

5 March 2024

DIRECTOR VICENTE GRACIANO P. FELIZMENIO, JR.
MARKETS AND SECURITIES REGULATIONS DEPARTMENT
7907 Makati Avenue, Salcedo Village
Barangay Bel-Air, Makati City

Subject : Preliminary Information Statement

Dear Director Felizmenio,

Our Company Chelsea Logistics and Infrastructure Holdings Corp. will be holding its Annual Stockholders' Meeting on April 29, 2024 via remote communication.

In this connection, the Company hereby submits its Preliminary Information Statement for the consideration and approval of the Commission.

Very truly yours,



MA. HENEDINA V. SAN JUAN
Corporate Secretary

COVER SHEET

C S 2 0 1 6 1 9 7 3 4

SEC Registration Number

C H E L S E A L O G I S T I C S A N D

I N F R A S T R U C T U R E H O L D I N G S C O R P.

(Company's Full Name)

S T E L L A H I Z O N R E Y E S R O A D

B O . P A M P A N G A

D A V A O C I T Y 8 0 0 0

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

MA. HENEDINA V. SAN JUAN

(Contact Person)

+63 82 224 5373

(Company Telephone Number)

1 2 3 1

Month Day
(Fiscal Year)

2 0 - I S

Definitive
(Form Type)

04 29

Month Day
(Annual Meeting)

*Last Monday of April of every year

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

32

Total No. of Stockholders

Total Amount of Borrowings

14,826,923,711

Domestic

2,943,706,377

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.



NOTICE OF ANNUAL STOCKHOLDERS' MEETING

Please take notice that the Annual Meeting of Stockholders of **CHELSEA LOGISTICS AND INFRASTRUCTURE HOLDINGS CORP.** will be held on **Monday, April 29, 2024** at **10 A.M.**, via Remote Communication, with the following:

AGENDA

1. Call to Order
2. Certification of Notice and Determination of Quorum
3. Report of the President & CEO for the Year 2023
4. Approval of the Minutes of the Annual Stockholders' Meeting held on May 9, 2023
5. Ratification and confirmation of all acts and resolutions of the Board and Management executed in the normal course of business covering the period February 21, 2023 until February 16, 2024
6. Election of Members of the Board of Directors
7. Appointment of External Auditor
8. Other Matters
9. Adjournment

Only stockholders of record as of **March 27, 2024** are entitled to notice of, and to vote at, this meeting.

Considering continuing COVID safety/ health concerns, the physical and actual holding of the Annual Stockholders' Meeting cannot be conducted. In lieu thereof, the Annual Stockholders' Meeting on April 29, 2024 shall be conducted via live streaming.

Stockholders who intend to participate are required to register by sending an email, together with the requirements to ASM@chelsealogistics.ph on or before April 22, 2024, 5PM (Philippine Time). Full list of requirements may be viewed on the following [link: https://www.chelsealogistics.ph/annual-stockholders-meeting/](https://www.chelsealogistics.ph/annual-stockholders-meeting/). The registration is subject to validation, and successful registrations will receive an electronic invitation via email, along with a complete guide on how to join, participate and vote in the Meeting.

Copies of the Notice of the Meeting, Definitive Information Statement and other related documents may be found on <https://www.chelsealogistics.ph/annual-stockholders-meeting/> and through the PSE Edge Portal. Proxy Forms and Special Powers of Attorney or other Authorization forms are available on the Company's website must be submitted to the Office of the Corporate Secretary, 18th Floor, Udena Tower, Rizal Drive corner 4th Avenue, Bonifacio Global City, Taguig City by mail or sent by

email to ASM@chelsealogistics.ph. Validation of proxies and registration shall commence on April 1, 2024 until 5 p.m. of April 22, 2024. Participation in the meeting as well as voting shall be through remote communication. Detailed Procedure for voting shall be posted on the Company's website.

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

Taguig City, 5 March 2024.


MA. HENEDINA V. SAN JUAN
Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

Information Statement
of

CHELSEA LOGISTICS AND INFRASTRUCTURE HOLDINGS CORP.

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

1. Check the appropriate box:

Preliminary Information Statement
 Definitive Information Statement

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

3. Country of Incorporation: REPUBLIC OF THE PHILIPPINES

4. SEC Identification Number: CS201619734

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

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

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

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

Date - April 29, 2024
Time - 10 a.m.
Place - Remote Communication (via Zoom)

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

April 5, 2024

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

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

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

Yes No

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

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

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

- a. Date - April 29, 2024
Time - 10 a.m.
Place - Stella Hizon Reyes Road, Bo. Pampanga, Davao City
Remote Communication (via Zoom)

- b. Approximate date when the Information Statement is first to be sent to stockholders:
April 5, 2024

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

Item 2. Dissenter's right of appraisal

Pursuant to Section 80 of the Revised Corporation Code of the Philippines, a stockholder has the right to dissent and demand payment of the fair value of his shares in case of any amendment to the Articles of Incorporation that has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence; in case of 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; in case of merger or consolidation; and in case of investment of corporate funds for any purpose other than the primary purpose of the corporation. Pursuant to Section 81 of the Code, the dissenting stockholder who votes against a proposed corporate action may exercise the right of appraisal by making a written demand on the Company for the payment of the fair value of shares held within thirty (30) days from the date on which the vote was taken. Failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented, the corporation shall pay the stockholder, upon surrender of the certificate or certificates of stock representing the stockholder's shares, the fair value thereof as of the day before the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

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

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

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

- a. No Director or Officer of the Company since the beginning of the last fiscal year, nominee

for election as Director of the Company, nor any of their associates, have any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon during the Annual Stockholders' Meeting, other than election to office.

- b. No Director of the Company has informed the Company in writing that he intends to oppose any action to be taken by the Company during the meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

a. Voting Securities

As of December 31, 2023, the total number of shares outstanding and entitled to vote on all corporate matters to be acted upon during the Annual Stockholders' Meeting is 2,274,768,615 common shares.

b. Record Date

The record date for purposes of determining the stockholders entitled to notice of and to vote at the Annual Stockholders' Meeting is **March 27, 2024**.

c. Voting Rights and Trust

In the matters to be voted upon in the Annual Stockholders' Meeting, stockholders of record as of March 27, 2024 shall be entitled to one vote per share in person or by proxy. If he will vote thru a proxy, the By-Laws of the Company requires the submission of the accomplished proxy form to the Corporate Secretary for validation and authentication at least ten (10) days before the date of the Annual Stockholders' Meeting.

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

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

d. Security Ownership of Certain Record and Beneficial Owners and Management

i. Security Ownership of Certain Record / Beneficial Owners as of December 31, 2023

Title of Class	Name & Address of Record Owner & Relationship to Issuer	Name of Beneficial Owner & Relationship to Record Owner	Citizenship	No. of Shares	Percentage of Outstanding Shares
Common	Udena Corporation Stella Hizon Reyes Road, Bo. Pampanga, Davao City <i>Stockholder</i>	Udena Corporation	Filipino	1,650,384,606	72.55%
Common	PCD Nominee Corporation 29/F BDO Equitable Tower 8751 Paseo de Roxas, Makati City <i>Stockholder</i>	PCD participants acting for themselves or for their customers	Filipino	528,315,567	27.80%

**PCD Nominee Corporation is not a related Company*

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

The 528,315,567 common shares under the name of PCD Nominee Corporation are owned by PCD participants acting for themselves or for their Filipino customers.

Other than the stockholders identified above, as of December 31, 2023, there are no other stockholders other than participants under PCD account who own more than five percent (5%) of the voting securities. Of the increase in the authorized capital stock of the Corporation from Two Billion Pesos (₱ 2,000,000,000.00) to Three Billion Five Hundred Million Pesos (₱ 3,500,000,000.00), which was approved by the Securities and Exchange Commission on April 4, 2022, Udena Corporation subscribed to 375,000,000 additional shares, which are not yet recorded in the books of the Corporation's Stock Transfer as the shares are not yet fully-paid.

As of December 31, 2023, 0.8373% or 15,907,325 Common Shares are owned by foreign stockholders.

ii. Security Ownership of Directors and Management as of December 31, 2023

Title of Class	Name of Beneficial Owner	Citizenship	Nature of Beneficial Ownership	No. of Shares	Percentage of Outstanding Shares
Directors					
Common	Dennis A. Uy	Filipino	Direct	215,501	.01%
			Indirect	770,234,496	33.86%
Common	Cherylyn C. Uy	Filipino	Direct	1	NIL
			Indirect	219,996,268	9.67%
Common	Chryss Alfonsus V. Damuy	Filipino	Direct	1,668,000	0.04%
Common	Eduardo A. Bangayan	Filipino	Direct	70,001	NIL
Common	Miguel Rene A. Dominguez	Filipino	Direct	1	NIL
Common	Jesus S. Guevara II	Filipino	Direct	1	NIL
			Indirect	100,000	0.01%

Title of Class	Name of Beneficial Owner	Citizenship	Nature of Beneficial Ownership	No. of Shares	Percentage of Outstanding Shares
Common	Arthur Kenneth L. Sy	Filipino	Direct	1	NIL
Common	Efren E. Uy	Filipino	Direct	270,001	0.01%
Executive Officers					
Common	Ignacia S. Braga IV	Filipino	Direct	802,000	0.04%
Common	Ma. Henedina V. San Juan	Filipino	Direct	219,000	0.01%
Common	Reynaldo A. Phala	Filipino	N/A	NIL	NIL
Common	Darlene A. Binay	Filipino	N/A	NIL	NIL
Common	Maria Katherine A. Agbay	Filipino	N/A	NIL	NIL
Common	Leandro E. Abarquez	Filipino	Direct	36,300	NIL
All Directors and Officers as a group				993,611,571	43.67%

As of December 31, 2023, Directors and Executive Officers of the Company owned an aggregate of 993,611,571 shares of the Company, equivalent to 43.67% of the Company's total issued and outstanding shares.

iii. Voting trust holders of 5% or more

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

iv. Changes in control

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

Item 5. Directors and Executive Officers

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

Office/Position	Name	Age	Citizenship
Directors			
Chairman	Dennis A. Uy	50	Filipino
Director/President & CEO	Chryss Alfonsus V. Damuy	50	Filipino
Director/Treasurer	Cherylyn C. Uy	44	Filipino
Director	Arthur Kenneth L. Sy	56	Filipino
Director	Efren E. Uy	62	Filipino
Director	Eduardo A. Bangayan	72	Filipino
Independent Director	Miguel Rene A. Dominguez	47	Filipino
Independent Director	Jesus S. Guevara II	69	Filipino
Executive Officers			
President & CEO	Chryss Alfonsus V. Damuy	50	Filipino
Treasurer	Cherylyn C. Uy	44	Filipino
Chief Financial Officer	Ignacia S. Braga IV	58	Filipino
Vice President – Treasury/Deputy CFO	Reynaldo A. Phala	57	Filipino
AVP – Legal & Corporate Affairs / Corporate Secretary	Ma. Henedina V. San Juan	62	Filipino

Office/Position	Name	Age	Citizenship
Finance Controller	Darlene A. Binay	51	Filipino
Compliance Officer	Leandro E. Abarquez	40	Filipino
Chief Audit Executive	Maria Katherine A. Agbay	51	Filipino

Information required of Directors and Executive Officers

i. Directors and Executive Officers

Board of Directors

The following are the final nominees who were duly screened by the Nomination Committee for election to the Board of Directors for the following fiscal year 2024 at the forthcoming Annual Stockholders' Meeting:

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

Miguel Rene A. Dominguez was nominated as Independent Director by Dennis A. Uy, while Jesus S. Guevara II was nominated as Independent Director by Chryss Alfonsus V. Damuy, and Gilbert F. Santa Maria was nominated by Ignacia S. Braga IV.

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

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

Below is a summary of the nominees' qualifications:

Dennis A. Uy **Chairman**

Dennis A. Uy, Filipino, 50 years old, is the founder and the Chairman of Chelsea Logistics and Infrastructure Holdings Corp. (CLIHC) since its incorporation. He served as President & CEO of CLIHC from incorporation until March 27, 2017. He is the Chairman and President of Phoenix Petroleum Holdings, Inc., the holding company of Phoenix Petroleum Philippines, Inc. (PPPI), and of Udenna Corporation, the ultimate parent company of PPPI and CLIHC. He is also the President and CEO of DITO CME Holdings Corp. (formerly ISM Communications Corporation), Udenna Land Inc., Le Penseur Inc., PH Resorts Group Holdings, Inc., and Udenna Management & Resources Corp. (UMRC) and its subsidiaries. Mr. Uy is also Chairman of F2 Logistics, Phoenix Philippines Foundation, and Udenna

Foundation. He is a member of the Young Presidents Organization – Philippine chapter and the Philippine Business for Social Progress. Mr. Uy has been the Honorary Consul of Kazakhstan to the Philippines since November 2011. He has a degree in Business Management from De La Salle University.

Chryss Alfonsus V. Damuy
Director, President & CEO

Chryss Alfonsus V. Damuy, Filipino, 50 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., CD Ship Management and Marine Services Corp., Chelsea Dockyard Corp. and Chelsea Marine Manpower Resources, Inc. Mr. Damuy is currently the Vice Chairman & President of Trans-Asia Shipping Lines, Incorporated and its subsidiaries Oceanstar Shipping Corporation, Starys Shoppe, Inc., Dynamic Cuisine, Inc., Big Hub Transport and Logistics Corp., Star Maritima Port and Allied Services, Inc. and Quality Metal & 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, 44 years old, is a Director and Treasurer of CLIHC since February 10, 2017. She also serves as the Treasurer of Chelsea Shipping Corp. and its subsidiaries. She is likewise a Director of Phoenix Petroleum Philippines, Inc. and the Corporate Treasurer of the Udenna Group of Companies and F2 Logistics, Inc. She is also a Director of PH Resorts Group Holdings, Inc., an Executive Director of Phoenix Philippines Foundation, Inc. and President of the Udenna Foundation. Ms. Uy is a graduate of Ateneo de Davao University with a degree in Business and Finance.

Arthur Kenneth L. Sy
Director

Arthur Kenneth L. Sy, Filipino, 56 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., Starys 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, 62 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, 72 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. 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 1993 and re-appointed in January 2023 with a term until 2028, and a member of the Philippine Association of Water Districts (PAWD) Board of Governors. He has served as a Director of the Rural Bank of Tagum from 2015 until present, as well as a member of the Board of Governors of the Philippine National Red Cross. He has a degree in Bachelor of Science in Business Administration from Silliman University and currently serves on the Board of Trustees representing the Alumni for a term up to July 31, 2027. He continues to serve as a pillar in the country's business sector by serving as Regional Director of the Federation of Filipino-Chinese Chambers of Commerce and Industry, Inc. in Southern Mindanao from 2017 to present.

