & Finance Corporation	Independent Director	April 2021 to present
Rizal Microbank- A Thrift Bank of RCBC	Independent Director	August 2021 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
5. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
6. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five (5) days from its occurrence.

Done this 07 FEB 2022 day of February 2022 at Taguig City.


GENER T. MENDOZA
Affiant

Subscribed and sworn to before me this 07 FEB 2022 day of February 2022 at Taguig City, affiant personally appeared before me and exhibited to me his Tax Identification No. 102-092-109.

Doc. No. 214 ;
Page No. 44 ;
Book No. 11 ;
Series of 2022.


ATTY. PAUL VINCENT P. SIOCHI
Notarial Commission No. 75 (2021-2022)
Bk. 5 Lot 21 Phase 2, Pinagsama Village, Taguig City
Roll No. 69383
IBP Lifetime No. 016219; 05-08-17; Makati City
PTR No. A-5392945; 01-18-2022; Taguig City
MCLE Compliance No. VI-0011491; 07-22-18
atty.siochi@gmail.com / +63(915)4406743

**ACTS AND RESOLUTIONS OF THE BOARD OF DIRECTORS
FOR THE PERIOD COVERING
February 23, 2021 to February 8, 2022**

15 February	<ul style="list-style-type: none"> • Authority for the Corporation to enter into an agreement with Udenna Tower Corporation for the assignment by the latter of all rights, title and interests, present and future, to any receivables arising from the Contract of Lease between the Corporation and Udenna Tower Corporation, to Philippine Bank of Communications; Authority for the Corporation to sign the Counterparty Letter addressed to the Bank to effect this assignment; Designation of the Corporation’s Chief Financial Officer Ignacia S. Braga as authorized signatory for the Counterparty Letter. • Authority for the Corporation to secure loan/ credit accommodations from Amalgamated Investment Bancorporation (AIC) in the amount of ₱500M; Designation of Chryss Alfonsus V. Damuy as Class A signatory (signing singly), and Ignacia S. Braga IV and Ma. Henedina V. San Juan as Class B signatories (signing jointly) for all documents/ instruments to be executed for this loan.
10 March	Authority for the Corporation to postpone the Annual Stockholders’ Meeting scheduled on March 29, 2021 in order to allow the Corporation to undertake activities required by its external auditors for the completion of the Audited Financial Statements.
15 March	<ul style="list-style-type: none"> • Designation of the Corporation’s Corporate Secretary Ma. Henedina V. San Juan, Finance Controller Darlene A. Binay, and Asst. Manager Ma. Christina Pangan as authorized signatories for the Online Submission Tool of the Securities and Exchange Commission. • Authority for the Corporation to act as Surety for the obligations incurred by Chelsea Shipping Corp. with the Development Bank of the Philippines in the amount of ₱1.82B and to execute and sign the Continuing Surety Agreement with the Bank; Designation of the President & CEO Chryss Alfonsus V. Damuy as authorized signatory for the Continuing Surety Agreement.
23 April	Authority for the Corporation to secure a loan from Philippine Business Bank – Trust and Investment Center in the amount of US\$3.5M; Designation of President & CEO Chryss Alfonsus V. Damuy as authorized signatory for all documents/ instruments to be executed for this loan.
26 April	Authority for the Chairman of the Board Dennis A. Uy to sign the Special Power of Attorney in favor of Shukuro Hayashi for the notarization / apostille of the documents of the Vessel F-1351.
3 May	Authority for the Corporation to obtain a loan from Southfield Agencies, Inc. in the amount of Three Million Five Hundred Thousand Dollars (US\$3.5M) for the purpose of financing the Corporation’s equity due on the acquisition of Ro-ro Type Passenger Ferry with Ship No.F-1351 (Trans-Asia 21) for delivery on May 11, 2021; Designation of the Corporation’s Chairman of the Board Dennis A. Uy and President & CEO Chryss Alfonsus V. Damuy as authorized signatories for the Memorandum of Agreement with Southfield Agencies, Inc.

17 May	<ul style="list-style-type: none"> • Authority for the Corporation to enter into an agreement for the sale by its subsidiary KGLI-NM Holdings, Inc. of 230,563,877 Common Shares in 2Go Group, Inc. to Trident Investments Holdings Pte. Ltd.; Authority for the Corporation’s President & CEO Chryss Alfonsus V. Damuy and Chief Financial Officer Ignacia S. Braga IV to sign all documents necessary for this transaction. • Authority for the Corporation to enter into an agreement for the sale by its subsidiary KGLI-NM Holdings, Inc. of 550,558,388 Common Shares in 2Go Group, Inc. to SM Investments Corporation; Authority for the Corporation’s President & CEO Chryss Alfonsus V. Damuy and Chief Financial Officer Ignacia S. Braga IV to sign all documents necessary for this transaction. • Authority for the Corporation to purchase from ES Consultancy Group, Inc., 43,081 Redeemable Preferred B shares and 200 Common Shares of KGLI-NM Holdings, Inc.; Authority for the Corporation’s President & CEO Chryss Alfonsus V. Damuy to sign and execute the Deed of Absolute Sale to implement this transaction.
24 May	Designation of Chief Financial Officer Ignacia S. Braga IV as authorized signatory for the Corporation’s request for Tax Clearance from the Bureau of Internal Revenue; Authority for Janel Lagahit, Melane Salang or Cristine Ayles to follow-up the request with the Bureau.
31 May	Authority for the Corporation to open and maintain Savings / Current accounts, apply for and obtain loans or to avail of related services with China Banking Corporation and/or China Banking Corporation – Trust and Asset Management Group; Designation of Chryss Alfonsus V. Damuy and Ignacia S. Braga IV as Class A signatories, Reynaldo A. Phala and Ma. Henedina V. San Juan as Class B signatories, and Darlene A. Binay and John Francis V. Gatus as Class C signatories, where any Class A or B signatory signing with any Class C signatory for amounts up to ₱5M, and any Class A signatory with any Class B signatory for any amount.
21 June	Authority for the Corporation to enter into Shareholders’ Agreement, Investment Agreement, by and among Dito Holdings Corporation, Udenna Corporation, Udenna Communications, Media and Entertainment Holdings Corp., Summit Global Limited and the Corporation; and to enter into the Amended and Restated Shareholders’ Agreement, by and among, Dito Telecommunity Corporation, Udenna Corporation, Dito Holdings Corporation, China Telecommunications Corporation, and the Corporation, in connection with the shareholdings of the Corporation in Dito Holdings Corporation; Authority for President & CEO Chryss Alfonsus V. Damuy to enter into and sign the above Agreements, and to do any and all acts and deeds as may be required or necessary to carry out the Agreements, including all transactions contemplated thereby and all matters related thereto .
19 July	Authority for the Corporation to act as Guarantor for the loan/ credit accommodation granted by 8H Capital Asia Growth Fund to Chelsea Dockyard Corp. in the amount of Two Million U.S. Dollars (US\$2M), and to execute, sign and deliver the Guaranty Agreement / documents; Authority for the Corporation’s President & CEO Chryss Alfonsus V. Damuy to sign, execute and deliver the Guaranty Agreement and any and all documents or instruments for this transaction.

