



2021 ANNUAL REPORT

# SAILING ON







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## ABOUT THE COVER: SAILING ON

### The darkest hour is just before the dawn.

While the year 2020 knocked the wind out of our sail, the challenges in 2021 gave us new opportunities to apply the hard lessons learned from the past year. From charting uncertain waters, Chelsea Logistics is now positioned to sail towards a brighter horizon filled with hope and determination and eager to forge ahead with innovation, collaboration, and service.

In 2021, we experienced significant growth in some of our business segments as the industry and the economy started to slowly recover. More business establishments re-opened and the mobility restrictions in the areas where we operate have been relaxed. As business fundamentals remain strong and with the efficient roll-out of COVID-19 vaccinations, we are committed to continuously implement our recovery strategies which will, hopefully, turn the tide for the Group.

# VISION

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

# MISSION

- We transport passengers, cargoes, petroleum, oil, chemicals and other bulk products.
- We satisfy our customers' needs through reliable, punctual, efficient and safe service.
- We constantly challenge ourselves to do better and to perform beyond what is expected.
- We care for the community and the environment by applying the best practices in ship management, adhering to global standards.
- We deliver superior returns to our stakeholders through prudent stewardship of our resources.

# VALUES

## INTEGRITY

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

## PASSION

We are motivated and driven in what we do.

## ENTERPRISE

We seize opportunities to enhance our growth.

## TEAMWORK

We work as one to deliver our commitments.

## EXCELLENCE

We deliver unsurpassed performance in all our endeavours.

## STEWARDSHIP

We utilize our assets responsibly.







## MESSAGE FROM THE CHAIRMAN & FOUNDER

### Dear fellow Shareholders,

It has been almost two years since COVID-19 disrupted the world's economy and significantly affected the shipping and logistics industry including shipping and port operators, government authorities, shippers, seafarers, passengers, and supply chain workers.

We then asked ourselves, "So what now? Are we going to wait for the storm to calm down or embrace the storm and look for the value it brings?"

Greek shipping magnate Aristotle Onassis once said, "We must free ourselves of the hope that the sea will ever rest. We must learn to sail in high winds."

We have accepted the fact that COVID-19 will likely be with us for a longer time. We have firmed up our resolve to live with the virus and not fight it.

Hence, we sailed on amidst the pandemic.

Instead of losing heart, Chelsea Logistics kept going, serving, and growing. It focused on its mission to connect people, goods, livelihood, and businesses.

### SAILING INTO THE WINDS

We have faced a series of varying lockdowns and travel restrictions caused by the growing threat of Delta and Omicron variants which resulted in a significant decline of passenger travels since 2020. According to the Department of Tourism, tourist arrivals in the Philippines from top markets like Japan, South Korea and China declined by 83%, from 8.26 million in 2019 to 1.48 million in 2020. Our passage business experienced a big dip in the last two years. We capped 2021 with a revenue of PhP 293M, 42% down from 2020.





We faced the challenges in the passage business head on and committed to not let it dictate our way forward. On 17 July 2021, we pushed through with the launch of the biggest brand-new ROPAX in the Philippines, MV Trans-Asia 21 - built in Japan and meticulously configured for the Philippine waters to perform well even in rough sea conditions. It is a one-of-a-kind vessel as it promotes sustainable shipping, putting us at par with the global shipping standards. It was strategically deployed in one of our major and busiest ports in Mindanao - Cagayan De Oro. We are certain that the Cebu-CDO route will give us limitless opportunities to connect goods, services, and more passengers to their desired destination.

To improve our revenue streams, Starlite Ferries launched three strategic routes and expanded its presence in the Visayas and Mindanao regions. It also launched a new business line, Starlite Express, a parcel delivery service offered nationwide.

Simultaneous with the launch of Batangas-Bogo City, Cebu was the launch of MV Starlite Phoenix, a three-year old vessel also made in Japan. Aptly named Phoenix, the vessel symbolizes the Chelsea Group's conviction to emerge stronger from the challenges caused by the pandemic. Just as the mythical bird carries hope, rebirth, and grace, the Group is strategically positioned to recover, redirect its business goals, and sail forward in the new normal.

On the ground, we completed the development of our e-commerce facility in Bicutan, Paranaque. This is our proactive approach to the booming e-commerce industry as the Philippine logistics market is expected to cross PhP 1 Trillion by 2024 due to the rising middle class, high consumer spending, and a young and vibrant, tech-savvy population.

We remained flexible and agile. We continued working on our pre-pandemic strategies such as improved vessel utilization, route rationalization, enhanced revenue management, disposal of aging and non-performing vessels, and continuous re-fleeting and upgrading of vessels in support of the government's shipping modernization program.

**70%** Digital Transformation Implementation Rate

## SAILING TOWARDS A DIGITAL FUTURE

The pandemic accelerated some positive changes in the Company. During the industry's downtime in the past two years, we worked on our digital transformation and made significant upgrades to our digital platforms.

Internally, we converted our manual processes to automatic applications to assist employees while on flexible work arrangements. To improve customer relations, we invested on several digital upgrades including website, online booking system, warehouse and transportation management system. We also rolled out a business intelligence tool to gather data and analytics to predict consumer behavior, improve decision-making, and monitor market trends. Through this, we were able to clearly see our clients, making it easier for us to reach and understand them.

As of the end of 2021, the Chelsea Group has accomplished 70% of its five-year digital transformation program.

**5 year** Digital Transformation Program





## SAILING BEYOND 5 YEARS

On 26 August 2021, Chelsea Logistics celebrated its 5th Anniversary with the theme “Focused Forward”. We are determined to move up and forward after the crisis brought us to our lowest point in 2020.

From the uncertainty of the past year, we are now seeing a glimpse of hope in the domestic shipping and logistics industry as the country’s GDP grew 5.6% in 2021. All industries under the Services sector registered growth in the fourth quarter of 2021. This brought the annual growth rate to 5.3% in 2021, a stark contrast to -9.2% in 2020.

As of April 2022, 63% of the Philippine population has been fully vaccinated. We see the government’s effective vaccine roll-out restoring passengers’ confidence to travel and consumer demand to pre-pandemic levels. UK- based think tank Oxford Economics reported that domestic travelers will account for almost 80% of tourists this 2022. This is higher than the pre-pandemic level of over 60%. The Department of Tourism has already released a 2022 recovery plan with the end goal of a sustainable, resilient, and inclusive Philippine tourism industry.

**93%**  
fully vaccinated



The role of logistics in fostering economic development and growth has been amplified by COVID-19. Lockdowns have increased online consumer activity, with the sector’s top players witnessing an increase of more than 2 to 3 million visits a month on mobile applications and websites. According to Ken Research, the Philippine e-commerce logistics market is expected to grow at a CAGR of 29% based on the number of shipments delivered over the forecast period 2020-2025.

These are indeed great news which bring an exciting opportunity to adapt and innovate.

Being the third-largest archipelago in the world with the fifth-longest coastline, the Philippines still needs the most cost-efficient way with the lowest environmental footprint in the transport segment. Shipping plays an indispensable role in world trade which is the backbone of the world economy.

That’s why, during the second half of 2021, we heightened our employee vaccination drive as the Philippines is one of the major providers of maritime manpower. We ended the year as a 93% fully vaccinated company, composed of 803 sea-based and 1,162 land-based employees. We also reached out to the employees’ dependents for them to be vaccinated too, and Udenna Corporation, our parent company, has offered to sponsor this endeavor.

In 2021, we made possible what seems impossible to achieve during the height of the pandemic. We made sure we kept going, serving, and growing. We may not be able to see the sun during the storm, but we believe it’s just always up there.

I thank the 2,041 team members in the Chelsea Family whose commitment and talent are without measure in the face of uncertainty. As we slowly go back to our offices, our teams are encouraged to keep cultivating a culture of innovation, collaboration, and transparency.

To our dear shareholders, business partners, and regulators, please accept our sincerest appreciation for your continued support, kindness, and understanding. It is difficult now, but we are certain that the learnings from this global health crisis can pave the way for the road to recovery. We know we have a long way to go, and I hope you join hands with us to sail beyond five years.

Padayon sa pakigbisog. Kumbati!

*Dennis*  
Dennis A. Uy



# PRESIDENT & CEO'S REVIEW



## Setting Our Sail to Recovery

Dear fellow Shareholders,

In 2020, we fought our toughest battle. We recorded our lowest low and witnessed the worst revenue performance since the Group started in 2016. With firm resolve, we committed to bounce back and sailed into the winds determined to weather the year's storms. We started 2021 full of optimism, expecting a slow but steady recovery not only for the Group but for the entire shipping industry. However, new COVID-19 variants, varying lockdown levels, travel restrictions, low demand for petroleum, and hesitancy of people to travel, continued to prevail in 2021. As a result of these factors that caused disruption in the supply chain, the Group's 2021 revenue fell by 4%, year-on-year, at PhP 4.469B. On the brighter side, the crisis gave birth to innovations and digital transformation that enabled us to remain afloat and slowly recover in some business segments.

Our shipping business recorded an 8% decline from PhP 4.311B in 2020 to PhP 3.950B in 2021. It was sustained by our Freight services which contributed 61% to the Group's total revenue. The growing consumer preference for online shopping amid lockdowns and increasing internet penetration resulted in robust cargo movement. The Freight business also experienced a slight surge during the latter part of the year with the transport of relief goods/aid caused by Typhoon Odette.

With a tanker capacity of 112.47M Liters, passage capacity of 15,188 passengers and cargo capacity of 375 rolling cargoes and 2,580 twenty equivalent units (TEU), your Company's shipping business ended 2021 with 29 shipping routes and 70 vessels.



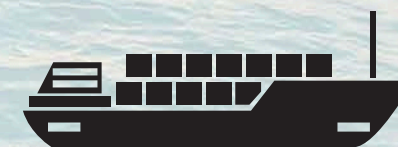
15 TANKERS



15 TUGBOATS



22 ROPAXES



9 CARGO VESSELS



9 FASTCRAFTS



77 DELIVERY TRUCKS





## Tanker and Tugboat Businesses

The Tanker and Tugboat services recorded a revenue of PhP 554M and PhP 328M respectively, down by 52% and 7% as compared to 2020.

The continued travel restrictions and business interruptions due to the COVID-19 pandemic slowed down the recovery in oil demand. In June 2021, petroleum consumption for the Philippines was 425,000.25 barrels per day, 10% lower compared to pre-pandemic period in 2019. While Chelsea Shipping tankers' utilization rate improved at 74% (2,513 actual days) in 2021 from 62% (2,197.51 actual days) in 2020, the total volume of liquid shipped for the year dropped to 343,104,829 liters, down by 29% against 2020.

Our Tanker business struggled with vessel availability as 3 tankers extended their drydocking, while 2 were on scheduled drydock for the year, and another 3 were on cold lay-up. On a positive note, our biggest medium-range tanker, MT Chelsea Providence continued to serve chartering requirements of Prime Tankers, a multinational company. Before the year ended, we were able to sell Great Diamond, the 146-meter tanker with 9,366 GRT, to manage the Company's fixed assets.

For our Tugboat business, with our drydocking and preventive maintenance procedures, vessel availability rate was 81%. However, even as 5 tugboats went back to trading in 2021, the number of tugboat movements dropped from 6,525 in 2020 to 6,094 in 2021. This was due to the limited number of vessel calls in Batangas and the cessation of operations in Villanueva, Cagayan De Oro.

## Passage Business

According to the Philippine Ports Authority (PPA) 2021 report, the number of passengers accommodated at the country's ports declined by 10.26% to 22.33M from 24.89M in 2020. The passenger volume in 2021 went further below pre-pandemic level in 2019, which stood at 83.72M.

Aside from the occasional lockdowns in 2021, our shipping segment faced several challenges caused by the continuing health crisis. In March 2021, MARINA implemented the 50% reduction in passenger capacity per voyage. The varying nationwide health and safety protocols on RT-PCR, S-PASS, and vaccination requirements resulted in lower passenger volume. This volume further dipped during the surge of Delta variant from July to September 2021. With this situation, our Passage Business recorded a revenue of PhP 293M only, a 42% decline from 2020.



Starlite Ferries launched 3 new strategic routes, expanding its presence in the Visayas and Mindanao regions: (1) Batangas to Antique and Estancia, (2) Batangas to Bogo City, Cebu, and (3) Cebu to Nasipit. Starlite's parcel delivery service, Starlite Express, commenced operations in July 2021 to widen its customer base and serve as an alternative source of revenue while passenger movement was restricted.



As part of our pre-pandemic program to move forward with our commitment to provide Filipinos a fleet of modern, fuel efficient, clean, and superior quality ships, Trans-Asia Shipping Lines deployed MV Trans-Asia 21, built by international shipbuilder, Fukuoka Shipbuilding Co., Ltd. in Japan. It is the biggest brand-new ROPAX vessel in the country, measuring 123 meters in length and a GRT of approximately 8,800 tons. It can carry 1,051 passengers and commenced serving the Cebu-Cagayan De Oro-Cebu route in July 2021.

In the Group's Passenger segment, The SuperCat Fast Ferry had the toughest battle in 2021. It ceased operations in the second half of 2021 due to low passenger volume caused by the COVID pandemic. To generate revenue, SuperCat ventured into the chartering business and moved 2 of its vessels for operation in the Manila Bay area.

The pandemic taught us that digital transformation is not aspirational but rather foundational. Hence, we streamlined our technology investments. We hosted all internal applications on the Cloud for the benefit of our employees and ensured our customers' easy access to our services through their smart phones.

In March 2021, Starlite Ferries, Trans-Asia, and SuperCat rolled out their unified online booking system, allowing customers and partner agencies to place their bookings at their most convenient time. This online ticketing system, developed in partnership with BARKOTA, optimizes customer service since the application is capable of ticket management (i.e., refund, book, void, rebook) and ticket history viewing. Passenger tickets sold online under Starlite and Trans-Asia recorded 441,897, breaching the PhP 5M mark online sales volume.

The Group also tapped Amazon Web Services (AWS) for hosting major applications on the Cloud. The consolidation allowed the integration of real-time data via AWS QuickSight Business Intelligence tool. This interactive and secure digital solution has allowed the Group to take the pulse of its customers in real time, adapting to their behavior/lifestyle changes while providing customized shipping and logistics solutions.





Internally, the Group hastened its digitization efforts by converting manual processes to automatic applications which enhanced employees' performance and customer interaction. SuperCat and Trans-Asia Shipping Lines now use SAP S4 HANA, a future-ready enterprise resource planning (ERP) system with built-in intelligent technologies, improved access to real-time financial transactions and advanced analytics resulting in better forecasting.

Fortunately for the Passage business, there was recovery towards year end when the alert level status was lowered in all areas being served by the Group. We capped the year with 13,191 consolidated trips, down by 11% from 2020 and carried a total of 686,096 passengers, 47% down year-on-year.