Miguel Rene A. Dominguez**Independent Director**

Miguel Rene A. Dominguez, Filipino, 47 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 Development & Investment Corporation, and Trustee of Philippine Business for Social Progress, Philippine Business for Education and Synergeia Foundation, and President of the General Santos City Chamber of Commerce, and Chairman of Eisenhower Fellowships Association of the Philippines. 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 and a Master's Degree in Public Administration from Harvard University's Kennedy School.

Jesus S. Guevara II**Independent Director**

Jesus S. Guevara II, Filipino, 69 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 is at present the Chairman of the Board of Phividec Industrial Authority. He has a degree in Bachelor of Arts in Economics from University of the Philippines and Master's Degree in Industrial Relations.

Gilbert F. Santa Maria**Independent Director**

Gilbert F. Santa Maria, Filipino, 58 years old, has been nominated as an Independent Director of CLIHC. He is the partner / founder of LSM Ventures, an investment and advisory company based in Los Angeles, California. He served as the President and COO of Philippine Airlines and as a member of the Board of Directors of Philippine Airlines, PAL Holdings, Inc., and Air Philippines, Inc., from July 2019 to January 2022. At Philippine Airlines, he led the 81-year old Flag carrier through the global Covid pandemic, steering the enterprise through a catastrophic liquidity crisis, an unprecedented pre-arranged U.S. Chapter 11 filing, financial restructuring, and operational and strategic transformation,

while balancing board, employee, creditor, stakeholder, and national interests. The recovery plan of Philippine Airlines was recognized as the Asia Pacific Deal of the Year for 2021 for both Airline Economics and Air Finance Journal. He was also Chief Operating Officer of Ibex Global, Inc., a company based in Washington, D.C. from March 2015 to May 2018. He has also occupied senior leadership roles in companies in the Philippines and around the world including Liveit Investments, Ltd., IQ Backoffice, Inc., Integron, Inc., Stream Global Services, Etelecare Global Solutions, Inc., Similan.Com Pte.Ltd., Argosy Partners, Inc. and Pepsi Cola Products Philippines, Inc. He currently serves as a member of the Yale School of Management Alumni Advisory Board. He has a degree in BS Electrical Engineering from the University of the Philippines, and a Master's Degree in Public and Private Management from the Yale University School of Management.

Period of Directorship in the Company

Name of Director	Period of Service	Term of Office
Dennis A. Uy	since incorporation to present	7 years
Chryss Alfonsus V. Damuy	since incorporation to present	7 years
Cherylyn C. Uy	since February 10, 2017 to present	7 years
Arthur Kenneth L. Sy	since March 27, 2017 to present	7 years
Efren E. Uy	since March 27, 2017 to present	7 years
Eduardo A. Bangayan	since March 27, 2017 to present	7 years
Miguel Rene A. Dominguez	since March 27, 2017 to present	7 years
Jesus S. Guevara II	since March 27, 2017 to present	7 years

Directorships in Other Reporting Companies

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

Name of Director	Name of Reporting Company	Position Held
Dennis A. Uy	Phoenix Petroleum Philippines, Inc.	Chairman and Chief Strategy Officer
	2Go Group, Inc.	Chairman of the Board
	PH Resorts Group Holdings, Inc.	Director
	DITO CME Holdings Corp.	Director
	Atok-Big Wedge Co., Inc.	Vice Chairman
	Apex Mining Co., Inc.	Independent Director
Cherylyn C. Uy	Phoenix Petroleum Philippines, Inc.	Director
	PH Resorts Group Holdings, Inc.	Director
	DITO CME Holdings Corp.	Director
Eduardo A. Bangayan	Manila Mining Corporation	Independent Director

Directorships with government agencies or its instrumentalities

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

There are no other Directors or officers of the Company connected with any government agency or its instrumentalities. Please see Certification of the Corporate Secretary, Annex A-2, that except for Directors Eduardo A. Bangayan and Jesus S. Guevara II, no other Directors or officers of the Company

are connected with any government agency or its instrumentalities.

Certification of Independent Directors

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

Executive Officers

The following Officers are expected to be nominated for re-election or election at the Organizational Meeting of the Board of Directors following the Annual Stockholders' Meeting on April 29, 2024:

Ignacia S. Braga IV

Chief Financial Officer

Filipino, 58 years old, is the Chief Financial Officer of CLIHC, Udenna Corporation, Chelsea Shipping Corp. and its subsidiaries, and Starlite Ferries, Inc. and its subsidiaries. She is also the Vice President for Finance of Udenna Management & Resources Corp. She is the Treasurer of 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, 57 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, 62 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, 51 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, 40 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 from 2010 to 2017, where he advised clients on various diverse matters and special projects including mergers and acquisitions, initial public offering, gambling regulatory advice, public-private partnerships, project finance, and dispute resolution matters. He is also the Corporate Secretary of Udenna Corporation and of Dito CME Holdings Corp. (formerly ISM Communications Corporation). He received his Bachelor’s degree in Biology from the Ateneo de Manila University and his Juris Doctor degree from the same university in 2009.

Maria Katherine A. Agbay

Chief Audit Executive

Filipino, 51 years old, is the Chief Audit Executive and Internal Audit Manager of the Company. Prior to joining CLIHC, she was an active Professional Practitioner in audit, insurance and real estate. She was previously a Lecturer at Far Eastern University – Makati and San Beda College, Manila; Vice-President - Audit and Systems Head and Finance Manager of Trust International Paper Corporation (TIPCO); Vice-President – Controller of subsidiary TIPCO Estates Corporation; Assistant Vice-President of Citibank and Accounting Manager of Kuok Philippine Properties, Inc. and KSA Realty Corporation. She started her career as an Auditor at SyCip, Gorres Velayo & Co. She is a Magna Cum Laude graduate of University of the East, Manila. She also has a Master’s Degree in Business Administration from De La Salle University.

Period of Service in the Company

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

ii. Significant employees

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

iii. Family relationships

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

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

Involvement of Directors and Officers in certain legal proceedings

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

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

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

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

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

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

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

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

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

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

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

b. Certain relationships and related transactions

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

A summary of the Company's and its Subsidiaries' transactions with its related parties for the periods ended December 31, 2023 and 2022 and the related outstanding balances as of December 31, 2023 and 2022 is presented below.

Related Party Category	Notes	Amounts of Transactions			Outstanding Balances	
		2023	2022	2021	September 30, 2023	December 31, 2022
Parent —						
Cash advances granted	19.4	(P 474,599,063)	(P 21,936,541)	P 6,554,331,342	P 6,638,522,616	P 7,113,121,679
Associate —						
Sale of Dito	10, 19.4	-	-	-	271,874,967	271,874,967
Related parties under common ownership:						
Chartering of services rendered	19.1	9,881,618	109,987,271	157,377,291	64,184,585	73,199,255
Fuel purchases	19.2	31,028,580	787,617,140	1,217,534,299	(2,532,387,240)	(2,681,942,524)
Acquisition of CSC's shares	19.6	-	-	-	(500,000,000)	(500,000,000)
Rental expense	19.3	1,025,325	1,504,479	1,817,124	(3,420,866)	(4,190,152)
Donation	19.9(b)	-	-	270,000	-	(360,000)
Cash advances granted	19.4	-	17,291,343	245,528,345	86,058,666	86,058,666
Cash advances obtained	19.4	(25,490,390)	71,198,734	140,384,270	(504,000,000)	(529,490,390)
Right-of-use assets	9, 19.7	(12,492,405)	(12,492,405)	(12,492,405)	13,880,450	26,372,856
Lease liabilities	12.4, 19.7	13,382,259	12,708,552	7,293,655	(12,795,487)	(26,177,746)
Stockholders -						
Cash advances granted	19.4	(57,105,417)	-	-	91,118,421	148,223,838

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

Charter Fees and Standby Charges

The Group entered into chartering agreements with Phoenix Petroleum Philippines, Inc. (PPPI) which are made on the same terms as those transactions with third parties. The amounts of revenue

recognized are presented as part of Charter fees and Standby charges under the Revenues section of the Consolidated Statements of Profit or Loss. The related outstanding receivable as of December 31, 2023 and December 31, 2022 is presented as part of Trade receivables under the Trade and Other Receivables account in the consolidated statements of financial position (see Note 5).

The outstanding receivables from related parties are unsecured and do not bear any interest as the credit terms range from 30 to 45 days. Further, no impairment loss was recognized on the outstanding receivables from related parties as of December 31, 2023 and December 31, 2022 based on management's assessment.

Fuel Purchases

The Group purchases fuel and lubricants from PPPI, a related party under common ownership. Fuel consumed is included as part of Bunkering under the Cost of Sales and Services account in the Consolidated Statements of Profit and Loss (see Note 14) while the remaining fuel and lubricants inventory amounting to ₱90.8M and ₱96.2M as of December 31, 2023 and December 31, 2022, respectively, are included as part of the Inventories account in the Consolidated Statements of Financial Position (see Note 6). The outstanding liabilities, which are unsecured, and do not bear any interest as the credit terms range from 30 to 90 days, arising from these transactions as of December 31, 2023 and December 31, 2022, is presented as part of Trade Payables and Accrued Expenses under the Trade and Other Payables account in the Consolidated Statements of Financial Position (see Note 13).

Rentals

The Group entered into one-year contracts of lease of vehicles with Valueleases, Inc., a related party under common ownership. Related expense is presented as part of Rentals under Cost of Sales and Services in the Consolidated Statements of Profit or Loss (see Notes 14 and 15). The outstanding security deposits arising from this transaction are presented as part of Security Deposits under the Other Non-current Assets accounts in the Consolidated Statements of Financial Position (see Notes 11 and 22.2).

Advances to and from Related Parties

In the normal course of business, the Group grants and obtains unsecured, non-interest-bearing cash advances to and from its related parties mainly for working capital requirements, and to bridge financing of vessel acquisitions pending drawdown of related loans.

As of December 31, 2023, and December 31, 2022, the outstanding receivable and payable balances from these advances are shown as Advances to Related Parties and Advances from Related Parties, respectively, in the Consolidated Statements of Financial Position. These advances have no repayment terms and are payable in cash on demand or through offsetting arrangement with the related parties.

The movements in Advances to Related Parties in 2023 and 2022 are as follows:

	Parent Company	Associate	Related Parties under common Ownership	Stockholders	Total
September 30, 2023					
Balance at beginning of year	P 7,113,121,679	P 271,874,967	P 86,058,666	P 148,223,838	P 7,619,279,150
Advances (Collections)	(474,599,064)	-	-	(57,105,416)	(531,704,480)
Balance at end of period	<u>P 6,638,522,615</u>	<u>P 271,874,967</u>	<u>P 86,058,666</u>	<u>P 91,118,422</u>	<u>P 7,087,574,670</u>
December 31, 2022					
Balance at beginning of year	P 7,406,704,900	P 271,874,967	P 115,930,575	P -	P 7,794,510,442
Advances	-	-	-	148,223,838	148,223,838
Collections	(293,583,221)	-	(29,871,909)	-	(323,455,130)
Balance at end of year	<u>P 7,113,121,679</u>	<u>P 271,874,967</u>	<u>P 86,058,666</u>	<u>P 148,223,838</u>	<u>P 7,619,279,150</u>

Based on Management's assessment, no impairment loss is recognized in 2023 and 2022 related to the advances granted to related parties (see Note 25.2).

The movement in the Advances from Related Parties account in 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Balance at beginning of period	P 529,490,390	P 624,023,838
Repayments	(25,490,390)	(94,533,448)
Balance at end of period	<u>P 504,000,000</u>	<u>P 529,490,390</u>

In addition, the following table presents the outstanding balance of advances to officers and employees of the Company as of December 31, 2023 and 2022:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Advances to officers and employees	₱ 27,795,871	₱ 25,843,967

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

c. Ownership structure and parent company

As of December 31, 2023, Udenna Corporation owns 72.55% of the outstanding shares of the Company.

d. Resignation of Directors

Since the organizational meeting of the Company on May 9, 2023, no Director or Officer has resigned because of a disagreement with the Company on any matter relating to the Company's issuance, operations, policies or practices.

Item 6. Compensation of Directors and Executive Officers

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

those of the managerial, supervisory and technical employees.

The members of the Board of Directors are elected for a period of one (1) year. The Company pays its non-executive Directors a per diem of ₱30,000.00 for each meeting. There are no other arrangements for which the members of the Board of Directors are compensated.

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

Compensation of Executive Officer and Directors (in ₱ millions)					
Name	Principal Position	Salary	Bonus	Other	Total
		Estimated Compensation For the Year Ended December 31, 2023			
Chryss Alfonsus V. Damuy Cherylyn C. Uy Ignacia S. Braga IV	President & CEO Treasurer Chief Financial Officer	20.01	0.29	7.33	27.63
All other officers as a group unnamed		16.45		2.58	19.77

Compensation of Executive Officer and Directors (in ₱ millions)					
Name	Principal Position	Salary	Bonus	Other	Total
		Actual Compensation For the Year Ended December 31, 2022			
Chryss Alfonsus V. Damuy Cherylyn C. Uy Ignacia S. Braga IV	President & CEO Treasurer Chief Financial Officer	15.92	0.18	6.66	22.75
All other officers as a group unnamed		15.99		2.34	18.34

Compensation of Executive Officer and Directors (in ₱ millions)					
Name	Principal Position	Salary	Bonus	Other	Total
		Actual Compensation For the Year Ended December 31, 2021			
Chryss Alfonsus V. Damuy Cherylyn C. Uy Ignacia S. Braga IV	President & CEO Treasurer Chief Financial Officer	25.07	0.18	6.90	32.14

Raul L. Quisumbing	Vice President – Marketing & Port Operations				
All other officers as a group unnamed		10.19	0.2	3.8	23.19

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

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

Employees’ Stock Option Plan (ESOP)

The Company has an existing Stock Option Plan which was first approved by the Board of Directors on February 13, 2019 and by the Stockholders of the Corporation on March 15, 2019. An Amended ESOP was approved by the Board of Directors of the Corporation at its March 29, 2022 meeting, and by the Stockholders on May 3, 2022.

The objective of the ESOP is to recognize the loyalty, dedication and exemplary performance of the Company’s employees, thereby encouraging long-term commitment to the Company. Under the ESOP, the Company shall initially reserve for the exercise of stock options up to 56.3 million Common Shares of the Company’s outstanding shares to be issued, in whole or in part, out of the authorized but unissued shares, 66.67% of which were granted to existing employees as of the Initial Offering Date (IOD) while the remaining 33.33% is reserved for employees hired after the IOD. Stock options may be granted within 5 years from the adoption of the ESOP and may be exercised within 10 years from the date of grant. The exercise price shall be based on the volume weighted average price of the Company 30 days prior to the IOD. The options shall vest for a period of one to five years from the initial offering date. The Company shall receive cash for the stock options.