26 July	Authority for the Corporation to act as Surety for the loan/ credit accommodation granted by Unionbank of the Philippines to Chelsea Shipping Corp. in the amount of Two Hundred Forty Million Pesos (₱240M), and to execute, sign and deliver the Continuing Surety Agreement and all other necessary documents; Authority for the Corporation's President & CEO Chryss Alfonsus V. Damuy as Class A signatory, and Chief Financial Officer Ignacia S. Braga IV and Ma. Henedina V. San Juan as Class B signatories where the Class A signatory can sign singly for any transaction, and where the Class B signatories have to sign jointly for all transaction.
9 August	Authority for the Corporation to avail of the Pag-Ibig Fund's Program on Penalty Condonation for Financially-Distressed Employers due to Covid 19 pandemic and to file its application for inclusion in said program; Authority for the Corporation's Assistant Manager-Human Resources Sherlyn R. Guerzon to sign, execute and deliver the Application for Penalty Condonation as well as all other documents which may be necessary in connection with said program.
4 October	Authority for the Corporation's President & CEO Chryss Alfonsus V. Damuy to sign the KYC Questionnaire of EGIS with such terms and conditions as said signatory may deem to be in the best interest of the Corporation.
18 October	<ul style="list-style-type: none"> • Authority for Cristine Ayles, Eduardo Magalit, Francisco Delicanan, Ronaldo Laurilla, to file, process and follow-up the Corporation's Application for Certificate Authorizing Registration with the Bureau of Internal Revenue in connection with the purchase by the Corporation of Redeemable Preferred B shares and Common shares of ES Consultancy Group, Inc. in KGLI-NM Holdings, Inc. and to receive the Certificate Authorizing Registration from the Bureau of Internal Revenue. • Authority for the Corporation to transact with BDO Unibank, Inc. and its affiliates such as BDO Leasing and Finance, Inc., BDO Rental, Inc. and BDO Private Bank, Inc. for the obtainment of loan facilities and availment of banking products and services; Designation of Chryss Alfonsus V. Damuy and Ignacia S. Braga IV as Class A signatories, Reynaldo A. Phala, Ma. Henedina V. San Juan and Darlene A. Binay as Class B signatories, and John Francis V. Gatus as Class C signatory, where the signature of any Class A or Class B signatory with the Class C signatory shall be sufficient for any transaction up to the amount of ₱5M, and where the signature of any Class A signatory with any Class B signatory shall be sufficient for any transaction in any amount. • Authority for the Corporation to open and maintain Deposit Accounts and/or Trust Accounts with Philippine Business Bank, Inc. at any of its branches; Designation of Chryss Alfonsus V. Damuy and Ignacia S. Braga IV as Class A signatories, Reynaldo A. Phala, Ma. Henedina V. San Juan and Darlene A. Binay as Class B signatories, and John Francis V. Gatus as Class C signatory, where the signature of any Class A or Class B signatory with the Class C signatory shall be sufficient for any transaction up to the amount of ₱5M, and where the signature of any Class A signatory with any Class B signatory shall be sufficient for any transaction in any amount.

3 January 2022	<ul style="list-style-type: none">• Authority for the Corporation to file its application for issuance of its 2022 Business Permit in the City of Davao; Designation of Chief Financial Officer Ignacia S. Braga IV as authorized signatory for the application; Authority for Entia Accounting Office and any of its representatives to follow-up this application with the City Government of Davao.• Authority for Melane Salang, Jezzela Artiaga and Janel Lagahit to submit the Corporation's 2021 Computerized Book of Accounts under Head Office Branch Permit No. AC-132-032020-000002 with the Bureau of Internal Revenue.
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MANAGEMENT REPORT

I. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OPERATIONS

This discussion summarizes the significant factors affecting the consolidated operating results and financial condition of Chelsea Logistics and Infrastructure Holdings Corp. and its Subsidiaries (CLIH or the Group) as of and for the nine months ending September 30, 2021. The following discussions should be read in conjunction with the attached unaudited consolidated financial statements of the Group as of September 30, 2021 and 2020.

Comparable discussion on Material Changes in Results of Operations for the nine months ending September 30, 2021 and 2020.

Amounts in millions	For the Nine Months Ending September 30			
		2021	2020	% Change
Revenues	P	3,272	P 3,325	-2%
Cost of sales and services		3,586	3,760	-5%
Gross Profit (Loss)	(	314	(435)	-28%
Other Operating Expenses		502	850	-41%
Provision for Estimated Credit Losses		204	-	100%
Operating Profit (Loss)	(	1,019	(1,285)	-21%
Other Charges - Net	(	1,182	(1,286)	-8%
Profit (Loss) Before Tax	(	2,202	(2,571)	-14%
Tax Expense (Income)		2	31	-94%
Net Profit (Loss)	(P	2,204	(P 2,602)	-15%
Add Back:				
Tax Expense (Income)		2	31	-94%
Depreciation and Amortization		1,145	1,240	-8%
Interest Expense		1,065	986	8%
Share in Net Loss (Income) of an Associate		592	563	5%
Interest Income	(	0	(0)	-73%
Provision for expected credit losses		204	-	100%
EBITDA	P	804	P 218	269%

Consolidated Revenues of the Group was ₱3,272 million for the nine-month period, lower by 2% compared to the same period last year, which is due to decline in revenues in the tanker, passenger and tugboat segments but mitigated by the increase in revenue of freight and logistics segments during the current period.

Travel restrictions are imposed by local governments and varies per LGU. The second and third declaration of Enhanced Community Quarantine (ECQ) in NCR and other major cities in the country in March and August 2021, significantly affected the Group's passenger business with stricter travel requirements imposed during that period. Passenger volume significantly declined from last year with passenger revenue reduced by 60% from last year. Likewise, movement of petroleum products slowed down during the year coupled with issues on vessel availability resulted to lower tanker revenue by 50% compared to 2020.

The continued growth in Freight and logistics segments brought about by the improvement in the movement of goods, posted 58% and 32% increase in revenues respectively, tempered the decline in the Group's consolidated revenues.

However, the Group recorded a gross loss of ₱314 million in 2021 which is lower by 28% compared to ₱435 million posted in 2020. A number of the ships were placed on intentional lay-up due to low

demand, while other vessels were on extended drydocking. Operating passenger vessels were running at a low load factor with a maximum of 50% capacity in compliance to travel protocols. Due to underutilization of the ships, direct fixed costs such as but not limited to depreciation and amortization, insurance, bunker fuel, salaries and wages, and repairs and maintenance costs, put margin pressures on the Group's consolidated performance that resulted to a Gross Loss during the period. Total cost of services and goods amounted to ₱3,586 million in 2021, 5% lower versus ₱3,760 million in 2020.

Other Operating Expenses was ₱502 million for 2021, a reduction of 41% as against same period in 2020. The Group continues to manage and reduce its costs. As the result of manpower streamlining in the second half of 2020, salaries and wages decreased by 23% to ₱211 million in 2021. Rent expense, outside services, office supplies, professional fees, and repairs and maintenance costs were reduced by 71%, 74%, 20%, 25% and 51%, respectively in line with the cost containment measures implemented throughout the Group.

Assessment for estimated credit losses resulted to a ₱204 million provision of the Group during the year.

These gave rise to a net operating loss of ₱1,019 million in 2021, an improvement from ₱1,285 million in 2020.

Interest costs increased by 8% to ₱1,065 million in the current period largely due to loan restructuring. The Group also took up higher share in net losses of an associate amounting to ₱592 million, 5% higher as against ₱563 million in prior period.

In the current year, the Group recognized a ₱320 million other income from the pre-termination of a co-loading contract with a customer in the first quarter and ₱154 million gain on sale of investment in stocks in 2GO Group.

Net loss after tax was ₱2,204 million in 2021, a 15% improvement compared to ₱2,602 million in 2020. Resulting to a loss per share (basic and diluted) of ₱1.21 in 2021 and ₱1.43 in 2020.

EBITDA was ₱804 million compared to ₱218 million for the same period last year and a consolidated EBITDA margin of 25% in the current period, this is higher versus 7% in previous period.