## Freight Business

Data from the PPA showed that cargo volume in 2021 reached 266.76 million metric tons (MMT), up by 9.33% from 243.99 MMT in 2020. The volume surpassed the PPA's 7% growth target for 2021 and was 0.13% higher than pre-pandemic level in 2019, which was at 266.42 MMT.

Domestic cargo, which accounted for 36% of the total cargo throughput in 2021, grew by 3.49% year-on-year to 96.86 MMT. Foreign cargo recovered despite the uncertainty caused by the pandemic, posting a 12.97% year-on-year jump to 169.90 MMT.

Our Freight and Cargo business stood resilient and showed remarkable recovery in 2021, recording a revenue of PhP 2.727B, up by 30% year-on-year.

Cargo volume improved significantly throughout the year. Cargo utilization for both Starlite Ferries and Trans-Asia was at a high of 97% and 90% respectively, a 78% and 123% attainment against budget. Starlite Ferries ended 2021 with a total volume of 176,539 rolling cargoes, up by 32% from 134,140 rolling cargoes in 2020. While Trans-Asia recorded a total volume of 59,245 TEU, up by 7% from 55,190 TEU in 2020.

Our resilience was further shown when our Freight business in Manila, operated by TASLI Services, recorded a 15% increase in vessel utilization and increased revenue by PhP10M despite the unavailability of freighters. TASLI Services logged 129 trips resulting in a revenue of PhP 375.2M, up by 17% from 2020. Total volume of cargoes in and out of Manila surged 16%, including that of co-loading volume.

## Logistics and Distribution Business

Revenue of our Logistics services increased by 41%, from PhP 368M in 2020 to PhP 519M in 2021.

While our logistics arm, Worklink Services Inc., was faced by a series of lockdowns up to the third quarter of 2021, this did not stop the Team from realizing its digital transformation.

Worklink Services launched a new warehousing and transport management system to increase supply chain efficiency, improve the flow of incoming and outgoing inventory, and track drivers and shipments' real-time movement. With the promising growth of e-commerce logistics, Worklink is positioned to provide a seamless experience across all its customer touch points through its newly developed e-commerce facility in Bicutan, Paranaque. It capped the year with 77 delivery trucks and a total of 315,132 delivery transactions, up by 20% year-on-year.

## Responsible Business

Despite the challenges brought by the COVID-19 pandemic, the Group still strived to positively contribute to the environment and communities through its Corporate Social Responsibility programs. Guided by our Corporate Values of "Malasakit" and Teamwork, we are committed to executing Bayanihan projects in line with the Sustainable Development Goals of the United Nations.



Driving responsible business was made possible by our dedicated team members. My sincerest thanks to all our seafarers onboard our vessels who have been operating our fleet at the highest level of performance. My gratitude as well to our logistics and office frontliners. We know you have faced several challenges during the pandemic, having to work far from home, dealing with various enhanced procedures to ensure safe and continued operations. I extend my deepest appreciation for your continuous commitment and support to keep our operations running smoothly as normal.

And to our business partners, suppliers, government regulators, media agencies, thank you for your trust and understanding. We would not be sailing forward, after almost 2 years of the pandemic, if it were not for your continuing and indispensable assistance.

This pandemic continues to test our business. This year, we did not just survive the challenges, but we have emerged stronger than ever. Chelsea Logistics has unfailingly demonstrated the ability to persevere, adapt and thrive. Knowing this gives us the confidence that our business will rally again.

The future holds much promise for our business, and we are confident in delivering value for our shareholders while providing unrivalled service to all our stakeholders.

Sincerely,

Chryss Alfonsus V. Damuy





# OUR BUSINESSES

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



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



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



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



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



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



**Worklink Services, Inc.** offers nationwide logistics support (i.e. delivery of general cargo, trucking services, warehouse management, customs brokerage, manpower services, kinetic marketing services). It was acquired by Chelsea in November 2017.



# GROUP MAP

CHELSEA LOGISTICS & INFRASTRUCTURE HOLDINGS CORP.

**WORKLINK SERVICES, INC.**

**TASLI SERVICES, INC.**

**THE SUPERCAT FAST FERRY CORPORATION**

**STARLITE FERRIES, INC.**

**TRANS-ASIA SHIPPING LINES, INCORPORATED**

**CHELSEA SHIPPING CORP.**

Starbites Food Services Corp.  
Starlight Gallant Ferries, Inc.  
Starlite Premiere Ferries, Inc.

Quality Metals and Shipworks, Inc.  
Oceanstar Shipping Corporation  
Dynamic Cuisine, Inc.  
Starsy Shoppe, Inc.  
Star Maritima Port and Allied Service, Inc.  
Big Hub Transport and Logistis Corp.

Chelsea Dockyard Corp.  
Chelsea Ship Management and Marine Services Corp.  
Chelsea Marine Manpower Resources Inc.  
CD Ship Management and Marine Services Corp.  
Bunkers Manila, Incorporated  
Michael, Inc.  
PNX-Chelsea Shipping Corp.  
Chelsea Shipping and Logistics Singapore Pte. Ltd.  
Fortis Tugs Corporation i. Davao Gulf Marine Services, Inc.

**DITO TELECOMMUNITY CORPORATION**

**UDENNA INVESTMENT B.V., INC.**



# CHELSEA LOGISTICS & INFRASTRUCTURE HOLDINGS CORP.

## 2021 MILESTONES

**1 MAR**

Chelsea launches "Hello Summer" Campaign

**26 AUG**

Chelsea Logistics celebrates 5th Anniversary: Focused Forward

**20 NOV**

Chelsea buys out shares of ES Consultancy in KGLI-NM Holdings

Trans-Asia plants 250 trees in Sitio Madre de Cacawan Brgy. Adlaon, Cebu

Trans-Asia and Stalite prioritize cargoes for relief operations

**10 JUNE**

Chelsea equips employees with Google Digital Tools

**3 AUG**

Trans-Asia, SuperCat, and Starlite roll out business intelligence dashboard

**21 SEPT**

UDENNA Foundation, PAF, Worklink, and Phoenix Super LPG provide food packs to 200 families

**5 OCT**

**17 JAN**

Worklink holds annual bloodletting activity, donating 20 bags of blood

**3 MAR**

Trans-Asia, SuperCat, and Starlite launch unified online ticketing system

TSI conducts first Learning Session

**17 JULY**

Trans-Asia deploys biggest brand new RoPax vessel: Trans-Asia 21

**19 DEC**

**20 MAR**

Starlite offers 200 free Ro-Ro seats for Antiquenos

**31 JULY**

Starlite Ferries expands in Bogo City with its newest vessel, MV Starlite Phoenix

Chelsea Group offers up to 20% discount to all local seafarers

**22 SEPT**

Chelsea Logistics participates in Inquirer's Project Rebound Webinar

**9 DEC**

Starlite Ferries launches a new route: Cebu-Nasipit

Fully vaccinated Chelsea employees reach 93% in December 2021

**2 MAR**

Trans-Asia organizes coastal clean-up in IL Corso, South Road Properties in Cebu, collecting 200 kilos of garbage

SuperCat launches SAP S4/HANA

**17 AUG**

Chelsea Shipping celebrates 15th Anniversary

**7 SEPT**

Starlite Ferries celebrates the National Maritime Week by donating seven bags of blood

**2 NOV**

Trans-Asia launches SAP S4/HANA

**31 DEC**

Chelsea sells 2GO stake to SM Investments Corporation

**3 JULY**



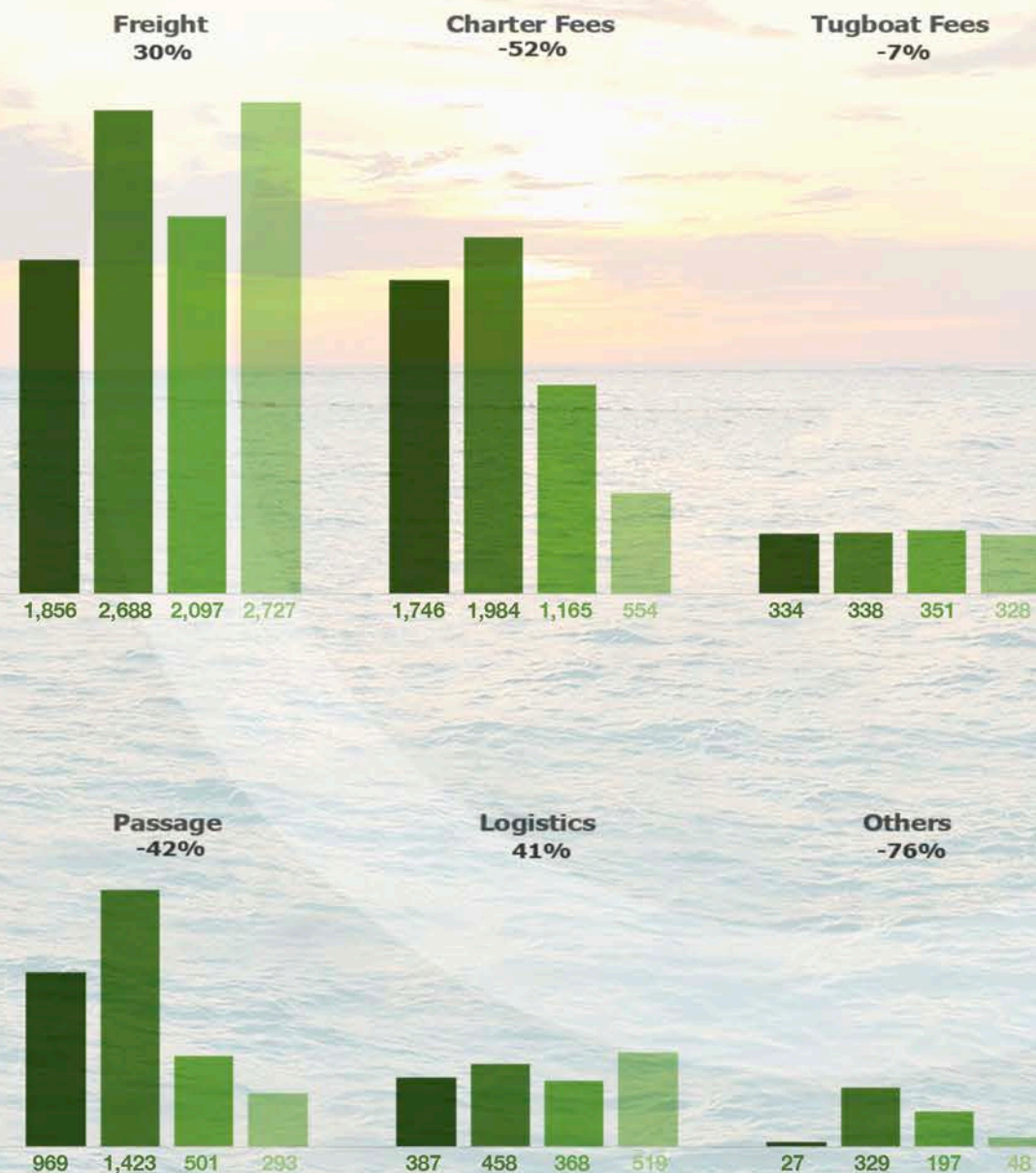
## FINANCIAL HIGHLIGHTS

(in millions)

	2018	2019	2020	2021	
<b>REVENUES</b>	5,319	7,220	4,679	<b>4,469</b>	<b>-4%</b>
<b>GROSS PROFIT (LOSS)</b>	1,489	1,631	(619)	<b>(510)</b>	<b>-18%</b>
<b>OPERATING PROFIT (LOSS)</b>	589	635	(2,423)	<b>(2,001)</b>	<b>-17%</b>
<b>NET LOSS BEFORE TAX</b>	622	972	2,902	<b>3,971</b>	<b>37%</b>
<b>EBITDA</b>	1,472	2,011	205	<b>(31)</b>	<b>-115%</b>
<b>TOTAL ASSETS</b>	32,291	41,004	37,355	<b>34,122</b>	<b>-9%</b>
<b>TOTAL LIABILITIES</b>	19,366	28,551	27,869	<b>28,472</b>	<b>2%</b>
<b>TOTAL EQUITY</b>	12,925	12,454	9,486	<b>5,650</b>	<b>-40%</b>

## REVENUE PER BUSINESS SEGMENT

(in millions)



# FINANCIAL HIGHLIGHTS

The Group was able to cut the operating losses by 17% to PhP 2.001 billion with freight and logistics segments growing by 30% and 41%, respectively. The Group however reported a net loss of PhP 3.906 billion, an 18% increase year-on-year, due to nonrecurring items which include the sale of assets below book value. Excluding these one-time items, Chelsea Group's net loss would have improved by 18% year-on-year from PhP 5.157 billion in 2020 to PhP 4.253 billion in 2021.

Consolidated revenues were down by 4% to PhP 4.469 billion on the back of declines in the Group's passenger, tanker and tugboat businesses. However, declines were strongly mitigated by the strong growth in the freight and logistics segments.





The pandemic accelerated some positive changes in the Company. During the industry's downtime in the past two years, we worked on our digital transformation and made significant upgrades to our digital platforms.

As of the end of 2021, the Chelsea Group has accomplished 70% of its five-year digital transformation program.





## Optimizing Vessel Utilization

In 2021, Chelsea Shipping Corp. tankers' utilization rate improved to 74% (2,513 actual days) from 62% (2,197.51 actual days) in 2020. However, the total volume of products shipped for the year dropped to 343,104,829 liters, down by 29% compared to 2020. This was due to the lower demand for petroleum and other products as a result of travel restrictions and business interruptions.

Despite the economic and mobility impact of the COVID pandemic, including widespread shutdowns across the world, Chelsea Shipping was able to keep the tankering business afloat with nominations from domestic and regional clients.



Chelsea Providence, the flagship tanker of Chelsea Shipping and the largest registered medium-range tanker in the country, continued its time charter with Prime Tankers, a company with operations overseas. In May 2021, Chelsea Dominance started its Bareboat Charter (BBC) with Prime Tankers while in June 2021, Chelsea Enterprise completed its drydocking and immediately started trading in Mindanao. Chelsea Excellence and Chelsea Cherylyn were both fully utilized, serving the requirements of Cebu Pacific, Phoenix Petroleum, and FILOIL.