In 2022, the Company amended the subscription price of the stock options to Php 3.99 and the exercise periods to the first five (5) trading days of September of every year.

As of December 31, 2023 and 2022, pursuant to the ESOP, the Company has granted the option to its eligible employees to subscribe to 37.6 million shares of the Company. An option holder may exercise in whole or in part his vested option, provided that, an option exercisable but not actually exercised within a given year shall accrue and may be exercised at any time thereafter but prior to the expiration of said option's life cycle. No options have been exercised as at December 31, 2023, 2022 and 2021.

The fair value of the option granted was estimated using binomial option pricing model that takes into account factors specific to the ESOP. The principal assumptions used in the valuation are shown below.

Grant date	:	May 15, 2019
Vesting period ends	:	May 15, 2024
Option life	:	Five years
Share price at grant date	:	P6.05
Amended exercise price	:	P3.99
Original exercise price at grant date	:	P6.28
Average fair value at grant date	:	P3.16
Average standard deviation of share price returns	:	51.28%
Average risk-free investment rates	:	6.14%

The underlying expected volatility was determined by reference to historical date of the Company's shares over a period of time consistent with the option life.

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

Options Held by Directors and Officers						
Name	Option Granted	2020	2021	2022	2023	2024
CEO and Most Highly Compensated Executive Officers	6,983,813	662,593	598,771	598,771	598,771	598,771
All other Officers of the Company	1,594,510	112,759	83,728	83,728	83,728	83,728

As of December 31, 2023, none of these options have been exercised.

The Employee Stock Option Plan, as amended, was submitted to the Securities and Exchange Commission for approval on December 27, 2022.

Item 7. Independent Public Accountants

Punongbayan & Araullo (P&A), a member firm of Grant Thornton International Ltd., independent auditors, audited the Company's financial statements as at and for the years ended December 31, 2023 and 2022 in accordance with the Philippine Standards on Auditing.

P&A has acted as CLIHC's external auditor since incorporation. Mary Grace A. Punay is the assigned audit partner for 2023. The Company has not had any material disagreements on accounting and financial disclosures with its current external auditors for the same periods or any subsequent interim period. P&A has neither shareholding in CLIHC nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities in the Company. The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines set by the Board of Accountancy and approved by the Professional Regulation Commission.

Isla Lipana & Co. will be recommended for appointment at the scheduled Annual Stockholders'

Meeting. Representatives of P&A and Isla Lipana are expected to attend the Annual Stockholders' Meeting and they will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

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

	2023	2022	2021	2020
Audit Fees	₱8,000,000	₱4,500,000	₱4,500,000	₱4,500,000

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

There are no other services engaged and fees paid during the last three years.

Audit Committee and Policies

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

The Audit Committee has the following functions:

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

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

CLIHC's Audit Committee shall ensure that its internal auditor in the performance of its work shall be free from interference by outside parties. In addition, the Audit Committee was tasked to prepare the Audit Committee Charter (the Charter), which contain, among others, its purpose, membership, structure, operations, reporting process, resources and other relevant information. The Charter also specifies how the Audit Committee shall perform its oversight functions as prescribed by the Revised Code of Corporate Governance (the Code). In the preparation of the Charter, the Audit Committee strictly observed the requirements of the Code and other applicable laws and regulations in the Philippines and aligned the Charter with the best practices and standards as provided for in any or combination of the reference guides indicated in SEC Memorandum Circular No. 4, Series of 2012. Jesus S. Guevara II is CLIHC's Audit Committee Chairman, with Dennis A. Uy and Miguel Rene A. Dominguez as members.

Changes in and Disagreements with Accountants

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

Item 8. Compensation Plans

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

C. ISSUANCE AND EXCHANGE SECURITIES

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

On September 20, 2022, the Corporation executed a Subscription and Debt Conversion Agreement with The Members of the Board of Trustees of the Private Education Retirement Annuity Association (PERAA), and on September 5, 2023 the Corporation executed Subscription and Debt Conversion Agreements with Metropolitan Bank & Trust Company – Trust Banking Group (MBTC), as part of the Corporation's Liability Management Exercise for the restructuring of its outstanding loans and obligations. Pursuant to these Subscription Agreements, the total shares of the Corporation issued to PERAA was 3,859,000 while 73,932,000 shares of the Corporation were issued to MBTC. The shares were issued to MBTC on October 5, 2023 and to PERAA on October 12, 2023.

The Liability Management Exercise was approved by the Board of Directors of the Corporation in its Resolution dated 10 May 2022.

No action will be presented for stockholders' approval at this year's Annual Stockholders' Meeting that involves the authorization or issuance of any securities other than for exchange.

Item 10. Modification or Exchange of Securities

No action is to be taken with respect to the modification of any class of securities of the Corporation, or the issuance or authorization for issuance of one class of securities of the Corporation in exchange for outstanding securities of another class.

Item 11. Financial and Other Information

The Company's Financial Statements as of and for the year ended December 31, 2023 and Management Report are attached as Annexes D and E.

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

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

Item 13. Acquisition or Disposition of Property

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

Item 14. Reclassification of Accounts

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

D. OTHER MATTERS

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

1. Approval of the Minutes of the Annual Stockholders' Meeting held on May 9, 2023
2. Report of the President & CEO for the Year 2023
3. Ratification and Confirmation of all acts and resolutions of the Board and Management executed in the normal course of business covering the period February 21, 2023 until February 16, 2024 as set forth in Annex "C".
4. Election of the Members of the Board of Directors
5. Appointment of External Auditor

The Agenda for the May 9, 2023 Annual Stockholders' Meeting held via Remote Communication (in Zoom) was as follows:

1. Approval of the Minutes of the Annual Stockholders' Meeting held on May 3, 2022
2. Report of the President & CEO for the Year 2022
3. Report of the Chief Financial Officer for the Year 2022
4. Ratification and Confirmation of all acts and resolutions of the Board and Management executed in the normal course of business covering the period February 9, 2022 until February 20, 2023 as set forth in Annex "C".
5. Amendment of the By-Laws of the Corporation
 - Article II, Section 1 – Change in the Date of the Annual Stockholders' Meeting
 - Article IV, Section 7 – Creation of the Office of the Chief Financial Officer, and Transfer of some of the functions of the Treasurer to the Chief Financial Officer
6. Election of the Members of the Board of Directors
7. Appointment of External Auditor

- A description of the voting and vote tabulation procedures used in the meeting

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

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

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

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

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

- Matters discussed and Resolutions reached

At the May 9, 2023 Annual Stockholders' Meeting, after a discussion of each item, and opportunity given to the shareholders present to ask questions thereon, approval of the following matters took place: approval of the 2022 Audited Financial Statements and Annual Report; approval of the Minutes of the May 3, 2022 Annual Stockholders' Meeting; ratification of all acts of the Board of Directors, Board Committees and Management for the period covering 9 February 2022 to 20 February 2023; approval of the amendment of the By-Laws of the Corporation, specifically Article II, Section 1 – change in the date of the Annual Stockholders' Meeting and Article IV, Section 7 – creation of the Office of the Chief Financial Officer and transfer of some of the functions of the Treasurer to the Chief Financial Officer; election of the members of the Board of Directors; and appointment of the External Auditor of the Company.

- Record of the Voting Results for each Agenda Item

Stockholders who attended the Annual Stockholders' Meeting by proxy or in person represented 71.45% of the 1,821,977,615 outstanding capital stock of the Company as of the Record Date of 31 March 2023. Udenna Corporation, the shareholder which holds 70% of the total outstanding shares, was represented by Alexis Carlo G. Magsumbol.

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

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

All 8 members of the Board of Directors were present at the Meeting. Also present were Chief Financial Officer Ignacia S. Braga IV, Deputy CFO Reynaldo A. Phala, Finance Controller Darlene A. Binay, Compliance Officer Leandro E. Abarquez, Chief Audit Executive Maria Katherine A. Agbay, and Corporate Secretary Ma. Henedina V. San Juan.

- Material Information on the current stockholders, and their voting rights

Stockholders of the Company hold shares, each of which is entitled to one vote per share. Udenna Corporation owns 1,650,384,606 shares or 72.55% of the total outstanding capital stock of the Company. The rest of the shares of the Company are held by PCD Nominee Corporations and individual shareholders.

Udenna Corporation subscribed to an additional 375,000,000 shares of the Corporation in connection with the increase in the authorized capital stock of the Corporation from 2,000,000,000 to 3,500,000,000 shares, which increase was approved by the Securities and Exchange Commission on 4 April 2022. As of December 31, 2023, Udenna Corporation's partially-paid shares are not yet recorded in the books of the Corporation's Stock Transfer Agent.

On September 20, 2022, the Corporation executed a Subscription and Debt Conversion Agreement with The Members of the Board of Trustees of the Private Education Retirement Annuity Association (PERAA), and on September 5, 2023 the Corporation executed Subscription and Debt Conversion Agreements with Metropolitan Bank & Trust Company – Trust Banking Group (MBTC), as part of the Corporation's liability management exercise for restructuring of its outstanding loans and obligations. Pursuant to these Subscription Agreements, the total shares of the Corporation issued to PERAA was 3,859,000 while 73,932,000 shares of the Corporation were issued to MBTC. The shares were issued to MBTC on October 5, 2023 and to PERAA on October 12, 2023.

- Appraisals and performance report for the Board and the criteria and procedure for assessment

The Company has a Board Evaluation Report which is intended to assist the Directors in assessing the Board's performance as well as that of the Board Committees, individual Directors and Company officers. The Board Evaluation Report has 5 major sections: Collective Board Rating (Board Composition, Board Efficiency and Importance, Board Meetings and Participation); Board Committees; Individual Director's Self-Rating; Officer's Rating (Chairman of the Board, President & CEO, Department Heads); Over-All Comments/ Suggestions.

- Directors' disclosures on self-dealing and related party transactions

No Director of the Company has any substantial interest, direct or indirect, in any transaction which can be considered as self-dealing or a related party transaction.

- Directors' compensation report

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

2023	2022	2021
₱766,667.00	₱ 1,300,333.28	₱ 750,000.00

Item 16. Matters Not Required to be Submitted

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

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

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

Item 18. Other Proposed Action

- a. Ratification and confirmation of all acts and resolutions of the Board and Management executed in the normal course of business covering the period February 21, 2023 until February 21, 2024 as set forth in **Annex C**.
- b. Election of the members of the Board of Directors
- c. Appointment of Isla Lipana & Co. as the Company’s External Auditors for the Year Ending December 31, 2024.

Item 19. Voting Procedures

Under the Corporation Code, the affirmative vote of stockholders representing at least two thirds (2/3) of the outstanding capital stock of the Company shall be necessary for the approval of the proposed amendment to the Articles of Incorporation and the investment of corporate funds in any other corporation or business or for any purpose other than the primary purpose for which it was organized. Except in cases provided above, or where the law provides otherwise, all matters subject to vote shall be decided by the plurality vote of stockholders present in person or by proxy and entitled to vote thereat, a quorum being present. Stockholders of record are entitled to one (1) vote per share. There is no manner of voting prescribed in the By-Laws of the Company. Hence, voting may be done by viva voce, raising of hands or by balloting.

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

Considering that the Annual Stockholders’ Meeting will be held virtually and in accordance with SEC Memorandum No.6, Series of 2020, the following are the internal procedures, describing the steps to be taken by the stockholders for the latter to cast/ submit their votes online:

- a) Shareholders of record as of March 27, 2024 are entitled to attend and participate and vote in absentia during the ASM on April 29, 2024 provided they:
 - (i) Register by sending an email, together with the requirements to ASM@chelsealogistics.ph on or before April 22, 2024 (5:00 p.m., Philippine time)
 - (ii) Have their shares authenticated and verified through the registration process and Proxies, if any and applicable, accompanied by their respective authorities (Special Power of Attorney or Secretary’s Certificate) validated.
- b) Only Shareholders who have registered and whose shares have been verified, proxies validated shall be counted in the determination of a quorum and other corporate actions.

- c) Shareholders may send their questions, comments and/or remarks prior to or during the meeting to ASM@chelsealogistics.ph. It is requested and encouraged that questions will be limited to the Annual Report, Financial Statements as of 31 December 2023 and the Definitive Information Statement sent to all stockholders of record as of March 27, 2024.
- d) Since there is only a limited technical capacity for shareholders, only a limited number of questions will be addressed directly during the ASM. However, the Company shall endeavor to answer the submitted questions or queries through the specified email provided by the Shareholder.
- Stockholders who have any objections to the proposed motions may either send their objections in writing to ASM@chelsealogistics.ph on or before 5:00 p.m. on April 22, 2024. Stockholders may also express their objections by clicking the 'Raise Your Hand' button on the Zoom videoconference call and will be entertained by the meeting host.
- e) A link to the recorded webcast of the Meeting will be posted on the Company's website after the Meeting. In view of the fact that the ASM will be conducted virtually, voting shall be cast through the submission of votes/ ballots to any of the following addresses:

- (1) Office of the Corporate Secretary 18th Floor, Udenna Tower, Rizal Drive corner 4th Ave., Bonifacio Global City, Taguig City or
- (2) Submission of the votes/ ballots, forms through email to ASM@chelsealogistics.ph.

The registration, authentication and validation process shall be open starting March 28, 2024 and will close at 5 p.m. on April 22, 2024. Thereafter, the Shareholder may no longer avail of the option to vote in absentia.

The Company reserves the right to reject processing of registration and deny access to ASM facilities for incomplete documents or for any discrepancy found in the information provided. An email confirmation on the status of the Shareholder's registration shall be sent to the registered email.

UPON THE WRITTEN REQUEST OF A STOCKHOLDER, THE COMPANY WILL PROVIDE, WITHOUT CHARGE, A COPY OF THE COMPANY'S SEC FORM 17-A DULY FILED WITH THE SECURITIES AND EXCHANGE COMMISSION.

ALL REQUESTS MAY BE SENT TO THE FOLLOWING ADDRESS:

MA. HENEDINA V. SAN JUAN

Corporate Secretary
CHELSEA LOGISTICS AND INFRASTRUCTURE HOLDINGS CORP.
18TH Floor, Udenna Tower
Rizal Drive corner 4th Avenue
Bonifacio Global City, Taguig City, Philippines

After reasonable inquiry to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Taguig on the ___th day of March 2024.

CHELSEA LOGISTICS AND INFRASTRUCTURE HOLDINGS CORP.

BY:



MA. HENEDINA V. SAN JUAN
Corporate Secretary

**LOCAL WATER UTILITIES ADMINISTRATION**

P.O. Box 34, U.P. Post Office, Kalipunan Avenue, Balara, Quezon City

Tel. No. 8920-5581 to 89, 8920-5601 Fax No.: (632) 8922-34-34

Office of the Administrator: (02) 8929-61-07

LWUA Website: www.lwua.gov.ph

CERTIFICATION

To whom it may concern:

This is to certify that **DIRECTOR EDUARDO A. BANGAYAN** is a member of the Board of Directors of the Davao City Water District representing the business sector.