Financial Condition

September 30, 2021 versus December 31, 2020

<i>Amounts in millions</i>		September 30, 2021		December 31, 2020	% Change
Current Assets	P	12,708	P	4,988	155%
Non-Current Assets		25,219		32,366	-22%
Total Assets	P	37,927	P	37,355	2%
Current Liabilities	P	17,487	P	16,761	4%
Non-Current Liabilities		13,101		11,108	18%
Total Liabilities	P	30,587	P	27,869	10%
Total Equity	P	7,340	P	9,486	-23%

The Group's total assets amounted to ₱37,927 million as at September 30, 2021, a slight increase by 2% from ₱37,355 million as at December 31, 2020. Current assets improved by 1.5 times from ₱4,988 million in December to ₱12,708 million in September due to increase in advances to related parties by ₱6,533 million from investment disposal proceeds of 2GO Group shares advanced against certain

loans of the parent company related to the investment. While the second tranche of the 2GO Group divestment amounting to ₱874 million is still in the receivable account.

Non-current assets were reduced by the share in net losses of an associate which amounts to ₱592 million during the current year, while the decrease in assets held for sale was related to 2GO Group share divestment and sale of certain vessels of Trans-Asia Shipping Lines, Inc. in 2021.

Total Liabilities went up to ₱30,587 million in September 2021, 10% higher versus ₱27,869 million in December 2020 due to restructuring of bank loans of the Group including the Lease liability set up for the acquisition of Trans-Asia 21 amounting to ₱1.2 billion.

Total Equity of the Group decreased by 23% to ₱7,340 million in September from ₱9,486 million in December due to the negative operating results during the period.

Comparable discussion on Material Changes in Results of Operations for the Nine Months Ended December 31, 2020 vs. 2019.

Amounts in millions	December 31, 2020		December 31, 2019		Change	
	Amount	%S	Amount	%S	Amount	%
Revenues	P 4,679	100%	P 7,220	100%	(P 2,541)	-35%
Cost of sales and services	5,298	113%	5,589	77%	(291)	-5%
Other Operating Expenses	1,042	22%	996	14%	46	5%
Expected credit losses on receivables	762	16%	-	0%	762	-
Operating Profit (Loss)	(2,423)	-52%	635	-9%	(3,058)	-482%
Other Charges - Net	(479)	-10%	(1,607)	-22%	1,128	-70%
Profit (Loss) Before Tax	(2,902)	-62%	(972)	-13%	(1,930)	198%
Tax Expense (Income)	409	9%	(141)	-2%	550	-391%
Net Profit (Loss)	(P 3,312)	-71%	(P 832)	-12%	(P 2,480)	298%
Add Back:						
Tax Expense (Income)	409		(141)		550	-391%
Depreciation and Amortization	1,676		1,272		404	32%
Interest Expense	1,302		1,224		78	6%
Share in Net Loss (Income) of an Associate	1,046		483		563	117%
Provision for expected credit losses	762		-		762	0%
Loss on remeasurement of investment	333		-		333	0%
Impairment loss on property and equipment	71		7		63	0%
Loss on debt modification	87		-		87	0%
Less: Gain on bargain purchase	(1,185)		-		(1,185)	0%
Gain on sale of an associate	(984)		-		(984)	0%
Interest Income	(0)		(3)		3	-83%
EBITDA	P 205	4.38%	P 2,011	28%	(P 1,806)	-90%

The first 2 months of the year 2020 promised a record performance for the Group with operating units achieving their respective revenue targets. This performance was the result of all the various strategies and other business alignments implemented across the Group. However, in March the COVID-19 pandemic escalated rapidly, and the resulting impact on the operations and the measures taken by the government to contain the virus have negatively affected the Group's results in the operating period. Community quarantine imposed by the national government starting March 15, 2020 resulted to travel restrictions via land, sea and air transport. Although movement of essential goods were allowed, cargo volume dropped considerably in the first two and a half months of the Enhanced Community Quarantine (ECQ) period. The gradual lifting of restrictions resulted to slight improvement in the Group's operations which is still far from its pre-pandemic operating results.

As a result, the Group posted a Net Loss of ₱3,312 million for the year ended December 31, 2020. This is almost three-folds increase or P2,480 million higher than the ₱832 million Net Loss as of December 31, 2019.

This year, losses includes Share in Net Losses of an Associate amounting to ₱1,046 million; Provision for expected credit losses on receivables of ₱762 million; Impairment on remeasurement of

investment of ₱333 million; Loss on debt modification of ₱87 million; and Impairment Loss on Property and Equipment of ₱71 million. On the other hand, the Group recognized Gains on Bargain Purchase and Sale of an Associate amounting to ₱1,185 million and ₱984 million, respectively.

EBITDA dropped significantly by 90% from ₱2,011 million in 2019 to ₱205 million in 2020.

Based on the comparison of the actual revenue performance in 2020 as against 2019, the Group's revenues declined by ₱2,541 million or 35% to ₱4,679 million from ₱7,220 million. The community quarantine restrictions greatly affected all revenue segments of the Group.

Travel limitations brought Passage revenue to a ₱922 million or 65% decline to ₱501 million in 2020 from ₱1,423 million in 2019. Passage steadily declined from the March 2020 lockdown and continued to the succeeding months until hitting zero level during periods of complete lockdown. To date, passage has yet to recover to pre-COVID levels. While the decrease in Tankering revenue, which consist of charter fees and standby charges by ₱819 million or 41% to ₱1,165 million from ₱1,983 million was due to reduction in movement of petroleum products in 2020. Its base customers were from the petroleum, airline, and power industries. The airline industry grounded almost all aircraft in 2020. Bunker-fired power plants were idle with power requirements at low levels during the year. Transport sector was also greatly affected and thus there was a low demand for fuel. All these situations affected the tanker business. Freighter segment suffered a significant volume drop during the ECQ period is now in the recovery phase with cargo movement increasing in the market starting in the latter part of the second half of 2020. Thus, Freight revenue reduced by ₱591 million or 22% to ₱2,097 million in 2020 from ₱2,688 million in 2019.

Tugboat revenues slightly increased by ₱12 million or 4% to ₱351 million from ₱338 million in 2020 and 2019, respectively.

Unparalleled variance to net decline in Net Revenue of the Group's Cost of Sales and Services was driven by (1) costs incurred by vessels put on laid up status, and (2) additions on property and equipment and impairment losses. The laid up vessels continue to incur costs on salaries and wages for the minimum manning requirement, port expenses, bunker fuel, insurance, and depreciation and amortization. Despite lower number of trips this year, operating vessels moved at lower load factor as demand declined significantly due to travel restrictions and lower cargo volume.

Total Costs of Sales and Services decreased by ₱292 million or 5% to ₱5,298 million in 2020 from ₱5,589 million in 2019. Bunkering cost decreased by ₱414 million or 21% to ₱1,569 million from ₱1,984 million in 2020 and 2019, respectively. The cost includes ₱200 million in fuel hedging losses incurred in 2020.

On the other hand, with the arrival of a new vessel, a brand new ROPAX this year and the full year depreciation impact of three additional ships acquired and deployed in late 2019, Depreciation and Amortization cost increased by ₱345 million or 28% to ₱1,559 million from ₱1,213 million in 2020 and 2019, respectively. Also, the Group booked ₱71 million in impairment losses on vessels of subsidiaries – Trans-Asia Shipping Lines Inc. this year. Full year costs of Supercat Fast Ferry Corp. were also included this year as a result of its acquisition and consolidation starting October 2019.

The Group's consolidated Other Operating Expenses increased by ₱45 million or 5% to ₱1,042 million in the current year from ₱996 million in prior year. Depreciation and amortization expenses went up by ₱58 million or 98% to ₱117 million in 2020 from ₱59 million in 2019 due to full year effect of PFRS 16 application and additional contracts during the year. The continued expansion of the Group

brought increase in Outside Services cost by ₱87 million to ₱145 million in 2020 from ₱59 million in 2019.