**67,487** TONS

Gross Registered Tonnage (Tankers)

**3,603** TONS

Gross Registered Tonnage (Tugs)

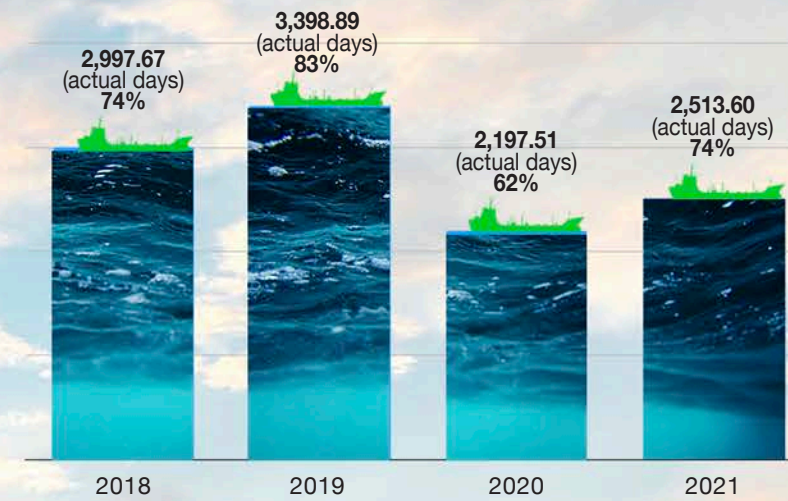
On the other hand, the drydocking of 5 out of the 16 tankers was extended due to unavailability of needed spare parts, suppliers, and financial challenges, while 3 barges remained on cold lay-up in 2021. Chelsea Thelma ended its BBC Contract with Seagull in October 2021 and was sold in accordance with the Company's program on management of its fixed assets.

The tug assist and salvage operations of Fortis Tugs, a subsidiary of Chelsea Shipping, continued to serve various ports in Calaca, Batangas, Misamis Oriental, Cebu City, and Davao.

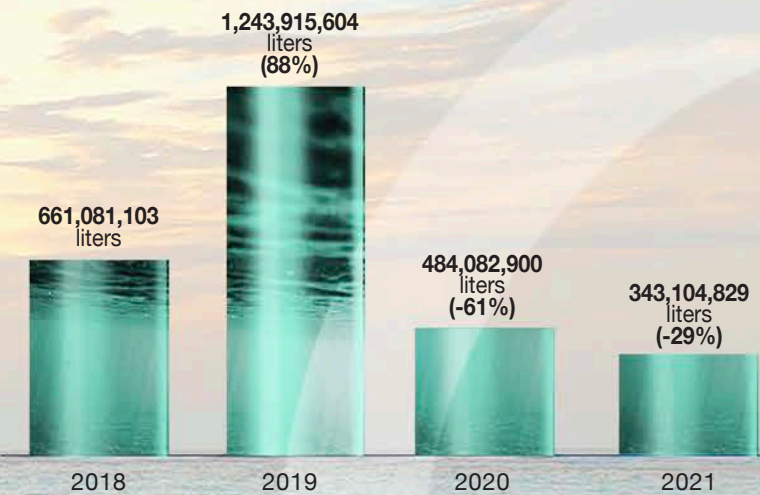
In February 2021, M/Tug Fortis VIII was deployed in Davao, adding to the fleet of Davao Gulf Marine Services, Inc. Five tugboats namely M/Tug Fortis II, Fortis VII, Fortis VIII, Fortis XV, and Pindasan successfully completed their drydocking in 2021 and went back to trading. However, due to the extended dry docking, the vessel availability rate declined by 22%, from 102% (5,530 actual days) in 2020 to 81% (4,296 actual days) in 2021. Moreover, with the limited number of vessels assisted in Batangas and the cessation of operation in Villanueva, Cagayan De Oro, the number of tugboat movements dropped, from 6,525 in 2020 to 6,094 in 2021.

Chelsea Shipping ended the year with 15 tankers and 15 tugboats. The tankering and tugboat services recorded a revenue of Php536 Million and Php330 Million respectively, down by 54% and 6% as compared to 2020.

## TANKER UTILIZATION RATE



## TOTAL VOLUME OF LIQUID SHIPPED



**112,474,000** @98%

Liters of Tanker Capacity







## Sailing to New Horizons

Starlite Ferries, Inc. had a stellar performance in 2021, with three new routes, a new business line, an improved website and enhanced online ticketing system. The Team's innovative efforts resulted in an increased revenue of PhP1.341 billion, up by 48% from 2020.

The year 2021 witnessed how Starlite Ferries demonstrated its resilience and persistence to adapt to the rapidly evolving pandemic situation. The Company heightened its financial management strategies by implementing prepaid sales promotion and rate adjustments for freight and passage services to support the cashflow needed for drydocking. Starlite Ferries was able to realize a 30% fuel cost savings with vessels operating at their economical speed.

In July 2021, Starlite Ferries launched Starlite Express, a parcel delivery service which widened its customer base and contributed to its bottom line. Starlite Express capped the year with 9,987 transactions and PhP 4.22 million revenue.







Starlite Ferries further expanded its presence in the Visayas and Mindanao regions with the launch of three strategic routes:

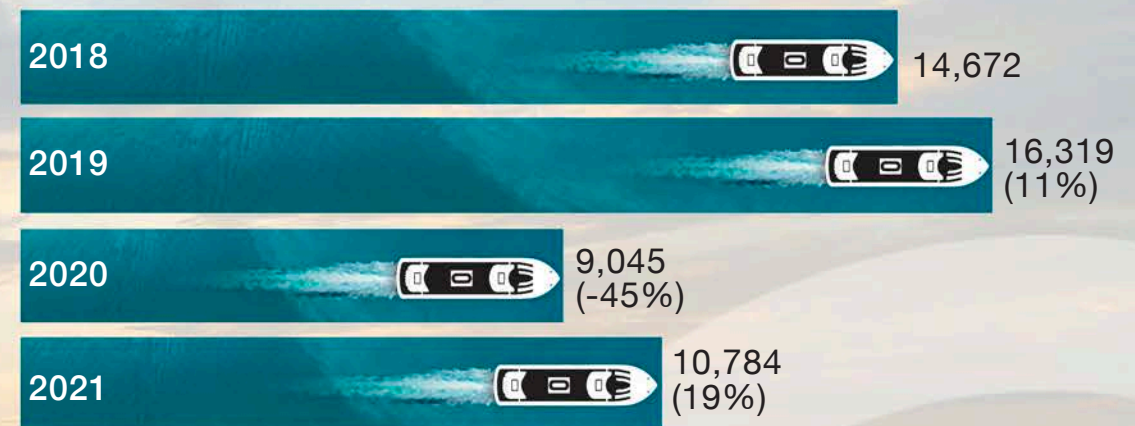
- Batangas to Antique and Estancia (1 trip/week)
- Batangas to Bogo City, Cebu (3 trips/ week)
- Cebu to Nasipit (4 trips/week)

Concurrent with the launch of its Batangas-Bogo Cebu route, Starlite Ferries introduced the newest addition to its fleet, MV Starlite Phoenix. A three-year old ROPAX vessel, MV Starlite Phoenix was built in Kegoya Japan and uniquely designed for Philippine waters. With a GRT of 5,100 metric tons, MV Starlite Phoenix can carry a total of 690 passengers, 22 units of trucks and buses, and 6 units of six-wheeler forward trucks.

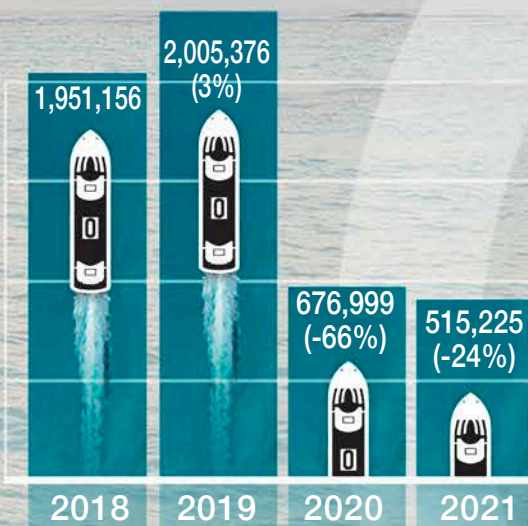
Amid the increasing COVID-19 cases in the country, Starlite Ferries accelerated its digitalization initiative and rolled out an online ticketing system for both passage and freight businesses. The Company upgraded its website features to increase web traffic and improve user experience. Starlite Ferries tapped Amazon Web Services (AWS) for its business intelligence tool, Quicksight. This valuable investment has helped the Management to better understand its target customers, find trends in customer behavior, and measure the effectiveness of marketing efforts across all channels.



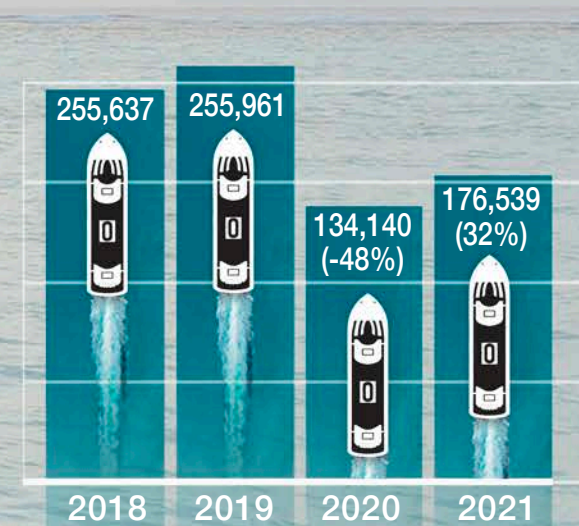
## TOTAL TRIPS



## TOTAL PASSENGERS CARRIED



## TOTAL CARGOES CARRIED







*SuperCat*  
A Chelsea Company

## Strengthening Resilience Through Digital Progress

The SuperCat Fast Ferry Corporation experienced yet another tough year as trips were suspended in the second half of 2021 due to low volume and limited movement of passengers caused by the COVID-19 pandemic. The Company recorded a revenue of PhP 12.7 Million in 2021, 92% down year-on-year, with operations only on its Bacolod-Iloilo route.

In 2021, SuperCat's total number of trips and carried passengers further dropped to 429 and 40,062 respectively, an 88% and 91% decline from 2020.

While the SuperCat fleet has been laid up for the longest time, it did not stop the Team from accomplishing its digitalization initiatives. In April 2021, the Company launched its new online ticketing system which offers fast, reliable, and user-friendly interface. Supercat also expanded its online payment gateways to include GCASH and EC Pay, providing alternative payment modes to passengers and shippers. The Company successfully decommissioned its financial legacy systems and upgraded the same to SAP S4/HANA, an Enterprise Resource Planning software.





## SuperCat SAFETY TIPS

1. Frequently wash your hands for at least 20 seconds.
2. Always wear your mask and face shield.
3. Wear your mask properly. Your mask should be covering your nose, mouth, and chin.
4. Always practice the 1-meter social distancing rule.
5. Avoid crowded areas.
6. Always bring sanitizer or alcohol.
7. Practice healthy habits more often such as exercising and eating a balanced meal everyday.
8. Stay informed. Read updates on health protocols issued by the DOH and by reliable sources.
9. Get a vaccine when it's available to you. The faster everyone gets a vaccine, the faster we can get back to normal.

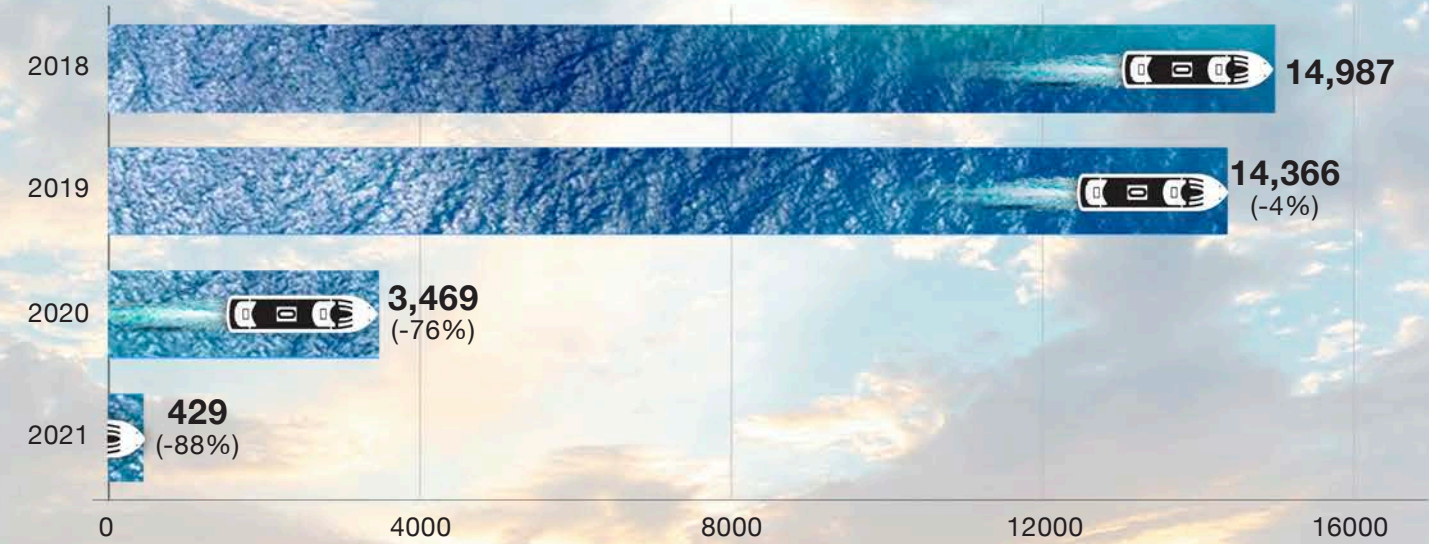
Despite the disruption in its operations, SuperCat's Facebook page remains relevant and engaging, closing the year with 34,904 followers, up by 17% from 2020.

To manage its operational cost, SuperCat moved to its new office at Trans-Asia Building. In the later part of 2021, Supercat was able to charter out St. Uriel and Sprint 1 and moved these vessels for operation to the Manila Bay areas.