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

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

Quezon City, Philippines, January 16, 2023.



EILEEN L. DELA VEGA
Officer-in-Charge



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF JUSTICE
OFFICE OF THE GOVERNMENT CORPORATE COUNSEL
3rd Floor MWSS Administration Building, Katipunan Avenue
Balara, Quezon City
Tel. Nos. 927-0030 / 920-7477 • Fax No. 436-4405
www.ogcc.gov.ph
info@ogcc.gov.ph

OPINION

No. 049
Series of 2019

FOR : PHIVIDEC INDUSTRIAL AUTHORITY
ATTENTION : HON. JESUS S. GUEVARA II
Chairman of the Board
RE : PROHIBITION ON THE PIA CHAIRMAN TO SERVE AS
AN INDEPENDENT DIRECTOR OF PRIVATE
CORPORATIONS
DATE : 1 MARCH 2019

I. Preliminary Statement:

This refers to your request for opinion on whether there is any existing prohibition for the PHIVIDEC Industrial Authority (PIA) Chairman of the Board to be appointed as an Independent Director of private corporations.

II. Antecedents:

On 14 June 2017, President Rodrigo R. Duterte appointed you as Chairman of the PIA Board of Directors (PIA Chairman). Thereafter, you immediately resigned from your position as the Chief Executive Officer (CEO) of an energy company. This is for the reason that the CEO position is a full-time job and therefore might run in conflict with your new appointment.

PHIVIDEC INDUSTRIAL AUTHORITY
Makati Business & Liaison Office

RECEIVED

By _____
Date 03.05.19 Time _____

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However, you kept your two independent directorships with two private corporations, one of which is Chelsea Logistics Corporation, a private and listed company. You pointed out that, as PIA Chairman, your functions are limited to those pertaining to policy and direction setting of the company and that the maximum days spent for these matters are two Board meetings and two Committee meetings a month. You added that the day to day operations of PIA are handled and entrusted to the Administrator, who, like you, is also appointed by the President.

III. Issue:

Whether there is any prohibition for you, as PIA Chair, to be appointed as an Independent Director of two private corporations, including a listed company.

IV. Discussion:

The rules in appointing an Appointive Director¹ are governed by Republic Act (RA) 10149, or the GOCC Governance Act of 2011, and Governance Commission for GOCCs (GCG) Memorandum Circular (MC) 2012-07 dated 28 November 2012 Re: Code of Corporate Governance for GOCCs.

Significantly, both RA 10149 and GCG MC 2012-07 do not contain any prohibition for an Appointive Director to be appointed as a Director of a private corporation, whether in an independent or in an ordinary capacity. An examination of their respective provisions readily reveals the absence of any such prohibition.

¹ "Appointive Directors refer to: (1) in the case of Chartered GOCCs, all members of its Board of Directors/Trustees who are not *ex officio* members thereof; xxx" [Section 3(b), RA 10149; and Section 1, GCG MC 2012-07].

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The only limitation provided under GCG MC 2012-07 with respect to the appointment of an Appointive Director is that he or she can no longer hold two other Board seats in other GOCCs, subsidiaries and/or affiliates. This limitation is expressly stated in Section 11, as follows:

Section 11. *Multiple Board Seats.* The capacity of Appointive Directors to serve with diligence shall not be compromised. As such, no Appointive Director in a GOCC, Subsidiary or Affiliate may hold more than two (2) other Board seats in other GOCCs, Subsidiaries and/or Affiliates.

Accordingly, notwithstanding that you have been appointed as PIA Chair, there is no legal impediment for you to serve as an Independent Director of private corporations. As the Supreme Court pointed out in the landmark case of *Manila Electric Company vs. Public Service Commission*², it is "a rule of statutory construction that what is not expressly or impliedly prohibited by law may be done, except when the act is contrary to morals, customs and public order."

This is unless there is a specific law, Securities and Exchange Commission regulation or even a corporate policy which prohibits the private corporations where you sit as an Independent Director from nominating an Appointive Director of a GOCC to be a member of their respective Governing Boards. In such case, it is up to them to determine whether there is such a prohibition that applies to their particular cases.

Moreover, your appointment to the private corporations should not at any instance lead into an actual or potential conflict of interest in the performance of your duties and responsibilities as PIA Chair. Pertinently, Section 27.1 of GCG MC 2012-07 states that the duty of loyalty of a Director to always act in the best interest of the GOCC, with utmost good faith in all its dealings with the property and monies of the GOCC, include the obligation to avoid conflict of interest, as follows:

² GR 42317; 21 September 1934.



27.1. *Avoid Conflict of Interest.* – Directors and Officers shall at all times avoid any actual or potential conflict of interest with the GOCC. Each shall also avoid any conflict, or situation, which could reasonably be construed as creating an appearance of a conflict of interest.

Any question about a Director's or Officers' actual or potential conflict of interest with the GOCC shall be brought promptly to the attention of the Chairman of the Board, who will review the question and determine as appropriate course of action.

In addition, Section 3(i) of RA 6713³ provides that conflict of interest arises when a public official or employee is a member of a board, an officer, or a substantial stockholder of a private corporation or owner or has a substantial interest in a business, and the interest of such corporation or business, or his rights or duties therein, may be opposed to or affected by the faithful performance of official duty." It is thus necessary that you ensure that your membership as independent director in the private corporations will not conflict or tend to conflict your duties as Chairman of the Board of Directors of PIA. It should also be ensured that it will not result in a divided focus of your policy setting functions in the PIA.

In the event that you foresee an actual or potential conflict in the discharge of your functions, please be reminded of Section 9 of RA 6713 which provides:

Section 9. *Divestment.* – A public official or employee shall avoid conflicts of interest at all times. When a conflict of interest arises, he shall resign from his position in any private business enterprise within thirty (30) days from his assumption of office and/or divest himself of his shareholdings or interest within sixty (60) days from such assumption.

The same shall apply where the public official or employee is a partner in a partnership.

³ An Act Establishing a Code of Conduct and Ethical Standards for Public Officials and Employees, to Uphold the Time-Honored Principle of Public Office Being a Public Trust, Granting Incentives and Rewards for Exemplary Service, Enumerating Prohibited Acts and Transactions and Providing Penalties for Violations Thereof and for other Purposes.

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The requirement of divestment shall not apply to those who serve the Government in an honorary capacity nor to laborers and casual or temporary workers.

Lastly, it bears stressing that the underlying rationale on setting a limit on the number of GOCCs where an Appointive Director may sit is to ensure that his or her capacity to serve with diligence shall not be compromised. We thus enjoin you to take note of such an important rationale and to see to it that you will not be appointed to more than two other private corporations to ensure that you will be able to serve with utmost diligence the PIA Board of Directors as well as the Governing Boards of the private corporations to which you were appointed.

V. Summary:

In fine, we are of the considered view that there are no existing prohibitions for you, as PIA Chair, to be appointed as an Independent Director of two private corporations (including a listed company) considering that both RA 10149 and GCG MC 2012-07 do not contain any prohibition for an Appointive Director to be appointed as a Director of a private corporation. This is unless there is a specific law, Securities and Exchange Commission regulation or even a corporate policy, which prohibits the private corporations where you sit as an Independent Director from nominating an Appointive Director of a GOCC to be a member of their respective Governing Boards.

Moreover, your appointment to the private corporations should not at any instance lead into an actual or potential conflict of interest in the performance of your duties and responsibilities as PIA Chair. In the event such a conflict of interest arises, you should bring the matter to the Board and, if necessary, resign from your position in the private corporation in accordance with the above-quoted Section 9 of RA 6713.

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Lastly, we enjoin you to see to it that you will not be appointed to more than two other private corporations to ensure that your capacity to serve with utmost diligence the PIA Board of Directors, as well as the Governing Boards of the private corporations where you sit, will not be compromised.


ELPIDIO J. VEGA
Government Corporate Counsel

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SECRETARY'S CERTIFICATE
CHELSEA LOGISTICS AND INFRASTRUCTURE HOLDINGS CORP.

REPUBLIC OF THE PHILIPPINES)
Taguig City) S.S.

SECRETARY'S CERTIFICATE

I, **MA. HENEDINA V. SAN JUAN**, of legal age, Filipino and with office address at the 18th Floor, Udenna Tower, Rizal Drive corner 4th Avenue, Bonifacio Global City, Taguig City, after being duly sworn in accordance with law, hereby depose and state that:

1. I am the duly appointed and incumbent Corporate Secretary of **CHELSEA LOGISTICS AND INFRASTRUCTURE HOLDINGS CORP.** (the "Corporation"), a corporation organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office address at Stella Hizon Reyes Road, Bo. Pampanga, Davao City;

2. I certify to the best of my knowledge and based on official records of the Corporation under my custody, that there is no Director or officer of the Corporation connected with any government agency or its instrumentalities, except for Director Eduardo A. Bangayan and Director Jesus S. Guevara II.

3. I am executing this Certificate to attest to the truth of the foregoing facts and in connection with the requirement of the Securities and Exchange Commission for the Corporation's Definitive Information Statement.

IN WITNESS WHEREOF, I have hereunto affixed my signature on this 15 day of February 2024 at Taguig City.


MA. HENEDINA V. SAN JUAN
Corporate Secretary

SUBSCRIBED AND SWORN to before me this ___ day of February 2024, affiant exhibiting to me her Driver's License No. NO6-84-035705 valid until 1 September 2032.

Doc. No. 221 ;
Page No. 41 ;
Book No. xxxvi ;
Series of 2024.

ATTY. YVES S. PRECION
Notary Public for Taguig City
Appointment No. 23 (2023-2024)
Rol' No. 6928106.21.17 / IBP No. 25747812.29.23
PTR No. A-6123618/01.02.24/Taguig City
RCLE Compliance No. VII-0070815 valid until 04-14-25
Ground Floor FTI Old Admin. Bldg, FTI Complex, Taguig City
precionirish@gmail.com / 0998853454

CERTIFICATION OF INDEPENDENT DIRECTOR

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

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

Company/Organization	Position/Relationship	Period of Service
Alsons Agribusiness Unit	Vice President	June 2014 - present
Sarangani Agricultural Company, Inc.	Director	June 2014 - present
Alsons Development and Investment Corporation	Director	March 2018- present
Philippine Business for Social Progress	Trustee	Feb 2017 - present
Philippine Business for Education	Trustee	June 2017 - present
Synergeia Foundation	Trustee	Feb 2012 - present
Eisenhower Fellowships Association of the Philippines	Chairman	November 2022-present
General Santos Chamber of Commerce	President	January 1 2024- present

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

Done, this 19 day of February 2024 at Taguig City.

MIGUEL RENE A. DOMINGUEZ
Affiant

Subscribed and sworn to before me this 19 day of February 2024 at Taguig City, affiant personally appeared before me and exhibited to me his Tax Identification No. 921-338-194 .

Doc. No. 295 ;
Page No. 59 ;
Book No. XXXI ;
Series of 2024.

ATTY. IRISH S. PRECION
Notary Public for Taguig City
Appointment No. 23 (2023-2024)
Roll No. 68281/05.31.17 / IBP No. 257478/12.29.23
PTR No. A-6123618/01.02.24/Taguig City
MCLE Compliance No. VB-0020015 valid until 04-14-25
Ground Floor FTI Old Admin. Bldg. FTI Complex, Taguig City
precionirish@gmail.com / 09988634640

CERTIFICATION OF INDEPENDENT DIRECTOR

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

1. I am an Independent Director of CHELSEA LOGISTICS AND INFRASTRUCTURE HOLDINGS CORP. (the "Corporation") and have been its Independent Director since March 27, 2017.

2. I am affiliated with the following companies or organizations:

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

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. I disclose that I am subject of the pending case – "*Ombudsman vs. Bundoc, et al.*", G.R.No.225521-28 for Grave Misconduct, now pending before the Supreme Court, First Division.

5. I have the required permission from the Phividec Industrial Authority to be an Independent Director in the Corporation.

6. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

7. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five (5) days from its occurrence.

Done, this 06 FEB 2024 day of February 2024 at Taguig City.


JESUS S. GUEVARA II
 Affiant

Subscribed and sworn to before me this 06 FEB 2024 day of February 2024 at Taguig City, affiant personally appeared before me and exhibited to me his Tax Identification No. 125-805-086.

Doc. No. 527 ;
 Page No. 106 ;
 Book No. XXXV ;
 Series of 2024.


ATTY. IRISH A. PRECION
 Notary Public for Taguig City
 Appointment No. 23 (2073-2074)
 Roll No. 592805.01.17 / R- No. 27147812.25.23
 PTR No. A-612261501.09.18710uig City
 MCLE Compliance No. VS-022015 valid until 04-14-26
 Ground Floor FTI Old Admin. Bldg.- FTI Complex, Taguig City
 precionirish@gmail.com / 09988534540

**ACTS AND RESOLUTIONS OF THE BOARD OF DIRECTORS
FOR THE PERIOD COVERING
February 21, 2023 to February 15, 2024**

6 March 2023	<ul style="list-style-type: none"> ● Authority for the Corporation's President & CEO Chryss Alfonsus V. Damuy to sign the Deed of Assignment with Dito Holdings Corporation in connection with the Corporation's shares with Dito Telecommunity Corporation.
7 March	<ul style="list-style-type: none"> ● Postponement and resetting of the scheduled Annual Stockholders' Meeting from 27 March 2023 to 24 April 2023.
24 March	<ul style="list-style-type: none"> ● Authority for any one (1) of Eduardo Magalit, Francisco Delicana, Ronaldo Laurilla and Cristine Ayles to apply, transact, process and follow-up the Real Property Tax Clearance with the Taguig City Treasurer's Office, and receive documents relating thereto. ● Authority for Francisco Delicana to claim/ receive from Alpha Insurance and Surety Co., Inc., the check payable to the Corporation amounting to ₱ 100,000.00 in connection with the settlement of the claim of Dulcita Liwanag Laurio.
27 March	<ul style="list-style-type: none"> ● Authority for the Corporation to enter into a Loan Agreement with Amalgamated Investment Bancorporation for the settlement of its obligations in the amount of ₱ 560.38M, restructured into a Term Loan; Authority for the Corporation's President & CEO Chryss Alfonsus V. Damuy to sign and execute the Loan Agreement and other related documents.
28 March	<ul style="list-style-type: none"> ● Postponement and resetting of the scheduled Annual Stockholders' Meeting from 24 April 2023 to 9 May 2023. ● Authority for the Corporation to apply for the logo/trademark registration of the Corporation's 'Chelsea Layag' with the Intellectual Property Office of the Philippines; Authority for the Corporation's Corporate Secretary Ma.Henedina V. San Juan to transact, sign, execute and deliver, any and all other necessary documents for said application for registration.
11 April	<ul style="list-style-type: none"> ● Authority for the Corporation to continue as Surety for the loan/ credit accommodation granted by Union Bank of the Philippines to Chelsea Shipping Corp. in the amount of ₱ 198M; Authority for the Corporation's President & CEO Chryss Alfonsus V. Damuy to sign, execute and deliver the Continuing Surety Agreement in favor of Union Bank and any and all other related documents.
29 May	<ul style="list-style-type: none"> ● Designation of Rey G. Fabila as the Corporation's authorized representative to claim the assigned plate for the motor vehicle 2017 BMW X6 M Wagon (Plate No.NCQ 9276).
6 June	<ul style="list-style-type: none"> ● Authority for the Corporation to enter into a Loan Agreement with the Philippine Business Bank, Inc. – Trust Investment Center for the settlement of its loan obligation in the amount of \$ 1.92M which has been restructured into a Directed Credit Line; Authority for the Corporation's President & CEO Chryss Alfonsus V. Damuy and Chief Financial Officer Ignacia S. Braga IV to jointly sign and execute the Loan Agreement and other related documents.