In 2020, measures were taken by the Group to manage and contain costs. Manpower rationalization resulted to a 22% reduction in personnel with total cost paid of ₱28.5 million as at end of the year.

In the period since December 31, 2019, the Group has provided for expected credit losses on outstanding receivables amounting to ₱762 million.

Net Other Charges decreased by ₱1,128 million or 70% to ₱479 million in 2020 from ₱1,607 million in 2019. The change resulted from the combined effects of the following:

- The Gain on Bargain Purchase of ₱1,185 million and Loss on Remeasurement of Investment of ₱333 million arose from the step-up acquisition of a subsidiary, KGLI-NM were recorded in 2020. The investment and corresponding goodwill were measured at fair value less cost to sell.
- Share in Net Loss of Associates booked in 2020 amounted to ₱1,046 million - Dito Holdings Corp. (DHC) of ₱149.4 million, 2GO of ₱205.8 million, and Dito Telecommunity Corp. (DTC) of ₱691 million. This is ₱563 million higher compared to ₱483 million share in net loss of associates recorded in 2019.
- On October 30, 2020, CLC's BOD approved the sale of its 40,833,332 common shares and 22,916,666 preferred shares of DTC to DHC which resulted to a Net Gain on Sale of an Associate of ₱984 million. CLC owned 42% of DHC, however subsequently diluted to 11% upon subscription of Udenna Communications Media and Entertainment Holdings Corp. (UCME) to additional common shares in DHC, resulting to an indirect ownership of CLC in DTC of 6.6%.
- Relative to restructured loans of the Group, ₱87 million loss on debt modification was recorded in 2020.
- Increase in Finance cost by ₱78 million or 6% to ₱1,302 million in the current period from ₱1,224 million in the prior period arising from additional funding obtained from banks to finance vessel acquisitions in 2020 and 2019.

Tax expenses of ₱409 million includes derecognized deferred tax assets related to NOLCO and MCIT in the years 2017, 2018, and 2019.

Financial Condition

December 31, 2020 versus December 31, 2019

Amounts in millions	December 31, 2020		December 31, 2019		Change	
	Amount	%Total	Amount	%Total	Amount	%
Current Assets	P 4,988	13%	P 5,055	12%	(P 66)	-1%
Non-Current Assets	24,963	67%	35,950	88%	(10,987)	-31%
Non-Current Assets Held for Sale	7,403	20%	-	0%	7,403	-
Total Assets	P 37,355	100%	P 41,004	100%	(P 3,650)	-9%
Current Liabilities	P 16,761	60%	P 18,077	63%	(P 1,316)	-7%
Non-Current Liabilities	11,108	40%	10,473	37%	635	6%
Total Liabilities	P 27,869	100%	P 28,551	100%	(P 682)	-2%
Total Equity	P 9,486	100%	P 12,454	100%	(P 2,968)	-24%

The Group's Total Assets as at December 31, 2020 amounted to ₱37,355 million, ₱3,650 million or 9% lower compared to 2019. Non-Current Assets dipped by ₱3,683 million or 10% to ₱32,366 million

brought by the decrease in Investments in Associates account by ₱5,443 million or 85% due to reclassification of 2GO investments as Other Non-Current Assets Classified as Held for Sale.

In 2020, CLIHC obtained a direct investment on an associate, KGLI-NM's Preferred C shares. Due to direct investment, KGLI-NM is now considered a subsidiary of CLIHC with combined 90% voting interest. Such acquisition was considered as a Step-up Acquisition with view of resale. As a result, the investment and the corresponding Goodwill were measured at fair value less cost to sell. The remeasurement reduced the recorded Goodwill by 68% to ₱1,848 million in 2020.

On March 19, 2021, CLIHC signed Agreements to sell its entire effective interests of around 31.73% in 2GO Group, Inc. at ₱8.50 per share through KGLI-NM Holdings, Inc., a CLIHC subsidiary company.

Certain vessels were identified as available for sale in 2021. The carrying values of the vessels were computed to respective fair values less cost to sell and reclassified as Other Non-Current Assets Classified as Held for Sale. Property and Equipment account declined by 6% to ₱21,504 million this year.

Current Liabilities were down by ₱1,316 million or 7% to ₱16,761 million. Trade and Other Payables significantly lowered due to slow down in operations and cost containment measures of the Group.

Increase in total bank loans – short and long term by ₱613 million or 4% to ₱16,920 million is due to additional loans obtained to finance vessel acquisitions in 2020 and 2019.

Deferred tax liabilities increased by ₱193 million to ₱357 million due to revaluation reserves on property and equipment.

Total Equity dropped by ₱2,968 million or 24% to ₱9,486 million due to operating losses incurred by the Group in 2020 amounting to ₱3,312 million.

Redeemable Preference Shares are fixed dividends for four years in KGLI NM has a face value of ₱430 million plus accrued interest of ₱800M. A total of ₱1,230 million is lodged under Current Liabilities.

In October 2020 the Board of Directors approved the issuance of 500,000 Preferred Shares with par value of ₱1.00 per share through a private placement subject to the terms and conditions specified by the Directors. Subscription price of the shares is ₱1,000 per share. This is presented as part of the Deposits for Future Stock Subscription.

Also in October 2020, the Shareholders ratified the BOD approval of the increase in the authorized capital stock of CLIHC to ₱3,500 million with an increase of 1,500 million common shares. The ultimate parent, Udenna Corporation subscribed to 375 million common shares equivalent to 25% of the total increase at the price of ₱3.26 per share with reference to the 90-day VWAP. This is presented as part of Deposits on Future Stock Subscription. The increase in authorized capital stock is pending approval of SEC as of December 31, 2020.

Comparable discussion on Material Changes in Results of Operations for the Year Ended December 31, 2019 vs. December 31, 2018.

Revenues

Based on the comparison of the actual performance during the year ended 2019 against the previous year, the Group's revenues increased by ₱1,802 million or 35% to ₱6,974 million from ₱5,172 million.

Each business segment of the Group showed robust growth. Tankering revenues (consisting of charter fees and standby charges) increased from ₱1,746 million to ₱1,983 million as a result of the operations of MT Chelsea Providence, the Group's medium-range tanker and the largest registered tanker in the Philippines. In addition, the utilization of the Group's other tankers also increased with the higher volume of petroleum products shipped for the period from 656 million liters in 2018 to 1,193 million liters in 2019. Similarly, revenues from freight segment grew by 43% from ₱1,709 million in 2018 to ₱2,441 million in 2019, while passage revenues rose by 47% from ₱969 million in 2018 to ₱1,423 million in 2019. The growth in the freight and passage revenues can be attributed to the operations of new vessels deployed during the year. In addition, the conversion from seat to bed RORO and rerouting of MV Starlite Archer and MV Starlite Saturn from short-haul trips to Batangas-Caticlan and Batangas-Culasi via Sibuyan also contributed to better revenue performance for the passage and freight business.

Tugboat fees slightly increased by 1% for the year ended 2019 from ₱334 million to ₱338 million as a result of the Group's expanded tugboat operations in Batangas, Davao, and recently, in Cagayan de Oro.

The Group's logistics business, which currently accounts for 7% of the total consolidated revenues, posted the biggest growth of 60% from 2018's ₱287 million to ₱441 million in 2019. This was a result of the Group's continued expansion program of increasing its warehouse capacity from 6,522 sqm. In 2018 to 13,973 sq.m. In 2019 and trucking fleet. This segment is expected to further improve once the Group's warehouse complex located on a 2.5-hectare property in Brgy. Ligid-Tipas, Taguig City commences commercial operations in 2020.