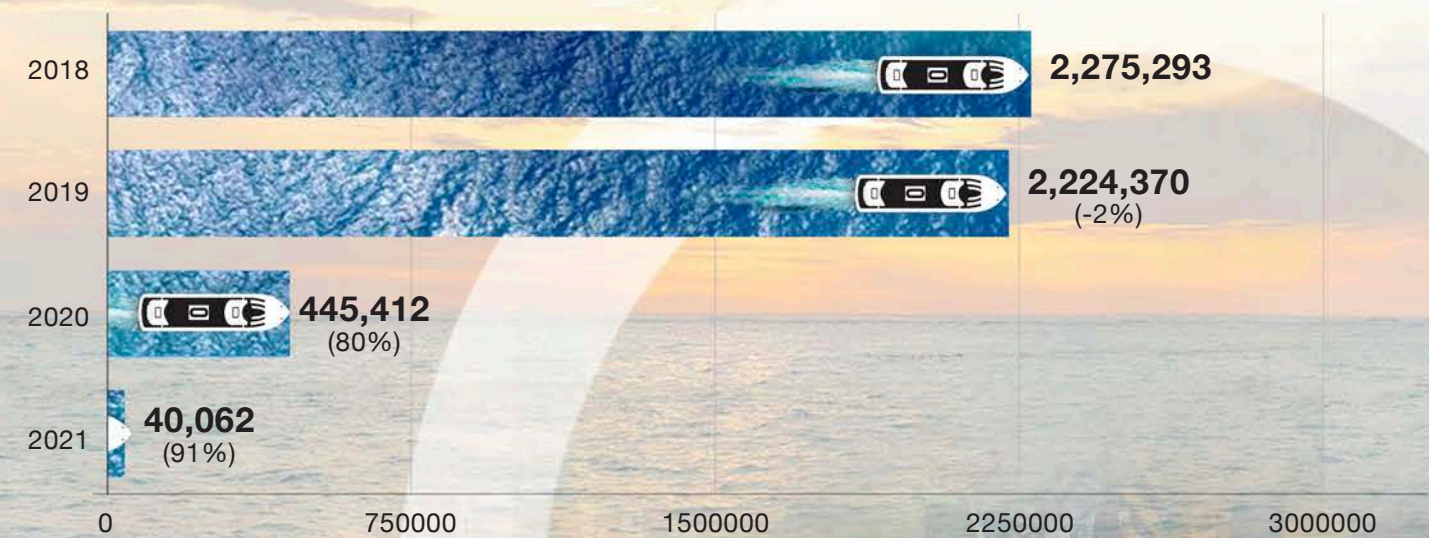
While its employees are on a flexible work arrangement, the Company ensured that they got vaccinated in preparation for the resumption of trips. As of December 2021, 90% of SuperCat's 149 employees are fully vaccinated, eager and excited to welcome back its passengers on board.



## TOTAL TRIPS



## TOTAL PASSENGERS CARRIED







## Driving Change Through Sustainable Shipping and Technology



It was an eventful year for Trans-Asia Shipping Lines, Incorporated. From deploying a brand-new vessel to activating its online ticketing system and upgrading to SAP S4 HANA financial system, Trans-Asia realized a total revenue of PhP 134.34 billion, up by 9% from 2020.

In July, Trans-Asia successfully launched 'MV Trans-Asia 21', the biggest brand new ROPAX vessel in the Philippines to serve the Cebu-Cagayan de Oro-Cebu route. MV Trans-Asia 21 was meticulously configured for the Philippine waters designed to perform well even in rough sea conditions as its hull design reduces drag thus improving efficiency. With its state-of-the-art bridge equipment and advanced engine machineries and propulsion, Trans-Asia 21 is the most energy-efficient ship of its class. MV Trans-Asia 21 is Trans-Asia's 15th vessel and measures 123 meters in length and has a GRT of approximately 8,800 tons. This vessel can carry 1,051 passengers and can accommodate 10' and 20' container vans, 20' plugged-in reefer vans, buses, 10-wheeler trucks and heavy equipment units.







As most customers look for convenient and safer ways to purchase their tickets during the pandemic, Trans-Asia pushed for the roll-out of the unified booking system, together with Starlite Ferries and SuperCat. This digitalization effort delivered an additional PhP 6 Million revenue to Trans-Asia's sales in 2021.

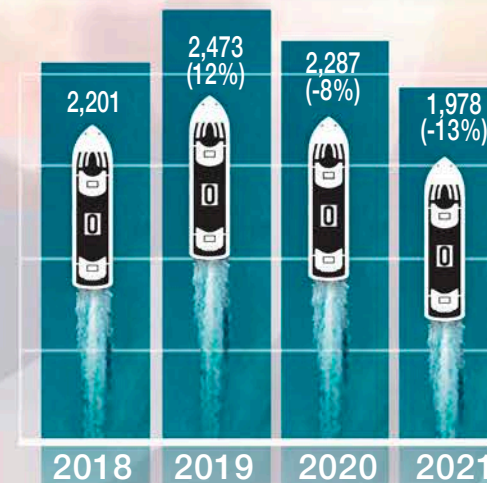
Another innovative step taken by Trans-Asia was the launch of a business intelligence tool, Quicksight hosted by Amazon Web Services (AWS). The Quicksight dashboard provides the Management Team with real time daily sales and customer behavior which has helped in developing marketing strategies to boost sales.

Before the year ended, Trans-Asia was able to accomplish 85% of its crewing management system. It is a one-stop shop software that optimizes vessel operations and facilitates the complete crewing process, from recording comprehensive crew member records (employment history, training, salary allotment, performance evaluation, etc.) to assigning the crew for deployment. It also helps the team save considerable time and effort as they can access the same data from multiple workstations.

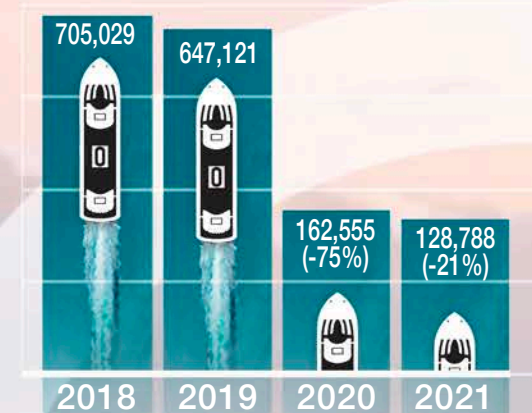
After more than 4 decades, Trans-Asia was able to decommission its financial legacy system and migrated to SAP S4 HANA, a future-ready Enterprise Resource Planning (ERP) system. This move enabled the Team to plan, execute, generate reports and analytics based on live and reliable data.

Despite the challenges brought about by the COVID pandemic, Trans-Asia strived to positively contribute to the environment and to the communities where it operates. Trans-Asia's Terminal Operation Team successfully conducted its monthly Bayanihan clean-up act where all cadets participated in cleaning and collecting waste materials at the Trans-Asia container yard. The Quality, Health, Safety and Environment (QHSE) Department has obtained the Pollution Control Officer and Managing Director Certification, which is a testament to the Team's commitment to ensuring employees' well-being and the planet's protection.

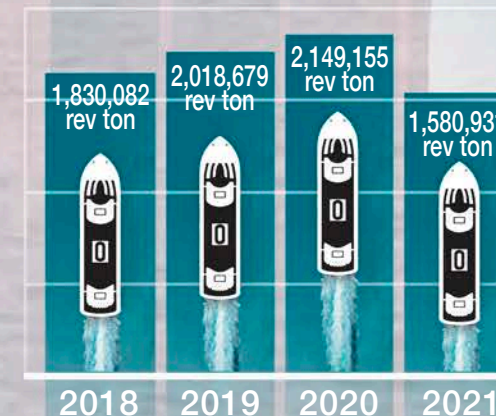
### TOTAL TRIPS



### TOTAL PASSENGERS CARRIED



### TOTAL CARGOES CARRIED





The logo for Trans-Asia Services Inc. (TASLI) features the letters 'T', 'A', 'S', and 'L' in a stylized, blocky font. The 'T' is blue with white horizontal stripes. The 'A' is green. The 'S' is blue. The 'L' is green. The letters are set against a white background with a light blue circular border.

Trans-Asia Services Inc.

A CHELSEA Company



## Fortifying Strategic Partnerships

In a business disrupted by the COVID pandemic, TASLI Services Inc. kicked off its employee training and development program. To increase employee efficiency and team productivity, TASLI Services migrated its client information database from old school manual documents to Google Forms, making information more accessible and manageable.

As a new player in the freight industry, TASLI Services looked for ways to increase its market share in Cebu, Cagayan de Oro, and Davao by co-loading with market leaders such as Solid Shipping and Meridian. However, a growing business is not without challenges. One of the challenges faced by TASLI Services is the lack

of containers, and this prompted the Group to forge strategic partnerships with foreign and local shipping lines to optimize the free use of their containers. These arrangements resulted in a 15% increase in vessel utilization and increased revenue by PhP 10 Million.

With the limited freighters operating, TASLI Services still recorded 129 trips resulting in a revenue of PhP 375.2 Million, up by 17% from 2020. Total volume of cargoes in and out of Manila surged 16%, including that of co-loading volume.







**WORKLINK**  
*Delivery*  
Simple, fast, easy

## Delivering Digital Transformation in the New Normal

As the key accounts of Worklink Services, Inc. (WSI) took a more conservative business approach due to varying quarantine restrictions in 2021, WSI focused its efforts and resources on improving its systems and processes, while prioritizing employee welfare both on a professional and personal level.

In February, Worklink started the development and implementation of its transport management system under Yojee, an Australian-based transport system developer. The system not only enabled the internal tracking of deliveries nationwide but also provided Worklink customers with real-time access to their transactions through an online portal, delivering on the Company's commitment to provide simple, fast and easy logistics services.

In the succeeding months, Worklink's transport management system was further enhanced to integrate with the Company's warehouse management system powered by the Israel-based logistics systems developer, Made4Net. This further streamlined internal operational processes and improved warehouse monitoring, both for the Company and its customers.

Another innovative step taken was the launch of Worklink's e-commerce facility in Bicutan, Paranaque, which quickly acquired two key accounts upon its commencement. With this development, the Company looks forward to being a more active player in the competitive world of e-commerce in 2022.







**100%** fully vaccinated

True to its core values of 'Malasakit' and 'Matapat', Worklink forged a stronger bond with its employees and communities amidst the global pandemic. Worklink celebrated its 22nd anniversary with the annual bloodletting activity in partnership with the Philippine Red Cross. As a result, Worklink was able to donate 20 bags of blood.

Worklink supported the Philippine Air Force (PAF) Civil-Military Operations Group, through Udenna Foundation's Community Care, in its campaign to provide food packages to 200 families in Pasig City, in partnership with the Phoenix Petroleum Group. In October, Worklink once again provided support to the PAF as it endeavored to deliver relief goods to the typhoon-stricken province of La Union.

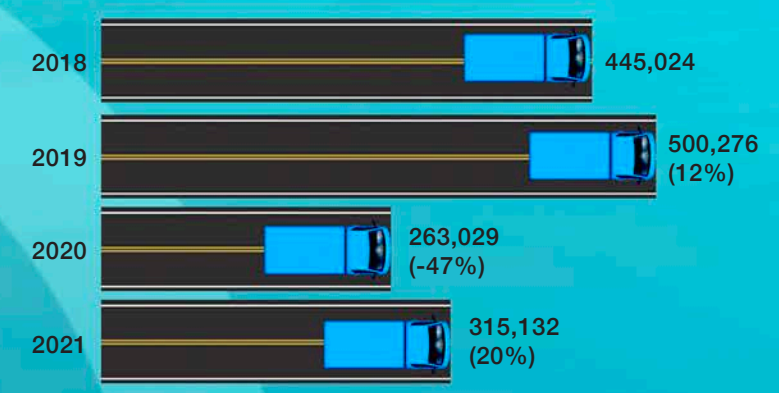


In coordination with the local government units, Worklink went full force in its campaign to get its employees vaccinated against COVID-19, not only for their personal protection, but also for the safety of the Company's customers. With these efforts, WSI achieved the status of a 100% fully vaccinated company by the end of 2021.

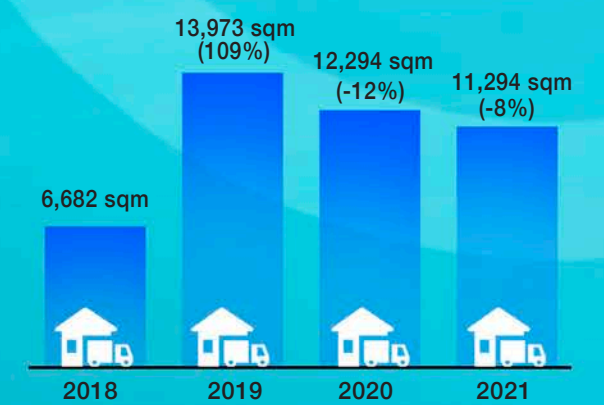
With the reduction of community restrictions in November, resulting from a general decline in COVID-19 cases in the country, commercial establishments re-opened and slowly began to recover. Business has considerably picked up for Worklink, recording a revenue of PhP 519 Million in 2021, up by 41% year-on-year.