	<ul style="list-style-type: none"> ● Authority for the Corporation to enter into a Deed of Pledge with Udenna Corporation and Philippine Business Bank, Inc. -Trust and Investment Center in connection with the pledge of Udenna Corporation's 25,500,000 listed shares of stock in Atok-Big Wedge as security for the Corporation's loan obligation to the Bank in the amount of US\$1,925,000.00, restructured into a Directed Credit Line; Authority for the Corporation's President & CEO Chryss Alfonsus V. Damuy to sign and execute the Deed of Pledge and other related documents.
13 June	<ul style="list-style-type: none"> ● Authority for the Corporation to file its application with the San Lorenzo Village Association, Inc. for the issuance of San Lorenzo Village Car Stickers for the Corporation's service vehicle BMW Wagon (Plate No.NCQ 9276); Authority for any one (1) of Rey G. Fabila, Alberto Arellano, and Rogelio Vitug to sign, execute and file the necessary application/ documents for the said application. ● Authority for the Corporation to apply for and establish an American Express (AMEX) Corporate Card Account and/or BDO Corporate Card Account with BDO Unibank, Inc.; Authority for any one (1) of Chryss Alfonsus V. Damuy and Ignacia S. Braga IV to represent and act for and on behalf of the Corporation in connection with the establishment of the AMEX and/or BDO Corporate Card Account with BDO.
26 June	<ul style="list-style-type: none"> ● Authority for the Corporation to file its application for Notice to Issue Receipt / Invoice (NIRI) with the Bureau of Internal Revenue RDO-132 (Davao); Authority for Janel Lagahit, Melane Salang, Niel Villacampa, and Armando Carbonel to sign, file, submit, transact and process this application.
8 August	<ul style="list-style-type: none"> ● Authority for the Corporation to apply for additional Withholding Tax Payment Forms Nos.0619F and 1601FQ with the Bureau of Internal Revenue; Designation of the Corporation's Chief Financial Officer Ignacia S. Braga IV as authorized signatory for the said application; Authority for Janel Lagahit, Melane Salng, Armando Carbonel, and Cristine Ayles to file, process and follow-up this application.
22 August	<ul style="list-style-type: none"> ● Authority for the Corporation to act as surety for the loan of PNX-Chelsea Shipping Corp., Trans-Asia Shipping Lines, Incorporated, Starlite Ferries, Inc., and the The Supercat Fast Ferry Corporation with the Development Bank of the Philippines, in the amount of ₱ 2.16B; Authority for the Corporation's President & CEO Chryss Alfonsus V. Damuy to sign and execute the Corporate Surety Agreement and other related documents.
18 September	<ul style="list-style-type: none"> ● Authority for the Corporation together with its subsidiaries, Starlite Ferries, Inc., The Supercat Fast Ferry Corporation and Trans-Asia Shipping Lines, Incorporated to participate in the G-Cash Merry-G promotion of G-EXCHANGE, Inc.; Designation of the Corporation's Information Technology Manager Efren M. Bernardino, Jr. as the Corporation's authorized representative, authorized to transact, negotiate, sign, execute, and deliver any and all contracts, documents. Agreements, and other writings necessary for the said transaction.
23 October	<ul style="list-style-type: none"> ● Authority for the Corporation to apply for registration and issuance of Taxpayer Identification Number/s (TIN) of its employees with the Revenue District Offices (RDO) of the Bureau of Internal Revenue (BIR); Authority for Janel Lagahit, Jessie Dador, Armando Carbonel or

	Melane Salang to represent the Corporation before the proper RDO having jurisdiction, in connection with the processing of TIN and subsequent issuance, and release of the TIN ID for its employees.
28 November	<ul style="list-style-type: none"> ● Authority for the Corporation to apply for, obtain and avail of the Corporate Credit Card Service (the 'Program') of Asia United Bank Corporation (AUB); Designation of the Corporation's President & CEO Chryss Alfonsus V. Damuy and Chief Financial Officer Ignacia S. Braga IV as the Corporation's authorized representatives with full power and authority to transact and negotiate with AUB, and to sign and execute the Documents, as well as other instruments required of the Corporation under the Documents (including waivers), and to bind the Corporation thereby.
11 December	<ul style="list-style-type: none"> ● Authority for the Corporation to sell its own motor vehicle 2018 Ford Ranger 2.2L 4x2 Pick Up (Plate No.NAJ 3801); Designation of the Corporation's Chief Financial Officer Ignacia S. Braga IV as authorized signatory to sign, execute and deliver the Deed of Absolute Sale.
2 January 2024	<ul style="list-style-type: none"> ● Authority for the Corporation to file its application for issuance of its 2024 Business Permit in the City of Davao; Designation of Chief Financial Officer Ignacia S. Braga IV as authorized signatory for the said application; Authority for Mel Anthony T. Castanares, Shanroe Fritz Alvarado, Melisa C. Pelonio and Ivan Kenneth I. Perez to work on and follow up the issuance of the Corporation's 2024 Business Permit. ● Authority for the Corporation to file its application for renewal of its 2024 Book of Accounts with the Bureau of Internal Revenue and with the District Office of Davao City; Authority for Melane Salang, Jessie Dador and/or Armando Carbonel to sign, process, work on and follow up the renewal of the Corporation's 2024 Book Accounts.
8 January	<ul style="list-style-type: none"> ● Authority for the Corporation to sell its motor vehicle 2019 Mitsubishi Xpander GLS SPO Wagon (Plate No.NBC 7148); Designation of the Corporation's Chief Financial Officer Ignacia S. Braga IV as authorized signatory to sign, execute and deliver the Deed of Absolute Sale.
15 January	<ul style="list-style-type: none"> ● Designation of President & CEO Chryss Alfonsus V. Damuy as the Corporation's proxy to attend the joint meeting of the Board of Directors and Shareholder of Dito Holdings Corporation on 17 January 2024 with full authority to appoint a proxy in behalf of the Corporation and vote for the shares of stock of the Corporation in Dito Holdings and to act upon all matters and resolutions that may come before or be presented during the said meeting.
29 January	<ul style="list-style-type: none"> ● Authority for Janel Lagahit, Melane Salang, Jessie Dador, and Armando Carbonel, to submit the Corporation's 2023 Computerized Book of Accounts under ACCN No. 132-032020-000002 to the Revenue District Office No. 132 of the Bureau of Internal Revenue
12 February	<ul style="list-style-type: none"> ● Authority for Francisco U. Delicana to (1) sign, execute and deliver for and in behalf of the Corporation, any and all documents or papers necessary for the release of the Chattel Mortgage or Promissory Note on the 2019 Hyundai Sta. Fe 2.2 CR A/T; and (2) receive from the Bank, the original copies of the Release of Chattel Mortgage, Promissory Notes, Certificates of Registration, Official Receipts and all other documents for said motor vehicle.

MANAGEMENT REPORT

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

This discussion summarizes the significant factors affecting the consolidated operating results and financial condition of Chelsea Logistics and Infrastructure Holdings Corp. and its Subsidiaries (CLIHC or the Group) as of and for the period ending September 30, 2023 and 2022. The following discussions should be read in conjunction with the attached unaudited consolidated financial statements of the Group as of September 30, 2023 and 2022.

Comparable discussion on Material Changes in Results of Operations for the period ending September 30, 2023 and 2022.

Amounts in millions (Php)	September 30,					
	2023	%Rev	2022	%Rev	% Change	
Revenues	P 5,346	100%	P 4,630	100%	15%	
Cost of sales and services	4,245	79%	4,276	92%	(1%)	
Gross Profit	1,102	21%	354	8%	211%	
Other operating expenses	1,030	19%	849	18%	21%	
Provision for expected credit losses	30	1%	2	0%	100%	
Operating profit (loss)	43	1%	(498)	(11%)	(109%)	
Finance cost, net	(973)	(18%)	(956)	(21%)	2%	
Other charges (income) - net	(107)	(2%)	(21)	(0%)	405%	
Profit (Loss) Before Tax	(1,037)	(19%)	(1,475)	(32%)	(30%)	
Tax expense (income)	7	0%	17	0%	(60%)	
Net profit (loss)	(P 1,044)	(20%)	(P 1,492)	(32%)	(30%)	
Add Back:						
Tax expense (income)	7	0%	17	0%	(60%)	
Depreciation and amortization	990	19%	934	20%	6%	
Interest expense	926	17%	908	20%	2%	
Loss on sale of property and equipment	90	2%	-	0%	100%	
Impairment loss on investment	81	2%	-	0%	100%	
Unrealized foreign currency exchange losses	28	1%	40	1%	(32%)	
Provision for expected credit losses	30	1%	2	0%	100%	
Gain on pretermination of lease liability	(6)	(0%)	-	0%	100%	
Reversal of impairment losses on property and equipment	(3)	(0%)	-	0%	(100%)	
Interest Income	(0)	(0%)	(0)	(0%)	1963%	
EBITDA	P 1,098	21%	P 410	9%	168%	

For the 9-month period ending September 30, 2023, the financial results of CLIHC and Subsidiaries, showed increased revenue, improved gross profit margin, increased operating profit, and improved liquidity compared to 2022. These positive changes were despite the lingering effects of the Covid pandemic which continued to weigh down the business, including vessel availability issues due to extended drydocking, volatile fuel costs, and inflation.

The Group posted a 15% growth in its Consolidated Revenues of ₱ 5.346B, exceeding the levels achieved in the same period in 2022 and even those attained in pre-pandemic period in 2019 by 4%.

The improvement in performance reflects the continued and accelerating growth of Freight and Passage businesses with the continuing rebound of passenger and cargo volumes, and the increasing number of vessels in trade.

Consolidated Gross Profit for the period was ₱ 1.102B, compared to ₱ 354M in 2022 and increased primarily due to improved revenue and increased trading vessels as described above. The Gross Margin in 2023 increased to 21% of revenues compared to 8% in the prior year, reflecting the impact of improved revenues on fixed cost of services elements such as depreciation and amortization, crew costs, and repairs and maintenance costs, including the semi-variable bunkering cost.

Other operating expenses were kept at 19% of revenues, slightly higher from 18% in prior year despite the increased business activities. This was substantially driven by the increase in Labor and Labor related costs by 29% to ₱ 269M year to date due to filled up vacant positions to complement current business requirements. Professional Fees and Representation and Entertainment likewise increased.

Additional Provision for expected credit losses of ₱ 30M was set-up to uplift coverage as well as to closely monitor asset quality.

Operating results for the period was upturned to a profit of ₱ 43M compared to a loss of ₱ 498M in 2022 basically due to factors stated above.

During the third quarter of the year, a non-cash asset impairment of ₱ 81M from a joint venture was recognized. Likewise, a ₱ 90M Loss on sale of a vessel was recorded.

The combined effects of impairment and loss including Interest expense for the period resulted to a Net Loss Before Tax of ₱ 1.037B as of September 30, 2023, or a per share loss of ₱ 0.32, a 30% reduction compared with a Net Loss of ₱ 1.492M, or a ₱ 0.796 loss per basic and diluted share the same period in 2022.

Adjusted EBITDA in 2023 increased 168% to ₱ 1.098B compared with ₱ 410M in 2022, reflecting the above factors

Financial Condition

September 30, 2023 versus December 31, 2022

Amounts in millions	Unaudited September 30, 2023		Audited December 31, 2022		% Change		
Current Assets	P	10,646	33%	P	10,668	32%	(0%)
Non-Current Assets		21,859	67%		22,262	68%	(2%)
Total Assets	P	32,505	100%	P	32,930	100%	(1%)
Current Liabilities	P	16,680	51%	P	16,266	49%	3%
Non-Current Liabilities		12,875	40%		12,889	39%	(0%)
Total Liabilities	P	29,556	91%	P	29,155	89%	1%
Total Equity	P	2,949	9%	P	3,775	11%	(22%)
Total Liabilities and Equity	P	32,505	100%	P	32,930	100%	(1%)

The Group's Consolidated Total Assets are practically the same for both periods, posted at ₱33M. Total Equity went down by 22% in September 2023 due to additional losses incurred this period.

This resulted to a decrease in Book Value per Share to ₱ 1.54 in September 2023 from ₱ 2.07 in December 2022.

Comparable discussion on Material Changes in Results of Operations for the period ending December 31, 2022 and 2021.

<i>Amounts in millions (Php)</i>	December 31					
	2022	%Rev	2021	%Rev	% Change	
Revenues	P 6,433	100%	P 4,469	100%	44%	
Cost of sales and services	5,670	88%	4,907	110%	16%	
Gross profit (loss)	763	12% (	439)	(10%)	274%
Other operating expenses	1,114	17%	1,094	24%	2%	
Provision for expected credit losses	42	1%	396	9%	(89%)	
Operating profit (loss)	(393)	(6%) (	1,930)	(43%)	(80%)
Finance cost, net	(1,333)	(21%) (	1,431)	(32%)	(7%)
Share in net loss of associate	-	0% (	892)	(20%)	100%
Other charges (income) - net	(744)	(12%)	282	6%	(364%)	
Profit (Loss) before tax	(2,470)	(38%) (	3,971)	(89%)	(38%)
Tax expense (income)	57	1% (	65)	(1%)	187%
Net profit (loss)	(P 2,527)	(39%) (	P 3,905)	(87%)	(35%)

Add Back:

Tax expense (income)	57	1% (	65)	(1%)	187%
Depreciation and amortization	1,256	20%	1,484	33%	(15%)
Interest expense	1,208	19%	1,403	31%	(14%)
Impairment losses on property and equipment	624	10%	71	2%	779%
Impairment losses on investment properties	233	4%	-	0%	100%
Loss (gain) on debt modification	(134)	(2%)	-	0%	100%
Unrealized foreign currency exchange losses	125	2%	13	0%	863%
Impairment of goodwill	64	1%	10	0%	516%
Provision for expected credit losses	42	1%	396	9%	(89%)
Share option benefit expense	19	0%	6	0%	216%
Share in net loss of an associate	-	0%	892	20%	(100%)
Gain on redemption of preferred shares	-	0% (	355)	(8%)	(100%)
Gain on sale of an asset held for sale	-	0% (	145)	(3%)	(100%)
Interest income	(4)	(0%) (	1)	(0%)	503%
Other income (charges)	(3)	(0%)	183	4%	(102%)
Adjusted EBITDA	P 959	15% (	P 12)	(0%)	(8136%)

The COVID-19 pandemic and containment actions implemented by the Philippine Government upset domestic activity and trade. Although most containment measures have been relaxed and businesses have re-opened, as of December 31, 2022, there is still the risk of new variants of the virus. In addition, at the start of 2022, the escalating geopolitical tensions in Europe caused by the Russian-Ukraine conflict, produced cascading effects on the world economy already battered by the pandemic. This caused an unprecedented increase in fuel prices that hit oil-exporting developing countries like the Philippines.