Costs of Sales and Services

The significant drivers to the increase in Cost of Sales and Services were the bunkering costs, depreciation and amortization, crew salaries and employee benefits, repairs and maintenance and insurance, which grew by ₱741 million, ₱377 million, ₱156 million, ₱145 million and ₱103 million, respectively, as a result of additional vessel deployments for the period. In addition, outside services increased by ₱151 million as a result of the significant increase in volume of delivery services for the Group's logistics business.

Operating Expenses

Other Operating Expenses grew by 19% from ₱901 million in 2018 to ₱996 million in 2019 due to increases in salaries and employee benefits, outside services and rentals resulting from the Group's continued expansion. On the other hand, taxes and licenses declined in 2019 which was due one-time payment of documentary stamp taxes for the conversion of certain loans and filing fees related to incorporation of new companies were incurred in 2018.

Other Income (Charges)

Other charges primarily include interest expense on loans and borrowings totaling ₱1,224 million and share in net losses of 2GO Group and DITO totaling ₱483 million. Interest expense increased by ₱447 million as a result of new borrowings related to new vessels acquired.

Net Losses and EBITDA

Overall, the Group posted a Net Loss of ₱832 million for the year ended December 31, 2019 compared to the ₱551 million Net Loss reported during the previous year. A significant portion of the Net Loss

reported by the Group can be attributed to its share in Net Losses of 2GO Group and DITO totaling to ₱483 million. Excluding this amount, CLIHC would have reported a Net Loss of just ₱349 million, which is primarily due to higher direct costs and increased interest costs as discussed further in the succeeding paragraphs.

EBITDA on the other hand, grew by 36% from ₱1,472 million in 2018 to ₱2,005 million in 2019.

Financial Condition

December 31, 2019 vs. December 31, 2018

<i>Amounts in millions</i>	December 2019		December 2018		% Change
Current Assets	P	5,055	P	6,494	-22%
Non-Current Assets		35,949		25,797	39%
Total Assets	P	41,004	P	32,291	27%
Current Liabilities	P	18,077	P	10,126	79%
Non-Current Liabilities		10,473		9,241	13%
Total Liabilities	P	28,550	P	19,367	47%
Total Equity	P	12,454	P	12,924	-4%

Total resources of the Group grew to ₱41,004 million as of December 31, 2019 from ₱32,291 million as of December 31, 2018. The increase was brought about by the Group's continued expansion programs in the shipping and logistics business and through the subscription of share in DITO Telecommunity Corporation (DITO) and the consolidation of the The Supercat Fast Ferry Corporation (SFFC) which was acquired in October 2019.

Cash and cash equivalents decreased by 15% from ₱443 million as of December 31, 2018 to ₱375 million as of end of the current year as a result of capital expenditures paid in relation to the Group's continued expansion programs.

Trade and other receivables increased by 56% from ₱1,430 million as of December 31, 2018 to ₱2,226 million as of December 31, 2019 primarily due to timing of collections from customers.

Advances to related parties decreased significantly from ₱3,128 million as of December 31, 2018 to ₱814 million as of December 31, 2019 as a result of collections of advances to related parties for working capital requirements and other purposes. The remaining advances are expected to be settled in cash or through offsetting arrangements with the related parties.

Property and equipment grew from ₱17,304 million as of December 31, 2018 to ₱22,915 million as a result of the consolidation of SFFC which has 11 fast crafts, additional vessel acquisition and other capital expenditures during the year 2019 as part of the Group's continued expansion programs. In addition, the effect of adoption of PFRS 16, Leases, also contributed to the increase in property and equipment whereby the Group was required to reflect on-balance sheet the "right-of-use" (ROU) asset with a corresponding increase in lease liabilities.

While dry-docking is normally done once every two years, Maritime Industry Authority (MARINA) may extend the vessel's trading certificates upon request by the vessel owner. Following are the status of the dry-docking activities of certain vessels with appraisals of more than two years: (a) MT Great Diamond and MT Great Princess are covered by a five-year Bareboat Agreement since November 2016 and March 2017, respectively. Under a bareboat agreement, the charterer obtains full control of the vessel with all costs including dry-docking are to be shouldered by the charterer; hence, appraisal cannot be made. Meanwhile, the dry-docking procedures for MT Chelsea Denise and MV Asia Pacific

are expected to be completed during the first quarter of 2020; accordingly, appraisals will be conducted during such period.

As disclosed in the consolidated financial statements, management estimates the useful lives of vessels between 2 to 35 years, which were based on each separately identifiable components of the vessel i.e. vessel equipment acquired are depreciated based on an EUL of 5 to 10 years. Acquired vessels are depreciated over an estimated useful life of 25 to 35 years from the dates of acquisition depending on whether such vessels were acquired brand new or from the second hand market. Drydocking costs, as an industry practice, are amortized over an estimated useful lives of 24 months.

Investments in associates and a joint venture increased significantly from ₱1,821 million as of December 31, 2018 to ₱6,416 million as of December 31, 2019 resulting from subscription of shares of DITO, additional investment in Meridian. These were partially offset by the recognition of the Group's share in Net Losses of 2GO Group and DITO for the current year.

Trade and other payables increased by ₱7,263 million from ₱3,297 million as of December 31, 2018 to ₱10,760 million as of the end of the current year. The increase in Trade and other payables was primarily due to timing of payment of trade payables.

The increase in advances from related parties was primarily due to additional borrowings from such related parties. These advances are generally expected to be settled on demand or through offsetting arrangements with the related party.

Interest-bearing loans and borrowings increased by 13% from ₱15,619 million as of December 31, 2018 to ₱16,307 million as of December 31, 2019 resulting from the availment of new loans related to the acquisition of vessels in relation to the Group's continued expansion programs. In addition, the effect of adoption of PFRS 16, Leases, also contributed to the increase in interest-bearing loans and borrowings whereby the Group was required to reflect on-balance sheet the lease liabilities instead of recording expenses during the period incurred.

The increase in deferred tax liabilities by 99% was mainly due to additional revaluation increment related to the appraisal of vessels after dry-docking also contributed to the increase.

Other reserves pertain to the excess of the acquisition price over the net identifiable assets of Chelsea Shipping Corp. (CSC) amounting to ₱1.0 billion. As disclosed in the notes to the consolidated financial statements, CLIHC acquired CSC on November 24, 2016 for a total consideration of ₱2.0 billion. The carrying amounts of the consolidated assets and liabilities of CSC and subsidiaries amounted to ₱8.4 billion and ₱5.4 billion, respectively. The business combination entered on December 12, 2016 is accounted for under the pooling-of-interest method (see Note 20.6).

The decrease in equity, primarily retained earnings, was due to the results of the Company's financial performance for the year ended December 31, 2019.

Key Performance Indicators and Relevant Ratios

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

	Sept. 2021	Dec. 2020	Dec. 2019
Current ratio	0.73	0.30	0.28
Debt-to-equity ratio	4.17	2.94	2.29
Book value per share	4.03	5.21	6.84
EBITDA margin	25%	4%	26%
Return on equity	-30%	-35%	-6.68%
Loss per share	-1.21	-1.82	-0.46

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

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

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

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

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

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

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

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

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

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

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

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

On March 27, 2021, the President of the Republic of the Philippines declared the imposition of Enhanced Community Quarantine (ECQ) which restricted all land, air and sea transport to and from Luzon. Several local government units in Visayas and Mindanao also followed with their respective Executive Orders restricting all forms and transport. These pronouncements resulted in a significant slowdown in the Group's operations while continuously incurring costs while the vessels are on laid-up status.

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

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

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

I. NATURE AND SCOPE OF BUSINESS

Item 1. Historical Background

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

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

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

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

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

the Philippines.