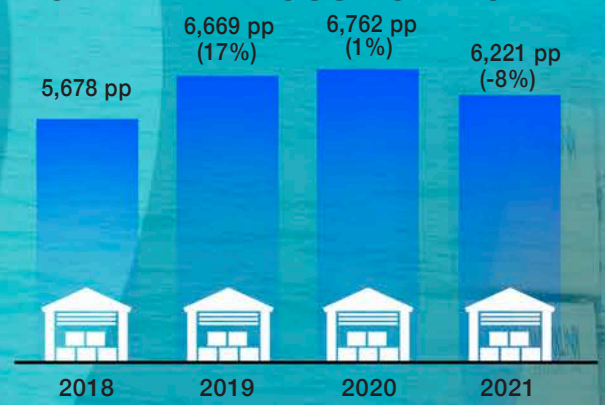
**TOTAL DELIVERY TRANSACTIONS**



**TOTAL WAREHOUSE SIZE**



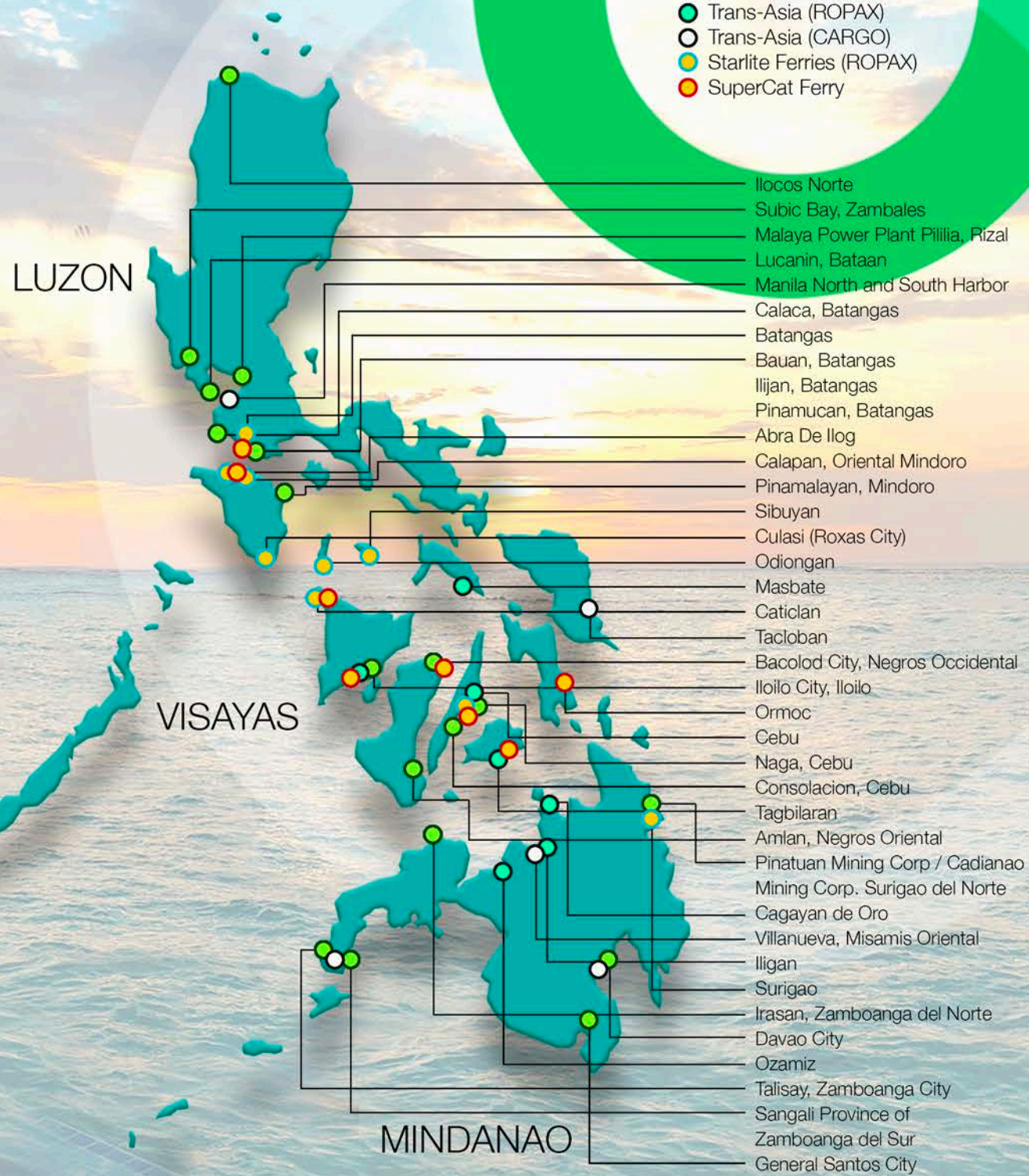
**TOTAL WAREHOUSE CAPACITY**



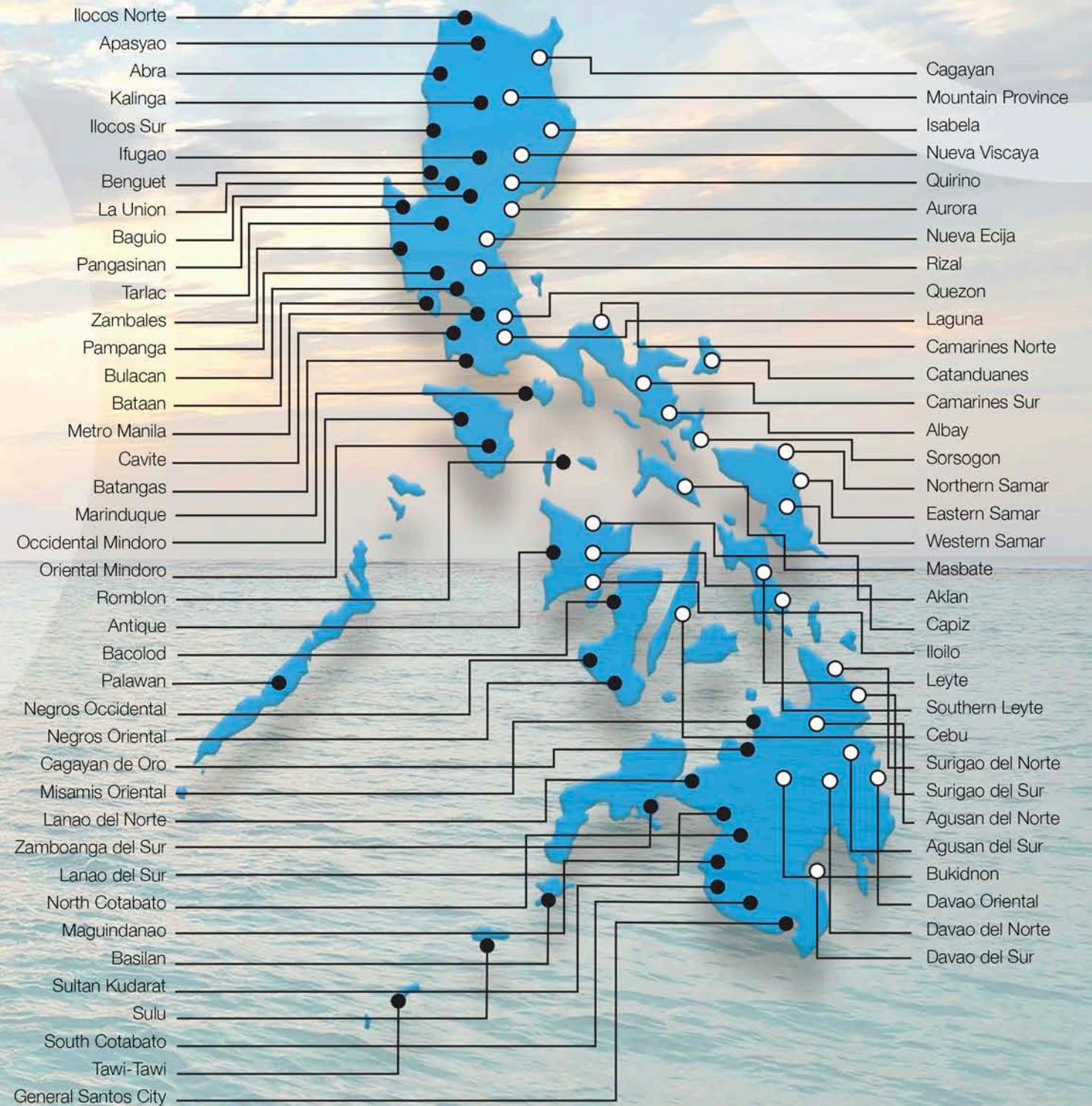


# AREAS OF OPERATIONS SHIPPING

- Chelsea Shipping
- Trans-Asia (ROPAX)
- Trans-Asia (CARGO)
- Starlite Ferries (ROPAX)
- SuperCat Ferry



# AREAS OF OPERATIONS LOGISTICS





# CORPORATE SOCIAL RESPONSIBILITY

## Strengthening our Focus: PEOPLE and PLANET POSITIVE

The year 2021 was full of hope for recovery from a tremendously challenging pandemic and from natural disasters that hit the country in the previous year. However, most Filipinos remained uncertain and anxious because of the onset of new variants, and the constantly changing protocols and guidelines to prevent the further spread of COVID-19. Also, some provinces were hit by natural calamities that caused destruction of properties and financial losses to its residents. For this reason, the Chelsea Group, while addressing its own challenges caused by the health crisis, even more strengthened its focus and commitment to societal responsibility and environmental sustainability.

Guided by its corporate values of "Malasakit" and Teamwork, Chelsea Logistics continued its implementation of programs in line with the United Nations'

Sustainable Development Goals (SDGs). These programs are part of Chelsea Logistics' aim to continuously support individuals, families, and communities especially in areas where it operates.



### FOSTERING THE SPIRIT OF BAYANIHAN

Even before the pandemic started, the UDENNA Foundation had been utilizing the collective resources of the UDENNA Group for projects which aim to help the country overcome health and social crises.

Worklink Services, Inc., the logistics and distribution arm of Chelsea Logistics, heeded the call to foster the spirit of Bayanihan by delivering 200 food packs to families to Barangay Bagumbayan, Eastwood, Quezon City through the Philippine Air Force (PAF) Malasakit Pantry on September 21, 2021.

Through this program, the UDENNA Foundation, in partnership with PAF Civil-Military Operations Group, Tokyo 2020 Gold Medalist in Women's 55-kg Weightlifting Ssg. Hidilyn F. Diaz, Worklink, and Phoenix SUPER LPG, provided not only physical comfort but also emotional support to the families facing food insecurity and unemployment caused by the pandemic.



**200** FOOD PACKS DELIVERED



### PRIORITIZING EMPLOYEES' HEALTH & SAFETY

The battle with COVID-19 has been tough especially for employees at risk of workplace transmission. With the proactive approach of HR Leaders in coordinating with the LGUs of Batangas, Cebu, Taguig and Mandaluyong, 803 sea-based and 1,162 land-based employees received their COVID vaccinations, and the Group ended the year with 93% level of vaccination. In addition, Chelsea Logistics made sure that all employees' family members were protected as well. Dependents of employees were given the chance to register for free COVID-19 vaccines, which were administered at South Superhighway Medical Center, Paranaque City.

Regular advisories and comprehensive re-entry program guidelines were sent out to employees, reminding them to maintain a safe, clean, and organized workplace. Daily sanitation is conducted inside the workplace and free hand sanitizers and face masks are provided to employees at the offices.



**93%** fully vaccinated company (as of December 2021), **803** sea-based and **1,162** land-based employees





## EMPOWERING EMPLOYEES AMID WORKPLACE CHALLENGES

With the constant changes necessitated by the pandemic, one of the best things businesses can do for its employees is to keep them motivated and ensure needed resources and support are provided for them to thrive in the new normal. Hence, Chelsea Logistics focused on developing the 3Cs in each employee: **Collaboration, Communication and Creativity.**

Chelsea Logistics resumed “The Bridge Quarterly Report” on 07 April 2021 which was put on hold at the onset of the pandemic. This quarterly meeting gathers all employees across the Group to keep them informed and updated on the Group’s performance and strategic direction to cope with the challenges ahead. During the sessions, motivational speakers were invited to inspire and help the team gain the right perspective while recovering from the crisis.

One of Chelsea Logistics’ key employee development goals in 2021 was to engender a culture of digitally empowered employees. In June 2021, a group-wide Google Workspace and Google Worksheet Training Workshops were conducted and participated in by 25 and 29 employees respectively, representing the six Chelsea Logistics subsidiaries. The participants learned how to optimize new features of Google Workspace and Google Worksheet including Math, Logical, Texts, Date, Look Up Functions, Chart Creation, Sheet Linking and Macros Recording. The goal of the workshop was to equip and empower the trainees to pass on the digital solutions and learnings that will improve team performance and productivity.

In August 2021, Chelsea Logistics celebrated its 5th Anniversary by holding a month-long seminar series focused on the Group’s Core Values and workplace productivity.

During the first learning session, employees were reminded of the Company’s Core Values - Integrity, Passion, Enterprise, Teamwork, Excellence and Stewardship. The session aimed to help employees improve interpersonal relationship and “Malasakit” towards others and motivate the Team to work efficiently wherever they are. The second learning session focused on productivity, specifically on how to strategically plan and manage time well as some employees are still working from home while others are on flexible work schedule. The third talk was about health and safety, a great reminder to be alert and cautious in preventing the spread of the virus both in the office and at home. An average of 100 employees attended during the three talks.

**100+** employees attended Anniversary Engagement Talks

## KEEPING THE SUPPLY CHAIN MOVING AGAINST ALL ODDS

Despite the disruptions experienced by the Chelsea Group in 2021, it kept moving and focused on its purpose of connecting people, essential goods, livelihood and businesses to each other. To echo what the Group went through and its resilience story, Chelsea Logistics’ President & CEO Chryss Damuy joined the industry experts in **Inquirer’s Project Rebound** webinar and shared the crucial role the supply chain sector played in keeping businesses afloat during these trying times.



Together with Mr. Damuy, the dialogue was graced by executives from Philippines Air Asia, Transnational Diversified Group, and Ninja Van. These companies showed flexibility, ingenuity and adaptability in responding to the health crisis. With their quick migration to digital solutions, they were able to respond to the changing needs and requirements of the market. Their stories are worth sharing to inspire other organizations that a rebound from the effects of COVID-19 is possible as long as there is unity, innovativeness, and most importantly compassion towards one another.

**35,544** views  
**49,524** reach  
**20,553** engagement

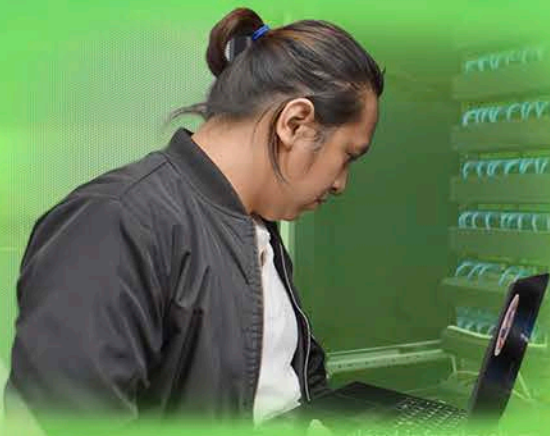




## ADAPTING TO A NEW & ADVANCED TECHNOLOGY

Along with the implementation of targeted innovation projects, the Chelsea Group harnessed the power of digitalization to take customer experience and employee efficiency to the next level during the pandemic. The Group converted its manual processes to automatic applications which enhanced employees' performance and customer interaction. Its shipping lines, SuperCat and Trans-Asia Shipping Lines now use SAP S4 HANA, a future-ready enterprise resource planning (ERP) system with built-in intelligent technologies, with improved access to real-time financial transactions and advanced analytics resulting in better forecasting.

Starlite Ferries, Trans-Asia, and SuperCat have rolled out their unified online booking system, allowing customers and partner agencies to place their bookings at their most convenient time. This online ticketing system, developed in partnership with BARKOTA, optimizes customer service as the application is capable of ticket management (i.e., refund, book, void, rebook) and ticket history viewing. To better understand, predict, and influence the behavior of customers, Starlite, Trans-Asia, and SuperCat invested in a business intelligence tool, Quicksight powered by Amazon Web Services.



cloud infrastructure



**20** employees volunteered in the coastal clean-up



## ENGAGING IN ENVIRONMENTAL CONSERVATION & PRESERVATION

Every year, tons of garbage and marine debris wind up in the seas and coastlines, with majority being composed of plastic materials. Plastics are very hazardous to marine life, killing birds, turtles, and an immense number of fish in the ocean. Ocean trash is a serious pollution problem that affects the health of the people, marine wildlife and local economies. That is why every year, the Chelsea Group organizes Coastal Clean-Up Activities in the areas where it operates. Amidst the pandemic in March 2021, 20 employees of Trans-Asia Shipping Lines were able to push through with the coastal clean-up activity in IL Corso, South Road Properties in Cebu. The volunteers collected around 200 kilos of garbage composed of solid household waste, medical waste, and solid restaurant / food waste.



**200**kg  
of garbage collected



## VOLUNTEERING IN COMMUNITY DEVELOPMENT

Planting trees is one of the easiest and most sustainable ways to positively affect the atmosphere. It is also everyone's lifeline to cleaner air and a healthier environment. Tree planting has been a part of Chelsea Logistics' Corporate Social Responsibility, assuring its active compliance in giving back to the community and environment. Since 2016, the Chelsea Group has planted 6,008 seedlings within its areas of operations.



**6,000+** seedlings were planted since 2016

In November 2021, Trans-Asia, with the help of 25 volunteers, planted 250 trees in Sitio Madre de Cacawan Brgy. Adlaon, Cebu. The tree planting activity aims to raise awareness on the importance of planting and saving trees, showing concern for the environment, and assists in diminishing the unfavorable effects of climate change. It also builds a strong relationship and camaraderie among the employees while lending a helping hand in preserving ecology.