The double blow of the lingering effects of COVID-19 outbreak and the rising fuel prices hampered the anticipated economic and business recovery of the Group during the year.

Nevertheless, CLIHC and subsidiaries reported a 35% reduction in its Consolidated Net Loss after Tax posting ₱ 2,527 Million in 2022 from ₱ 3,905 Million in 2021.

The substantial improvement in the Group's consolidated revenues alleviated the effects of the pandemic and rising fuel prices. The Group achieved an increase in consolidated revenues by 44% to ₱ 6,433 Million in the current year primarily driven by the improvement in revenue performance of all business segments with the abatement of most of the containment restrictions implemented during the COVID-19 pandemic. The relaxation of containment restrictions allowed businesses to re-open, which increased the movement of goods and passenger volume during the year.

Passage revenue rose to ₱ 1,225 Million, up by more than 3x year on year from ₱ 293 Million in 2021, which is attributable to higher passage volume as well as rates. Passenger volume surged by 174% to 1,874,301 passengers during the period. Likewise, passage-related Sale of Goods segment grew by 137% to ₱ 115 Million. Freight revenue continued to grow, posting a 24% escalation to ₱ 3,383 Million this year. The Chartering and Tugboat segments of the Group, each contributed 30% growth in the topline, and generated ₱ 718 Million and ₱ 424 Million in current revenues, respectively. The positive results of the Shipping segment were attained despite vessel availability issues which was countered by deploying vessels to profitable routes, and by managing the drydock schedules of vessels to ensure their immediate return to trading. Moreover, the Logistics segment provided a 7% increase year on year to ₱ 552 Million. The increase in Vessel, Truck and Warehouse Utilization lessened the negative impact of rising fuel prices in 2022.

The Group continues to implement cost containment measures. Direct Cost Ratio to Revenues was reduced to 88% in the current year from 110% in the prior year. The increase in Consolidated Direct Costs was only 16% this year.

The significant growth in the topline, coupled with the conscientious efforts to manage cost and the increased utilization of profit-generating assets, helped the Group in reversing its negative Gross Margin of 10% in 2021 to a Gross Profit Margin of 12% in 2022.

The Group thoroughly considered and set aside the expected credit loss this period of P42 Million in addition to P396 Million provided in 2021 to uplift the coverage as well as to closely monitor asset quality.

As a result of the measures taken by the Group, Consolidated Operating Loss was significantly reduced to ₱ 393 Million or by 80% from ₱ 1,930 Million for the same period last year.

The Group's Finance cost was ₱ 1,333 Million, a 7% decrease from prior year of ₱ 1,431 Million with the loan restructuring secured by the Group.

Investment cost in Dito Holdings Corp., an associate as of December 31, 2022 is at NIL hence no share in Net Loss was taken up this year, a 100% drop from P 892 Million incurred in 2021.

Net Other Income in the period amounted to ₱ 744 Million from last year's Net Other Charges of ₱276 Million and comprised the following loss (income) items:

Amounts in millions Php	December 31				
	2022	%/Rev	2021	%/Rev	% Change
Gain on debt modification ¹	(134)	(3%)	0	0%	100%
Impairment losses on property and equipment ²	624	14%	71	2%	779%
Impairment loss on investment property ³	233	5%	0	0%	100%
Gain on sale of an asset held for sale ⁴	0	0%	(145)	(3%)	(100%)
Gain on redemption of preferred shares ⁵	0	0%	(355)	(8%)	(100%)
Impairment of goodwill ⁶	64	1%	10	0%	516%
Other Charges (Income)	(43)	(1%)	143	3%	(130%)
Gain on pre-termination of time charter contract ⁷	0	0%	(313)	(7%)	(100%)
Loss (Gain) on sale of vessels and equipment ⁸	(3)	(0%)	496	11%	(101%)
Miscellaneous	(40)	(1%)	(41)	(1%)	(1%)
Net Other Loss (Income)	744	17%	(276)	(6%)	(369%)

- ¹ In 2022, part of the Group's loans was restructured generating gain of ₱134 Million on debt modification.
- ² Certain vessels of the Group were impaired during the year amounting to ₱624 Million which includes loss taken up on MV TransAsia 1 which caught fire in 2022.
- ³ Impairment loss on investment property of the Group amounted to ₱233 Million pertaining to the cost of construction project of a warehouse terminated during the year.
- ⁴ On March 18, 2021, CLIHC entered into a Share Purchase Agreement (SPA) with a third party for the sale of its investments in 2GO Group, Inc. In May and June 2021, the sale of investments was executed with total consideration of ₱7,460 Million, in which the Group recognized a Gain on Sale of an Asset Held for Sale amounting to ₱154 Million.
- On August 19, 2021, The Supercat Fast Ferry Corp. (SFFC) sold MV Supercat 36 for a total consideration of ₱2.5 Million, in which SFFC recognized a Loss on Sale amounting to ₱9.4 Million.
- ⁵ In 2021, CLIHC acquired the Redeemable Preferred Shares from a previous holder for a total consideration of ₱875 Million and recognized a Gain on Redemption amounting to ₱356 Million.
- ⁶ The Goodwill from the acquisition of Michael, Inc. (MI) and Bunkers Manila, Inc. (BMI) was determined to be unrecoverable and an Impairment Loss was taken up, amounting to ₱64 Million in 2022 and ₱10 Million in 2021, respectively.
- ⁷ Gain was recognized relative to the termination of a Time Charter contract amounting to ₱313 Million in 2021.
- ⁸ In 2021, certain vessels and vessel equipment were sold to third parties for a total consideration of ₱358 Million and a Loss on Sale amounting to ₱355 Million was recognized. Also, a floating dock was sold in the same year for the amount of ₱232 Million and a Loss on Sale amounting to ₱141 Million was recognized. Total Loss on sale of vessels and equipment totaled ₱496 Million during the year.

The Group's overall financial performance during the year translates to a ₱ 1.341 Loss per Basic and Diluted Share, an increase from ₱ 2.143 loss in the same period in 2021.

The Group posted adjusted EBITDA of ₱ 959 Million, a reversal from the adjusted negative EBITDA of ₱ 12 Million in 2021, substantially due to reduction in Net Losses of the Group year on year.

Financial Condition

December 31, 2022 versus December 31, 2021

Amounts in millions ₱	2022	2021	% Change
Current Assets	10,668	11,038	(3%)
Non-Current Assets	22,262	23,084	(4%)
Total Assets	32,930	34,122	(3%)
Current Liabilities	16,266	16,135	1%
Non-Current Liabilities	12,889	12,337	4%
Total Liabilities	29,155	28,472	2%
Total Equity	3,775	5,650	(33%)
Total Liabilities and Equity	32,930	34,122	(3%)

The Group's Financial Condition during both periods is almost the same. However, the total Equity of the Group decreased by 33% to ₱3,775 Million against the ₱5,650 Million last year. This was due to additional losses this year amounting to ₱2,527 Million which were however offset by additional equity on the collection of subscription receivable from the parent company. This resulted to a decrease in Book Value per Share to ₱1.97 in 2022 from ₱3.10 in 2021.

Comparable discussion on Material Changes in Results of Operations for the year ended December 31, 2021 and 2020.

Amounts in millions Php	December 31				
	2021	%/Rev	2020	%/Rev	% Change
Revenues	4,469	100%	4,679	100%	-4%
Cost of sales and services	4,979	111%	5,298	113%	-6%
Gross profit (loss)	(510)	-11%	(619)	-13%	-18%
Other operating expenses	1,094	24%	1,042	22%	5%
Provision for estimated credit losses	396	9%	762	16%	-48%
Operating profit (loss)	(2,001)	-45%	(2,423)	-52%	-17%
Finance cost, net	1,425	32%	1,279	27%	11%
Share in net loss of associates	892	20%	1,046	22%	-15%
Other charges (income), net	(347)	-8%	(1,846)	-39%	-81%
Profit (Loss) before tax	(3,971)	-89%	(2,902)	-62%	37%
Tax expense (income)	(65)	-1%	409	9%	-116%
Net profit (loss) after tax	(3,906)	-87%	(3,311)	-71%	18%
Add Back:					
Tax expense (income)	(65)	-1%	409	9%	-116%
Depreciation and amortization	1,485	33%	1,676	36%	-11%
Interest Expense (Income), net	1,403	31%	1,300	28%	8%
Loss on debt modification	0	0%	87	2%	-100%
Share in net losses of an associate	892	20%	1,046	22%	-15%
Gain on sale of an asset held for sale	(145)	-3%	0	0%	100%
Gain on redemption of preferred shares	(355)	-8%	0	0%	100%
Gain on bargain purchase	0	0%	(1,185)	-25%	-100%
Gain on sale of an associate	0	0%	(984)	-21%	-100%
Loss on remeasurement of shares	0	0%	333	7%	-100%
Impairment of goodwill	10	0%	0	0%	100%
Provision for estimated credit losses	396	9%	762	16%	-76%
Impairment losses on property and equipment	71	2%	71	0%	0%
Other (Income) Charges	183	4%	0	0%	100%
Adjusted EBITDA	(31)	-1%	205	4%	-115%

Year 2020 saw the serious onset of the COVID-19 pandemic and Year 2021 was the continuation of the debilitating effects of the pandemic which spared no one globally. The pandemic hampered economic activities of all businesses in the country, disrupting all aspects and areas of business entities and putting their survival at risk.

In 2021, Chelsea Logistics and Infrastructure Holdings Corp. and its Subsidiaries' (CLIHC or the "Group") Consolidated Net Loss After Tax was ₱3,906 million or ₱2.143 loss per basic and diluted share

compared to 2020 of ₱3,311 million or ₱1.817 loss per basic and diluted share. This was due to incurred losses from the sale of certain assets during the year which amounted to ₱496 million, net. The first two and a half months of 2020 was on pre-pandemic status.

Consolidated Revenues was ₱4,469 million for the year, a decrease of 4% compared to prior year due to decline in revenues in the tanker, passenger and tugboat segments of the Group. Vessel availability issues, low passenger volume due to travel protocols and lower tugs movement brought by reduced entry of foreign vessels owing to certain requirements imposed by port operators, resulted in the reduction in Revenues in these segments. However, the shortfall was alleviated by the increase in freight and logistics revenues by 30% and 41%, respectively year over year. With few vessels in operation and reduced capacity, route rationalization was done to identify profitable routes and to maximize revenue generation of each vessel.

The Group reacted to the challenging condition of shrinking revenues by reducing operational expenditures and by practicing strict cost control. Cost of Services decreased by 6% to ₱4,979 million from ₱5,298 million in 2020. Some of the vessels were placed on intentional lay-up due to low load factor and to save on cash costs. Certain vessels were also on extended drydocking which brought about the reduction in Depreciation and Amortization expense by 12% and Repairs and Maintenance costs by 31%. Manning for laid up vessels and for those on extended drydock, are kept at minimum allowable, decreasing Crew cost by 21%. Consolidated cost of services includes Impairment Losses on Vessels amounting to ₱71 million in 2021 and ₱69 million in 2020.

Under-utilization of vessels put margin pressure on the Group's operating performance which resulted to a negative consolidated margin of 11% in 2021 however, this is an improvement from last year's 13% negative margin.

Consolidated Other Operating costs were ₱1,094 million for the year, an increase of 5% year over year, which was due to higher Outside Services costs this year.

CLHC and Subsidiaries thoroughly considered and set aside the expected credit loss this year of ₱396 million in addition to ₱762 million provided in 2020, to uplift coverage as well as to closely monitor asset quality.

Consolidated Operating Loss was ₱2,001 million compared to ₱2,423 million for the same period last year, due to cost containment measures implemented.

The Group's Finance cost was ₱1,425 million, an 11% increase from prior year of ₱1,279 million due to loan restructuring of the Group.

Share in Net Losses of an Associate, Dito Holdings Corp. (DHC) was ₱892 million in 2021, a 15% drop from prior year's combined share in losses of ₱1,046 million from associates – DHC at ₱149 million, 2GO Group, Inc. at ₱206 million, and Dito Telecommunity Corp. (DTC) at ₱691 million.

Net Other Income in the period amounted to ₱347 million compared to ₱1,846 million in prior year and comprised the following loss (income) items:

Amounts in millions Php	December 31				
	2021	%/Rev	2020	%/Rev	% Change
Loss on debt modification ¹	0	0%	87	2%	-100%
Gain on bargain purchase ²	0	0%	(1,185)	-25%	-100%
Loss on remeasurement of shares ²	0	0%	333	7%	-100%
Gain on sale of an associate ³	0	0%	(984)	-21%	-100%
Gain on sale of an asset held for sale ⁴	(145)	-3%	0	0%	100%
Gain on redemption of preferred shares ⁵	(355)	-8%	0	0%	100%
Impairment of goodwill ⁶	10	0%	0	0%	100%
Other Charges (Income)	143	3%	(98)	-2%	-245%
Gain on pre-termination of time charter contract ⁷	(313)	-7%	0	0%	100%
Loss (Gain) on sale of vessels and equipment ⁸	496	11%	(50)	-1%	-1091%
Gain on retirement of fixed assets ⁹	0	0%	(24)	-1%	-100%
Miscellaneous	(41)	-1%	(24)	-1%	66%
Net Other Loss (Income)	(347)	-8%	(1,846)	-39%	-81%

¹ In 2020, part of the Group's loans was restructured which incurred cost of ₱87 million on debt modification.

² The Gain on Bargain Purchase of ₱1,185 million and Loss on Remeasurement of Investment of ₱333 million resulted from the step-up acquisition of KGLI-NM, a subsidiary and recorded in 2020. The investment and corresponding goodwill were measured at fair value less cost to sell.