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

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

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

Item 2. Business of Issuer

Description of Registrant

Principal Products and Services

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

Chelsea Shipping Corp.

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

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

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

providing full and partial crewing for domestic and foreign vessels, and is authorized to act as authorized representative and crew manager of shipping companies, and to provide allied maritime services for said vessels and companies.

- g. Chelsea Dockyard Corp. (CDC), incorporated on January 8, 2018 and is engaged in the general business of building and repair of ships, boats and other kinds of vessels as well as in ship breaking activities.
- h. CD Ship Management & Marine Services Corp. (CDSMMSC), incorporated on March 14, 2018 and is engaged to carry on the business of ship management and to act as agent, broker, ship chandler or representative of foreign/domestic shipping corporations and individuals for the purpose of managing, operating, supervising, administering and developing the operation of vessels belonging to or which are or may be leased or operated by said shipping corporations and individuals and for such purpose, to act as principal in and hire the services of a local manning agent for the overseas employment for seamen, and to equip any and all kinds of ships, barges and vessels of every class and description owned by any shipping corporation.

Trans-Asia Shipping Lines, Incorporated

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

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

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

TASLI Services Incorporated

TASLI Services Incorporated was incorporated on September 10, 2019 and is engaged in the business of shipping agency and maritime operations and services. TASLI Services handles the operations of cargo vessels which operate from Manila with routes to Cebu and Davao and back.

Worklink Services, Inc.

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

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

Starlite Ferries, Inc.

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

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

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

The Supercat Fast Ferry Corporation

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

Revenue Contribution

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

Services	Description of Services	Contribution to Sales
Freight	This pertains to revenues generated from transporting cargo from loading port to discharge port.	60%

Services	Description of Services	Contribution to Sales
Tankering	This consists mainly of charter income arising from the charter hire of its tankers and is recognized based on the type of charter agreement entered into, either under a time charter (TC), a continuing voyage charter (CVC), or bareboat agreement (BB). Charter fees also include standby charges, which represent fees charged upon failure of customer to utilize/dispatch the tanker within the allotted lay-time initially agreed upon with the customer. This is commonly referred to as demurrage.	13%
Passage	This pertains to revenues generated from ferrying passengers from the point of embarkation to the point of disembarkation.	7%
Tugboat	These are fees arising from docking, undocking, shifting, towing, ferry services, tugboat usage and delivery services to marine vessels and other crafts.	7%
Logistics Services	This pertains to revenues generated from logistics, distribution and warehousing services.	8%

Competition

A. Freight

The Company's Freight business is supported by its subsidiaries operating nationwide: Chelsea Shipping, Trans-Asia Shipping Lines and Starlite Ferries handle shipping of cargoes, while Worklink Services provides end-to-end logistics solutions through its 77 delivery trucks and 11,294 sq.m. of warehousing capacity.

The top 5 major competition in the Freight sector are:

1. Solid Shipping Lines
2. Philippine Span Asia Carrier Corp.
3. Lorenzo Shipping Corp.
4. Gothong Southern Shipping Lines
5. Oceanic Container Lines Inc.

B. Tankers

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

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

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

1. Petrolift Group

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

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

C. Tugboats

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

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

CLIHC competitors in providing tugboat services include:

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

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

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

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

CLIHC's main competitors in RoPax segment include:

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

Suppliers

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

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

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

Transactions with and/or Dependence on Related Parties

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

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

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

Employees

As of December 31, 2021, the Company has a total of 2,041 employees, 950 of which are crewmen and are stationed at various ports of operation, while the other 1,091 employees are office personnel or are members of support services.

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

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

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

Risks Relating to the Company

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

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

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

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

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

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

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

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

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

- *The shipping industry is highly competitive.*

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

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

Fuel is a key component of shipping operations. In cases of significant increases in fuel prices, the

Company may not be able to automatically pass on to its clients the effects of these increases. Thus, the Company's gross margins may be adversely affected, reducing its profitability. To mitigate this risk, the Company maximizes its affiliation with P-H-O-E-N-I-X Petroleum Philippines, Inc. through access to information on movement of global petroleum prices. This allows the Company to hedge prices for its fuel requirements necessary to protect its profitability.

- *Changes in legal and regulatory environment.*

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

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

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

Effects of Existing or Probable Governmental Regulations on the Business

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

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

Costs and Effect of Compliance with Environmental Laws

For the year ended December 31, 2021, the Company incurred ₱8,537,598.90 for costs relating to compliance with environmental laws as required by the MARINA. This pertains to daily waste management expenses. For the years 2020 and 2021, the Company incurred costs of ₱7,159,603 and ₱7,159,603.72, respectively.

Item 3. Properties

The Group owns various tankers, barges, RoPax, cargo vessels and tugs which are utilized in its business. The following table sets forth information on these vessels that each company owns as of December 31, 2021.

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

Name of Vessel	Registered Owner	Year Built	Type
37. M/Tugs Fortis II	FTC	1990	Tugboat
38. M/Tug Fortis III	FTC	1972	Tugboat
39. M/Tug Fortis V	FTC	1984	Tugboat
40. M/Tug Fortis VI	FTC	1989	Tugboat
41. M/Tug Fortis VII	FTC	1984	Tugboat
42. M/Tug Fortis VIII	FTC	1984	Tugboat
43. M/Tug Fortis IX****	FTC	2009	Tugboat
44. M/Tug Fortis X	FTC	1988	Tugboat
45. M/Tug Fortis XI****	FTC	1988	Tugboat
46. M/Tug Fortis XII	FTC	1988	Tugboat
47. M/Tug Fortis XV	FTC	1987	Tugboat
48. M/Tug Samal	DGMS	1974	Tugboat
49. M/Tug Pindasan	DGMS	1981	Tugboat
50. M/Tug Sigaboy	DGMS	1971	Tugboat
51. M/Tug Orishima	FTC	1988	Oil Pollution Tugboat
52. MV Starlite Pacific	SFI	1983	Passenger and Cargo Ship
53. MV Starlite Annapolis****	SFI	1982	Passenger and Cargo Ship
54. MV Starlite Jupiter	SFI	1989	Passenger and Cargo Ship
55. MV Starlite Pioneer	SFI	2015	Passenger and Cargo Ship
56. MV Starlite Tamaraw	SFI	1981	Cargo Ship
57. MV Starlite Eagle	SFI	2016	Passenger and Cargo Ship
58. MV Starlite Reliance	SFI	2015	Passenger and Cargo Ship
59. MV Starlite Saturn	SFI	2016	Passenger and Cargo Ship
60. MV Starlite Archer	SFI	2017	Passenger and Cargo Ship
61. MV Starlite Venus	SFI	2020	Passenger and Cargo Ship
62. Sprint 1	SFI	2019	Fastcraft
63. MV Venus	SFI	2021	Passenger and Cargo Ship
64. SWM Salve Regina	SGFI	2018	Passenger and Cargo Ship
65. MV Stella Maris	SGFI	2019	Passenger and Cargo Ship
66. MV Trans-Asia 20 (Starlite Phoenix)	SGFI	2019	Passenger and Cargo Ship
67. Stella del Mar	SPFI	2018	Passenger and Cargo Ship
68. St. Uriel	Supercat	1992	Passenger Ship
69. St. Sealthiel	Supercat	2000	Passenger Ship
70. St. Jhudiel	Supercat	1996	Passenger Ship
71. St. Braquel	Supercat	1996	Passenger Ship
72. St. Emmanuel	Supercat	1998	Passenger Ship
73. St. Camael	Supercat	2017	Passenger Ship
74. St. Sariel	Supercat	2017	Passenger Ship
75. Supercat 36*	Supercat	1990	Passenger Ship
76. St. Micah****	Supercat	1990	Passenger Ship