## RECOGNIZING FILIPINO SEAFARERS

Seafarers play a critical role in the pandemic response as they are the key workers performing essential services, not only for the benefit of the Philippines, but also for sustaining the local and global economy. To pay tribute to the Filipino seafarers for their valuable contributions to the Philippine and global economy, the Maritime Industry Authority (MARINA) and domestic shipping operators nationwide inked an agreement to provide fare discounts for seafarers on board domestic passenger ships on September 7, 2021.

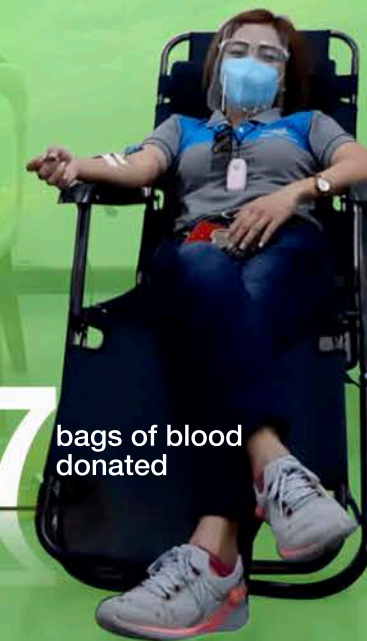
Starlite Ferries Inc., SuperCat Fast Ferry Corporation and Trans-Asia Shipping Lines, Inc., offered a fare discount of up to 20% to the dedicated seafarers. They only need to present their Seaman's Book (SIRB/SRB) or Seaman's Identification Card (SID) to get the discount. A total of 138 seafarers were given discounts, from October 2021 to December 2021.

## RESPONDING TO THE CALL OF SAVING LIVES

The MARINA celebrated the 2021 National Maritime Week from September 24 to 30, with the theme: "Seafarers: At the Core of Shipping Future". The theme reflected a clear need to raise awareness on the invaluable role seafarers play in the domestic and global trade. In support of the National Maritime Week and as part of the Chelsea Group's mission to honor seafarers and their role in shipping and its future, seven employees of Starlite Ferries volunteered in donating 7 bags of blood.

Moreover, Worklink Services, Inc., in partnership with the Philippine Red Cross, celebrated its 22nd year anniversary by holding its annual bloodletting activity on February 17.

This year, about 22 employees took part in the activity and donated 20 bags of blood. This is the Company's simple way of supporting Philippine Red Cross in promoting and encouraging blood donations to save lives and addressing blood shortage during this time of health crisis.



27 bags of blood donated



## SUPPORTING FAMILIES AMID THE PANDEMIC

The COVID-19 pandemic continues to affect our lives. Many of us are facing challenges that are truly stressful and overwhelming. A number of Filipinos have lost their jobs causing them and their families financial hardships, while others were stranded in locations away from home. In order to support those who were hit hardest by the pandemic, Starlite Ferries offered 200 free seats for returning residents of Antique going

home from Manila on board Starlite MV Venus on March 2 and 4, 2021. Residents of the province who lost their jobs due to the pandemic were given priority for the free tickets. This gesture was part of Starlite Ferries' expansion to the Western Visayas route. Since March 2, Starlite has been serving the ports of Lipata, Antique and Estancia, Iloilo.



200 FREE SEATS OFFERED

## SUPPORTING COMMUNITIES' RELIEF & RECOVERY

Just a week before Christmas, a super typhoon, locally known as "Odette" hit the Visayas and Mindanao regions. This event affected millions of people, municipalities and cities, causing injuries and death, extensive damage to properties and public infrastructures. The Chelsea Group immediately responded by prioritizing the movement of cargoes intended for relief operations and transporting food and non-food items to the areas affected.

Starlite Ferries worked closely with Philippine Red Cross in the transportation of relief aid. While Trans-Asia Shipping Lines served the coast guards of Iloilo and transported food and non-food items for free from Iloilo to Cebu. Trans-Asia and Starlite Ferries also worked with Phoenix Petroleum in assisting the affected communities in the hope of a fast recovery. Worklink Services also helped transport necessities such as potable water and basic goods.

### Successfully delivered:

- 2 boxes of emergency lights
- 100 containers of 4 liters distilled water
- 90 containers of 7 liters distilled water
- 30 containers of 10 liters distilled water, 20 boxes of bottled water and 6 boxes of canned goods and noodles.

*As we advance to a new year, the Chelsea Group continues to commit in serving and building the community through "Malasakit" and Teamwork. We will act based on our values, supported by a strong Chelsea culture and our vision to provide unrivalled service to our stakeholders. Together, we will continue to sail towards our purpose of connecting people, essential goods, livelihoods and businesses. Together, we will play our part in creating a positive impact on the people and the planet, no matter how vast or uncertain the seas of change.*



# CORPORATE GOVERNANCE

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

## The Manual features the following provisions:

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

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

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

## THE BOARD OF DIRECTORS

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

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

In accordance with the Company’s Amended By-Laws and Manual of Corporate Governance, the Board in 2021 was comprised of 9 members elected by the shareholders during the Annual Shareholders’ Meeting held on May 18, 2021. The Company has six (6) Non-Executive Directors, three (3) of which are Independent Directors.

## Members of the Board of Directors

### Non-Executive, Non-Independent Directors

Dennis A. Uy  
Eduardo A. Bangayan  
Efren E. Uy

### Non-Executive, Independent Directors

Miguel Rene A. Dominguez  
Jesus S. Guevara II  
Gener T. Mendoza

### Executive Directors

Chryss Alfonsus V. Damuy  
Cherylyn C. Uy  
Arthur Kenneth L. Sy

## DIRECTORS IN OTHER LISTED COMPANIES

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

DIRECTOR'S NAME	NAME OF LISTED COMPANY	POSITION HELD
Dennis A. Uy	Pheonix Petroleum Philippines, Inc.	Director, President & 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
Cherylyn C. Uy	Apex Mining Co.	Independent Director
	Pheonix Petroleum Philippines, Inc.	Director
	PH Resorts Group Holdings, Inc.	Director
Eduardo A. Bangayan	Dito CME Holdings Corp.	Director / Treasurer
	Manila Mining Corporation	Independent Director
Gener T. Mendoza	IPM Holdings, Inc.	Director
	Pryce Corporation	Independent Director

## INDEPENDENT DIRECTORS

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

In compliance with the SEC requirement – that at least 20% of the Board should be independent directors with no material relationship with the Company, three (3) Independent Directors – Gener T. Mendoza, Miguel Rene A. Dominguez and Jesus S. Guevara II – were elected on 18 May 2021.

### Criteria for Independence for Independent Directors

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

#### A person who:

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

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

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

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

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

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

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

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

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

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



# CORPORATE GOVERNANCE

## ATTENDANCE OF THE BOARD

For the period 1 January 2021 to 31 December 2021, there were five (5) Board Meetings and one (1) Stockholders' Meeting held. The attendance at these meetings is as follows:

DIRECTOR'S NAME	Total No. of Board Meetings	No. of Board Meetings Attended	Percentage Attendance (%)	Attended Annual Stockholders' Meeting? (Y/N)
Dennis A. Uy	5	5	100%	Y
Chryss Alfonsus V. Damuy	5	5	100%	Y
Cherylyn C. Uy	5	5	100%	Y
Arthur Kenneth L. Sy	5	5	100%	Y
Efren E. Uy	5	5	100%	Y
Eduardo A. Bangayan	5	5	100%	Y
Miguel Rene A. Dominguez	5	5	100%	Y
Jesus S. Guevara II	5	5	100%	Y
Gener T. Mendoza	5	5	100%	Y

## COMMITTEES OF THE BOARD OF DIRECTORS

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

### Nomination Committee

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

### Audit Committee

CLC'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:

- Provide oversight of Management's activities in managing credit, market, liquidity, operational, legal and other risks of the Company. This function shall include regular receipt from Management of information on risk exposures and risk management activities;
- Perform oversight functions over our internal and external auditors. It should ensure that the internal and external auditors act independent from each other and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;
- Review the annual internal audit plan to ensure its conformity with our objectives. The plan shall include the audit scope, resources and budget necessary to implement it;
- Prior to the commencement of an audit, discuss with the external auditor the nature, scope and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;
- Organize an internal audit department, and consider, when necessary and desirable the appointment of an independent internal auditor and the terms and conditions of its engagement and removal;
- Monitor and evaluate the adequacy and effectiveness of our internal control system including financial reporting control and information technology security;
- Review the reports submitted by the internal and external auditors;
- Review the quarterly, half-year and annual financial statements before their submission to the Board of Directors, with particular focus on the following matters: any change(s) in accounting policies and practices; major judgment areas; significant adjustments resulting

from the audit; going concern assumptions; compliance with accounting standards; and compliance with tax, legal and regulatory requirements;

- Coordinate, monitor and facilitate compliance with laws, rules and regulations;
- Evaluate and determine the non-audit work, if any, of the external auditor, and review periodically the non-audit fee paid to the external auditor in relation to its significance to the total annual income of the external auditor and to our overall consultancy expenses. The Audit Committee shall disallow any non-audit work that will conflict with its duties as an external auditor or may pose a threat to its independence. The non-audit work, if allowed, should be disclosed in our annual report; and,
- Establish and identify the reporting line of our internal auditor to enable him to properly fulfil his duties and responsibilities. It shall functionally report directly to the Audit Committee.

### Corporate Governance Committee

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

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

may need and ensuring appropriate knowledge, competencies and expertise that complement the existing skills of the Board; and

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

### Board Risk Oversight Committee

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

- Develop a formal enterprise risk management plan which contains the following elements: (a) common language or register of risks, (b) well-defined risk management goals, objectives and oversight, (c) uniform processes of assessing risks and developing strategies to manage prioritized risks, (d) designing and implementing risk management strategies, and (e) continuing assessments to improve risk strategies, processes and measures;
- Oversee the implementation of the enterprise risk management plan through a Management Risk Oversight Committee. The Committee conducts regular discussions on the Company's prioritized and residual risk exposures based on regular risk management reports and assesses how the concerned units or offices are addressing and managing these risks;
- Evaluate the risk management plan to ensure its continued relevance, comprehensiveness and effectiveness. The Committee revisits defined risk management strategies, looks for emerging or changing material exposures, and stays abreast of significant developments that seriously impact the likelihood of harm or loss;
- Advise the Board on its risk appetite levels and risk tolerance limits;
- Review at least annually the Company's risk appetite levels and risk tolerance limits based on changes and developments in the business, the regulatory framework, the external economic and business environment, and when major events occur that are considered to have major impacts on the Company; and likelihood of occurrence. Priority areas of concern are those risks that are the most likely to occur and to impact the performance and stability of the Company and its stakeholders;
- Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risk exposures of the corporation. This



# CORPORATE GOVERNANCE

function includes regularly receiving information on risk exposures and risk management activities from Management; and

- Report to the Board on a regular basis, or as deemed necessary, the Company's material risk exposures, the actions taken to reduce the risks, and recommends further action or plans, as necessary.

## Related Party Transaction Committee

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

- Evaluate on an ongoing basis existing relations between and among businesses and counterparties to ensure that all related parties (RPTs) are continuously identified, RPTs are monitored, and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured. Related parties, RPTs and changes in relationships should be reflected in the relevant reports to the Board and regulators/supervisors;
- Evaluate all material RPTs to ensure that these are not undertaken on more favorable economic terms (e.g., price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with nonrelated parties under similar circumstances and that no corporate or business resources of the Company are misappropriated or misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions. In evaluating RPTs, the Committee takes into account, among others, the following:
  - a. The related party's relationship to the Company and interest in the transaction;
  - b. The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
  - c. The benefits to the Company of the proposed RPT;
  - d. The availability of other sources of comparable products or services;
  - e. An assessment of whether the proposed RPT is on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances. The Company should have an effective price discovery system in place and exercise due diligence in determining a fair price for RPTs.
- Ensure that appropriate disclosure is made, and / or information is provided to regulating and supervising authorities relating to the Company's RPT exposures,

and policies on conflicts of interest or potential conflicts of interest. The disclosure should include information on the approach to managing material conflicts of interest that are inconsistent with such policies, and conflicts that could arise as a result of the Company's affiliation or transactions with other related parties;

- Report to the Board of Directors on a regular basis, the status and aggregate exposures to each related party, as well as the total amount of exposures to all related parties;
- Ensure that transactions with related parties, including write-off of exposures are subject to a periodic independent review or audit process; and
- Oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of RPT policies and procedures.

## MEMBERS OF THE BOARD OF COMMITTEES

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

## ACCOUNTABILITY AND AUDIT

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

provides all members of the Board with accurate and timely information that would enable the Board to comply with its responsibilities to the stockholders.

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

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

## SHAREHOLDERS' RIGHTS

### Voting Rights

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

prohibits removal without cause if it will deny minority shareholders representation in the Board.

### Pre-emptive Rights

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

### Power of Inspection

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

### Right to Information

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

The minority shareholders have the same right of information as other shareholders of the Company. They should be granted the right to propose the holding of a meeting, and the right to propose the items in the agenda of the meeting, provided the items are for legitimate business purposes, in accordance with law.

### Rights to Dividends

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



# CORPORATE GOVERNANCE

as when there is a need for special reserve for probable contingencies.

## Appraisal Right

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

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

## Promotion of Shareholders' Rights

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

## Right to Transparent and Fair Conduct of Stockholders' Meeting

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

## SEPARATE ROLES OF THE CHAIRMAN AND PRESIDENT &

### CHIEF EXECUTIVE OFFICER (CEO)

The Company promotes good governance through the separation of the posts of the Chairman and President & CEO. This is to achieve an appropriate balance of power, increase accountability and improve the Board's capacity for decision-making independent of the Management.

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

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

The respective roles of CLC's Chairman and President & CEO were held by Dennis A. Uy and Chryss Alfonsus V. Damuy in 2021.

### THE CORPORATE SECRETARY

The Corporate Secretary is an officer of the Company and is expected to observe the highest degree of professionalism, integrity and shall have the qualifications, duties and responsibilities specified in the By-Laws of the Company, or as may further be specified or designated by the Board of Directors. Atty. Ma. Henedina V. San Juan is the Company's Corporate Secretary. She is not a member of the Board and attended the Annual Shareholders' Meeting held on 18 May 2021.

### INVESTOR RELATIONS OFFICER

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

CLC's stakeholders as well as to the broader investor community.