³ The ₱984 million Gain on Sale of an Associate arose out of the sale of 40,833,332 Common shares and 22,916,666 Preferred shares of DTC to DHC. CLIHC owned 42% of DHC and subsequently diluted to 11% upon subscription of Udenna Communications Media and Entertainment Holdings Corp. (UCME) to additional Common shares in DHC, resulting to an indirectly ownership of CLIHC in DTC of 6.6%. The sale was approved by CLIHC's Board of Directors on October 30, 2020.

⁴ On March 18, 2021, CLIHC entered into a Share Purchase Agreement (SPA) with a third party for the sale of its investments in 2GO Group, Inc. In May and June 2021, the sale of investments was executed with total consideration of ₱7,460 million, in which the Group recognized a Gain on Sale of an Asset Held for Sale amounting to ₱154 million.

On August 19, 2021, The Supercat Fast Ferry Corp. (SFFC) sold MV Supercat 36 for a total consideration of ₱2.5 million, in which SFFC recognized a Loss on Sale amounting to ₱9.4 million.

⁵ In 2021, CLIHC acquired the Redeemable Preferred Shares from a previous holder for a total consideration of ₱875 million and recognized a Gain on Redemption amounting to ₱356 million.

⁶ The Goodwill from the acquisition of Bunkers Manila, Inc. (BMI) was determined to be unrecoverable and an Impairment Loss of ₱10 million was recognized in 2021.

⁷ Gain was recognized relative to the termination of a Time Charter contract amounting to ₱313 million in 2021.

⁸ In 2021, certain vessels and vessel equipment were sold to third parties for a total consideration of ₱358 million and a loss on sale amounting to ₱355 million was recognized. Also, a floating dock was sold in the same year for the amount of ₱232 million and a loss on sale amounting to ₱141 million was recognized. Total Loss on sale of vessels and equipment totaled ₱496 million during the year.

Consolidated Loss Before Tax was ₱3,971 million, a 37% increase year on year, which was a result of recognized gains in the divestment of shares and sale of an associate in 2020.

The Tax Income of ₱65 million in 2021 and Tax Expenses of ₱409 million includes deferred tax expense (income) relating to origination and reversal of temporary differences.

Adjusted EBITDA for the year was a negative ₱31 million compared to a positive ₱205 million in 2020, due to declined results of the Group.

Financial Condition

December 31, 2021 versus December 31, 2020

Amounts in millions Php	December 31				
	2021	% /Total	2020	% /Total	% Change
Current Assets	11,038	32%	4,988	13%	121%
Non-Current Assets	23,084	68%	32,366	87%	-29%
Total Assets	34,122	100%	37,355	100%	-9%
Current Liabilities	16,135	47%	16,761	45%	-4%
Non-Current Liabilities	12,337	36%	11,108	30%	11%
Total Liabilities	28,472	83%	27,869	75%	2%
Total Equity	5,650	17%	9,486	25%	-40%

Consolidated current assets increased 121% from ₱4,988 million in December 2020 to ₱11,038 million in December 2021 caused by the growth in Advances to related parties account by ₱6,533 million. This is related to the sale proceeds from the disposal of the 2GO investment which were applied against certain loans of the parent company related to the investment. While Non-current assets were reduced to ₱23,084 million compared to ₱32,366 million in 2020. Certain vessels and equipment of the Group were sold during the year, and certain vessels were impaired resulting to the decrease in Property and equipment account.

Total Assets of the Group was ₱34,122 million in 2021 compared to ₱37,355 million in 2020 due to decline in non-current assets.

Consolidated Interest-bearing loans of the Group was ₱18,079 million at the end of the current year, an increase of 6% versus ₱17,007 million in 2020 merely due to set up of lease obligation for the acquisition of MV “Trans-Asia 21” amounting ₱1,100 million.

Total Equity of the Group decreased to ₱5,650 million or by 40% as against last year of ₱9,486 million due to incurred losses amounting to ₱3,905 million in the current year.

Key Performance Indicators and Relevant Ratios

The Group’s key performance indicators and relevant ratios are listed below:

	Sept 2023	2022	2021
Current ratio	0.64	0.66	0.68
Debt-to-equity ratio	10.02	7.72	5.04
Book value per share	₱1.54	₱1.97	₱3.10
EBITDA margin	24%	15%	-0.69%
Return on equity	-35%	-67%	-69%
Loss per share	₱-0.545	₱-1.341	₱-2.143

These key indicators were chosen to provide Management with a measure of the Group’s financial strength (Current Ratio and Debt to Equity) and the Group’s ability to maximize the value of its

stockholders' investment in the Group (Return on Equity, Net Book Value Per Share and Earnings Per Share). Likewise, these ratios are used to compare the Group's performance with similar companies.

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

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

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

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

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

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

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

As discussed in Note 24.6 to the financial statements, the Company signed a shipbuilding agreement for the delivery of a bed/seat Ro-Ro type passenger ferry ship presently identified as Builder's No. F-1351 for delivery in June 2021

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

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

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

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

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

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

the ECQ declared in the various cities and provinces where the Group operates, starting second half of March 2020.

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

II. NATURE AND SCOPE OF BUSINESS

Item 1. Historical Background

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

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

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

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

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

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

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

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

Item 2. Business of Issuer

Description of Registrant

Principal Products and Services

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

Chelsea Shipping Corp.

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

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

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

Trans-Asia Shipping Lines, Incorporated

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

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

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

TASLI Services Incorporated

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

Worklink Services, Inc.

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

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

Starlite Ferries, Inc.

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

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

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

Gallant Ferries, Inc. has been re-named Starlite Gallant Ferries, Inc. and Southwest Premiere Ferries, Inc. has been re-named Starlite Premiere Ferries, Inc.

Starbites Food Services Corp. incorporated on 27 June 2018, is engaged in the purchase of all kinds of food and beverage products and merchandise, except rice and corn, locally and/or through importation, for purposes of selling the same on retail or wholesale locally.

Precision Supply Chain Solution, Inc., incorporated on 28 December 2023, is engaged in the business of providing complete foreign and domestic end to end logistics, and distribution services for any and all kinds of goods including last mile delivery through the use of available motor vehicles and vessels, aircraft, and to operate the necessary warehouses in connection with said logistics and distribution services.

The Supercat Fast Ferry Corporation

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

Revenue Contribution

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

Services	Description of Services	Contribution to Sales
Freight	This pertains to revenues generated from transporting cargo from loading port to discharge port.	50%
Chartering	This consists mainly of charter income arising from the charter hire of its tankers and is recognized based on the type of charter agreement entered into, either under a time charter (TC), a continuing voyage charter (CVC), or bareboat agreement (BB). Charter fees also include standby charges, which represent fees charged upon failure of customer to utilize/dispatch the tanker within the allotted lay-time initially agreed upon with the customer. This is commonly referred to as demurrage.	9%
Passage	This pertains to revenues generated from ferrying passengers from the point of embarkation to the point of disembarkation.	27%
Tugboat	These are fees arising from docking, undocking, shifting, towing, ferry services, tugboat usage and delivery services to marine vessels and other crafts.	5%
Logistics Services	This pertains to revenues generated from logistics, distribution and warehousing services.	7%
Sale of Goods and Services	This pertains to revenues generated from passage related sale of goods and services on board ship and land based stores.	2%

Competition

A. Freight

The Company's Freight business is supported by its subsidiaries operating nationwide: Chelsea Shipping, Trans-Asia Shipping Lines and Starlite Ferries handle shipping of cargoes, while Worklink

Services provides end-to-end logistics solutions through its 77 delivery trucks and 11,294 sq.m. of warehousing capacity.

The major competitors in the Freight sector are:

1. Philippine Span Asia Carrier Corp.
2. Moreta Shipping Lines, Inc.
3. IRIS Lines
4. Meridian Shipping and Container Carrier, Inc.
5. Oceanic Container Lines Inc.
6. Cokaliong Shipping Lines, Inc.
7. 2Go Group, Inc.
8. Lite Shipping Corporation
9. Gothong Southern Shipping Lines
10. Kho Shipping Lines Incorporated

B. Tankers

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

As of November 2023, the Maritime Industry Authority (MARINA) registered 187 oil tankers in the country, which have an average GRT of 1,071.10 and an average age of 21 years.

Below are the major competitors of CLIHC on the tanker business:

1. Magsaysay Tankers Group
2. SMC Shipping & Lighterage Corporation
3. Herma Shipping Group
4. Shogun Ships Co.
5. Swordfish Marine Corp./ Animo Marine Corp.

C. Tugboats

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

According to the November 2023 records of the MARINA, there are 952 registered tugboats and dredgers/barges in the Philippines with an average GRT of 653.72 and an average age of 28 years. Majority of the smaller GRT tugboats hold a Bay & River trading license from the MARINA while bigger vessels hold a Coastwise license. The top two (2) industry players in the tugboat industry account for more than 24% of the total tugboats over 100 GRT.

CLIHC competitors in providing tugboat services include:

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

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

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

As of November 2023, there are 3,933 passenger vessels registered with the MARINA, with an average GRT of 115.69 and an average age of 6 years. As of the same period, there are 2,256 cargo vessels registered with the MARINA, with an average GRT of 2,256 and an average age of 18 years.

CLIHC's main competitors in RoPax segment include:

1. Cokaliong Shipping Lines, Inc.
2. Lite Shipping Corporation
3. Kho Shipping Lines Incorporated

E. Fast Craft Business

Fast crafts are high-speed catamarans which ferry passengers on short routes between islands.

CLIHC's main competitors in the fast craft business are:

1. Oceanjet Fast Ferries Corporation (Operator of Oceanjet Fast Crafts)
2. SRN Fast Seacrafts (Operator of Weesam Express Fast Crafts)
3. Grand Ferries (Operator of SeaCat Ferries)

Suppliers

The Company sources its vessel, fuel requirements and other supply domestically and internationally. The Company sources approximately 90% of its fuel requirements from Phoenix Petroleum Philippines, Inc.

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

Transactions with and/or Dependence on Related Parties

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

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

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

Employees

As of December 31, 2023, the Company has a total of 2,286 employees, 804 of which are crewmen

and are stationed at various ports of operation, while the other 1,482 employees are office personnel or are members of support services.

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

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

Benefits received by employees include government-mandated benefits (Social Security System, Pag-ibig, and PhilHealth), rice subsidies, vacation leave of 15 days per year, health plans, and retirement pay. The Company supports employee development thru the conduct of in-house seminars, drills and training. Employees are enrolled in various technical, professional, management and leadership training, here and abroad. One of CLIHC's subsidiaries, Trans-Asia Shipping, has two (2) existing labor unions, one for its supervisors and one for its rank and file employees. Both unions have existing collective bargaining agreements ("CBA") valid from August 11, 2017 to August 10, 2022. On July 8, 2022, the separate CBAs for both unions were accordingly renewed effective August 11, 2022, valid until August 10, 2027. The relationship with the unions has been generally harmonious and there has been no incidence of labor strikes in the past three (3) years, up to the present. There is also no impending or threatened labor strike.

Risks Relating to the Company

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

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

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

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

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

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

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

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

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

- *The shipping industry is highly competitive.*

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

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

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

- *Changes in legal and regulatory environment.*

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

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

industry and working to strengthen industry-government partnerships.

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

Effects of Existing or Probable Governmental Regulations on the Business

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

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

Costs and Effect of Compliance with Environmental Laws

The Company incurred ₱ 14,166,809.18 and ₱ 12,827,095.63 for 2023 and 2022, respectively for costs relating to compliance with environmental laws as required by the MARINA. This pertains to daily waste management expenses.

Item 3. Properties

The Group owns various tankers, barges, RoPax, cargo vessels, tugs and fastcrafts which are utilized in its business. The following table sets forth information on these vessels that each company owns as of December 31, 2023.

	Name of Vessel	Registered Owner	Year Built	Type
1.	M/T Chelsea Providence	CSC	2013	Medium Range Tanker
2.	M/T Chelsea Cherylyn	CSC	2009	White Oil, Carrier, Tanker
3.	M/T Chelsea Denise**	CSC	1985	Black / White Oil Carrier, Tanker
4.	M/T Chelsea Resolute**	CSC	1979	White Oil, Carrier, Tanker
5.	M/T Chelsea Enterprise	CSC	1985	Black Oil Tanker
6.	M/T Chelsea Excellence	CSC	1998	White Oil, Carrier, Tanker
7.	M/T Chelsea Intrepid**	CSC	1994	Black Oil Tanker
8.	M/T Chelsea Denise II	PNX – CSC	2012	Black / White Oil Carrier, Tanker
9.	M/T Chelsea Dominance	PNX – CSC	2016	Product Oil Tanker
10.	M/T Great Princess	PNX – CSC	2013	Oil/Chemical Tanker
11.	M/T Chelsea Endurance	PNX – CSC	2006	Product Oil Tanker
12.	M/T Chelsea Charlize	PNX – CSC	2015	Product Oil Tanker
13.	MV St. Nicholas of Myra**	PNX – CSC	1998	General Cargo
14.	M/T Ernesto Uno**	MI	1979	White Oil, Carrier, Tanker
15.	M/T Jasaan**	MI	1990	Black Oil Carrier, Tanker

16. M/T BMI Patricia***	BMI	1981	Black Oil Carrier, Tanker
17. MV Trans Asia 1*	Trans Asia	1980	Passenger Ship
18. MV Trans Asia 2**	Trans Asia	1977	Passenger Ship
19. MV Trans Asia 3**	Trans Asia	1989	Passenger Ship
20. MV Trans Asia 8	Oceanstar	1984	Passenger Ship
21. MV Trans Asia 10**	Trans Asia	1979	Passenger Ship
22. MV Asia Philippines**	Trans Asia	1975	Passenger Ship
23. MV Trans-Asia 18	Trans-Asia	1998	Passenger Ship
24. MV Trans-Asia 19	Trans-Asia	2018	Passenger Ship
25. MV Trans Asia 12	Trans Asia	1998	Container Cargo Ship
26. MV Trans Asia 15**	Trans Asia	1995	Container Cargo Ship
27. MV Trans-Asia 16**	Trans-Asia	1996	Container Cargo Ship
28. MV Trans-Asia 17**	Trans-Asia	1999	Container Cargo Ship
29. MV Asia Pacific**	Trans Asia	1981	General Cargo Ship
30. MV Trans-Asia 21	Trans-Asia	2021	Passenger Ship
31. M/Tug Fortis I	FTC	1994	Tugboat
32. M/Tug Fortis II**	FTC	1990	Tugboat
33. M/Tug Fortis III	FTC	1972	Tugboat
34. M/Tug Fortis V	FTC	1984	Tugboat
35. M/Tug Fortis VI	FTC	1989	Tugboat
36. M/Tug Fortis VII	FTC	1984	Tugboat
37. M/Tug Fortis VIII	FTC	1984	Tugboat
38. M/Tug Fortis IX**	FTC	2009	Tugboat
39. M/Tug Fortis X	FTC	1988	Tugboat
40. M/Tug Fortis XI****	FTC	1988	Tugboat
41. M/Tug Fortis XII	FTC	1988	Tugboat
42. M/Tug Fortis XV	FTC	1987	Tugboat
43. M/Tug Samal	DGMSI	1974	Tugboat
44. M/Tug Pindasan	DGMSI	1981	Tugboat
45. M/Tug Sigaboy	DGMSI	1971	Tugboat
46. M/Tug Orishima****	FTC	1988	Oil Pollution Tugboat
47. M/Tug DavTug XI****	DGMSI		Tugboat
48. MV Starlite Pacific	SFI	1983	Passenger and Cargo Ship
49. MV Starlite Annapolis**	SFI	1982	Passenger and Cargo Ship
50. MV Starlite Jupiter	SFI	1989	Passenger and Cargo Ship
51. MV Starlite Pioneer	SFI	2015	Passenger and Cargo Ship
52. MV Starlite Tamaraw**	SFI	1981	Cargo Ship
53. MV Starlite Eagle	SFI	2016	Passenger and Cargo Ship
54. MV Starlite Reliance	SFI	2015	Passenger and Cargo Ship
55. MV Starlite Saturn	SFI	2016	Passenger and Cargo Ship
56. MV Starlite Archer	SFI	2017	Passenger and Cargo Ship
57. MV Starlite Venus	SFI	2021	Passenger and Cargo Ship
58. MV Starlite Sprint 1	SFI	2019	Fastcraft