* Sold in 2021

*** Held for sale

**** On Drydock as of end December 31, 2021

***** for conversion to Water barge

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

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

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

Secured Term Loans

	Notes	Security	Terms	Interest Rates	Outstanding Balance	
					2021	2020
China Banking Corporation (CBC)		Continuing Suretyship/ Mt Chelsea Great Princess/ MT Chelsea Charlize/ MT Chelsea Resolute/ MT Chelsea Enterprise/ MT Chelsea Excellence/ MT Chelsea Enesto				
	(b.2)	Uno/ MT Chelsea Jasaan	7 years	6.50%	P 1,926,396,728	P 1,926,396,728
Development Bank of the Philippines (DBP)	(f.4)	MT Chelsea Providence, MV Stella Maris	15 years	6.50%	1,821,008,778	1,446,428,571
Philippine Business Bank (PBB)	(c.2)	MV Eagle, MV Archer, MV Saturn	10 years	7.50%	813,238,917	813,238,917
CBC	(b.4)	Real Estate Mortgage	15 years	7.25%	800,000,000	800,000,000
DBP	(f.3)	Trans - Asia 16, 17 and 18 MV San Pedro Calungsod MV San Lorenzo Ruis Uno	15 years	6.50%	584,892,857	584,892,857
DBP	(f.2)	MV St. Nicholas of Myra	15 years	6.50%	526,329,569	526,329,569
DBP	(f.1)	MV Pioneer, MV Reliance	15 years	6.95%	521,280,000	521,280,000
PBB	(c.4)	MV Salve Regina	15 years	7.00%	460,000,000	460,000,000
BDO Unibank, Inc. (BDO)	(a.2)	Trans - Asia 1 and 10	10 years	4.25%	338,707,130	340,323,661
DBP	(f.5)	MV St. Camael and MV St. Sariel	15 years	6.50%	322,037,037	322,037,037
PBB	(c.3)	MV Stella Del Mar	15 years	7.00%	309,222,352	309,222,352
Mega International Commercial Bank Co. (MICBC)	(e)	Continuing Suretyship	5 years	6.10%	247,500,000	247,500,000
Robinsons Bank Corporation (RBC)	(e)	Continuing Suretyship	5 years	6.10%	247,500,000	247,500,000
CTBC Bank (Phils) Inc. (CTBC)	(e)	Continuing Suretyship	5 years	4.09%	247,500,000	247,500,000
CBC	(b.3)	Trans-Asia 15	10 years	7.00%	164,259,259	228,703,704
PBB	(c.1)	MT Chelsea Dominance	7 years	6.06%	227,048,850	227,048,850
PBB	(c.1)	MT Chelsea Endurance	7 years	6.06%	192,578,750	192,578,750
PBB	(c.5)	Pledge of shares of stocks	2 years	10.00%	178,076,500	-
First Commercial Bank, Ltd. (FCB)	(e)	Continuing Suretyship	5 years	6.10%	165,000,000	165,000,000
Rizal Commercial Banking Corp.	(g)	StarLite Sprint I	7 years	9.50%	111,507,790	111,507,790
BDO	(a.1)	MT Chelsea Denise II	2 years	5.50%	90,842,500	90,842,500
Pioneer Insurance & Surety Corporation		Unsecured	2 years	8.00%	48,524,356	-
Asia United Bank (AUB)		MTug Fortis VI, MTug Fortis VII and MTug Fortis VIII	7 years	5.56%	43,943,655	52,116,556
AUB	(d)	MTug Fortis IX and Mtug Fortis X	7 years	7.07%	39,007,630	44,328,852
AUB	(d)	MTug Fortis III and MTug Fortis V	7 years	5.56%	30,990,033	38,722,682
					10,457,392,691	9,943,499,376
Discount on loans payable					43,424,039	43,424,039
					P 10,500,816,730	P 9,986,923,415

Secured Bank Loans

	Security	Terms	Interest Rates	Outstanding Balance			
				2021	2020		
Primary Institutional Lenders	Unsecured	30 to 180 days	4.25% to 7.50%	P	1,452,312,611	P	1,445,076,437
UCPB	MT Chelsea Intrepid						
	MT BMI Patricia	90 days	5.00% to 5.75%		862,450,000		897,500,000
PBB	Unsecured	180 days	9.00%		675,000,000		675,000,000
CBC	Unsecured	60 days	6.00%		500,000,000		500,000,000
Landbank of the Philippines		90 days	9.00%		500,000,000		500,000,000
DBP	MT Chelsea Cherylyn	180 days	4.00 to 4.25%		-		300,000,000
Pentacapital	Unsecured	360 days	6.00%		207,687,854		200,000,000
Union Bank of the Philippines	Unsecured	360 days	4.50%		200,000,000		200,000,000
Robinsons Bank Corporation	MT Chelsea Denise	180 days	5.50%		32,511,949		76,125,000
BDO Unibank Inc	Trans-Asia 1	180 days	6.50%		48,500,000		48,500,000
AUB	Unsecured	30 days	8.00%		33,512,095		21,367,843
DBP	Unsecured	90 days	6.00%		4,822,456		4,847,396
				P	<u>4,516,796,965</u>	P	<u>4,868,416,676</u>

Item 4. Legal Proceedings

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

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

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

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

The transactions subject of the complaints refers to the Charter Agreement between MI and PKI whereby MI agreed to transport on its vessel M/Tkr Ernesto Uno the crude coconut oil ("CCO") of PKI. The Charter Agreement was for a period of two (2) years from January 8, 2009 to January 7, 2011, and the agreed Charter Rate was ₱2,050,000 per month. From December 2009 to July 2010, MI transported PKI's CCO from Mindanao to various ports of destination, and accordingly billed PKI Charter Fees in the amount of ₱15,921,666.67. However, PKI refused to pay the Charter Fees on its allegation that the CCO transported by MI was contaminated with seawater. In its Answer to PKI's Complaint, MI alleged that it proposed several plans to PKI to resolve the alleged contamination but the same were refused by PKI. As these cases have been consolidated, they are being jointly heard.

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

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

This Complaint, which was filed on March 23, 2016, seeks to recover from defendants the sum of ₱11,613,082.78, which represents payment for the tugboat services rendered by the plaintiff to the defendants from the period November 2013 to October 2015. The plaintiff has a prayer for the

issuance of a Writ of Preliminary Attachment against the properties of the defendants on the ground that the latter are guilty of fraud in issuing checks to the plaintiff in payment of their obligations and thereafter issuing a stop payment order on the said checks. Plaintiff also prayed for the grant of Exemplary Damages in the amount of ₱100,000 and Attorney's Fees in the same amount.

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

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

The original Complaint was filed by 79 plaintiffs on April 11, 2000. Plaintiffs were the passenger-survivors and heirs of the casualties of the sinking of MV Asia South Korea which sank off the vicinity of Bantayan Island en route to Iloilo on December 23, 1999. Their total claim for damages is in the amount of ₱380,000,000.00. An Amended and Second Amended Complaint were filed in April and August 2000 respectively. Defendant Trans- Asia Shipping's main defense is that the cause of the accident was force majeure as the vessel was seaworthy and properly manned at the time of accident.

On April 18, 2013, the Regional Trial Court issued its Decision ordering Trans-Asia Shipping to pay ₱801,000.00 for 4 deaths and ₱585,000.00 for 13 survivors or a total of ₱1,386,000.00. Although Trans-Asia Shipping offered to pay in accordance with the Decision, not a single plaintiff accepted payment. Instead, some of the plaintiffs filed their Motion for New Trial, some filed Motion of Reconsideration of the Decision, and some filed their Notice of Appeal. The trial court issued an Order granting new trial for two plaintiffs and set the hearing for reception of evidence for said plaintiffs. The trial court also issued its Order dated March 22, 2016 modifying the award of damages to ₱8,865,399.96 for four deaths and 11 survivors, plus 15% interest on the total monetary award. Trans-Asia Shipping filed its Motion for Reconsideration of the two Orders, which was denied by the trial court. Trans-Asia Shipping has filed its Notice of Appeal. At the May 17, 2017 hearing, plaintiff manifested that they are willing to study the settlement of the case.