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

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

Email: [info@chelsealogistics.ph](mailto:info@chelsealogistics.ph)  
Tel.: +632 403-4015 local 859

### COMPLIANCE OFFICER

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



# BOARD OF DIRECTORS

**DENNIS A. UY**  
CHAIRMAN

**CHRYSS ALFONSUS V. DAMUY**  
DIRECTOR  
PRESIDENT & CEO



**EDUARDO A. BANGAYAN**  
Director



**ARTHUR KENNETH L. SY**  
Director



**EFREN E. UY**  
Director



**MIGUEL RENE A. DOMINGUEZ**  
Independent Director



**JESUS S. GUEVARA II**  
Independent Director



**GENER T. MENDOZA**  
Independent Director

**CHERYLYN C. UY**  
Director, Treasurer





# MANAGEMENT TEAM



**CHRYSS ALFONSUS V. DAMUY**  
PRESIDENT & CEO



**IGNACIA S. BRAGA IV**  
Chief Financial Officer



**CHERYLYN C. UY**  
Treasurer



**MA. HENEDINA V. SAN JUAN**  
AVP - Legal and Corporate Affairs  
Corporate Secretary



**REYNALDO A. PHALA**  
VP - Treasury  
Deputy Chief Financial Officer



**DARLENE A. BINAY**  
Finance Controller



**MA. KATHERINE A. AGBAY**  
Chief Audit Executive



**LEANDRO E. ABARQUEZ**  
Chief Compliance Officer

# GENERAL MANAGERS



**SHANE ANTHONY G. ARANTE**  
Starlite Ferries, Inc. &  
The SuperCat Fast Ferry Corporation



**SHEILA FAY U. SY**  
Trans-Asia Shipping Lines,  
Incorporated



**DEXTER A SILVA**  
Worklink Services, Inc.



## BOARD OF DIRECTORS

### **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. Currently, he is the Chairman and Chief Strategy Officer of Phoenix Petroleum Holdings, Inc., the holding company of Phoenix Petroleum Philippines, Inc. (PPPI), and the Chairman and Founder of Udenna Corporation, the ultimate parent company of PPPI and CLIHC. He is also the Chairman of DITO CME Holdings, Corp., Udenna Land Inc., Le Penseur, Inc., PH Resorts Group Holding, Inc., Phoenix Philippines Foundation, and the Udenna Foundation. Mr. Uy is a member of the Young Presidents Organization – Philippine chapter and the Philippine Business for Social Progress, and has been the Honorary Consul of Kazakhstan to the Philippines since November 2011. He was recognized as the Young Entrepreneur of the Year (2017) by the ASEAN, and received the Entrepreneurial Excellence Award (2019) at the Entrepreneur of the Year Awards of EY Singapore. 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. For the Group's corporate social responsibility missions, she serves as the President of UDENNA Foundation and Executive Director of Phoenix Philippines Foundation, Inc. Ms. Uy is a graduate of Ateneo de Davao University with a degree in Business Finance.

### **Arthur Kenneth L. Sy**

Director

Arthur Kenneth L. Sy, Filipino, 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.



## MANAGEMENT TEAM

### **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.

### **Shane Anthony G. Arante**

General Manager Starlite Ferries, Inc. and The SuperCat Fast Ferry Corporation

Filipino, 51 years old, started his career in Aboitiz Air Transport Corporation as entry level employee handling vessel ticket issuance and courier transactions. Through the years, he was assigned to different areas of the shipping business.

With the merger of WG & A Shipping Lines, Inc. and Aboitiz Air, he was designated to handle the Cebu Terminal Operations of the combined vessel operations of these Companies' vessels calling at the port of Cebu.

In 2011, Mr. Arante was assigned to manage the South Luzon operations as Regional Head operating SuperCat, RoPax and freighter vessels.

Mr. Arante was appointed as General Manager of Starlite Ferries, Inc. and The Supercat Fast Ferry Corporation on 7 July 2020.

Mr. Arante holds a degree in Bachelor of Science in Air Transportation Engineering from PATTS College of Aeronautics. He finished his Masters in Business Administration in 2003 from the University of San Carlos, Cebu.

### **Sheila Fay U. Sy**

General Manager - Trans- Asia Shipping Lines Incorporated

Filipino, 52 years old, prior to joining Trans-Asia Shipping Lines, Incorporated, she was the Executive Assistant to the Vice President of La Filipina Uygongco Group of Companies for 5 years. She has been a member of the Board of Trustees of the Uygongco Foundation Incorporated since 2017.

Upon the acquisition of Trans-Asia by the Chelsea Group in December 2016, Ms. Sy was appointed as the Vice President for Marketing, Sales and Terminal Operations of Trans-Asia. In addition to her original appointment, through the years Ms. Sy has handled different departments of the Company from Passage, Freight, Customer Care Services and Port Operations.

Ms. Sy was appointed as General Manager of Trans-Asia on 7 July 2020.

Ms. Sy holds a degree in Bachelor of Science in Management from Ateneo de Manila University.

### **Dexter A. Silva**

General Manager, Worklink Services, Inc.

Filipino, 48 years old, started his career with Citibank right after graduation from college. With experience gained from his service with Citibank, he decided to hone his entrepreneurial skills through the establishment of Worklink Services, Inc. in 1999. As President of the Company, Mr. Silva successfully developed the Company's expertise in the logistics business.

Mr. Silva also served as President of Strategic Alternative, Corp. which provides manpower services to different industries nationwide, and as Treasurer of 1035 Acre Farm, Inc., a supplier to one of the biggest poultry integrators in the Philippines.

Worklink was acquired by the Chelsea Group in November 2017. Mr. Silva assumed the position of General Manager of Worklink on 7 July 2020.

Mr. Silva graduated from De La Salle University, with a degree in Business Management, and secured his Master's Degree in the Science of Entrepreneurship in Ateneo de Manila University in 2010.





Together, we serve you better.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY  
FOR CONSOLIDATED FINANCIAL STATEMENTS

The management of Chelsea Logistics and Infrastructure Holdings Corp and its subsidiaries (the Group) is responsible for the preparation and fair presentation of the consolidated financial statements, including the schedules attached therein, for the years ended December 31, 2021, 2020 and 2019 in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

**DENNIS A. UY**  
Chairman of the Board  
TIN 172-020-135

**CHRYSS ALFONSUS V. DAMUY**  
President and CEO  
TIN 913-898-959

**CHERYLYN C. UY**  
Treasurer  
TIN 209-221-478

MAR 21 2022

SUBSCRIBED AND SWORN to before me this \_\_\_ day of \_\_\_\_\_ 2022 at Taguig City, affiants exhibited to me their respective TIN.

Doc. No. 249  
Page No. 51  
Book No. 39  
Series of 2022

**ATTY. ROBERTA MONFORT**  
Notary Public  
TIN 123-456-789

HEAD OFFICE: Manila Office  
12th Floor, Udenma Tower, 4th Ave. Cor. Rizal Drive, Bonifacio Global City, Taguig City 1634  
Tel: +63 2 224 5373 Tel: +63 2 403 4015



FOR SEC FILING

Consolidated Financial Statements and  
Independent Auditors' Report

Chelsea Logistics and Infrastructure  
Holdings Corp. and Subsidiaries

December 31, 2021, 2020 and 2019



## Report of Independent Auditors

### Punongbayan & Araullo

20<sup>th</sup> Floor, Tower 1  
The Enterprise Center  
6766 Ayala Avenue  
1200 Makati City  
Philippines

T +63 2 8988 2288

### The Board of Directors and Stockholders Chelsea Logistics and Infrastructure Holdings Corp. and Subsidiaries (Formerly Chelsea Logistics and Holdings Corp.) (A Subsidiary of Udenna Corporation)

Stella Hizon Reyes Road  
Bo. Pampanga, Davao City

### Opinion

We have audited the consolidated financial statements of Chelsea Logistics and Infrastructure Holdings Corp. and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2021 and 2020, and the consolidated statements of profit or loss, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2021, and notes to consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021 and 2020, and its consolidated financial performance and their consolidated cash flows for each of the three years in the period ended December 31, 2021 in accordance with Philippine Financial Reporting Standards (PFRS).

### Basis for Opinion

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

#### Certified Public Accountants

Punongbayan & Araullo (P&A) is the Philippine member firm of Grant Thornton International Ltd.

Offices in Cavite, Cebu, Davao  
BOA/ PRC Cert of Reg. No. 0002  
SEC Accreditation No. 0002

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### Emphasis of Matter

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

### Key Audit Matters

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

#### (a) Revenue Recognition

##### Description of the Matter

The Group's revenues, which is comprised significantly of freight revenues, charter fees, passage fees, rendering of services and tugboat fees, amounted to P4.5 billion for the year ended December 31, 2021.

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

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

##### How the Matter was Addressed in the Audit

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

- Updating our understanding the policies and procedures applied to revenue recognition;
- Assessing the design effectiveness of internal controls related to revenue recognition processes employed by the Group;
- Reviewing the existing contracts with customers and evaluating the appropriateness of the Group's revenue recognition policies and application in compliance with the requirements of PFRS 15, *Revenue from Contracts with Customers*;
- Testing charter agreements, billing invoices, vessel fixture notes, bills of lading and other related supporting documents, on a sample basis, of revenue transactions throughout the current period to determine whether revenue recognition is properly recognized at the time the Group satisfies its performance obligations;
- Examining billing invoices and vessel fixture notes immediately prior and subsequent to the current reporting period to determine whether the related revenue transactions are recognized in the proper reporting period; and,

#### Certified Public Accountants

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

#### **(b) Impairment of Goodwill**

##### *Description of the Matter*

As of December 31, 2021, the Group's goodwill amounted to P1.8 billion. Under Philippine Accounting Standard (PAS) 36, *Impairment of Assets*, the Group is required to annually test the amount of its goodwill for impairment. We considered the impairment of goodwill as a key audit matter because the amount of goodwill is material to the consolidated financial statements. In addition, management's assessment process involves judgements, and significant assumptions about the future results of the business, and the discount rate and cash flow projections used in determining the cash-generating units over which the goodwill was allocated. The assumptions used by management are generally affected by expected future market and economic conditions.

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

##### *How the Matter was Addressed in the Audit*

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

- Evaluating the reasonableness of the assumptions and methodology used by the management in determining the cash-generating units attributable to the goodwill, which include the discount rates, growth rates and cash flow projections, by comparing them to external and historical data, with assistance from our Firm's valuation specialists; and,
- Evaluating the adequacy of the financial statement disclosures, including disclosures of key assumptions and judgements.

#### **(c) Fair Value of Vessels and Vessel Equipment under Property and Equipment**

##### *Description of the Matter*

The carrying amount of the Group's vessels and vessel equipment reported under the Property and Equipment account amounted to P15.0 billion, representing 44% of the total assets of the Group. As allowed under PAS 16, *Property, Plant and Equipment*, the Group measures its vessels and vessel equipment based on a revalued amount, which represent fair market values at the date of the revaluation. Management determined the fair value based on the valuation made by independent appraisers and by management, for certain vessels, every after drydocking of vessels, which is performed once every two years.

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

The methods and assumptions used in determining the fair value of vessels are more fully described in Notes 3 and 29 to the consolidated financial statements, while the revalued amount of vessels and vessel equipment as at December 31, 2021 is disclosed in Note 9.

##### *How the Matter was Addressed in the Audit*

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

- Determining whether the independent appraisers engaged by the Group has the necessary professional competency, reputation, experience and objectivity;
- Involving an independent expert to assist us in evaluating the results of the work performed by the Group's independent appraisers by understanding the methodology, process and data used in determining the fair value of certain vessels;
- Assessing the appropriateness and reasonableness of bases used in the valuation such as the vessel's certificates, operating condition of the vessel equipment, main engine, and other auxiliary machineries and equipment, with assistance from our Firm's valuation specialists; and,
- Evaluating the adequacy of the financial statement disclosures, including disclosures of key assumptions and judgements.

#### **(d) Going Concern Assessment**

##### *Description of the Matter*

The COVID-19 pandemic continuously disrupted the business operations of the Group in 2021, resulting in significant impact in the Group's financial performance and cash flows. The Group incurred a net loss of P3.9 billion for the year ended December 31, 2021 and had a deficit of P7.1 billion as of December 31, 2021.

We considered going concern assessment as a key audit matter because of the continuing impact of the COVID-19 pandemic to the Group's current operations, and the uncertainty the pandemic brought to the future business operations and prospects of the Group. Relative to this, the management's assessment in determining whether a material uncertainty exists on the Group's ability to continue as a going concern entity involves complex judgement and high degree of estimation uncertainty. The management's assessment includes, among others, financial forecast and cash flow projections to determine the Group's ability to operate profitably in the subsequent reporting periods and generate sufficient cash flows to service debts and fund its operations.

Taking into account the sensitivity analyses performed by the management, the Group has concluded that there are no material uncertainties around the going concern assumptions. The disclosures on the going concern assessment are included in Note 1 to the consolidated financial statements.

##### *How the Matter was Addressed in the Audit*

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

- Evaluating the appropriateness and sufficiency of management's going concern assessment, taking into consideration the current business environment and the Group's recovery and response plans;
- Evaluating key assumptions used by management by reference to historical information, after consideration of the actions undertaken and planned strategies of management in relation to the Group's operating and financing activities to address the adverse impact of the COVID-19 pandemic;



- Reviewing relevant documents and agreements supporting the transactions entered into by the Group as of the date of the audit report in relation to its recovery plans; and,
- Assessed the adequacy of the related disclosures in the notes to consolidated financial statements.

#### **Other Information**

Management is responsible for the other information. The other information comprises the information included in the Group's Securities and Exchange Commission Form 17-A, which we obtained prior to the date of the auditors' report, and the Group's SEC Form 20-IS (Definitive Information Statement) and Annual Report, which are expected to be made available to us after that date, for the year ended December 31, 2021, but does not include the consolidated financial statements and our auditors' report thereon.