59. MV SWM Salve Regina	SGFI	2018	Passenger and Cargo Ship
60. MV Stella Maris	SGFI	2019	Passenger and Cargo Ship
61. MV Trans-Asia 20 (Starlite Phoenix)	SGFI	2019	Passenger and Cargo Ship
62. MV SWM Stella del Mar	SPFI	2018	Passenger and Cargo Ship
63. St. Uriel**	Supercat	1992	Fastcraft
64. St. Sealthiel	Supercat	2000	Fastcraft
65. St. Jhudiel**	Supercat	1996	Fastcraft
66. St. Braquel	Supercat	1996	Fastcraft
67. St. Emmanuel**	Supercat	1998	Fastcraft
68. St. Camael	Supercat	2017	Fastcraft
69. St. Sariel	Supercat	2017	Fastcraft
70. St. Micah**	Supercat	1990	Fastcraft

* Damaged / Retired

*** For conversion to Water barge

** On Drydock as of December 31, 2023

**** Not operational

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

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

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

Secured Term Loans

Secured Bank Loans

	Security	Terms	Interest Rates	Outstanding Balance	
				September 30, 2023	December 31, 2022
Landbank of the Philippines	MT Chelsea Intrepid MT BMI Patricia	90 days	9.00%	P 1,331,243,933	P 1,336,460,600
Primary Institutional Lenders	Assignment of receivables	30 to 180 days	4.25% to 7.50%	859,795,471	1,422,956,791
PBB	Unsecured	180 days	9.00%	525,000,000	665,000,000
CBC	Trans-Asia 2, Trans-Asia 3, Trans-Asia 5, Trans-Asia 12, Trans-Asia 15	60 days	6.00%	500,000,000	500,000,000
Pentacapital	Assignment of receivables	360 days	6.00%	210,166,247	210,970,653
UB	Continuing suretyship	360 days	4.50%	-	198,000,000
				P 3,426,205,652	P 4,333,388,044

Item 4. Legal Proceedings

In the course of the Group's business, it has been involved in legal proceedings both as plaintiff and

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

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

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

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

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

Michael, Inc. filed its Formal Offer of Exhibits on March 16, 2000. PKI presented its VP For Finance and Administration on December 14, 2022. Pursuant to the Order dated June 19, 2023, Michael, Inc. filed its Memorandum in a draft Decision format. The case is now submitted for decision of the court.

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

This Complaint, which was filed on March 23, 2016, seeks to recover from defendants the sum of ₱11,613,082.78, which represents payment for the tugboat services rendered by the plaintiff to the defendants from the period November 2013 to October 2015. The plaintiff has a prayer for the issuance of a Writ of Preliminary Attachment against the properties of the defendants on the ground that the latter are guilty of fraud in issuing checks to the plaintiff in payment of their obligations and thereafter issuing a stop payment order on the said checks. Plaintiff also prayed for the grant of Exemplary Damages in the amount of ₱100,000 and Attorney's Fees in the same amount.

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

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

The original Complaint was filed by 79 plaintiffs on April 11, 2000. Plaintiffs were the passenger-survivors and heirs of the casualties of the sinking of MV Asia South Korea which sank off the vicinity of Bantayan Island en route to Iloilo on December 23, 1999. Their total claim for damages is in the

amount of ₱380,000,000.00. An Amended and Second Amended Complaint were filed in April and August 2000 respectively. Defendant Trans-Asia Shipping's main defense is that the cause of the accident was force majeure as the vessel was seaworthy and properly manned at the time of accident.

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

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

Two (2) Complainants, Kenneth Sherwin Chu and Raquel Cometa, signed a Compromise Agreement and accepted the settlement amount of ₱170,775.00 each. Defendant Trans-Asia is currently working for the settlement of the last remaining Complainant, with a probable settlement in the amount of not more than ₱200,000.00. To date, no Compromise Agreement has been reached yet with the last remaining Complainant.

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

This Complaint was filed by 5 plaintiffs on October 2009 arising from the sinking of MV Asia South Korea. A Compromise Agreement dated June 18, 2013 was entered into by four of the plaintiffs pursuant to which said plaintiffs agreed to withdraw their claims against Trans-Asia Shipping in return for the payment by defendant of the amount of ₱75,000.00 each to said plaintiffs. Plaintiff Nelly A. Gangoso pursued this case against Trans-Asia Shipping. Plaintiff Nelly Gangoso and defendant Trans-Asia have completed the presentation of their respective documentary and testimonial evidence. Plaintiff has filed her Memorandum, and defendant was supposed to file its Memorandum on April 28, 2017. On May 28, 2017, a Decision was issued by the trial court, awarding a total of ₱1,050,000 in favor of the plaintiff. Trans-Asia filed its Motion for Reconsideration of the said Decision and when the same was denied, Trans-Asia filed its Appeal which is now pending resolution by the Court of Appeals.

In December 2019, in accordance with the directive of the Court of Appeals, Defendant Trans-Asia filed its Appellant's Brief.

On March 9, 2022, Trans-Asia received the Decision of the Court Of Appeals affirming the Decision of the Regional Trial Court (RTC) Branch 23, Cebu City. On March 24, 2022, Trans-Asia filed a Motion for Reconsideration, and on December 7, 2022, it received the Resolution of the Court of Appeals denying its Motion for Reconsideration. On December 19, 2022, Trans-Asia filed with the Supreme Court a Motion for Single Extension to file a Petition for Review on Certiorari under Rule 45 of the Rules of Court. On January 20, 2023, Trans-Asia filed with the Supreme Court a Verified Petition for Review on

Certiorari. While the case is pending in the Supreme Court, Trans-Asia informed the Complainant that Trans-Asia is willing to settle based on the judgment of the lower court in the amount of PhP1,050,000. However, the Complainant who expected a higher computation, opted to wait for the decision of the Supreme Court. On November 20, 2023, the Supreme Court denied Trans-Asia’s Petition For Review on Certiorari and sustained the award of the lower court in the amount of PhP1,050,000, which Trans-Asia will pay.

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

This Complaint was filed by Trans-Asia in September 2012 to collect the insurance proceeds arising from the sinking of MV Asia Malaysia, which proceeds are in the approximate amount of ₱120,000,000. Said Complaint was filed when defendant Philippine Fire only offered to pay the amount of ₱50,000,000. Defendant Philippine Fire filed its Motion to Dismiss the complaint on the ground of lack of jurisdiction and insufficient docket fees paid. When said Motion to Dismiss was denied, defendant Philippine Fire filed a Petition for Certiorari with the Court of Appeals in December 2014. Said Petition for Certiorari was dismissed by the Court of Appeals on June 28, 2016. On March 30, 2017, the regional trial court issued an Order setting the case for pre-trial on June 9, 2017. At the 9 June hearing, the case was remanded to the Executive Judge for transfer to Branch 11, which is the only commercial court in Cebu City. At Branch 11, Philippine Fire filed a Motion to Suspend Proceedings attaching the Notice of Stay Order issued by the Insurance Commission. Trans-Asia filed its Opposition to Philippine Fire’s Motion to Suspend Proceedings. The Regional Trial Court (Branch XI) of Cebu City, issued an Order on 14 July 2022 suspending the proceedings until the Stay Order is lifted or the case before the Insurance Commission is terminated.

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

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

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

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

The Company’s common shares are traded at the Philippine Stock Exchange (“PSE”) beginning August 8, 2017. The high and low sale prices of each quarterly period for year 2023 are as follows:

Period	2023		2022		2021		2020		2019		2018	
	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low
1Q	1.17	1.13	1.61	1.56	3.28	3.17	5.89	1.91	7.2	5.59	9.79	7.00
2Q	1.05	1.03	1.39	1.32	3.14	3.08	4.29	2.49	8.74	5.08	8.56	6.45
3Q	1.26	1.23	1.36	1.25	2.22	2.13	4.65	4.01	9.36	6.22	7.76	5.43
4Q	1.50	1.46	1.2	1.15	1.67	1.6	5.39	5.1	7.18	4.73	9.77	4.4

As of February 6, 2024, the market capitalization of the Company, based on the closing price of ₱1.47 per share, was approximately ₱3.3 billion.

Item 2. Holders

The following are the top registered holders of the Company’s securities based on the records as of December 31, 2023:

Name of Stockholders	Number of shares held	% to Total
Udenna Corporation	1,650,384,606	72.551
PCD Nominee Corporation (Filipino)	528,315,567	23.225
Metropolitan Bank & Trust Company Trust Banking Group	68,636,000	3.017
PCD Nominee Corporation (Non-Filipino)	15,877,325	0.698
Metropolitan Bank & Trust Company Trust Banking Group	5,296,000	0.233
Members of Board of Trustees of the Private Education	3,859,000	0.170
Caroline G. Taojo	800,000	0.035
Eggnest Property Corp.	770,000	0.034
Noe B. Taojo	400,000	0.018
Joaquin Chua	100,000	0.004
Elvira M. Cruz or Bernardo A. Cruz	100,000	0.004
Clive C. Kian	50,000	0.002
Rudy B. Manguiat or Mary Aileen C. Manguiat	50,000	0.002
Goldclass, Inc.	35,000	0.002
Jharna P. Chandnani	30,000	0.001
Christopher Vincent J. Kokseng or Mery Jean G. Kokseng	15,000	0.001
Myra P. Villanueva	10,800	0.000
Carlos Catangue Chua	9,300	0.000
Rijohn R. Opon	9,300	0.000
Milagros P. Villanueva	7,300	0.000
Myrna P. Villanueva	7,300	0.000
Marietta V. Cabreza	5,000	0.000
Percival Cirilo Samodio Flores	1,000	0.000
Alexander S. Timbol	100	0.000
Owen Nathaniel S. Au ITF: Li Marcos Au	10	0.000
Eduardo A. Bangayan	1	0.000
Miguel Rene A. Dominguez	1	0.000
Jesus S. Guevara II	1	0.000
Gener T. Mendoza	1	0.000
Arthur Kenneth L. Sy	1	0.000
Cherylyn C. Uy	1	0.000
Efren E. Uy	1	0.000
TOTAL	2,274,768,615	100.000%

Item 3. Dividends

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

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

The Company has not declared dividends for the years ended December 31, 2023, 2022, 2021, 2020, 2019 and 2018.

Item 4. Recent sale of securities

On September 20, 2022, the Corporation executed a Subscription and Debt Conversion Agreement with The Members of the Board of Trustees of the Private Education Retirement Annuity Association (PERAA), and on September 5, 2023 the Corporation executed Subscription and Debt Conversion Agreements with Metropolitan Bank & Trust Company – Trust Banking Group (MBTC), as part of the Corporation’s liability management exercise for restructuring of its outstanding loans and obligations. Pursuant to these Subscription Agreements, the total shares of the Corporation issued to PERAA was 3,859,000 while 73,932,000 shares of the Corporation were issued to MBTC. The shares were issued to MBTC on October 5, 2023 and to PERAA on October 12, 2023.

Item 5. Corporate Governance

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

The Manual features the following provisions:

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

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

ANNEX F

May 9, 2023 Annual Stockholders' Meeting

Question 1: I understand that the Chelsea Group has been re-investing the operating cash into the business as part of its recovery program during the pandemic. However, considering the substantial operating expenses of the Group particularly the drydocking expenses of its vessels, what capital-raising strategies will the Company undertake?

Response by President & CEO Chryss Alfonsus V. Damuy: The improvements in the cashflow support the Company's operating requirements not limited to its drydocking costs. This cash inflow is one of the immediate sources of funds as the Group's business continue to improve and recover. However, this will not be enough to fully sustain the recovery and/or company growth. Therefore, the Team is exerting efforts to raise funds which can be from a combination of fresh capital coming from the existing shareholders, new share issuances and/or inviting strategic partners. As the economy and the business continue to improve and/or recover, the Company will be in a position to engage with possible partners, either local or foreign. The new Public Service Act which was passed into law last March 2022, and its IRR which was released by NEDA this year, now excludes Shipping as Public Utility, and therefore exempted from foreign ownership restrictions, which gives the Group more flexibility on the possible strategic partner.

Question 2: The CFO mentioned about the Liability Management Exercise pursuant to which the obligations of the Company were restructured, may we know the status of this exercise and if this is already fully concluded? If not, what is the timeline for full completion and implementation?

Response by Chief Financial Officer Ignacia S. Braga IV: The Liability Management Exercise covered the total amount of ₱ 14.3B in loan obligations of the Group. To date, for 98% of the total amount, the Group has managed to secure positive response from creditors for restructuring. Out of this 98%, 38% has already been restructured, and for the remaining accounts, the terms and conditions have already been agreed upon, subject to the respective Bank's Board of Directors' approval, and then documentation.

Question 3: Are there plans of increasing the Company vessel fleet?

Response by President & CEO Chryss Alfonsus V. Damuy: For now, we are focusing on the activation and deployment of our existing vessels and also on optimizing each vessel's utilization. However, if there will be an opportunity to add a new or newer vessel to the fleet to replace aging vessels, the Company will seriously consider such acquisition. This however would be dependent on whether the Company has the funds for the acquisition and also if economics support it.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CHELSEA LOGISTICS AND INFRASTRUCTURE HOLDINGS CORP.

By:

DENNIS A. UY

Chairman of the Board

CHRYSS ALFONSUS V. DAMUY

President & CEO

IGNACIA S. BRAGA IV

Chief Financial Officer

Signed this ___ day of March 2024