In August 2017, the parties signed a Compromise Agreement whereby Trans-Asia Shipping paid the total amount of ₱8,839,313.95 for thirteen (13) Complainants (4 Deaths and 9 Survivors). In October 2017, another three (3) plaintiffs signed a Compromise Agreement whereby Trans-Asia Shipping paid the total amount of ₱594,250.00. On October 6, 2017, the trial court issued its Orders approving the two Compromise Agreement and declaring the case as CLOSED AND TERMINATED insofar as the 16 Complainants are concerned.

Two (2) Complainants, Kenneth Sherwin Chu and Raquel Cometa, have signed a Compromise Agreement and accepted the settlement amount of ₱170,775.00 each. Defendant Trans-Asia is currently working for the settlement of the last remaining Complainant, with a probable settlement in the amount of not more than ₱200,000.00.

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

This Complaint was filed by 5 plaintiffs on October 2009 arising from the sinking of MV Asia South Korea. A Compromise Agreement dated June 18, 2013 was entered into by four of the plaintiffs pursuant to which said plaintiffs agreed to withdraw their claims against Trans-Asia Shipping in return for the payment by defendant of the amount of ₱75,000.00 each to said plaintiffs. Plaintiff Nelly A.

Gangoso pursued this case against Trans-Asia Shipping. Plaintiff Nelly Gangoso and defendant Trans-Asia have completed the presentation of their respective documentary and testimonial evidence. Plaintiff has filed her Memorandum, and defendant was supposed to file its Memorandum on April 28, 2017. On May 28, 2017, a Decision was issued by the trial court, awarding a total of ₱1,050,000 in favor of the plaintiff. Trans-Asia filed its Motion for Reconsideration of the said Decision and when the same was denied, Trans-Asia filed its Appeal which is now pending resolution by the Court of Appeals.

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

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

This Complaint was filed by Trans-Asia in September 2012 to collect the insurance proceeds arising from the sinking of MV Asia Malaysia, which proceeds are in the approximate amount of ₱120,000,000. Said Complaint was filed when defendant Philippine Fire only offered to pay the amount of ₱50,000,000. Defendant Philippine Fire filed its Motion to Dismiss the complaint on the ground of lack of jurisdiction and insufficient docket fees paid. When said Motion to Dismiss was denied, defendant Philippine Fire filed a Petition for Certiorari with the Court of Appeals in December 2014. Said Petition for Certiorari was dismissed by the Court of Appeals on June 28, 2016. On March 30, 2017, the regional trial court issued an Order setting the case for pre-trial on June 9, 2017. At the 9 June hearing, the case was remanded to the Executive Judge for transfer to Branch 11, which is the only commercial court in Cebu City. At Branch 11, Philippine Fire filed a Motion to Suspend Proceedings attaching the Notice of Stay Order issued by the Insurance Commission. Trans-Asia filed its Opposition to Philippine Fire’s Motion to Suspend Proceedings. This matter is now pending resolution by the trial court.

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

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

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

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

The Company’s common shares are traded at the Philippine Stock Exchange (“PSE”) beginning August 8, 2017. The high and low sale prices of each quarterly period for year 2021 are as follows:

Period	2021		2020		2019		2018	
	High	Low	High	Low	High	Low	High	Low
1Q	3.28	3.17	5.89	1.91	7.20	5.59	9.79	7.00
2Q	3.14	3.08	4.29	2.49	8.74	5.08	8.56	6.45
3Q	2.22	2.13	4.65	4.01	9.36	6.22	7.76	5.43
4Q	1.67	1.60	5.39	5.10	7.18	4.73	9.77	4.40

As of January 18, 2022, the market capitalization of the Company, based on the closing price of ₱1.63 per share, was approximately ₱2.969 billion.

Item 2. Holders

The following are the top registered holders of the Company's securities based on the records as of December 31, 2021:

Name of Stockholders	Number of shares held	% to Total
Udenna Corporation	1,275,384,606	70.000
PCD Nominee Corporation (Filipino)	527,946,892	28.977
PCD Nominee Corporation (Non-Filipino)	16,393,000	0.900
Caroline G. Taojo	800,000	0.044
Eggnest Property Corp.	770,000	0.042
Noe B. Taojo	400,000	0.022
Clive C. Kian	50,000	0.003
Rudy B. Manguiat or Mary Aileen C. Manguiat	50,000	0.003
Goldclass, Inc.	35,000	0.002
Jharna P. Chandnani	30,000	0.002
Elvira M. Cruz or Bernardo A. Cruz	25,000	0.001
Ponciano V. Cruz, Jr.	18,000	0.001
Christopher Vincent J. Kokseng or Mery Jean G. Kokseng	15,000	0.001
Myra P. Villanueva	10,800	0.001
Miguelito C. De Guia &/04 Milagros D. De Guia	10,000	0.001
Carlos Catangue Chua	9,300	0.001
Rijohn R. Opon	9,300	0.001
Milagros P. Villanueva	7,300	0.000
Myrna P. Villanueva	7,300	0.000
Marietta V. Cabreza	5,000	0.000
Percival Cirilo Samodio Flores	1,000	0.000
Alexander S. Timbol	100	0.000
Owen Nathaniel S. Au ITF: Li Marcos Au	10	0.000
Eduardo A. Bangayan	1	0.000
Miguel Rene A. Dominguez	1	0.000
Jesus S. Guevara II	1	0.000
Gener T. Mendoza	1	0.000
Arthur Kenneth L. Sy	1	0.000
Cherylyn C. Uy	1	0.000
Efren E. Uy	1	0.000
TOTAL	1,821,977,615	100.000%

Item 3. Dividends

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

Each holder of a common share is entitled to such dividends as may be declared in accordance with the Company's dividend policy. The Company's current dividend policy entitles holders of common shares to receive dividends based on the recommendation of the Board of Directors. Such

recommendation will consider such factors as operating expenses, implementation of business plans, and working capital.

The Company did not declare dividends for the years ended December 31, 2021, 2020, 2019 and 2018.

Item 4. Recent sale of securities

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

The Company executed a Subscription Agreement with Global Kingdom Investments Limited for 500,000 Preferred Shares on July 10, 2020.

Item 5. Corporate Governance

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

The Manual features the following provisions:

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

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

May 18, 2021 Annual Stockholders' Meeting

Question: The question is on the impact of COVID on Chelsea's operations. What is the Company's recovery strategy for the second half of the year in order to mitigate the negative effects of the pandemic?

Reply of President & CEO Chryss Alfonsus V. Damuy: Last year, the immediate measures taken by the Group to address the effects of the Covid pandemic on its businesses included workforce rationalization, improved vessel utilization, route rationalization, enhanced revenue management, disposal of aging and non-performing vessels, cost-cutting initiatives and the suspension of uncommitted capital expenditure programs. In addition to these, the Company has availed of the extension periods for loan payments provided under Bayanihan Acts 1 and 2, to ease its cash flow. As reported in the 2020 financial results, EBITDA remains to be positive, but bottomline has been down significantly. However, with these initiatives, the Company is in the best position to bounce-back once the country's economy will be back on its feet and we will be at the new normal. The Company will continue to implement the cost-savings measures we mentioned even when business starts to recover. With these, we expect the Company to be in a positive territory or with positive cash flow in early to mid 2022 as we see 2021 to be the recovery period.