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

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

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

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

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

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

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

#### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

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

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

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

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





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

**PUNONGBAYAN & ARAULLO**

By:   
**Ramilito L. Nañola**  
 Partner

CPA Reg. No. 0090741  
 TIN 109-228-427  
 PTR No. 8852340, January 3, 2022, Makati City  
 SEC Group A Accreditation  
 Partner - No. 0395-AR-4 (until Sept. 16, 2022)  
 Firm - No. 0002 (until Dec. 31, 2024)  
 BIR AN 08-002511-19-2020 (until Dec. 21, 2023)  
 Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

March 29, 2022

**CHELSEA LOGISTICS AND INFRASTRUCTURE HOLDINGS CORP. AND SUBSIDIARIES**  
*(Formerly Chelsea Logistics Holdings Corp.)*  
*(A Subsidiary of Udenna Corporation)*  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2021 AND 2020**  
*(Amounts in Philippine Pesos)*

		<u>2021</u>	<u>2020</u>
<b>A S S E T S</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	<b>P 269,690,887</b>	P 139,206,973
Trade and other receivables - net	5	<b>1,055,240,918</b>	1,586,182,618
Inventories	6	<b>497,453,817</b>	612,621,321
Advances to related parties	21	<b>7,794,510,442</b>	1,400,594,810
Other current assets	7	<b>1,421,224,113</b>	1,249,848,938
Total Current Assets		<b>11,038,120,177</b>	4,988,454,660
<b>NON-CURRENT ASSETS</b>			
Investment properties	8	<b>1,432,307,437</b>	-
Property and equipment - net	9	<b>19,033,334,369</b>	21,503,706,760
Investments in an associate and a joint venture	10	<b>81,001,440</b>	973,227,383
Goodwill	25	<b>1,838,002,446</b>	1,848,378,146
Post-employment benefit asset	18	<b>1,800,436</b>	5,955,204
Deferred tax assets - net	20	<b>130,507,493</b>	154,253,854
Other non-current assets - net	12	<b>567,393,967</b>	477,459,596
Total Non-current Assets		<b>23,084,347,588</b>	24,962,980,943
<b>NON-CURRENT ASSETS HELD FOR SALE</b>	11, 25	<b>-</b>	7,403,196,771
<b>TOTAL ASSETS</b>		<b>P 34,122,467,765</b>	P 37,354,632,374



	Notes	2021	2020
<b>LIABILITIES AND EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	P 9,348,529,006	P 8,427,435,314
Interest-bearing loans and borrowings	13	6,045,249,030	6,444,663,379
Redeemable preference shares	15	-	1,230,436,441
Advances from related parties	21	624,023,838	587,784,015
Advances from customers	2	115,768,247	63,121,704
Income tax payable		1,563,179	7,373,172
Total Current Liabilities		16,135,133,300	16,760,814,025
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing loans and borrowings	13	12,034,180,267	10,562,307,847
Post-employment benefit obligation	18	80,016,237	113,786,341
Deferred tax liabilities - net	20	218,943,926	356,683,800
Other non-current liabilities		3,935,500	75,233,944
Total Non-current Liabilities		12,337,075,930	11,108,011,932
Total Liabilities		28,472,209,230	27,868,825,957
<b>EQUITY</b>			
Equity attributable to shareholders of the Parent company	22		
Capital stock		1,821,977,615	1,821,977,615
Deposits on future stock subscriptions		720,425,000	662,596,200
Additional paid-in capital		9,998,370,157	9,998,370,157
Share options outstanding		22,812,287	16,869,063
Revaluation reserves		1,050,911,063	1,201,437,920
Other reserves		( 1,058,033,280 )	( 1,058,033,280 )
Deficit		( 7,086,204,307 )	( 3,367,774,527 )
		5,470,258,535	9,275,443,148
Non-controlling interest	22	180,000,000	210,363,269
Total Equity		5,650,258,535	9,485,806,417
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>P 34,122,467,765</b>	<b>P 37,354,632,374</b>

See Notes to Consolidated Financial Statements.

CHELSEA LOGISTICS AND INFRASTRUCTURE HOLDINGS CORP. AND SUBSIDIARIES  
(Formerly Chelsea Logistics Holdings Corp.)  
(A Subsidiary of Lodenno Corporation)  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019  
(Amounts in Philippine Peso)

Notes	Attributable to Owners of the Parent Company										Non-controlling Interest	Total Equity		
	Capital Stock	Deposits on Future Stock Subscriptions	Share Options Outstanding	Revaluation Reserves	Other Reserves	Deficit	Total	Share Options Outstanding	Revaluation Reserves	Other Reserves				
P	1,821,977,615	P	9,998,370,157	P	1,058,033,280	(P)	3,367,774,527	P	9,275,443,148	P	210,363,269	P	9,485,806,417	
22	-	P	662,596,200	P	16,869,063	P	1,201,437,920	(P)	57,828,800	(P)	30,363,269	(P)	57,828,800	
22	-	-	-	-	-	-	-	-	30,363,269	-	-	-	-	
22	-	-	-	-	-	-	-	-	3,905,266,957	-	-	-	3,905,266,957	
22	-	-	-	-	-	-	-	-	5,947,051	-	-	-	5,947,051	
22	-	-	-	-	-	-	-	-	5,943,224	-	-	-	5,943,224	
22	-	-	-	-	-	-	-	-	156,873,908	-	-	-	156,873,908	
22	P	1,821,977,615	P	9,998,370,157	P	22,812,287	P	1,050,911,063	(P)	7,086,204,307	P	180,000,000	P	5,650,258,535
22	P	1,821,977,615	P	9,998,370,157	P	-	P	1,777,036,051	(P)	265,805,155	P	180,000,000	P	12,453,545,388
22	-	-	-	-	-	-	-	-	662,596,200	-	-	-	662,596,200	
10	-	-	-	-	-	-	-	-	3,310,949,604	-	-	-	3,310,949,604	
22	-	-	-	-	-	-	-	-	366,617,899	-	-	-	366,617,899	
22	-	-	-	-	-	-	-	-	16,869,063	-	-	-	16,869,063	
22	-	-	-	-	-	-	-	-	81,571,397	-	-	-	81,571,397	
22	-	-	-	-	-	-	-	-	127,408,835	-	-	-	127,408,835	
22	P	1,821,977,615	P	9,998,370,157	P	16,869,063	P	1,201,437,920	(P)	10,580,033,280	P	210,363,269	P	9,275,443,148
22	P	1,821,977,615	P	9,998,370,157	P	-	P	1,497,869,655	(P)	468,579,210	P	180,000,000	P	12,908,763,357
10	-	-	-	-	-	-	-	-	831,761,000	-	-	-	831,761,000	
10	-	-	-	-	-	-	-	-	486,808,826	-	-	-	486,808,826	
10	-	-	-	-	-	-	-	-	60,265,795	-	-	-	60,265,795	
10	-	-	-	-	-	-	-	-	157,642,430	-	-	-	157,642,430	
22	P	1,821,977,615	P	-	P	-	P	1,777,036,051	(P)	265,805,155	P	180,000,000	P	12,453,545,388

See Notes to Consolidated Financial Statements.



CHELSEA LOGISTICS AND INFRASTRUCTURE HOLDINGS CORP. AND SUBSIDIARIES  
(Formerly Chelsea Logistics Holdings Corp.)  
(A Subsidiary of Udenna Corporation)  
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS  
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019  
(Amounts in Philippine Pesos)

	Notes	2021	2020	2019
<b>REVENUES</b>	21, 26	P 4,468,563,672	P 4,678,919,363	P 7,220,216,042
<b>COST OF SALES AND SERVICES</b>	16	4,978,406,918	5,298,054,723	5,589,219,338
<b>OTHER OPERATING EXPENSES</b>	17	1,094,471,418	1,041,857,296	996,171,610
<b>EXPECTED CREDIT LOSSES ON RECEIVABLES</b>	5	396,386,975	761,569,714	-
<b>OPERATING PROFIT (LOSS)</b>		( 2,000,701,639 )	( 2,422,562,370 )	634,825,094
<b>OTHER INCOME (CHARGES) - Net</b>				
Finance costs	19	( 1,431,040,620 )	( 1,302,488,868 )	( 1,226,043,366 )
Share in net loss of associates	10	( 892,225,943 )	( 1,046,368,576 )	( 483,155,985 )
Gain on redemption of preferred shares	15	355,489,306	-	-
Gain on sale of an asset held for sale	11	144,605,713	-	-
Impairment loss on goodwill	25	( 10,375,700 )	-	-
Finance income	19	6,034,750	23,377,557	24,756,404
Gain on bargain purchase	25	-	1,184,509,480	-
Gain on sale of an associate	10	-	983,615,152	-
Loss on remeasurement of shares	10, 25	-	( 333,347,312 )	-
Loss on debt modification	13	-	( 86,612,580 )	-
Other income (loss)	19	( 142,531,515 )	98,328,959	77,117,951
		( 1,970,044,009 )	( 478,986,188 )	( 1,607,324,996 )
<b>LOSS BEFORE TAX</b>		( 3,970,745,648 )	( 2,901,548,558 )	( 972,499,902 )
<b>TAX EXPENSE (INCOME)</b>	20	( 65,478,691 )	409,401,046	( 140,738,902 )
<b>NET LOSS</b>		( P 3,905,266,957 )	( P 3,310,949,604 )	( P 831,761,000 )
<b>Loss Per Share (Basic and Diluted)</b>	23	( P 2.143 )	( P 1.817 )	( P 0.457 )

See Notes to Consolidated Financial Statements.

CHELSEA LOGISTICS AND INFRASTRUCTURE HOLDINGS CORP. AND SUBSIDIARIES  
(Formerly Chelsea Logistics Holdings Corp.)  
(A Subsidiary of Udenna Corporation)  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019  
(Amounts in Philippine Pesos)

	Notes	2021	2020	2019
<b>NET LOSS</b>		( P 3,905,266,957 )	( P 3,310,949,604 )	( P 831,761,000 )
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
<b>Items that will not be reclassified subsequently to profit or loss:</b>				
Revaluation of vessels	9	( 97,809,298 )	( 297,170,375 )	632,951,901
Remeasurement of post-employment benefit obligation	18	60,163,065	( 22,739,222 )	( 9,799,526 )
Share in the remeasurement losses on post-employment benefit obligation of an associate	10	-	-	( 26,478,210 )
Tax income (expense)	20	41,974,764	( 46,862,608 )	( 159,150,294 )
		4,328,531	( 366,772,205 )	437,523,871
<b>Items that will be reclassified subsequently to profit or loss:</b>				
Currency exchange differences on translating financial statements of foreign operations	2	1,618,520	154,306	( 715,045 )
<b>Other Comprehensive Income (Loss) - net of tax</b>		5,947,051	( 366,617,899 )	436,808,826
<b>TOTAL COMPREHENSIVE LOSS</b>		( P 3,899,319,906 )	( P 3,677,567,503 )	( P 394,952,174 )

See Notes to Consolidated Financial Statements.



CHELSEA LOGISTICS AND INFRASTRUCTURE HOLDINGS CORP. AND SUBSIDIARIES  
(Formerly Chelsea Logistics Holdings Corp.)  
(A Subsidiary of Udenna Corporation)  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019  
(Amounts in Philippine Pesos)

	Notes	2021	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Loss before tax		( P 3,970,745,648 )	( P 2,901,548,558 )	( P 972,499,902 )
Adjustments for:				
Depreciation and amortization	9, 12	1,484,181,534	1,675,721,855	1,272,582,798
Interest expense	19	1,403,290,901	1,300,967,463	1,223,993,922
Share in net loss of associates	10	892,225,943	1,046,368,576	483,155,985
Loss (gain) on sale of property and equipment	9	495,936,979	( 50,038,745 )	( 30,909,664 )
Gain on redemption of preferred shares	15	( 355,489,306 )	-	-
Gain on sale of assets held for sale	10	( 144,605,713 )	( 983,615,152 )	-
Impairment losses on property and equipment	9	71,040,998	70,755,801	7,394,742
Unrealized foreign currency exchange gains - net	19	12,975,444	-	( 9,240,000 )
Impairment losses on goodwill	25	10,375,700	-	-
Share option benefit expense	22	5,943,224	16,869,063	-
Interest income	19	( 640,268 )	( 497,226 )	( 3,209,084 )
Gain on bargain purchase	25	-	( 1,184,509,480 )	-
Loss on remeasurement of previously-held interest	25	-	333,347,312	-
Loss on debt modification	13	-	86,612,580	-
Gain on retirement on property and equipment	9	-	( 23,863,984 )	-
Reversal of impairment losses on property and equipment		-	-	( 2,214,620 )
Operating profit before working capital changes		( 95,510,212 )	( 613,430,495 )	1,969,054,177
Decrease (increase) in trade and other receivables		673,798,843	747,606,386	( 789,456,419 )
Decrease (increase) in inventories		115,167,504	( 65,817,368 )	( 10,503,833 )
Decrease (increase) in advances to related parties		250,206,312	( 314,467,708 )	2,313,303,074
Increase in other current assets		( 173,544,719 )	( 158,275,661 )	( 104,009,655 )
Decrease in post-employment benefit asset		4,154,768	1,718,694	4,626,812
Decrease (increase) in other non-current assets		( 93,307,612 )	41,923,349	( 22,918,855 )
Increase (decrease) in trade and other payables		( 91,861,802 )	973,597,461	6,401,485,289
Decrease in advances from customers		52,646,543	7,333,519	41,303,852
Increase in post-employment benefit obligation		26,392,961	34,518,538	11,566,680
Increase (decrease) in other non-current liabilities		( 71,298,444 )	4,950,042	11,491,528
Cash generated from operations		596,844,142	659,656,757	9,825,942,650
Interest received		640,268	497,226	3,209,084
Cash paid for income taxes		( 7,377,558 )	( 12,666,078 )	( 23,364,384 )
Net Cash From Operating Activities		590,106,852	647,487,905	9,805,787,350
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from disposal of property and equipment	9	447,352,689	492,333,802	64,887,231
Acquisitions of property and equipment	9	( 269,115,281 )	( 219,072,100 )	( 3,812,414,640 )
Proceeds from disposal of other non-current assets held for sale	11	28,733,405	-	-
Additional investment in a subsidiary and a joint venture	10, 22	-	( 219,609 )	( 5,165,000,739 )
Net Cash From (Used in) Investing Activities		206,970,813	273,042,093	( 8,912,528,148 )
Balance carried forward		P 797,077,665	P 920,529,998	P 893,259,202

	Notes	2021	2020	2019
Balance brought forward		P 797,077,665	P 920,529,998	P 893,259,202
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Interest paid		( 655,053,098 )	( 1,057,077,426 )	( 1,166,580,151 )
Repayments of interest-bearing loans and borrowings	13	( 391,890,832 )	( 771,406,165 )	( 3,307,245,190 )
Proceeds from interest-bearing loans and borrowings	13	286,281,556	275,667,888	2,393,163,353
Proceeds from deposits for future stock subscriptions	22	57,828,800	662,596,200	-
Proceeds from advances from related parties	21	36,239,823	-	1,113,921,827
Repayments of advances from related parties	21	-	( 266,615,985 )	( 35,203,829 )
Net Cash Used In Financing Activities		( 666,593,751 )	( 1,156,835,488 )	( 1,001,943,990 )
NET DECREASE IN CASH AND CASH EQUIVALENTS		130,483,914	( 236,305,490 )	( 108,684,788 )
CASH AND CASH EQUIVALENTS FROM ACQUIRED SUBSIDIARIES	25	-	283,958	40,417,324
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		139,206,973	375,228,505	443,495,969
CASH AND CASH EQUIVALENTS AT END OF YEAR		P 269,690,887	P 139,206,973	P 375,228,505

See Notes to Consolidated Financial Statements.



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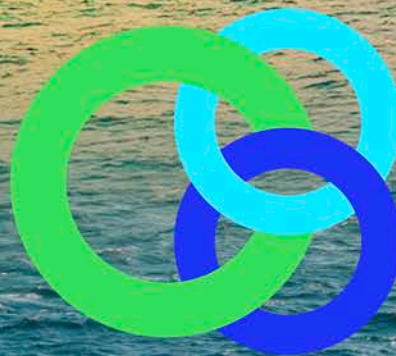


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